



# **The 2009-2010 Assets & Opportunity Scorecard and Policy Campaign**

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**Georgia Earned Income Tax Credit /**

**Asset-Building Statewide Coalition Meeting**

**Savannah, GA**

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“We cannot rebuild this economy on the same pile of sand. We must build our house upon a rock. We must lay a new foundation for growth and prosperity – a foundation that will move us from an era of borrow and spend to one where we save and invest.”

*– President Barack Obama, April 2009*

# About CFED

- CFED (Corporation for Enterprise Development) has worked for over 30 years to expand economic opportunity by helping people save and invest, own homes, succeed as entrepreneurs, contribute to and benefit from the economy.
- CFED's special expertise is to connect public policy, private markets and community practice to bring effective approaches for building wealth and financial security to scale at the local, state and national levels.

# Why Asset Building Now?

- Focus Americans on long-term savings, investment and economic stability
- Savings and assets provide a “personal safety net” during tough times
- Banks can relend our savings to others for small business loans, mortgages, etc.
- We must not rob future financial security to pay for our immediate financial crisis

# Presentation Overview

About the Scorecard & Policy Campaign

National Overview

Comparative State Analysis

State-Specific Findings

Using the Scorecard

# Assets & Opportunity Scorecard



- Most comprehensive tool measuring ownership and financial security at state level
- Provides assessment of how well states support efforts of residents to build and protect their assets
- Focus on assets is essential for lower-income Americans to enter the economic mainstream and build wealth

# Assets & Opportunity Scorecard

- Covers performance and policy priorities in five Issue Areas
  1. Financial Assets & Income
  2. Businesses & Jobs
  3. Housing & Homeownership
  4. Health Care
  5. Education
- Framework underscores need to integrate asset development, asset protection and social insurance to advance financial security for all Americans
- Brings stakeholders across a diverse set of issues to work together

# Policy Priorities

1. Lifting asset limits in public benefit programs
2. State IDA program support
3. State Earned Income Tax Credit
4. Payday lending protections
5. State microenterprise support
6. Predatory mortgage lending protections
7. Housing trust fund
8. First-time homebuyer assistance
9. Access to health insurance
10. Early childhood education
11. Access to quality K-12 education
12. College savings incentives



# Assets Across America

Even before the recession, overall increases in net worth obscured the rising financial insecurity many were facing.

- Household net worth rose to \$88,803, but median net worth *fell* for the 40% of households earning less than \$37,000
- 12.3% of Americans have incomes below the poverty threshold
- 22.5% of Americans live in asset poverty; rate for households with children is 27.2%
- For every dollar held by a household in the top 20% of income, households in the bottom 20% had 2 cents

# Assets Across America

Pervasive financial insecurity persists:

- More than 22% of jobs are in occupations that pay a median wage lower than the poverty threshold for a family of four
- Credit card debt rose 64% between 2006 and 2008-
- Student debt for college grads averaged more than \$20,000

# Assets Across America

Significant and enduring racial disparities exist in asset ownership. People of color are:

- Twice as likely to be asset poor (37.2% vs. 16.4%)
- Three times as likely to have a high-cost mortgage loan
- Much less likely to own a home or have a college degree
  - 71.5% of white Americans own their homes, versus only 48% of Americans of color
  - One in three white Americans have a four-year college degree, compared to one in five Americans of color

# Assessing States

## Outcome Grades

- Relative assessment based on ranked outcome measures
- Distributed on a curve (see right)






## Policy Ratings

- Based on assessment against fixed criteria for what constitutes strong policy

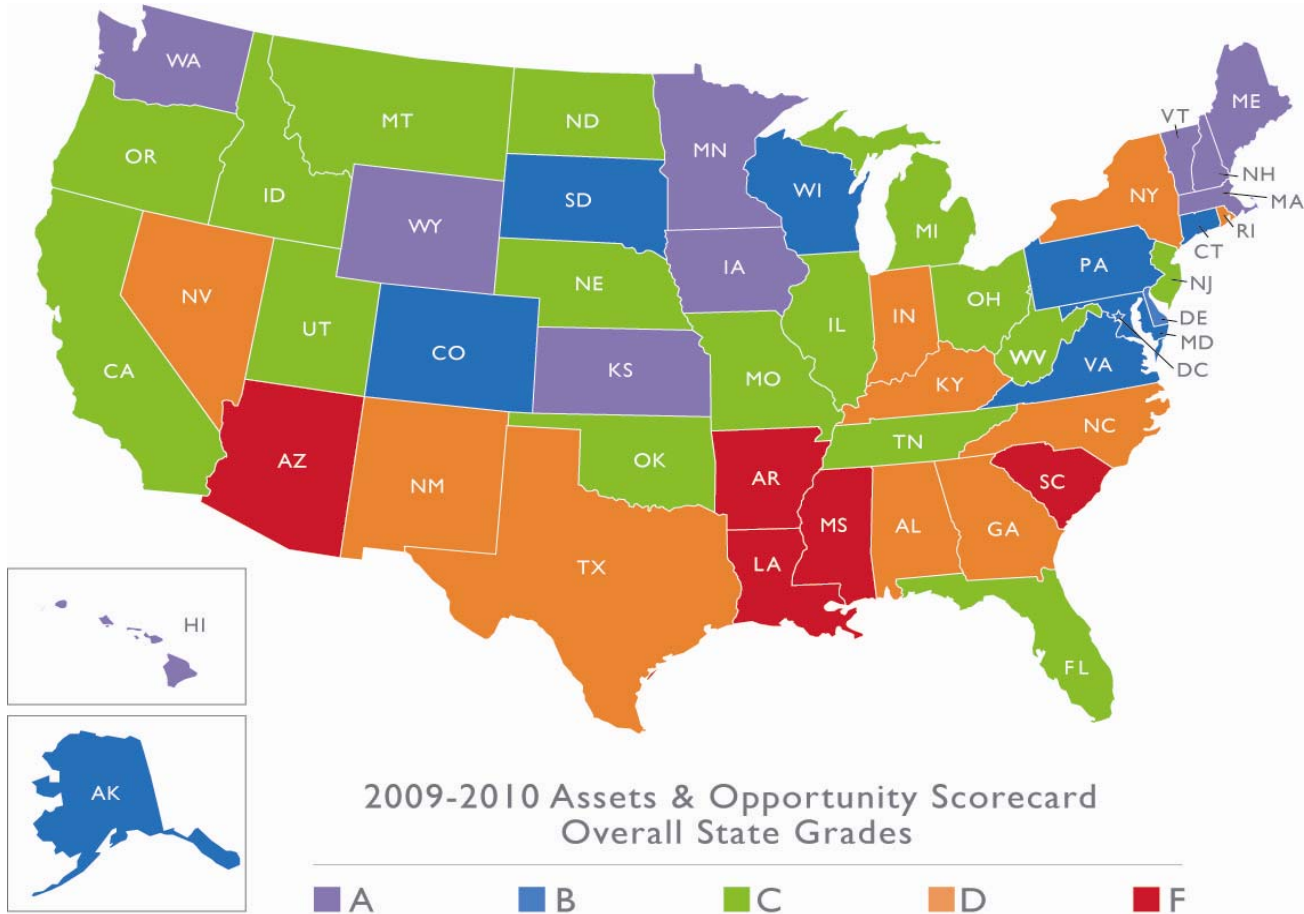
## Grade Distribution

| Grade | Rank  |
|-------|-------|
| A     | 1-10  |
| B     | 11-20 |
| C     | 21-36 |
| D     | 37-46 |
| F     | 47-51 |

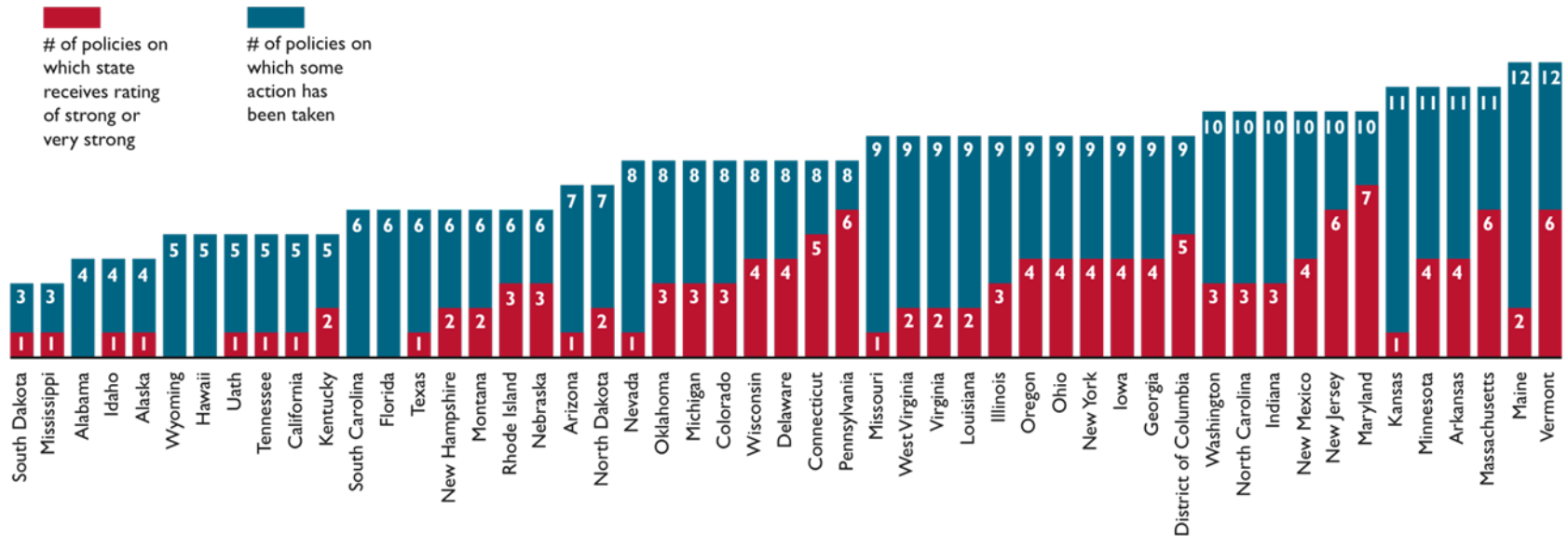
## Policy Ratings

|   |                   |
|---|-------------------|
|    | All criteria met  |
|   | Most criteria met |
|  | Some criteria met |
|  | Few criteria met  |
|  | No criteria met   |

# State Grades



# Number of Policy Priorities Acted on by States



# Georgia's State Profile








| Index                     | Grade |
|---------------------------|-------|
| Financial Assets & Income | D     |
| Businesses & Jobs         | B     |
| Housing & Homeownership   | D     |
| Health Care               | F     |
| Education                 | C     |

# Critical Outcomes

| Measure                          | Georgia  | Rank | Nat'l    |
|----------------------------------|----------|------|----------|
| Net Worth                        | \$66,700 | 30   | \$88,803 |
| Net Worth by Race                | 3.8      | 3    | 6.1      |
| Net Worth by Income              | 7.7      | 2    | 44.9     |
| Asset Poverty Rate               | 24.2%    | 35   | 22.5%    |
| Asset Poverty by Race            | 1.8      | 5    | 2.3      |
| Asset Poverty by Gender          | 1.3      | 10   | 1.2      |
| Homeownership Rate               | 65.8%    | 31   | 64.2%    |
| High-Cost Mortgage Loans         | 18.5%    | 37   | 17.5%    |
| Mortgage Debt as % of Home Value | 100.6%   | 49   | 76.9%    |
| Average Annual Pay               | \$45,145 | 5    | \$44,458 |
| Low-Wage Jobs                    | 29.3%    | 40   | 22.2%    |



# Policy Strengths & Opportunities

| Policy Priority                                 | Georgia   |
|---|---|
| State IDA Program Support                       |  |
| State Earned Income Tax Credit                  |  |
| Lifting Asset Limits in Public Benefit Programs |  |
| First-Time Homebuyer Assistance                 |  |
| Predatory Mortgage Lending Protections          |  |

# Scorecard Campaign & Resources

**2009-2010 ASSETS & OPPORTUNITY SCORECARD**

Home | Policy Campaign | Newsroom | Resources & Publications | About

To view data, start by selecting a state or issue area.

**Issue Areas**

- Financial Assets & Income
- Businesses & Jobs
- Housing & Homeownership
- Health Care
- Education
- Community Investment & Accountability Policies

2009-2010 Assets & Opportunity Scorecard Overall State Grades

■ A ■ B ■ C ■ D ■ F

The Assets & Opportunity Scorecard is a comprehensive look at wealth, poverty and the financial security of families in the United States. The Scorecard assesses the 50 states and the District of Columbia on how well residents are faring and what states can do to help residents building and protect assets. For more information on the research and methodology, [click here](#).

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<http://scorecard.cfed.org>

# Assets & Opportunity Campaign

## Campaign Goal: Improve State Policy

- Educate policymakers, public and media
- Build capacity of organizations to frame agendas and advocate effectively for state and federal policies
- Promote engagement on the racial dimension of wealth disparities
- Increase number and diversity of organizations that see asset building as important to their missions

# Join the Scorecard Campaign

HOME

ABOUT

PROGRAMS

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## State Policy Advocacy

# NEWS

Latest news

You are here: [Home](#) / [Policy](#) / [State Policy Advocacy](#)

### Join the Assets & Opportunity Campaign

To stay abreast of the latest state policy and Campaign developments, please sign up below.

Email\*

First Name\*

Last Name\*

ZIP Code\*

Check the boxes beside the topics that interest you:

- All CFED Priorities
- Asset Building for Children
- Events
- Federal Policy
- Innovation
- Manufactured Housing
- Scorecard

# Local Policy Opportunities

## ASSETS & OPPORTUNITY PROFILE: SAVANNAH



Cities have long been thought of as places of opportunity for low-income workers to forge pathways to the middle class. But far too many urban households struggle to gain a foothold in the mainstream economy. In major U.S. cities, one out of every four households owe more than they own, and almost 60% of consumers have subprime credit scores. More than one-third of families do not have enough assets to live for three months at the federal poverty level should they lose their main source of income. Not only does financial insecurity destabilize families, it also jeopardizes the long-term vitality of cities and local economies.

That is why a growing number of local leaders are seeking to expand the vision of what municipal government can and should do to stabilize the financial lives of their low-income residents. These "Financial Empowerment" programs involve a set of approaches designed to help families manage their money and avoid bad debt, create strategies for saving, and access appropriate financial products and services. Financial empowerment programs typically focus on four key areas: improving access to financial services; advancing financial education and coaching; encouraging asset building and protection; and promoting tax time services and benefits.

Savannah has joined with a group of 10 leading cities to form the Cities for Financial Empowerment (CFE) coalition, which is striking a new path towards integrating income enhancement, saving incentives and asset development. These programs, when coupled with enhanced consumer protection policy, are changing the paradigm for poor families in our urban centers.

### ABOUT THE PROFILE

This Assets & Opportunity Profile was created to fuel a local conversation about wealth, poverty and opportunity in Savannah. It contains a data snapshot of the financial security and stability of Savannah residents, and provides an overview of the efforts that the city is supporting to help financially educate, empower and protect residents and enable them to build a more prosperous future.



### KEY HIGHLIGHTS

**41%**  
of Savannah households live  
in asset poverty

**64%**  
of Chatham County residents  
have subprime credit scores

**10%**  
of Savannah households  
are unbanked

**16%**  
of Chatham County mortgages  
are high-cost mortgages loans

**17%**  
of Chatham County residents  
are uninsured

**9%**  
of Savannah households have  
self-employment income

- City-level Assets & Opportunity Profiles
- Fuel local conversations-
- Include details on cities' asset-related activities

# Federal Policy Opportunities

## Current priorities:

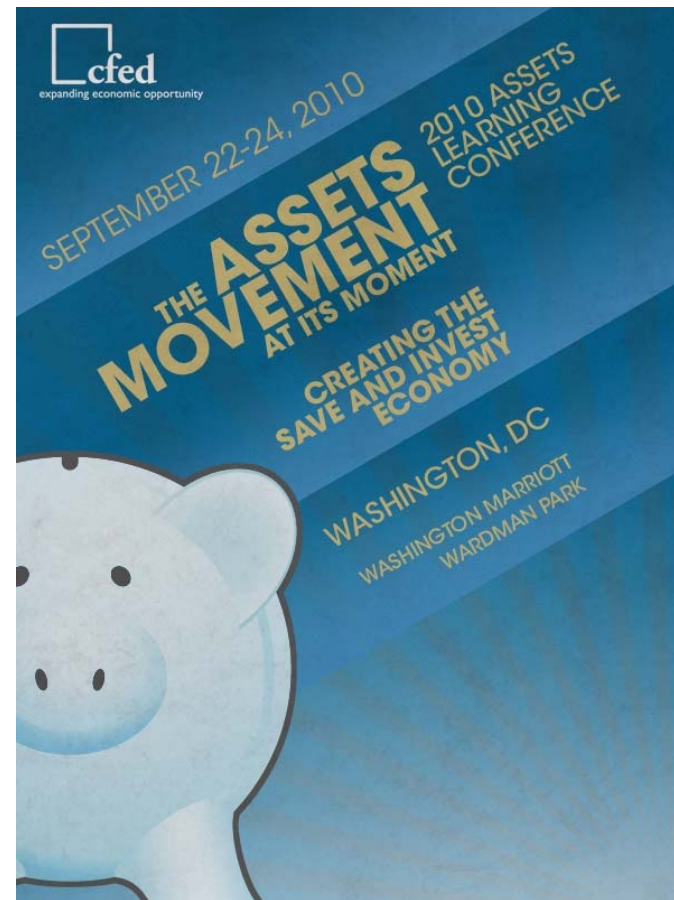
- Assets for Independence Act reauthorization: Largest source of IDA funds nationally. **Seeking Rep. Lewis to champion.**
- SSI Saver's Act (H.R. 4937): Would raise asset limits for Supplemental Security Income (SSI). **Seeking Sens. Isakson and/or Chambliss as original sponsors.**
- Saver's Credit Expansion (H.R. 1961/S. 3090): Only federal incentive for low-income retirement savings; current proposals would expand to 50 million new savers. In addition, H.R. 1351 would extend Saver's Credit to education savings accounts. **Seeking Sens. Isakson and/or Chambliss as original sponsors.**

Visit [www.cfed.org/go/advocacy](http://www.cfed.org/go/advocacy) to join network

# Join us at the Assets Learning Conference!

- Largest convening of asset building stakeholders in the nation
- September 22-24, 2010 in Washington, DC

[www.assetsconference.org](http://www.assetsconference.org)



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