



Asset Building
A Critical Strategy for Reducing Poverty and Creating Opportunity for Families with Young Children

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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

2

Raise your hand if you focus on ...

- Helping young children get ready to succeed educationally
- Ensuring parents have quality child care
- Stabilizing parents' lives—housing, health care, preventing domestic violence, parental involvement
- Helping parents increase their income through education/job training
- Helping families get control of their finances, build a financial cushion, and prepare for the future

3

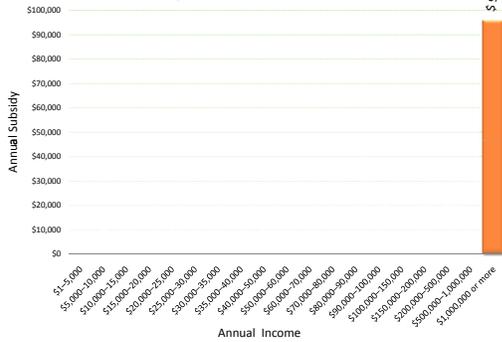
Why focus on building assets?

- Assets matter economically, socially and psychologically
- Income is necessary, but insufficient to create financial stability
- Assets are essential to achieving long-term stability & mobility
 - Assets create a financial buffer to weather emergencies
 - Promote long-term thinking and planning
 - Enhance the well-being and life chances of children
 - Increase the likelihood of going to and succeeding in college
 - Are linked to reduced marital dissolution and domestic violence
- Employers, government policies, financial products, incentives and education determine who accumulates assets

4

Asset distribution & trends: Upside-down subsidies

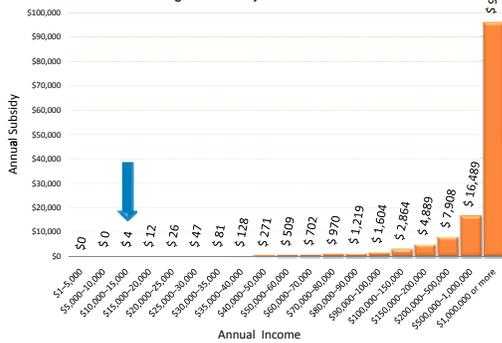
FY2009 Distribution of Asset Building Subsidies, Average Benefit by Income Bracket



Source: CFED, 2010. Upside Down: The \$400 Billion Federal Asset Budget

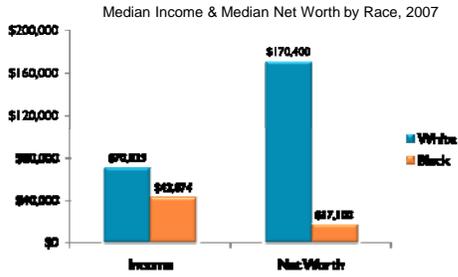
Asset distribution & trends: Upside-down subsidies

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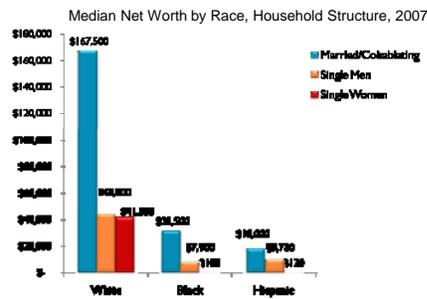
Asset distribution & trends: Racial wealth gap



Sources: American Community Survey (Income); Survey of Consumer Finances (Net Worth)

7

Asset distribution & trends: Family structure wealth gap

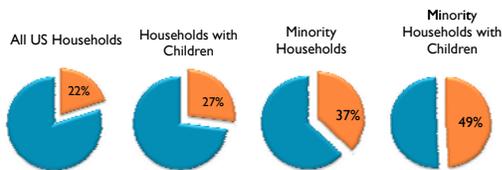


Source: Chang, M. and Liu, M. 2010. *Lifting as We Climb: Women of Color, Wealth and America's Future*

8

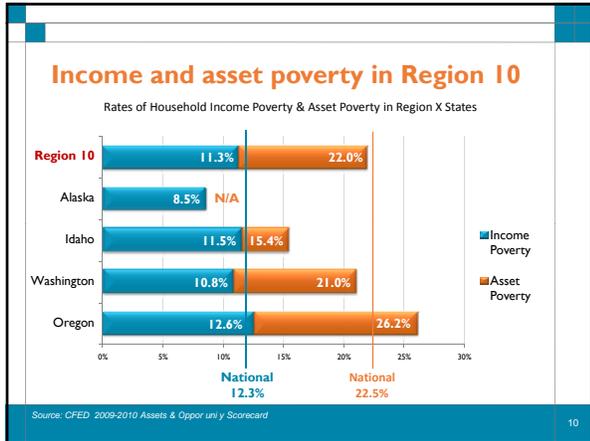
Asset distribution & trends: Asset poverty

- Asset Poverty: Insufficient financial resources to subsist at federal poverty line for 3 months if income interrupted
- Asset poverty affects...



Source: CPED 2009-2010 Assets & Opportunity Scorecard

9



Indicators of Economic Insecurity in Region 10 and National Average

(State Rank in Parentheses)

| Measure | AK | ID | OR | WA | National |
|------------------------------|--------------|--------------|--------------|--------------|----------|
| Income Poverty | 8.5% (5) | 11.5% (24) | 12.6% (30) | 10.8% (17) | 12.3% |
| Asset Poverty | N/A | 15.4% (3) | 26.2% (43) | 21.0% (19) | 22.5% |
| Un/Underbanked Households | 30.0% (40) | 26.3% (32) | 20.4% (13) | 21.2% (17) | 25.6% |
| Median Credit Card Debt | \$4,755 (51) | \$3,146 (39) | \$2,892 (27) | \$3,459 (48) | \$2,960 |
| Uninsured Low-Income Parents | 31.1% (20) | 35.8% (31) | 38.8% (37) | 26.8% (13) | 37.2% |
| Housing Cost Burden Renter | 37.2% (6) | 38.8% (10) | 45.1% (14) | 44.8% (11) | 45.6% |
| Foreclosure Rate (Q2 2010) | 1.40% (2) | 3.68% (35) | 3.27% (27) | 2.58% (17) | 4.57% |
| Low Wage Jobs | 35.2% (46) | 27.3% (37) | 14.8% (10) | 11.8% (5) | 22.2% |
| Four-Year Degree by Income | 5.0 (29) | 5.3 (32) | 3.3 (7) | 3.7 (14) | 4.9 |
| Head Start Coverage | 46.1% (3) | 24.6% (21) | 25.8% (20) | 28.3% (16) | 20.3% |

Source: CFED, 2009-2010 Assets & Opportunity Scorecard

So ... what do families with young children need for financial stability?
