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## **Families in Arizona, South Carolina and Delta States Show Greatest Economic Vulnerability**

*Report shows New England states with greatest security; most states could be doing much more to help households build and protect assets*

**Washington, DC**—Individuals and families in Arizona, South Carolina and the Delta states of Mississippi, Louisiana and Arkansas lag behind the rest of the country in key aspects related to their financial stability, including measures of net worth, homeownership and housing affordability, business ownership, health insurance coverage and academic achievement. These states received an overall grade of “F” on the *2009-2010 Assets & Opportunity Scorecard*, which rates states not only on poverty and job figures, but also on a broad set of categories and measures related to sustained prosperity. The *Scorecard* was released today by the [Corporation for Enterprise Development](http://www.cfed.org) (CFED), a national economic nonprofit.

CFED’s *Assets & Opportunity Scorecard*—online at [scorecard.cfed.org](http://scorecard.cfed.org)—measures the financial security of families in the United States by looking at the whole picture of asset ownership and protecting against financial setbacks. The *Scorecard* ranks the 50 states and the District of Columbia on 58 performance measures in the areas of Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care and Education. In addition, the *Scorecard* also assesses states on the strength of its policies to help individuals and families build financial security.

“As the country recovers from this recession and tries to build a more durable and robust economy, decision makers need to look at a broad picture of where Americans stand, and what policies are in place to address economic vulnerabilities. The *Scorecard* provides that perspective,” said CFED President Andrea Levere. Levere also pointed out that every state has weak areas, and that even the states that received “F” grades perform well in some categories.

Nationally, the *Scorecard* notes that even before the current recession, economic vulnerability was increasing, especially among low- and middle-income families. Among the findings:

- While U.S. households overall registered a 27% increase in net worth between 2004 and 2006, median net worth *fell* during that period for the 40% of U.S. households earning less than \$37,000 a year.
- The number of individuals with employer-provided health insurance fell sharply, to 60.9% from 63.2%, leaving more Americans vulnerable and financially unprepared for health emergencies.
- Between 2006 and 2008, median amount of revolving debt, including credit card debt, rose 64% from \$1,805 to \$2,960.
- While more than one in eight households live below the federal income poverty line, nearly double that amount (22.5%) are asset poor, meaning they have insufficient assets to stay out of poverty for three months in the event of job loss. More than 14% of American households live in extreme asset poverty, meaning they have zero or negative net worth.

- For every dollar in wealth held by white households, African-American households have 10 cents and Latino households have 15 cents.

The national leaders on the *2009-2010 Scorecard*—those states that earned an overall “A” in performance measures—were Hawaii, Iowa, Kansas, Maine, Massachusetts, Minnesota, New Hampshire, Vermont, Washington and Wyoming. Grades and detailed data for all states is available at [scorecard.cfed.org](http://scorecard.cfed.org).

By comparing the states, the *Scorecard* not only highlights the strengths and weaknesses of each state, but it also exposes the wide differences between states on a number of items directly tied to financial prosperity. Some of the findings include:

- More than 22% of jobs in this country are in occupations that pay a median wage that is insufficient to raise the earner’s household above the poverty line. In West Virginia, 38.5% of jobs are low-wage. Washington D.C. has the lowest percentage of low-wage jobs at 7.2%.
- The highest homeownership rate is in Minnesota (nearly 75%) while New York has the lowest homeownership rate at 53%.
- The average home in Kansas costs about twice the median income of a Kansan; in Massachusetts, the average home runs six times the state’s median income.
- 89.6% of employers in Hawaii offer health care benefits to their employees compared with only 40.1% of those in Montana.
- More than 91% of the people in Massachusetts have health insurance while only 72.5% of Texans are insured.

The *Scorecard* includes a detailed look of state-by-state information on 12 policy priorities that can help residents build and protect assets. Information on each of these policies – which range from first-time homebuyer assistance and payday lending protections to college savings incentives and access to health insurance – is available at [scorecard.cfed.org](http://scorecard.cfed.org). While every state has enacted at least a handful of these policies, the *Scorecard’s* assessment of these policies shows there is significant room for improvement.

“These policy priorities are not radical ideas, but things that many states are trying right now,” Levere said. “But when we look at the funding, the scope of their efforts and the enforcement of regulations, we find that in most cases states haven’t been putting a very strong commitment into their efforts.”

As part of its *Scorecard* work, CFED has formed partnerships with advocacy organizations in 25 states to utilize the *Scorecard* to educate policy makers and the public on policies that can help Americans build and protect assets and financial security, and to improve policies at the state level.

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[CFED](http://www.cfed.org) expands economic opportunity by helping Americans and their children build assets, save for the future, start and grow businesses, pursue education and become homeowners. We identify, refine and help realize good ideas and develop partnerships to promote lasting change. We bring together community practice, public policy and private markets in new and effective ways to achieve greater economic impact. Established in 1979 as the Corporation for Enterprise Development, CFED works nationally and internationally through its offices in Washington, DC; Durham, North Carolina; and San Francisco, California.