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News Release

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Illinois Receives "C" for Financial Stability

Unemployment and Housing Issues Make Residents Financially Unstable

WASHINGTON, DC — When it comes to achieving financial stability, Illinois residents face mixed prospects, according to a report released today by the Corporation for Enterprise Development (CFED), a national economic nonprofit. The state earned a "C" on the *2009-2010 Assets & Opportunity Scorecard*, with Illinois excelling in measures of assets and income but falling behind the rest of the country in housing and homeownership.

CFED's *Assets & Opportunity Scorecard*—online at scorecard.cfed.org—measures the financial security of families in the United States by looking beyond just income to the whole picture of building 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.

Illinois earned a "B" in Financial Assets & Income, ranking 2nd in net worth by gender and 3rd in average annual pay, but the state should address its below-average ranking of asset poverty by race (ranking 29th out of 33rd) and its high bankruptcy rate, ranking 39th. At a time when employment and jobs are critical to both the state and national economy, Illinois ranks 42nd in unemployment and 47th in employment growth. And while affordable housing and homeownership are cornerstones of asset building, Illinois is underperforming in this area. To improve its "D" grade the state must address its high foreclosure rate; it currently ranks 44th.

"The *Scorecard* provides a broad picture of how families stand, and what it tells us is that many American households were already very vulnerable economically going into this recession," said CFED President Andrea Levere. "It also shows state by state what is being done to address these vulnerabilities, and while many states are taking some action, in most cases they haven't been putting a very strong commitment into their efforts."

The *Scorecard* also assesses states on the strength of its policies to help families build financial security. The *Scorecard* includes a detailed look of state-by-state information on 12 policy priorities, as well as information on 23 additional policies. Together, these policies provide a comprehensive picture of what states can do to help residents build and protect assets.

The *Scorecard* notes that Illinois' policymakers have significant opportunities to support the financial well-being of their constituents. To address its high housing cost for renters and homeowners, Illinois should provide additional assistance to first-time homeowners, safeguard homebuyers from high cost mortgage products, and encourage the development of affordable rental housing. The state should expand public health care coverage for parents and adults without children, and help defray health insurance costs for small businesses and their employees. In addition, Illinois should strengthen predatory lending and consumer protection statutes. Protections must assure consumers can access small dollar, payday loans at reasonable rates and reduce the number of homebuyers with high-cost mortgage loans aimed at lowering the high foreclosure rate. Of the 12 policy priorities, Illinois currently has taken action on nine of them, with three state policies rated strong or very strong by the *Scorecard*.

"Illinois families and communities are struggling. CFED's *Scorecard* further highlights the need for Illinois to develop policies that help families make ends meet today and build assets for a prosperous future," says Chris Giangreco of the Illinois Asset Building Group, a *Scorecard* State Partner.

Nationally, the *Scorecard* notes that even before the current recession, economic vulnerability was growing, 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* over 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 families vulnerable and financially unprepared for health emergencies.
- The median amount of revolving debt, including credit card debt, rose 64% between 2006 and 2008 from $1,805 to $2,960.
- Slightly more than 12% of households live below the federal income poverty line, but nearly double that amount (22.5%) are asset poor, meaning they have insufficient assets to keep them out of poverty for three months in the event of job loss. Over 14% of American households live in extreme asset poverty, meaning they have zero or negative net worth.

Top performers on the *2009-2010 Scorecard*—those states that earned an overall "A" in performance measures—include Hawaii, Iowa, Kansas, Maine, Massachusetts, Minnesota, New Hampshire, Vermont, Washington and Wyoming.

For more information and to access the *Assets & Opportunity Scorecard*, visit scorecard.cfed.org.

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CFED 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.