Whose Bad Choices?
How Policy Precludes Prosperity and What We Can Do About It

February 6, 2018
Today’s Speakers

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Solana Rice
Director of State & Local Policy
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Kasey Wiedrich
Director of Applied Research

Jeremie Greer
Vice President of Policy & Research
Housekeeping

- The webinar is being **recorded** and will be available online.

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- **Ask a question** or make a comment at any time by typing it into text box of GoToWebinar Control Panel.

- Ask questions and send comments through **Twitter** using 🦅 #ProsperityNowScorecard.

**Trouble dialing in?**
Just listen through your computer with speakers or headphones!
Prosperity Now Scorecard

Andrea Levere
President
@ALevere
The Prosperity Now mission is to ensure everyone in our country has a clear path to financial stability, wealth and prosperity.
53 Policy Measures
62 Outcome Measures
21 Disaggregated by Race
14 for People with Disabilities
is a comprehensive resource featuring data on family financial health and policy recommendations to help put all U.S. households on a path to prosperity.
2018 Scorecard Report

- Poor choices are fueled by state and federal policy barriers
- Economic trends mask the realities of many
- Our times demand a bold response
A conversation

Solana Rice
Director of State & Local Policy
@SolanaRice

Kasey Wiedrich
Director of Applied Research
“I think not having the estate tax recognizes the people that are investing, as opposed to those that are just spending every darn penny they have, whether it’s on booze or women or movies.”

Sen. Chuck Grassley (R-IA)
“Americans have choices. And they’ve got to make a choice. So maybe, rather than getting that new iPhone that they just love and they want to go spend hundreds of dollars on, maybe they should invest that in health care. They’ve got to make those decisions themselves.”

Rep. Jason Chaffetz (R-UT)
People Don’t Save Because They Don’t Want To

People are Poor Because They Don’t Have a Job

It’s Easy to Use Credit Correctly and Pay Off Debt

Those With Poor Health Should Simply Take Better Care of Themselves
It's Easy to Use Credit Correctly and Pay Off Debt

People Don't Save Because They Don't Want To

Let People Save

People Are Poor Because They Don't Have a Job

Having Work That Doesn't Pay

Borrowing to Get By

High Cost of Poor Health

Those With Poor Health Should Simply Take Better Care of Themselves
Having Work that Doesn’t Pay

![Graph showing Unemployment and Underemployment rates from 2006 to 2017. The graph indicates that both rates have decreased over the years, with Underemployment being consistently higher than Unemployment.](#)
Having Work that Doesn’t Pay

![Graph showing the percentage of unemployment and underemployment from 2006 to 2017.](#)

- **Unemployment**
- **Underemployment**

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Jobs Don’t Cover Cost of Living
States with 1 in 3 or more Low-Wage Jobs

- DC
- RI
- WA
- OR
- CA
- ID
- NV
- MT
- WY
- UT
- AZ
- CO
- NM
- AK
- HI
- TX
- OK
- KS
- NE
- SD
- ND
- MN
- IA
- WI
- MI
- OH
- IL
- IN
- OH
- KY
- TN
- NC
- SC
- GA
- FL
- AL
- MS
- LA
- AR
- WV
- @ProsperityNow

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40% of those experiencing volatility struggled to pay their bills at least once because of the ups and downs in their incomes.

- Federal Reserve Board, Survey of Household Economic Decisionmaking
Wealth Isn’t Evenly Distributed

FAMILIES EARNING $18,420-$37,200

<table>
<thead>
<tr>
<th>NET WORTH</th>
<th>WHITE</th>
<th>BLACK</th>
<th>HISPANIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>$437</td>
<td>$350</td>
<td>$39,700</td>
<td></td>
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</table>

White Households have roughly the same wealth as households of color earning 3X as much income.

FAMILIES EARNING $61,369-$104,508

<table>
<thead>
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<th>NET WORTH</th>
<th>WHITE</th>
<th>BLACK</th>
<th>HISPANIC</th>
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</thead>
<tbody>
<tr>
<td>$159,570</td>
<td>$49,500</td>
<td>$45,720</td>
<td>$47,030</td>
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</table>
16 states and DC have a minimum wage that will be at least $15 an hour by 2023.

State pre-emption of cities’ minimum wage laws remains an issue in 25 states including most recently Iowa and Ohio.
11 states and D.C. require employers to offer paid medical, family or sick leave

[Map showing states requiring paid medical, family or sick leave, with states highlighted in orange: CA, AZ, WA, OR, NY, VT, MA, RI, CT, NJ, DC, and HI]
Boosting Income with EITC

Refundable at 15%

State EITC

WA OR CA ID NV MT WY UT AZ CO NM AK HI TX OK KS NE SD ND MN IA MO AR LA MS AL GA FL SC NC TN KY IL IN OH MI WI PA WV VA NY ME DC RI CT NJ MD DE NJ VT NH
People Will Save if We Let Them
Measures of Savings

SAVINGS BEHAVIOR

Have Households **Saved for Emergencies** or Unexpected Expenses in the Past Year?

SAVINGS BALANCES

Do Households **Have Enough Savings** to Replace Income at the Poverty Level for Three Months?
Inability to Save

56% of American households set aside savings last year.

Source: FDIC, 2015
Few Have Savings Cushion

NEARLY 4 IN 10 HOUSEHOLDS

ARE LIQUID ASSET POOR IN THE US

THEY DON’T HAVE ENOUGH SAVED TO PAY THEMSELVES A POVERTY LEVEL INCOME FOR THREE MONTHS IN THE EVENT OF AN EMERGENCY. (THIS LIQUID ASSET POVERTY LEVEL IS ESTIMATED AT $6,150 FOR A FAMILY OF FOUR).

Source: Survey of Income and Program Participation
Liquid Asset Poverty by Income & Disability Status

OVERALL RATE

36.8% 71.9%

HOUSEHOLDS EARNING BELOW $20,268
Liquid Asset Poverty by Race and Ethnicity

- WHITE: 28.8%
- ASIAN: 30.5%
- HOUSEHOLDS OF COLOR: 50.5%
- LATINO: 60.7%
- BLACK: 56.7%
Tax Benefits of the Tax Cuts and Jobs Act

**THE RICHEST 0.1%**
- Earning at least $3.4M
- -$193,380 tax cut

**THE RICHEST 1%**
- Earning at least $732,800
- -$51,140 tax cut

**MIDDLE CLASS**
- Earning $48,600 to $86,100
- -$930 tax cut

**POOREST 1/5 OF AMERICANS**
- Earning $25,000 or less
- -$60 tax cut


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Cuts to Assets For Independence that supported $57 million of asset purchases
77% of low-wage workers lack access to an employer-provided retirement plan
5 states are establishing an auto-enrollment retirement account program

- CA
- OR
- WA
- NV
- ID
Asset Limits are savings penalties for those that would otherwise qualify for public benefits.
8 states eliminated asset limits for TANF
Credit and Debt are Powerful Tools that are Critical to Nearly Every Household’s Financial Stability
Percent of Borrowers with Type of Debt

Credit Card Debt: 74.6%
Auto Debt: 43.5%
Mortgage Debt: 34.9%

Student Loan Debt: 22.2%
Home Equity Line of Credit Debt: 6.3%

Source: NY Fed Consumer Credit Panel/Equifax
$1,000 in median debt is correlated to a 3.21% higher homeownership rate and $595 in median net worth
Access to Credit to Take on Debt

A single percentage-point increase is correlated with a $5,226 increase in median debt.

Source: NY Fed Consumer Credit Panel/Equifax
Access to Credit to Take on Debt

A single percentage-point increase is correlated with a $5,226 increase in median debt.

Source: NY Fed Consumer Credit Panel/Equifax
14.7% of borrowers are severely delinquent
1 in 4 borrowers has an account in collections
1 in 3 or more borrowers has an account in collections.
We have to help make debt safe and affordable for all families
States that Prohibit or Restrict Payday Lending

- Prohibited
- Restricted
Median Student Loan Debt Has Increased 21% Since 2010

Source: NY Fed Consumer Credit Panel/Equifax
Severely Delinquent Borrowers

- Credit Card Debt: 8.4%
- Auto Debt: 7.1%
- Mortgage Debt: 1.6%
- Student Loan Debt: 15.8%
- Total Debt: 14.7%

Source: NY Fed Consumer Credit Panel/Equifax
Having a College Education is Not Enough to Guarantee Many Black and Latino Families Middle-Class Wealth
28 States Target Financial Aid to Low- and Moderate-Income Students

[Map showing the states with financial aid for low- and moderate-income students]
19 States Offer In-State Tuition Regardless of Immigration Status

[Map showing 19 states with in-state tuition benefits for undocumented immigrants, including WA, OR, CA, ID, NV, WY, UT, AZ, CO, NM, AK, HI, TX, OK, NE, KS, IL, MN, and DC.]
Uninsured Rate Hit Historic Low in 2016

Source: American Community Survey
Reversing Trends

CBO estimates

9 Million People

will lose coverage in next decade

Adults reporting poor or fair health status increased in

32 States
Kentucky, Indiana and 8 states have taken actions to institute Medicaid work requirements.

Maine voters elected to expand Medicaid.
Questions?

Ask a question or make a comment by typing it into the text box of GoToWebinar Control Panel.

🐦 #ProsperityNowScorecard
Jeremie Greer
Vice President of Policy & Research
TAKE ACTION WITH PROSPERITY NOW CAMPAIGNS!

Sign up to stay informed about the latest developments and opportunities to take action by joining one of our four federal policy campaigns.

HOMEOWNERSHIP
Homeownership is key to building wealth. Together, we will advocate for products and policies that provide more affordable homes to more people.

CONSUMER PROTECTIONS
Consumer protections create fairer, more transparent financial markets. Together, we will ensure consumers keep the safeguards they deserve.

SAFETY NET
Safety net programs help protect vulnerable individuals and families from falling deep into poverty. Together, we will protect programs like SNAP, IDAs and more to help those in need when they need it most.

TURN IT RIGHT-SIDE UP
The vast majority of tax incentives go to those at the top, not to those who need it most. Together, we will turn our upside-down tax code right-side up.

ProsperityNow.org/advocate
Questions?

Ask a question or make a comment by typing it into text box of GoToWebinar Control Panel.

#ProsperityNowScorecard
Scorecard.ProsperityNow.org: new data & new features!

Four-Year Degree by Race in Texas

Disconnected Youth in Maryland

- People w/ Disability: 25.1%
- People w/o Disability: 10.2%

Source: American Community Survey, 2016
New Comparison Reports

### COMPARE POLICIES

**How Does Alabama Compare?**

The Scorecard includes 53 policies organized into 36 groups. This report compares policy adoption across states. A ✓ indicates the state has adopted the policy; an X indicates the state has not. Policy adoption is assessed on policies enacted during calendar year 2017.

#### FINANCIAL ASSETS & INCOME

<table>
<thead>
<tr>
<th>Asset Limits in Public Benefit Programs</th>
<th>AL</th>
<th>FL</th>
<th>CA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminated TANF asset test?</td>
<td>✓</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>Eliminated SNAP asset test?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Eliminated LIHEAP asset test?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tbody>
</table>

#### HOMEOWNERSHIP & HOUSING

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<tr>
<th>First-Time Homebuyer Assistance</th>
<th>AL</th>
<th>FL</th>
<th>CA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downpayment assistance to first-time homebuyers?</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Direct lending programs to first-time homebuyers?</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Funded homeownership counseling?</td>
<td>X</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

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### COMPARE OUTCOMES

**How Does Minnesota Compare**

The Scorecard is a comprehensive portrait of the financial health and well-being of U.S. households, and equips advocates, policymakers, practitioners, and other stakeholders with the tools and data necessary to support their programmatic and policy initiatives. This report compares the relative outcome performance of up to six locations to that of the United States.

#### FINANCIAL ASSETS & INCOME

<table>
<thead>
<tr>
<th>Emergency Savings</th>
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<tbody>
<tr>
<td>64.9% of Minnesota households save for emergencies</td>
</tr>
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<table>
<thead>
<tr>
<th>State</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota</td>
<td>64.9%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>63.2%</td>
</tr>
<tr>
<td>Iowa</td>
<td>61.4%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>62.6%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>67.1%</td>
</tr>
</tbody>
</table>

#### Severely Delinquent Borrowers

| 9.2% of Minnesota borrowers have at least one account that is 90 days or more past due |

<table>
<thead>
<tr>
<th>State</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minnesota</td>
<td>9.2%</td>
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<tr>
<td>Wisconsin</td>
<td>9.6%</td>
</tr>
<tr>
<td>Iowa</td>
<td>9.6%</td>
</tr>
<tr>
<td>South Dakota</td>
<td>10.9%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>5.3%</td>
</tr>
</tbody>
</table>
Local Data for Cities, Counties and Metro Areas will be updated in 2018

Look for the Announcement!
Continue the Conversation
#ProsperityNowScorecard
Regional Listening Sessions

February 12
2pm EST

February 13
2:30pm EST

February 15
12pm MST

February 21
11:30am PST

February 22
1:30pm CST

February 26
1:30pm CST/2:30pm EST

February 27
12pm MST/1pm CST

March 2
1pm CST/2pm EST

February 16
2pm CST/3pm EST

Alaska & Hawaii, email: dduratinsky@prosperitynow.org
Upcoming Events

Getting Real About Racial Wealth Inequities: Reflections & Next Steps

February 9, 2018
11 AM PT / 2 PM ET • Live Online

Stay tuned for in-depth conversations on Scorecard topics this spring!
Join us September 5-7 for the Prosperity Summit
Action Steps

✓ Visit scorecard.prosperitynow.org

✓ Sign up for a campaign

✓ Visit our events page

✓ Contact us for a Scorecard webinar or presentation

Scorecard@prosperitynow.org
Thank you!