September 20, 2017

Dear supporter,

Over the past year, the spirit of this country has been put to the test. We have been challenged by political divisions, home-grown terrorism, natural disasters and public policies both proposed and enacted that seem designed to undermine the well-being of many families living in the US.

These challenges are especially troubling given that the breadth of evidence that household financial health is on shaky ground. Last month, we released our 2017 Prosperity Now Scorecard, a data and advocacy tool that measures prosperity across the United States. As you can see in the main findings report (attached), the Scorecard assesses all 50 states and the District of Columbia on 113 outcome and policy measures in five issue areas, gauging how residents are faring and what states can do to help individuals and families achieve lasting financial wellness.

The 2017 Scorecard tells a sobering story: that despite some progress, too many of us still struggle to get by—much less get ahead—financially. Thirty-seven percent of all U.S. households are living in liquid asset poverty, meaning they lack sufficient savings (approximately $6,000 for a family of four) to cover three months of expenses in the event of a medical emergency, job loss or other loss of income. In communities of color, that number sky rockets to 60%. This lack of savings cushion makes it nearly impossible for families to manage their balance sheets, let alone plan for life’s milestones—homeownership, college, retirement and the like other goals. This financial insecurity leaves both current and future generations vulnerable to long-term insecurity while also limiting economic growth.

Additional key findings include:

- Employment is increasingly failing to provide families with a reliable and steady stream of income. Jarring ups and downs caused by income volatility leaves many working families devastated by financial setbacks in March that might not have been more than a minor hiccup in September.
- Indicators of wealth and homeownership have not improved nationally, and disparities by race are significant and continue to grow.
- The lingering effects of generations of discriminatory wealth-stripping practices and policies are evident in the outcomes for households of color across all five of the Scorecard’s issue areas.

Although these findings are sobering, you must not lose hope. We haven’t.

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Part of our decision to change our name from CFED to Prosperity Now stemmed from our belief that increasing economic mobility and creating a more equitable economy requires all of us to work together. Our new brand underscores the importance of our community and our collective efforts to advocate for program and policy change that helps those who need it most.

The Prosperity Now Scorecard advances this goal. The Scorecard offers data and analysis about the current state of households’ financial well-being, and goes a step beyond by offering a forward-looking set of state-level policy solutions that have the potential to put prosperity within reach for millions more low- and moderate-income families.

We pair tools like the Scorecard with the strength of our networks (more than 24,000 members across the country led by 65 Community Champions) to mobilize advocates and support communities to advance their own interests through a groundswell of support for policies that help families get by and get ahead.

Even in times like these, Prosperity Now has partnered with members of our community to achieve a number of victories worth celebrating:

In June, we learned that the latest House appropriations bill cut funding for the Volunteer Income Tax Assistance (VITA) program by 50%. In 2017, the VITA program helped 1.4 million low-income taxpayers—single parents, people with disabilities and non-native English speakers and more—file their tax returns for free. VITA saved these workers an average of $273 in tax preparation fees and connected them with important financial capability tools like the Earned Income Tax Credit, putting more of these taxpayers’ hard-earned cash back in their pockets. Furthermore, VITA sites are often the link to other health- and wealth-boosting services, like assistance with buying a home and connections to community partners.

The power of VITA is why Rebecca Thompson, Project Director for the Taxpayer Opportunity Network, leapt into action when she heard that Congress was threatening to slash VITA funding by half. “All I could think about was the people,” Rebecca said. “I’ve been a VITA grantee. I know where the money goes. It covers salaries, marketing, equipment and so much more. We serve low- to moderate-income households—people who should never have to pay for their taxes to be filed or prepared. They’re people with one or two good jobs, families with young children, blue-collar workers [...]. I think one thing we don’t talk about enough is peace of mind. VITA saves [these taxpayers] money, but perhaps even more valuable, it provides a sense of security and financial empowerment. They don’t have to worry about their refunds or getting a letter from
IRS saying that they’re in trouble. With this peace of mind, they can focus on savings and planning for the future.”

Immediately, our team began organizing. We knew we would have to pressure every member of the appropriations subcommittee to ensure VITA funding remained intact.

Within a week, we had mobilized our networks and advocates sprung to action, making phone calls to their representatives. We sent action alerts to the 1,700+ members of the Taxpayer Opportunity Network, along with other allies. Our Communications team led social media efforts to spread the word, streaming timely discussions on Facebook Live to share the latest developments on Capitol Hill and outline next steps for advocates. Our Field Engagement team partnered with national organizations, including United Way Worldwide and AARP, to provide scripts and essential data at the congressional district level to demonstrate the power of VITA. Our Federal Policy team met with a dozen key appropriations staffers, including the Chair and ranking members of the Financial Services and General Government subcommittee.

On July 13—just two weeks after we heard that VITA funding was under attack—we were notified that the funding would be restored to its full $15 million in the 2018 Appropriations bill—a bipartisan agreement that had the support of co-sponsors on both sides of the aisle, thanks in part to Prosperity Now and the thousands of advocates in our networks who seized the opportunity to protect a program that is essential for low- and moderate-income working families across the country.

This advocacy effort was successful because of the strength of our community. Our networks depend on us to be their eyes and ears on the ground in Washington. They’ve entrusted us to inform their communities through data and timely analysis, and to call on them when it’s time to act. We are grateful for them, for our friends on Capitol Hill and for all our partners who helped us move beyond the question of VITA funding to a broader conversation about equitable tax reform.

Above all, we are grateful for you. Our work would not be possible without your support and partnership. Thank you for standing with us in ensuring all U.S. families have a clear path to financial stability, wealth and prosperity. It is because of you that we don’t lose hope, and why you must not lose hope either. There is still much to be done, but victories like these prove that when we work together, there are many more victories worth celebrating on the horizon.

With gratitude,

Andrea Levere
President

Asheesh Advani
Board Chair