Vulnerability in the Face of Economic Uncertainty

Key Findings & Accounting for Race in the 2019 Prosperity Now Scorecard

January 29, 2019
Today’s Speakers

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Director of Applied Research

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Senior Research Manager
Today’s Speakers

Marcy Bowers
Executive Director,
Statewide Poverty Action Network

David Newville
Director of Federal Policy

Bernie Mazyck
President & CEO,
South Carolina Association for Community Economic Development
Housekeeping

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

- **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
Prosperity Now Scorecard

Solana Rice
Director of State & Local Policy
@SolanaRice
The Prosperity Now mission is to ensure everyone in our country has a clear path to financial stability, wealth and prosperity.
78 Outcome Measures
26 Disaggregated by Race, 52 Overall
Disaggregated data by disability status, gender, and income
Trend Data

28 Policy Measures

Financial Assets & Income
Businesses & Jobs
Homeownership & Housing
Health Care
Education
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
Accounting for Race: A New Way to Compare Financial Health of Households in States
Vulnerability in the Face of Economic Uncertainty

Kasey Wiedrich
Director of Applied Research

President Donald Trump claimed federal workers are happy to not be paid while he argues the shutdown drags on.

Government Workers Without Paychecks Are Flooding Food Banks

Shutdown Leaves Food, Medicine and Pay in Doubt in Indian Country

Faces of the shutdown: Deal to end standoff comes as federal workers' hardships grow
Jobs Don’t Cover Cost of Living

1 in 5 JOBS IN THE US IS LOW WAGE
1 IN 5 HOUSEHOLDS HAVE SIGNIFICANT INCOME FLUCTUATIONS FROM MONTH TO MONTH
Income Poverty by Race

2016

2017

White Households
Households of Color

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Income Poverty by Race

Latino Households

Native Hawaiian Pacific Islander Households

2016

2017
13.2% of households fell behind on bills in the past year
13.2% of households fell behind on bills in the past year.

By Race:
- Black Households: 24.3%
- Latino Households: 16.9%
- White Households: 10.4%
- Asian Households: 6.5%

Households with volatile incomes were 2x as likely to fall behind on bills than those with steady incomes.
In such a tenuous economy, having savings can mean the difference between staying afloat or sinking.
Few Have Savings Cushion

2 out of 5 of Households lack the savings to get them through financial shock

Liquid Asset Poverty = insufficient savings to get by at the poverty level for 3 months ($6,275 for a family of four)
Liquid Asset Poverty by Race and Ethnicity

- Black Households: 62.7%
- Latino Households: 62.5%
- White Households: 31.7%
- Asian Households: 27.9%
Credit to Get By, but Who has Access?

Wilbur Ross says furloughed workers should take out a loan. His agency’s credit union is charging nearly 9%.
Credit to Get By, but Who has Access?

19.6% of households didn’t use mainstream credit in the last year.

- Mainstream credit can be anything from credit cards to any type of personal loans.
- Not using mainstream credit likely means that these households are without a credit score and thus shut out from the credit economy.
Credit to Get By, but Who has Access?

- All Households: 19.6%
- Black Households: 35.9%
- Latino Households: 31.2%
- White Households: 14.3%
- Asian Households: 13.5%

40.3% of working-age householders with a disability
Median Student Loan Debt Has Increased 23% Since 2010

- 2008: $13,656
- 2010: $18,099
- 2019: $18,366

SEVERELY DELIQUENT BORROWERS

- Credit Card Debt: 8.8%
- Auto Debt: 7.3%
- Mortgage Debt: 1.3%
- Student Loan Debt: 15.2%
- Total Debt: 14.8%
Loss of Progress in Health Care as Rate of Uninsured Low Income Children Rises
Loss of Progress in Health Care

THE GAP BETWEEN BLACK & WHITE PEOPLE FORGOING DOCTOR VISITS HAS INCREASED

THE RATE OF UNINSURED LOW-INCOME CHILDREN INCREASED


- 11.7%
- 6.9%
- 6.1%

White

- 10.5%
- 16.3%

Black

- 5.8%
- 6.3%
- 17.2%

2017 2018

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Homeownership is Still Out of Reach

**Homeownership Rate**

- White: 72%
- Asian: 60%
- Native American: 54%
- Latino: 47%
- Black: 41%

**Income Needed to Afford Median Home Value at $217,600**

- Asian: $83,456
- White: $65,645
- NHPI: $60,734
- Latino: $49,793
- Black: $40,232

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The Racial Wealth Gap: Median Net Worth

- **WHITE**: $127,390
- **BLACK**: $8,050
- **LATINO**: $16,610
Accounting for Race: A New Way to Compare Financial Health of Households in States

Lebaron Sims, Jr.
Senior Research Manager
2019 Scorecard Ranks

[Map of the United States with states color-coded into categories: 1-10 (Best), 11-20, 21-30, 31-40, 41-51 (Worst).]

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# Top 5 and Bottom 5 States in the New Ranking

<table>
<thead>
<tr>
<th>Top Five</th>
<th>Bottom Five</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Vermont</td>
<td>47. District of Columbia</td>
</tr>
<tr>
<td>2. Hawaii</td>
<td>48. Alabama</td>
</tr>
<tr>
<td>3. New Hampshire</td>
<td>49. Mississippi</td>
</tr>
<tr>
<td>4. Washington</td>
<td>50. South Carolina</td>
</tr>
<tr>
<td>5. Utah</td>
<td>51. Louisiana</td>
</tr>
</tbody>
</table>
Our New Ranking Methodology

Racial Disparity Rank

A new rank designed to better account for racial disparities within each state

Outcome Rank

A ranking of all the overall measures, excluding outcomes by race, using the old methodology
Our New Ranking Methodology

40%  
**RACIAL DISPARITY RANK**  40  

60%  
**OUTCOME RANK**  20  

**SCORECARD RANK**  29
2019 Scorecard Outcome Ranks

The map shows the 2019 Scorecard Outcome Ranks for each state in the United States, categorized into five ranges:

- **1-10** (Best)
- **11-20**
- **21-30**
- **31-40**
- **41-51** (Worst)

Each state is color-coded according to its rank category. The map includes all states, from Alaska (AK) to Hawaii (HI), with Alaska and Hawaii highlighted as separate regions. The map is a visual representation of the overall prosperity scores for each state in 2019.
States That Ranked Worse Due to Large Racial Disparities

- Rank fell 5 or more places:
  - DC
  - RI
  - MA
  - CT
  - DE
  - NJ
  - VT
  - NH
  - WA
  - OR
  - CA
  - ID
  - NV
  - MT
  - WY
  - UT
  - AZ
  - CO
  - NM
  - AK
  - HI

- Rank fell less than 5 places:
  - TX
  - OK
  - KS
  - NE
  - ND
  - SD
  - WA
  - OR
  - CA
  - NV
  - MT
  - WY
  - UT
  - AZ
  - CO
  - NM
  - AK
  - HI

- Rank fell 5 places:
  - MD (24th)

**Legend:**
- Teal: Rank fell 5 or more places
- Light blue: Rank fell less than 5 places

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Minnesota: Some of the Largest Racial Disparities in the Country

Outcomes for White Residents

- Homeownership rate: 76.8%
- Income Poverty rate: 7.6%
- Underbanked rate: 9.6%
- Percent of Disconnected Youth: 4.8%

Outcomes for Residents of Color

- Homeownership rate: 40.6%
- Income Poverty rate: 23.4%
- Underbanked rate: 32.7%
- Percent of Disconnected Youth: 9.9%
Maryland: Some of the Largest Racial Disparities in the Country

Outcomes for White Residents

- Liquid Asset Poverty rate: 17.9%
- Uninsured rate: 4.0%
- Percent of Households Who Fell Behind on Bills in the Past 12 Months: 7.8%

Outcomes for Residents of Color

- Liquid Asset Poverty rate: 42.8%
- Uninsured rate: 11.8%
- Percent of Households Who Fell Behind on Bills in the Past 12 Months: 18.5%
States with Improved Rankings After Accounting for Racial Disparities

Rank rose 5 or more places
- OR (10th)
- OK (32nd)

Rank rose less than 5 places
- WA
- NV
- CA

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Portland & Oregon

Oregon
Outcome Rank = 24
Disparity Rank = 7
Scorecard Rank = 10

Poverty rate ratios in Portland:
• 5.2 : 1 Black to White Households
• 5.1 : 1 Native to White Households
• 4.4 : 1 Latino to White Households

Poverty rate ratios in Oregon:
• 2.6 : 1 Black to White Households
• 2 : 1 Native to White Households
• 1.7 : 1 Latino to White Households
Liquid asset poverty rate ratios in Oklahoma City:
• 2.0 : 1 Black to White Households
• 1.5 : 1 Native to White Households
• 2.2 : 1 Latino to White Households

Liquid asset poverty rate ratios in Oklahoma:
• 1.5 : 1 Households of Color to White Households

OKLAHOMA
Outcome Rank = 43
Disparity Rank = 8
Scorecard Rank = 32
Black-White Disparities
Native American-White Disparities

Most Equitable

Least Equitable
Latino-White Disparities

Most Equitable

Least Equitable

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HOMEOWNERSHIP
Homeownership is key to building wealth. Together, we will advocate for policies that reduce barriers to homeownership, and fight against discriminatory lending practices.

CONSUMER PROTECTIONS
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### Four-Year Degree by Race in Texas

<table>
<thead>
<tr>
<th>Race</th>
<th>Count</th>
<th>State Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td></td>
<td>20.9%</td>
</tr>
<tr>
<td>HOC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Native</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NHPI</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **State Average**: 37.6%

### Disconnected Youth in Maryland

<table>
<thead>
<tr>
<th>Category</th>
<th>Count</th>
<th>State Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>People w/ Disability</td>
<td></td>
<td>11.1%</td>
</tr>
<tr>
<td>People w/o Disability</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **State Average**: 11.1%

<table>
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<tr>
<th>Category</th>
<th>Count</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>People w/ Disability</td>
<td></td>
<td>25.1%</td>
</tr>
<tr>
<td>People w/o Disability</td>
<td></td>
<td>10.2%</td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2016
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, while a ✗ indicates the state has not. Policy adoption is assessed based on whether they have adopted each policy in the report; a ✓ indicates the state has the policy, while a ✗ indicates the state does not.

**FINANCIAL ASSETS & INCOME**

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

**HOMEOWNERSHIP & HOUSING**

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

**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**

- **Emergency Savings**
  - 64.9% of Minnesota households save for emergencies

<table>
<thead>
<tr>
<th>State</th>
<th>Percentage</th>
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<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>
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<tr>
<td>Iowa</td>
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</tr>
<tr>
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</tr>
<tr>
<td>North Dakota</td>
<td>8.8%</td>
</tr>
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</table>
Local Data

Local Data for Cities, Counties and Metro Areas will be updated in 2019

Look for the Announcement!
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Thank you to the Scorecard team and Community Champions

The Prosperity Now Scorecard would not be possible without the support of the Ford Foundation and the Robert Wood Johnson Foundation.
Thank you!