Savings Network Peer Call

July 9, 2019, 2:00-3:30pm ET

Today’s Topic:
Understanding Racial Economic Inequality and Savings Behavior
Housekeeping

• This webinar is being recorded and will be mailed to registrants and available online within one week

• All webinar attendees are muted to ensure sound quality

• Ask a question or share your thoughts anytime by typing into the text box of your GoToWebinar Control Panel

• If you experience any technical issues, email gotomeeting@prosperitynow.org
Getting the Most Out of Today’s Call

- Join from a quiet space
- Grab a coffee or snack and settle in
- Engage! Send us your questions and comments as you listen
- Tweet with us on Twitter—use #RacialWealthDivide & #Savings
- Reflect on ways to apply what you learn today to your own work
Prosperity Now’s mission is to ensure everyone in our country has a clear path to financial stability, wealth and prosperity.
Today’s Agenda

✓ Origins and Impacts of the Racial Wealth Divide

✓ How Racial Economic Inequality and Other Systemic Forces Impact Savings

✓ Practitioners’ Panel – Exploring racial wealth equity journeys in the asset-building field

✓ Group Discussion and Q&A

✓ Next Steps & Close
Today’s Speakers

Parker Cohen
Associate Director, Savings & Financial Capability
Prosperity Now

Sandra Tobon
Program Manager, Financial Capabilities & Wealth Building
Hispanic Unity of Florida

Lucy Arellano
Director of Asset Building Programs
Mission Economic Development Agency (MEDA)
Joining Forces: Savings Network & Racial Wealth Equity Network

Carmen Shorter
Senior Program Manager, Prosperity Now
Savings Network: Updated Objectives

▪ *Learn* about policy solutions that support savings, including the future of federal matched savings, and provide a space for members to provide input and shape policy ideas.

▪ *Explore* how racial equity can be centered and advanced in the design and implementation of savings solutions.

▪ *Understand* the barriers and challenges that households, particularly households of color, face around savings and the role of services and policies in removing them.

▪ *Share* innovations, resources, insights, challenges, and successful practices with programs similar (and different) from each other.

▪ *Learn* about the range of savings products and solutions available and how they can be used to meet savings needs of clients, especially those with very low incomes.
Getting to Know You: Poll Question

How would you describe your experience working on racial wealth equity issues?

- **Advanced** (actively working on racial wealth equity issues)
- **Intermediate** (some experience addressing racial wealth equity issues)
- **Beginner** (looking to learn more about the racial wealth divide)
- **Other** *(share more in the chat box!)*

*Use the Comment Box to let us know more!*
Getting to Know You: Poll Question

How would you describe your experience addressing **racial equity** in the workplace?

- **Advanced** (actively involved in organizational racial equity work)
- **Intermediate** (some experience talking about race/racial equity at work)
- **Beginner** (looking to learn more about racial equity or how to address racial equity in the workplace)
- **Other** *(share more in the chat box!)*

*Use the Comment Box to let us know more!*
Origins & Impacts of the Racial Wealth Divide

Carmen Shorter
Senior Program Manager, Prosperity Now
Wealth Isn’t Evenly Distributed

FAMILIES EARNING $18,420-$37,200

- **$437**
- **$350**

FAMILIES EARNING $61,369-$104,508

- **$45,720**
- **$49,500**
- **$159,570**

White Households have roughly the same wealth as households of color earning **3X** as much income.
Liquid Asset Poverty by Race and Ethnicity

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>28.8%</td>
</tr>
<tr>
<td>Asian</td>
<td>30.5%</td>
</tr>
<tr>
<td>Households of Color</td>
<td>50.5%</td>
</tr>
<tr>
<td>Latino</td>
<td>60.7%</td>
</tr>
<tr>
<td>Black</td>
<td>56.7%</td>
</tr>
</tbody>
</table>

Percentage of households without enough saved to pay themselves a poverty level income for 3 months in the event of an emergency.
Health Outcomes by Race and Ethnicity

Uninsured by Race

- Latino: 19.1%
- Asian: 7.3%
- Native: 10.7%
- Black: 7.0%
- White: 0.0%

1 IN 5 LATINO/HISPANIC ADULTS

1 IN 6 AFRICAN AMERICAN ADULTS DID NOT VISIT A DOCTOR DUE TO COST

Source: Kaiser Family Foundation
State Health Facts

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Discussing Racial Wealth Inequality

The **FALSE** narrative:
There is a system that works and communities of color are doing something wrong

- In their finances
- On the job
- Personal decisions

The **TRUTH**:
Our economy is designed to reward the wealthy and leave others behind

- An upside down tax system
- Residential economic segregation
- Lack of investment in disenfranchised communities
Four Levels of Racism

- Internalized Racism
- Interpersonal Racism
- Institutional Racism
- Structural Racism

Source: Applied Research Center
Individual Levels of Racism

- **Internalized Racism:** the set of private beliefs, prejudices, and ideas that individuals have about the superiority of whites and the inferiority of people of color.
  - Among people of color, it manifests as *internalized oppression*.
  - Among whites, it manifests as *internalized racial superiority*.

- **Interpersonal Racism:** the expression of racism between individuals.

*Source: Applied Research Center*
Systemic Levels of Racism

- **Institutional Racism** is discriminatory treatment, unfair policies and practices, inequitable opportunities and impacts within organizations and institutions, based on race.

- **Structural Racism** is a system in which public policies, institutional practices, cultural representations, and other norms work in various, often reinforcing ways to perpetuate racial group inequality.

Source: Applied Research Center
Impacts of Individual-Level Racism

Good Health

Economic Development

Good Education

Good Jobs
Impacts of Systemic-Level Racism

- Good Health
- Economic Development
- Good Education
- Good Jobs
A Systems Approach

- **System**: “A system is an interconnected set of elements that is coherently organized in a way that accomplishes something.” – Donella Meadows
  - E.g. engine, household, economy

- **Systems Thinking**: A conceptual way of seeing the world and exploring the interrelation between parts and wholes, so we can focus on adjusting systems in order to help improve outcomes.
How Racial Economic Inequality and Systemic Forces Impact Savings
Our Framework:
The Continuum of Savings Needs and All-in-One Solutions

NOW
needs to manage income shortfalls/expense spikes
(product options: emergency savings products/programs, safe, affordable earned wage access products)

SOON
needs to save for short- to medium-term goals
(product options: savings accounts, matched or incentivized savings programs)

LATER
needs to save for long-term goals
(product options: retirement accounts, college savings products)
PART ONE

The Savings Crisis and the Need for Holistic Solutions
Financial lives of LMI people and communities of color are complicated and often unstable
- Often severe month-to-month fluctuations in income and expenses
- Little or no emergency savings cushion
- Informal and personally customized savings strategies are common

These challenges are not a product of individual choices, but a result of designed systemic and structural barriers.
Designed Barriers to Savings

- Shifts in the employment market
  - Stagnant wages and a minimum wage that has not kept up with the costs of living, decline of unions and labor rights, increases in contract labor, etc.

- Federal and state policy
  - An upside-down tax code that perpetuates the racial wealth divide, elimination of federal programs, savings penalties.

- High levels of debt and the high cost of credit
  - Predatory lending targeted to communities of color, increasing and racially disproportionate troublesome debt.

- Financial services system
  - Historic and present-day underservice, predation, and unresponsive products and services for communities of color has led to distrust in traditional financial institutions.

- These barriers all disproportionately impact people and communities of color.

- To truly and fully address these challenges, we need a dramatic shift in policy and institutional practices.
The Need for More Responsive Solutions

- While we must work on systems-level interventions, we need to also identify how to help households overcome these barriers through responsive savings programs.

- An understanding of racial economic inequality and the barriers to savings need to be integrated into program design and delivery.
Panel Discussion

Sandra Tobon
Program Manager, Financial Capabilities & Wealth Building
Hispanic Unity of Florida
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Hollywood, FL

Lucy Arellano
Director of Asset Building Programs
Mission Economic Development Agency (MEDA)
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San Francisco, CA
Group Discussion and Q & A
Group Discussion and Q&A

- Feel free to ask the speakers any questions using the chat box!
- Also add your reflections and ideas for conversation:
  - **Discuss** which areas of savings policy you think should be prioritized at the federal and state levels
  - **Share** what exciting savings policy developments you have seen at the local and state levels
This is a group discussion! However, all webinar attendees are muted at the start to ensure sound quality.

Share comments or ask questions at any time by typing the question into the text box on the control panel.

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Next Steps and Wrap Up

Carmen Shorter
Senior Manager for Learning, Field Engagement
Prosperity Now
Next Steps

▪ Visit our **Advocacy Center** to stay up to date with advocacy efforts.

▪ Please **complete the survey**!

▪ Sign up for other **Networks and Campaigns** to stay in the know about issues you care about

▪ Let us know your **suggestions** for future call topics
Plug into the Prosperity Now Community

Sign up for listservs and working groups, volunteer to facilitate peer discussions, serve in a leadership role and more!

- Financial Coaching Network
- Racial Wealth Equity Network
- Affordable Homeownership Network
- Financial Coaching Network
- Adult Matched Savings Network
- Taxpayer Opportunity Network
- Campaign for Every Kids Future — Children’s Savings Accounts
- Medical Financial Partnerships (Health/Wealth)
- Innovations in Manufactured Housing (I’M HOME) Network
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.

Visit any of the Campaigns above at [https://prosperitynow.org/take-action](https://prosperitynow.org/take-action) to learn more and join.
Thank You!

Please complete our survey and we’ll see you September 10th for our next webinar!