

NEW MUNICIPAL STRATEGIES FOR ASSET BUILDING AND FINANCIAL EMPOWERMENT

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Today's Presentation

- Overview of emerging role of municipalities in asset building
- Detail on Municipal Profile
- Winston-Salem's leading role in asset building

CFED's Mission

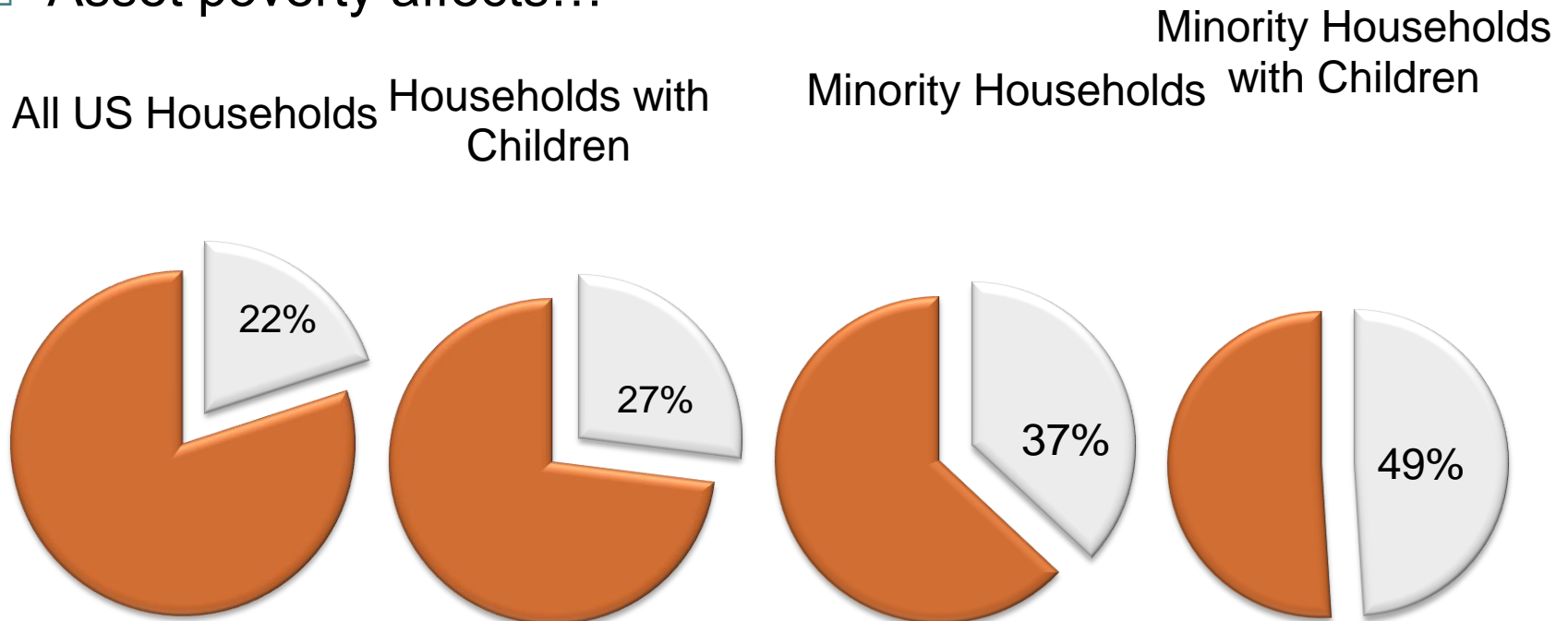
The Corporation for Enterprise Development is a national nonprofit based in Washington, DC and dedicated to expanding economic opportunity for low-income families and communities. Our core areas of work are in:

- ▣ Savings and financial security
- ▣ Affordable housing
- ▣ Economic development and entrepreneurship



Importance of Asset Building: Trends in Asset Poverty

- Asset Poverty: Insufficient financial resources to subsist at federal poverty line for 3 months if income interrupted
- Asset poverty affects...



CFED's Role in Municipal Assets

- Beginning in 2009, project evolved from rising demand for local data to compliment state Assets & Opportunity Scorecard
- 3 parts to project:
 - Create Household Financial Security Framework to inform data collection and policy cataloging work
 - Develop municipal assets & opportunity data profile on household financial security
 - Document the municipal-level powers, policies and practices that city leaders are utilizing to educate, empower and protect vulnerable populations



Role of Municipalities in Asset Building

"Local elected officials have a largely untapped, but powerful role they can play to financially empower and protect their residents by promoting financial education, asset building and easy and safe access to mainstream banking. By strategically leveraging the unique opportunities inherent in municipal government, including its many enforcement powers, city halls across the country can broadly, swiftly and effectively help move large numbers of people toward financial stability."

*Jonathan Mintz, Commissioner,
Department of Consumer Affairs, New York City
and Co-Chair, Cities for Financial Empowerment*

Cities for Financial Empowerment

- Select municipal governments work together to advance innovative financial empowerment initiatives both locally and nationally, leveraging resources in the service of at-risk communities.
- CFE member cities commit to work collaboratively to:
 - Share data, best practices, and strategies to help member cities improve existing programming, translate and apply lessons learned in other cities to diverse local circumstances, and pioneer new approaches to persistent problems.
 - Work strategically with state and national stakeholders to advance the financial empowerment agenda.
 - Increase public awareness of key issues and opportunities through coordinated education and outreach efforts.

Key CFE Strategies

- Improve Access to High Quality Financial Information, Education and Counseling
- Increase Access to Income Boosting Supports and Tax Credits
- Connect Residents to Safe, Affordable Financial Products and Services that Reduce Costs and Facilitate Savings
- Create Opportunities to Leverage Savings into Appreciable Assets
- Protect Consumers in the Financial Marketplace

CFE Member Cities

- ❑ Chicago
- ❑ County of Hawaii
- ❑ Los Angeles
- ❑ Miami
- ❑ Newark
- ❑ New York City
- ❑ Providence
- ❑ San Antonio
- ❑ San Francisco
- ❑ Savannah
- ❑ Seattle



Unique Roles & Opportunities

Value Added Roles of Municipal Leadership	
Connect	Pilot
Convene	Sustain
Coordinate	Advocate
Communicate	Legitimate
Regulate	Evaluate



Project Overview and Purpose

MEOP in North Carolina

- In 2010 Z. Smith Reynolds offered support to implement MEOP in three cities in North Carolina
- Two-part project:
 1. *Municipal Data Profile*: provides unique local portrait of financial security of households, including proprietary data on asset poverty and debt
 2. *Action Team Process*: convening of key stakeholders from community and economic development, housing, workforce development, and other related fields, for the purpose of setting strategic asset building agenda

Municipal Data Profile

- A resource developed by CFED and designed to serve municipal leaders and local advocates as a *diagnostic and communications tool* in support of their work to improve and expand the financial stability of city residents.
- To date CFED has worked with partners in 14 cities to develop profiles.
- Includes over 60 data indicators across seven categories.
- Documents the range of city financial empowerment/asset building program and service strategies being implemented by other forward-thinking cities around the country.

Municipal Data Profile



More than 60 individual measures in 6 categories at city, county, MSA, state and national level: meant to provide an overview of how households are doing across the asset building spectrum

- Population Demographics
- Household Finances and Use of Services
- Employment and Business Ownership
- Housing and Homeownership
- Education
- Health Insurance
- Asset Poverty

Municipal Data Profile

CFED: ASSETS & OPPORTUNITY PROFILE		
DATA MEASURES & SOURCES		
Data Measure	Measure Description	Source
Total Population	Total population	U.S. Census Bureau, 2017-2009 American Community Survey
White	Percentage of population that is White, non-Hispanic	U.S. Census Bureau, 2017-2009 American Community Survey
Black or African American	Percentage of population that is Black or African American or of mixed Black or African American descent	U.S. Census Bureau, 2017-2009 American Community Survey
American Indian and Alaska Native	Percentage of population that is American Indian or Alaska Native or of mixed American Indian or Alaska Native descent	U.S. Census Bureau, 2017-2009 American Community Survey
Asian	Percentage of population that is Asian or of mixed Asian descent	U.S. Census Bureau, 2017-2009 American Community Survey
Hispanic or Latino	Percentage of population that is Hispanic or Latino	U.S. Census Bureau, 2017-2009 American Community Survey
U.S. Cities	Percentage of population that are U.S. citizens	U.S. Census Bureau, 2017-2009 American Community Survey
Speak English Less Than "Very Well"	Percentage of population that speaks English less than "very well"	U.S. Census Bureau, 2017-2009 American Community Survey
Median Household Income	Median household income in the past 12 months	U.S. Census Bureau, 2017-2009 American Community Survey
Income Poverty Rate	Percentage of all families with income in the past 12 months below the federal poverty threshold	U.S. Census Bureau, 2017-2009 American Community Survey
Asset Poverty Rate	Percentage of households without sufficient net worth to offset the poverty level for three months in the absence of income	Estimates calculated by Compass Economics, based on U.S. Census Bureau's 2010 Survey of Income and Program Participation, Wave 4 (2009) and 2017-2019 American Community Survey
Extreme Asset Poverty Rate	Percentage of households that have zero or negative net worth	Estimates calculated by Compass Economics, based on U.S. Census Bureau's 2010 Survey of Income and Program Participation, Wave 4 (2009) and 2017-2019 American Community Survey
Households Receiving SNAP Benefits	Percentage of households that have received SNAP (Supplemental Nutrition Assistance Program) benefits in the past 12 months	U.S. Census Bureau, 2017-2009 American Community Survey
Households with Taxicab, Chained or Not Reported Income	Percentage of households reporting any taxicab, chained or not reported income in the past 12 months	U.S. Census Bureau, 2017-2009 American Community Survey
Unbanked Households	Percentage of households lacking both a checking and savings account	FDIC National Survey of Unbanked and Underbanked Households (2009)
Underbanked Households	Percentage of households that have a checking or savings account but have used non-bank financial institutions (check-cashing services, payday loans, rent-to-own agreements, or pawn shops) in the last 12 months to pay or collect transportation costs at least once in the past five years	FDIC National Survey of Unbanked and Underbanked Households (2009)
Median Credit Score	Median TransUnion TransRisk score	TransUnion (Q4 2010)
Consistent with Subprime Credit Score	Percentage of consumers with a TransRisk Score <=700 (on a scale of 125-914)	TransUnion (Q4 2010)
Average Revolving Debt	Average amount of revolving debt per revolving borrower	TransUnion (Q4 2010)
Average Revolving Credit Utilization	Average utilization of available revolving credit	TransUnion (Q4 2010)
Average Installment Debt	Average amount of installment debt per installment borrower	TransUnion (Q4 2010)
Borrowers 90+ days overdue	Percentage of borrowers who are 90 days or more past due on any debt systems	TransUnion (Q4 2010)
Annual Unemployment Rate	Annual average unemployment rate of the civilian noninstitutional population 16 years of age and older, not seasonally adjusted	U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (2009 and 2010); U.S. Census Bureau, Current Population Survey (2010)
Average Annual Pay	Average annual pay for all workers covered by unemployment insurance	U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (2009)
Self-Employed/Workers	Percentage of workers 16 years and over who are self-employed	U.S. Census Bureau, 2017-2009 American Community Survey
Microenterprise Ownership Rate	Number of firms with 1-9 employees (employer firms plus establishments with 1-9 employees) per 100 people in the labor force	CFED calculation based on U.S. Census Bureau, Nonemployer Statistics (2009), County Business Patterns (2009), and Current Population Survey (2009); U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (2009)
Widely Non-Availability by Working Household	Percentage of households (with at least one worker) lacking access to a website	U.S. Census Bureau, 2017-2009 American Community Survey

Last page of Profile explains the data measures and sources:

- American Community Survey 2007-2009
- FDIC 2009
- TransUnion Q4 2010
- U.S. Bureau of Labor Statistics 2009
- Home Mortgage Disclosure Act 2009

CFED: ASSETS & OPPORTUNITY PROFILE	
Measure	Source
Microentrepreneurship	U.S. Census Bureau, 2009 American Community Survey
Substantiated labor poverty rate	U.S. Census Bureau, 2009 American Community Survey
Median (MHI) under 100	U.S. Census Bureau, 2009 American Community Survey
Household income spending 25% or more of pay on car cost	U.S. Census Bureau, 2007-2009 American Community Survey
Median household income	CFED calculation based on U.S. Census Bureau, 2017-2009 American Community Survey data
Household income	TransUnion (Q4 2010)
Household income	U.S. Census Bureau, 2007-2009 American Community Survey
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CFED (Corporation for Enterprise Development) expands economic opportunity by helping Americans start and grow businesses, go to college, own a home, and save for their children's and own economic futures. We identify promising ideas, test and refine them in communities to find out what works, craft policies and products to help good ideas reach scale, 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.



www.cfed.org

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Asset Poverty

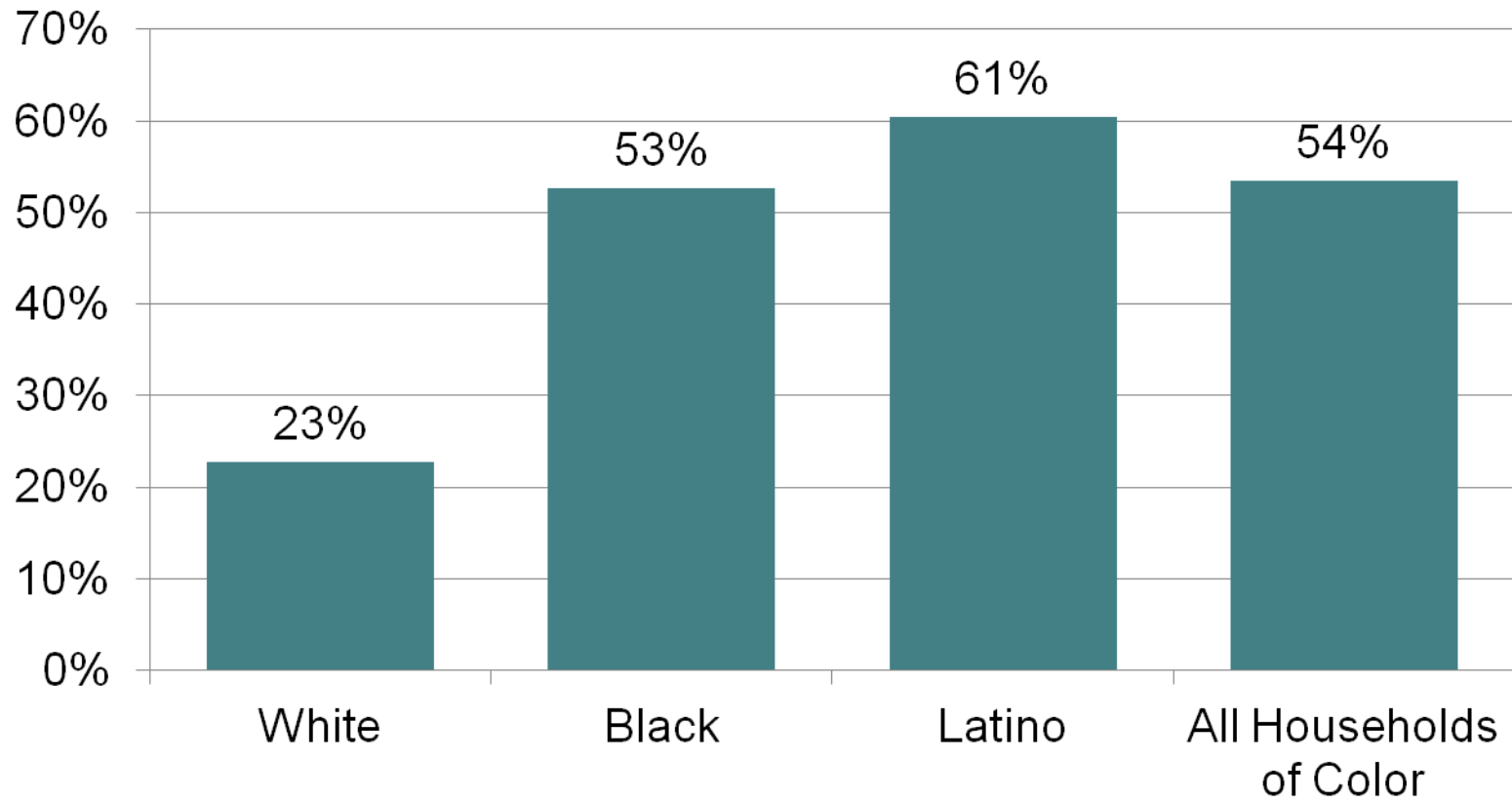
Asset poverty is far more widespread than income poverty

	Winston-Salem	Forsyth County	North Carolina	United States
Income Poverty	15.6%	11.8%	11.2%	9.9%
Asset Poverty	38.9%	30.9%	29.9%	29.1%
Extreme Asset Poverty	27.2%	21.8%	21.2%	20.5%

Source: Income poverty from 2007 - 2009 American Community Survey; Asset poverty estimates calculated by Jon Haveman, based on U.S. Census Bureau's 2008 Survey of Income and Program Participation, Wave 4 (2009) and 2007 - 2009 American Community Survey.

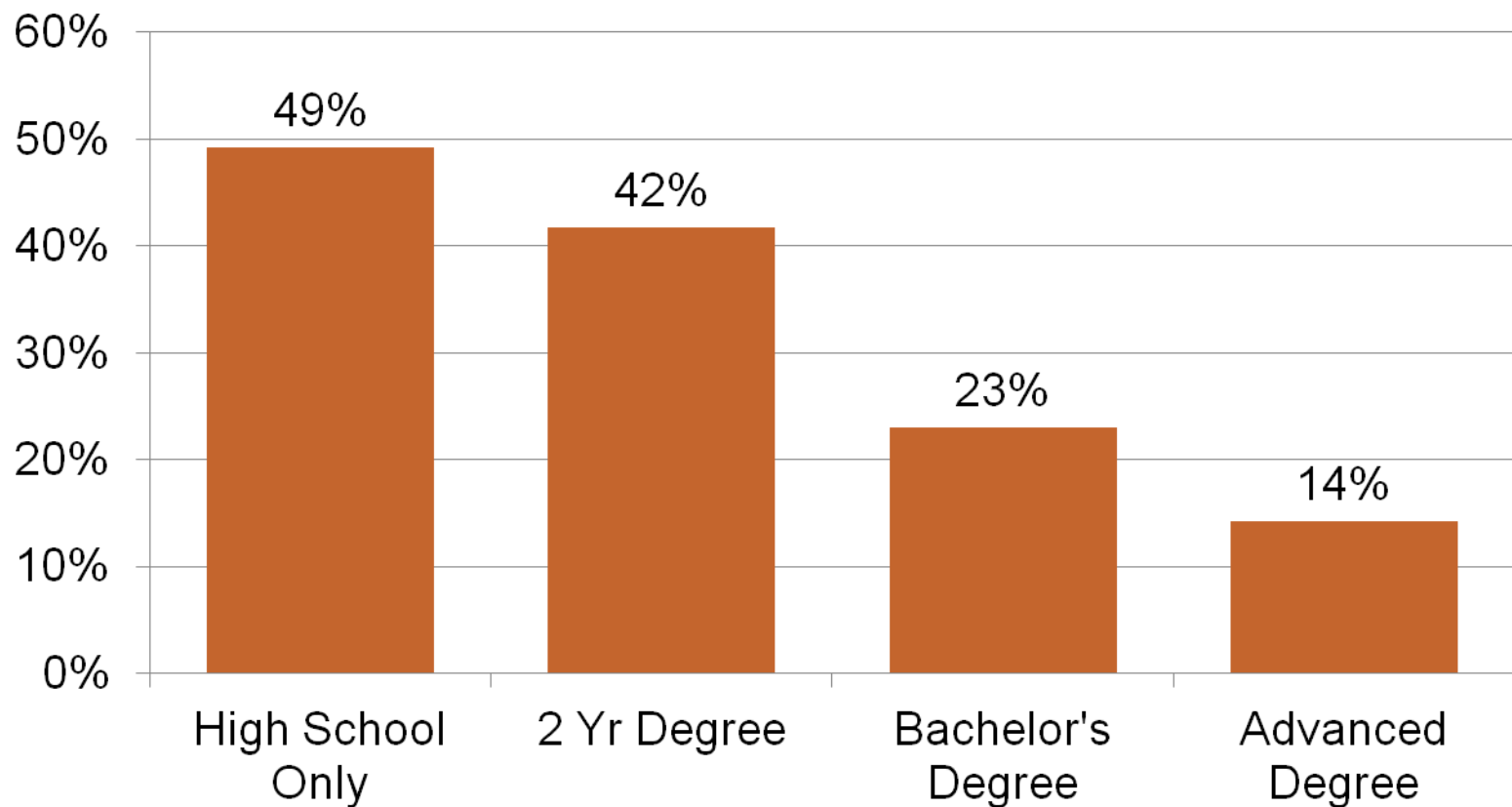
Who is Asset Poor in Winston-Salem?

Asset Poverty by Race & Ethnicity



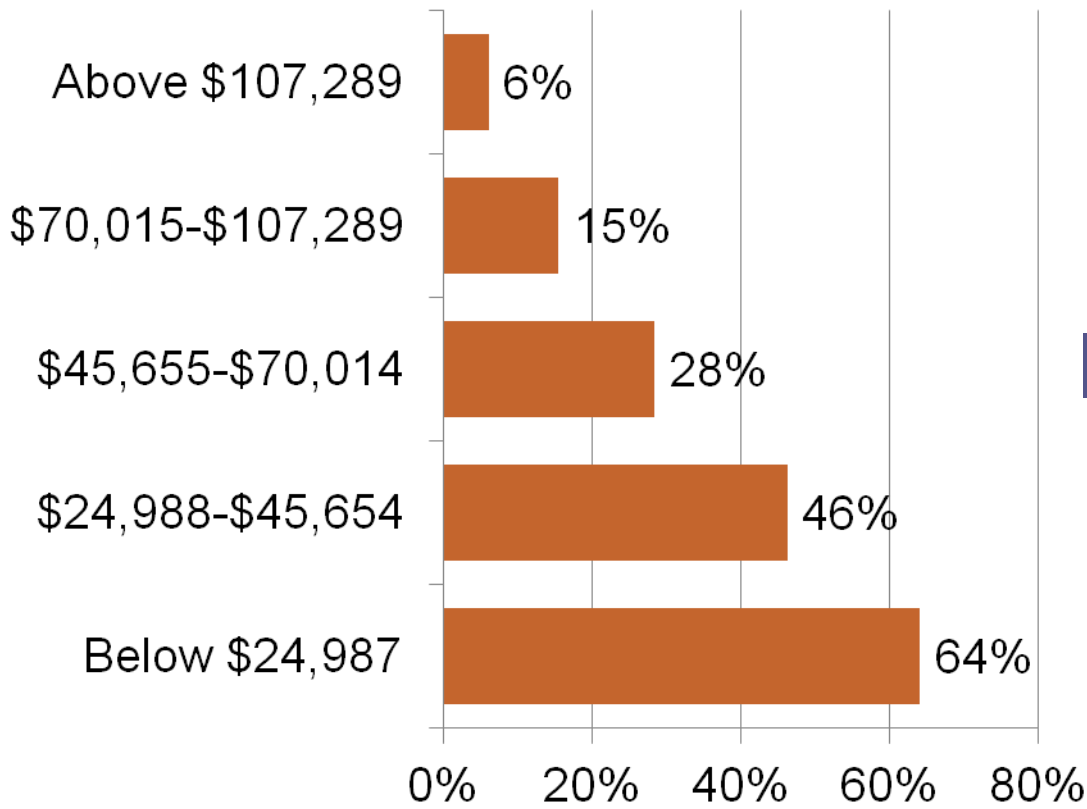
Who is Asset Poor in Winston-Salem?

Asset Poverty by Educational Attainment



Who is Asset Poor in Winston-Salem?

Asset Poverty by Income



31%
of Households above
Poverty Line

2011 Poverty Line (family of 3): \$18,530

71%
of Households below
Poverty Line

Asset Ownership is not Equally Distributed in Winston-Salem

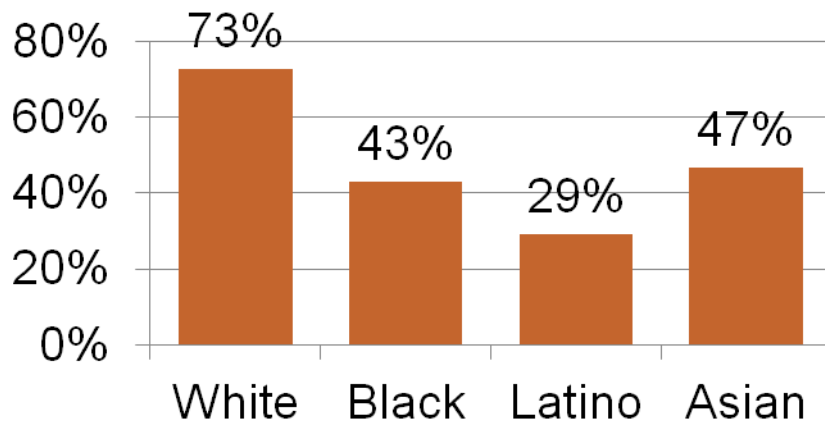
	Winston-Salem	Forsyth County	North Carolina	United States
Homeownership Rate	58.3%	66.1%	67.7%	66.4%

Source: U.S. Census Bureau, 2007-2009 American Community Survey

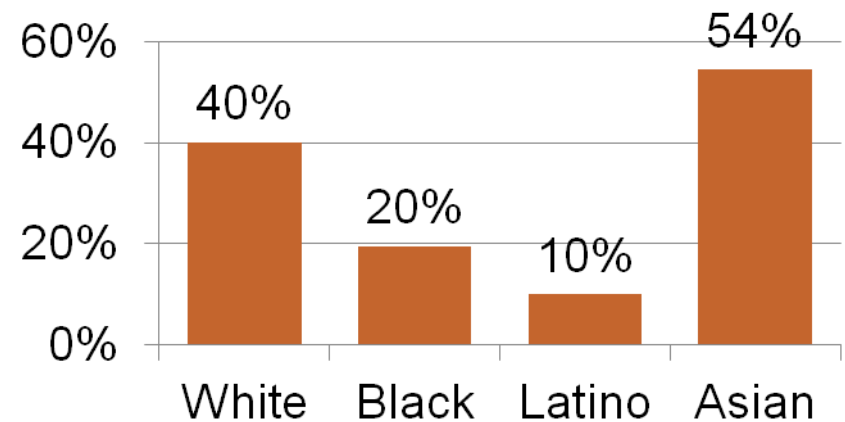
	Winston-Salem	Forsyth County	North Carolina	United States
Adults with Bachelor's Degrees	30.8%	30.5%	26.2%	27.8%

Source: U.S. Census Bureau, 2007-2009 American Community Survey

Homeownership by Race



Bachelor's Degrees by Race




Using the Data: Communications Tool

- Communications Tool
 - Make the Case for Your Work
 - Promote Your Agenda and Strategies

FINANCIAL EMPOWERMENT IN SAVANNAH

We want all Savannah residents to acquire the knowledge and skills necessary to take control of their financial destiny. The ability to save, to invest in education, to obtain affordable housing, or start a business – in short, to live out the American Dream – is what moves families ahead.
– Savannah Mayor Otis Johnson


Savannah's poverty rate is 22 percent for the city's population overall and is significantly higher in five of its census tracts. Poverty is often defined by the lack of consistent income or a regular job. But the inability to save money, manage finances or pay for and maintain such assets as a stable home, reliable transportation and higher education can keep even motivated families from getting ahead. Owning assets is associated with increased economic security and well-being.



The City of Savannah manages its poverty reduction efforts through its Public Development Bureau and a coalition called Step Up Savannah, which combines the strengths of government, business and nonprofit agencies. Step Up Savannah and the City of Savannah seek to ensure that all its residents are able to participate in a strong local economy, and have ready access to affordable financial products and services they understand. Step Up has also begun to develop and promote new local and state asset-building policies for low-income families.

Savannah focuses on the following areas of asset building:

- Free Tax Preparation
- Financial Education Classes
- Banking the Unbanked
- Homeownership
- IDA Programs
- Micro lending/Entrepreneurship
- Public Policy



ABOUT THE PUBLIC DEVELOPMENT BUREAU, CITY OF SAVANNAH

The Public Development Bureau develops and supports partnerships that help build and sustain safe and physically attractive neighborhoods, a socially healthy community and an economically prosperous city.

Partners

- ACCION
- Bank On Savannah
- Chatham Savannah Asset Development Coalition
- Community Planning and Development Department
- Consumer Credit Counseling Service
- Economic Development Department
- Georgia's Own Credit Union
- Housing Department
- Equal Opportunity Authority
- Neighborhood Improvement Association
- Savannah Entrepreneurial Center
- Small Business Assistance Corporation
- United Way of the Coastal Empire

microenterprises, which is complemented by mentoring, technical assistance, business incubators and access to financial resources.

2009 RESULTS

- More than 580 new bank accounts opened
- 3,500 residents have taken financial education classes
- 3,450 tax returns prepared at VITA sites; \$2,214,000 in Earned Income Tax Credit claimed
- ARAL established; \$229,000 disbursed
- 97 families case managed through Centers for Working Families
- 34 micro-loans through ACCION and SBAC

CFED: ASSETS & OPPORTUNITY PROFILE

OPPORTUNITIES IN SAVANNAH

MICROLOANS

- ACCION and Small Business Assistance Corp. offer capital to entrepreneurs. The City makes loans available through SBAC to small businesses in low to moderate-income neighborhoods, to minority-owned businesses and those that will create jobs for low to moderate income individuals. SBAC offers "Small Steps to Success" loans, and ACCION offers loans online to Savannah micro-entrepreneurs.

FINANCIAL EDUCATION

- Provide free workshops open to the public on managing money, savings, personal budgeting, credit reports and scores, offered at public libraries, churches, employment sites and other locations as requested.

INDIVIDUAL DEVELOPMENT ACCOUNTS (IDAs)

- Established in partnership with the City of Savannah and Economic Opportunity Authority to help residents start their own business. Match \$4 for every \$1 contributed, up to \$50 per month. The Neighborhood Improvement Association also offers first-time homebuyers an IDA program with a three to one match up to \$1,200 over a 12 to 24 month period. Funds are matched to reward low to moderate income families for monthly savings by the United Way of the Coastal Empire.

VOLUNTEER INCOME TAX ASSISTANCE

- The Chatham Savannah Asset Development Coalition operates 15 sites offering eligible taxpayers free income tax preparation, assistance in filing for the Earned Income Tax Credit and now also provides access to an Alternate Rapid Anticipation Loan.

2 MUNICIPAL PROFILE: SAVANNAH

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Using the Profile: Planning Tool

- Set Local Agenda
 - What solutions are already underway in your area?
 - Are there needs that are going unmet?
 - Are there services that are not being fully leveraged?
 - What partnerships could be formed to better serve households?

- Inform Other Research Efforts
 - Can incorporate new concepts in other data projects?
 - Drill down to neighborhood data?

Forsyth County Housing Department



Questions?

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