POVERTY ALLEVIATION WEBINAR: CREATIVE IDEAS IN ASSET DEVELOPMENT AND WEALTH CREATION

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About CFED

- CFED (Corporation for Enterprise Development) has worked for over 30 years to expand economic opportunity by connecting public policy, private markets and community practice. Our goal is to bring effective approaches for building wealth and financial security to scale at the local, state and national levels.

- Major national initiatives include Asset Building for Children (ABC)—matched savings for children and education; the Self-Employment Tax Initiative (SETI)—leveraging tax refunds and business counseling for the self-employed; I’M HOME—turning manufactured homes into appreciating assets; innovation@cfed--finding the next generation of social and market innovators; and the American Dream Match Fund—a national marketplace for matched savings.
Why Assets?

- Assets matter economically, socially and psychologically
- Asset poverty rates and wealth gaps are worse than income poverty and distribution
- Assets help to increase:
  - Household economic stability
  - Educational attainment
  - Economic mobility
- Public policy has contributed to asset poverty and the inequitable distribution of assets
- Large-scale, inclusive asset building policies must be established and funded to reverse income and wealth inequalities
Why Are Asset-Building Strategies Important?

Assets matter, but their distribution is highly unequal.

- More than one-fifth of the population is “asset-poor” – i.e., does not own enough assets to survive 3 months without a job at the poverty line. One in three households with children live in asset poverty.
- 14% of all households and 24% of minority households are extremely asset poor – meaning that they have zero or negative net worth.
- For every dollar owned by a household in the top 20% of income, households in the bottom 20% own just 2 cents. For every dollar owned by a white household, a minority household has 16 cents.
Why Should Cities Build Assets?

Many residents live lives of extreme financial vulnerability in cities that CFED has studied

- Asset poverty rates are typically double to triple those of income poverty, ranging from 28% to 58% of households
- The percentage of consumers with a subprime credit score range from 41% to 74%
- The percentage of “unbanked” residents ranges from 7% to 24%, and many residents do not have bank or credit union branches physically located in their neighborhoods

Growing interest among cities in providing financial empowerment services to complement service delivery

- Ten such cities formed Cities for Financial Empowerment (CFE) to share asset building and protection practices
- CFED partnering with CFE on the Municipal Assets Project to identify & collect needed data, document policies & programs and raise up the visibility of the field
How States Build Assets: Assets & Opportunity Scorecard

- Most comprehensive tool measuring ownership and economic opportunity at state level
- Framework underscores need to integrate asset development, asset protection and social insurance to advance financial security
- Includes 92 outcome and policy measures in 5 issue areas:
  - outcome measures describe how families are faring;
  - policy measures describe what states can do
- Website (http://scorecard.cfed.org)
The Assets Movement at its Moment

- Significant federal opportunities to build and protect assets described in later presentation
- innovation@cfed identifying most promising new ideas and innovators advancing new products, programs and policies
  - Innovators-in-residence connecting workforce development with access to financial services; embedding asset building products into city-wide social service programs; applying behavioral economics insights to product design and delivery
  - innovation@cfed provides a platform to accelerate innovation with goal of expanding economic opportunity for a million or more low-income Americans
- Website: http://www.cfed.org/programs/innovation
Save the Date:
2010 Assets Learning Conference

Largest convening of asset-building representatives in the nation scheduled for September 22-24, 2010 in Washington, DC.

www.assetsconference.org