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One in Two Texans Has Almost no “Rainy Day” Savings to Bank On State Earns a “D” on Assets and Education Outcomes

Washington, D.C. — In Texas today, 27.7% of households are “asset poor,” meaning they have little or no financial cushion to rely on if unemployment or another emergency leads to a loss of income, according to a report released today by the national nonprofit Corporation for Enterprise Development (CFED). Excluding important assets such as a vehicle or home, the (liquid) asset poverty rate increases to 50.6% of Texas residents.

The [2012 Assets & Opportunity Scorecard](#) ranked Texas 41st in the country overall for how their residents fare in terms of achieving financial security across 52 measures in five different issue areas. Many of Texas’ residents have jobs, but they lack adequate savings or other assets to cover expenses for three months if they lose a steady income. Asset poverty, the *Scorecard’s* signature measure, is a conservative estimate of financial security since it counts all assets, including those—such as a home—that would need to be liquidated to be used for day-to-day needs. A more realistic measure of the resources available to families is “liquid asset poverty,” which excludes assets such as a home or car that are not easily converted to cash.

For asset poor families, scraping by day to day is a constant struggle and investing in the future is all but impossible. “Growing numbers of Americans have almost no savings or other assets to fall back on if they lose their jobs or face a medical crisis,” said Andrea Levere, president of CFED. “Without those savings, few will be able to invest in a more economically secure future, including buying a home, saving for their children’s college educations or building a retirement nest egg.”

The *Assets & Opportunity Scorecard* offers the most comprehensive look available at Americans’ ability to save and build wealth, fend off poverty and create a more prosperous future. The *Scorecard* explores how well residents are faring in the 50 states and the District of Columbia and assesses policies that are helping residents build and protect assets across five issue areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care and Education.

Texas earns a “D” in Financial Assets & Income, indicating the lack of large-scale opportunities to earn, save and build assets. The state ranks 49th in consumers with subprime credit, 48th in unbanked households and 40th in income poverty rate. When it comes to Health Care, Texas has the worst uninsured rate in the country. It also ranks 51st in uninsured low-income parents and 50th in uninsured low-income children. High school and college attainment rates are low, ranking 51st in high school degree, 40th in two-year college degree and 45th in four-year degree by race.

The *Scorecard* highlights a dozen policy solutions that can help Texas increase opportunity and promote financial well-being for all residents. To increase college access and success, especially for economically disadvantaged students, Texas should identify additional funding sources to support the Texas Save and Match, a state policy that aims to provide college savings incentives to Texas students. To increase Texans’

credit scores and connect consumers to mainstream financial products, the state should leverage public and private funding to link financial education with matched savings for working families. To address the high uninsured rate, Texas should continue to modernize and streamline Medicaid-CHIP enrollment and renewal procedures to ensure “no wrong door” enrollment for either public or private health coverage. To improve affordability and continuity of health coverage for low-income working families, Texas should develop and offer a Basic Health Program (“CHIP for adults”) by the 2014 implementation date.

“To expand economic opportunity throughout the state, Texas needs to support and enhance effective asset-building policies that advance financial education, improve credit and credit scores, and promote savings,” said Woody Widrow, Executive Director of RAISE Texas, a Lead State Organization for the national Assets & Opportunity Network. “To lay the necessary groundwork for future prosperity, Texas must improve college savings enrollment while increasing access to non-predatory short-term consumer loans.”

Nationally, the *Scorecard* paints a picture of a country where low- and moderate-income families continue to fall further down the economic ladder more than two years after the official end of the recession.

- More than half of consumers (56%) have subprime credit scores.
- Between the third quarters of 2008 and 2011, the home foreclosure rate increased by 50%, widening the already-considerable homeownership gap between white households and households of color. As of 2010, 73% of white households owned homes, compared with just 47% of households of color.
- One in five jobs is low-wage and nearly half of employers do not offer health insurance. In addition, 55% of workers do not have or participate in retirement plans.
- While the number of people getting four-year college degrees is up slightly, the average debt for graduating college seniors has risen 19% since 2007 to \$25,250.

Levere added that the *Scorecard* findings are “particularly disturbing in the context of precipitous drops in incomes for many Americans and widening of the wealth gap between the richest and poorest households.”

The report found growing racial gaps in asset poverty, with the number of people of color who are asset poor more than double the number of white people (43% versus 20%). The number of people of color who were found to be liquid asset poor was nearly double the number of white people (60% versus 32%).

To read an analysis of key findings from the *Assets & Opportunity Scorecard* [click here](#). To access the complete *Scorecard* visit <http://scorecard.cfed.org>.

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[CFED](#) expands economic opportunity by helping Americans start and grow businesses, go to college, own a home and save for their children’s and their 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.

The national [Assets & Opportunity Network](#) is a movement-oriented group of advocates, practitioners, policymakers and others working to expand the reach and deepen the impact of asset-based strategies. Network members are on the frontlines of advocacy, coalition building and service delivery.