



For Immediate Release: 09/21/2009 Contact: Derrick Crowe 512-320-0222, ext 112 or crowe@cphp.org

IS TEXAS THE ENVY OF THE NATION? NEW STUDY GIVES TEXAS AN OVERALL GRADE OF “D” ON FINANCIAL STABILITY

Austin, Texas—The Center for Public Policy Priorities today highlighted a new report from the Corporation for Enterprise Development (CFED) that gives Texas an overall grade of “D” in assessing how families are doing financially. Texas is “trailing behind the rest of the country in health care, education and asset-building policies and outcomes.” CFED’s *Assets & Opportunity Scorecard* ranks states on Businesses & Jobs, Education, Financial Assets & Income, Health Care, and Housing & Homeownership.

“We need national health reform to focus on providing affordable, accessible health care to everyone, while state and local officials need to focus on other key causes of Texas’ financial insecurity, including improving education and job training, while helping families build their net worth,” CPPP Senior Policy Analyst Don Baylor said.

Asset Poverty in Texas

Asset poverty describes a household’s inability to subsist at the poverty level for three months if it loses its income source. CFED’s report reveals 24.8 percent of Texas households are asset poor, ranking us 37th among the states. Significant asset poverty rates extend from the lowest income quintile (54 percent for those earning less than \$24,800) all the way up into the middle-income quintile (25 percent of those earning \$44,801-\$68,800).

Other Important Rankings

According to the *Scorecard*, Texas ranks:

- 48th in mortgage debt as a percentage of home value.
- 48th in overall net worth.
- 51st in total uninsured rates.
- 51st in high-school degree attainment.

Texas’ Homework

CFED offered three main areas on which Texas should focus if we want to improve financial stability for Texans and improve our grade:

- **“Improve access to health insurance:** To address its high rate of uninsured residents, Texas should increase enrollment of eligible Texans in public health insurance by simplifying enrollment and renewal procedures, and increase eligibility of working poor parents for public insurance.

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- **“Curb predatory and unlicensed lending:** To address financial abuses, the state should provide oversight for credit service organizations offering payday and automobile title loans and enforce sound underwriting standards for all credit and mortgage products.
 - **“Invest in economic prosperity initiatives:** To address its low net worth and high asset poverty rate, Texas should invest in activities to promote financial security such as Children’s Savings Accounts, Individual Development Accounts, and Community Tax Centers.”

You can find CFED’s profile for Texas along with their press release at http://scorecard.cfed.org/state_data/texas.php.

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The Center for Public Policy Priorities (CPPP) is a nonprofit, nonpartisan policy institute dedicated to improving the economic and social conditions of low- and moderate-income Texans. You can learn more about CPPP at <http://www.cppp.org>.