

THE
PEW
CHARITABLE TRUSTS

Neighborhood Poverty and Household Financial Security

Diana Elliott
Research Manager, Financial Security and Mobility
Webinar presentation
March 3, 2016



Definitions

Neighborhood poverty was determined with 2009-13 five-year estimates from the American Community Survey:

- Low-poverty neighborhoods; 5% or fewer residents in poverty
- Medium-poverty neighborhoods; 5.01 to 24.99% of residents in poverty
- High-poverty neighborhoods; 25% of residents in poverty

Key Findings

- Not all residents of high-poverty neighborhoods are low income.
- Not surprisingly, those living in low-poverty neighborhoods are more financially stable.
- Low-income residents in low-poverty neighborhoods tend to have more financial security than similar households in higher-poverty communities.
- Regardless of income, neighborhood poverty matters for financial security.

Figure 2

Not All Residents of High-Poverty Communities Are Low-Income

Income distribution of high- and low-poverty neighborhoods, 2014

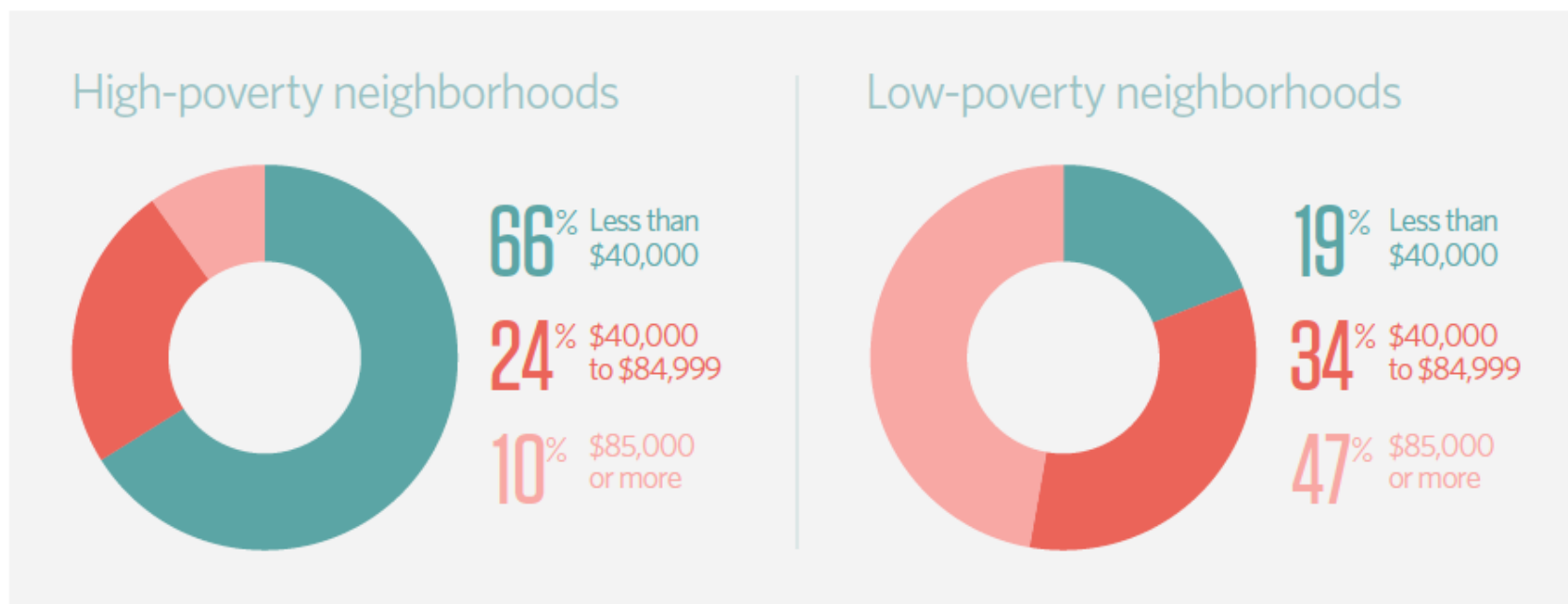


Figure 4

Households in High-Poverty Communities Tend to Be Less Financially Stable

Select financial characteristics by neighborhood poverty level, 2014

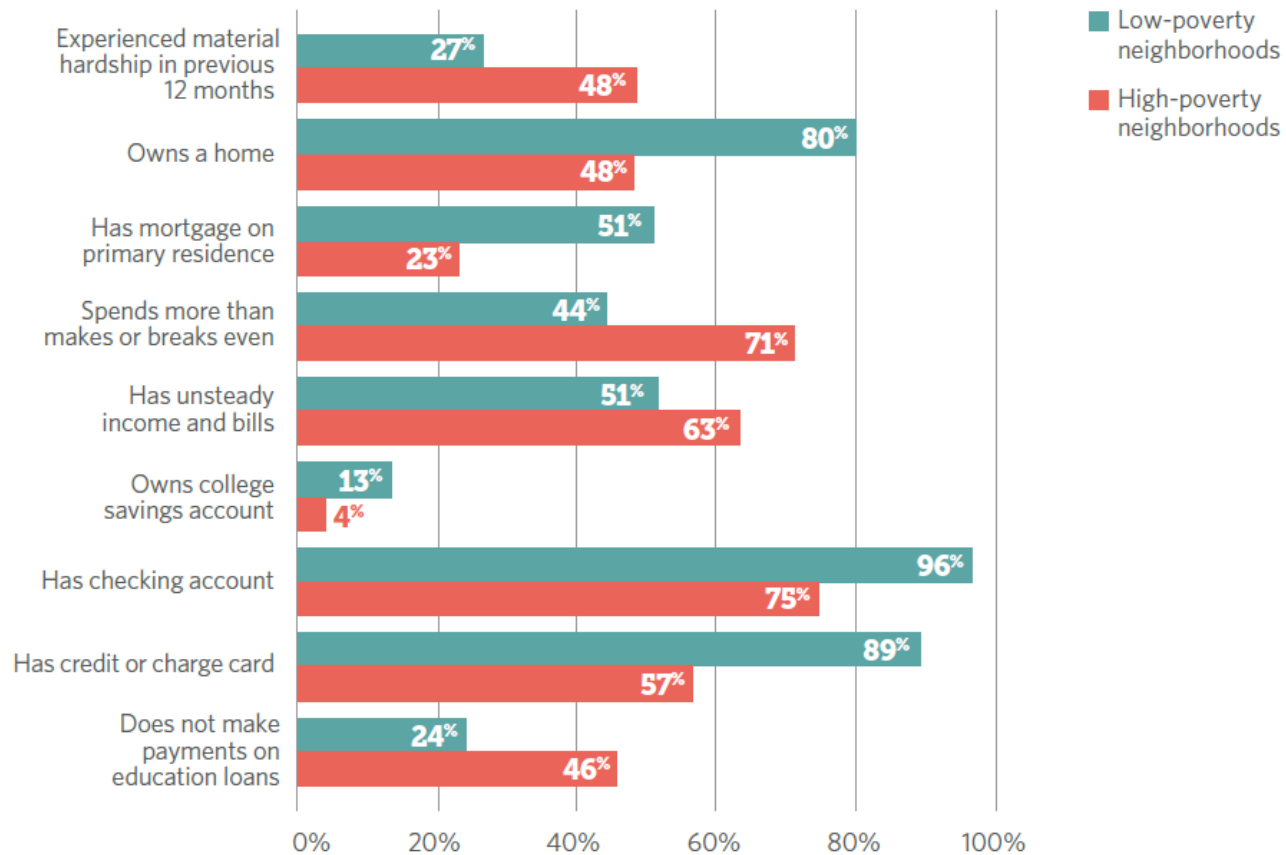


Figure 5

Low-Income Households in High-Poverty Neighborhoods Have Almost No Wealth, While Those in Low-Poverty Communities Have Some

Median net worth by neighborhood poverty level, 2014

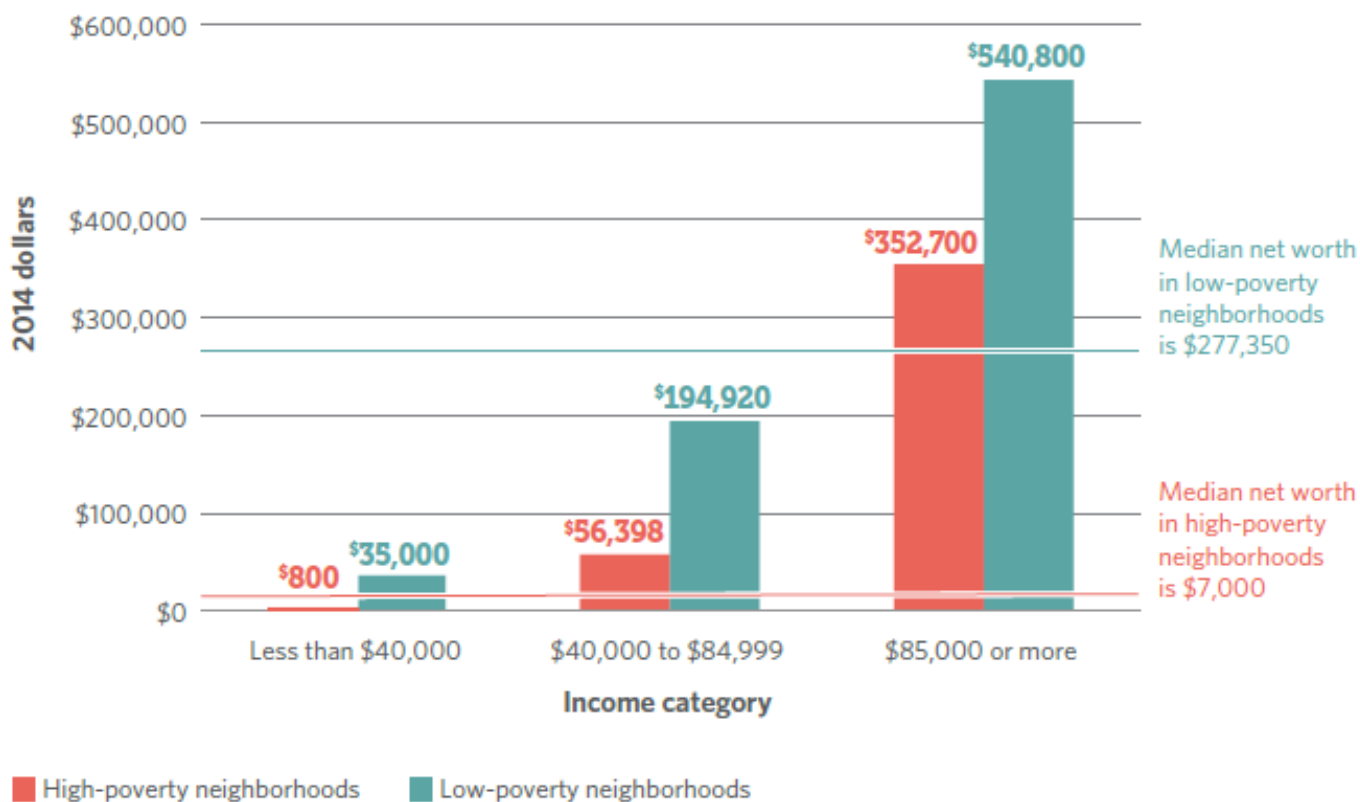


Figure 6

Low-Poverty Neighborhoods Have Higher Homeownership Rates and Homes of Greater Value Than High-Poverty Communities

Homeownership and median home equity by neighborhood poverty level, 2013

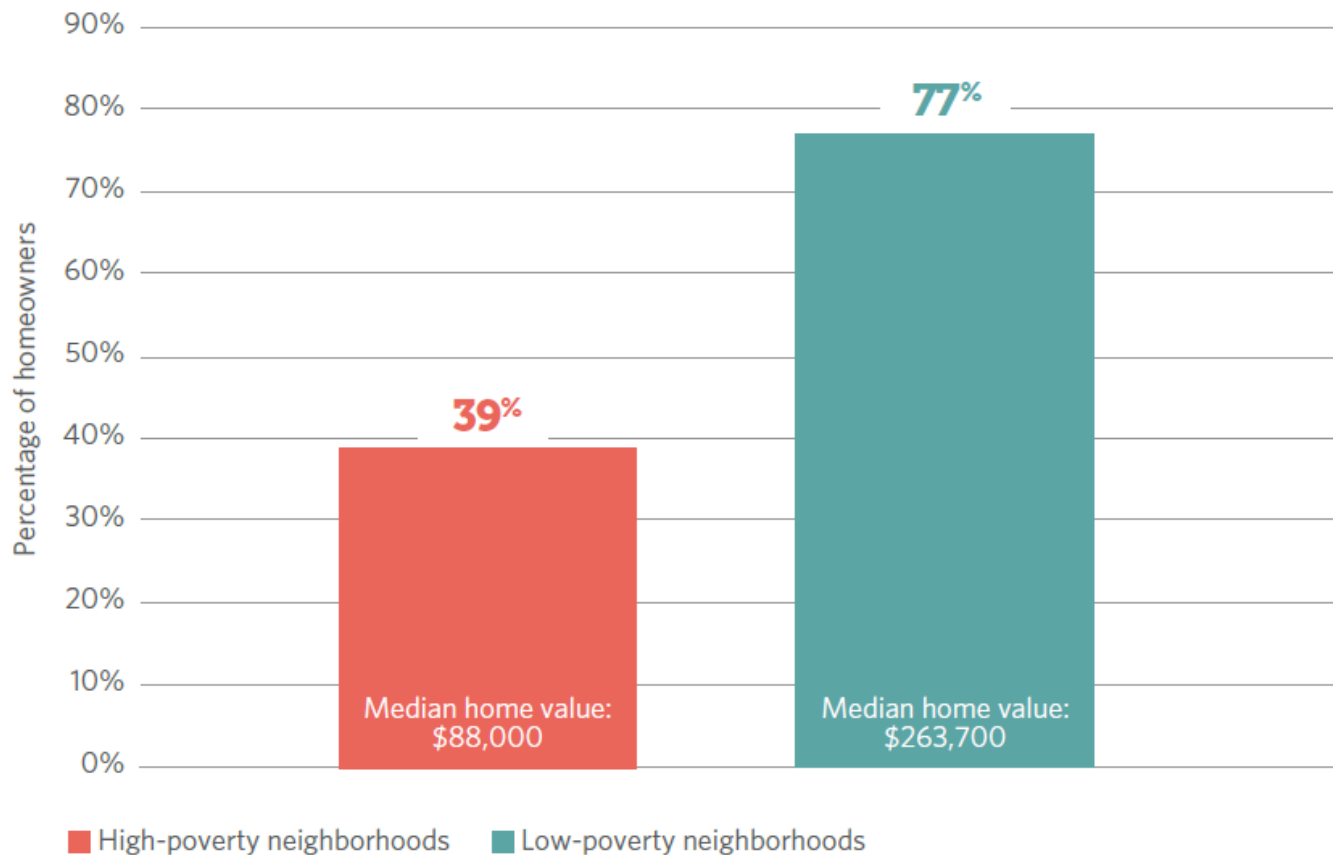


Figure 7

Home Prices Declined Nationally in Recent Years, but Persistently Lower Values Characterize High-Poverty Communities

Median housing values since the Great Recession by neighborhood poverty level, 2010-13

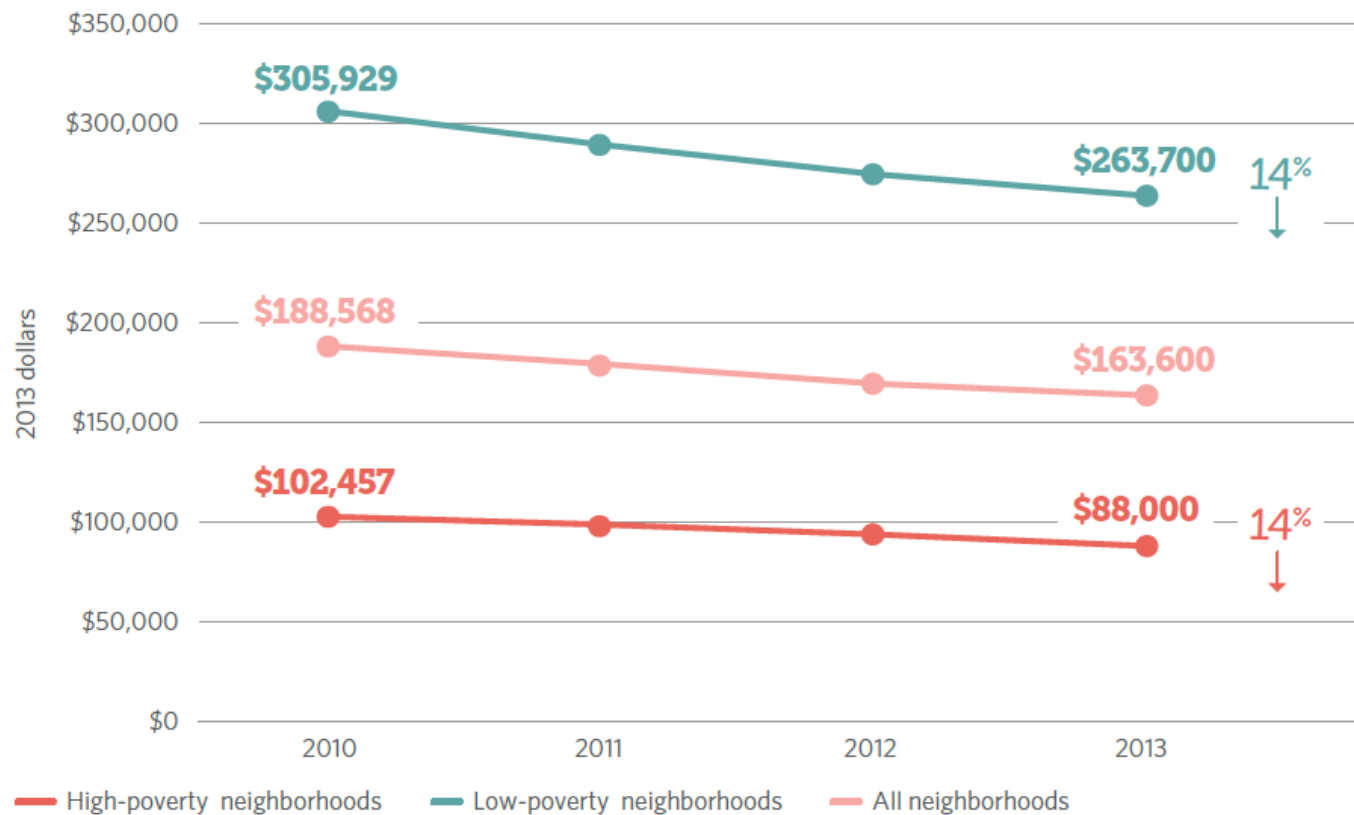


Figure 8

Low-Income Families in Low-Poverty Neighborhoods Have More Savings Than Those in High-Poverty Communities

Savings by household income and neighborhood poverty level, 2014

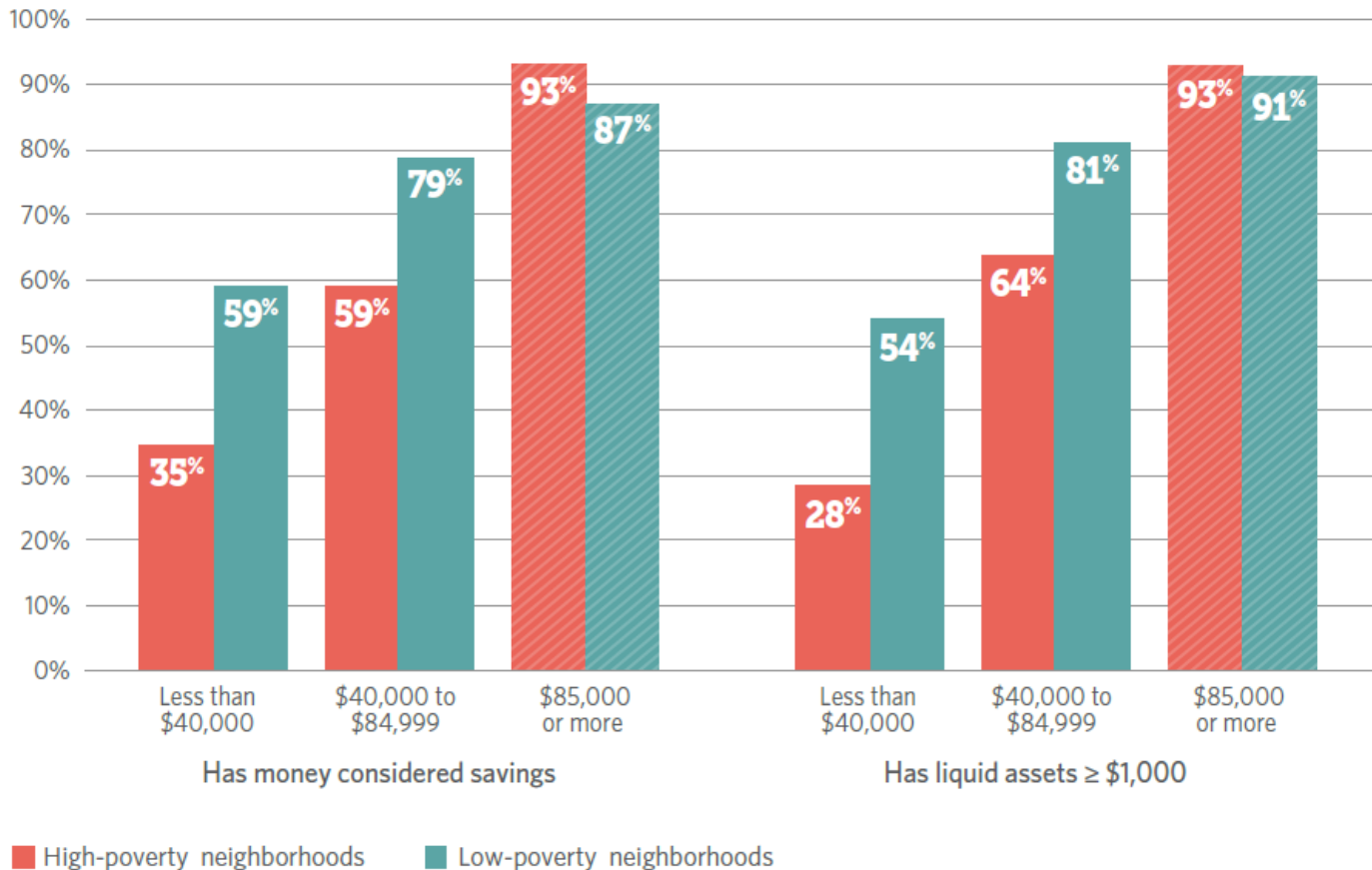
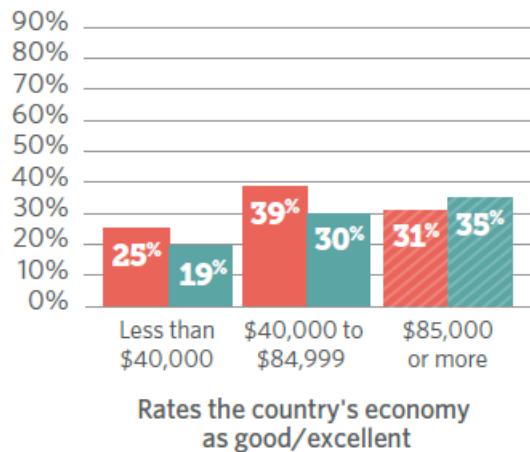


Figure 9

Low- and Middle-Income Families in High-Poverty Areas Are Less Optimistic About Their Financial Security

Attitudes about the economy and family finances, by neighborhood poverty level, 2014



■ High-poverty neighborhoods ■ Low-poverty neighborhoods

Figure 9

Low- and Middle-Income Families in High-Poverty Areas Are Less Optimistic About Their Financial Security

Attitudes about the economy and family finances, by neighborhood poverty level, 2014

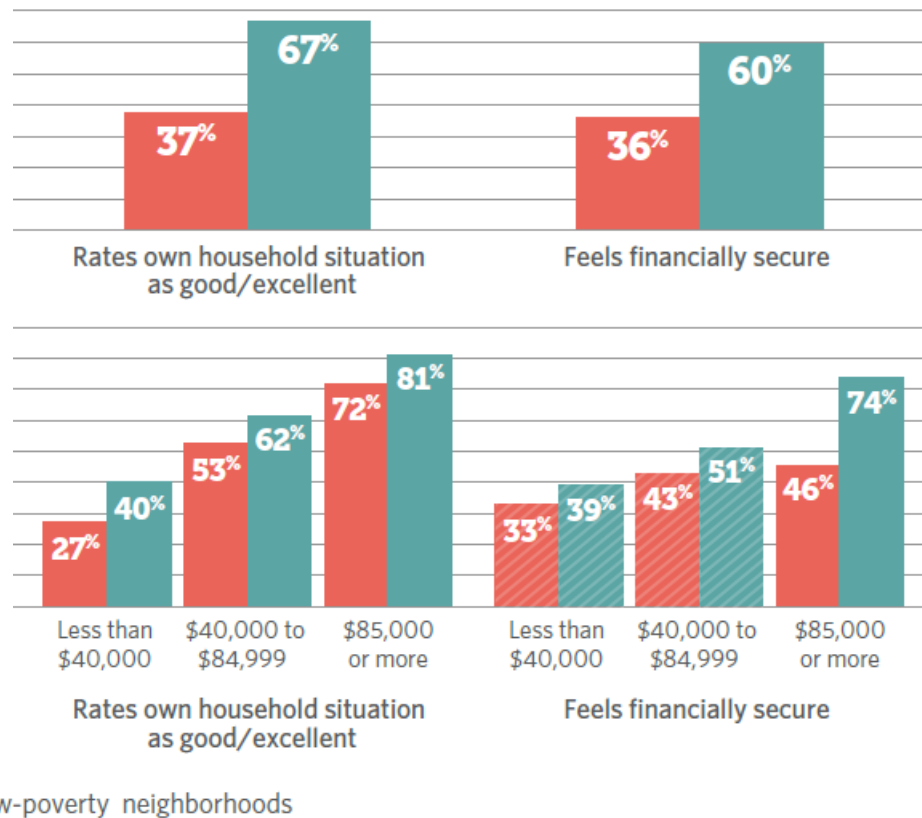
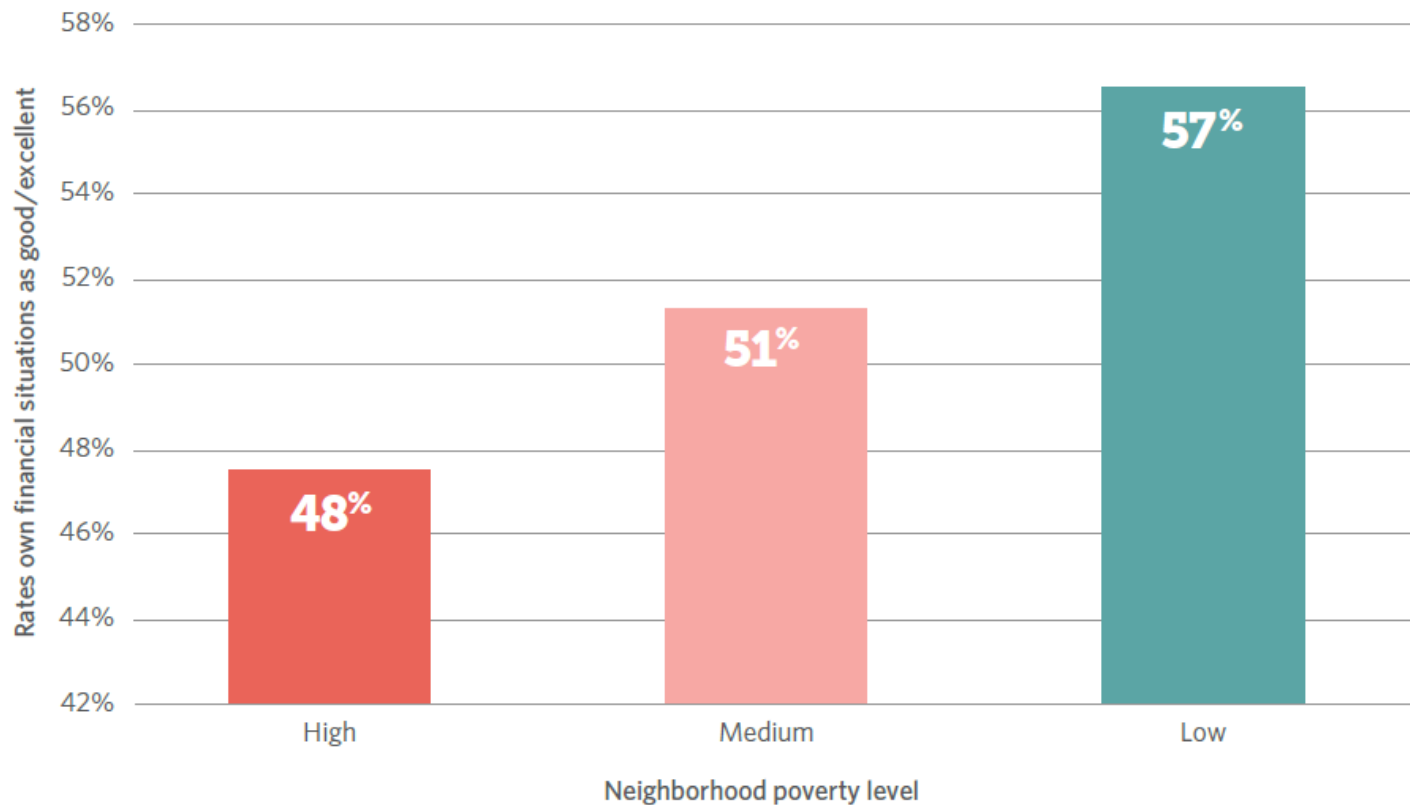


Figure 10

Neighborhood Poverty Affects Families' Sense of Financial Security, Regardless of Their Income

Rating own financial situation as good/excellent after adjusting for individual and household characteristics



Conclusion

- High-poverty neighborhoods, while not exclusively composed of low-income households, are characterized by greater financial instability than more prosperous areas.
- This is true even when controlling for other economic factors, indicating that American families' local surroundings are critical to their financial security.

Local and State Data Resources

Pew Trust Webinar

March 3 2016

CFED (Corporation for Enterprise Development) empowers individuals and families to build and preserve assets by advancing policies and strategies that help them go to college, buy a home, start a business, and save for now and for the future.

We combine the vision of a think tank with real-world experience to:



Identify Good Ideas: CFED's research finds ideas with potential for making the economy work for everyone, particularly those on the margins.



Develop partnerships: CFED works in partnership with diverse organizations across the country to promote lasting change.



Bring Them to Scale: CFED brings together community practice, public policy and private markets to achieve the greatest economic impact.

ASSETS & OPPORTUNITY INITIATIVE



The **Assets & Opportunity Scorecard** is a comprehensive look at Americans' financial security today and their opportunities to create a more prosperous future. It assesses the 50 states and the District of Columbia on 130 outcome and policy measures, which describe how well residents are faring and what states can do to help them build and protect assets.



The **Assets & Opportunity Local Data Center** is a resource for local-level household financial security data and information, including estimates of household wealth and financial access for thousands of cities and counties in America as well as more in-depth data profiles for a growing number of cities.



The **Assets & Opportunity Network** is a movement-oriented group of advocates, practitioners, policymakers and other 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.

AssetsandOpportunity.org



www.cfed.org



@CFED



/CFEDNews



cfed.org/blog/inclusiveeconomy

ASSETS & OPPORTUNITY SCORECARD

61 Measures; 69 Policies

Financial Assets & Income



Business & Jobs



Housing & Homeownership



Education



Health Care



ASSETS & OPPORTUNITY SCORECARD

61 Measures; 69 Policies

Financial Assets & Income

Predatory Small-Dollar Lending Protections

Retirement Savings

Business & Jobs

Microbusiness Support

Minimum Wage

Housing & Homeownership

First-time Homebuyer Assistance

Education

Early Education Access

College Savings Incentives

Health Care

Medicaid Expansion

Simplified Procedures for CHIP Enrollment



ASSETS & OPPORTUNITY LOCAL DATA CENTER

ASSETS & OPPORTUNITY LOCAL DATA CENTER

MAP MY PLACES 0 CREATE REPORTS SOURCES ABOUT HELP ?

A Project of CFED
in partnership with
Citi Community
Development

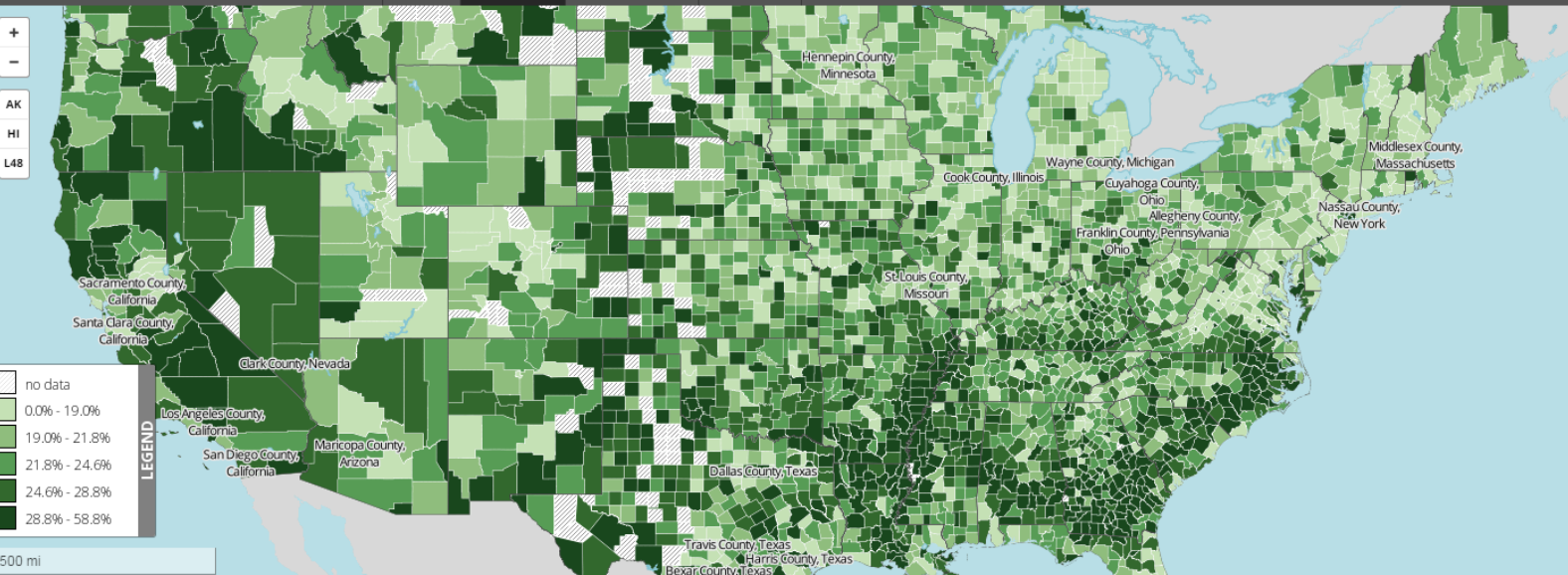
FAMILY ASSETS COUNCIL

Building
Financial
Resilience
in America

SELECT MAP **ASSET POVERTY RATE**

BY CITY BY COUNTY BY METRO AREA BY STATE

Find a place by name



Barnstable County, MA ☆
ASSET POVERTY RATE: 12.9%

Welcome to the **Assets & Opportunity Local Data Center!** To get started:

- Select any of the 12000+ locations in our database by using the search bar above or clicking on the map.
- Use the color-coded tabs at the bottom & top of the map to toggle between the site's four data measures.
- Select one of the "by geography" buttons above the map to change the map's view (to city, county, MSA or state).
- Click the "View Profile" button to see and download all the data for a selected place.
- Generate custom reports by adding locations to "My Places" or visiting "Create Reports".
- For more tips, and helpful tutorial gifs, use the Help menu.

ASSET POVERTY RATE

LIQUID ASSET POVERTY RATE

UNBANKED RATE

UNDERBANKED RATE

Percentage of households without sufficient net worth (total assets minus total liabilities) to subsist at the poverty level for three months in the absence of income, 2011. SOURCE

assetsandopportunity.org/localdata



www.cfed.org

@CFED

/CFEDNews

cfed.org/blog/inclusiveeconomy



A project of CFED in partnership
with Citi Community Development

Advancing financial security with:

- New Data
- Strong Coalitions & Partnerships
- Targeted Program & Policy Agendas

FamilyAssetsCount.org



Financial Insecurity in Boston: A Data Profile



In Boston today 17% of households live in poverty. In three liquid asset poor households do not have enough assets to cover three months of expenses. The median household income in Boston is \$40,000.

Many working families are living in a state of precarity. From living in a state of precarity, many families are liquid asset poor.

The inability to bounce back from financial setbacks is a major challenge for many families.

The findings are from a new data analysis from Family Assets Count, in partnership with Citi Community Development and the Middle Eastern and North African Family Assets Count. The report highlights the power of family.

With the support of the data, Mayor White has signed City Opportunity Agreements to address the continuum of household assets to a consumer protection.

The report highlights a range of challenges confronting Boston.

- 40% of homeowners are paying more than 1/3 of their income to service their mortgage. One in three families has a net worth that is negative. One in three families has a net worth that is negative.
- 16% of Boston families do not have a savings or checking account.
- One in three families has a bank account, but still has a checking or savings account that is not active.
- College completion greatly improves the chances of financial stability. 57% of Bostonians with just a high school diploma are liquid asset poor, compared to 25% of those with a bachelor's degree.

Though cutting-edge data, tools and resources Family Assets Count offers to help families and educators progress and address the needs of all families.



Financial Insecurity in the California Capital Region: A Data Profile



California Capital Region Households

LIQUID ASSET POVERTY

39%

Do not have enough savings to live above the poverty line for three months.

ASSET POVERTY

24%

Do not have enough assets to live above the poverty line for three months.

UNBANKED

5%

Do not have a checking or savings account.

UNDEBANKED

21%

Have a bank account but not a checking or savings account.

Income poverty is a way of life for 13% of households in the California Capital Region, which includes Sacramento, Colusa and Yuba County. Income poverty is a way of life for 13% of households in the California Capital Region, which includes Sacramento, Colusa and Yuba County. Income poverty is a way of life for 13% of households in the California Capital Region, which includes Sacramento, Colusa and Yuba County.

The inability to bounce back from financial setbacks is a major challenge for many families.

A clear look at the data reveals that the challenges are even more acute in the City of Sacramento.

- 47% of Sacramento households live in liquid asset poverty. Compared to other cities in the state, Sacramento has the highest rate of liquid asset poverty.
- 58% of households live in asset poverty, 71% of single-parent households, 57% of households with children, 64% of women, 38% of homeowners and 63% of households with no college degree. In Sacramento, 47% of households live in asset poverty.
- 14% of Sacramento households do not have a checking or savings account, and 25% of households do not have a bank account. This means they are not paying for their assets to be safe and secure.

Practitioners, advocates, policymakers and philanthropists must join together with local individuals and families to strengthen financial stability in our region. Our long-term vision is to create a more equitable, resilient and prosperous region for all.

The findings in this summary and in the following report are part of a new data analysis from Family Assets Count, a project of CFED (the Center for Financial Empowerment) and the Assets & Opportunity Institute in partnership with Citi Community Development and the California Capital Region Assets & Opportunity Network. For more data on local families, visit www.familyassetscount.org.

Though cutting-edge data, tools and resources Family Assets Count offers to help families and educators progress and address the needs of all families.



Asset, Monthly & Liquid Asset: Monthly 2014 Data. A Citi Community Development, CFED, and Family Assets Count project. For more information, visit www.familyassetscount.org.

business Miami Herald

Home News Sports Business Living Entertainment Opinion Obituaries Local Deals Class

VISIT TimeToBuildKXL.com TO LEARN MORE

NEWS - BUSINESS



Report: Nearly 60 percent of households in Miami-Dade are one financial emergency away from poverty



A project of CFED in partnership with Citi Community Development



Resources

- Check out our recording on how to use the Assets & Opportunity Scorecard
- Stay up to date! Join the Assets and Opportunity Network
- 2016 Assets Learning Conference
Sept. 28-30, DC





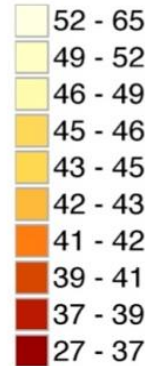
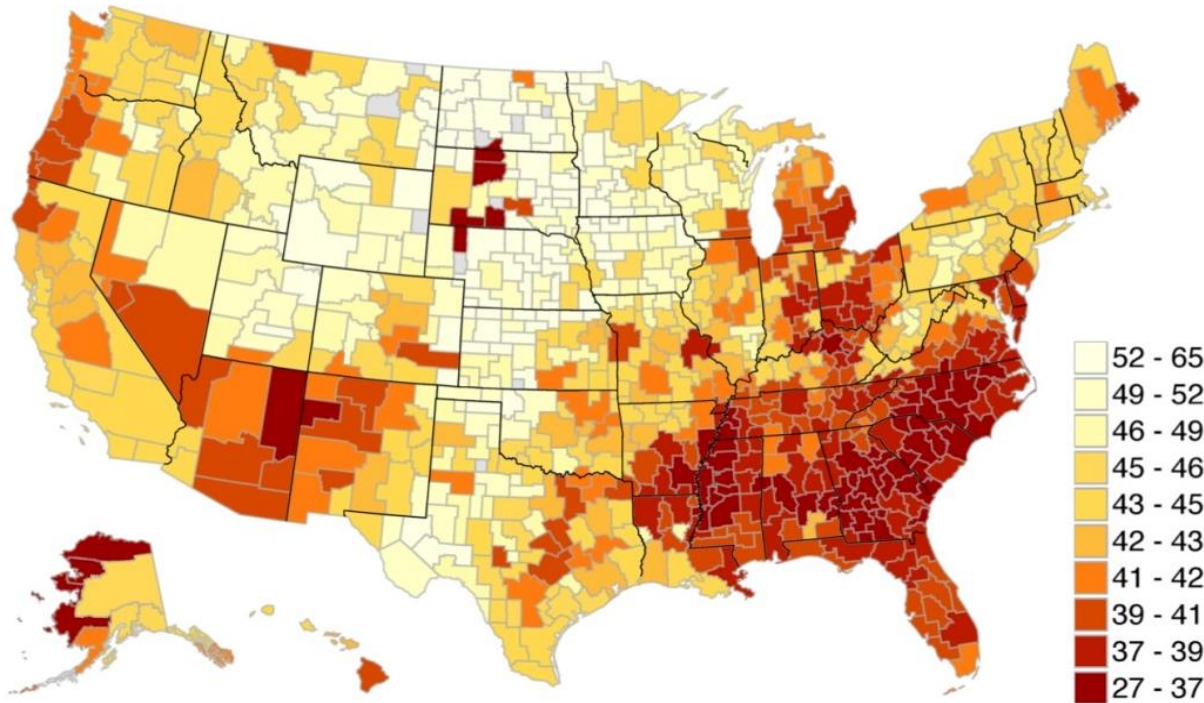
.CHARLOTTE MECKLENBURG.

OPPORTUNITY

TASK FORCE

Charlotte 50th Out 50 Cities

The Geography of Intergenerational Mobility in the United States
Average Child Percentile Rank for Parents at 25th Percentile



Top 5 Cities

- San Jose (10.8%)
- San Francisco
- Washington DC
- Seattle
- Salt Lake City

Bottom 5 Cities

- Indianapolis
- Dayton
- Atlanta
- Milwaukee
- Charlotte (4.4%)**

Land of opportunity? Not by a long shot

Charlotte is nation's worst big city for climbing out of poverty

The prospects for escaping poverty are worse in Charlotte than in any other big metro area in the nation.

Any time Charlotte is worst in the country in anything, it should get residents' attention. Economists at Harvard and Cal-Berkeley have produced a detailed study of income mobility and find that Charlotte ranks 50th among the 50 biggest U.S. cities, and 97th out of 100.

America is known as the land of opportunity, the study's authors say, but the accuracy of that label depends upon where in America you live. In Charlotte and much of the South, most people have about as well off as their parents, but no better. Charlotte children born in the bottom 20 percent in household income have a 44 percent chance of reaching the top 20 percent. Poor children's chances of moving to the top are as Seattle, San Jose, Boston, Salt Lake City, San Francisco and Washington, DC.

Perhaps Charlotte kids are moving out of poverty, but just not to the top 20 percent? No. The report shows Charlotte ranked 98th of 100 on the overall movement of kids born to parents at the 25th percentile of income.

The research may be the most exhaustive of its kind. The economists compiled data from millions of earnings records, including all U.S. children born from 1980-82 and their incomes 30 years later.

Kids who grow up in Charlotte, they found, have less chance of moving up the income ladder than those in any developed country for which data are currently available.

This is troubling regardless of one's political stripes. No one is guaranteed a certain income, but the idea of equal opportunity goes to America's core. In Charlotte and all of the Carolinas, it's a myth.

The researchers found five major factors that they say are correlated with income mobility: racial and income segregation; inequality; school; social capital and family structure.

The poor tended to stay poor more in racial and income lines. When poor people are dispersed across middle-class neighborhoods, their children tend to fare better. That's why the City Council's approval last week of an affordable housing project in south Charlotte was an important moment. The children who grow up there will probably attend better schools and become friends with kids from a broader mix of income levels. In the long run, that will translate into better lives for them.

Carol Hardison, CEO of Crisis Assistance Ministry, sees another possible newness of Charlotte's wealth. Major philanthropy aimed at helping disadvantaged children, such as through Project LIFT, as cities have enjoyed such efforts for generations.

"We have 150,000 people in poverty and one Project LIFT," Hardison told the server editorial board. "Go to Boston or Philly - they have 100-year-plus philanthropists who have been involved with not just short-term solutions but doing the research and understanding problems."

There are no easy fixes, but awareness is a prerequisite. Then we need to encourage mixed-income neighborhoods, grow social capital and constantly work to reduce the student achievement gap. Perhaps Charlotte's City Council could get started at its retreat this week.

Students show off their new laptop computers at Druid Hills Academy, a Project LIFT school, last year

Photo: Sarah H. / iStockphoto.com

Photo: Sarah H. / iStockphoto.com

What We Have Learned So Far...



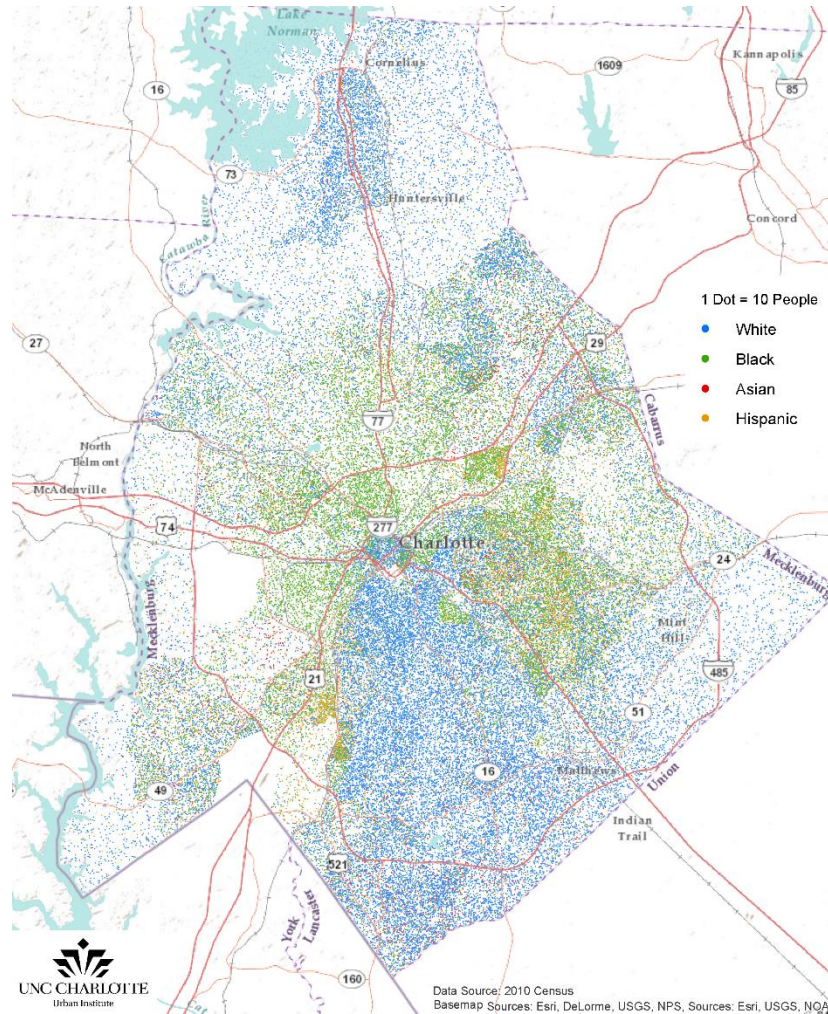
.CHARLOTTE MECKLENBURG.
OPPORTUNITY
TASK FORCE

5 Opportunity Predictors





We Are Segregated by race and ethnicity



Responding Together



.CHARLOTTE MECKLENBURG.
OPPORTUNITY
TASK FORCE

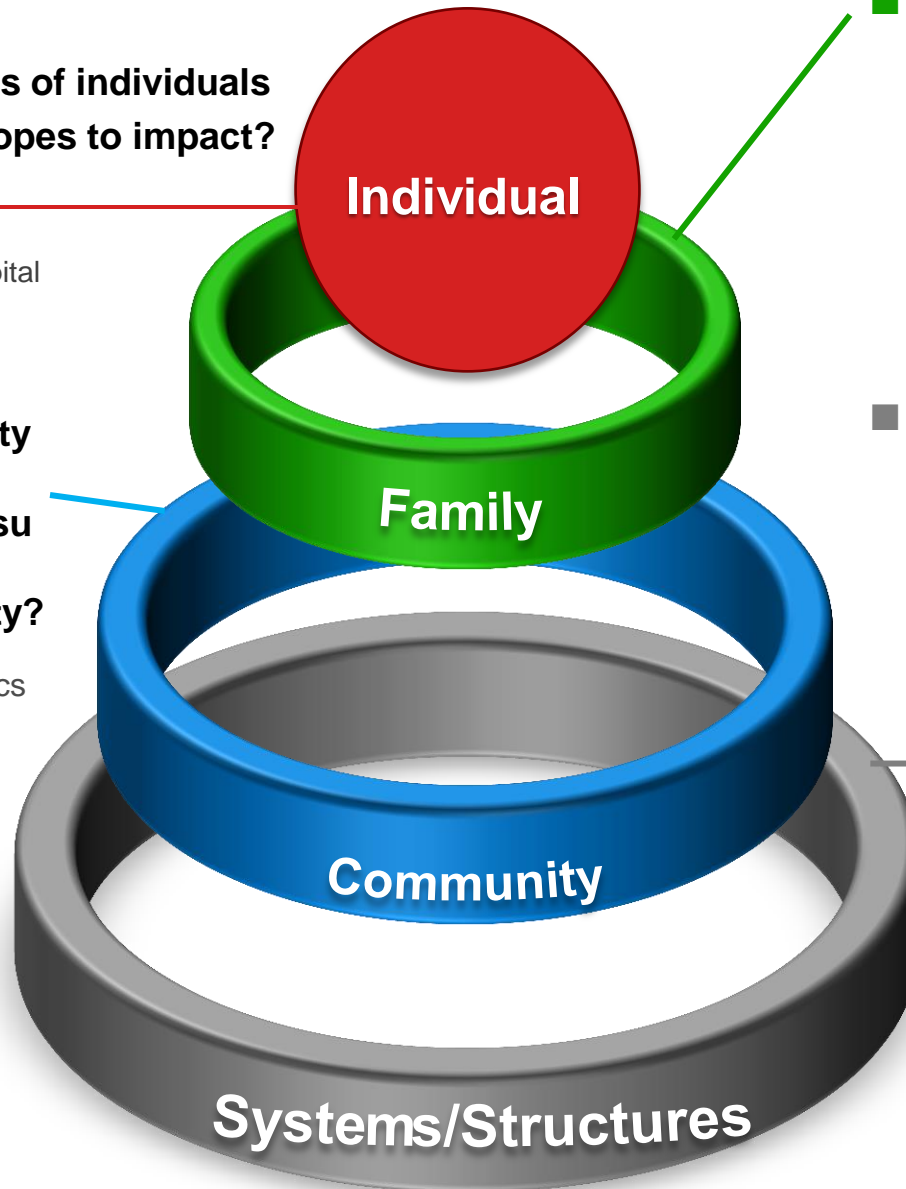
A Layered Approach

■ What are the attributes of individuals that the Task Force hopes to impact?

- Hopes/Aspirations
- Skills/Preparedness
- Connectedness/Social Capital
- Resilience/Grit

■ What in our community network of resources/programs/support most creates or constrains opportunity?

- Neighborhood Characteristics
- Education Programs
- Life-Skills Programs
- Criminal Justice Programs
- Workforce Development Programs
- Faith Community
- Business Community



■ What about families most creates or constrains opportunity?

- Family Structure
- Family Traditions/Values
- Family Planning
- Family Income
- Parenting Skills/Resources

■ What are systemic or underlying forces and structures that most create or constrain opportunity?

- Housing
- Education
- Criminal Justice
- Segregation
- Cultural Values/Norms
- Explicit/Implicit Bias
- Exclusion/Inclusion
- Hiring Practices
- Income Inequality/Wages

Successes & Challenges

Successes

- Public/Private Partnership
- National & local research
- Diverse task force
- Broad community understanding
- Rich dialogue

Challenges

- Task force selection
- “Politics”
- Agreement about “who” we’re targeting
- Community engagement
- Defining the long-term goal

Engaging the Community



.CHARLOTTE MECKLENBURG.
OPPORTUNITY
TASK FORCE

3 Things You Can Do Right Now

1. **SIGN UP** on the website at www.opportunitycharmeck.org
2. **FOLLOW** the Opportunity Task Force on Facebook and Twitter
3. **SHARE** what you've learned today

Neighborhood poverty and financial security
March 3, 2016

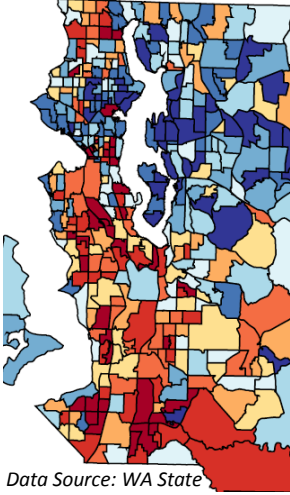
Carrie S. Cihak, King County Executive's Office
King County, WA



King County

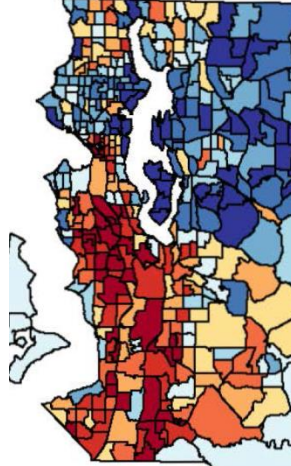
Seattle-King County Patterns are Similar to Pew Chartbook

Life Expectancy



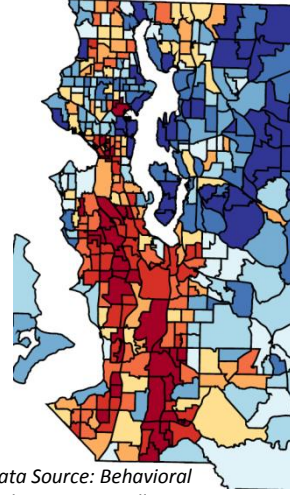
Data Source: WA State Department of Health Death Certificates and Vital statistics.

Tobacco Use



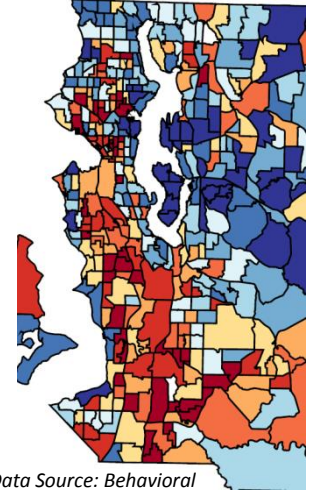
Data Source: Behavioral Risk Factor Surveillance System

Frequent Mental Distress



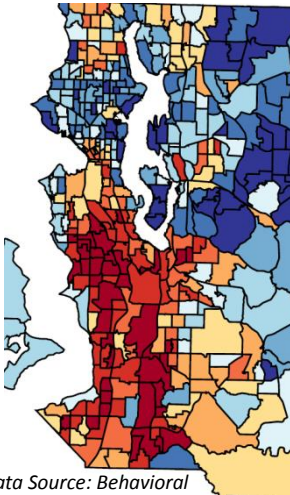
Data Source: Behavioral Risk Factor Surveillance System

Adverse Childhood Experiences



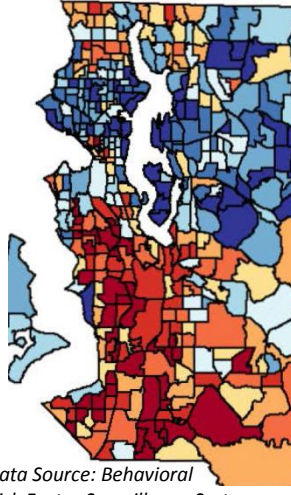
Data Source: Behavioral Risk Factor Surveillance System

Lack of Physical Activity



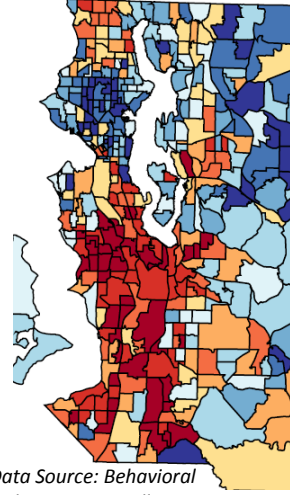
Data Source: Behavioral Risk Factor Surveillance System

Obesity



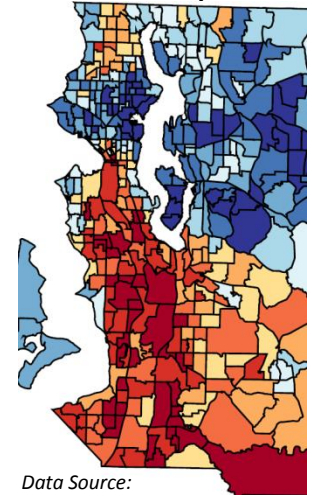
Data Source: Behavioral Risk Factor Surveillance System

Diabetes



Data Source: Behavioral Risk Factor Surveillance System

Preventable Hospitalization



Data Source: Comprehensive Hospital Abstract Reporting System (CHARS); WA State Department of Health; and the American Community Survey (ACS), Census Bureau.

To identify geographic areas of need, King County census tracts were rank-ordered from highest to lowest percent of adults by the indicators noted above. The tracts were then divided into 10 groups. Dark reds show tracts with the highest rates; dark blues show tracts with lowest rates (note: the Life Expectancy map ranks shortest in dark red to longest in dark blue).

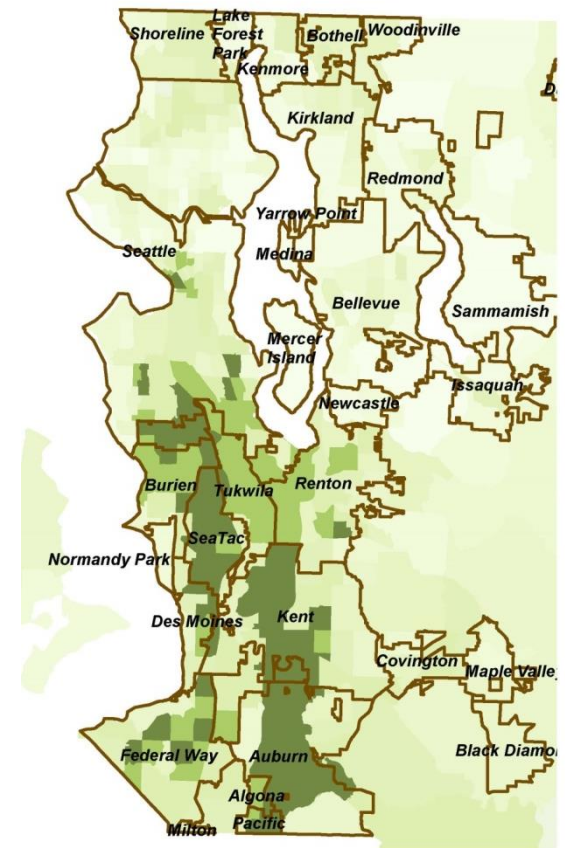
www.kingcounty.gov/coo

Communities of Opportunity



Goal: Improve outcomes in communities with much to gain

- 20% of the county
- Prevention focus
- Health, housing, economic development and community cohesion intersections
- Cross-sector collaboration, community ownership, catalyze additional resources
- Place-based investments, system and policy changes, toolkit and inclusive learning community
- Living Cities' Integration Initiative site



Communities of Opportunity

Working on these complex issues is not new.
It's how we are working that is transformative.

FROM less of:



TO more of:

- Acting in isolation
- Protecting status quo
- Protecting current roles
- Imposing solutions
- Paying for outputs

- Embracing innovation and partnerships
- Sharing power and credit
- Community-led and owned solutions
- Paying for outcomes

INVEST IN YOUR COMMUNITY

4 Considerations to Improve Health & Well-Being *for All*

WHAT Know What Affects Health



WHERE Focus on Areas of Greatest Need

Your zip code can be more important than your genetic code. Profound health disparities exist depending on where you live.



WHO Collaborate with Others to Maximize Efforts



HOW Use a Balanced Portfolio of Interventions for Greatest Impact

- Action in one area may produce positive outcomes in another.
- Start by using interventions that work across all four action areas.
- Over time, increase investment in socioeconomic factors for the greatest impact on health and well-being for all.

Four ACTION Areas



IAP2 Spectrum of Public Participation



INFORM

We promise to keep you informed.

CONSULT

We will keep you informed, listen and acknowledge concerns and provide feedback on how public input influenced the decision.

INVOLVE

We will work with you to ensure your concerns are directly reflected in the alternatives developed and let the public know how they influenced the decision.

COLLABORATE

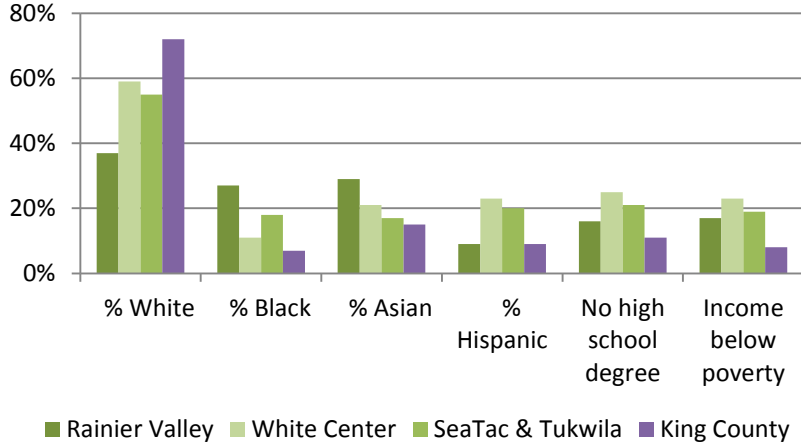
We will look to you for direct advice for formulating solutions and incorporate the recommendations into the decisions.

EMPOWER

We will implement what you decide.

Source: International Association for Public Participation, www.iap2.org. Similar approach used in the King County Community Engagement Guide, under Tools and Resources at www.kingcounty.gov/equity.

Initial Place-Based Sites, Demographics and Strategies



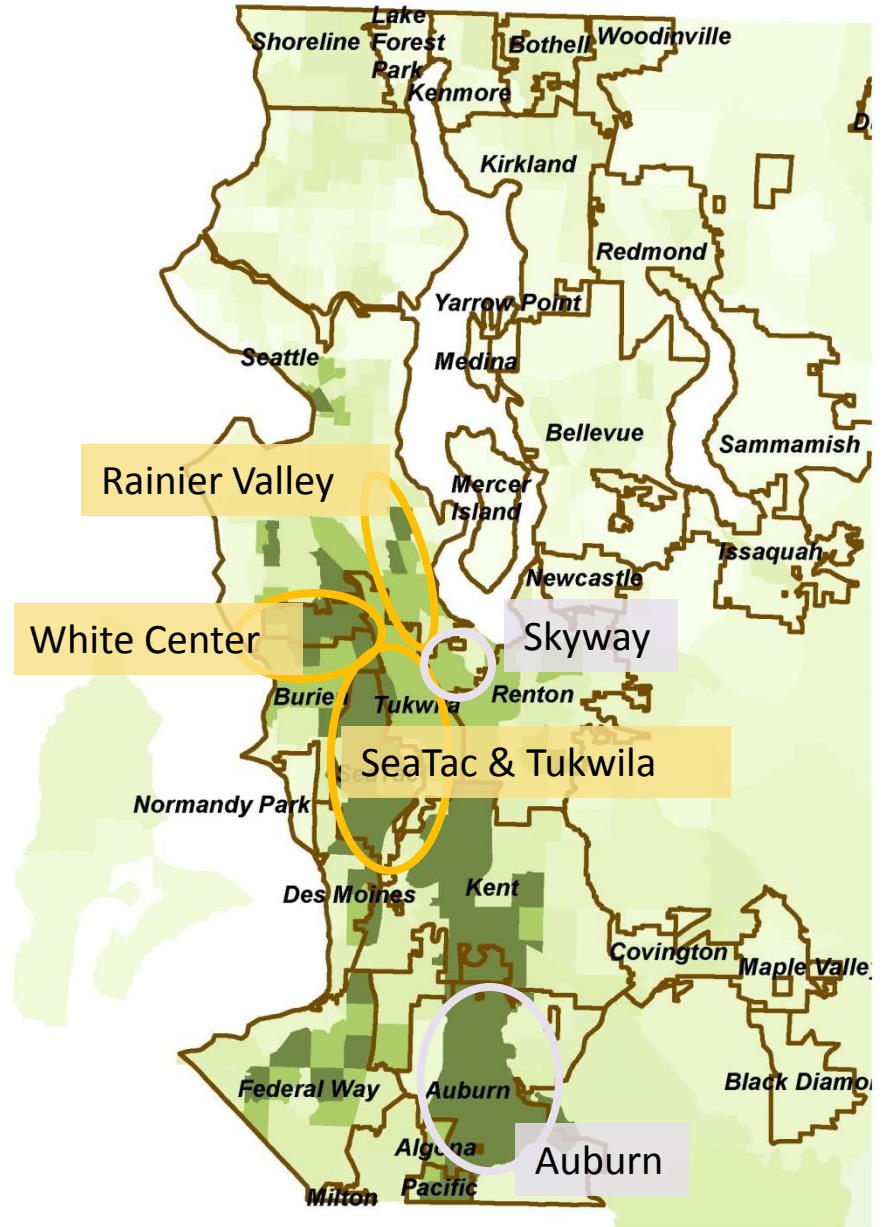
Rainier Valley, pop 41,350: Food innovation district, including healthy food businesses and business incubation; youth wellness, including violence prevention; multi-cultural community center and cultural anchors; strong non-profits; affordable, healthy housing and co-op ownership housing; prevent resident and business displacement; activate public spaces, including physical activity.

White Center, pop 17,760: Increase access to healthy foods, physical activity for youth; prevent resident and business displacement; improve housing quality/home repair, including asthma prevention; business incubation; affordable/mixed income healthy housing and ownership opportunities.

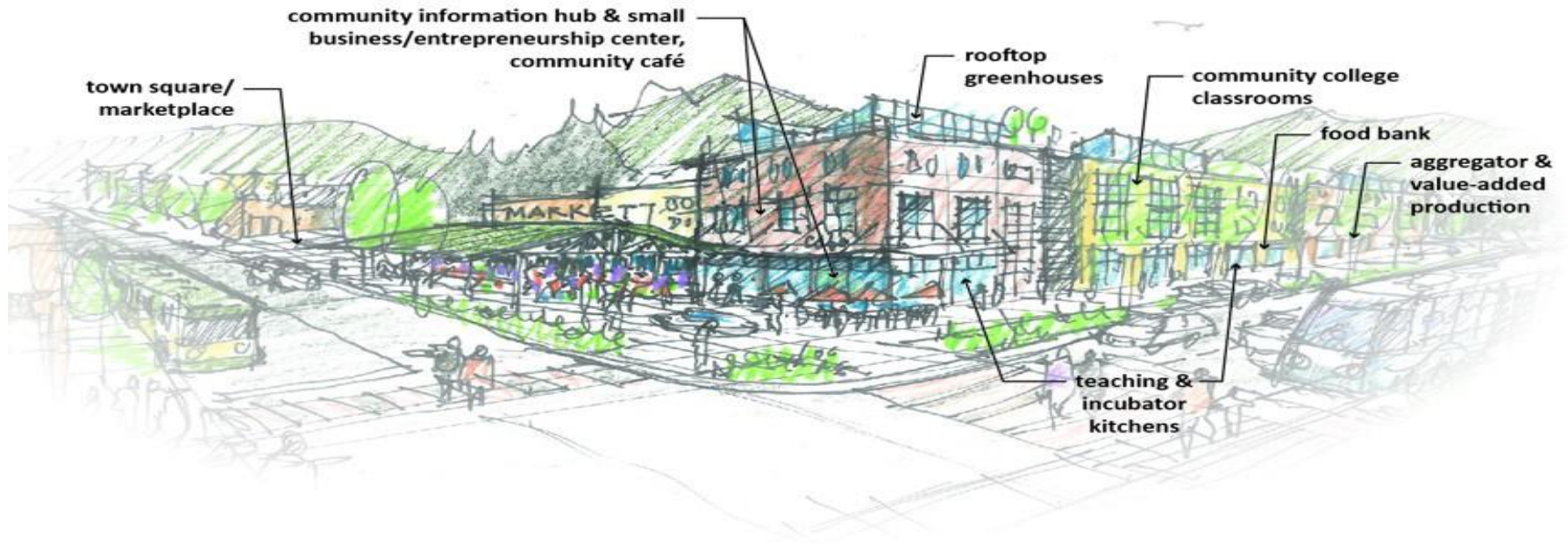
SeaTac & Tukwila, pop 46,321: Food innovation district, including healthy food businesses; commercial kitchens; small business technical assistance; food advocate leadership development; urban agriculture and affordable healthy housing.

Skyway: planning grant

Auburn: planning grant



Draft Artist Rendering for Food Innovation District at Rainier Beach Station, South Seattle



Best Starts for Kids Investments

\$392.3 million over six years (avg. of \$65.4 million/year)

- 50% allocated to ages prenatal to 5
- 35% allocated to ages 5 to 24
- 10% allocated to Communities of Opportunity
- 5% allocated to Accountability which includes evaluation and infrastructure





Thank You

<http://economicmobility.org>

#PowerOfPlace