

**For Immediate Release**

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## **District of Columbia Receives “B” for Financial Security** *Score Masks Disparities between Race and Income Groups*

WASHINGTON, DC — Although the District of Columbia earns the highest marks for having few low-wage jobs and above average annual pay, it also ranks alongside states with the highest unemployment rates and percent of residents living in poverty, according to a report released today by the [Corporation for Enterprise Development](#) (CFED), a national economic nonprofit. These contradictory rankings illuminate that the high income and net worth of a minority can mask the failing economic situation of the majority, a line often drawn at the intersection of race, income and educational attainment.

CFED’s *2009-2010 Assets & Opportunity Scorecard*—online at [scorecard.cfed.org](http://scorecard.cfed.org)—measures the financial security of families in the United States by looking beyond income to the whole picture of building assets and protecting against financial setbacks. The *Scorecard* ranks the 50 states and the District of Columbia on 58 performance measures in the areas of Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care and Education.

The District of Columbia’s ratings reflect experiential disparities between its high- and low-income residents and between white and minority residents. While the District ranks 1<sup>st</sup> in both two- and four-year degree attainment, it ranks 51<sup>st</sup> in four-year degree attainment by race and 38<sup>th</sup> in four-year degree attainment by income. In other measures, the District ranks 10<sup>th</sup> overall in health insurance coverage, but it ranks 47<sup>th</sup> in health insurance coverage by race and 50<sup>th</sup> in coverage by gender.

“The *Scorecard* provides a broad picture of how families stand, and what it tells us is that many American households were already very vulnerable economically going into this recession,” said CFED President Andrea Levere. “It also shows state by state what is being done to address these vulnerabilities, and while many states are taking some action, in most cases they haven’t been putting a very strong commitment into their efforts.”

“Despite DC’s overall B grade, the *Scorecard* reveals growing disparities in asset ownership by income, race and gender. With fewer opportunities to secure living-wage employment, attend college and become homeowners, many residents are stuck on the bottom rung of the economic ladder,” says Colleen Dailey, Executive Director of Capital Area Asset Builders (CAAB), a *Scorecard* State Partner.

The *Scorecard* also assesses states on the strength of its policies to help families build financial security. The *Scorecard* includes a detailed look of state-by-state information on 12 policy priorities, as well as information on 23 additional policies. Together, these policies provide a comprehensive picture of what states can do to help residents build and protect assets.

The *Scorecard* shows where the District has significant opportunities to support the financial well-being of its residents, such as through policies that widen opportunities for homeownership, increase support for job training, and encourage savings and investment. Of the 12 policy priorities, the District of Columbia

currently has taken action on nine of them; in five of the priority areas the City's policies are rated strong or very strong by the *Scorecard*. CAAB is leading an effort to engage stakeholders in the public and private sectors to develop an agenda to strengthen opportunities for wealth building in the District and decrease the disparities the *Scorecard* reveals.

Nationally, the *Scorecard* notes that even before the current recession, economic vulnerability was growing, especially among low- and middle-income families. Among the findings:

- While U.S. households overall registered a 27% increase in net worth between 2004 and 2006, median net worth *fell* over that period for the 40% of U.S. households earning less than \$37,000 a year.
- The number of individuals with employer-provided health insurance fell sharply, to 60.9% from 63.2%, leaving more families vulnerable and financially unprepared for health emergencies.
- The median amount of revolving debt, including credit card debt, rose 64% between 2006 and 2008 from \$1,805 to \$2,960.
- Slightly more than 12% of households live below the federal income poverty line, but nearly double that amount (22.5%) are asset poor, meaning they have insufficient assets to keep them out of poverty for three months in the event of job loss. Over 14% of American households live in extreme asset poverty, meaning they have zero or negative net worth.

Top performers on the 2009-2010 *Scorecard*—those states that earned an overall “A” in performance measures—include Hawaii, Iowa, Kansas, Maine, Massachusetts, Minnesota, New Hampshire, Vermont, Washington and Wyoming.

In the region, Maryland and Virginia also earned a “B” on the *Scorecard*.

For more information and to access the *Assets & Opportunity Scorecard*, visit [scorecard.cfed.org](http://scorecard.cfed.org).

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[CFED](#) expands economic opportunity by helping Americans and their children build assets, save for the future, start and grow businesses, pursue education and become homeowners. We identify, refine and help realize good ideas 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. Established in 1979 as the Corporation for Enterprise Development, CFED works nationally and internationally through its offices in Washington, DC; Durham, North Carolina; and San Francisco, California.

[Capital Area Asset Builders](#) puts people on the road to financial independence. Our programs help low- and moderate-income individuals and families improve their money management skills, increase their savings, and build wealth by investing wisely. Our goal is to create a community that provides everyone with incentives and opportunities to save for the future. As CFED's *Scorecard* State Partner in Washington, DC, CAAB is leading a campaign to build support for asset building and protection policies in the District.