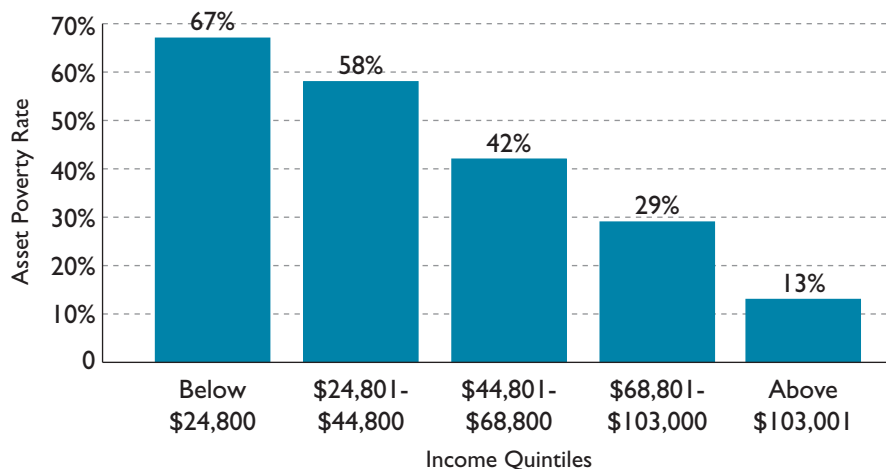


STATE PROFILE: DISTRICT OF COLUMBIA



The data for the District of Columbia reveal marked disparities in asset ownership among its residents, many of whom face significant barriers to economic security. A state's asset poverty rate is one indicator of economic security. A household is asset poor if it lacks the resources to subsist at the poverty level for three months if it loses its source of income. Even middle-income families face asset poverty. In DC, 42% of those earning \$48,801-\$68,800 are asset poor.

ASSET POVERTY BY INCOME, DISTRICT OF COLUMBIA



WHAT THE DISTRICT OF COLUMBIA CAN DO

- PRIORITIZE AFFORDABLE HOMEOWNERSHIP:** To mitigate the high rate of asset poverty and substantial homeownership disparity between income groups, the District should guarantee adequate annual funding for its Housing Production Trust Fund and Home Purchase Assistance Program.
- INCREASE SUPPORT FOR JOB TRAINING:** To address its high unemployment rate and the relatively low number of entry-level jobs with career advancement opportunities, the District should invest more heavily in job training programs for high-growth industries.
- ENCOURAGE SAVINGS AND INVESTMENT:** To lower the asset poverty rate, the District should provide annual funding for its Opportunity Accounts savings program and expand college savings incentives for all residents.

“Despite DC’s overall B grade, the Scorecard reveals growing disparities in asset ownership. With fewer opportunities to secure good jobs and buy homes, many residents are stuck on the bottom rung of the economic ladder.”

– Colleen Dailey, Executive Director of Capital Area Asset Builders (CAAB)

ABOUT THE SCORECARD

The 2009-2010 Assets & Opportunity Scorecard is a comprehensive look at wealth, poverty and the financial security of families. It assesses the 50 states and the District of Columbia on 92 outcome and policy measures, which describe how well residents are faring and what states can do to help residents build and protect assets. These measures are grouped into six issue areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care, Education and Community Investment & Accountability Policies. All data is collected from the latest available data sources and compiled by CFED.

| Source: Estimations by Beacon Economics based on 2007 ACS and 2004 SIPP, Wave 6.

For a complete description of all 2009-2010 Assets & Opportunity Scorecard measures and sources, including how the grades and ratings were assigned, go to <http://scorecard.cfed.org>.

DISTRICT OF COLUMBIA

OVERALL OUTCOME GRADE: B

The *Scorecard's* 58 outcome measures are ranked best to worst; #1 is the most desirable, #51 is the least desirable. Grades are given on a curve: 10 states get A's, 10 get B's, 16 get C's, 10 get D's and 5 get F's. Grades for each issue area are calculated by averaging the ranks of measures within the issue area. The overall grade is calculated by adding together the average score from each issue area and ranking those scores.

FINANCIAL ASSETS & INCOME

OUTCOME GRADE: C

Are there widespread opportunities for wealth creation and protection, particularly for low-income residents?

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Net Worth	8	\$156,575	\$88,803
Net Worth by Race	n/a	n/a	6.1 [^]
Net Worth by Income	n/a	n/a	44.9 [^]
Net Worth by Gender	n/a	n/a	1.2 [^]
Asset Poverty Rate	36	24.4%	22.5%
Asset Poverty by Race	n/a	n/a	2.3 [^]
Asset Poverty by Gender	n/a	n/a	1.2 [^]
Extreme Asset Poverty Rate	38	15.4%	14.3%
Income Poverty Rate	42	14.7%	12.3%
Unbanked Households	8	17.5%	26.8%
Bankruptcy Rate (per 1,000 people)	3	1.2	2.7
Median Credit Card Debt	22	\$2,788	\$2,960
Median Installment Debt	49	\$17,826	\$14,887

BUSINESSES & JOBS

OUTCOME GRADE: A

Is the opportunity to grow a business or get a job that pays a sufficient wage with benefits available to all those who choose to pursue it?

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Small Business Ownership Rate	23	17.6%	17.7%
Private Loans to Small Business	22	\$2,074	\$2,116
Microenterprise Ownership Rate	27	15.9	16.5%
Women's Business Ownership Rate	5	5.3%	4.4%
Minority Business Ownership Rate	19	4.3%	4.9%
Women Owned Business Value	10	\$153,301	\$144,969
Minority Owned Business Value	16	\$185,756	\$162,824
Employee Ownership (per 1,000 firms)	31	1.2	1.4
Business Creation Rate (per 1,000 workers)	3	14.8	9.6
Employment Growth	20	0.3%	-0.5%
Annual Unemployment Rate	48	7.0%	5.8%
Low-Wage Jobs	1	7.3%	22.2%
Average Annual Pay	1	\$53,330	\$44,458
Retirement Plan Participation	25	50.1%	47.4%
Employers Offering Health Insurance	2	77.4%	55.8%

[^] This is a ratio of disparity that measures the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

HOUSING & HOMEOWNERSHIP**OUTCOME GRADE: D****Is the opportunity to purchase and maintain a home available to all those who choose to pursue it?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Homeownership Rate	51	40.2%	64.2%
Homeownership by Race	25	1.5 ^	1.5 ^
Homeownership by Income	51	7.1 ^	2.7 ^
Homeownership by Gender	25	1.2 ^	1.2 ^
Foreclosure Rate	24	1.8%	3.0%
High-Cost Mortgage Loans	8	13.2%	17.5%
Mortgage Debt as % of Home Value	14	67.9%	76.9%
Affordability of Homes	n/a	n/a	3.5 #
Housing Cost Burden: Homeowners	36	38.7%	37.5%
Housing Cost Burden: Renters	36	45.8%	45.6%

HEALTH CARE**OUTCOME GRADE: B****Is there broad access to health insurance as protection against income interruption and asset depletion from medical bills?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Uninsured Rate	10	11.6%	17.2%
Uninsured by Race	47	2.8 ^	2.2 ^
Uninsured by Income	2	2.6 ^	3.6 ^
Uninsured by Gender	50	1.5 ^	1.0 ^
Uninsured Low-Income Children	6	9.2%	18.3%
Uninsured Low-Income Parents	2	14.7%	37.2%
Employees Insured by Employer	38	58.6%	60.9%
Employee Share of Premium	6	21.0%	25.0%
Out-of-Pocket Medical Expenses	n/a	n/a	19.0%

EDUCATION**OUTCOME GRADE: C****Do residents have access to the education and training they need to get ahead?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Head Start Coverage	13	28.9%	20.3%
Math Proficiency: 8th Grade	51	8.0%	31.0%
Reading Proficiency: 8th Grade	51	12.1%	29.2%
High School Degree	32	88.9%	87.6%
Two-Year College Degree	1	68.5%	58.7%
Four-Year College Degree	1	52.0%	29.9%
Four-Year Degree by Race	51	3.0 ^	1.5 ^
Four-Year Degree by Income	38	5.6 ^	5.0 ^
Four-Year Degree by Gender	7	1.0 ^	1.0 ^
Average College Graduate Debt	43	\$22,654	\$20,098
College Graduates with Debt	26	59.6%	59.0%

^ This is a ratio of disparity that measures the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

This is a ratio of median home value compared to annual median family income, e.g., a ratio of 4 means housing values are 4 times higher than income.





POLICY RATINGS

The *Scorecard* includes 34 policy measures: 12 priority policies and 22 additional policies. For policy priorities, states are assessed against criteria for what constitutes a strong policy. These policies provide a comprehensive view of what states can do to help residents build and protect assets. Policy priority data are current as of June 30, 2009; additional policy data are drawn from the latest published reports, usually 2007-2008.

-  Very strong policy
-  Strong policy, but some room for improvement
-  Some policy, but much room for improvement
-  Minimal policy in place
-  No policy in place

FINANCIAL ASSETS & INCOME

Policy Priorities

-  State IDA Program Support
-  State Earned Income Tax Credit
-  Lifting Asset Limits in Public Benefit Programs
-  Payday Lending Protections

Additional Policies

- State Minimum Wage ... \$7.55/hr; Not indexed to inflation
- Income Tax Threshold ... \$26,200
- Financial Education in Schools ... Not required in school curriculum

BUSINESSES & JOBS

Policy Priorities



-  State Microenterprise Support

Additional Policies

- Workers' Compensation Coverage ... 100% of workers covered
- Unemployment Benefit Level ... 21.7% of average weekly wage
- Unemployment Benefit Eligibility ... Uses alternative base period; Part-time workers covered; Benefits for compelling family reasons; Not all criteria met
- Family Leave Benefits ... Expanded employer threshold; Expanded definition of family; Not all criteria met
- Incentives for Employee Ownership ... No state policy

HOUSING & HOMEOWNERSHIP

Policy Priorities

-  Predatory Mortgage Lending Protections
-  Housing Trust Fund
-  First-time Homebuyer Assistance

Additional Policies

- Affordable Rental Housing Preservation ... 85.8% of LIHTC for preservation
- Property Tax Relief ... Circuit breaker for all homeowners & renters; Tax deferment
- Foreclosure Protections ... Protects pre-foreclosure rights; Not all criteria met
- Resident Ownership of Manufactured Housing Communities ... No protections for homeowners

HEALTH CARE

Policy Priorities




-  Access to Health Insurance

Additional Policies

- Insuring High-Risk Individuals ... No high risk pool
- COBRA Coverage of Small-Business Employees ... COBRA expansion for 3 months

EDUCATION

Policy Priorities

-  Early Childhood Education
-  Access to Quality K-12 Education
-  College Savings Incentives

Additional Policies

- Postsecondary Education Financial Aid ... \$88.36 per undergraduate student
- State-Funded Head Start ... No state supplement
- WIA-Funded Workforce Training ... 56.7% of participants received training
- TANF-Funded Workforce Training ... 1.78% of funds spent on training

COMMUNITY INVESTMENT & ACCOUNTABILITY POLICIES

Additional Policies

- State Support for CDFIs ... No
- Impact Analysis of Tax Law Changes ... Yes

- Community Investment for State-Chartered Banks ... Yes
- Tax Expenditure Transparency ... Biennial report online; Covers major taxes