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# News Release

**For Immediate Release**

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# New Report Finds Poor Performance in Housing, Education Leaves Oregon Families Financially Insecure

## *Despite Small Improvements, Work Remains to Improve the Financial Stability of Oregon Households*

**Washington, D.C. —** New data released today by the Corporation for Enterprise Development (CFED) show that to stay economically competitive, Oregon should invest in programs that help more residents achieve financial well-being. CFED's 2015 *Assets & Opportunity Scorecard* ranks Oregon at or near the bottom among all states on several key measures of household financial security, including homeownership rate (45th), high school graduation rate (49th) and underemployment (48th), defined as part-time workers who want full-time jobs and discouraged workers no longer searching for employment.

CFED's 2015 *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* provides rankings for the 50 states and District of Columbia on both the ability of residents to achieve financial security and policies designed to help them get there.

The troubling data underscore the need for policies that help struggling Oregonians save and invest in a better future for themselves and the state as a whole. Notably, legislation to expand the state's Individual Development Accounts (IDAs) Initiative will provide low- and moderate-income families the tools to build wealth and achieve economic security. The $15 million in additional funding will allow the program to reach deeper into Oregon communities, including more youth ages 12 and up. Building savings earlier in life will encourage individuals to complete high school and college, and eventually buy a home.

"Oregon needs to keep investing in hope as communities continue to rebuild after the recession," said Janet Byrd, Executive Director of Neighborhood Partnerships. "We know that the combination of financial skill building and incentives that accelerate savings work to change both the attitude and the financial prospects of youth and adults. We're excited to work with leaders in Oregon's legislature to expand the IDA Initiative, as well as to encourage retirement savings and improve access to financial products."

The *Assets & Opportunity Scorecard* evaluates how residents are faring across 67 outcome measures in five different issue areas—Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care and Education. Oregon's outcomes ranking rose from 25th last year to 22nd this year. The state received a "B" in the area of Financial Assets & Income, driven in part by its mediocre rankings for the state's income poverty rate (15%, ranked 31st), average credit card debt among borrowers ($9,710, ranked 29th) and bankruptcy rate (3.4 per 1,000 people, ranked 31st). One bright spot, however, is the state's high percentage of households with savings accounts (ranked 4th); 81% of Oregon households have a savings account, compared to 69% nationally. Unfortunately, Oregon performs much worse in the Housing & Homeownership and Education categories, receiving a "D" and "C," respectively. The Beaver State ranks 45th and 36th in terms of homeownership and foreclosure rates; 61% of Oregonians are homeowners, compared to 64% nationally. Meanwhile, the state's foreclosure rate is 2.74%, compared to 2.49% nationally. Oregon also has one of the worst high school graduation rates (ranked 49th); only 69% of students graduated from high school in 2013.

The *Scorecard* also evaluates 68 different policy measures to determine how well states are addressing the challenges facings residents. Oregon has implemented about half of the policy options available to the state (35 of 68 possible policies). Oregon ranked 2nd overall on policies aimed at decreasing poverty and creating more opportunities for low- and moderate-income families. These policies have helped lessen the impact of factors such as high cost of living and extreme income inequality that pose particular challenges for state residents. Oregon ranked in the top ten states in four policy categories assessed by the *Scorecard*, including Financial Assets & Income (8th), Businesses & Jobs (2nd), Housing & Homeownership (3rd), and Health Care (6th). The state ranked 18th in Education.

Nationally, the *Scorecard* data finds millions of Americans have been left out of the economic recovery with little opportunity to take charge of their financial lives or plan for a more secure future. Large percentages of these households are experiencing profound levels of exclusion from the financial mainstream as they struggle in low-wage jobs and are forced to rely on fringe, often high-cost financial services just to make ends meet. Among the key findings:

- Low-wage jobs have increased in all but two states. Thirty-six states and Washington, D.C., saw decreases in average annual pay between 2012 and 2013.
- Nationally, 56% of consumers have subprime credit scores, meaning they cannot qualify for credit or financing at prime rates and are more likely to use costly alternative financial products. One in five households regularly relies on fringe financial services, such as payday loans, to meet their needs.
- Liquid asset poverty rates – the percentage of households with less than three months of savings at the poverty level – are particularly high in states with the greatest levels of income inequality. This trend is most evident in poor states in the South and Southwest and high-cost states on the East and West coasts, all of which have large populations of color. If families can't save, closing the wealth gap is all but impossible.
- In 34 states, the gap in homeownership rates between households of color and white households has widened. The 10 states where the gap is greatest are Rhode Island, New York, Massachusetts, Connecticut, Wisconsin, South Dakota, North Dakota, Minnesota, New Jersey and Kentucky.
- High-cost (or subprime) mortgage loans—one of the main culprits behind the housing boom and bust—are on the rise. The percentage of homeowners with high-cost mortgages is higher in 42 states than it was in 2010.

"The economic recovery experienced by some segments of our society is barely a blip in the lives of millions of Americans who continue to struggle in low-wage jobs and have little ability to save and build a better future for themselves and their children," said Andrea Levere, president of CFED. "In far too many cases, these households are living outside the financial mainstream, relegated to using often high-cost financial services that trap them in a cycle of debt and financial insecurity."

To read an analysis of key findings from the 2015 *Assets & Opportunity Scorecard*, click here. To access the complete *Scorecard*, visit http://assetsandopportunity.org/scorecard. Visit our media resources page for interactive data tools, including our asset poverty calculator, downloadable infographics, customizable charts and maps, and other data visualizations.

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*CFED empowers low- and moderate-income households to build and preserve assets by advancing policies and programs that help them achieve the American Dream, including buying a home, pursuing higher education, starting a business and saving for the future. As a leading source for data about household financial security and policy solutions, CFED understands what families need to succeed. We promote programs on the ground and invest in social enterprises that create pathways to financial security and opportunity for millions of people. 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.*

*To improve policies and programs that promote financial security and opportunity, CFED is the backbone organization for a national Assets & Opportunity Network, which is comprised of more than 1,700 advocates, service providers, researchers, financial institutions and others representing all 50 states and DC. To learn more about the Assets & Opportunity Network, visit http://assetsandopportunity.org/network.*

*Founded 25 years ago, Neighborhood Partnerships' (NP) mission is to bring economic opportunity to every single Oregonian. NP purses visionary leadership, collaborative relationships and innovation programs. It administers the Oregon Individual Development Account Initiative, the Oregon Housing Alliance and several other strategic initiatives. NP is a 501(c)(3) nonprofit serving all of Oregon and headquartered in Portland. Learn more at neighborhoodpartnerships.org.*