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News Release

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New Report Shows Many Idaho Residents Struggling to Achieve Financial Security

Lack of Well-paying Jobs, Low Health Insurance Rates Highlight Need for Comprehensive Public Policy Response

Washington, D.C. — New data released today by the Corporation for Enterprise Development (CFED) highlight the ongoing problems facing the nearly half of Idaho residents who struggle to save and build assets in a state where average annual pay is among the lowest in the nation (ranked 50th), 29% of residents work in low-wage jobs and 18.6% of residents lack health insurance.

The data, compiled in CFED's 2015 *Assets & Opportunity Scorecard*, corroborates previous findings that show 45.5% of Idaho residents are "liquid asset poor," meaning they do not have enough savings to cover basic expenses at the federal poverty level for even three months in the event of an emergency such as a job loss or health crisis. With no slack in their budgets, these families are more likely to turn to predatory lenders and other services outside the financial mainstream to cover medical and other emergencies, with damaging repercussions to their credit and financial security.

"This data underscores the critical need to create economic opportunity for all Idaho residents," said Jessica Sotelo, one of the chairs of the Idaho Asset Building Network, an Assets & Opportunity Network lead organization, which brings together service providers, government agencies, businesses and community organizations to advocate for policies that promote financial wellbeing. "Idaho needs to develop programs that address the problem of low-paying jobs, barriers to health care and other obstacles that prevent too many people from building a better future for themselves and their families – and contributing to the long-term economic health of our state."

CFED's 2015 *Assets & Opportunity Scorecard* offers the most comprehensive look available at American's 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. Idaho ranks in the top half of the country with an outcome ranking of 12, yet at the bottom for its policy response, with an overall policy ranking of 45.

The *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. The state does the worst in Education, ranking 38th among all states and the District of Columbia, and receiving a "D" due in part to having the lowest percentage of three- and four-year olds enrolled in early education programs in the nation. The state performs its best in the Housing & Homeownership and Businesses & Jobs categories. Despite poor job quality outcomes, Idaho receives an "A" in the Businesses & Jobs category, driven primarily by the state's higher-than-average microenterprise ownership and small business ownership rates (ranked 12th and 10th, respectively). The state also receives an "A" for Housing &

Homeownership, with a homeownership rate of 69.4% (compared to 63.5% nationwide) and the lowest percentage of high-cost mortgage loans in the country. Idaho receives a "B" in the areas of Financial Assets & Income and Health Care.

The *Scorecard* also evaluates 68 different policy measures to determine how well states are addressing the challenges facings residents. Idaho has implemented only 17 policy options available to the state, underscoring the link between inadequate policies and ongoing challenges confronting the state's low- and moderate-income families. Idaho ranked in the lower half of states in four out of the five policy categories assessed by *Scorecard*, including Financial Assets & Income (41st), Businesses & Jobs (38th), Health Care (39th) and Education (41st). Housing & Homeownership policies, ranked 13th, were the only relative bright spot.

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.