

Building Financial Stability, Wealth and Prosperity in Your Communities

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**Prosperity
Now's mission**
is to ensure
everyone in our
country has a
clear path to
financial stability,
wealth and
prosperity.

How We Do It



We **push to expand** innovative practical solutions that empower low- and moderate-income people to build wealth.



We **drive policy change** at all levels of government.



We **support the efforts of our 76 Community Champions and 24,000 members of the Prosperity Now Community** across the nation to advance economic opportunity for all.

Understanding Financial Insecurity in Your Communities

“Financial health and financial well-being are the preconditions for all of the outcomes that collectively allow people and places to thrive.”

David Erickson and Laura Choi, Federal Reserve Bank of San Francisco



scorecard.prosperitynow.org

53 Policy Measures

60 Outcome Measures

20 Disaggregated by Race

26 Local-Level Measures – Cities, Metro Areas & Counties



Financial Assets
& Income



Businesses &
Jobs



Homeownership &
Housing



Health Care

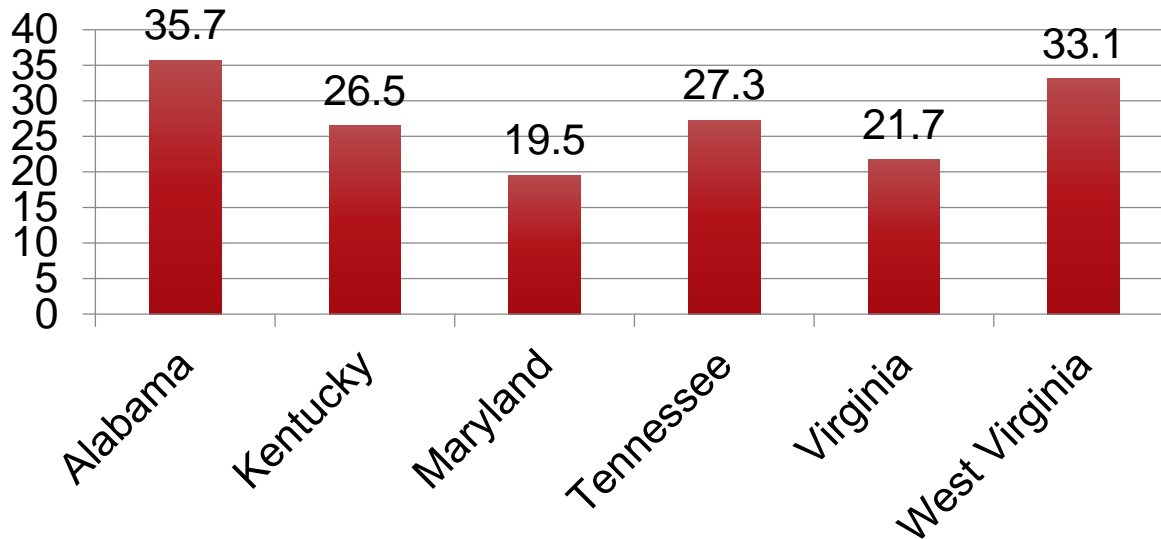


Education

Jobs Don't Cover Cost of Living



Percent of Jobs That Are Low-Wage



Many Jobs Don't Guarantee a Steady Paycheck

1 IN 5 HOUSEHOLDS

HAVE SIGNIFICANT INCOME FLUCTUATIONS



FROM MONTH TO MONTH

Source: FDIC

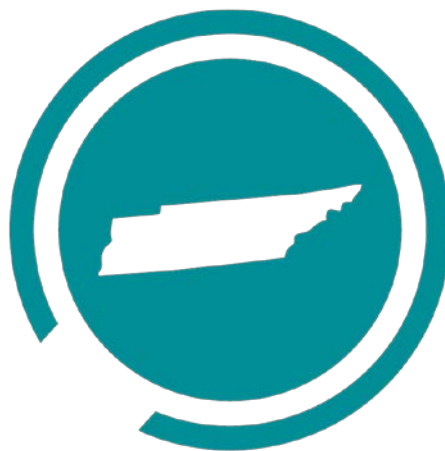
40% of those experiencing volatility struggled to pay their bills at least once because of the ups and downs in their incomes.

- Federal Reserve Board, Survey of Household Economic Decisionmaking

Income Volatility by State



19.6%
of **Kentucky**
households
experience
income volatility



17.8%
of **Tennessee**
households
experience
income volatility



18.1%
Of **West Virginia**
households
experience
income volatility

Low-Wage Jobs and Income Volatility Mean Fewer Savings Cushions



37% OF HOUSEHOLDS ARE
LIQUID ASSET POOR
IN AMERICA

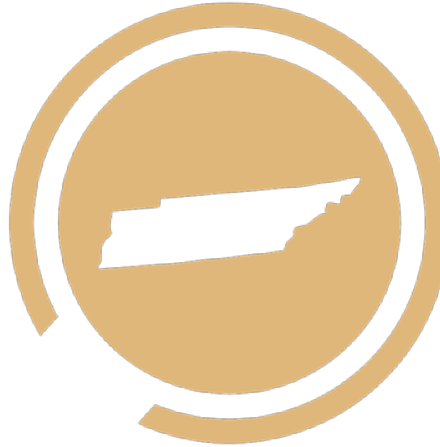
Liquid Asset Poverty Rate:

Percentage of households without sufficient liquid assets to subsist at the poverty level for three months in the absence of income

Few Have Savings Cushions: Liquid Asset Poverty Rates



VA Average: 30.8%
Bristol: 43.8%



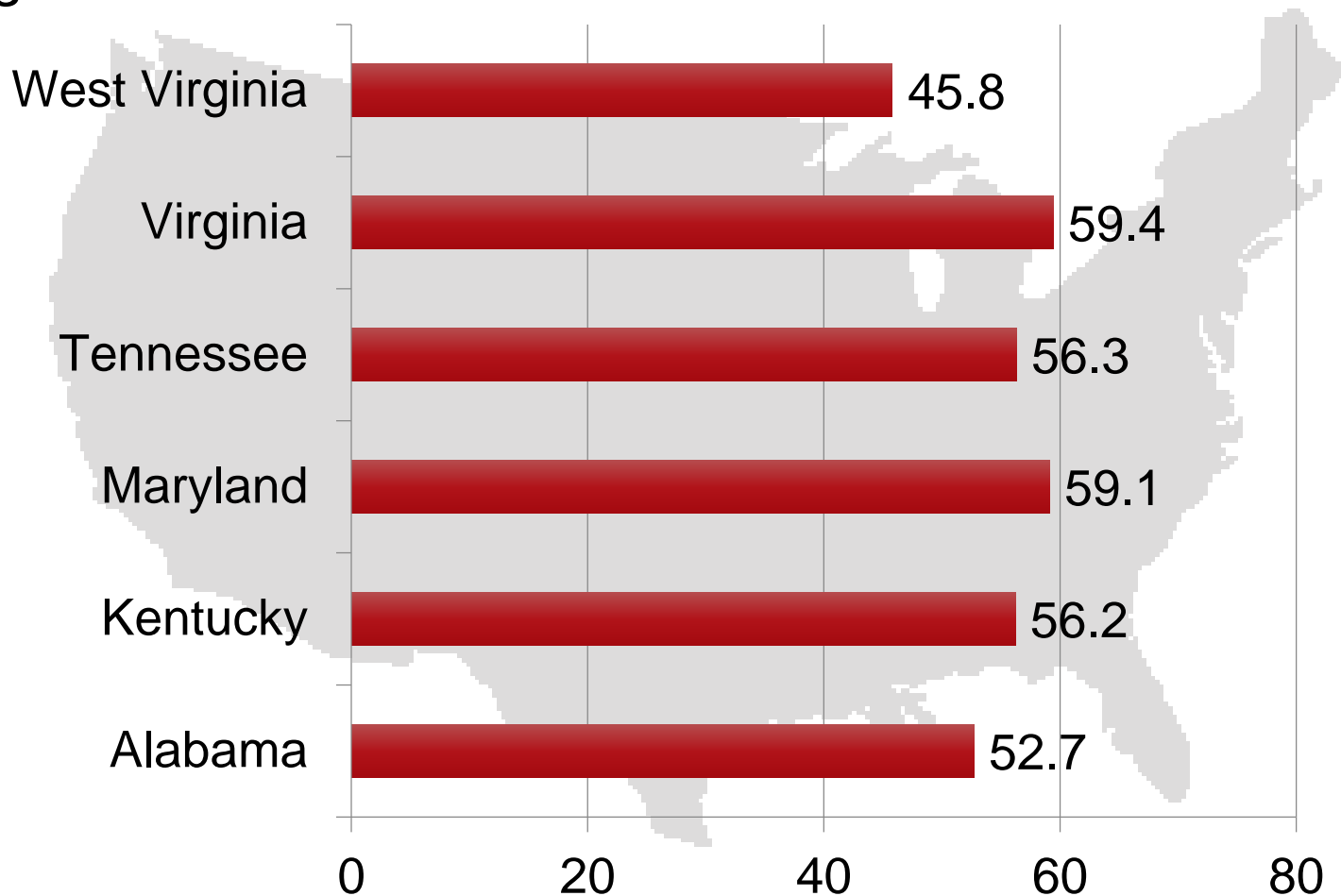
TN Average: 40.8%
Knoxville: 39.8%
Johnson City: 37.9%
Kingsport: 38.7%



WV Average: 41.5%
Charleston: 33.7%

Emergency Savings

Percentage of households that reported setting aside money for unexpected expenses and emergencies in the past 12 months



Wealth and Poverty

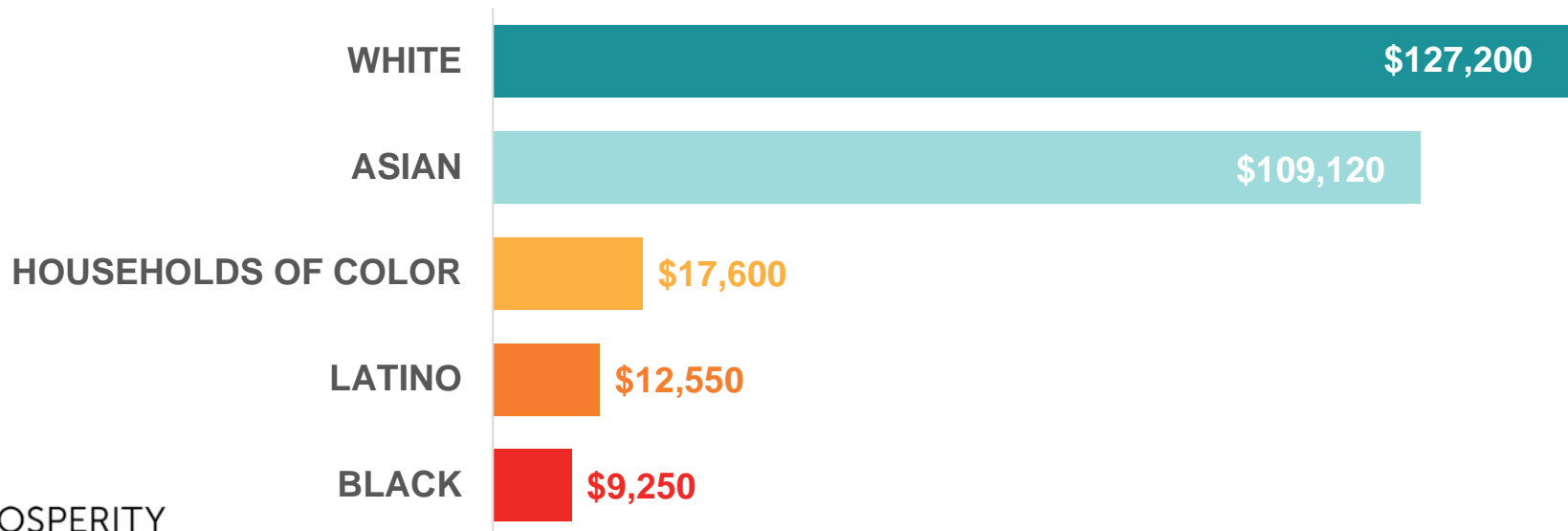
\$76,708

is the median net worth for a household in the US, but nearly




20 million

households have zero or negative net worth

...with major disparities by race and ethnicity



Credit and Debt

			
Consumers with Prime Credit	47%	45%	46%
Borrowers Over 75% Credit Card Limit	27%	28%	29%
Severely Delinquent Borrowers	17%	18%	17%
Borrowers with Student Loan Debt	23%	21%	21%
Severely Delinquent Student Loan Debt	20%	19%	21%

Un- and Underbanked Households

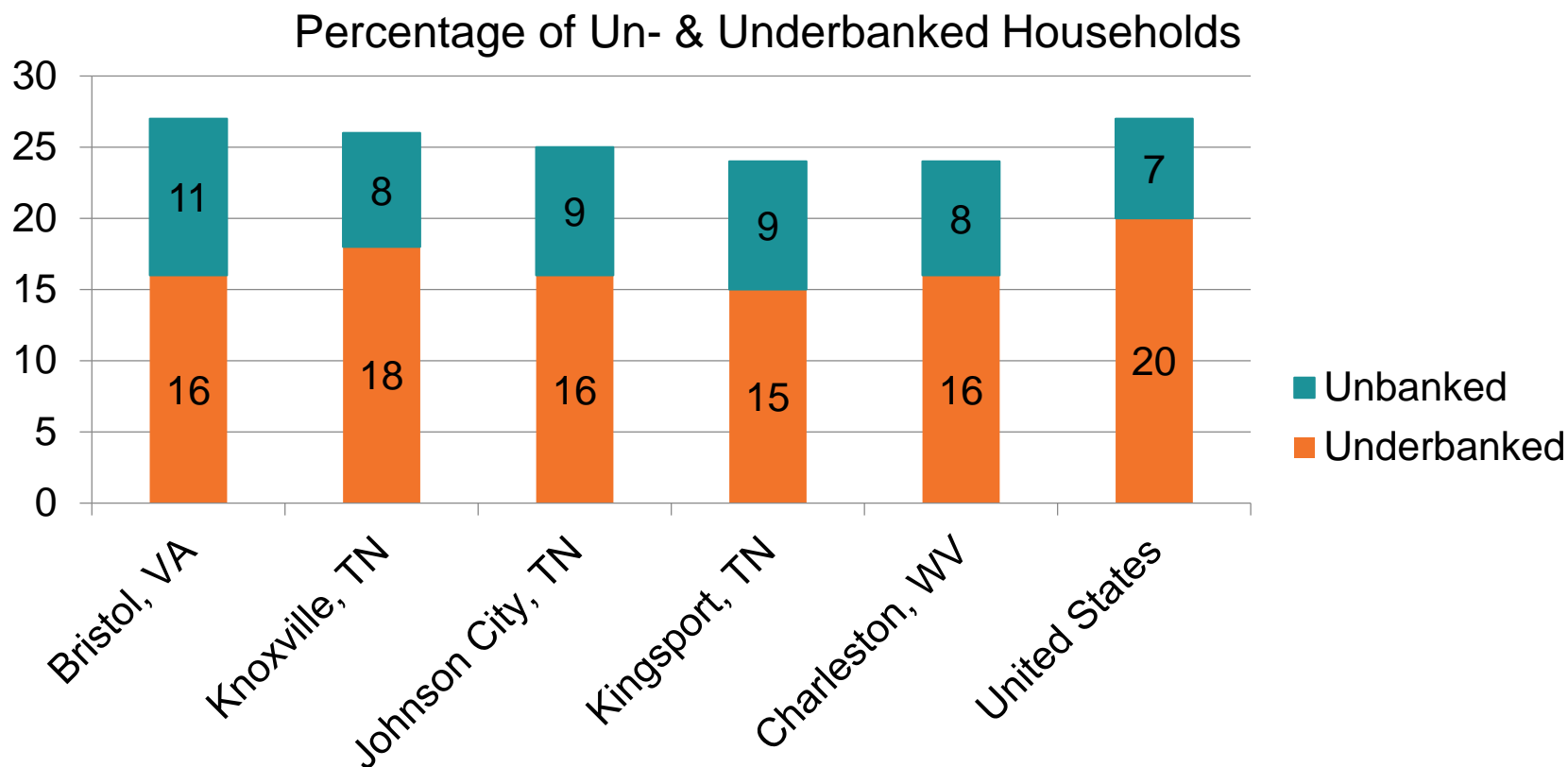
Many low-income households lack access to bank accounts and are forced to pay for basic financial services

“ In fact, the average unbanked family with an annual income of around \$25,000 spends about \$2,400 per year, almost 10 percent of its income, on financial transactions. ”

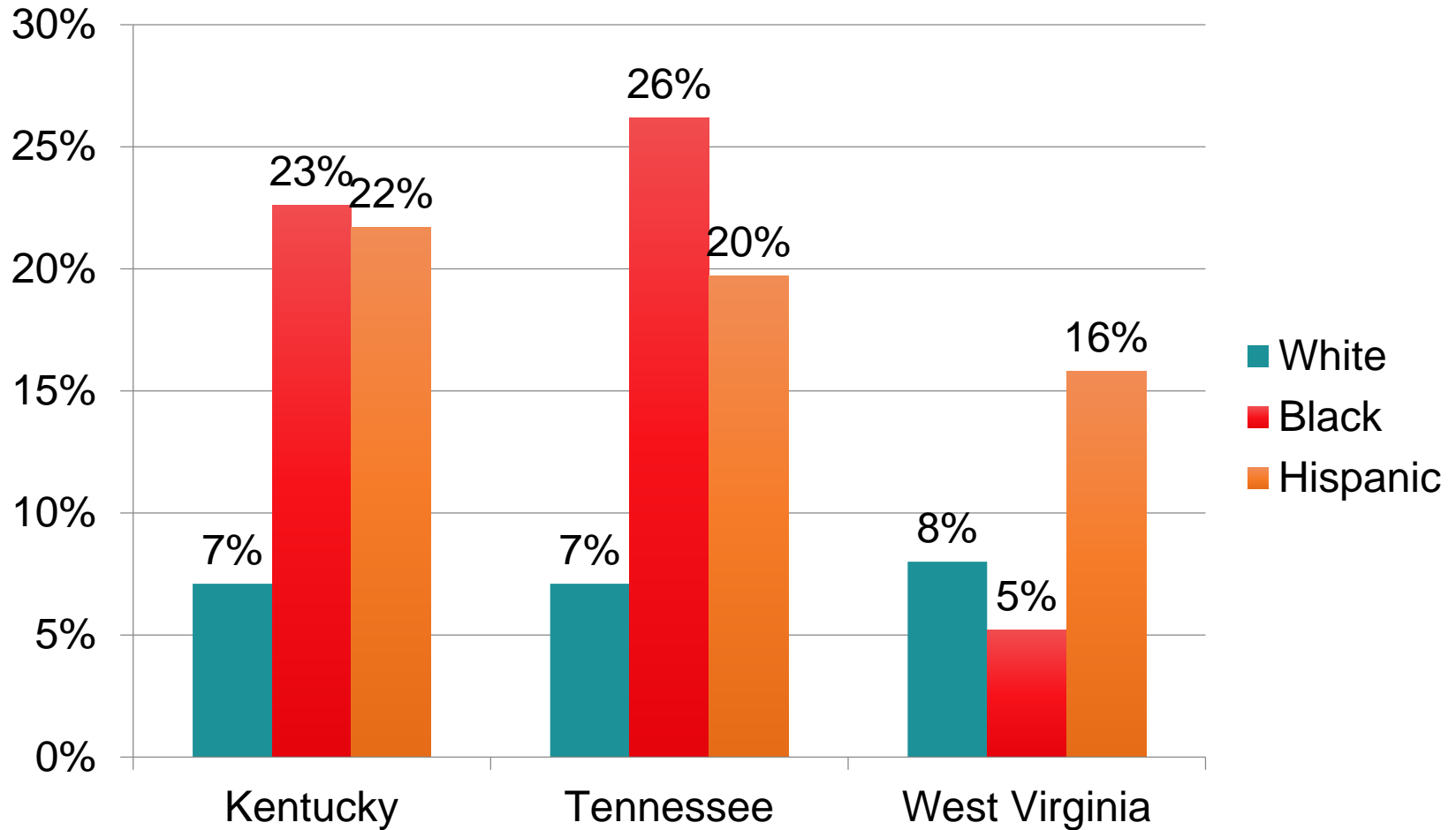
— Mehrsa Baradaran, *How the Other Half Banks: Exclusion, Exploitation, and the Threat to Democracy*

Unbanked: *Neither checking nor savings account*

Underbanked: *In the financial mainstream but still use alternative and costly services for basic transactions*



Unbanked Percentage by Race & Ethnicity



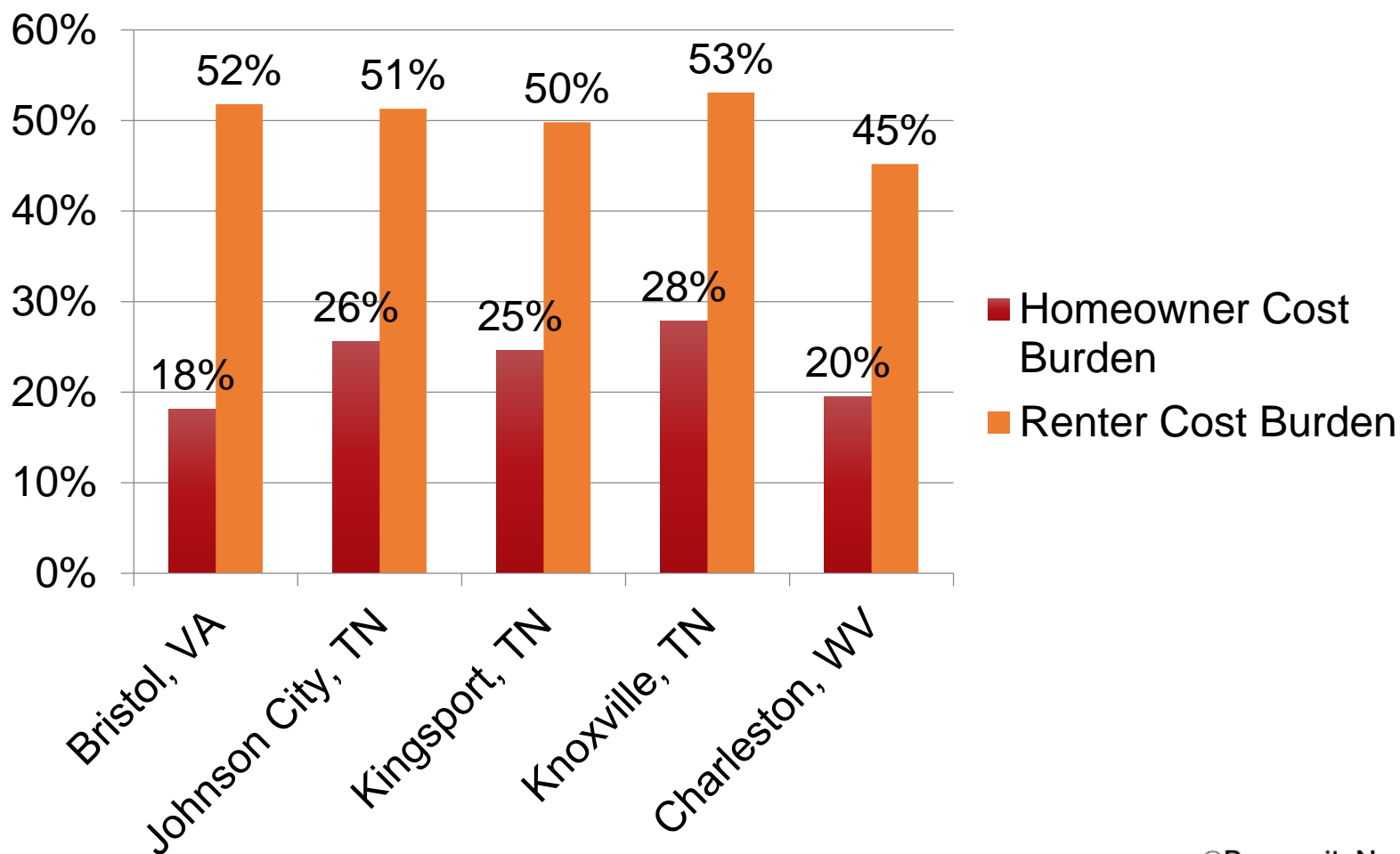
Homeownership Rate by Race & Ethnicity



~2x as high for **White households** than for **households of color** in Bristol, VA, Knoxville, TN and Charleston, WV

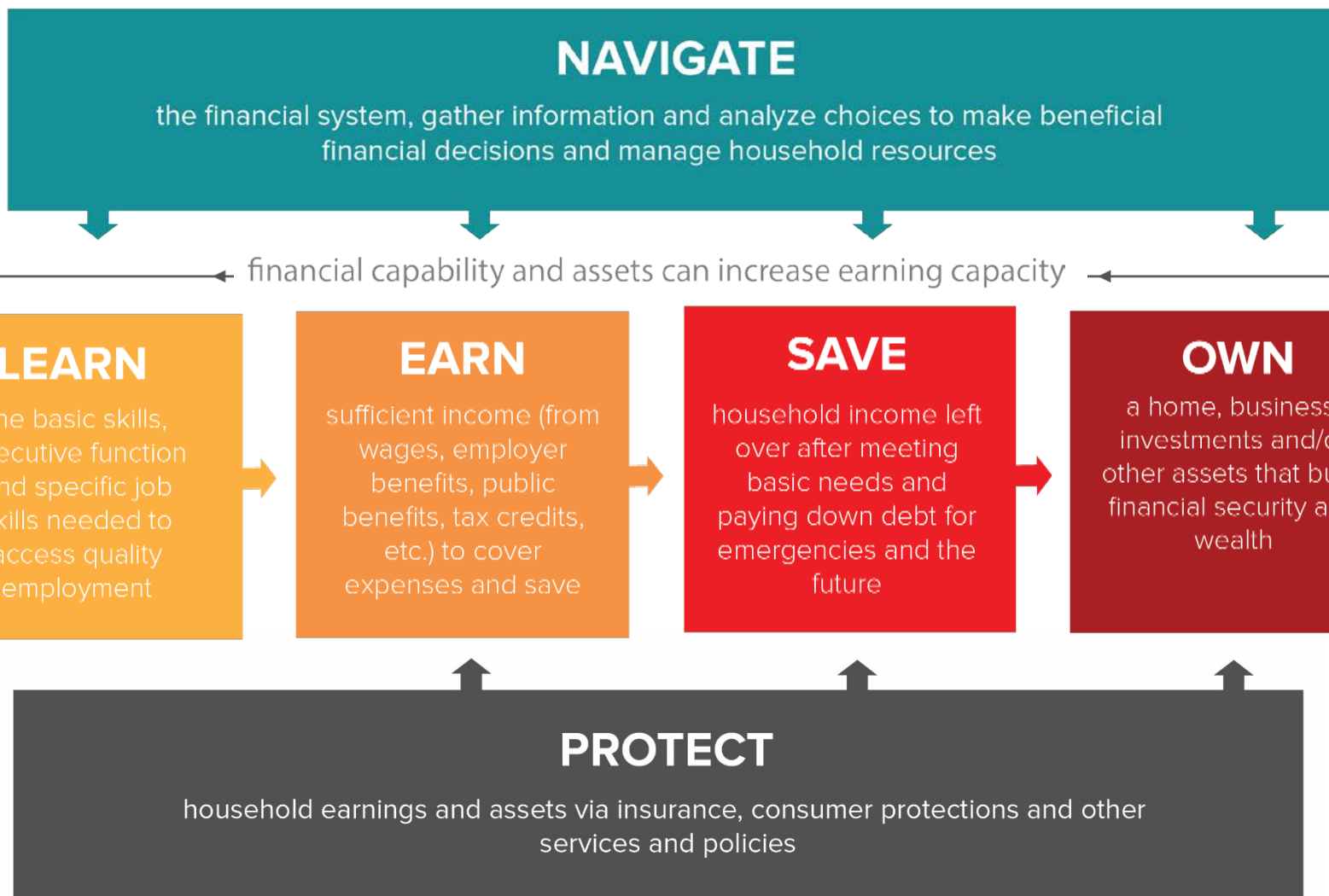
Housing Cost Burden

Percentage of mortgaged owners and renters spending >30% of household income on housing costs



Wealth-Building Strategies & Tools

Household Financial Security Framework



Financial Capability Integration

Intentionally incorporating financial capability services into an existing program or service that the client already participates in, at a time when the services are relevant and accessible.



“We have seen, time and time again, how critical the financial stability services are to sustaining any other outcome that we are trying to achieve with our members. Whether that is moving out of the shelter or getting a job, financial capability is crucial to every piece of what CEF Members are striving towards, and influences whether people can ultimately reach their goals.”

– Community Empowerment Fund

Financial Coaching Program Design Guide: A Participant-Centered Approach

- **Provides** program leaders a series of considerations, tools and resources on how to design and deliver a participant-centered and participant-driven financial coaching program.
- **Lifts up** promising models and practices in the financial coaching field.
- **Shares** resources for program leaders and financial coaches to help ensure success.



The Coaching Guide will be publicly available on Tuesday, September 18, 2018!

Leveraging Tax Time to Build Financial Stability



- Tax time is critical for helping families get by
 - Largest windfall for most families
- 27 million filers in 2017 received Earned Income Tax Credit (EITC), with an average refund of **\$2,400**.
- Volunteer Income Tax Preparation Services (VITA) complete taxes for free for low-income families across the country.
- Connecting families to these services is critical to maximize their refunds and avoid predatory practices.
- Rainy Day Savings programs at tax time can help families build a cushion

Connecting the EITC, VITA and Paid Tax Preparer Regulations

1. Boost incomes with the Earned Income Tax Credit

- Support the expansion of the federal and state EITCs
- Facilitate EITC outreach in communities with high numbers of EITC-eligible households.



2. Launch financial capability through VITA programs

- Strengthen VITA programs as the launch pad for household savings and financial capability through funding and volunteers
- On average, EITC filers spend \$400 at national tax preparation chains – funds that VITA helps keep in their pockets

3. Protect refunds with paid tax preparer regulations

- Only 5 states have basic competency standards for paid preparers.
- The lack of regulation opens the door for filing errors and predatory practices which are especially damaging to low-income tax filers



Mortgage Reserve Accounts (MRAs)

Goal: Expand a pilot program to enable low- and moderate-income first-time homeowners to weather financial emergencies so they can avoid foreclosure and become successful homeowners.

Process: Partner with CDFIs and/or community development credit unions to design and implement a pilot

Decisions:

- Account design
- Funding accounts
- Account information
- Client experience
- Data sharing

Double your savings
\$200 **\$400**

It's easy with Savewise!

Now that you're a homeowner, it's important to maintain the good savings habits you've established. Keeping up with a consistent savings habit can help you maintain and improve your home and help you achieve new financial goals. And now, Homewise and Prosperity Now are partnering up to help you save even more.

Through Savewise, our Homeowner Power Savings Program, we will match your savings with an additional \$200 after just 90 days. Here's how it works:

1. Open a savings account at any bank or credit union. If you already have a savings account, then you've completed the first step!
2. Save at least \$200 in your account over a 90 day period.
3. Share your bank statement with Homewise to show your savings progress.
4. We will match your savings with an additional \$200 to deposit into your account.
5. Complete a short survey about your savings habit and the program.
6. Watch the power of your savings add up!

This program is presented by Homewise with support from Prosperity Now

homewise® **PROSPERITY NOW**

Savewise
Homeowner Power Savings Program

Are you ready to put your savings power into action?

SIGN UP NOW

You can also call us at **505.983.9473** or visit us today.

Uplift America



- Uplift America is an innovative partnership that leverages federal resources, bank financing and private grants to target much-needed capital to persistently low-wealth areas
- Key partners
 - USDA Rural Development
 - Mary Reynolds Babcock Foundation (and six additional philanthropic foundations)
 - Bank of America
- Uplift by the numbers
 - Over \$400 million in loans made available to CDFIs by USDA's Community Facilities Relending Program
 - \$22 million in private grants
 - 20 CDFIs received loans and grants
 - 80 community facilities projects, representing \$189M in loans, in the pipeline as of July 2018

The Prosperity Now Community



facilitates **learning**



creates **connections**



& inspires **action**

to create and improve programs and policies that foster opportunity, especially for those who have not had it before.

Get involved in the Community today!

Sign up to stay informed about Prosperity Now and the Community.

Sign up today at prosperitynow.org/join.

Prosperity Now Community Champions



Community Champions – State, local and native groups that coordinating networks or coalitions committed to advancing policy. There are currently 77 Community Champions in 42 states and DC.





**Join us as we work to
ensure prosperity is in
reach for all**

PROSPERITY
NOW

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Thank you!



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