

FACT SHEET

Asset Poverty Increases and Net Worth Declines for N.C. Households

Assets matter for a family's economic security and social mobility as well as for a community's stability and the state's economic growth. The CFED *2009-2010 Assets & Opportunity Scorecard* reports that North Carolina experienced the largest increase in asset poverty and the sharpest decline in net worth among all 50 states and the District of Columbia. At the same time, net worth by race remains alarming with households of color owning 7 cents for every \$1 owned by white households.

North Carolina's policymakers should invest in policies that provide household's with the opportunity to generate savings and assets.

Households must have access to savings opportunities and therefore must have a relationship with a mainstream financial institution that protect and grow their deposits over time. Households must have opportunities to diversify the assets that they own. Higher education, homeownership, small business ownership can all be considered assets for the potential returns they can generate to the long-term stability of a household but a job that pays above the living income standard and allows a household to set aside for the future is essential as are the income supports like child care subsidies, EITC, health insurance and affordable rental housing.

Household asset poverty increased by more than 40 percent from 2004 to 2006.



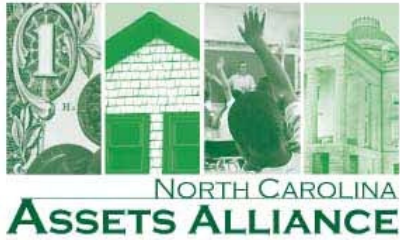
Source: CFED, 2009-2010 *Asset & Opportunity Scorecard*.

The asset poverty rate is the proportion of households that could not subsist above the federal poverty line for three months in the absence of income. Asset poverty is a measure of the resources—savings, business value, home value—that a household has built over time. Both access to the opportunities to generate savings and assets as well as adequate protections of assets are necessary to ensure that households have assets to weather difficult economic times.

For more information contact:

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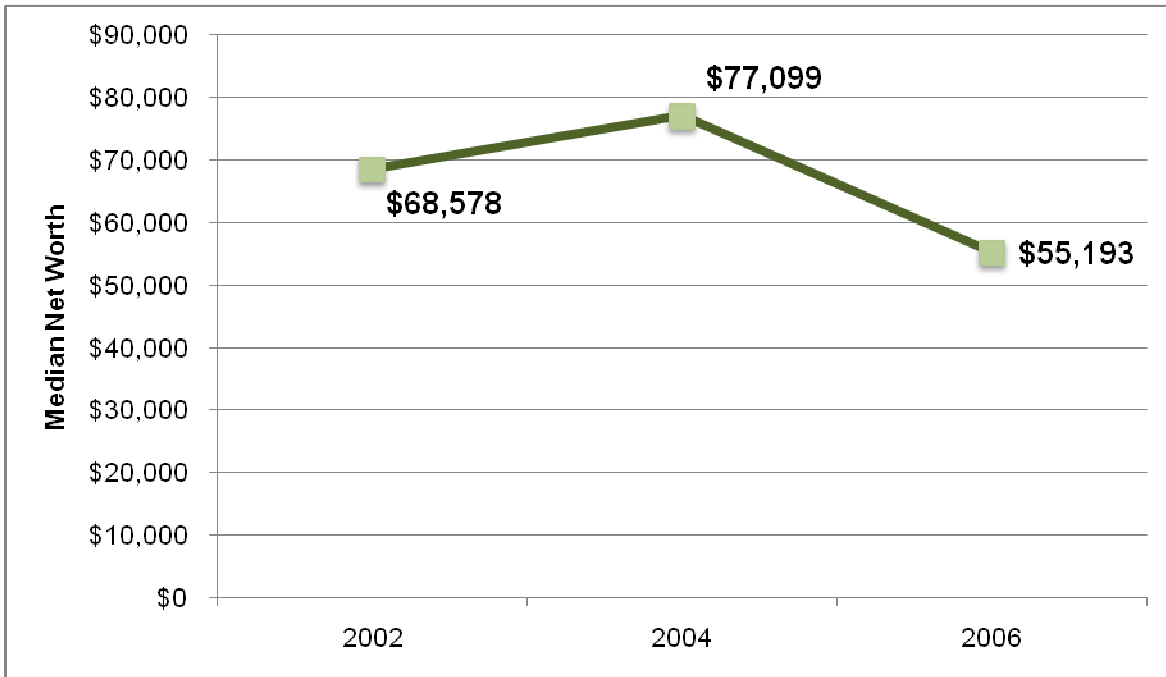
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Connecting Households and Communities
to Economic Opportunity

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Median net worth declined by almost 30 percent from 2004 to 2006 and ended up lower than the median net worth in 2002.



Source: CFED, 2009-2010 Asset & Opportunity Scorecard.

Net worth equals the sum of assets attributable to any individual age 15 years and above in a household less any liabilities. Measuring median net worth provides a basic indication of the level of wealth for families in the middle of the wealth distribution of a state. Again, the ability of a household to build assets and protect them is essential for net worth to improve over time. In addition, the distribution of income and wealth will play a role in the median net worth of households in a state with a lower net worth suggesting a higher proportion of households at the lower end of both distributions.

Households of Color in North Carolina own 7¢ for every \$1 owned by white households.



Household of Color

White Households

Racial wealth disparities are the product of a complex array of past and present policies that have excluded people of color from enjoying the benefits of full economic participation.

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