

# **N.C. Assets Alliance**

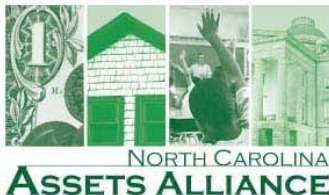
*Connecting Households and Communities to Economic Opportunity*



**Presentation to the  
Poverty Reduction and Economic Recovery Legislative Study  
Commission  
Emila Sutton, IDA and Asset Building Collaborative of NC  
February 4, 2010**

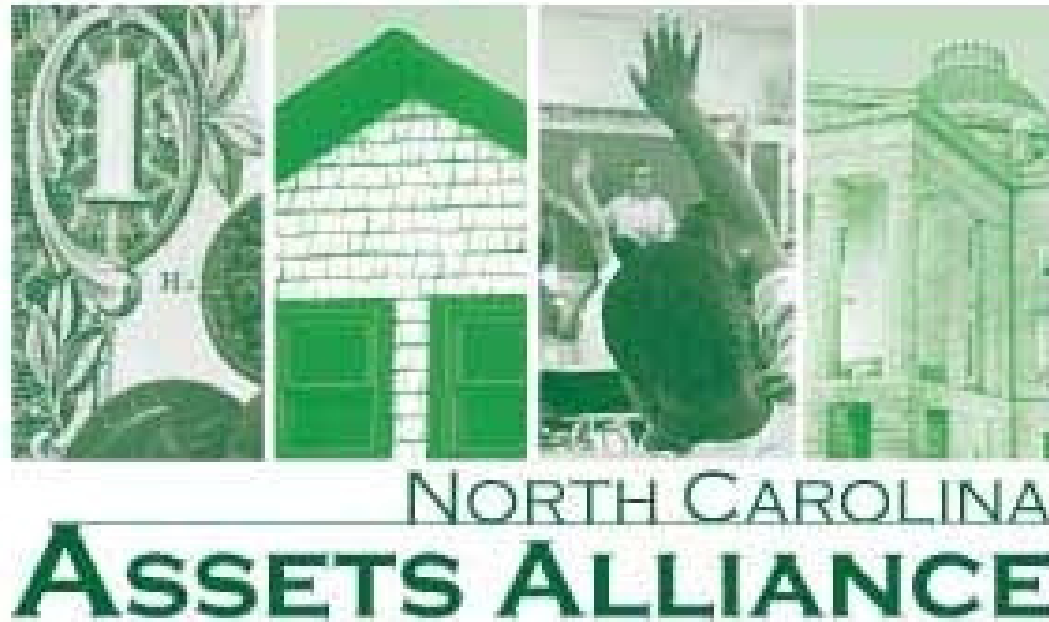
# Overview of Presentation

- I. Background
- II. What are assets and why are they important?
- III. State Asset Building Policies
- IV. Asset Policy Recommendations



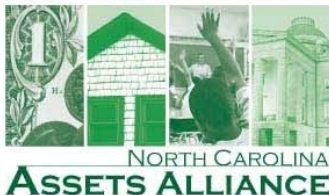
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# Background



# N.C. Assets Alliance Overview

The N.C. Assets Alliance educates the public and policymakers about asset-based strategies that promote economic security and prosperity for all North Carolinians.



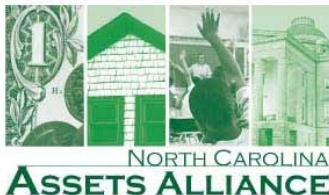
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# Membership of Over 40 Organizations and Agencies Working on Economic Security Issues

- NC Housing Coalition
- Wilson County DSS
- NC Bankers Association
- NC Council on Developmental Disabilities
- NC Justice Center
- CFED
- NC Office of the Commissioner of Banks
- NC Rural Economic Development Center
- Self-Help
- UNC – School of Social Work
- United Way of North Carolina
- NC Division of Social Services

Select organizations; complete list available

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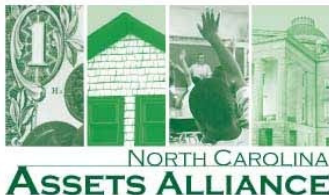


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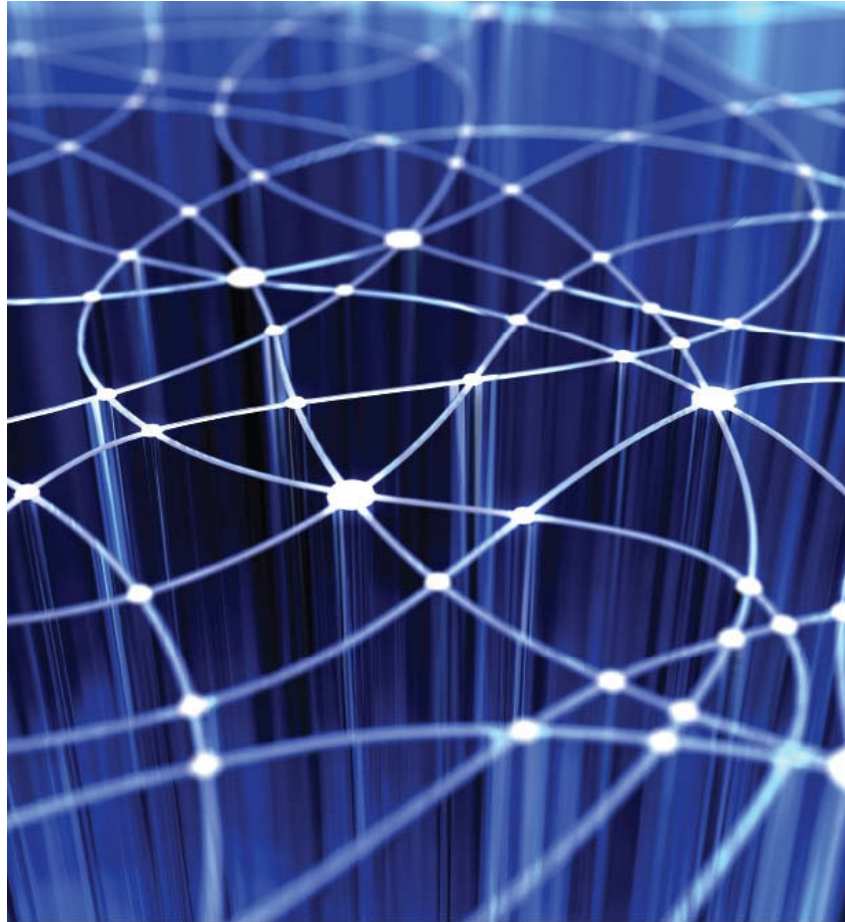
# N.C. Assets Alliance Overview

The N.C. Assets Alliance works to:

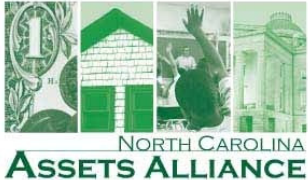
- **Develop a common framework** that can tie diverse asset building policy pieces together;
- **Give these efforts greater visibility** on a local, statewide, and national level; and
- **Strengthen our mutual efforts** to see new or expanded asset building policies and program initiatives implemented.



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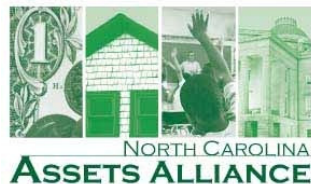
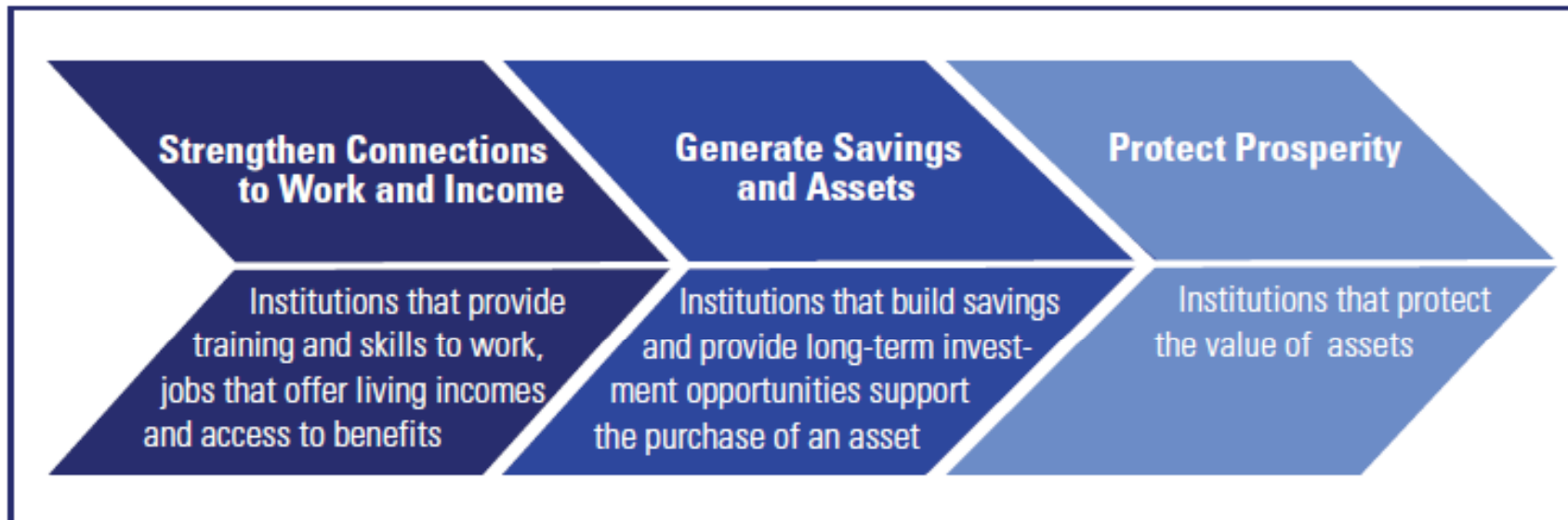


**A PROSPERITY GRID FOR NORTH CAROLINA:**  
CONNECTING HOUSEHOLDS AND COMMUNITIES  
TO ECONOMIC OPPORTUNITY



# PROSPERITY GRID = POLICIES AND INSTITUTIONS THAT DELIVER ECONOMIC SECURITY

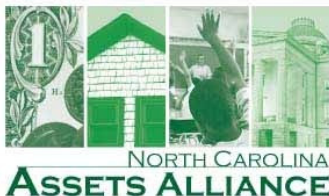
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# Why Did We Feel that NC Needed an Assets Agenda?

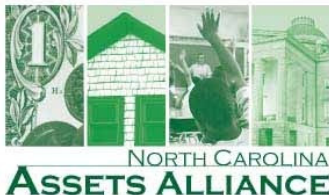
- Allowing families to access asset building tools allows for economic growth, which **stimulates the local economy**.
- Assets are the **building blocks of long-term financial stability** and success for people at all income levels. Studies show that low to moderate income families can and do save.
- Having a **savings account, a college education, a home, work skills, or a small business** can help individuals and families:
  - live securely today;
  - weather difficult financial times;
  - plan for the future; and
  - pass assets on to the next generation.



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# Research Shows

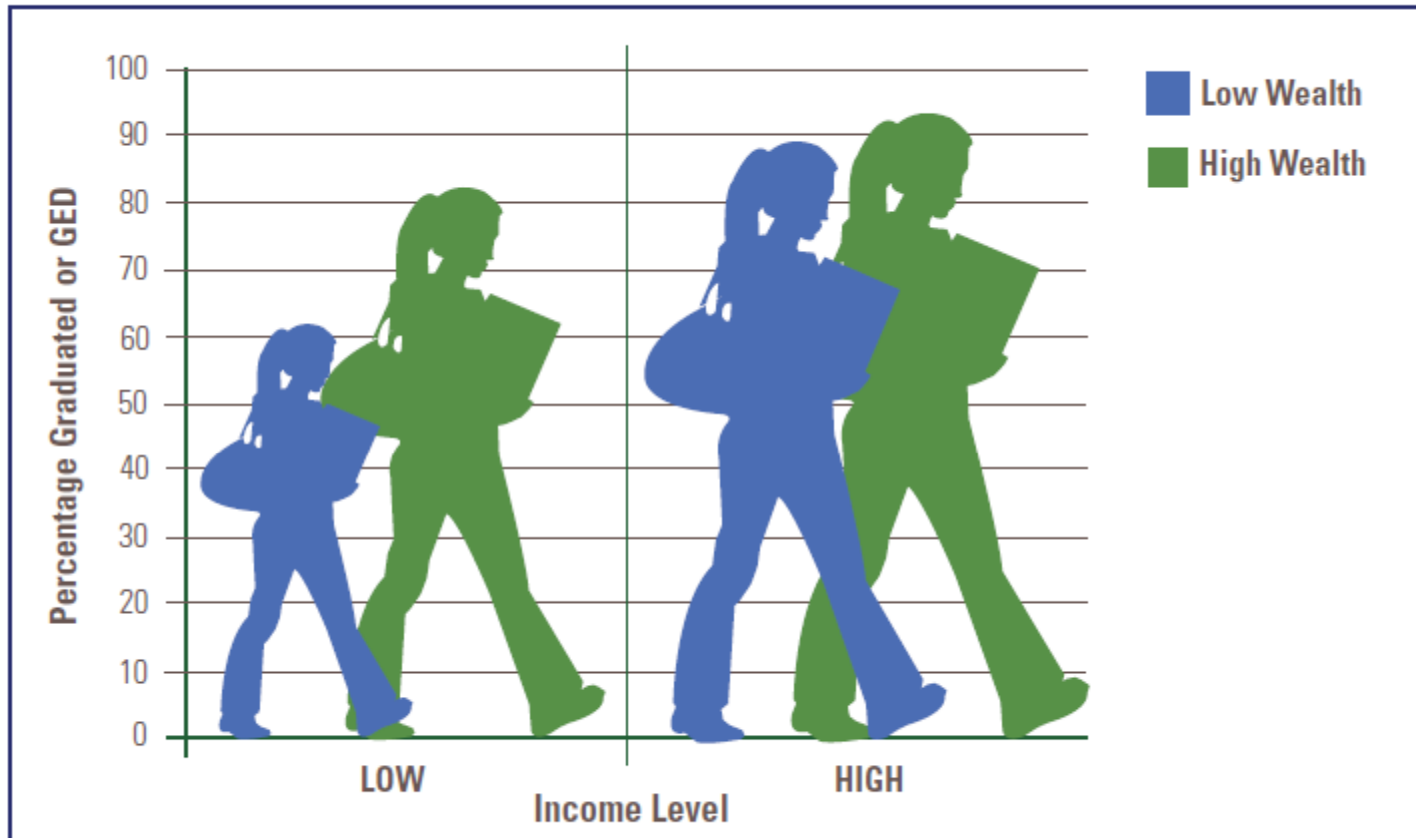
- Assets can make the difference between getting by and getting ahead...
- Increasingly, we are recognizing the need to address ***asset inequality***, which is much greater than income inequality, in order to address poverty long-term, especially for children.



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# ASSETS MATTER FOR HOUSEHOLD AND COMMUNITY STABILITY.

FAMILY ASSETS INCREASE THE LIKELIHOOD THAT LOW-INCOME YOUTH WILL COMPLETE HIGH SCHOOL.



Source: Destin, 2009.

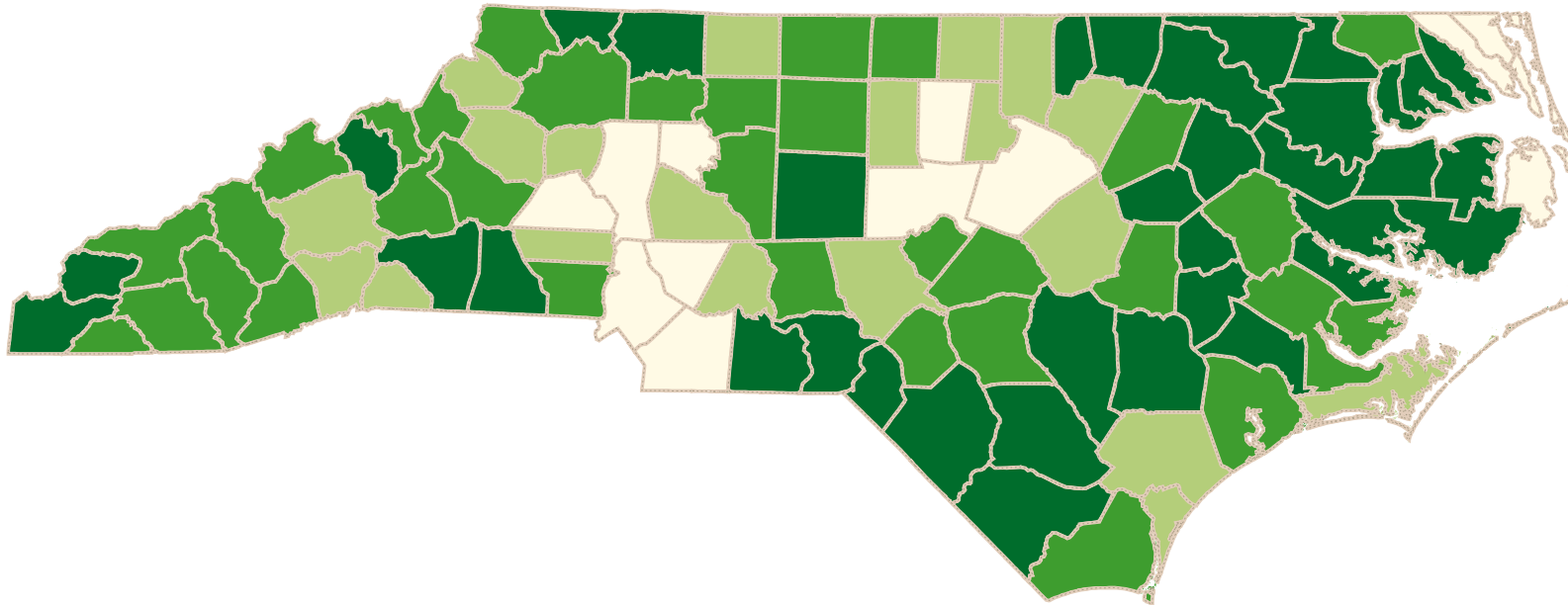


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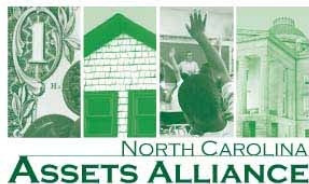
# NORTH CAROLINA'S HOUSEHOLDS AND COMMUNITIES LACK ASSETS.

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## Household Asset Poverty by Region

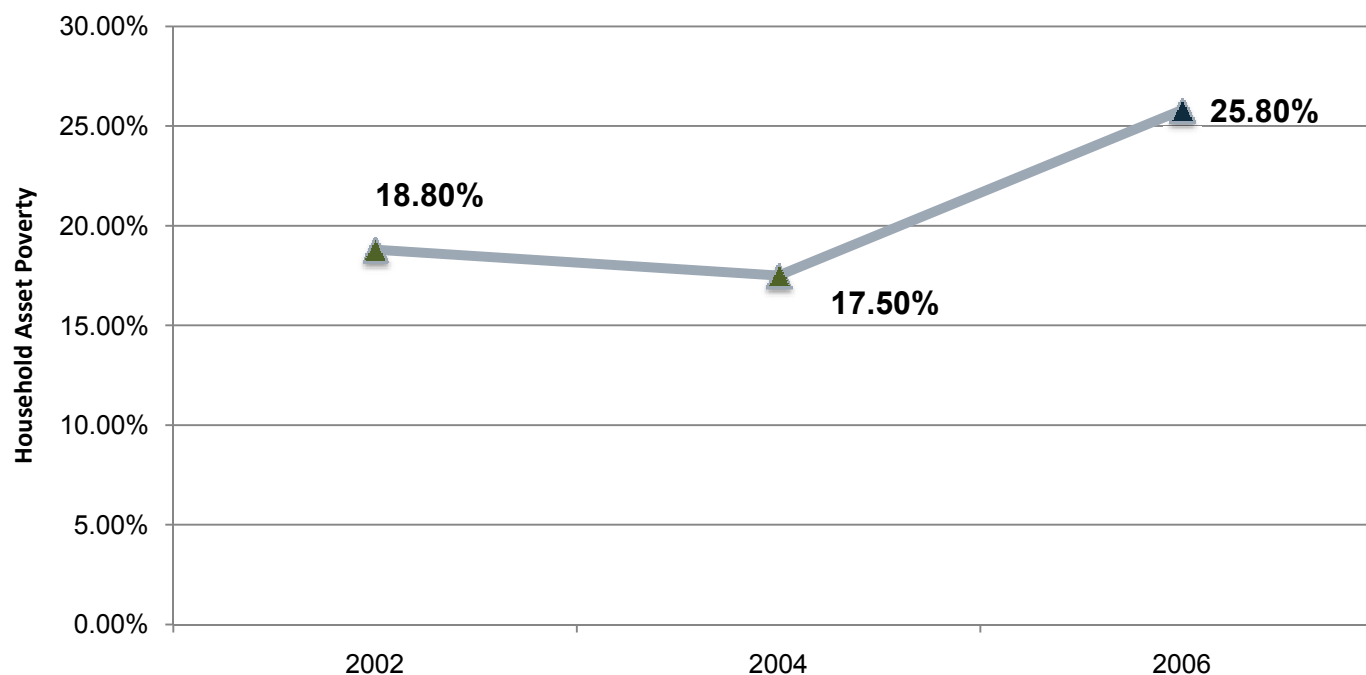


One in five households live in asset poverty with insufficient savings to remain about the federal poverty level for three months without earned income.



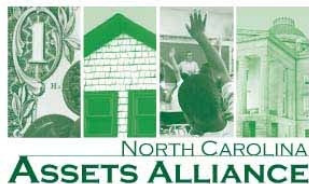
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## ASSET INEQUALITY IS GROWING



**Source:** CFED, Asset & Opportunity Scorecards, 2005 to 2009.

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.



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## THE RACIAL WEALTH GAP IS GROWING

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

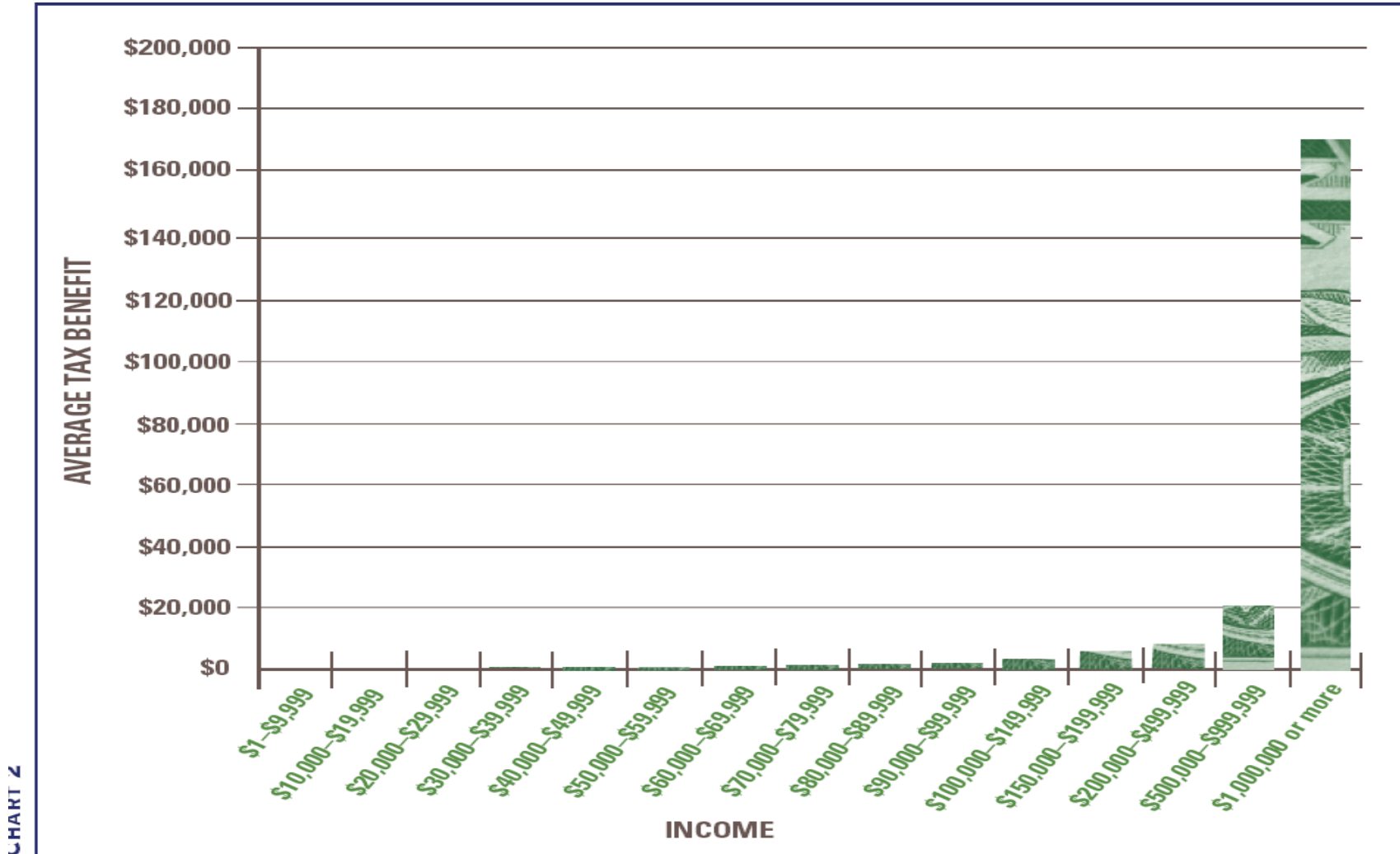
**Household of Color:**



**White Households:**



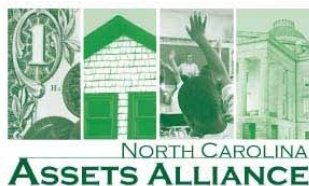
# Federal Assets Policies Benefit Those with Higher Incomes Disproportionately



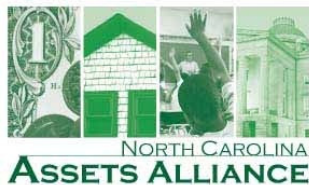
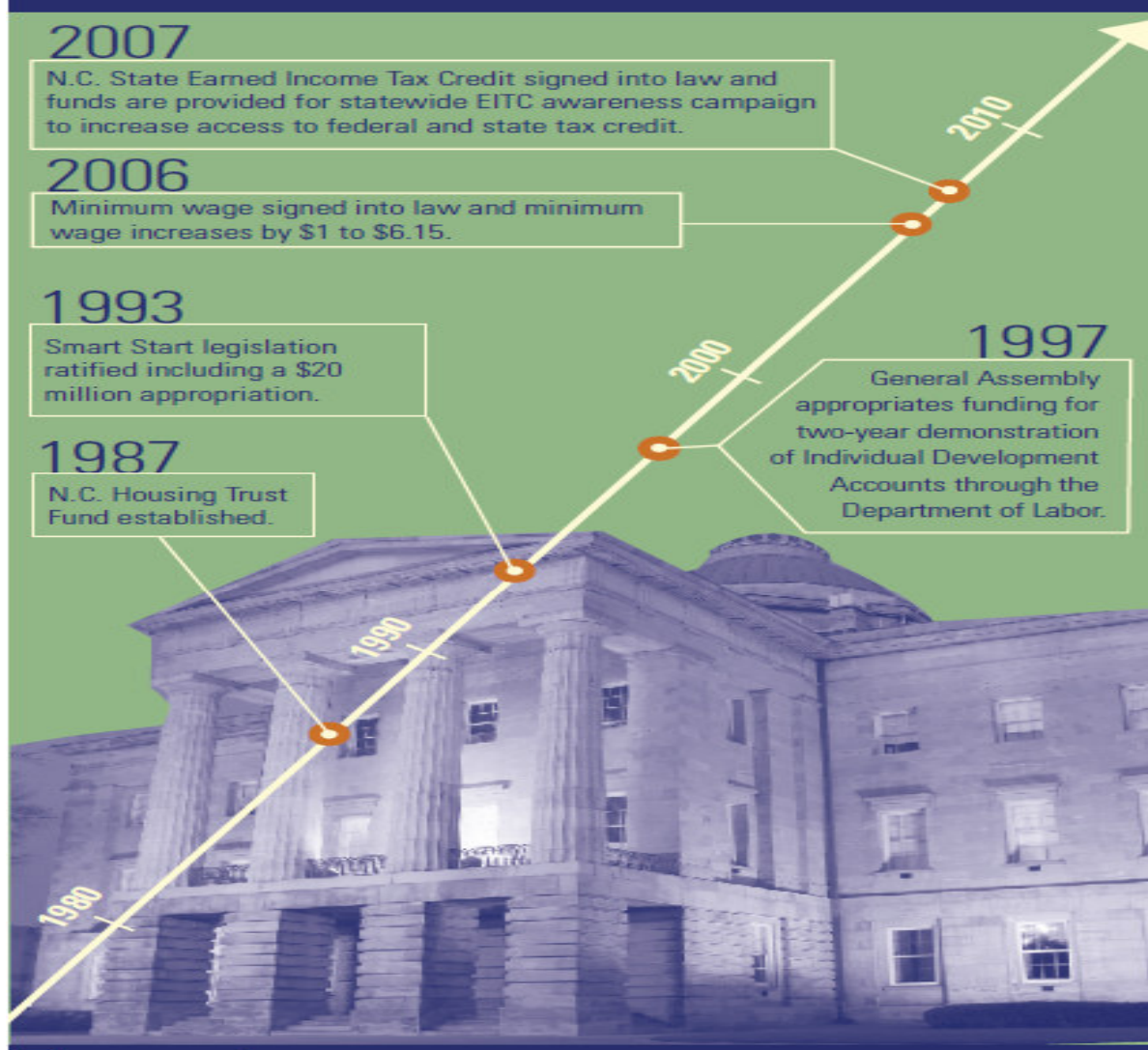
Source: Woo and Bucholz, 2007.

In short, we can't face a starkly competitive future if we have many people and communities failing to keep pace with rising standards and expectations.

Leaving people and communities behind is no longer a strategic option for a state that hopes to stay strong and competitive.



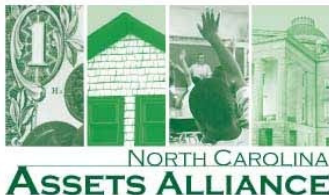
## TIMELINE OF SIGNIFICANT NORTH CAROLINA ASSET POLICY ACHIEVEMENTS



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# Building on Asset Policies: Recommendations

1. Remove the cap on enrollment for the critical Health Choice children's health insurance program. This recommendation is essential to address child poverty and the increasing rate of children in NC that are uninsured.
2. Establish a "Tax Incidence Analysis" for all tax bills introduced in General Assembly & the overall tax system.



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# Building on Asset Policies: Recommendations

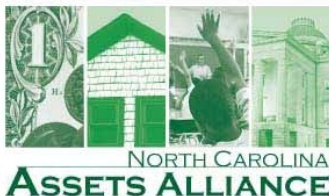
3. Increase funding for the North Carolina Housing Trust Fund.
  - Most flexible housing resource, administered by the NC Housing Finance Agency.
  - Finances needs from homeless shelters to homeownership, reaches extremely low incomes, and 80% of funds help families below 50% area median income (AMI), with nearly half for below 30% AMI.



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# Building on Asset Policies: Recommendations

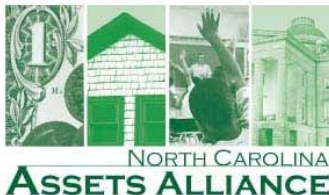
4. Raise the North Carolina Earned Income Tax Credit (EITC) to 10% of the federal credit. Approximately 20% of working North Carolina households benefit from the EITC;
5. Provide funds for outreach on the EITC and other benefits as well as free tax preparation and application completion through the NC Benefit Bank;



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# Work and income supports are underutilized

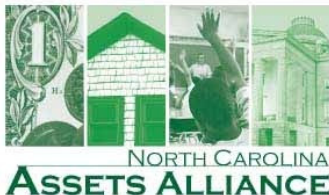
- Only 7.2% of households eligible for EITC, SNAP, health insurance, and child care subsidies claim all four
- \$39 billion in work supports unclaimed by Americans annually
- MDC/UNC study: Over \$1 billion unclaimed every year in North Carolina



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# What is the Benefit Bank?

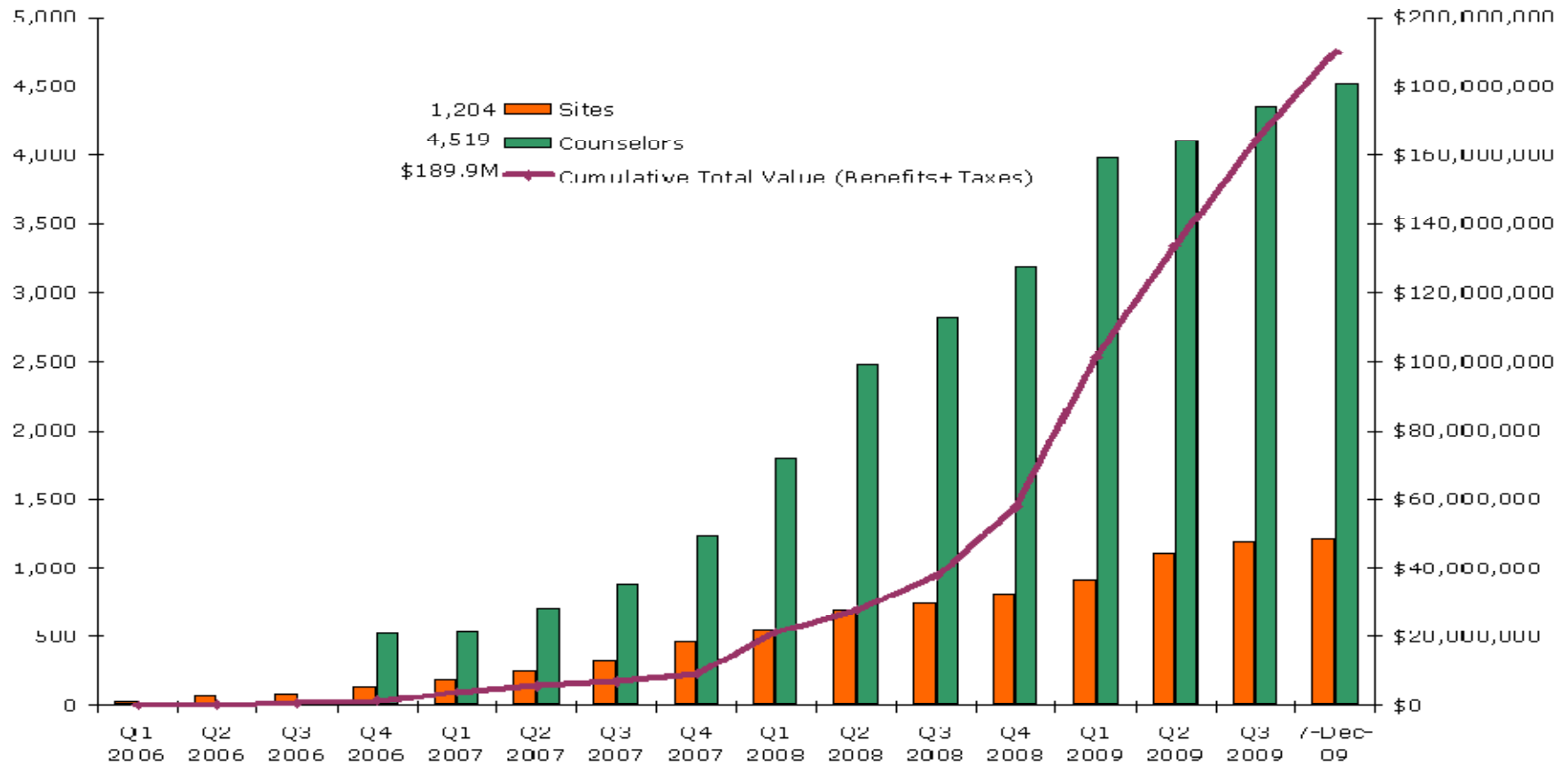
- Free-to-use, No Fees or Charges
- Completely Confidential
- Internet-based, counselor assisted program
- Simplifies and centralizes the process of applying for public benefits and tax credits
- Connects Communities to Resources



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# Benefit Bank Outreach Delivers Results

Growth in Sites/Counselors & Economic Return



# NC is Now Launching the Benefit Bank Network Where People Live, Work, Play & Pray

Faith congregations

Health & social service organizations

Food and nutrition organizations

Community-based organizations

United Ways

CDCs

Job-training programs

Homeless shelters

Home ownership programs

Asset building programs

Prisoner re-entry programs

Education organizations

Advocacy group offices

Employers

Public agencies

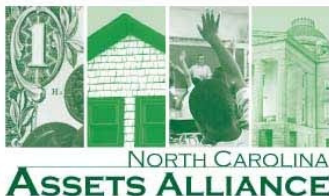
Child and Family CBOs



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# Building on Asset Policies: Recommendations

6. Increase funding for the state **Individual Development Account (IDA) Program**. The program shrinks every year since implementation and programs are shutting their doors due to lack of funding. The Dept of Commerce also has IDA funding that they use CDBG money to fund. There is about \$700,000 a year that is federal funds allocated to IDAs. The state should match this amount.



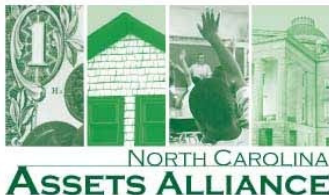
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# Building on Asset Policies: Recommendations

7. Add a “split refund form” to the state tax return form to encourage savings during tax time.

This form would allow taxpayers to split their refund and put part into a retirement account, or a savings account – whatever is chosen.


The form would be the state version of the IRS federal form 8888.



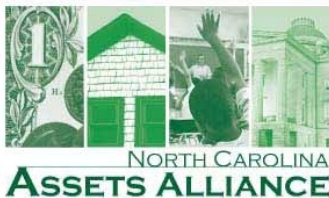
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# Sign up for Communications

- Monthly Updates
- Action Alerts
- [www.ncassets.org](http://www.ncassets.org)



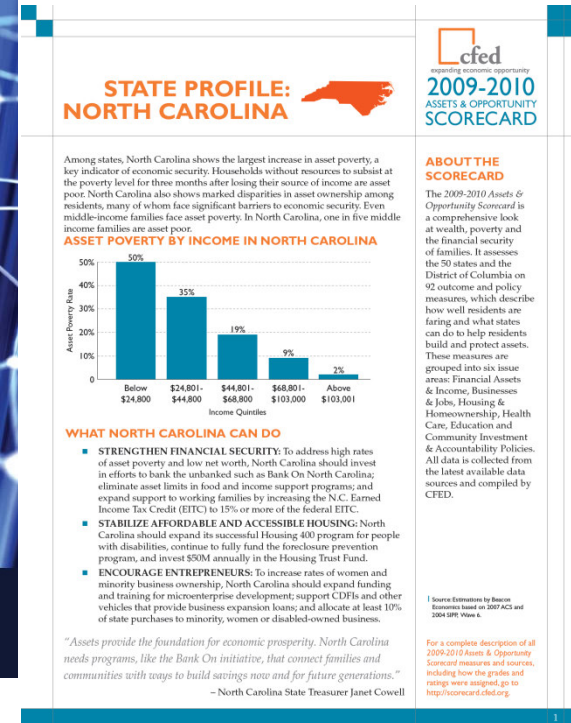
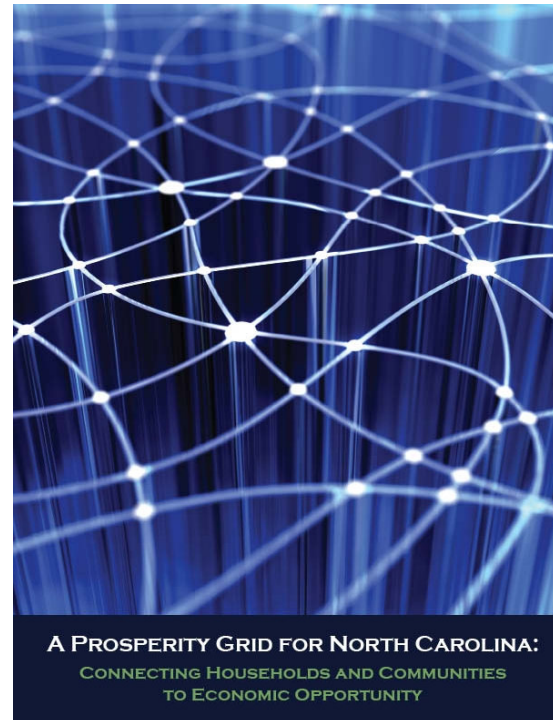
The image shows two screenshots of communications from the North Carolina Assets Alliance. The left screenshot is the 'N.C. ASSETS ADVOCATE' newsletter for May 2009. It features the organization's logo at the top, which includes a house, a person, and a dollar sign. The newsletter content includes a 'Greetings!' section, a 'TAKE ACTION!' section with details about 'Participate in Together NC's Day of Action on June 2nd', and an 'In This Issue' section with a link to 'North Carolina's Asset Agenda'. The right screenshot is an 'ACTION ALERT' for the 'N.C. ASSETS ALLIANCE REPORT RELEASED TODAY! Promote Asset Building Policy in Your Community!'. It includes a list of four action items for readers to take, such as communicating with local media and submitting letters to the editor. A sidebar on the right of the action alert lists 'REPORT MATERIALS' including 'A Prosperity Grid for North Carolina: Connecting Households and Communities to Economic Opportunity', 'Executive Summary', and 'Media Release'.



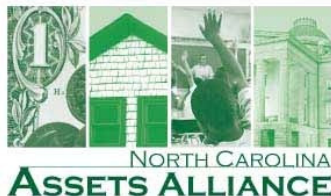
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# Use our Research and Suggest New Research Topics

- Report
- Fact Sheets
- CFED Scorecard



Full Report Available Online: [http://www.ncassets.org/report\\_full.pdf](http://www.ncassets.org/report_full.pdf)



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## To contact us:

NC Assets Alliance website: [www.ncassets.org](http://www.ncassets.org)

Emila Sutton, Policy and Program Associate  
IDA and Asset Building Collaborative of NC  
(919) 341-6418

Emila.Sutton@ncidacollaborative.org

