

## Press Release

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### **“Assets, not Just Income, Critical to the Economic Security of Connecticut Families”, according to State Asset Reports**

Despite Connecticut’s “honorable mention” in the nation’s first-ever national “report card” on family assets, the state’s minority population fared poorly on many measures. Nearly one in four Connecticut families were found to be “asset poor,” and Connecticut fell in the bottom half of all states on nearly half of the family asset measures.

The Corporation for Enterprise Development (CFED), in a state-by-state analysis of family asset outcomes and policies, gave Connecticut a “B” grade on its Asset Outcome Index (20<sup>th</sup> best in the nation) and a “B” on its Asset Policy Index (12<sup>th</sup> best). The report, entitled *State Asset Development Report Card: Benchmarking Asset Development in Fighting Poverty*, examines how well the 50 states are doing on 68 separate measures of family asset “outcome” (like homeownership, household net worth, educational attainment, and business ownership) and family asset “policy.” Asset policies promote and protect the accumulation of family assets and include such measures as education funding at all levels, loans for homeownership and business startup, and health, workers compensation, and unemployment insurance. The report includes measures of family wealth that have never before been reported on a state-by-state basis.

Concurrently, and in partnership with CFED, Connecticut Voices for Children released *Connecticut Family Assets: Asset Outcomes, 2002*, the first part of a two-part report focusing on Connecticut’s specific performance in promoting and protecting family assets. This report places CFED’s findings about family asset outcomes in the context of other recently-released data about the economic well-being of Connecticut’s families.

Shelley Geballe, Co-President of CT Voices for Children and co-author of the report, notes “To date, assessment of the economic well-being of Connecticut’s families has focused primarily on family income -- the percentage of families with incomes above the poverty level, and trends in median household income. This report shows that family income, while important, is not the *only* piece of the puzzle. Family assets matter greatly too. They protect families against economic ruin if family income is interrupted, and enable families to move themselves out of poverty -- permanently.”

Among the key findings of the CFED and CT Voices’ reports are:

- **Nearly one in four (22.5%) of Connecticut households are “asset poor.”** That is, their net worth is insufficient to support the household for more than three months if family income is interrupted, even if the family cuts its expenses to live at federal poverty level standards (\$18,100/year for a family of four in 2002). Twenty-eight states out-perform Connecticut on this measure.
- **Nearly one in six (16.1%) of Connecticut households has either zero net worth, or negative net worth** (household debt greater than all financial assets). Connecticut ranks in the bottom third among states (36<sup>th</sup>) on this very basic measure of family economic security.
- **On many measures of family assets, Connecticut’s minority populations fare far less well than their counterparts in other states.** For example, on homeownership rates by race, Connecticut ranks 42<sup>nd</sup> best, on college attainment by race, Connecticut ranks 42<sup>nd</sup>, and on minority entrepreneurship, Connecticut ranks 36<sup>th</sup>.
- **Connecticut’s racial inequality in family assets exceeds its inequality in family income.** While the mean net worth of white Connecticut households is nearly 3.5 times that of non-white households, the median income of white households exceeds that of black and Hispanic households by about half that margin (1.6 and 1.8 times greater, respectively).
- **Statewide average measures of assets**, including homeownership rates, median house values, and educational attainment **mask some very significant differences** in these key family assets across Connecticut’s 169 towns, as well as inequalities by gender and by race.
- **Connecticut ranks best** in the nation on reading proficiency among 4<sup>th</sup> graders and employer-provided health insurance. It also **ranks in the top five states** on math proficiency among 4<sup>th</sup> graders (3<sup>rd</sup>), proportion of households with a savings account (3<sup>rd</sup>), and proportion of household heads that has completed four years of college.

Report co-author and CT Voices’ Policy Fellow Douglas Hall comments, “Connecticut’s performance in supporting and protecting families’ accumulation of assets is marked by some big successes and some very troubling failures. Our minority populations in particular are being left far behind, even relative to other states, and some of our state policies are continuing to erode the assets of the working poor.”

Calling for stronger policies to enhance and protect family assets, Ellen Scalettar, Director of Advocates for Connecticut’s Children and Youth, states, “The GI Bill is just one example of what can be done to expand family assets. By helping to provide a college education to a generation of GIs, it improved their lives, as well as the lives of their spouses, children and grandchildren. These Family Asset reports provide a roadmap for what we need to do to improve state family asset policy in Connecticut.”

Robert Friedman, Founder and Chair of CFED, will be among the speakers asked to identify strategies to help Connecticut families build assets at a **CT Family Assets Forum** to be held on Monday, October 28, from 9:30 to noon at the Legislative Office Building. Others joining him include State Treasurer Denise Nappier, Judith Greiman (President of the CT Conference of Independent Colleges), and Bob Kantor (Director, Fannie Mae Partnership, Connecticut). CT

Voices will release the second part of its *Family Asset Report*, focusing on family asset policy, at the Forum.

<b>Top Ten CT Family Asset Measures</b>			
<b>Asset Outcomes Index</b>	<b>CT</b>	<b>CT Rank</b>	<b>National #1</b>
Basic educational proficiency (reading)	46%	1	CT
Employer-provided health insurance	77.4%	1	CT
Basic educational proficiency (math)	32%	3	34% (MN)
Households with a savings account	77.3%	3	78.8% (WI)
College attainment	31.54	5	35.90 (CO)
Mean net worth of households	\$140,989	6	\$164,318 (HI)
Asset inequality by gender	1.28	6	1.2 (WA)
Median value of owned home	\$112,156	10	\$172,771 (HI)
Homeownership rate by gender	1.13	10	1.06 (NV)
Business ownership value by race	\$224,030	11	\$1,776,247 (IA)
<b>Bottom Ten CT Family Asset Measures</b>			
<b>Asset Outcomes Index</b>	<b>CT</b>	<b>CT Rank</b>	<b>National #1</b>
Private loans to small business	\$621	49	\$2,062 (AK)
College attainment by gender <sup>1</sup>	1.6	47	0.86 (ME)
Homeownership rate by race	2.33	42	0.85 (HI)
College attainment, by race	2.43	42	1.1 (OR)
Head Start coverage	15.2%	39	46.4% (AK)
Homeownership by income	2	37	1.5 (ME)
Households with zero net worth	16.1%	36	8.9 (IA)
Minority entrepreneurship rate	0.1	36	0.24 (FL)
Households with checking accounts	31.9%	35	51.9% (WV)
College attainment by income	7.25	33	3.19 (CO)

NOTE: Please see the two full reports for the methodology of the CFED report, a description of how each of these (and the other) measures are calculated, and the limitations of the measures chosen.

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Connecticut Voices for Children is a statewide, research-based child advocacy organization committed to promoting leadership, policy change and investment on behalf of all of Connecticut's children and youth.

<sup>1</sup> This measure looks at the college attainment of householders in Connecticut. Women in Connecticut have a relatively high rate of college attainment when looking at individual data. Census 2000 data show that 29.5% of Connecticut women have bachelor's degrees or higher, the fourth highest ranking in the nation.