

# State & Local: Working with Your Coalition to Set a Policy Agenda

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## Why is it important to have a policy agenda?

- **Won't get what you want unless you ask ...**  
Must clearly articulate what you want a policymaker to do to be effective advocate
- **Allies won't join you unless you're clear about goals ...**  
Potential new coalition members need to know what you stand for before agreeing to stand with you



## Framework for a state policy agenda

### Assets & Opportunity Scorecard

- Covers performance and policy priorities in five Issue Areas
  1. Financial Assets & Income
  2. Businesses & Jobs
  3. Housing & Homeownership
  4. Health Care
  5. Education
- Assesses how families are faring in a state and what states can do improve these outcomes through impactful policy




# What could be on your state agenda?

1. Lifting asset limits in public benefit programs
2. State IDA Program Support
3. State Earned Income Tax Credit
4. Payday lending protections
5. State Microenterprise Support
6. Housing Trust Fund
7. First-time Homebuyer Assistance
8. Predatory mortgage lending protection
9. Access to health insurance
10. Access to quality K-12
11. Early Childhood Education
12. Incentives for college savings



## Assets & Opportunity Advocacy Tools

### STATE PROFILE: ALABAMA



The data for Alabama reveal marked disparities in asset ownership among its residents, many of whom face significant barriers to economic security. A state's asset poverty rate is one indicator of economic security. A household is asset poor if it lacks the resources to subsist at the poverty level for three months if it loses its source of income. Even middle-income families face asset poverty. In Alabama, 19% of those earning \$44,801-\$68,800 are asset poor.

#### ASSET POVERTY BY INCOME IN ALABAMA<sup>1</sup>

Income Quintile	Asset Poverty Rate
Below \$24,800	52%
\$24,801-\$44,800	35%
\$44,801-\$68,800	19%
\$68,801-\$103,000	11%
Above \$103,001	5%

**WHAT ALABAMA CAN DO**

- ENCOURAGE EDUCATION:** To increase math and reading proficiency as well as high school completion, Alabama should improve education by defraying related costs in high-poverty districts and requiring annual teacher evaluations.
- SUPPORT ASSET BUILDING:** To reduce low net worth, high income poverty, the number of unbanked households and bankruptcy rates, Alabama should provide funding for Individual Development Accounts and adopt a state Earned Income Tax Credit to help families gain economic stability.
- DEVELOP MICROENTERPRISE:** To address disparity in business ownership for women and minorities and improve employment growth and business creation rates, Alabama should provide funding for microenterprise development.

*"Families have become increasingly vulnerable to financial insecurity. The Scorecard identifies options for states to help residents save and build assets and the protections they need to achieve and maintain prosperity."*  
- Andrea Levere, CFED president

For a complete description of all 2009-2010 Assets & Opportunity Scorecard measures and sources, including how the grades and ratings were assigned, go to <http://scorecard.cfed.org>.

### LIFTING ASSET LIMITS IN PUBLIC BENEFIT PROGRAMS

**OVERVIEW**

Many public benefit programs – such as cash welfare or Medicaid – limit eligibility to those with few or no assets. If individuals or families have assets exceeding the state's limit, they must "spend down" longer-term savings in order to receive what is often short-term public assistance. These asset limits, which were originally intended to ensure that public resources did not go to "asset-rich" individuals, are a relic of entitlement policies that in some cases no longer exist. Cash welfare programs, for example, now focus on quickly moving families to self-sufficiency, rather than allowing them to receive benefits indefinitely. Personal savings and assets are precisely the kind of resources that allow individuals and families to move off public benefit programs. Yet asset limits can discourage anyone considering or receiving public benefits from saving for the future.

**WHAT STATES CAN DO**

States determine many key policies related to families receiving benefits. States have discretion in setting or eliminating asset limits for Temporary Assistance to Needy Families (TANF), Medicaid and the Children's Health Insurance Program (CHIP).<sup>1</sup> In addition, states have authority to address asset limits for the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp program.<sup>2</sup>

Program	Asset Limits	What states can do
TANF	\$2,000-\$3,000 in most states	<ul style="list-style-type: none"> <li>Eliminate limits entirely, as Louisiana, Ohio and Virginia have done<sup>3</sup></li> <li>Substantially increase limits so they do not affect most recipients</li> <li>Exclude classes of assets, such as individual development, retirement or college savings accounts</li> </ul>
Family Medicaid <sup>4</sup>	\$1,000-\$20,000 in states that have limits	<ul style="list-style-type: none"> <li>Eliminate limits entirely as more than 20 states have done</li> <li>Substantially increase limits so they do not affect most recipients</li> <li>Exclude classes of assets, such as individual development, retirement or college savings accounts</li> </ul>
SNAP	\$2,000 (\$3,000 if disabled or elderly household member) \$48,000 in states that have limits	<ul style="list-style-type: none"> <li>Eliminate limits entirely as 24 states have done</li> <li>Substantially increase limits so they do not affect most recipients<sup>5</sup></li> </ul>

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**2009-2010 ASSETS & OPPORTUNITY SCORECARD**

**RESOURCE GUIDE: COLLEGE SAVINGS INCENTIVES<sup>1</sup>**

**OVERVIEW**

Postsecondary education is one of the best investments an individual can make in his or her economic future. It can be a stepping-stone to building a career, more likely to have jobs that pay more than minimum wage, and less likely to incur the high costs of a four-year public university. Twelve states currently offer tax-qualified college savings plans (529 plans) and can be a stepping-stone to building a career, more likely to have jobs that pay more than minimum wage, and less likely to incur the high costs of a four-year public university of total income.<sup>2</sup>

### POLICY PRIORITY RATINGS ACROSS THE STATES

CFED 2009-2010 ASSETS & OPPORTUNITY SCORECARD

State	Eliminate limits entirely	Substantially increase limits	Exclude classes of assets	Eliminate limits entirely	Substantially increase limits	Exclude classes of assets	Eliminate limits entirely	Substantially increase limits	Exclude classes of assets
Alabama	+	+	+	+	+	+	+	+	+
Alaska	+	+	+	+	+	+	+	+	+
Arizona	+	+	+	+	+	+	+	+	+
Arkansas	+	+	+	+	+	+	+	+	+
California	+	+	+	+	+	+	+	+	+
Colorado	+	+	+	+	+	+	+	+	+
Connecticut	+	+	+	+	+	+	+	+	+
Delaware	+	+	+	+	+	+	+	+	+
District of Columbia	+	+	+	+	+	+	+	+	+
Florida	+	+	+	+	+	+	+	+	+
Georgia	+	+	+	+	+	+	+	+	+
Hawaii	+	+	+	+	+	+	+	+	+
Idaho	+	+	+	+	+	+	+	+	+
Illinois	+	+	+	+	+	+	+	+	+
Indiana	+	+	+	+	+	+	+	+	+
Iowa	+	+	+	+	+	+	+	+	+
Kansas	+	+	+	+	+	+	+	+	+
Kentucky	+	+	+	+	+	+	+	+	+
Louisiana	+	+	+	+	+	+	+	+	+
Maine	+	+	+	+	+	+	+	+	+
Maryland	+	+	+	+	+	+	+	+	+
Massachusetts	+	+	+	+	+	+	+	+	+
Michigan	+	+	+	+	+	+	+	+	+
Minnesota	+	+	+	+	+	+	+	+	+
Mississippi	+	+	+	+	+	+	+	+	+

**Legend:**

- Very strong policy
- Strong policy, but some room for improvement
- Some policy, but much room for improvement
- Minimal policy in place
- No policy in place

1. As of June 30, 2009, the state with used FF 529 Savings would be substantially cut. Therefore, it did not receive credit for the leading priority metric.

2. The threshold for receiving any credit for this measure is 50%. If a state did not provide funding in FF 2009, then it was ineligible to receive credit for any other criterion.

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**2009-2010 ASSETS & OPPORTUNITY SCORECARD**

increase participation by lower-income or college. Twelve states currently offer tax-qualified college savings plans (529 plans) and can be a stepping-stone to building a career, more likely to have jobs that pay more than minimum wage, and less likely to incur the high costs of a four-year public university of total income.<sup>2</sup>

tax code) is a state-sponsored, tax-preferred investment vehicle. There are two types of 529 plans: prepaid tuition plans and college savings plans. Prepaid tuition plans allow investors to lock in future tuition rates at the time of purchase. College savings plans offer flexibility and continuity, as they are not tied to a specific institution or risk, subject to investment performance. As of 2009, nine states had created their own prepaid tuition plans and also created a 529 plan. The District of Columbia now have 529 plans and prepaid tuition plans. Covered investment accounts, such as 529 plans, are current and prior Congresses that would encourage and other specified purposes. These accounts, however, none of these policies that states have built upon to incentivize savings plans.

states the opportunity to use the 529 account state is responsible for designing its own.

1. Mike Leach of the Southern Good Faith Fund is developing and promoting a 529 plan in South Carolina. 2. See [www.529.gov](http://www.529.gov) for more information on 529 plans. 3. See [www.529.gov](http://www.529.gov) for more information on 529 plans. 4. See [www.529.gov](http://www.529.gov) for more information on 529 plans. 5. See [www.529.gov](http://www.529.gov) for more information on 529 plans.




## What could be on your local agenda?

1. Local VITA program
2. Tax-time saving incentives
3. Local Earned Income Tax Credit
4. Benefits screening
5. Financial Education support
6. Local IDA support
7. Licensing & enforcement
8. Access to banking (e.g. Bank On)
9. Payday lending protections
10. Small Dollar Loan alternatives
11. Small Business Support (tax help, training, loans...)
12. Incentives for college savings
13. Housing Trust Fund
14. First-time Homebuyer Assistance
15. Community land trusts



## Local Tools – A Work in Progress...

- Local Assets & Opportunity Profiles
- NCTC
- National League of Cities
- [joinbankon.org](http://joinbankon.org)



**ASSETS & OPPORTUNITY PROFILE: CHICAGO**

Cities have long been thought of as places of opportunity for low-income workers to forge pathways to the middle class. But far too many urban households struggle to gain a foothold in the mainstream economy. In major U.S. cities, one out of every four households own more than they own, and almost 60% of consumers have subprime credit scores. More than one-third of families do not have enough assets to live for three months at the federal poverty level should they lose their main source of income. Not only does financial insecurity destabilize families, it also jeopardizes the long-term vitality of cities and local economies.

That is why a growing number of local leaders are seeking to expand the vision of what municipal government can and should do to stabilize the financial lives of their low-income residents. These "Financial Empowerment" programs involve a set of approaches designed to help families manage their money and avoid bad debt, create strategies for saving, and access appropriate financial products and services. Financial empowerment programs typically focus on four key areas: improving access to financial services; advancing financial education and coaching; encouraging asset building and protection; and promoting tax time services and benefits.

Chicago has joined with a group of 10 leading cities to form the Cities for Financial Empowerment (CFE) coalition, which is striking a new path towards integrating income enhancement, saving incentives and asset development. These programs, when coupled with enhanced consumer protection policy, are changing the paradigm for poor families in our urban centers.

**ABOUT THE PROFILE**

This Assets & Opportunity Profile was created to fuel a local conversation about wealth, poverty and opportunity in Chicago. It contains a data snapshot of the financial security and stability of Chicago residents, and provides an overview of the efforts that the city is supporting to help financially educate, empower and protect residents and enable them to build a more prosperous future.

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**KEY HIGHLIGHTS**

- 14% of Chicago households are unbanked
- 17% of Cook County residents are unbanked
- 17% of Chicago households live in income poverty
- 24% of Chicago tax filers receive EITC
- 9% of Chicago households have self employment income
- 38% of Chicago residents live in asset poverty

**CFED: ASSETS & OPPORTUNITY PROFILE**

**DEMOGRAPHICS**

	City of Chicago	Cook County	Chicago, IL MSA	Illinois	United States
Population	2,740,224	5,288,161	9,463,477	12,783,049	298,757,310
Unemployed	30.9%	45.1%	36.8%	63.3%	66.3%
Minority	34.7%	25.5%	17.7%	14.6%	12.2%
Under 18	0.1%	0.1%	0.1%	0.1%	0.7%
65+	4.9%	5.6%	5.1%	4.2%	4.4%
Married	28.1%	22.5%	19.1%	14.6%	14.7%
Divorced	47.0%	48.3%	49.2%	42.3%	42.8%
Widowed	17.8%	15.8%	12.7%	9.8%	8.6%

**& USE OF SERVICES**

	City of Chicago	Cook County	Chicago, IL MSA	Illinois	United States
Median Household Income	\$44,473	\$52,358	\$58,946	\$53,745	\$50,007
Below Poverty Line	17.2%	11.5%	8.7%	8.9%	9.8%
Below 2x Poverty Line	38.4%	30.0%	24.9%	24.9%	25.9%
Below 3x Poverty Line	25.7%	20.0%	16.6%	16.5%	16.9%
Income	19.6%	24.9%	26.8%	27.0%	25.1%
23.8%	18.2%	14.7%	15.0%	16.6%	
\$2,166	\$2,092	\$2,021	\$1,971	\$1,932	
14%	12%	9%	n/a	8%	
n/a	657	674	679	672	
n/a	58.2%	55.1%	54.1%	55.2%	
n/a	\$13,284	\$13,264	\$13,264	\$13,063	
n/a	31.2%	30.8%	29.4%	29.9%	
n/a	\$24,608	\$23,784	\$22,742	\$23,717	
n/a	4.6%	4.2%	3.9%	4.3%	

**Average Revolving Credit Utilization** .....  
**Average Installment Debt** .....  
**Borrowers 90+ Days Overdue** .....

	City of Chicago	Cook County	Chicago, IL MSA	Illinois	United States
Where	\$58,683				
Black or African American	\$10,451				
American Indian and Alaska Native	\$18,414				
Asian	\$52,164				
Native Hawaiian and Other Pacific Islander	n/a				
Hispanic or Latino	\$40,526				

**Income Poverty by Race in Chicago**

Race	Percentage
White	4.8%
Black or African American	24.8%
American Indian and Alaska Native	n/a
Asian	12.9%
Native Hawaiian and Other Pacific Islander	n/a
Hispanic or Latino	19.4%

**EMPLOYMENT & BUSINESS OWNERSHIP**

MEASURE	City of Chicago	Cook County	Chicago, IL MSA	Illinois	United States
Annual Unemployment Rate	10.9	10.3%	10.0%	10.1%	9.3%
Average Annual Pay	n/a	\$4,053	n/a	\$4,685	\$4,458
Self-Employment	8.9%	9.4%	9.7%	10.5%	12.1%
Microenterprise Ownership Rate	n/a	17.8	16.4	15.8	16.4
Vehicle Non-Availability by Working Household	17.5%	10.3%	6.6%	5.6%	4.9%



# Oregon's process for setting a policy agenda

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# What are the factors/actors to consider in setting an agenda?

Does the policy ...

- match your organizational mission?
- have support by allied organizations?
- have a policymaker champion?
- seem feasible given external political realities?
- have opposition? Could it be overcome?



## Exercise

1. Brainstorm all possible policies to consider
2. Assess policies against your criteria
3. Decide which policies make the cut
4. Prioritize policy agenda

