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New Report: Growing Number of Americans Can't Cover Basic Expenses if Job Loss or Other Emergency Strikes

2012 Assets & Opportunity Scorecard Shows Major Increase in "Asset Poor" Households

Washington, DC—In the United States, 27 percent of all households are “asset poor,” meaning they lack the savings or other assets to cover basic expenses for just three months if a layoff or other emergency leads to loss of income, according to the [2012 Assets & Opportunity Scorecard](#), released today by the Corporation for Enterprise Development (CFED). Since the release of the 2009-2010 *Assets & Opportunity Scorecard*, the number of asset poor families has increased by 21 percent from one in five families to one in four families. The asset poverty rate is now nearly twice as high as the Census Bureau's official income poverty rate of 15.1 percent.

For the first time the *Assets & Opportunity Scorecard* also includes a measure for “liquid asset poverty,” which excludes assets such as a home, business or car that can't easily be converted to cash, and consequently provides a more realistic picture of the resources families have to meet emergency needs. According to that measure, 43 percent of households nationwide are “liquid asset poor” with little or no savings to fall back on if emergency strikes.

“Growing numbers of families have almost no savings or other assets to see them through if they lose their jobs or face a medical crisis,” said Andrea Levere, president of CFED. “Without savings, few will be able to build a more economically secure future, including buying a home, saving for their children's college educations or building a retirement nest egg.”

Levere added that the *Scorecard* findings are “particularly disturbing in the context of precipitous drops in incomes for many Americans and widening of the wealth gap between the richest and poorest households.”

The *Assets & Opportunity Scorecard* offers the most comprehensive look available at Americans' ability to save and build wealth, fend off poverty and create a more prosperous future. The *Scorecard* explores how well residents are faring in the 50 states and the District of Columbia and assesses policies that are helping residents build and protect assets along five issue areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care and Education. The 2012 *Scorecard* assesses states across 100 outcome and policy measures in these five areas to determine the ability of residents to achieve financial security.

The report found that households of color are more than twice as likely as white households to be asset poor—44 percent compared with 20 percent, respectively. A similarly high proportion (65 percent) of households of color is liquid-asset poor compared with 34 percent of white households.

The Scorecard also found sizable differences between states, with asset poverty rates ranging from a high of more than 45 percent in Nevada to a low of 15.7 percent in Vermont; liquid asset poverty rates ranged from 64.5 percent in Alabama down to 22.8 percent in Hawaii.

Typically, states with programs and policies in place to address growing need were in far better shape than those with a less robust safety net. For instance, Nevada's policies to support financial security and opportunity are among the weakest in the country, while Vermont has a long history of supporting such efforts. The *Scorecard* presents data on the array of state policies that help families move along a path from financial insecurity to economic opportunity.

The *Scorecard* also assessed a variety of measures that affect people's ability to save and build assets, including job quality, homeownership, access to credit and education. Among the key findings:

- More than half of consumers (56 percent) have subprime credit scores.
- Between the third quarters of 2008 and 2011, the home foreclosure rate increased by 50 percent, widening the already-considerable homeownership gap between white households and households of color. As of 2010, 73 percent of white households owned homes, compared with just 47 percent of households of color.
- One in five jobs is low-wage and nearly half of employers do not offer health insurance. In addition, 55 percent of workers do not have or participate in retirement plans.
- While the number of people getting four year college degrees is up slightly, the average debt for graduating college seniors has risen 19 percent since 2007 to \$25,250.

To read an analysis of key findings from the *Assets & Opportunity Scorecard* [click here](#). To access the complete *Scorecard* visit <http://scorecard.cfed.org>.

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