

Expanding the Ownership Society: State Asset Policy Initiatives



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Why Do Assets Matter?

- Assets enable families to...
 - Weather financial crises
 - Invest in their children and their communities
 - Plan for a secure retirement
 - Pass resources on to future generations
- Income enables families to get by. Assets build their long-term economic security.



Challenge: Asset Poverty

- Over 25% of families are asset poor
- 39% of children are being raised in asset-poor households including:
 - 54% of all Hispanic children
 - 52% of African American children
 - 26% of white children

Public Policy Challenges

- Families are leaving welfare but living in poverty
- Policies that encourage savings and investment are often inaccessible to lower-income families
- Asset limits discourage families from saving
- Low-income families have few opportunities to build their long-term financial security

Asset Building Movement

- Based on concept that asset-building policies work, but they need to be more accessible
- Started with IDAs in 1990s and grew to include other strategies
- Recognized role of public policy in taking strategies to scale



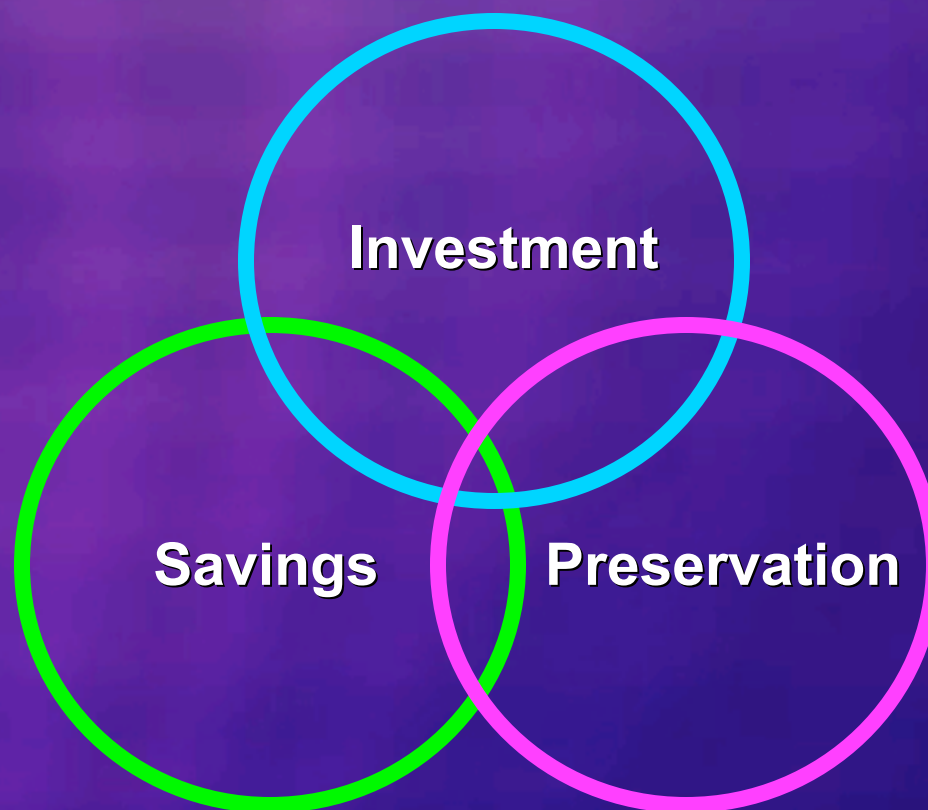
States and Asset Policy

- States have supported individual asset-building policies
- Today, many are beginning to take a comprehensive approach
- Exploring a range of integrated strategies
- Bringing diverse stakeholders to the table to identify solutions to asset poverty

Emerging State Initiatives

- **Delaware** – Governor’s Task Force for Financial Independence (2001)
- **California** – Asset Policy Initiative of California (2003)
- **Illinois** – Illinois Asset Building Group (2003)
- **Pennsylvania** – Governor’s Task Force for Working Families (2004)
- **Hawai`i** – Ho`owaiwai Asset Policy Initiative of Hawai`i (2004)
- **Michigan** – Michigan IDA Partnership (2004)

Common Goals



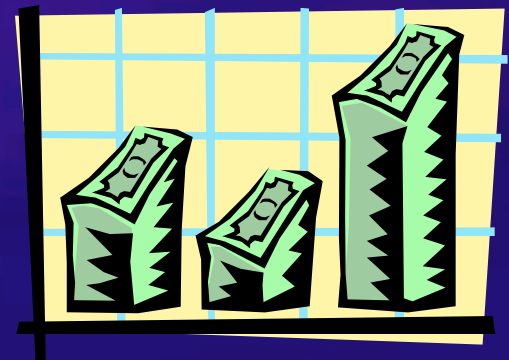
Common Goals

- **Savings/asset accumulation** – addressing barriers and creating opportunities for families to save
- **Investment/asset leveraging** – expanding opportunities to invest in home, business and real estate equity
- **Protection/asset preservation** – advancing measures to protect families' assets

Emerging Policy Priorities

Savings/Asset Accumulation

- **Financial education** – Improving and expanding access to financial education
- **Asset limits** – Raising or eliminating asset limits in public benefit programs
- **Individual Development Accounts (IDAs)** – Increasing public support for IDAs



Savings/Asset Accumulation

- **Earned Income Tax Credit (EITC)** –
Capturing federal EITC and creating state EITCs
- **Retirement savings** –
Expanding access to retirement savings
- **Children's Savings Accounts** –
Supporting children's savings accounts programs



Investment/Asset Leveraging

- **Homeownership** –
Increasing affordable homeownership opportunities
- **Business ownership** –
Supporting low-wealth entrepreneurs to build business equity
- **Real estate** –
Leveraging economic development opportunities to build wealth for community residents



Protection/Asset Preservation

- **Health insurance –**
Exploring ways to expand health insurance coverage
- **Anti-predatory lending –**
Reducing abusive lending practices
- **Anti-insurance redlining –**
Implementing/strengthening measures to prevent insurance redlining



Common Elements of Success

- Reframing the policy dialogue
- Providing strong leadership
- Building a bipartisan discussion
- Engaging diverse stakeholders

Outcomes to Date

- **Legislation** –
Advancing specific pieces of legislation
- **New strategies and resources** –
Developing new strategies/leveraging resources
- **Policy dialogue** –
Ensuring assets part of state policy discussions
- **Public will** –
Building public support for asset-building policies

Closing

- Building an ownership society requires inclusive public policies
- State asset policy initiatives are leading the way



State Asset Policy Initiatives: Expanding the Ownership Society



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