News Release

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Connecticut Slips into Bottom Half of All States for Financial Security of its Residents

Poor Homeownership and Job Performance Driving Down the Financial Well-being of Connecticut Households

Washington, D.C. — Despite an improving national and state economy, new data released today by the Corporation for Enterprise Development (CFED) show many Connecticut residents are still struggling to afford the state's high cost of living. CFED's 2015 *Assets & Opportunity Scorecard* ranked the state among the lowest across various measures of housing affordability, including homeownership by income (47th), housing cost burden for renters (44th), housing cost burden for homeowners (43rd) and overall affordability of homes (39th).

Additionally, the *Scorecard* found that limited savings and unstable employment make it harder for many Connecticut residents to keep up. It ranked Connecticut dead last (51st) among all states and the District of Columbia for average credit card debt and 36th for its high rate of underemployed residents, defined as part-time workers who want full-time jobs and discouraged workers who have stopped searching for employment. The report also found that 14.9% of jobs were in occupations with low wages.

CFED's 2015 *Assets & Opportunity Scorecard* offers the most comprehensive look available at American's ability to save and build wealth, fend off poverty and create a more prosperous future. The *Scorecard* provides rankings for the 50 states and District of Columbia on both the ability of residents to achieve financial security and policies designed to help them get there. Connecticut ranks in the bottom half of the country (27th) on overall outcomes for residents, down from 25th last year, but near the top (7th) for its strong policies

The new data underscore the need for policies that can build a better economic foundation for all Connecticut families, including more affordable housing options and expansion of workforce training programs that can connect residents to higher-paying jobs. To help boost low incomes and promote savings, the state legislature should consider lifting asset tests on key social benefit programs, such as cash assistance and child care subsidies, and should increase the state Earned Income Tax Credit (EITC) from 27.5% to 30% of the federal credit. .

"Connecticut is a high cost state, but it can become more affordable with more housing options and more higher-wage jobs," said Jim Horan, Executive Director of the Connecticut Association for Human Services (CAHS). "Governor Malloy's policies have helped struggling residents, by funding construction of new supportive housing, redevelopment of public housing, a state EITC, and subsidized training and employment programs. We need to continue this momentum, by increasing the supply of lower-priced housing close to jobs and transit, and providing more adult literacy programs and training for middle skills jobs."

The *Scorecard* evaluates how residents are faring across 67 outcome measures in five different issue areas—Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care and Education. Connecticut ranked 27th this year in the overall assessment, falling slightly from a ranking of 25th last year. The state ranked lowest by issue area in Housing & Homeownership, receiving a rating of "F" largely due to the low levels of homeownership and high cost of housing described above. Connecticut received a "C" in Businesses & Jobs, ranking it 36th overall, driven largely by its second-to-last-place ranking in business creation. Although Connecticut fared better in Financial Assets & Income, receiving a "B," the state's high average credit card debt ($14,147) places it dead last in this measure. Debt was also a contributing factor in Education, with the state ranking 45th for average college graduate debt ($30,191) and 33rd for the percentage of college graduates with debt (64%).

The *Scorecard* also evaluates 68 different policy measures to determine how well states are addressing the challenges facing residents. Connecticut ranked among the best states in terms of adopting policies designed to create greater economic security and opportunities for low- and moderate-income families, receiving an overall ranking of 7th this year. The state was ranked in the top ten of all states in policies designed to promote Financial Assets & Income (3rd), Health Care (6th) and Education (5th). On the remaining two issue areas, Businesses & Jobs and Housing & Homeownership, Connecticut remained in the top half of states, ranking 17th and 13th, respectively.

Published annually, 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. It 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 across the five issue areas listed above.

Nationally, the *Scorecard* data reveal that five years into the economic recovery, millions of American families are still treading water in the deep end. While indicators such as unemployment, foreclosure rates and credit card debt show a slow but steady decline, the general picture remains one of declining economic mobility and widening wealth and income inequality. Among other key findings:

- The average college debt for students graduating increased 8% from $27,150 in 2011 to $29,400 in 2012. As student loan debt increased, so did the student loan default rate. Fifteen percent of borrowers in 2012 defaulted on their student loans within three years of starting repayment, up from 13% in 2011.
- The percentage of employees participating in employer-provided retirement plans continued to decline, from 47% in 2007 to 44% in 2012.
- Although the racial wealth gap narrowed slightly between 2010 and 2011, households of color still fall far behind White households. They have approximately one-tenth the median net worth of White households ($12,377 and $110,637, respectively) and are considerably less likely to own a home. The homeownership rate for households of color is 26 percentage points lower than the rate of homeownership for White households (46% and 72%, respectively).
- Only eight states (Maryland, New York, Maine, New Jersey, Connecticut, Washington, Minnesota and Rhode Island) have adopted 50% or more of the 67 policies that can support family financial security. Meanwhile, seven states (Idaho, Missouri, South Dakota, Alabama, Alaska, Mississippi and Wyoming) have adopted fewer than one-quarter of those policies.

To read an analysis of key findings from the 2015 *Assets & Opportunity Scorecard*, [click here](). To access the complete *Scorecard*, visit http://assetsandopportunity.org/scorecard.

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CFED empowers low- and moderate-income households to build and preserve assets by advancing policies and programs that help them achieve the American Dream, including buying a home, pursuing higher education, starting a business and saving for the future. As a leading source for data about household financial security and policy solutions, CFED understands what families need to succeed. We promote programs on the ground and invest in social enterprises that create pathways to financial security and opportunity for millions of people. Established in 1979 as the Corporation for Enterprise Development, CFED works nationally and internationally through its offices in Washington, DC; Durham, North Carolina; and San Francisco, California.

To improve policies and programs that promote financial security and opportunity, CFED is the backbone organization for a national Assets & Opportunity Network, which is comprised of more than 1,300 advocates, service providers, researchers, financial institutions and others representing all 50 states and DC. To learn more about the Assets & Opportunity Network, visit http://assetsandopportunity.org/network.