

ASSETS & OPPORTUNITY PROFILE: DALLAS



ASSETS & OPPORTUNITY PROFILE



KEY HIGHLIGHTS

39%

of households in the City of Dallas live in asset poverty

19%

of families in the City of Dallas live in income poverty

45%

of households in the City of Dallas with children live in asset poverty

68%

of Dallas County consumers have subprime credit scores

50%

of low-income residents of the City of Dallas have no health insurance

28%

of residents of the City of Dallas have less than high school education

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

The data in this Profile documents the scope and scale of financial insecurity among households in Dallas, and the picture that emerges is revealing. Sixty-eight percent of Dallas residents have subprime credit scores, two out of five Dallas households are asset poor, and half of low-income residents do not have health insurance. Moreover, the data on racial disparities shows a grim reality in Dallas. One in two households of color in Dallas live in asset poverty. Black families are seven times more likely to be in income poverty than white families, and white adults are nearly eight times more likely to have a bachelor's degree than Hispanic or Latino adults.

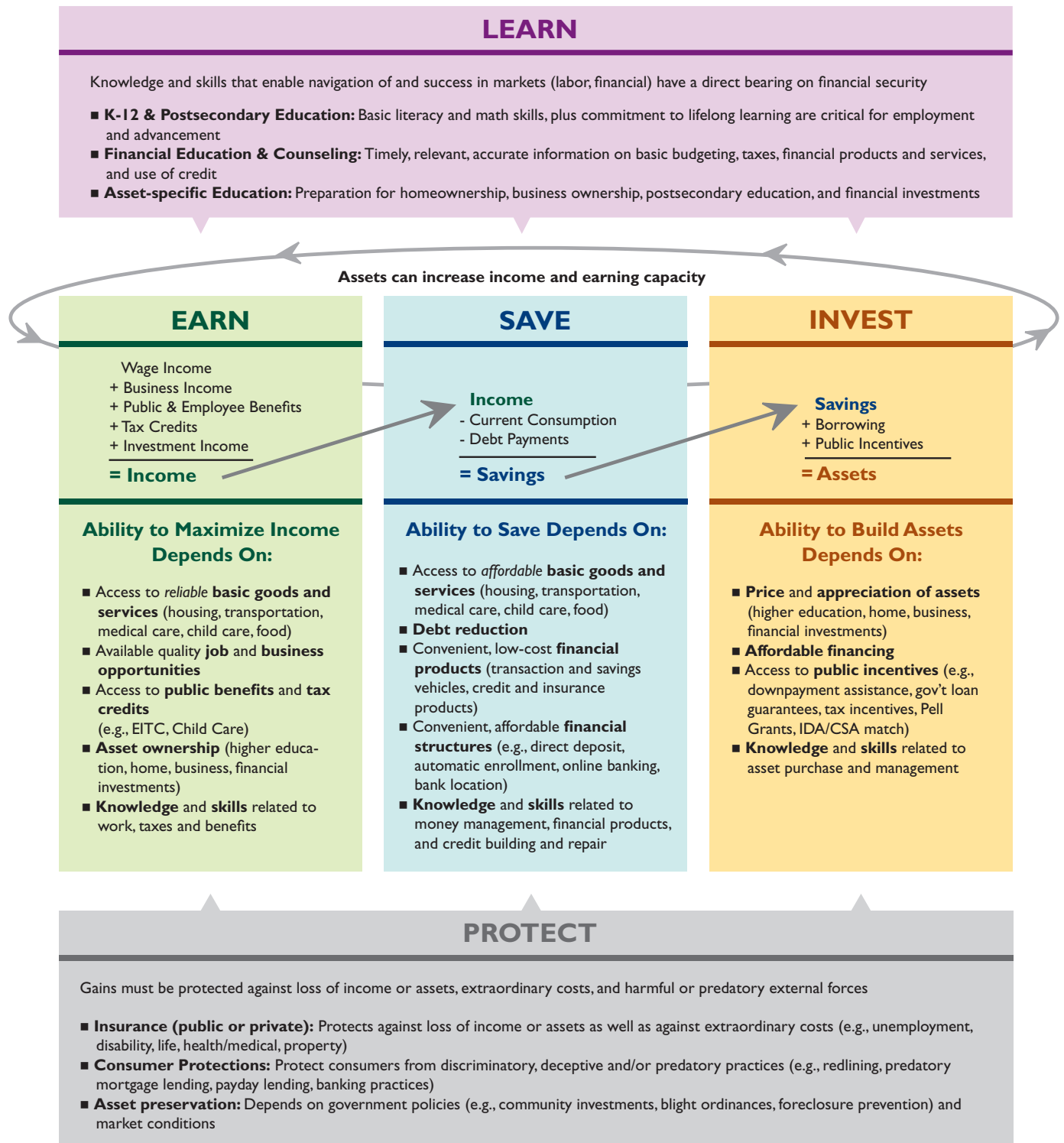
Traditional efforts to address these challenges have focused on increasing residents' income through job-related strategies and subsidizing housing and other basic goods. These strategies are crucial, but a broader set of interventions is needed to help reduce financial instability and disparity among Dallas residents. Efforts to address these challenges are already on the ground in Dallas, but there is an opportunity to do more and at a greater scale. Dallas can learn from and leverage the work that a growing number of cities are doing to redefine what cities can and should do to create financial security and opportunity for low-income residents.

ABOUT THE PROFILE

This Assets & Opportunity Profile was created to fuel a local conversation about wealth, poverty and opportunity in Dallas. It includes a data snapshot of the financial security and opportunities for Dallas residents. It also describes what it takes to become financially secure and examples of what cities are doing nationally to enable their residents to build a more prosperous future.

WHAT FAMILIES NEED TO BE FINANCIALLY SECURE

CFED created the Household Financial Security Framework to illustrate – from a household’s perspective – what it really takes to build financial security over time. Individuals must first *learn* the knowledge and skills that enable them to *earn* an income and manage their money. They then use that income to take care of basic living expenses and debt payments and *save* for future purposes. As savings grow, households can *invest* in assets that will appreciate over time and generate wealth and income. Throughout the cycle, access to insurance and consumer protections help households *protect* the gains they make. The Framework’s focus on the household provides a universal lens that any organization – government, nonprofit, philanthropic or private sector – can look through to identify the ways their work contributes to the financial betterment of families.



STRATEGIES TO BUILD FINANCIAL SECURITY

Using the lens of this Framework, it is possible to look holistically at whether the needs of households in Dallas are being met. This Profile aims to take the first step by providing a snapshot of the financial challenges and opportunities facing Dallas' households. The next step is to identify and fill gaps in existing services and infrastructure in ways that expand financial access and financial security among vulnerable residents in Dallas.

There are a number of communities across the nation where local leaders have taken up this challenge. They are expanding access to mainstream banking and wealth building opportunities as well as helping families protect the assets that they have. These local leaders are pioneering new ways to leverage the resources and regulatory power of municipalities to work across departmental silos and public/private sector divides to scale up economic inclusion and asset-building opportunities for low- and moderate-income families. Below are examples of goals and strategies these communities are implementing to financially educate, empower and protect their residents. These examples can serve as starting point for a conversation about priorities and opportunities to improve financial security in Dallas.

GOAL

Improve access to high quality financial information, education and counseling

CITY STRATEGIES

- Create financial education and counseling networks and referral structures
- Open neighborhood-based financial one-stop centers
- Incorporate financial education into social service and workforce programs
- Standardize and certify financial education services and providers

Increase access to income-boosting supports and tax credits

- Leverage technology to streamline public benefits screening and uptake
- Create access points for benefits screening in high-need communities
- Launch VITA and EITC public awareness campaigns
- Fund free or low-cost tax prep services
- Enact a locally-funded EITC

Connect residents to safe, affordable financial products and services

- Increase access to low-cost transaction and savings products through Bank On campaigns or in partnership with financial institutions
- Create affordable credit products, e.g., small dollar, refund anticipation (RALs) or auto refinance loans
- Encourage employers to use direct deposit

Create opportunities to build savings and assets

- Provide access to short-term and emergency savings products
- Offer incentivized savings accounts, e.g., Individual Development Accounts (IDAs), college savings accounts, or other accounts for uses such as buying a home or a vehicle
- Expand access to small business capital and training and use tax time to connect businesses and the self employed to training and resources
- Provide opportunities for first-time homeownership through homeownership counseling or shared equity programs

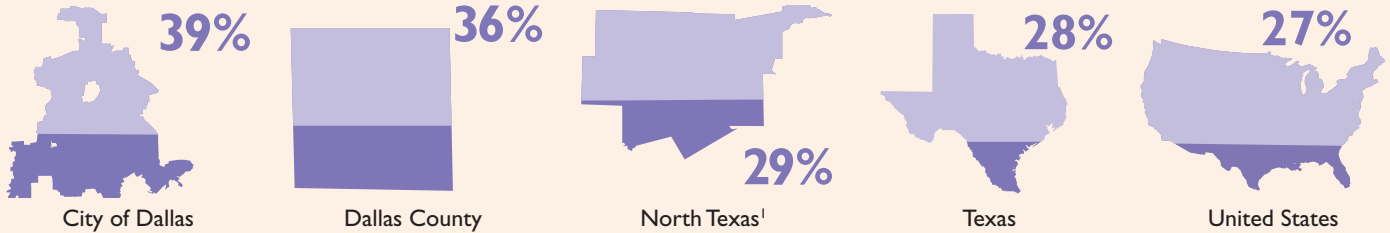
Protect consumers in the financial marketplace

- Limit or manage the proliferation of alternative, high-cost alternative financial service providers through licensing and zoning powers
- Curb predatory consumer lending through enforcement of local disclosure laws or litigation
- Implement foreclosure prevention strategies, including foreclosure counseling, forgivable emergency loans, encouraging lender workouts, and assistance to tenants in foreclosed properties

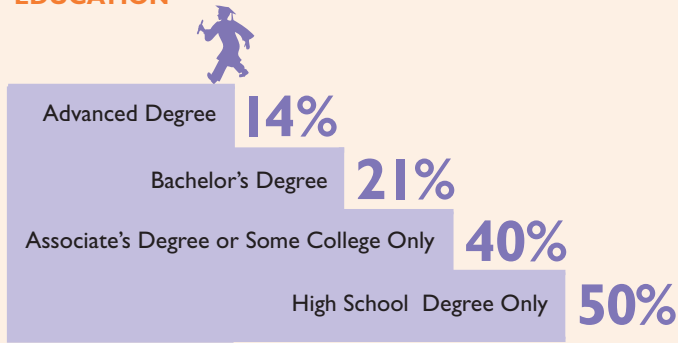
THE ASSET POOR IN THE CITY OF DALLAS

Asset poverty is a measure that expands the notion of poverty to establish a minimum threshold of wealth needed for household security. A household is asset poor if it has insufficient net worth to support itself at the federal poverty level for three months in the absence of income, i.e., net worth of less than \$4,632 for a family of three in 2011. Asset poor households would not have enough savings or wealth to provide for basic needs during a sudden job loss or a medical emergency.

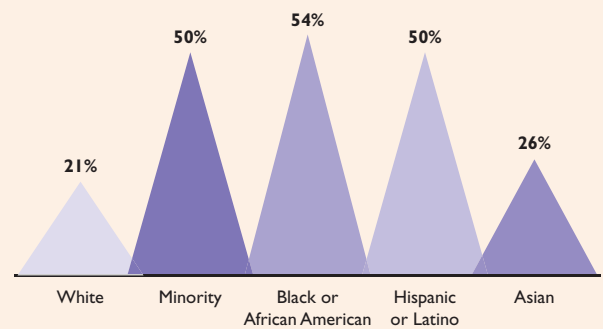
HOUSEHOLDS IN ASSET POVERTY ... BY GEOGRAPHY



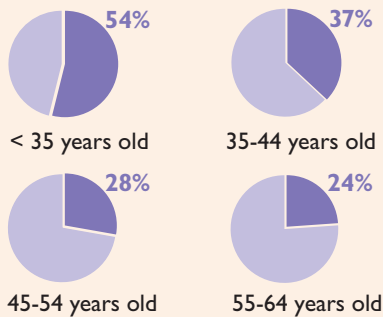
BY EDUCATION



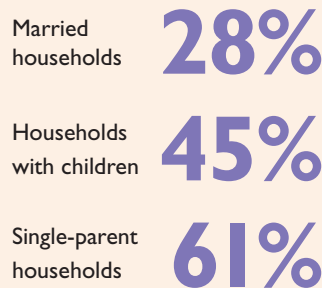
BY RACE & ETHNICITY



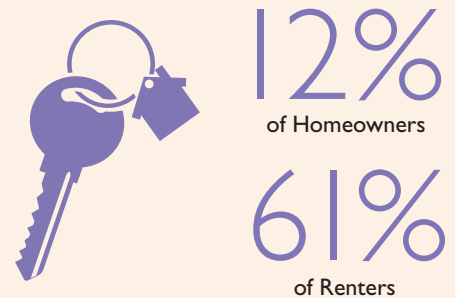
BY AGE OF HOUSEHOLDER



BY FAMILY STATUS



BY HOUSING TENURE



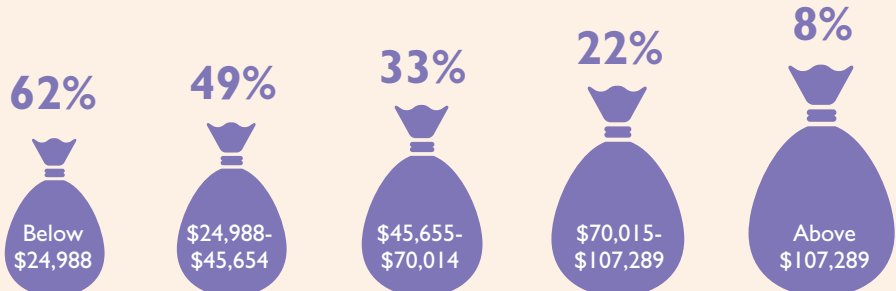
BY POVERTY STATUS

33% Households above the poverty line

2011 POVERTY LINE (family of 3): \$18,530

65% Households below the poverty line

BY HOUSEHOLD INCOME



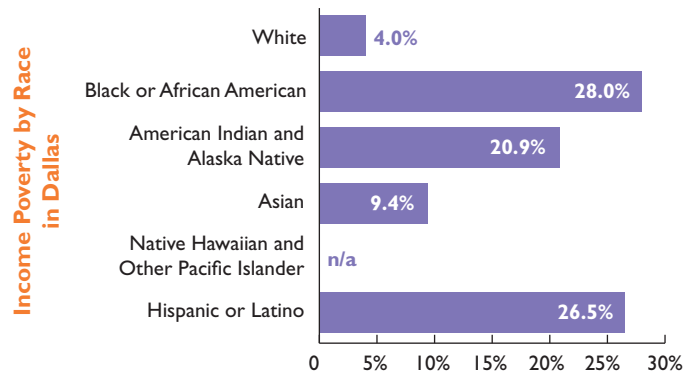
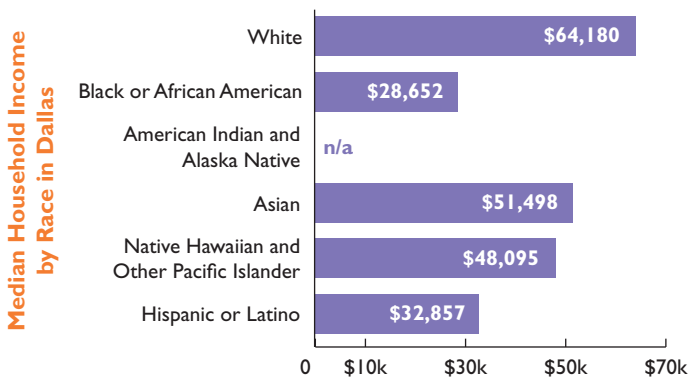
Note: Asset poverty figures at geographies below the national and state levels in the Profile are estimates derived from a model based on 2009 data from the Survey of Income and Program Participation (SIPP) and the 2007-2009 American Community Survey (ACS) Public Use Microdata Sample. While these estimates are CFED's best efforts to measure local wealth holding, the model is based on a national survey of approximately 50,000 households, and caution should be used when interpreting data at a local level.

DALLAS POPULATION DEMOGRAPHICS

MEASURE	City of Dallas	Dallas County	North Texas ¹	Texas	United States
Total Population	1,197,816	2,368,139	6,371,773	25,145,561	308,745,538
White	28.8%	33.1%	50.2%	45.3%	63.7%
Black or African American	25.7%	23.1%	15.9%	12.6%	13.6%
American Indian and Alaska Native	1.2%	1.3%	1.3%	1.3%	1.7%
Asian	3.3%	5.6%	6.0%	4.4%	5.6%
Native Hawaiian and Other Pacific Islander	0.1%	0.1%	0.2%	0.2%	0.4%
Hispanic or Latino	42.4%	38.3%	27.5%	37.6%	16.3%
U.S. Citizen	79.7%	82.2%	87.5%	89.0%	92.9%
Speak English Less Than "Very Well"	23.6%	20.6%	14.1%	14.6%	8.6%

HOUSEHOLD FINANCES & USE OF SERVICES

MEASURE	City of Dallas	Dallas County	North Texas ¹	Texas	United States
Median Household Income	\$41,129	\$46,665	\$55,486	\$48,765	\$51,369
Income Poverty Rate	19.2%	14.7%	10.3%	12.9%	9.9%
Asset Poverty Rate	38.8%	36.0%	29.3%	27.7%	27.1%
Extreme Asset Poverty Rate	24.4%	22.7%	18.8%	17.8%	19.0%
Households Receiving SNAP	9.3%	8.0%	6.7%	10.0%	8.9%
Households w/ Interest, Dividend or Net Rental Income	18.0%	18.9%	21.7%	19.5%	24.5%
Unbanked Households	15.6%	13.6%	10.9%	11.7%	7.7%
Underbanked Households	26.0%	25.4%	23.5%	24.1%	17.9%
Median Credit Score	n/a	607	628	620	667
Consumers with Subprime Credit Scores	n/a	68.2%	63.9%	65.5%	55.9%
Average Credit Card Debt	n/a	\$7,028	\$7,266	\$6,213	\$10,665
Average Revolving Credit Utilization	n/a	24.3%	23.9%	23.9%	29.7%
Average Installment Debt	n/a	\$23,863	\$24,943	\$23,654	\$23,966
Borrowers 90+ Days Overdue	n/a	4.6%	4.1%	4.2%	4.0%

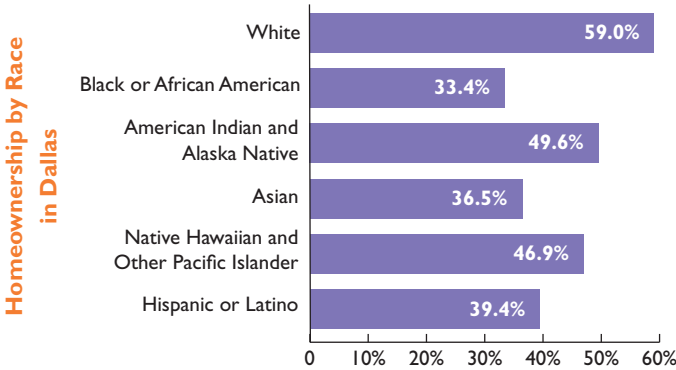


EMPLOYMENT & BUSINESS OWNERSHIP

MEASURE	City of Dallas	Dallas County	North Texas ¹	Texas	United States
Annual Unemployment Rate	8.8%	8.8%	8.3%	8.2%	9.6%
Average Annual Pay	n/a	\$56,212	\$51,110	\$46,956	\$46,742
Self-Employed Workers	9.3%	9.1%	9.2%	10.0%	10.3%
Microenterprise Ownership Rate	n/a	18.9	18.1	18.1	16.5
Vehicle Non-Availability by Working Household	5.7%	4.1%	2.7%	3.2%	5.1%

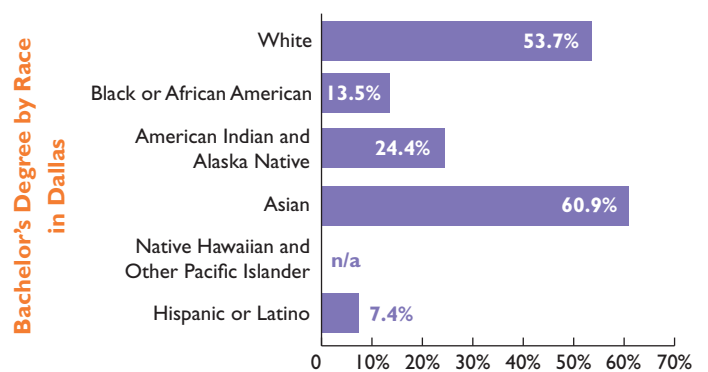
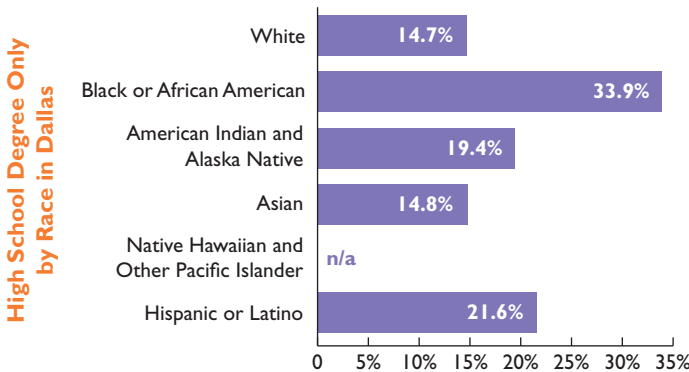
HOUSING & HOMEOWNERSHIP

MEASURE	City of Dallas	Dallas County	North Texas ¹	Texas	United States
Homeownership Rate	45.8%	54.1%	62.5%	64.2%	66.4%
Cost Burdened Renters	48.5%	48.9%	47.4%	48.3%	50.3%
Cost Burdened Owners	40.3%	39.4%	32.4%	31.6%	37.7%
Affordability of Homes	3.2	2.8	2.7	2.6	3.7
Average Mortgage Debt	n/a	\$151,433	\$152,219	\$137,120	\$189,205
High-Cost Mortgage Loans	8.3%	8.4%	7.1%	8.0%	5.2%
Seriously Delinquent Mortgages	n/a	4.6%	3.7%	3.4%	4.9%



EDUCATIONAL ATTAINMENT

MEASURE	City of Dallas	Dallas County	North Texas ¹	Texas	United States
Less than High School	28.2%	25.0%	18.1%	20.4%	15.1%
High School Degree Only	21.5%	23.1%	23.4%	25.9%	29.0%
Associate's Degree or Some College	22.2%	24.7%	28.4%	28.2%	28.1%
Bachelor's Degree	28.1%	27.2%	30.2%	25.5%	27.8%
Graduate or Professional Degree	9.6%	9.2%	9.6%	8.4%	10.2%



HEALTH INSURANCE

MEASURE	City of Dallas	Dallas County	North Texas ¹	Texas	United States
Uninsured Rate	36.1%	32.9%	26.0%	26.3%	17.2%
Uninsured Low-Income	50.4%	49.2%	46.0%	41.7%	30.0%
Uninsured Low-Income Children	29.0%	29.2%	26.4%	22.1%	12.9%

¹ North Texas refers to the Dallas-Ft. Worth-Arlington Metropolitan Statistical Area, defined as the 12 county region of: Collin County, Dallas County, Delta County, Denton County, Ellis County, Hunt County, Johnson County, Kaufman County, Parker County, Rockwall County, Tarrant County and Wise County.

DATA MEASURES & SOURCES

	Data Measure	Measure Description	Source
Population Demographics	Total Population	Total population	U.S. Census Bureau, 2010 Census
	White	Percentage of population that is White, non-Hispanic	U.S. Census Bureau, 2010 Census
	Black or African American	Percentage of population that is Black or African American alone or in combination	U.S. Census Bureau, 2010 Census
	American Indian and Alaska Native	Percentage of population that is American Indian or Alaska Native alone or in combination	U.S. Census Bureau, 2010 Census
	Asian	Percentage of population that is Asian alone or in combination	U.S. Census Bureau, 2010 Census
	Hispanic or Latino	Percentage of population that is Hispanic or Latino	U.S. Census Bureau, 2010 Census
	U.S. Citizen	Percentage of population that are U.S. citizens	U.S. Census Bureau, 2007-2009 American Community Survey
	Speak English Less Than "Very Well"	Percentage of population that speaks English less than "very well"	U.S. Census Bureau, 2007-2009 American Community Survey
Household Finances & Use of Services	Median Household Income	Median household income in the past 12 months	U.S. Census Bureau, 2007-2009 American Community Survey
	Income Poverty Rate	Percentage of all families with income in the past 12 months below the federal poverty threshold	U.S. Census Bureau, 2007-2009 American Community Survey
	Asset Poverty Rate	Percentage of households without sufficient net worth to subsist at the poverty level for three months in the absence of income	Estimates calculated by the Bay Area Council Economic Institute. Data at the national and state levels are calculated using the U.S. Census Bureau's 2008 Survey of Income and Program Participation, Wave 4 (2009) and data below the national and state levels also use the 2007-2009 American Community Survey Public Use Microdata Sample to derive estimates from a statistical model.
	Extreme Asset Poverty Rate	Percentage of households that have zero or negative net worth	Estimates calculated by the Bay Area Council Economic Institute. Data at the national and state levels are calculated using the U.S. Census Bureau's 2008 Survey of Income and Program Participation, Wave 4 (2009) and data below the national and state levels also use the 2007-2009 American Community Survey Public Use Microdata Sample to derive estimates from a statistical model.
	Households Receiving SNAP Benefits	Percentage of households that have received SNAP (Supplemental Nutrition Assistance Program) benefits in the past 12 months	U.S. Census Bureau, 2007-2009 American Community Survey
	Households with Interest, Dividend or Net Rental Income	Percentage of households reporting any interest, dividends or net rental income in the past 12 months	U.S. Census Bureau, 2007-2009 American Community Survey
	Unbanked Households	Percentage of households lacking both a checking and savings account	FDIC National Survey of Unbanked and Underbanked Households (2009); data at the city and county level are CFED estimates derived from a model based on the 2009 FDIC Survey and 2005-2009 American Community Survey (ACS) Public Use Microdata Sample and aggregate data available through American FactFinder
	Underbanked Households	Percentage of households that have a checking or savings account but have used non-bank money orders, non-bank check-cashing services, payday loans, rent-to-own agreements, or pawn shops at least once or twice a year or refund anticipation loans at least once in the past five years	FDIC National Survey of Unbanked and Underbanked Households (2009); data at the city and county level are CFED estimates derived from a model based on the 2009 FDIC Survey and 2005-2009 American Community Survey (ACS) Public Use Microdata Sample and aggregate data available through American FactFinder
	Median Credit Score	Median TransUnion TransRisk score	TransUnion (Q2 2011)
	Consumers with Subprime Credit Scores	Percentage of consumers with a TransRisk Score ≤ 700 [on a scale of 150-934]	TransUnion (Q2 2011)
	Average Credit Card Debt	Average amount of revolving debt (including debt from credit cards, private label cards and lines of credit) per revolving borrower	TransUnion (Q2 2011)
	Average Revolving Credit Utilization	Average percentage of credit limit in use per revolving borrower	TransUnion (Q2 2011)
	Average Installment Debt	Average amount of installment debt per installment borrower	TransUnion (Q2 2011)
Borrowers 90+ days overdue	Percentage of borrowers who are 90 days or more past due on any debt payments	TransUnion (Q2 2011)	
Employment & Business Ownership	Annual Unemployment Rate	Annual average unemployment rate of the civilian noninstitutional population 16 years of age and older, not seasonally adjusted	U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (2010); U.S. Census Bureau, Current Population Survey (2010)
	Average Annual Pay	Average annual pay for all workers covered by unemployment insurance	U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (2010)
	Self-Employed Workers	Percentage of workers 16 years and over who are self-employed	U.S. Census Bureau, 2007-2009 American Community Survey
	Microenterprise Ownership Rate	Number of firms with 0-4 employees (non-employer firms plus establishments with 1-4 employees), per 100 people in the labor force	CFED calculation based on U.S. Census Bureau, Nonemployer Statistics (2008), County Business Patterns (2008), and Current Population Survey (2008); U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (2008)
	Vehicle Non-Availability by Working Household	Percentage of households (with at least one worker) lacking access to a vehicle	U.S. Census Bureau, 2007-2009 American Community Survey

	Data Measure	Measure Description	Source
Housing & Homeownership	Homeownership Rate	Percentage of occupied housing units that are owner occupied	U.S. Census Bureau, 2007-2009 American Community Survey
	Cost Burdened Renters	Percentage of renter-occupied units spending 30% or more of household income on rent and utilities	U.S. Census Bureau, 2007-2009 American Community Survey
	Cost Burdened Owners	Percentage of mortgaged owners spending 30% or more of household income on selected monthly owner costs	U.S. Census Bureau, 2007-2009 American Community Survey
	Affordability of Homes	Median housing value divided by median household income	CFED calculation based on U.S. Census Bureau, 2007-2009 American Community Survey data
	Average Mortgage Debt	Average mortgage debt per mortgage borrower	TransUnion (Q2 2011)
	High-Cost Mortgage Loans	Percentage of all home purchase loans (1-4 family, owner occupied dwelling) with interest rates 3 or more percentage points for a first lien loan or 5 or more percentage points above the yield on a comparable term treasury security	Home Mortgage Disclosure Act (HMDA) data (2009), accessed through Policy Map
	Seriously Delinquent Mortgages	Percentage of all mortgage borrowers currently 90 days or more past due on mortgage loans	TransUnion (Q2 2011)
Educational Attainment	Less than High School	Percentage of population 25 and older who have not completed high school	U.S. Census Bureau, 2007-2009 American Community Survey
	High School Degree Only	Percentage of population 25 and older who have a high school degree, GED or alternative degree only	U.S. Census Bureau, 2007-2009 American Community Survey
	Associate's Degree or Some College	Percentage of population 25 and older who have an associate's (2 year college) degree or some college	U.S. Census Bureau, 2007-2009 American Community Survey
	Bachelor's Degree	Percentage of population 25 and older who have at least a bachelor's (4 year college) degree	U.S. Census Bureau, 2007-2009 American Community Survey
	Graduate or Professional Degree	Percentage of population 25 and older who have a graduate or professional degree	U.S. Census Bureau, 2007-2009 American Community Survey
Health Insurance	Uninsured Rate	Percentage of the non-elderly civilian noninstitutionalized population without health insurance	U.S. Census Bureau, 2009 American Community Survey
	Uninsured Low-Income	Percentage of the non-elderly civilian noninstitutionalized population at or below 200% of the federal poverty line without health insurance	U.S. Census Bureau, 2009 American Community Survey
	Uninsured Low-Income Children	Percentage of civilian noninstitutionalized children under 18 years of age at or below 200% of the federal poverty line without health insurance	U.S. Census Bureau, 2009 American Community Survey

ABOUT CFED

CFED (Corporation for Enterprise Development) expands economic opportunity by helping Americans start and grow businesses, go to college, own a home, and save for their children's and own economic futures. We identify promising ideas, test and refine them in communities to find out what works, craft policies and products to help good ideas reach scale, and develop partnerships to promote lasting change. We bring together community practice, public policy and private markets in new and effective ways to achieve greater economic impact. www.cfed.org



ABOUT COMMUNITIES FOUNDATION OF TEXAS

Since 1953, Communities Foundation of Texas has partnered with families, companies and nonprofits to strengthen the community through a variety of charitable funds and over \$1.1 billion in charitable grants. Most recently, CFT is focusing part of its community impact funds on improving the financial stability of the working poor. www.cftexas.org



ABOUT THE THOMSON FAMILY FOUNDATION

The Thomson Family Foundation supports families working to improve their lives and the lives of their children. Our goal is to foster opportunities for families to increase their economic success and security by supporting community-based initiatives that improve access to education and asset-building resources and services. www.tffhome.org

Thomson Family Foundation