

ASSETS & OPPORTUNITY PROFILE: SEATTLE



ASSETS & OPPORTUNITY PROFILE



KEY HIGHLIGHTS

28%

of Seattle residents live
in asset poverty

39%

of Seattle minority residents
live in asset poverty

47%

of Seattle MSA residents have
subprime credit scores

7%

of Seattle households
are unbanked

more than

42%

of Seattle's homeowners and
renters are cost-burdened

15%

of Seattle households have
self-employment income

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 owe 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.

Seattle 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 Seattle. It contains a data snapshot of the financial security and stability of Seattle 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.

FINANCIAL EMPOWERMENT IN SEATTLE

Working with many community partners, the City of Seattle is implementing multiple strategies to help lower income people achieve their financial goals. Under the leadership of Mayor Mike McGinn and the City Council including Councilmember Sally Clark, who championed Bank On Seattle-King County, the City's community-based financial empowerment initiatives are spearheaded by the Human Services Department (HSD) in partnership with the Office of Economic Development (OED), Office of Housing (OH), Office of Civil Rights, Department of Neighborhoods, Public Health – Seattle & King County and the City Attorney's Office. The City has a strong foundation on which to build its financial empowerment services.

In the last 18 months, OED secured \$70 million to help businesses, including micro and small businesses, access financing in a tight credit market. Through a contract with the Seattle Jobs Initiative, OED serves about 1,600 low-income job seekers each year. OED led the formation of SkillUp Washington, a partnership of public, private and philanthropic institutions working to double the number of low-income working adults who obtain a credential or degree beyond high school that has genuine economic value.

Furthermore, OH is expanding housing opportunities through a multi-family tax exemption program, under which rental project developers receive a property tax exemption for developments if 20% of units are set-aside for low- and moderate-wage workers. In 2009, this program produced more than 500 residential units. OH promotes new stable homeownership opportunities through low-interest loans and homebuyer education, helping 70 families in 2009. OH and HSD have partnered on foreclosure prevention and homelessness prevention including funding mortgage default counseling.

The City's community-based financial empowerment initiatives are undertaken through the Seattle-King County Asset Building Collaborative (SKCABC), <http://www.skcab.org>, a coalition of more than 50 organizations formed and led by the City to help lower-income people acquire and protect financial assets. SKCABC is building a network of high quality and accessible services. Action teams comprised of Collaborative members and partners develop and implement projects that advance SKCABC's goal of helping people become financially secure and successful.

FINANCIAL EMPOWERMENT OPPORTUNITIES IN SEATTLE

BANK ON SEATTLE-KING COUNTY (VISIT [HTTP://WWW.EVERYONEISWELCOME.ORG](http://www.everyoneiswelcome.org))

- Sponsored by the City of Seattle, King County, Federal Reserve Bank, FDIC, Washington State Department of Financial Institutions, The Seattle Foundation and SKCABC, Bank On Seattle-King County was the second Bank On initiative launched in the country. The aim is to provide alternatives to check cashers and payday lenders and create a pathway to greater financial stability.
- Twenty-one banks and credit unions with more than 400 branches offer savings and entry-level checking accounts. Five financial institutions provide incentives of \$50 or \$100 for their customers who complete of financial education classes.
- Four institutions offer a small dollar loan of up to \$1,000 with 18% APR or below as an alternative to payday loans.
- Forty nonprofit partners engage in outreach and help their clients to be successful consumers of financial services.

FINANCIAL EDUCATION PROVIDERS NETWORK

- Led by the City, SKCABC and Bank On Seattle-King County, a growing number of nonprofit providers of financial education and financial institutions have organized this network to increase the availability and quality of financial education and coaching.
- The network has adopted quality standards, sponsors ongoing train the trainer opportunities and coordinates outreach with tools like the financial education locator on the Bank On Seattle-King County website.

FREE TAX PREPARATION/EARNED INCOME TAX CREDIT CAMPAIGN

- Led by United Way of King County in partnership with the City and SKCABC, 630 IRS-trained volunteers assist tax customers at 17 sites and promote the purchase of U.S. Savings Bonds, saving through split refunds, uptake of public benefits, and use of debit cards to receive tax refunds for people without bank accounts.

PEOPLEPOINT

- This City initiative helps people apply for federal, state and local public benefits including Basic Food, health insurance, childcare/preschool, and utility/energy assistance, as well as refers people to services such as Bank On Seattle-King County, Seattle Jobs Initiative, free tax preparation and financial education.
- The City is working with the State to launch a joint Web-based portal that will streamline the application process for City and State benefits and create access points at community organizations, libraries and community centers.

HOMEOWNERSHIP & FORECLOSURE PREVENTION

- This action team focuses on connecting homeowners in trouble with their lenders, certified HUD-trained housing counselors and attorneys.

SEATTLE ASSET BUILDING INITIATIVE PILOT PROJECT (SABI)

- This SKCABC-sponsored pilot project tests the premise that people will be more successful when they have access to a full range of financial empowerment services, rather than isolated services. The SABI case management model is being piloted with Seattle Housing Authority residents who are connected to multiple services provided by a network of agencies.

INCORPORATING FINANCIAL EMPOWERMENT INTO OTHER SERVICE SYSTEMS

- SKCABC provides training and ongoing technical assistance and support to workforce development, housing and community college case managers and specialists with the aim of improving client outcomes by incorporating financial empowerment into assessment and service delivery.

COUNTERING RACISM AND DISCRIMINATION

- Working with SKCABC, the City Office of Civil Rights developed and delivers a half-day workshop designed for agency staff members who provide financial empowerment services.

YOUR MONEY HELPLINE

- This resource offers access to reliable information on a broad range of financial topics. Your Money Helpline is:
 - An electronic 'manual' used to train professionals and volunteers on a wide array of financial empowerment topics including available local resources, and
 - A call-in opportunity targeting specific groups (i.e., employees of a company, staff and students at community colleges, members of a union, or the residents of a city). Callers get answers to their financial questions and referrals to resources and agencies that can help.

WHAT'S NEXT FOR SEATTLE?

- Increase opportunities to incentivize savings.
- Support for lower-income people to start and grow their microenterprises.
- Develop and offer high-quality training for agency staff that includes financial content and coaching.

RESULTS

- More than 24,000 accounts opened for the unbanked through Bank On Seattle-King County.
- 14,000 tax preparation customers served in the 2010 free tax campaign, bringing in nearly \$20 million in federal refunds including \$6.3 million in Earned Income Tax Credits.
- 10,300 people enrolled in public benefits through PeoplePoint in 2009.
- 1,750 households facing foreclosure received assistance to save their homes.
- Financial Education Provider Network agencies provide training to at least 5,000 people annually.
- 225 agency staff members trained to improve their financial empowerment expertise.
- 300 agency staff members trained on how to help clients counter discrimination and institutional racism.
- 100 households increased their financial well being through the SABI pilot project.

ABOUT THE DATA

The data in the Profile includes a look at households in asset poverty, a demographic snapshot of Seattle, and outcomes in five categories essential to building assets and long-term financial security in today's economy: Household Finances & Use of Services, Employment & Business Ownership, Housing & Homeownership, Educational Attainment, and Health Insurance. Taken together, these five categories provide a comprehensive look at the financial stability and economic resiliency of families in Seattle and King County.

HOUSEHOLDS IN ASSET POVERTY

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 \$4,577 for a family of three in 2009. Asset poor households would not have enough savings or wealth to provide for basic needs during a sudden job loss or a medical emergency. Minority and single-parent households are more likely to be asset poor, as are those with lower levels of education. Even middle income families face asset poverty. In Seattle, 32% of those earning between \$37,741 and \$59,604 are asset poor.

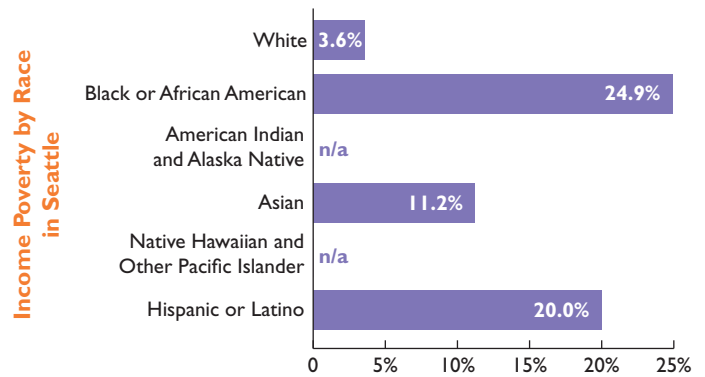
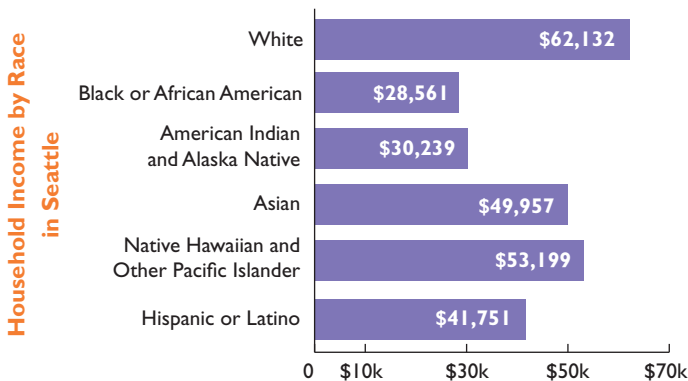
HOUSEHOLDS IN ASSET POVERTY	City of Seattle	King County	Seattle,WA MSA	Washington	United States
All Households	28.0%	22.7%	23.1%	23.5%	25.9%
By Housing Tenure					
Homeowner	1.9%	1.6%	2.2%	3.1%	5.3%
Renter	52.9%	54.1%	56.0%	58.2%	63.0%
By Race					
White	24.2%	19.0%	19.6%	20.3%	19.7%
Minority	39.3%	33.4%	34.5%	36.2%	39.8%
Black	53.4%	51.2%	49.5%	48.3%	45.8%
Latino	51.8%	45.5%	45.4%	44.6%	41.2%
Asian	20.4%	15.5%	15.7%	15.8%	17.6%
Native American	50.9%	44.2%	43.4%	42.0%	39.7%
By Education					
High School	43.9%	33.7%	31.7%	29.7%	30.4%
Some College	39.1%	27.5%	26.3%	25.1%	26.2%
Bachelor's Degree	20.4%	14.3%	13.7%	13.2%	15.4%
Advanced Degree	12.7%	10.0%	9.1%	8.7%	10.6%
By Age of Householder					
< 35	45.1%	42.3%	42.9%	43.9%	45.5%
35-44	23.1%	20.2%	21.0%	21.7%	24.3%
45-54	17.9%	14.1%	14.2%	14.4%	17.6%
55-64	16.9%	12.0%	11.5%	10.7%	13.6%
By Marital Status					
Married	11.6%	9.7%	10.6%	11.8%	13.9%
Household with Children	22.4%	20.4%	22.6%	24.6%	27.6%
Single Parent	48.8%	45.8%	45.9%	45.4%	49.7%
By Poverty Status					
Below Income Poverty Line	55.5%	54.3%	53.6%	52.5%	55.7%
Above Income Poverty Line	25.0%	20.0%	20.5%	20.4%	22.1%
By Household Income					
Below \$19,992	52.5%	51.0%	51.0%	49.0%	51.4%
\$19,993-\$37,740	43.0%	40.9%	41.2%	38.0%	37.9%
\$37,741-\$59,604	31.6%	27.8%	26.7%	24.1%	23.5%
\$59,605-\$93,492	17.3%	12.6%	11.9%	9.9%	12.0%
Above \$93,492	5.9%	3.4%	3.2%	2.6%	4.4%

SEATTLE POPULATION DEMOGRAPHICS

MEASURE	City of Seattle	King County	Seattle, WA MSA	Washington	United States
Total Population	565,809	1,832,835	3,259,078	6,371,390	298,757,310
White	67.9%	69.6%	72.7%	76.3%	66.3%
Black or African American	7.5%	5.7%	5.2%	3.3%	12.2%
American Indian and Alaska Native	0.6%	0.6%	0.8%	1.2%	0.7%
Asian, Native Hawaiian and Other Pacific Islander	13.8%	13.5%	10.8%	6.9%	4.4%
Hispanic or Latino	6.2%	7.2%	7.0%	9.1%	14.7%
U.S. Citizen	90.6%	89.4%	91.7%	93.0%	92.8%
Speak English Less Than "Very Well"	11.1%	10.8%	8.9%	7.6%	8.6%

HOUSEHOLD FINANCES & USE OF SERVICES

MEASURE	City of Seattle	King County	Seattle, WA MSA	Washington	United States
Median Household Income	\$56,319	\$64,915	\$61,470	\$53,940	\$50,007
Income Poverty Rate	7.3%	6.0%	6.4%	8.0%	9.8%
Asset Poverty Rate	28.0%	22.7%	23.1%	23.5%	25.9%
Extreme Asset Poverty Rate	19.8%	15.5%	15.4%	15.2%	16.9%
Hseholds w/ Interest, Dividend or Net Rental Income	36.0%	35.2%	31.2%	29.1%	25.1%
Tax Filers Receiving EITC	8.1%	8.6%	9.9%	12.1%	16.6%
Average EITC Refund	\$1,311	\$1,563	\$1,654	\$1,749	\$1,932
Unbanked Households	7%	6%	7%	n/a	8%
Median Credit Score	n/a	734	716	712	672
Consumers with Subprime Credit Scores	n/a	43.1%	47.3%	48.0%	55.2%
Average Revolving Debt	n/a	\$19,333	\$17,274	\$14,770	\$11,863
Average Revolving Credit Utilization	n/a	33.8%	34.1%	32.8%	29.9%
Average Installment Debt	n/a	\$25,897	\$25,371	\$24,931	\$23,717
Borrowers 90+ Days Overdue	n/a	2.7%	3.2%	3.1%	4.3%

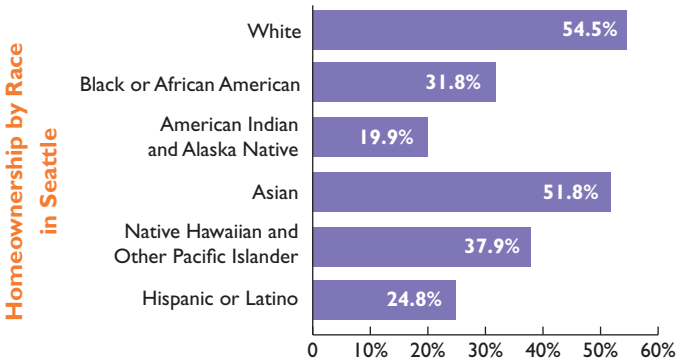


EMPLOYMENT & BUSINESS OWNERSHIP

MEASURE	City of Seattle	King County	Seattle, WA MSA	Washington	United States
Annual Unemployment Rate	7.5%	8.1%	8.7%	8.9%	9.3%
Average Annual Pay	n/a	\$56,203	n/a	\$45,021	\$44,458
Self-Employment	15.3%	13.6%	12.8%	12.8%	12.1%
Microenterprise Ownership Rate	n/a	16.4	15.2	14.9	16.4
Vehicle Non-Availability by Working Household	10.3%	5.1%	3.8%	3.1%	4.9%

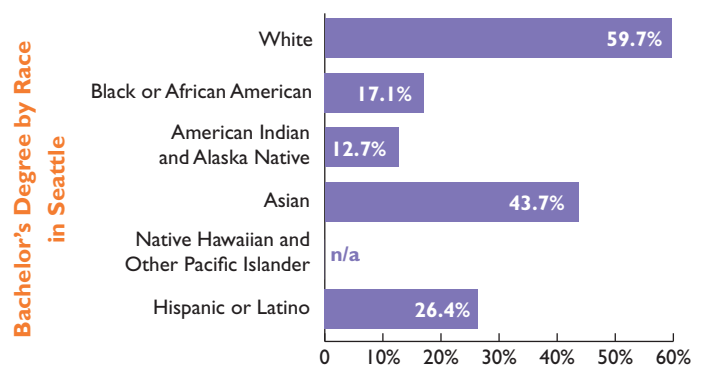
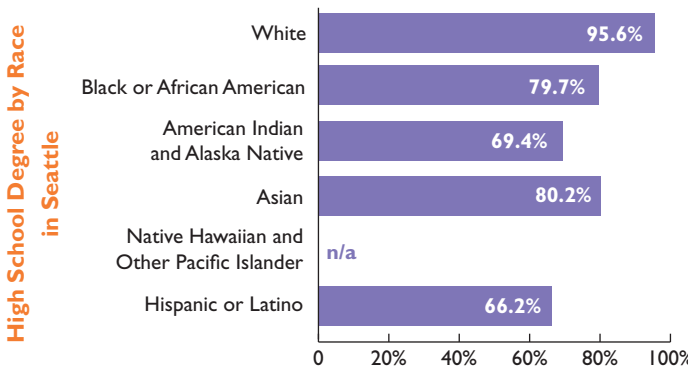
HOUSING & HOMEOWNERSHIP

MEASURE	City of Seattle	King County	Seattle, WA MSA	Washington	United States
Homeownership Rate	51.1%	61.9%	63.6%	65.6%	67.3%
Cost Burdened Renters	44.1%	43.8%	44.6%	45.1%	45.7%
Cost Burdened Owners	41.9%	40.0%	41.1%	38.8%	36.3%
Affordability of Homes	7.8	6.0	5.5	4.8	3.6
Average Mortgage Debt	n/a	\$309,585	\$272,793	\$236,054	\$195,500
High-Cost Mortgage Loans	n/a	10.3%	12.5%	13.0%	17.5%
Foreclosure Rate	0.8%	0.9%	1.2%	1.3%	3.0%



EDUCATIONAL ATTAINMENT

MEASURE	City of Seattle	King County	Seattle, WA MSA	Washington	United States
Less than High School	8.8%	8.5%	9.2%	11.1%	16.0%
High School Degree	91.2%	91.5%	90.8%	88.9%	84.0%
Associate's Degree	59.4%	51.7%	44.8%	39.3%	34.4%
Bachelor's Degree	52.5%	43.7%	35.8%	30.0%	27.0%
Graduate or Professional Degree	20.9%	15.8%	12.5%	10.6%	9.9%



HEALTH INSURANCE

MEASURE	City of Seattle	King County	Seattle, WA MSA	Washington	United States
Uninsured Rate	n/a	13.2%	n/a	14.3%	17.2%
Uninsured Low-Income	n/a	8.1%	n/a	8.9%	29.4%
Uninsured Low-Income Children	n/a	3.8%	n/a	4.8%	18.3%

DATA MEASURES & SOURCES

	Data Measure	Measure Description	Source
Population Demographics	Total Population	Total population	U.S. Census Bureau, 2005-2007 American Community Survey
	White	Percentage of population that is White, non-Hispanic	U.S. Census Bureau, 2005-2007 American Community Survey
	Black or African American	Percentage of population that is Black or African American, non-Hispanic	U.S. Census Bureau, 2005-2007 American Community Survey
	American Indian and Alaska Native	Percentage of population that is American Indian or Alaska Native, non-Hispanic	U.S. Census Bureau, 2005-2007 American Community Survey
	Asian, Native Hawaiian and Other Pacific Islander	Percentage of population that is Asian, Native Hawaiian or Other Pacific Islander, non-Hispanic	U.S. Census Bureau, 2005-2007 American Community Survey
	Hispanic or Latino	Percentage of population that is Hispanic or Latino	U.S. Census Bureau, 2005-2007 American Community Survey
	U.S. Citizen	Percentage of population that are U.S. citizens	U.S. Census Bureau, 2005-2007 American Community Survey
	Speak English Less Than "Very Well"	Percentage of population that speaks English less than "very well"	U.S. Census Bureau, 2005-2007 American Community Survey
Household Finances and Use of Services	Median Household Income	Median household income in the past 12 months	U.S. Census Bureau, 2005-2007 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, 2005-2007 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 Beacon Economics, based on U.S. Census Bureau's 2004 Survey of Income and Program Participation, Wave 6 (2006) and 2005-2007 American Community Survey
	Extreme Asset Poverty Rate	Percentage of households that have zero or negative net worth	Estimates calculated by Beacon Economics, based on U.S. Census Bureau's 2004 Survey of Income and Program Participation, Wave 6 (2006) and 2005-2007 American Community Survey
	Households with Interest, Dividend, or Net Rental Income	Percentage of households reporting any interest, dividend, or net rental income in the past 12 months	U.S. Census Bureau, 2005-2007 American Community Survey
	Tax Filers Receiving EITC	Percentage of tax filers receiving the federal Earned Income Tax Credit	Brookings Institution (2006)
	Average EITC Refund	Average EITC refund amount per EITC filer	Brookings Institution (2006)
	Unbanked Households	Percentage of households lacking both a checking and savings account.	Estimates calculated by Mia Mabanta, Pew Safe Banking Opportunities Project, based on data from the Federal Reserve Board's Survey of Consumer Finances (2007); U.S. Census Bureau, 2005-2007 American Community Survey; and data on the location of retail financial services locations
	Median Credit Score	Median TransUnion TransRisk Score	TransUnion (Q1 2009)
	Consumers with Subprime Credit Scores	Percentage of consumers with a TransRisk Score <=700 [on a scale of 150-934]	TransUnion (Q1 2009)
	Average Revolving Debt	Average amount of revolving debt per revolving borrower	TransUnion (Q1 2009)
	Average Revolving Credit Utilization	Average utilization of available revolving credit	TransUnion (Q1 2009)
	Average Installment Debt	Average amount of installment debt per installment borrower	TransUnion (Q1 2009)
	Borrowers 90+ Days Overdue	Percentage of borrowers who are 90 days or more past due on any debt payments	TransUnion (Q1 2009)
Employment and Business Ownership	Annual Unemployment Rate	Annual average unemployment rate of the civilian noninstitutional population 16 years of age and older	U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (2009)
	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 (2007)
	Self-Employment	Percentage of households reporting any self-employment income in the past 12 months	U.S. Census Bureau, 2005-2007 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, Non-Employer Statistics, 2006; and 2006 County Business Patterns.
	Vehicle Non-Availability by Working Household	Percentage of households (with at least one worker) lacking access to a vehicle	U.S. Census Bureau, 2005-2007 American Community Survey
Health Insurance	Uninsured Rate	Percentage of non-elderly population without health insurance	U.S. Census Bureau, Small Area Health Insurance Estimates (2005)
	Uninsured Low-Income	Percentage of non-elderly population at or below 200% or 250% (depending on the state) of the federal poverty line without health insurance	U.S. Census Bureau, Small Area Health Insurance Estimates (2005)
	Uninsured Low-Income Children	Percentage of children under 19 years of age at or below 200% of the federal poverty line without health insurance	U.S. Census Bureau, Small Area Health Insurance Estimates (2005)

	Data Measure	Measure Description	Source
Housing & Homeownership	Homeownership Rate	Percentage of occupied housing units that are owner occupied	U.S. Census Bureau, 2005-2007 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, 2005-2007 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, 2005-2007 American Community Survey
	Affordability of Homes	Median housing value divided by median household income	CFED calculation based on U.S. Census Bureau, 2005 - 2007 American Community Survey data
	Average Mortgage Debt	Average mortgage debt per mortgage borrower	TransUnion (Q1 2009)
	High-Cost Mortgage Loans	Percentage of all conventional first lien home purchase loans (1-4 family, owner occupied dwelling) with interest rates three percentage points or more above the yield on a comparable term treasury security	Calculation by Center for Responsible Lending based on Home Mortgage Disclosure Act (HMDA) data (2007)
	Foreclosure Rate	Percentage of all mortgage loans that are in pre-or postsale foreclosure	NeighborWorks America (March 2009)
Educational Attainment	Less than High School	Percentage of population 25 and older who have not completed high school	U.S. Census Bureau, 2005-2007 American Community Survey
	High School Degree	Percentage of population 25 and older who have at least a high school degree	U.S. Census Bureau, 2005-2007 American Community Survey
	Associate's Degree	Percentage of population 25 and older who have at least an associate's (2 year college) degree	U.S. Census Bureau, 2005-2007 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, 2005-2007 American Community Survey
	Graduate or Professional Degree	Percentage of population 25 and older who have a graduate or professional degree	U.S. Census Bureau, 2005-2007 American Community Survey

ABOUT CITIES FOR FINANCIAL EMPOWERMENT

CFE provides a platform for municipal governments to advance innovative financial empowerment initiatives both locally and nationally, leveraging resources in the service of at-risk communities. CFE members have a unique role in the field of Financial Empowerment by utilizing cities' access to residents through multiple touch points and their unique ability to employ municipal tools like zoning, licensing, and local regulation to implement effective programs and policies.

CFE Cities for Financial Empowerment

Coalition members work together to pursue promising strategies and programming in their own cities, and in collaboration with public, private, and nonprofit sectors. Member cities have made measurable commitments to increase public awareness of critical issues, create pathways for financial stability, and advocate for policy changes at the federal level.

www.cfecoalition.org

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

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