

STATE PROFILE: OREGON



MEASURE: Informational Hearing
EXHIBIT: 6
H BUSINESS & LABOR
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SUBMITTED BY: Janet Byrd

CFED
expanding economic opportunity
**ASSETS & OPPORTUNITY
SCORECARD**

The recession's lingering effects have taken an enormous toll on Oregon families. Fully 15.6% of state residents live in poverty and far more are financially vulnerable. The 2013 *Assets & Opportunity Scorecard* found that 34.8% of Oregon households are liquid asset poor, which means that they have less than three months of savings to fall back on in the event of a job loss, health crisis or other income-disrupting emergency. Additionally, 24.1% are asset poor, meaning that the assets that they do have—whether a savings account or durable assets such as a home, business or car—are overwhelmed by debt.



Asset poverty in Oregon is 1.5 times higher than income poverty and liquid asset poverty is 2.2 times higher.

WHAT OREGON CAN DO

- **Expand Refundable Earned Income Tax Credit:** To help low-wage workers afford food and other necessities, Oregon should extend the Oregon state EITC, which is set to expire at the end of 2013, and increase the value of the credit to 18% of the federal credit.
- **Preserve Homeownership:** To increase homeownership rates, lower the housing cost burden and prevent foreclosures, Oregon should continue to invest in its IDA programs and other proven strategies to support first-time homebuyers. The state should also strengthen foreclosure protection and prevention laws ensuring pre-foreclosure mediation by a neutral third party.
- **Increase Asset Limits for Oregon Individual Development Accounts (IDAs):** To avoid discouraging saving for retirement, Oregon should allow modest retirement savings for applicants to the Oregon IDA Initiative.

ABOUT THE SCORECARD

The *Assets & Opportunity Scorecard* is a comprehensive look at Americans' financial security today and their opportunities to create a more prosperous future. It assesses the 50 states and the District of Columbia on 102 outcome and policy measures, which describe how well residents are faring and what states can do to help them build and protect assets. These measures are grouped into five issue areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care, and Education.

For a complete description of *Scorecard* measures and sources, including how the grades and rankings were assigned, go to <http://scorecard.cfed.org>.

KEY HIGHLIGHTS

24%

of Oregon households live in asset poverty

16%

of Oregon households live in income poverty

35%

of Oregon households live in liquid asset poverty

4%

of Oregon households are unbanked

61%

of Oregon households are homeowners

29%

of adults in Oregon have at least a 4-year college degree

Published January 2013

OREGON

OVERALL RANK: 24

The *Scorecard* ranks 53 outcome measures from best to worst; #1 is the most desirable, #51 is the least desirable. Data for an additional 16 measures are published, but states are not ranked on these measures due to insufficient data at the state level. Issue area ranks and grades are calculated by averaging the ranks of measures within the issue area. Grades for issue areas are given on a curve: 10 states get As, 10 get Bs, 16 get Cs, 10 get Ds and 5 get Fs. The overall rank is calculated by ranking the sum of the issue area ranks.

FINANCIAL ASSETS & INCOME

ISSUE AREA RANK: 14 | GRADE: B

| OUTCOME MEASURE | State Data | U.S. Data | STATE RANK |
|--|--------------------------------|--------------------------------|------------|
| Income Poverty Rate | 15.6% | 14.6% | 35 |
| Asset Poverty Rate | 24.1% | 26.0% | — |
| Asset Poverty by Race | — | 2.1 x higher for HHs of color | — |
| Asset Poverty by Gender | 1.7 x higher for single women | 1.1 x higher for single women | — |
| Asset Poverty by Family Structure | — | 2.2 x higher for 1-parent HHs | — |
| Liquid Asset Poverty Rate | 34.8% | 43.9% | 12 |
| Liquid Asset Poverty by Race | — | 1.8 x higher for HHs of color | — |
| Liquid Asset Poverty by Gender | 1.47 x higher for single women | 1.09 x higher for single women | — |
| Liquid Asset Poverty by Family Structure | — | 1.9 x higher for 1-parent HHs | — |
| Extreme Asset Poverty Rate | 16.6% | 17.5% | — |
| Net Worth | \$89,549 | \$68,948 | — |
| Net Worth by Race | — | 10.3 x higher for white HHs | — |
| Net Worth by Income | — | 68 x higher for top 20% | — |
| Net Worth by Gender | — | 1.18 x higher for single men | — |
| Net Worth by Family Structure | — | 22 x higher for 2-parent HHs | — |
| Unbanked Households | 4.3% | 8.2% | 8 |
| Underbanked Households | 14.4% | 20.1% | 5 |
| Households with Savings Accounts | 80.0% | 69.2% | 5 |
| Consumers with Subprime Credit | 51.2% | 56.4% | 16 |
| Borrowers 90+ Days Overdue | 3.75% | 4.33% | 19 |
| Average Credit Card Debt | \$10,561 | \$10,736 | 30 |
| Bankruptcy Rate (per 1,000 people) | 4.4 | 4.4 | 30 |

BUSINESSES & JOBS

ISSUE AREA RANK: 12 | GRADE: B

| OUTCOME MEASURE | State Data | U.S. Data | STATE RANK |
|--|------------------------------------|------------------------------------|------------|
| Microenterprise Ownership Rate | 15.7% | 16.7% | 30 |
| Small Business Ownership Rate | 1.55% | 1.34% | 12 |
| Business Ownership by Race | 1.5 x higher for white workers | 1.5 x higher for white workers | 17 |
| Business Ownership by Gender | 1.1 x higher for men | 1.3 x higher for men | 6 |
| Business Value by Race | 2.2 x higher for white bus. owners | 2.6 x higher for white bus. owners | 14 |
| Business Value by Gender | 2.7 x higher for men | 2.6 x higher for men | 25 |
| Business Creation Rate (per 1,000 workers) | 11.0 | 9.2 | 16 |
| Private Loans to Small Business | \$1,252 | \$1,148 | 16 |
| Unemployment Rate | 9.4% | 8.9% | 35 |
| Unemployment by Race | 1.4 x higher for people of color | 1.7 x higher for people of color | 6 |
| Underemployment Rate | 17.5% | 15.9% | 42 |
| Low-Wage Jobs | 15.9% | 21.5% | 12 |
| Average Annual Pay | \$44,195 | \$48,043 | 33 |
| Retirement Plan Participation | 48.3% | 44.6% | 24 |
| Employers Offering Health Insurance | 47.8% | 51.0% | 32 |

Household Financial Security Framework



LEARN

Knowledge and skills that enable navigation of and success in markets (labor, financial) have a direct bearing on financial security

- **K-12 & Postsecondary Education:** Basic literacy and math skills, plus commitment to lifelong learning are critical for employment and advancement
- **Financial Education & Counseling:** Timely, relevant, accurate information on basic budgeting, taxes, financial products and services, and use of credit
- **Asset-specific Education:** Preparation for homeownership, business ownership, postsecondary education, and financial investments

Assets can increase income and earning capacity

EARN

$$\begin{array}{l} \text{Wage Income} \\ + \text{Business Income} \\ + \text{Public \& Employee Benefits} \\ + \text{Tax Credits} \\ + \text{Investment Income} \\ \hline = \text{Income} \end{array}$$

Ability to Maximize Income

Depends On:

- Access to **reliable basic goods and services** (housing, transportation, medical care, child care, food)
- Available **quality job and business opportunities**
- Access to **public benefits and tax credits** (e.g., EITC, Child Care)
- **Asset ownership** (higher education, home, business, financial investments)
- **Knowledge and skills** related to work, taxes and benefits

SAVE

$$\begin{array}{l} \text{Income} \\ - \text{Current Consumption} \\ - \text{Debt Payments} \\ \hline = \text{Savings} \end{array}$$

Ability to Save Depends On:

- Access to **affordable basic goods and services** (housing, transportation, medical care, child care, food)
- **Debt reduction**
- Convenient, low-cost **financial products** (transaction and savings vehicles, credit and insurance products)
- Convenient, **affordable financial structures** (e.g., direct deposit, automatic enrollment, online banking, bank location)
- **Knowledge and skills** related to money management, financial products, and credit building and repair

INVEST

$$\begin{array}{l} \text{Savings} \\ + \text{Borrowing} \\ + \text{Public Incentives} \\ \hline = \text{Assets} \end{array}$$

Ability to Build Assets Depends On:

- **Price and appreciation of assets** (higher education, home, business, financial investments)
- **Affordable financing**
- Access to **public incentives** (e.g., downpayment assistance, gov't loan guarantees, tax incentives, Pell Grants, IDA/CSA match)
- **Knowledge and skills** related to asset purchase and management

PROTECT

Gains must be protected against loss of income or assets, extraordinary costs, and harmful or predatory external forces

- **Insurance (public or private):** Protects against loss of income or assets as well as against extraordinary costs (e.g., unemployment, disability, life, health/medical, property)
- **Consumer Protections:** Protect consumers from discriminatory, deceptive and/or predatory practices (e.g., redlining, predatory mortgage lending, payday lending, banking practices)
- **Asset preservation:** Depends on government policies (e.g., community investments, blight ordinances, foreclosure prevention) and market conditions

12 Scorecard Policy Priorities

LEARN

1. Financial Education in Schools
2. Access to Quality K-12 Education

EARN

3. Tax Credits for Working Families
4. Job Quality Standards

SAVE

5. Lifting Asset Limits in Public Benefit Programs
6. State Support for IDA Programs
7. College Savings Incentives

INVEST

8. State Support for Microenterprises
9. First-Time Homebuyer Assistance

PROTECT

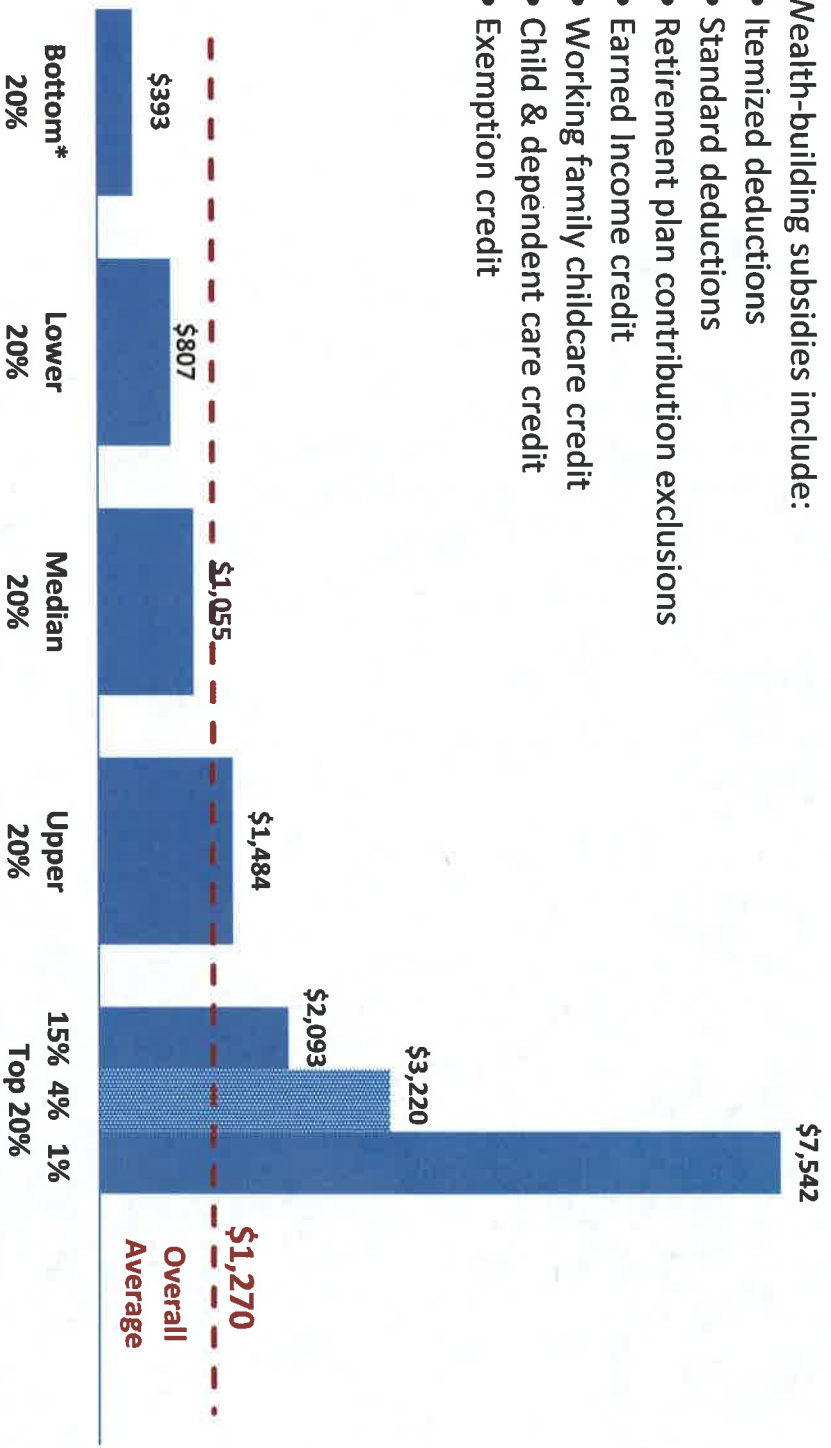
10. Protections from Predatory Short-term Loans
11. Foreclosure Prevention and Protections
12. Access to Health Insurance

"Wealth-Building" Tax Subsidies in Oregon's Personal Income Tax

Tax Year 2010, by level of Federal Adjusted Gross Income (AGI)

Wealth-building subsidies include:

- Itemized deductions
- Standard deductions
- Retirement plan contribution exclusions
- Earned Income credit
- Working family childcare credit
- Child & dependent care credit
- Exemption credit



* Bottom tier excludes returns with AGI less than zero

Source: Oregon Department of Revenue 2010 Personal Income Tax Statistics:
www.oregon.gov/dor/stats/pages/statistics.aspx



HOUSING & HOMEOWNERSHIP

ISSUE AREA RANK: 46 | GRADE: D

| OUTCOME MEASURE | State Data | U.S. Data | STATE RANK |
|---------------------------------------|--------------------------------|---------------------------------|------------|
| Homeownership Rate | 60.8% | 64.6% | 45 |
| Homeownership by Race | 1.5 x higher for white HHs | 1.6 x higher for white HHs | 30 |
| Homeownership by Income | 2.6 x higher for top 20% | 2.2 x higher for top 20% | 43 |
| Homeownership by Gender | 1.09 x higher for single women | 1.01 x higher for single women | — |
| Homeownership by Family Structure | 2 x higher for 2-parent HHs | 1.9 x higher for 2-parent HHs | 40 |
| Foreclosure Rate | 3.86% | 4.27% | 36 |
| Delinquent Mortgage Loans | 2.12% | 3.04% | 14 |
| High-Cost Mortgage Loans | 1.09% | 2.47% | 13 |
| Affordability of Homes (value/income) | 5 x higher than median income | 3.4 x higher than median income | 46 |
| Housing Cost Burden - Homeowners | 41.2% | 36.9% | 44 |
| Housing Cost Burden - Renters | 55.5% | 53.4% | 45 |

HEALTH CARE

ISSUE AREA RANK: 27 | GRADE: C

| OUTCOME MEASURE | State Data | U.S. Data | STATE RANK |
|--------------------------------------|----------------------------------|--------------------------------|------------|
| Uninsured Rate | 18.2% | 17.3% | 35 |
| Uninsured by Race | 1.8 x higher for people of color | 2 x higher for people of color | 20 |
| Uninsured by Income | 3.3 x higher for poorest 20% | 3.5 x higher for poorest 20% | 19 |
| Uninsured by Gender | 1.1 x higher for men | 1.2 x higher for men | 17 |
| Uninsured Low-Income Children | 9.9% | 10.7% | 30 |
| Uninsured Low-Income Parents | 38.0% | 34.5% | 39 |
| Employer-Provided Insurance Coverage | 55.9% | 57.4% | 34 |
| Employee Share of Premium | 25.8% | 26.4% | 20 |
| Out-of-Pocket Medical Expenses | 19.5% | 16.2% | — |

EDUCATION

ISSUE AREA RANK: 21 | GRADE: C

| OUTCOME MEASURE | State Data | U.S. Data | STATE RANK |
|--------------------------------------|-------------------------------|-------------------------------|------------|
| Early Childhood Education Enrollment | 17.8% | 28.2% | 35 |
| Math Proficiency - 8th Grade | 32.7% | 34.7% | 30 |
| Reading Proficiency - 8th Grade | 32.7% | 33.5% | 30 |
| High School Degree | 89.4% | 85.9% | 18 |
| Two-Year College Degree | 37.5% | 36.3% | 21 |
| Four-Year College Degree | 29.3% | 28.5% | 18 |
| Four-Year Degree by Race | 1.6 x higher for white adults | 1.6 x higher for white adults | 26 |
| Four-Year Degree by Income | 3.5 x higher for top 20% | 4.6 x higher for top 20% | 10 |
| Four-Year Degree by Gender | 1.02 x higher for men | 1.01 x higher for men | — |
| Average College Graduate Debt | \$25,497 | \$26,600 | 28 |
| College Graduates with Debt | 63% | 66% | 26 |
| Student Loan Default Rate | 13.0% | 13.4% | 33 |

For a complete description of Scorecard measures and sources, including how the grades and ratings were assigned, go to <http://scorecard.cfed.org>.

— = "Not Available." Data or ranks are not available because insufficient or unreliable data exist for the state.

N.R. = "Not Ranked." These data are not ranked because the estimate or rank is too imprecise to say with confidence how the state compares to other states.





POLICY RATINGS

The *Scorecard* includes 33 policy measures: 12 priority policies and 21 additional policies. For policy priorities, states are assessed against criteria for what constitutes a strong policy. Taken together, these policies provide a comprehensive view of what states can do to help residents build and protect assets. Policy priority data are current as of September 2012; additional policy data are drawn from the latest published reports, usually 2011-2012.

-  Very strong policy
-  Strong policy, but some room for improvement
-  Some policy, but much room for improvement
-  Minimal policy in place
-  No policy in place

FINANCIAL ASSETS & INCOME

Policy Priorities

-  Tax Credits for Working Families
-  State IDA Program Support
-  Lifting Asset Limits in Public Benefit Programs
-  Protections from Predatory Short-Term Loans

Additional Policies

- Income Tax Threshold** ... \$17,000
- Tax Burden by Income** ... The poorest 20% of families pay 1.2 times more of their income in taxes than the top 1% of families
- Prize-Linked Savings** ... Prize-linked savings not allowed
- Paperless Payday** ... Paperless payday not permitted

BUSINESSES & JOBS

Policy Priorities



-  State Support for Microenterprise
-  Job Quality Standards

Additional Policies

- Unemployment Benefit Level** ... 35.8% of average weekly wage
- Unemployment Benefit Eligibility** ... Uses alternative base period; Benefits for compelling family reasons; Part-time workers not covered
- Incentives for Employee Ownership** ... WIA-funded feasibility studies; Direct state assistance
- Loans for Beginning Farmers** ... No state policy

HOUSING & HOMEOWNERSHIP

Policy Priorities

-  Foreclosure Prevention and Protections
-  First-Time Homebuyer Assistance

Additional Policies

- Housing Trust Funds** ... Has statewide housing trust fund
- Preservation of Affordable Rental Housing** ... 20.7% of LIHTC for preservation
- Tenant Protections from Foreclosure** ... Has protections beyond federal law
- Property Tax Relief** ... Circuit breaker for renters; Tax deferment
- Resident Ownership of Manufactured Housing Communities** ... Medium strength protections; 10 days closure notice and opportunity to purchase; Tax incentive to sell to homeowners

HEALTH CARE

Policy Priorities

-  Access to Health Insurance

Additional Policies

- Expanded COBRA Coverage** ... COBRA expansion for 9 months
- Healthcare Information Databases** ... In implementation

EDUCATION

Policy Priorities

-  Access to Quality K-12 Education
-  Financial Education in Schools
-  College Savings Incentives

Additional Policies

- State-Funded Head Start** ... \$49,946,739 in supplemental funds
- Quality of State Pre-K Programs** ... Established state program; \$8,454 per child enrolled; 8 of 10 quality standards met
- Kindergarten Standards** ... Full Day Kindergarten; separate standards; no certificates or training required for teachers
- State Financial Aid for Postsecondary Education** ... \$114 per student; 100% need-based
- TANF-Funded Workforce Training** ... 7.63% of funds spent on training
- WIA-Funded Workforce Training** ... 1.8% of participants received training