



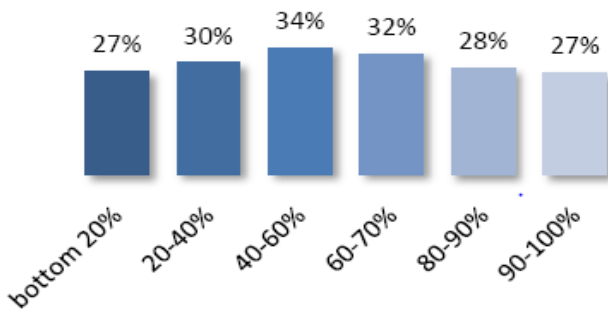
ASSET POVERTY AND ACCESS IN THE DISTRICT OF COLUMBIA

A household is **asset poor** if it has insufficient net worth to support itself at the federal poverty level for 3 months in the absence of income.

While unemployment insurance may help insulate families during periods of unemployment, unemployment insurance does not fully replace one's income nor do all workers have access to unemployment insurance. In DC, only about one-third of jobless workers receive unemployment benefits.

Emergency savings is critical to help protect families from economic instability.

Percentage of Families with Emergency Savings, by Income Percentile, 2007



Source: Consumer Federation of America analysis of 2007 Survey of Consumer Finances

Asset Building Opportunities

Individual Development Accounts (IDAs) are matched savings accounts that help low-income families move towards self-sufficiency and long-term economic security. Savings can be used to pay for postsecondary education or job training, buy a first home or start a small business.

A study of the IDA programs administered by the US Administration for Children and Families found that, among participants, IDAs increased:

- homeownership rates by 35%;
- likelihood of business ownership by 84%; and
- postsecondary education enrollment rates by 22%.

DC Asset Poverty vs. U.S. Asset Poverty

Income Ranges	District of Columbia	United States
Below \$24,800	67.2%	51.9%
\$28,801-\$44,800	58.1%	38.5%
\$44,801-\$68,800	42.1%	24.1%
\$68,801-\$103,000	29.2%	12.7%
Above \$103,301	13.3%	5.6%

Under and Unbanked DC Households

The District of Columbia is estimated to be home to roughly 37,000 unbanked households and 72,000 under-banked households, representing a total of 235,000 people who may or may not have bank accounts, and who frequently access checking and credit services through alternative financial services such as check cashers.

Roughly 18 percent of African-American households and 27 percent of Latino households in DC have neither checking nor savings accounts.

<Bank on DC>

What can YOU do to help families move from asset poverty to economic security?

Advocate to:

- Increase availability of financial literacy training and assistance to families who are "unbanked" and have no banking experience.
- Raise or eliminate asset limits in public assistance programs.
- Increase in financial education for youth and workers to increase knowledge about savings, investments and diverse retirement portfolios.
- Incorporate home counseling and substantial financial education into all IDA and other
- savings programs.