

**Dreams Deferred:**  
*Opportunities, Challenges, and  
Solutions for California's  
Low-Income Families to Build  
Financial Security*

by Sunaena K. Chhatry, Sheryl Lane, and  
Debby Lindsey-Taliefero, Ph.D.

July 2012  
EARN and Howard University Report



**Howard University  
Center on Race and Wealth**



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## ACKNOWLEDGEMENTS

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EARN's grassroots constituency building work is part of a larger Ford Foundation initiative called, Building Economic Security Over a Lifetime (BESOL), which works to promote social protection programs that help low-income families achieve economic stability. Through this initiative, a number of organizations are also conducting listening sessions and building public support in their respective states for policies that expand opportunities for families to save and build economic security.

### RESEARCH PARTNER

Professor Debby Lindsey-Taliefero from Howard University's Center on Race and Wealth assisted EARN with synthesizing and analyzing the data collected in the statewide listening sessions. Professor Lindsey-Taliefero's research team includes Adji Diagne and Bintou Lingani.

### LISTENING SESSION PARTNER ORGANIZATIONS

EARN

Families in Schools

The Greenlining Institute

Long Beach Interfaith Community Organizations

PICO Federations of the Central Valley (Congregations Building Community in Modesto, Merced Organizing Project, and People and Congregations Together)

### CONTRACTED DATA AND MAPS CREATION

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## *Opportunities, Challenges, and Solutions for California's Low-Income Families to Build Financial Security*

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### EXECUTIVE SUMMARY

The opportunity to build a better future for your family is at the heart of the American Dream. For generations, families have viewed homeownership, a quality education, a job that pays well, and business ownership as ways to move up the economic ladder and build financial security. Today, many families feel this core promise – that hard work and sacrifice will lead to a better future – is fundamentally broken. Especially for low-income households, the Great Recession that began in 2007 ushered in an era of shrinking opportunities, erosion of household wealth, and downward economic mobility.

EARN, a nonprofit organization, realized that the voices of low-income families were absent from policy debates about economic recovery. For the overall health of a state the size of California, it is vital to ensure that the interests of some of the most vulnerable populations – low-income communities and communities of color – are not being left behind. Given the scale of problems in California, and because of the sheer complexity of the state's political and economic landscape, this requires an energized and engaged grassroots constituency that can influence political decision-making.

EARN partnered with the following six community-based organizations located throughout the State of California: Families in Schools, the Greenlining Institute and members of its coalition, Long Beach Interfaith Community Organization (ICO), and three PICO Federations in the Central Valley – Congregations Building Community in Modesto, Merced Organizing Project, and People and Congregations Together (PACT) in Stockton. EARN and its partner organizations are referred to as "listening session organizations" throughout this report.

Together, the listening session organizations hosted 70 listening sessions in 21 communities across the state of California. A listening session is a facilitated group discussion that gives community members an opportunity to voice their opinions, ideas, and concerns about a particular issue. Nearly 1,000 low-income people from diverse backgrounds participated and voiced their greatest concerns, challenges, and ideas about creating financial security for their families. Held between July 2010 and April 2011, these listening sessions provided valuable, evidence-based insight into the issues that are of greatest concern for low-income communities and communities of color.

From nearly a thousand voices, two major issues resonated clearly. Families across the state deeply want better access to **higher education** and to **quality financial products and services**. We believe that the policy and practice recommendations described here represent some of the most important steps toward creating wealth-building opportunities for low-income families throughout California. Although these policy recommendations have not been endorsed by all of our partner organizations and stakeholders, they do represent points of agreement among many listening session participants. As the listening session organizations' work moves forward with constituency building, we will collectively develop a formal policy platform that can generate transformative opportunities for low-wage families to build financial security and prosperity.

These constituent-based recommendations mark an important turning point because they bring the issues that constituents care most about to the forefront. They represent an opportunity to broaden, deepen, and activate support for policies that create new vistas of prosperity for low-income families in California. Although these policy and practice recommendations are focused on California, it is likely that they address concerns of low-income families throughout the nation. Our hope is not only to move California policy, but also to spark a national-level discussion.

## KEY FINDINGS FROM LISTENING SESSIONS

### Participants' Dreams and Goals

- **Higher Education.** Almost all participants indicated that if they had the financial means, they would pursue higher education for themselves or plan to send their child to college.

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- **Homeownership.** Many participants continue to view homeownership as an essential component of building financial security.
- **Paying Off Debt.** Many participants shared that they want to pay off debt and consumer loans, including credit cards and student loans.

### Challenges to Financial Prosperity

- **Limited Employment Opportunities and Lack of Quality Jobs.** Many participants held two or three jobs to make ends meet, and stated that existing employment opportunities are scarce and provide low wages with no benefits.
- **Predatory Financing and Limited Access to Credit.** Participants felt that lenders have unfair, deceptive, and perhaps fraudulent practices, and that lending institutions are making it increasingly difficult for individuals to access credit for small business development.
- **High Debt with Inability to Repay.** A large number of participants are borrowing money to make ends meet. This cycle of borrowing money has left them less able to pay down their debt.
- **High Cost of Education.** Participants said that the rising cost of higher education makes it hard for them to access this path to prosperity.

### RECOMMENDATIONS

Informed by a thousand Californians who participated in the statewide listening sessions – and rooted in the strategic alignment of each listening session organization – we have identified preliminary local and state policy and practice recommendations that address two crucial policy areas:

1. Improve opportunities for low-wage workers to access high quality financial services and products; and
2. Increase access to higher education.

This paper also addresses other major themes that were widely and deeply felt in the listening sessions, which do not fall under the two policy issue areas listed above.

We believe that the policy and practice recommendations described here represent some of the most important steps toward creating wealth-building opportunities for low-income families throughout California. Although these policy recommendations have not been endorsed by all of the partner organizations and stakeholders, they do represent points of agreement among many listening session participants. As the listening session organizations move forward with building a grassroots constituency, we will collectively develop a formal policy and practice platform that can generate transformative opportunities for low-wage families in California to build financial security and prosperity.

To honor the voices of the grassroots constituents who represent low-wage families throughout the state, the listening session organizations are committed to the following principles. Our policies should be:

- Universal and inclusive so that everyone can participate;
- Progressive, so that greater incentives are available to those most in need (such as low-wage earners);
- Part of a larger continuum to create opportunities to build economic security over a lifetime; and
- Promoting well-being within and across generations.

## 1. IMPROVE ACCESS TO HIGH QUALITY FINANCIAL SERVICES AND PRODUCTS

Without quality financial products and services, low-income families cannot save for their dreams or invest in assets that are proven to build intergenerational wealth. It is, therefore, imperative that local and state policy makers support measures that enhance the ability of low- and moderate-income families to save for emergencies and the future; to invest in wealth-building opportunities including home and business ownership; and to utilize quality alternatives to predatory financial products and services.

Policy makers can, and should, support measures that curb predatory payday lending, increase funding for microenterprise lending and training, and leverage municipal capital to promote responsible banking practices. In addition, we urge policy makers, financial service institutions, community organizations, and regulatory agencies to support – and, where appropriate, to replicate – existing innovative strategies that address barriers in the financial products and services market.

## 2. INCREASE ACCESS TO HIGHER EDUCATION

Education is one of the central determinants of earning capacity, with far-reaching benefits that ripple out from the educated worker's family to their community and our economy as a whole. Education promotes civic responsibility, advances economic competitiveness, and expands economic opportunity. Thus, it is crucial to take action on policies, practices, and regulations for broader and equitable access to post-secondary education and vocational training. In particular, measures should support college savings accounts, affordable student loans, student support services, and enhanced financial aid resources and outreach for low- and moderate-income families.

California leaders can and should support measures that make higher education more affordable and accessible for low-income students. We urge policy makers to maintain and protect funding for important programs such as Cal Grants and Transitional Kindergarten. These programs serve to level the playing field for low-income families. The Transitional Kindergarten program ensure that all students, particularly low-income students, get a good start. Cal Grants help students from low-income families attend and pay for college. Policy makers should provide incentives for all families to save for higher education as well as require California community colleges to offer federal financial aid to their students to close the growing affordability gap for low-income students. We urge policy makers and California leaders to improve access to high quality education from early education through college as well as equip families with valuable information to help them academically and financially prepare for college.

## 3. OTHER POLICIES THAT PROMOTE LONG TERM FINANCIAL SECURITY

### Increase Affordable Housing and Homeownership Opportunities

Listening session participants spoke for millions of low-income California households when they voiced concerns about two major issues: lack of affordable housing in the rental and homeownership market, and their struggle with improving and building their credit history.

California currently has the highest housing cost burden in the nation for homeowners and the second highest housing cost burden for renters.<sup>1</sup> Despite this stark picture, most low-income households in California do not receive federal assistance for housing.<sup>2</sup> The shortage of local and state funding for affordable housing has been exacerbated by the recent elimination of

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California's redevelopment agencies, which formerly set aside over \$1 billion in annual funding for the development of low-and moderate income housing.<sup>3</sup> We urge policy makers in California to champion measures that would do the following: encourage state and local housing authorities to more consistently help transition low-income renters toward sustainable homeownership opportunities where appropriate; and secure a permanent, ongoing source of funding for a Housing Trust Fund that is dedicated to creating safe and affordable housing.

### Improve Opportunities for Building Credit Scores

Listening session participants also expressed a need for products and services that can help them establish or rebuild a good credit record so that they can access affordable and quality rental and homeownership opportunities. For many Californians, a bad credit history can even limit job opportunities, as employers have increasingly begun using credit history data as a factor in the hiring process. California is currently one of four states that explicitly prohibit utility companies from reporting on-time payments.

We urge policy makers to enact legislation that would allow utility companies to report on-time payments so that low-wage families have a better chance to improve their credit profile – thereby markedly improving their job and housing opportunities.<sup>4</sup>

### Promote Retirement Security

Nearly 7 million Californians do not have access to employer-based retirement savings vehicles. Even among those who do, most are not saving enough; this is particularly true for women and people of color. Lacking sufficient savings, 50% of California workers will face poverty as senior citizens – and again, the proportion will be even higher for women and people of color.<sup>5</sup> Low-income workers need better opportunities to save for retirement during their working years.

As California's population ages, this problem will only grow. Thus, we urge policy makers in California to promote retirement security by enacting state legislation to create a reliable, portable, affordable, and scalable retirement savings vehicle for California workers who do not have access to an employer-based savings and investment vehicle.

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### **Eliminate the Asset Test or Reform Asset Based Eligibility Requirements to Public Benefits Programs**

In order to qualify for public benefit programs such as CalWORKs, Medi-Cal, and CalFresh (food stamps), households must meet stringent income and asset limits. Asset limits promote a harmful cycle of financial dependence by creating significant disincentives to increase earnings and save money. Families receiving public assistance are faced with unsavory choices like turning down promotions at work so as not to exceed income and asset limits, if the increased pay would not adequately compensate for the loss of crucial benefits.

We urge California leaders to eliminate asset tests (or reform them by raising allowable totals and indexing them to inflation) for CalWORKs, Medi-Cal, and CalFresh programs, so that California families have the support and the incentives to regain their financial independence and stability.

### **WHERE DO WE GO FROM HERE?**

From nearly a thousand voices, the listening session organizations gained unique insight about policies that can open the door to financial prosperity for millions. This knowledge will be used to build, empower, and engage a grassroots constituency of low-income families like never before, on behalf of their own dreams, challenges, and ideas. The policy and practice recommendations in this paper can put millions of California's low-income families on the path to financial prosperity. Decision-makers can use these recommendations to more strategically direct scarce resources towards programs and policies that can measurably improve prosperity for families.

As the listening session organizations move forward with building a grassroots constituency, we will collectively develop a formal policy and practice platform that can generate transformative opportunities for low-wage families in California to build financial security and prosperity.

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#### **SECTION 1: INTRODUCTION**

The opportunity to build a better future for your family is at the heart of the American Dream. For generations, families have viewed homeownership, a quality education, a job that pays well, and business ownership as ways to move up the economic ladder and build financial security. Today, many families feel this core promise – that hard work and sacrifice will lead to a better future – is fundamentally broken. Especially for low-income households, the Great Recession that began in 2007 ushered in an era of shrinking opportunities, erosion of household wealth, and downward economic mobility.

Amid this post-recession social and economic landscape, there has been a great deal of discussion in policy circles about the issues and needs of low-income families. EARN, a nonprofit organization that gives low-income working families the power to create prosperity, realized that the voices of those families were too often unheard. One of the guiding principles of EARN's work is the belief that change should begin by listening to the struggles and aspirations of low-income workers themselves.

To give voice to those families, EARN convened a group of six organizations. Together, the group spearheaded a series of "listening sessions," which are facilitated group discussions that give community members an opportunity to voice their opinions, ideas, and concerns about a particular issue. The listening sessions were held across the state of California. In total, 956 low-income people from diverse backgrounds expressed their greatest concerns, challenges, and ideas about creating wealth and financial security for their families. Held between July 2010 and April 2011, these listening sessions provided valuable, evidence-based insight on what economic issues are of greatest concern for low-income communities of color.

## **THE HISTORY OF WEALTH BUILDING IN THE UNITED STATES: EFFECTIVE BUT INEQUITABLE**

Historically, the federal government has recognized the need to help families accumulate savings and build financial assets. However, the benefits of these policies have not been evenly shared by all groups.

As far back as the Homestead Act in 1862, and continuing in the twentieth century with the G.I. Bill and the home mortgage interest tax deduction, the federal government enacted policies which gave millions of families incentives to save and invest in homes, education, and small businesses.<sup>6, 7, 8</sup> Over time, these federal policies helped to grow and strengthen the American middle class. Unfortunately, the benefits of these federal policies were often not available to racial and ethnic minorities. Even today, this inequity is part of the reason for the vast disparities in median household wealth of white households as compared to minority households.<sup>9, 10</sup> The median wealth of white households is 20 times that of black households and 18 times that of Hispanic households. In addition, about a third of black households (35%) and Hispanic households (31%) had zero or negative net worth in 2009, compared with 15% of white households.<sup>11</sup>

The United States government continues to devote billions of dollars a year to helping American households save and invest. In fiscal year 2005, the federal government provided \$365 billion in wealth-building incentives such as the home mortgage interest tax deduction. However, the beneficiaries of these incentives were (and continue to be) primarily high-income households who are already financially secure and well-positioned to save and invest.<sup>12</sup>

## **THE NEED FOR EQUITABLE WEALTH BUILDING**

According to a 2011 poll conducted by The Pew Economic Mobility Project, the American people are profoundly aware of this inequitable policy impact. Approximately 54% of Americans said that when the government intervenes economically, it generally helps the rich. In the same poll, only 16% of Americans said that when the government intervenes economically, it generally helps the poor.<sup>13</sup>

In order to ensure that all Americans have the opportunity to build prosperity, low-income earners need to be able to leverage the types of institutional structures that currently enable

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middle- and upper-income individuals to build wealth. Before the Great Recession began in 2007, low-income families were already struggling to meet everyday expenses. In 2006, EARN's economic data analysis revealed that nearly 29% of Californians were living paycheck to paycheck, with little to no savings to rely on in the event of a job loss, medical emergency, or an unexpected expense.<sup>14</sup> Consequently, the effects of the recession have been particularly severe in states like California, where unemployment and foreclosure rates were among the highest in the nation.

California's weak economy and structural budget deficit pose unique policy challenges to lawmakers and advocates who want to give working families the tools and resources to regain financial stability and build prosperity. Yet the opportunity for impact goes beyond the state itself. California's diverse population, enormous economy, county-based governance structure, and sheer size make policy development and governance in the Golden State similar to creating and implementing federal policy.

## **SECTION 2: THE SOLUTION: BUILD AND MOBILIZE A GRASSROOTS CONSTITUENCY**

At a time when low-income families were seeing their earnings drop, their savings erode, and their dreams for a better future fade, EARN saw an unprecedented opportunity to learn from, engage, and mobilize a grassroots constituency that will inform the state and national conversation on how to rebuild the promise of the American Dream.

To start this process, EARN partnered with the following six community-based organizations located throughout the state of California: Families in Schools, the Greenlining Institute and members of its coalition, Long Beach Interfaith Community Organization (ICO), and three PICO Federations in the Central Valley – Congregations Building Community in Modesto, Merced Organizing Project, and People and Congregations Together (PACT) in Stockton. EARN and its partner organizations are referred to as “listening session organizations” throughout this report.

Together, the listening session organizations conducted “listening sessions” throughout the state of California to uncover low-income families’ greatest concerns, challenges, and ideas about attaining and maintaining financial assets that create wealth and financial security. A listening session is a facilitated group discussion that gives community members an opportunity to voice their opinions, ideas, and concerns about a particular issue. The listening session organizations were well-suited to hold listening sessions in their respective communities because of each organization’s long history of directly engaging low-wage workers on issues like quality jobs, affordable housing, and public education.

Using the real-life stories and experiences shared during the listening sessions, the listening session organizations hope to inform and shape state and local public policies. By rooting this policy work in the self-expressed needs and interests of low-wage workers and their families, the listening session organizations expect to empower and engage a growing constituency who will actively take part in the policy-making process. In addition, information from the listening sessions will enhance direct service programs, products, and financial services available to Californians.

## LISTENING SESSION SCOPE

The listening session campaign consisted of 70 sessions with 956 individuals. Sessions were held from July 2010 through the end of April 2011. Participants were drawn from a broad cross-section of 21 California communities. In addition to attending the listening sessions, nearly 80% of participants completed a demographic survey. (See Appendix A for detail.)

The listening sessions were designed to capture data in order to better understand the participants' perspectives on the following aspects of their life experiences:

- Current financial status;
- Ideas on what resources could help them solve their financial problems;
- Vision for prosperity and what they would like to achieve; and
- Views on financial security.

## DATA COLLECTED FROM THE STATEWIDE LISTENING SESSIONS

The listening session organizations held listening sessions in communities where they conduct their day-to-day work, and thus have existing relationships with constituents. In addition, some partner organizations collaborated with additional nonprofits and community-based organizations to ensure that the listening sessions would engage diverse underserved communities. Each organization extended an open invitation to their clients, members, and community leaders to participate in a ninety-minute to two-hour listening session. Sessions were held in churches, schools, community centers, residential buildings, and offices of nonprofit organizations. Each listening session attendee was asked to fill out a demographic survey.

**TABLE 1: SUMMARY OF STATEWIDE LISTENING SESSIONS**

<b>TOTAL NUMBER OF SESSIONS</b>	<b>70</b>
<b>TOTAL NUMBER OF PARTICIPANTS</b>	<b>956</b>
<b>PARTICIPANT SURVEY RESPONSE RATE</b>	<b>79.6%</b>

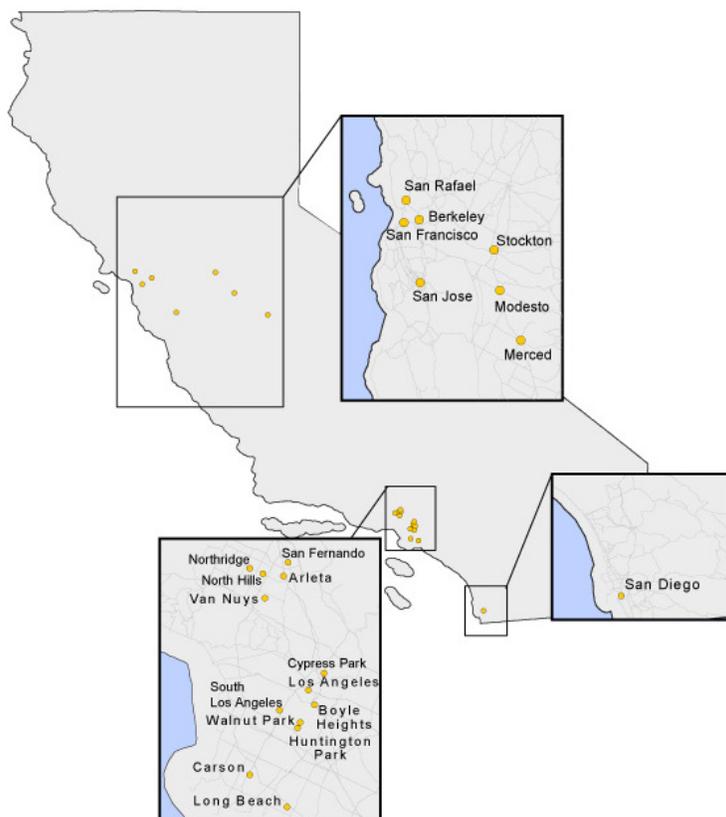
Overall, more than two-thirds (69.7%) of the listening session participants who completed the survey were women. All survey respondents were adults, ages 18 and over; their ages ranged from young adults to middle age to seniors.

The overwhelming majority represented communities of color, including 63% who described themselves as Hispanic or Latino, 23.5% Asian American, and 19.2% Black or African-American.

Approximately 6.6% of survey respondents had no formal education; 25.5% had less than a high school degree; 18.9% had a high school diploma or GED as their highest level of education; 33.9% had some college; 11.2% had a bachelor's degree; and 3.9% had an advanced degree. Listening session participants therefore represent a fairly under-educated group, with only 15% of survey respondents holding a college degree or an advanced degree.

A majority of survey respondents, approximately 68%, reported annual household earnings of less than \$30,000. Nearly one-third of survey respondents reported household earnings of less than \$10,000. More than one-third of survey respondents indicated that they were employed for wages.

**FIGURE 1: CITIES REACHED**



**TABLE 2: AREAS REACHED**

Arleta	Huntington Park	North Hills	South Los Angeles
Boyle Heights/ East Los Angeles	Long Beach	San Diego	Stockton
Berkeley	Los Angeles	San Fernando	Van Nuys
Carson	Merced	San Francisco	Walnut Park
Cypress Park	Modesto	San Jose	
	Northridge	San Rafael	

**At each listening session, facilitators asked the following questions:**

- What would your goals be if you had access to more money and personal financial resources?
- What current or future financial challenges would be improved for your family if you had access to more money or personal financial resources?
- What changes would allow you or your family to have what you need to address the challenges?
- As you think about your life during retirement, what are some steps that you are taking now or would like to take in the future to live your desired life during retirement?

Listening sessions were conducted in group settings where conversations were facilitated, structured, and generally informal in tone. By their nature, listening sessions are not surveys or polls, so it is important to note that the data presented in this report reflect summarized responses. Each listening session organization captured participant responses via digital recorder, notes, or a combination of both. After each listening session, facilitators from each of the listening session organizations summarized and reported sentiments that were most commonly heard, key themes, and unique experiences. The statewide listening sessions collectively engaged 956 constituents; thus, each organization represents the voices of many listening session participants.

## SECTION 3: KEY FINDINGS

### PARTICIPANTS' DREAMS AND GOALS

The conversations at the listening sessions vividly illustrated the daily struggles and dreams of low-income families: the strife and stress they experience every day because of their financial insecurity, as well as their enduring hopes for a better future for themselves and their children.

As noted above, each organization's summary findings represent the aggregated voices of many listening session participants.

*"I think if I had better access to personal financial resources, I would probably have a better quality of life..."*  
-Listening session participant

**Participants at all seven listening session organizations** indicated that if they had a higher income, access to capital, and other financial assets, they would either pursue a college education or plan to send their children to college.

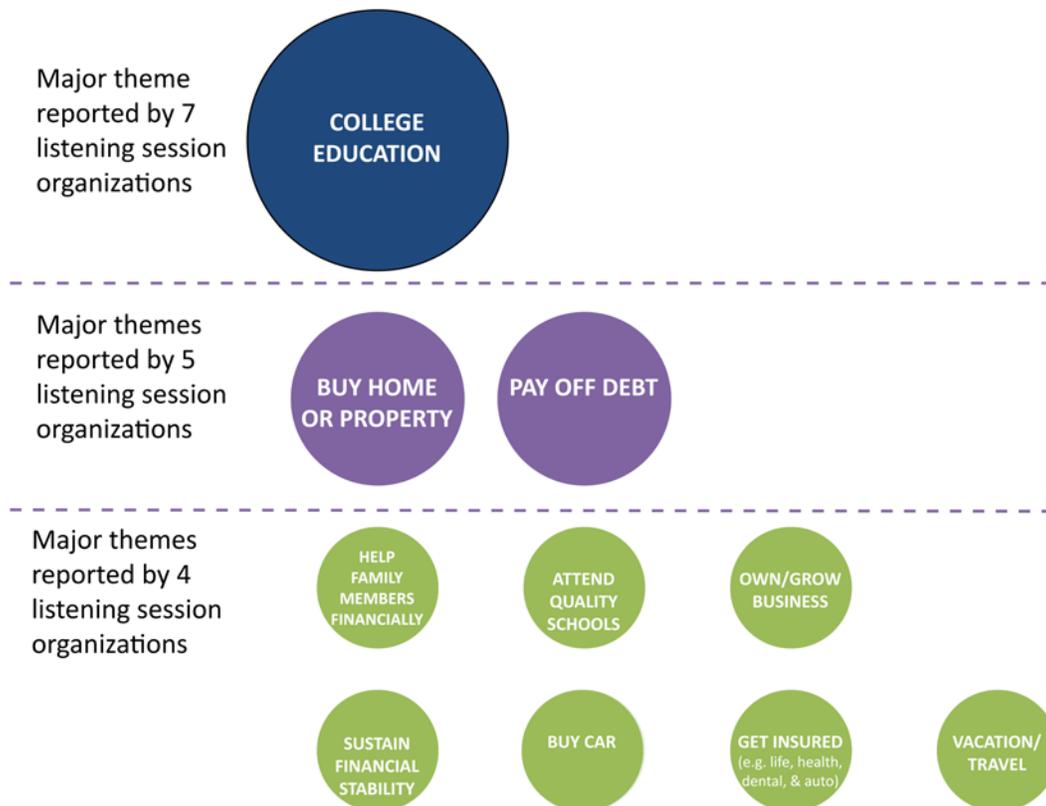
**Five listening session organizations** reported that despite the housing market crisis, their listening session participants want to own a home. Participants continue to view homeownership and real estate ownership as an essential part of building financial security. They also appear to understand the need to pay down their consumer debt in order to achieve this goal. As one participant put it, "I think if I had better access to personal financial resources, I would probably have a better quality of life. I'm a single parent struggling. I would be able to pay some more bills off, put some [money] aside for emergencies, and save for my house that I would like to have one day."<sup>15</sup>

**Four listening session organizations** reported that their participants expressed the following goals:

- Helping family members who are in financial need.
- Sending their children to quality schools (from preschool through high school), because of their belief that this increases the likelihood of going to college.
- Owning or expanding their own business, with the recognition that they needed better access to capital to make their dream a reality.

- Purchasing a car.
- Getting health, life, or auto insurance.
- Having time to spend with their families to relax and simply take a vacation.

**FIGURE 2: PARTICIPANTS' DREAMS OR GOALS IF THEY HAD ACCESS TO MORE MONEY AND PERSONAL FINANCIAL RESOURCES.**



Source: Final Reports of Statewide Asset Building Listening Session Project completed by organizations that conducted the listening sessions<sup>16</sup>

## CHALLENGES TO FINANCIAL PROSPERITY

Analysis of the listening sessions showed that participants were encountering several major barriers to attaining financial assets and building financial security.

**Six listening session organizations** reported that their participants are very concerned about the tight job market and about limited access to quality employment opportunities. Many participants hold two or three jobs to make ends meet – yet they say that they are still not able to earn enough to establish a stable financial foundation for themselves and their families. Participants are frustrated that employment opportunities are scarce and that the few opportunities they can find are those offering low wages with no benefits.

**Five listening session organizations** reported that their participants face the following key barriers:

- **Feeling that some lenders have unfair, deceptive, and perhaps fraudulent practices.** Participants believe that predatory lending is pervasive and cuts across all types of lending, including payday loans, credit cards, and mortgages. In addition, participants say that predatory lenders are most likely to target the less educated, those with the lowest incomes, minorities, and the elderly. Participants conveyed that they have limited access to fair credit and expressed a strong desire to learn about services and resources that can help them manage their finances. Listening session participants feel that they do not have enough knowledge about the types of financial products and savings strategies available to them and their families. Many participants expressed a desire to access financial information in non-English languages.
- **High levels of debt.** A large number of participants who are or have been unemployed are borrowing money to make ends meet. This cycle of borrowing money to meet short-term needs and cope with loss of income has left them less able to pay down their debt. They have a strong desire to repay their debt, but they have inadequate financial resources and limited employment opportunities. Many participants feel trapped, believing they have little hope of getting out of debt.

- **High cost of education.** Postsecondary education is a priority for participants. However, the rising cost of higher education means that it is out of reach for many of them. One participant expressed this by saying, "I'd like to go back to school without having to go into debt, because with the way it is today, it is kind of scary to take out a bunch of debt and not even know if it's going to help you."<sup>17</sup>

As part of this key theme, participants also shared that their children have limited access to college preparatory opportunities and that they have had to take out additional student loans in order to send their children to college. The financial pressure of pursuing postsecondary education is impeding participants' ability to establish a stable financial footing which requires the ability to pay down debt and save for emergencies.

*"I'd like to go back to school without having to go into debt, because with the way it is today, it is kind of scary to take out a bunch of debt and not even know if it's going to help you."*

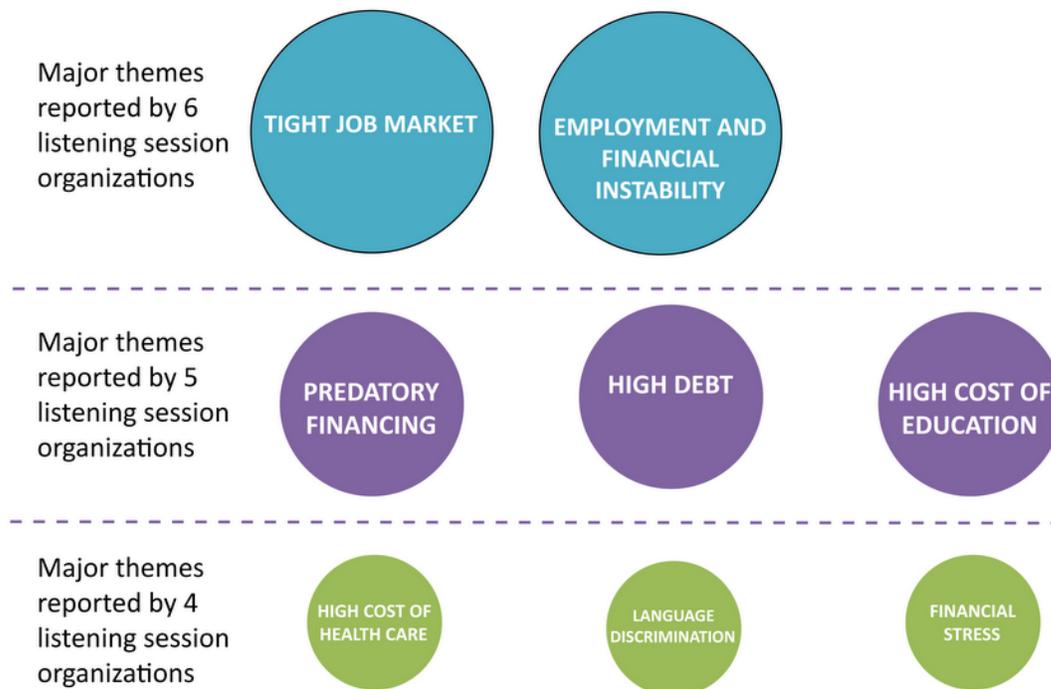
*-Listening session participant*

**Four listening session organizations** reported that their participants face the following key barriers to financial prosperity:

- **High cost of healthcare.** Participants have limited access to affordable and accessible healthcare. Many do not have health insurance or healthcare plans; others are dissatisfied with their current insurance. Participants who have healthcare through programs such as Medi-Cal and Medicaid say that they receive poor-quality care and that the out-of-pocket expenses are too high. In many cases, participants report having to use emergency funds to cover healthcare expenses.
- **Language discrimination.** Many immigrant participants feel disconnected from traditional financial resources and services because many documents are only available in English, and because customer service representatives at financial institutions are typically English-only speakers. Participants feel they are treated differently and believe they are discriminated against due to their limited English proficiency.

- **Financial stress.** Although financial stress is a result of not having enough resources, it also creates barriers to building prosperity. Participants report that financial stress is hurting their families' relationships, health, and academic performance. Some common financial stressors include having to borrow money from family and friends, the inability to pay household bills on time, difficulty making minimum credit card payments, and inability to pay rent or mortgage. Participants report that financial stress has contributed to increasing quarrels, separations, divorces, and even violence in relationships. In addition, financial stress has led to a number of health problems such as depression, insomnia, headaches, high blood pressure, gastrointestinal problems, and fatigue. Student participants say that juggling work in addition to attending school full-time has reduced their ability to focus on academics and to maintain a strong grade point average. Student participants also report that they worry very often about mounting student loans and other forms of debt.

**FIGURE 3: CHALLENGES THAT PARTICIPANTS OR THEIR FAMILIES ARE EXPERIENCING BECAUSE OF A LACK OF MONEY OR OTHER FINANCIAL RESOURCES.**



Source: *Final Reports of Statewide Asset Building Listening Session Project completed by organizations that conducted the listening sessions*<sup>18</sup>

### DEEPLY FELT ISSUES AND THEMES

In addition to the major issues above, there were a number of other themes that emerged as being deeply felt, but by a smaller group of participants. Deeply felt themes are subjects that people felt and spoke passionately about. When a person describes an issue that is deeply felt, such as the need for affordable housing, it is clear that they are invested in what happens to that particular issue on a very personal and emotional level. Listening session organizations reported the following as issues that were deeply felt by participants throughout the state: lack of affordable housing; inadequate access to affordable financial services and products; limited access to small business capital; and retirement insecurity.

**Lack of affordable housing** is a major concern for listening session participants who feel that housing in California is too expensive. Affordable housing options for both rental and ownership properties too often tend to be located in unsafe neighborhoods with underperforming schools, which results in more stress and hardships for parents trying to raise a family. One participant said, "They need to build more BMR [Below Market Rate] homes in better [school] districts. They keep on building it in cheaper areas which I feel unsafe living in. I want to live in a nice district, where I feel comfortable having a family..."<sup>19</sup> Similarly, another participant said, "I want to move far away to a three-bedroom house...because I have a son and I don't want my son to fall victim to statistics. I don't want my son to be a gang member. I want him to be 25 and 50, you know, I want my son to be in my family."<sup>20</sup> Moreover, affordable housing programs such as Section 8 have long waitlists and very low income limits for eligibility, leaving out many families who need assistance.

*"They need to build more BMR [Below Market Rate] homes in better [school] districts. They keep on building it in cheaper areas which I feel unsafe living in..."*

*-Listening session participant*

**Limited access to affordable financial services and products** is another barrier to financial security for some participants. Many participants want to be able to save money and invest in financial assets that create economic security for themselves and their families; however, many felt they lacked access to products and services that were accessible and affordable. For working-age and elderly participants, retirement insecurity was a deeply felt concern. Working-age participants feel unprepared for retirement and expressed concern that they did not have a retirement plan. Participants who were already retired stated that they have inadequate retirement and Social Security income to cover the cost of some of the most basic necessities, such as healthcare and housing that is safe and affordable.

*"I want to move far away ...because I have a son and I don't want my son to fall victim to statistics. I don't want my son to be a gang member..."*

*-Listening session participant*

**Limited access to capital** for entrepreneurs or aspiring entrepreneurs was viewed as a significant barrier to upward economic mobility by listening session participants. For many participants, owning a small business was seen as the path for long-term financial security.

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## THEMES UNIQUE TO SPECIFIC GROUPS

### College Students

In listening sessions held primarily with college students, participants often shared that they were the first in their families to attend college. In some cases, their families had to make very difficult choices about which child to send to college. Many students felt responsible for ensuring that their siblings can attend and pay for college, as well. Several students felt pressured to pursue majors that lead to the greatest earning potential, or felt pressured to work in jobs unrelated to their desired majors to generate more income.

### Single Fathers and Fathers Paying Child Support

In male-only listening sessions, single fathers expressed frustration that they don't have access to the same level of government resources and support that single mothers receive. Participants who were paying child support wanted child support policies and laws reformed. Fathers paying child support have to report a great deal of information pertaining to their day-to-day finances; they want similar reporting requirements for mothers so that they have information about how their child support payments are being used. Furthermore, participants in this group want more influence over how their child support payments are spent, to ensure that the funds benefit their child. Some fathers indicated that they would like a portion of their payments to go towards education savings accounts for their children.

### Older Participants

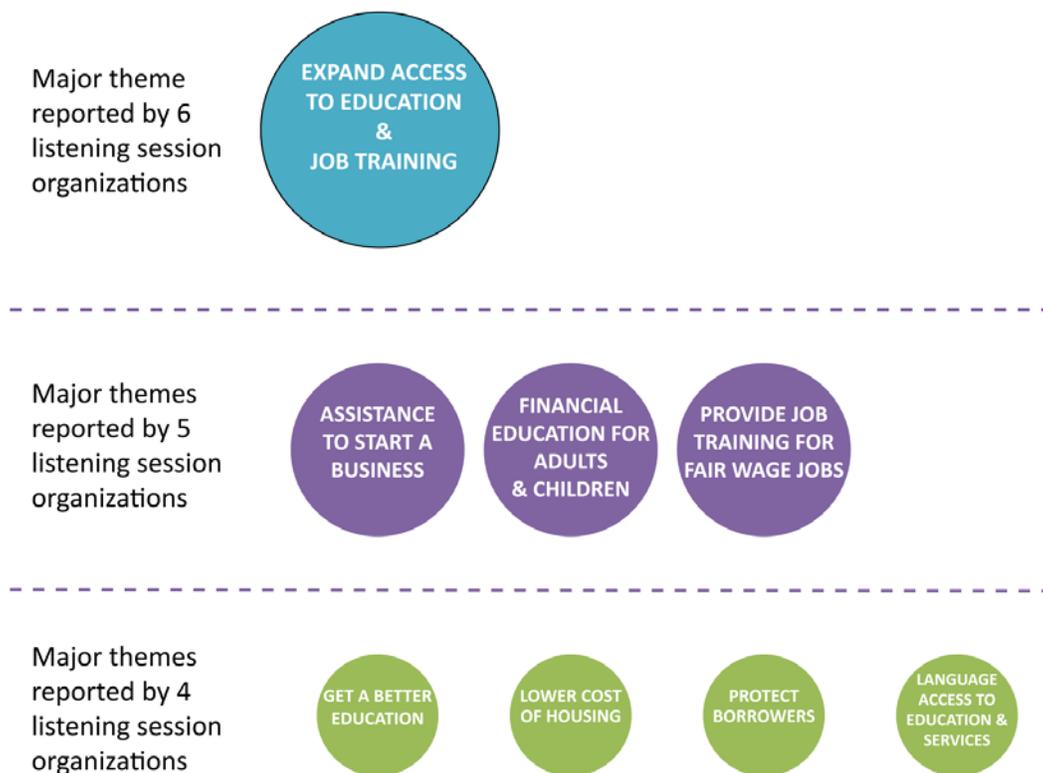
In listening sessions held with senior citizens and older Californians, participants expressed that they are struggling financially and can barely meet their most basic day-to-day needs. Most senior citizen participants stated that their retirement income (such as Social Security) falls well below the cost of living, and that they have not received a cost of living increase in three years. Many seniors stated that there is a lack of affordable senior housing options in safe neighborhoods, and that medical and dental services are unaffordable and inadequate for their needs.

Seniors want to be able to have a modest amount of savings to supplement their government benefits; however, they are unable to do so without endangering their eligibility for these critical programs and services. Participants also expressed a need for customized banking and insurance products for seniors, including high-interest savings and low-interest credit.

## PARTICIPANTS' IDEAS FOR REMOVING BARRIERS TO FINANCIAL SECURITY

In the listening sessions, participants contributed their own ideas about how to address the financial challenges they had identified (see Figure 4).

**FIGURE 4: PARTICIPANTS' IDEAS FOR ADDRESSING CHALLENGES THEY OR THEIR FAMILY EXPERIENCED BECAUSE OF LACK OF FINANCIAL RESOURCES.**



Source: Final Reports of Statewide Asset Building Listening Session Project completed by organizations that conducted the listening sessions<sup>21</sup>

- **Higher education and job training.** Partner organizations reported that access to higher education and job training was the most frequently proposed path to prosperity. Related themes around financial education, job training, and improving language access to education also came up in the majority of listening sessions.

Many participants are not aware of savings plans for higher education and do not have basic information about financial planning for college and training programs. However, they have a strong desire to learn more about and utilize college savings accounts and other tools to plan for the cost of postsecondary education. Participants who are parents are also concerned that their children are not ready for higher education, in terms of college entrance test preparedness, college selection, awareness of cost, and understanding the financial aid process. Participants believe that their children would be more successful in attending college if parents and children had earlier access to college planning information and tools. For example, parents say that they would have been better off if they had known to start saving for college and learning about college prep resources when their child started kindergarten. Instead, they received information about what they should be doing when their child was already in high school, which is too late to start accumulating savings for college.

Participants believe that having marketable job skills can put them in a better position to earn higher wages, but they feel that they do not have the resources to invest in marketable skills. Listening session participants also expressed a strong interest in financial education for both children and adults. Participants say, however, that financial education training should be delivered in a way that is easy to understand and in their native language.

- **Entrepreneurship.** Many participants aspire to become entrepreneurs or expand existing small businesses. When asked what her dreams would be if she had access to more money, one participant replied, "Own a business so that I can create jobs and homeownership."<sup>22</sup> Participants say that limited access to credit makes it difficult for them to start or expand a business. They believe that it's getting harder for them to access credit for small business development, and they would like to see more options for determining creditworthiness and eligibility. Participants also want a revision of bankruptcy laws and more transparency in credit scoring. They voice a need for more credit unions (in particular, proposing credit unions in churches). Some participants discussed the idea of peer savings and investment groups.

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- **Additional strategies.** Participants also recommend other ideas for removing barriers to prosperity, including reducing the cost of healthcare, lowering the cost of housing in the rental and ownership market, improving access to healthier food in low-income communities, and advocating for livable wages. In particular, many say it would help to eliminate asset limits as an eligibility criteria for public benefit programs, because they penalize families for saving or building assets – in other words, for responsibly creating their own personal safety net. Many participants care deeply about this issue because they either do not qualify for assistance due to their modest savings, or they are receiving assistance and are therefore afraid of losing crucial benefits if they save for emergencies or for goals.

## SECTION 4: RECOMMENDATIONS

Informed by a thousand Californians who participated in the statewide listening sessions and rooted in the strategic alignment of each listening session organization, we have identified preliminary local and state policy and practice recommendations that address two crucial policy areas:

1. Improve opportunities for low-wage workers to access high quality financial services and products; and
2. Increase access to higher education.

This paper also addresses other major themes that were widely and deeply felt in the listening sessions that do not fall under the two policy issue areas listed above.

We believe that the policy and practice recommendations described here represent some of the most important steps toward creating wealth-building opportunities for low-income families throughout California. Although these policy recommendations have not been endorsed by all of the partner organizations and stakeholders, they do represent points of agreement among many listening session participants. As the listening session organizations move forward with building a grassroots constituency, we will collectively develop a formal policy and practice platform that can generate transformative opportunities for low-wage families in California to build financial security and prosperity.

To honor the voices of the grassroots constituents who represent low-wage families throughout the state, listening session organizations are committed to the following principles. Our policies should be:

- Universal and inclusive so that everyone can participate;
- Progressive, so that greater incentives are available to those most in need (such as low-wage earners);
- Part of a larger continuum to create opportunities to build economic security over a lifetime; and
- Promoting well-being within and across generations.

## 1. IMPROVE ACCESS TO HIGH QUALITY FINANCIAL SERVICES AND PRODUCTS

Without quality financial products and services, low-income families cannot save for their dreams or invest in assets that are proven to build intergenerational wealth. It is, therefore, imperative that local and state policy makers support measures that enhance the ability of low- and moderate-income families to save for emergencies and the future; to invest in wealth-building opportunities including home and business ownership; and to utilize quality alternatives to predatory financial products and services.

Policy makers can and should support measures that curb predatory payday lending, increase funding for microenterprise lending and training, and leverage municipal capital to promote responsible banking practices. In addition, we urge policy makers, financial service institutions, community organizations, and regulatory agencies to support – and, where appropriate, to replicate – existing innovative strategies that address barriers in the financial products and services market.

## 2. INCREASE ACCESS TO HIGHER EDUCATION

Education is one of the central determinants of earning capacity, with far-reaching benefits that ripple out from the educated worker's family to their community and our economy as a whole. Education promotes civic responsibility, advances economic competitiveness, and expands economic opportunity. Thus, it is crucial to take action on policies, practices, and regulations for broader and equitable access to post-secondary education and vocational training. In particular, measures should support college savings accounts, affordable student loans, student support services, and enhanced financial aid resources and outreach for low- and moderate-income families.

California leaders can and should support measures that make higher education more affordable and accessible for low-income students. We urge policy makers to maintain and protect funding for important programs such as Cal Grants and Transitional Kindergarten. These programs serve to level the playing field for low-income families. The Transitional Kindergarten programs ensure that all students, particularly low-income students, get a good start. Cal Grants help students from low-income families attend and pay for college. Policy makers should provide incentives for all families to improve access to high quality education from early

education through college as well as equip families with valuable information to help them academically and financially prepare for college.

### 3. OTHER POLICIES THAT PROMOTE LONG TERM FINANCIAL SECURITY

#### Increase Affordable Housing and Homeownership Opportunities

Listening session participants spoke for millions of low-income California households when they voiced concerns about two major issues: lack of affordable housing in the rental and homeownership market; and their struggle with improving and building their credit history.

California currently has the highest housing cost burden in the nation for homeowners and the second highest housing cost burden for renters.<sup>23</sup> Despite this stark picture, most low-income households in California do not receive federal assistance for housing.<sup>24</sup> The shortage of local and state funding for affordable housing has been exacerbated by the recent elimination of California's redevelopment agencies, which formerly set aside over \$1 billion in annual funding for the development of low-and moderate income housing.<sup>25</sup> We urge policy makers in California to champion measures that would do the following: encourage state and local housing authorities to more consistently help transition low-income renters toward sustainable homeownership opportunities where appropriate; and secure a permanent, ongoing source of funding for a Housing Trust Fund that is dedicated to support safe and affordable housing.

#### Improve Opportunities for Building Credit Scores

Listening session participants also expressed a need for products and services that can help them establish or rebuild a good credit record so that they can access affordable and quality rental and homeownership opportunities. For many Californians, a bad credit history can even limit job opportunities, as employers have increasingly begun using credit history data as a factor in the hiring process. California is currently one of four states that explicitly prohibit utility companies from reporting on-time payments.

We urge policy makers to enact legislation that would allow utility companies to report on-time payments so that low-wage families have a better chance to improve their credit profile – thereby markedly improving their job and housing opportunities.<sup>26</sup>

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### **Promote Retirement Security**

Nearly 7 million Californians do not have access to employer-based retirement savings vehicles. Even among those who do, most are not saving enough; this is particularly true for women and people of color. Lacking sufficient savings, 50% of California workers will face poverty as senior citizens – and again, the proportion will be even higher for women and people of color.<sup>27</sup> Low-income workers need better opportunities to save for retirement during their prime working years.

As California's population ages, this problem will only grow. Thus, we urge policy makers in California to promote retirement security by enacting state legislation to create a reliable, portable, affordable, and scalable retirement savings vehicle for California workers who do not have access to an employer-based savings and investment vehicle.

### **Eliminate the Asset Test or Reform Asset Based Eligibility Requirements to Public Benefits Programs**

In order to qualify for public benefit programs such as CalWORKs, Medi-Cal, and CalFresh (food stamps), households must meet stringent income and asset limits. Asset limits promote a harmful cycle of financial dependence by creating significant disincentives to increase earnings and save money. Families receiving public assistance are faced with unsavory choices like turning down promotions at work so as not to exceed income and asset limits, if the increased pay would not adequately compensate for the loss of crucial benefits.

We urge California leaders to eliminate asset tests (or reform them by raising allowable totals and indexing them to inflation) for CalWORKs, Medi-Cal, and CalFresh programs, so that California families have the support and the incentives to regain their financial independence and stability.

## **SECTION 5: WHERE DO WE GO FROM HERE?**

EARN and its partners spent a year listening to the dreams, challenges, and ideas of low-income families across the state of California. From a thousand voices, EARN's coalition gained unique insight about policies that can open the door to financial prosperity for millions.

What did these one thousand low-income families say? Despite rising costs and other barriers, they still dream of pursuing higher education and vocational training. Despite the foreclosure crisis, they still dream of owning a home. Despite the Great Recession, they still dream of starting or growing their own business. They are striving but frustrated because they lack access to basic financial services and products that are safe and affordable, and because of a range of other obstacles such as lack of credit, financial instability, inability to afford healthcare, and language discrimination.

Low-income families also said that sharing their experiences with others made them realize they were not alone. They felt powerful because they were asked about their ideas for building better futures for themselves, their families, and their communities.

EARN has woven these unique insights into a set of policy recommendations that puts families' own voices at the core. This paper presents opportunities to champion policies and practices at state and local levels that have the potential to put millions of California's low-income families on the path to financial prosperity.

As a result, decision-makers can use these recommendations to direct scarce resources towards programs and policies that can measurably improve prosperity for families – and that families are eager to vote for and utilize.

At the same time, EARN and its partners can use this knowledge to build a grassroots constituency that empowers and engages low-income families like never before, on behalf of their own dreams, challenges, and ideas. In the coming years, EARN will continue to build and grow a strong constituency of low-income families that can bring about powerful changes in California. The coalition will encourage constituents to participate in the policymaking process, help constituents conduct participatory research, connect constituents with existing tools and resources in their communities, and lift up the voices of constituents to drive policy change.

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One listening session participant summed up a thousand voices when she said, “We don’t dream for ourselves, we dream for our kids.” Even when hope fades for their own goals, low-income families hold on to the hope that their children will prosper. Millions of low-income people urgently want and need the financial solutions that policy makers can provide, and our recovering economy also needs opportunities for financial prosperity for all. If California leaders fail to address these barriers, we leave enormous potential for economic growth tragically untapped.

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**Sunaena K. Chhatry** is a Public Policy Manager at EARN, where she advances EARN's public policy priorities through strategic communications, outreach, advocacy, and supports EARN's grassroots constituency building initiative. Ms. Chhatry serves as the primary liaison for EARN's local and state level policy partners. She served as an Academy Associate at the Greenlining Institute, and her experience also includes work at the Delaware Financial Literacy Institute. Ms. Chhatry is a graduate of the Women's Policy Institute and Lead the Way. She holds a B.A. from the University of California, Berkeley.

**Sheryl Lane** is the Director of Public Policy at EARN. Prior to EARN, she was the Program Director and Campaign Coordinator for the Richmond Equitable Development Initiative at Urban Habitat, and served as a Community Relations and Policy Analyst on the staff of Mayor Ron Gonzales in San Jose, California. Ms. Lane holds an M.S. in Urban Policy and Management from the Milano Graduate School of Management and Urban Policy at the New School in New York City. She holds two B.A. degrees, one in Sociology and another in Psychology & Social Behavior, both from the University of California, Irvine.

**Debby Lindsey-Taliefero, Ph.D.** is an Associate Professor of Economics in the Department of Finance at Howard University. Her research efforts have focused on mortgage finance including foreclosures, delinquencies, and regulatory compliance, fair lending, and financial literacy. Her research has been cited in congressional testimony before the U.S. Senate, in federal lawsuits, and in major media outlets. She has published in the *Journal of Business & Economics Research*, *Journal of the Academy of Economics and Finance*, *Journal of Finance Case Research*, *Journal of Studies in Economics and Finance*, *Journal of Marketing Theory and Practice*, *Journal of Research on Minority Affairs*, *International Advances in Economic Research*, *Mortgage Banking Magazine*, *CRA Bulletin* and numerous conference proceedings. Prior to joining the faculty at Howard University, Dr. Lindsey-Taliefero worked as an Economist at Analytic Services, Inc. (Anser), the Federal Emergency Management Agency (FEMA), the National Urban League, and the Washington Bureau of the NAACP. She received her B.A., M.A., and Ph.D. in Economics from Howard University.

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## ABOUT EARN

EARN, the nation's leading provider of microsavings, is an award-winning California non-profit that gives low-income workers the power to create economic prosperity for generations to come. Since 2001, EARN has helped tens of thousands of low-wage families through innovative financial products including matched savings accounts, checking accounts for the unbanked, micro-loans, and money management coaching. EARN's powerful combination of lasting assets and financial know-how enables families to build wealth and achieve life-changing goals such as saving for college, purchasing first homes, or starting small businesses.

The EARN Research Institute evaluates the impact of EARN's work and publishes original data, sharing lessons learned and best practices. EARN uses this unique grounding in rigorous research and direct service experience to transform the financial services landscape and to champion effective public policies. EARN's ultimate vision is that millions of well-informed, low-income American families will achieve financial success through proven strategies, fair public policy, and their own hard work.

Connect with EARN at [www.earn.org](http://www.earn.org), [twitter.com/earn](https://twitter.com/earn) and [facebook.com/earnorg](https://facebook.com/earnorg).

## FOR FURTHER INFORMATION

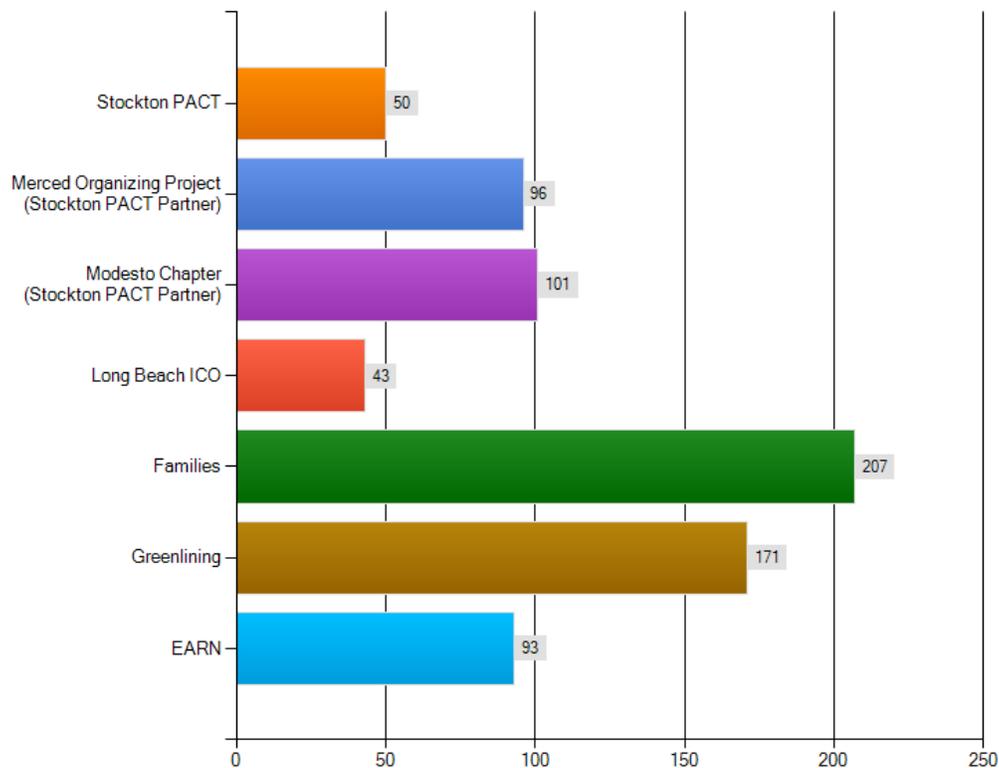
Please contact:  
[sheryl@earn.org](mailto:sheryl@earn.org)

## APPENDIX A

### CHARACTERISTICS OF PARTICIPANTS

Seven hundred and sixty-one individuals completed the participant surveys. Families in Schools and the Greenlining Institute had the highest rates of survey completion.

**FIGURE 5: LISTENING SESSION PARTICIPATION BY PARTNER ORGANIZATION (N=761)**



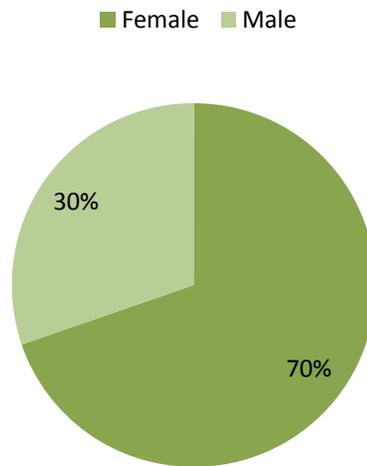
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## GENDER

The majority of listening session constituents who completed the participant survey were female (69.7 %) versus male (30.3%).

**FIGURE 6: GENDER OF PARTICIPANTS (N=753)**

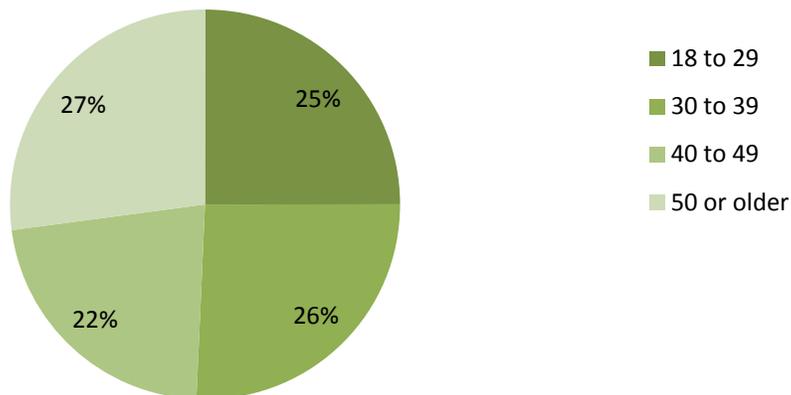


*Source: Participant Survey: Statewide Asset Building Listening Session Project*

## AGE

The ages of the listening session constituents who completed the participant survey were almost evenly distributed among the four age groupings. Approximately 25% of participants were between the age of 18 and 29; 25% were between 30 and 39; 22% were between 40 and 49; and 27% were 50 years old or older.

**FIGURE 7: AGE OF PARTICIPANTS (N=748)**



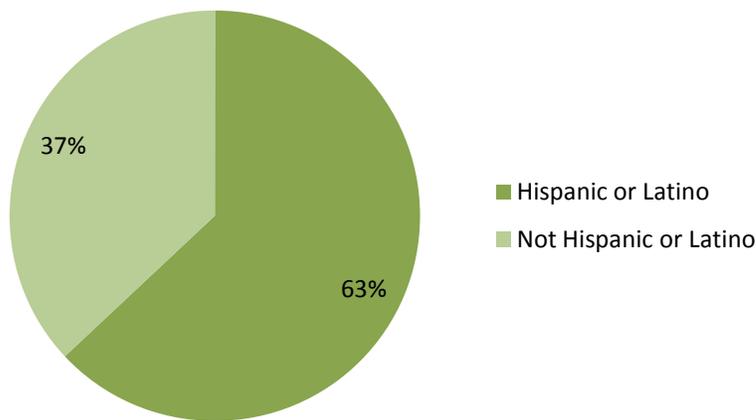
Source: Participant Survey: Statewide Asset Building Listening Session Project

## RACE AND ETHNICITY

Racial and ethnic minorities represent a large share of survey respondents, with 63% of constituents self-reporting that they represent minorities. When segmented by race, Asian Americans represent 23.5%, African Americans represent 19.2%, Native Hawaiians or other Pacific Islanders represent 8.2%, and American Indian or Alaska Natives represent 2.3%.

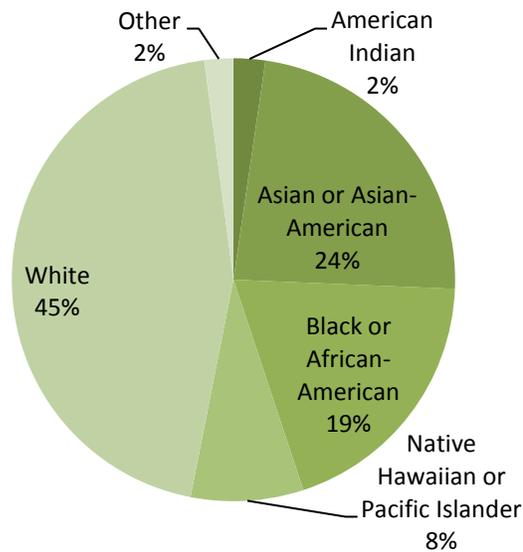
Approximately 63% of constituents who completed the participant survey indicated their ethnicity as Latino or Hispanic (see Figure 8). Note: Latinos and Hispanics, as a group, are not represented in Figure 9 because a Latino or Hispanic person can be of any race (e.g. Black/African-American, White, or Asian/Asian American).

**FIGURE 8: ETHNICITY OF PARTICIPANTS (N=613)**



*Source: Participant Survey: Statewide Asset Building Listening Session Project*

**FIGURE 9: RACE OF PARTICIPANTS (N=620)**



Note: The percentage of Latinos and Hispanics who participated in the statewide listening sessions are represented in Figure 8. Latinos and Hispanics, as a group, are not represented in Figure 9 because a Latino or Hispanic person can be of any race (e.g. Black/African-American, White, or Asian/Asian-American).

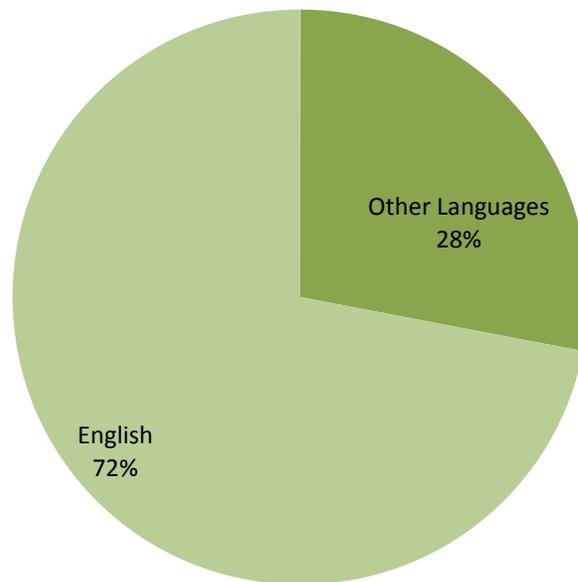
Source: Participant Survey: Statewide Asset Building Listening Session Project

## LANGUAGE

44.5% of survey respondents speak Spanish at home, followed by Chinese speakers (which include Mandarin and Cantonese) at 5.7%, and Hmong speakers at 5.5%.

A large majority of participants (58.2%) took the participant survey in English. Another 36.8% of participants completed the survey in Spanish and 4% completed it in Chinese.

**FIGURE 10: LANGUAGE SPOKEN AT HOME (N=742)**

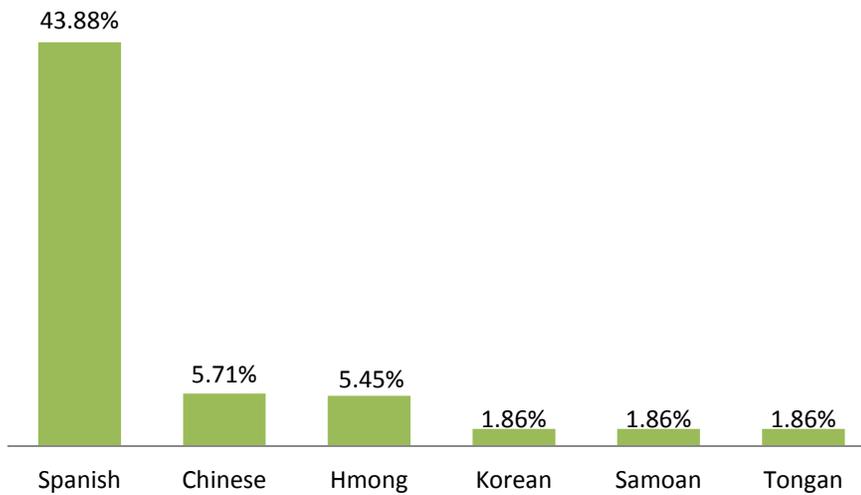


*Source: Participant Survey: Statewide Asset Building Listening Session Project*

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**FIGURE 11: TOP SIX LANGUAGES OTHER THAN ENGLISH SPOKEN IN THE HOME (N=742)**



*Source: Participant Survey: Statewide Asset Building Listening Session Project*

### EDUCATION, INCOME, AND WORK

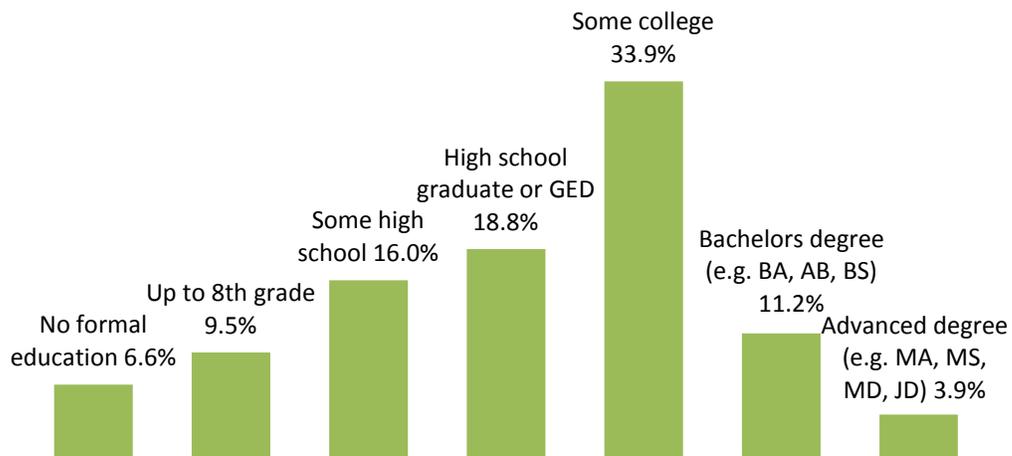
18.9% of participants reported that their highest level of educational attainment was a high school degree or GED; 33.9% had some college education but did not graduate; 11.2% have a Bachelor’s degree; and 3.9% have a graduate degree (see Figure 12).

42.8% of participants were working at the time of the assessment; 15.9% were out of work; and the balance were homemakers, students, retired, or unable to work (see Figure 13).

A majority of survey respondents, approximately 68%, reported annual household earnings of less than \$30,000. Nearly one-third of survey respondents reported household earnings of less than \$10,000 (see Figure 14).

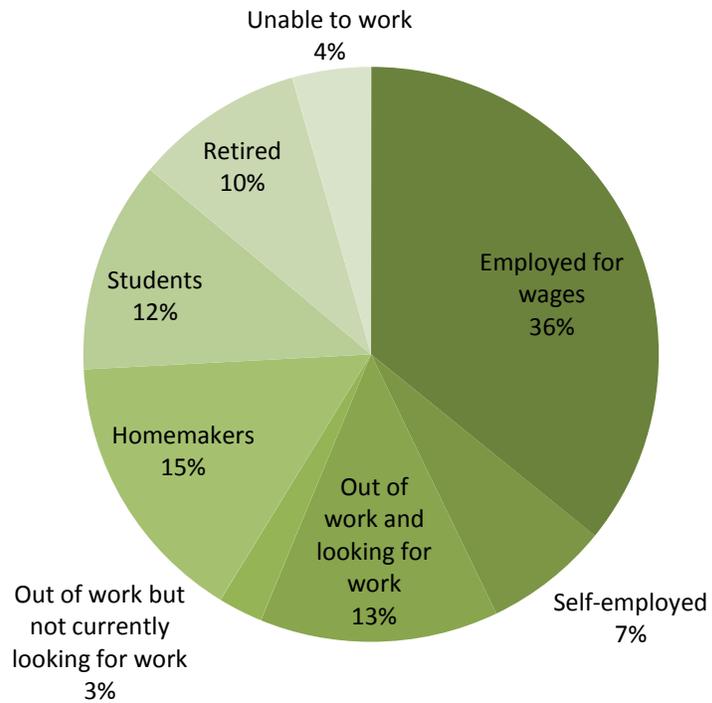
Participants reported a wide range of occupations including accountants, homemakers, office or factory workers, and teachers (see Table 3).

**FIGURE 12: HIGHEST LEVEL OF EDUCATION COMPLETED BY PARTICIPANTS (N=740)**



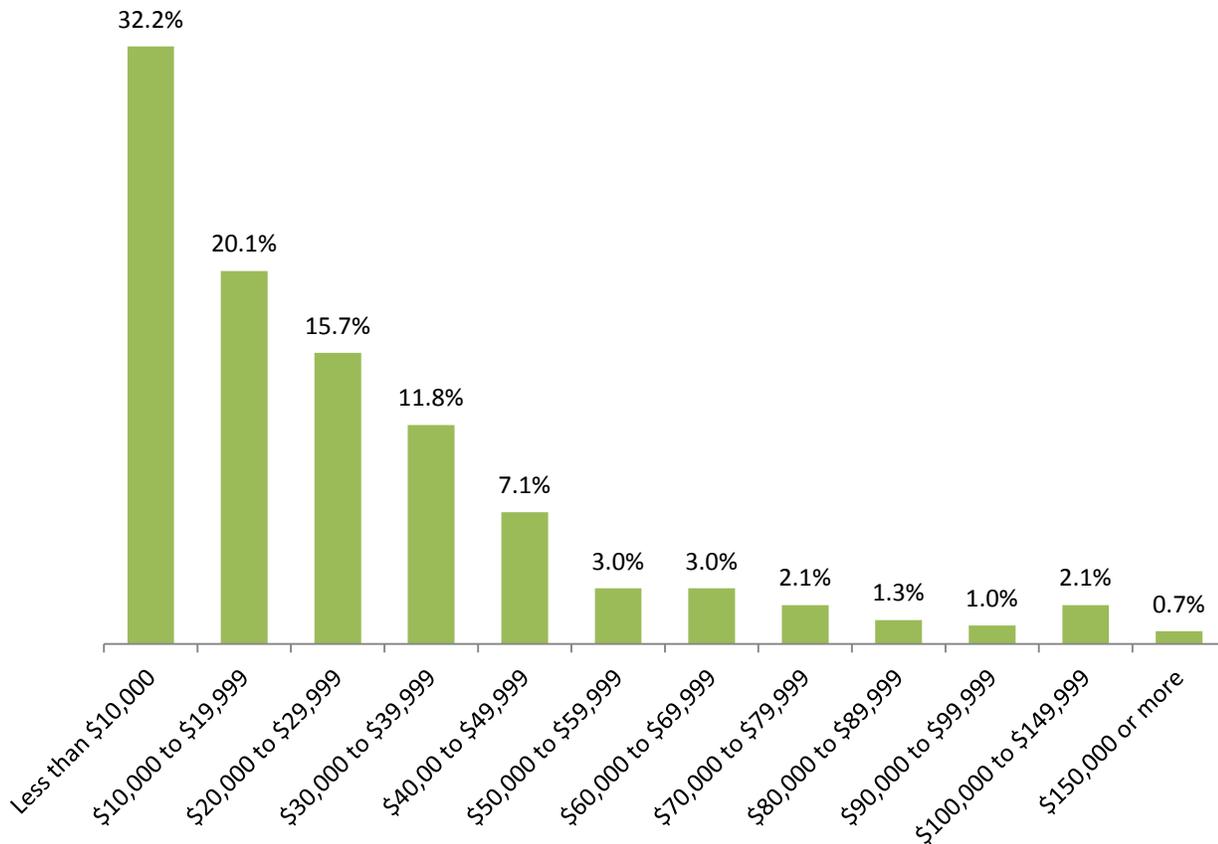
Source: Participant Survey: Statewide Asset Building Listening Session Project

**FIGURE 13: EMPLOYMENT STATUS OF PARTICIPANTS (N=746)**



Source: Participant Survey: Statewide Asset Building Listening Session Project

**FIGURE 14: ANNUAL HOUSEHOLD INCOME OF PARTICIPANTS (N=706)**



Source: Participant Survey: Statewide Asset Building Listening Session Project

**TABLE 3: OCCUPATION REPORTED BY PARTICIPANTS (545 SURVEY RESPONSES)**

Occupation	Count	%
Accountant/Clerk	14	2.6%
Air Condition Installation Worker	15	2.8%
Analyst/Researcher	6	1.1%
Caregiver	8	1.5%
Cashier	7	1.3%
Childcare Provider	5	0.9%
Church Pastor/Missionary Worker	10	1.8%
Community Representative/Civil Promoter	6	1.1%
Contractor/Architectural Designer/Construction Worker	8	1.5%
Counselor/Life Coach	6	1.1%
Customer Service	6	1.1%
Dietitian/Nutritionist/Nutritional Assistant/Food Service	18	3.3%
Driver - Bus, Truck, Car and Related Services	12	2.2%
Electrician/Plumber/Carpenter/Energy Technician	14	2.6%
Entertainment/Film Maker/Media/Guest Services	11	2.0%
Factory/Field/Warehouse Worker	18	3.3%
Financial Services & Insurance	8	1.5%
Gardener/Arborist	5	0.9%
Healthcare Provider - Mental, Medical, Dental, Pharmacy	14	2.6%
Homemaker	101	18.5%
Housekeeper	7	1.3%
Information Technology Worker	6	1.1%
Lawyer/Paralegal/Policeman/Security	5	0.9%
Maintenance/Custodian/Janitor	7	1.3%
Manager/Director/Supervisor	19	3.5%
Manicurist/Cosmetologist/Hair Stylist	4	0.7%
Nonprofit Director/Worker	4	0.7%
Office Administrator/Assistant/Receptionist/Human Resources	17	3.1%
Program or Project/Assistant & Specialist	6	1.1%
Public Service Worker	4	0.7%
Restaurant Worker	17	3.1%
Salesperson/Retail Store Worker	16	2.9%
Seamstress/Fashion Designer	3	0.6%

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Small Business Owner/Vendor/Consultant	7	1.3%
Social Worker Supervisor/Social Worker	7	1.3%
Student	37	6.8%
Teacher/Teacher Assistant/Educator	23	4.2%
Volunteer Worker	8	1.5%
Fixed Income (Retired, Disabled, Unemployed)	56	10.3%
<b>Total</b>	<b>545</b>	<b>100.0%</b>

*Source: Participant Survey: Statewide Asset Building Listening Session Project*

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## APPENDIX B

### MAPS OF PARTICIPANTS IN THE CALIFORNIA LISTENING CAMPAIGN

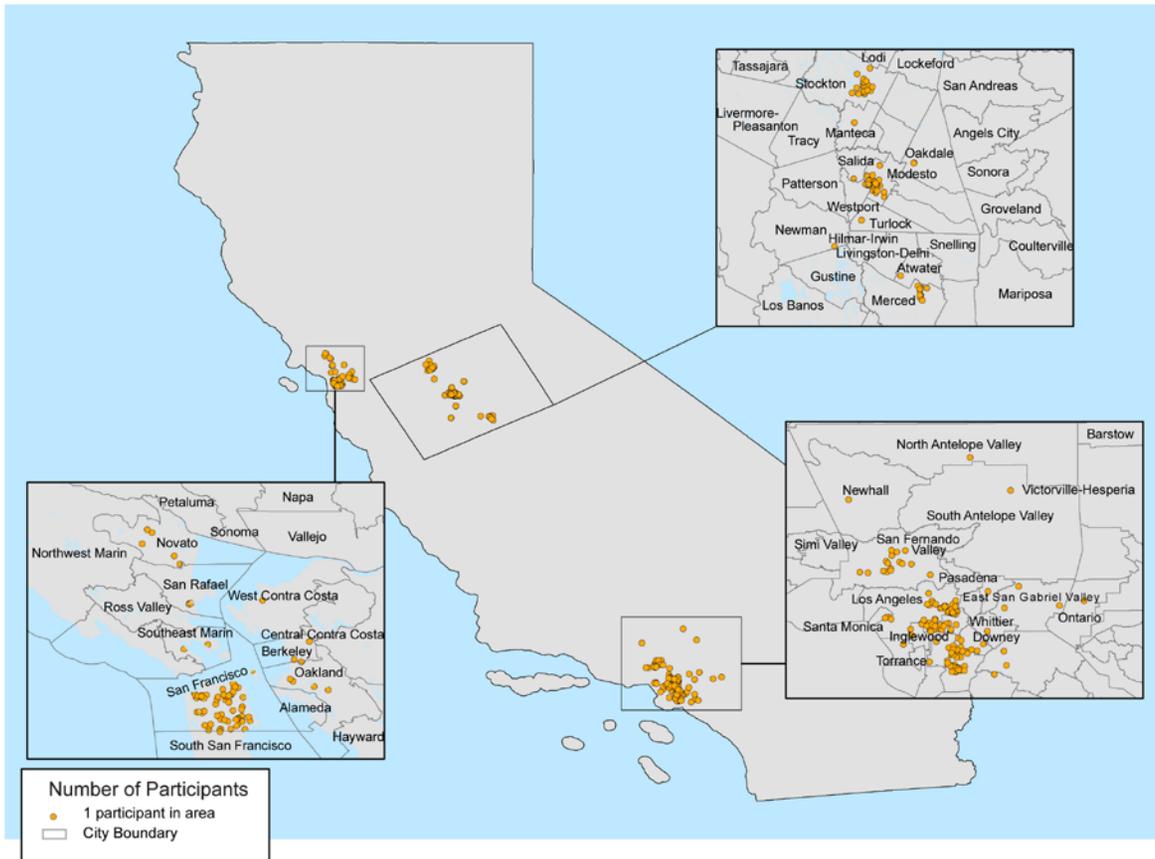
The maps below display the residence areas of the constituents who participated in the statewide listening sessions. These maps are based on participants' mailing addresses from the participant survey. All participants did not provide their home addresses; therefore, these maps do not represent every individual who participated in the listening sessions.

Figure 15 is a general map of California statewide participation. The dots represent the geographical location (home address) of participants. Figures 16 through 21 show each geographic area's representation of participants' home addresses.

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FIGURE 15: RESIDENCE OF CALIFORNIA LISTENING SESSION PARTICIPANTS

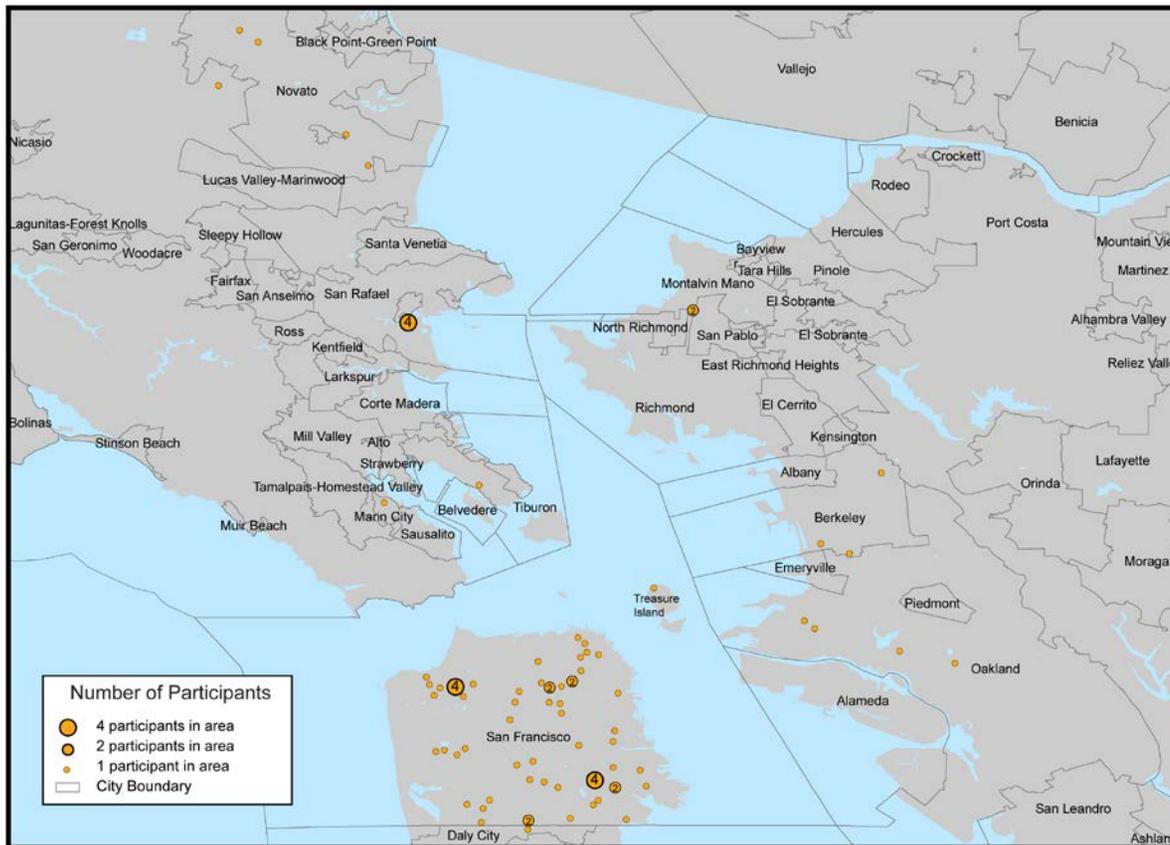


Source: Participant Survey: Statewide Asset Building Listening Session Project

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FIGURE 16: RESIDENCE OF LISTENING SESSION PARTICIPANTS IN THE SAN FRANCISCO BAY AREA

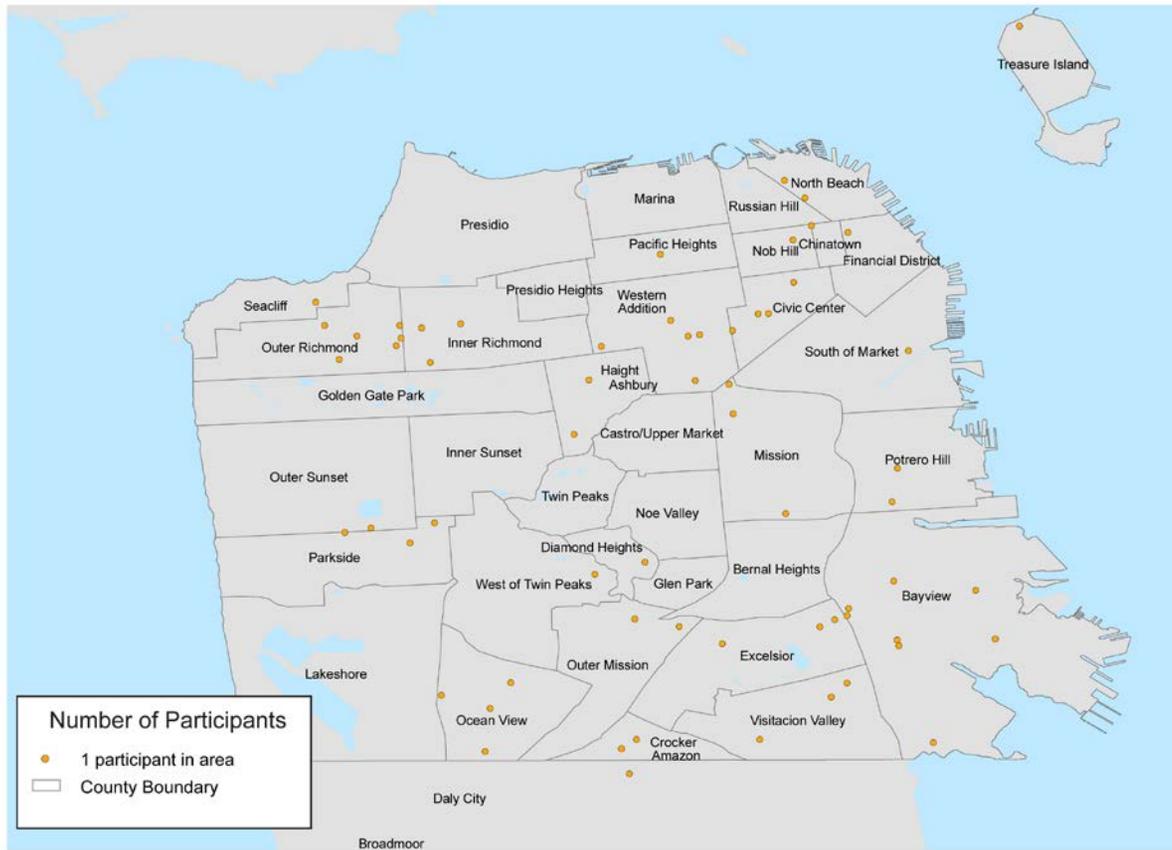


Source: Participant Survey: Statewide Asset Building Listening Session Project

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FIGURE 17: RESIDENCE OF LISTENING SESSION PARTICIPANTS IN THE CITY & COUNTY OF SAN FRANCISCO

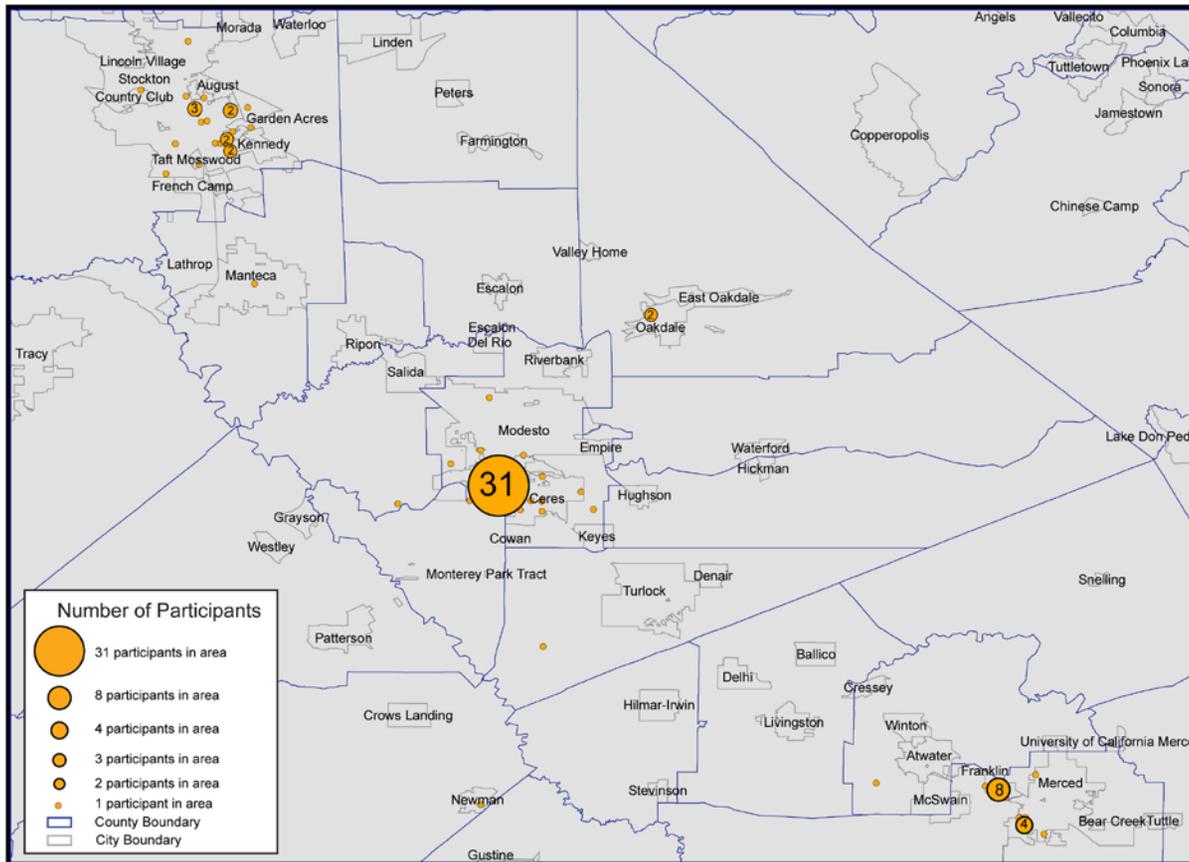


Source: Participant Survey: Statewide Asset Building Listening Session Project

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FIGURE 18: RESIDENCE OF LISTENING SESSION PARTICIPANTS IN THE CENTRAL VALLEY

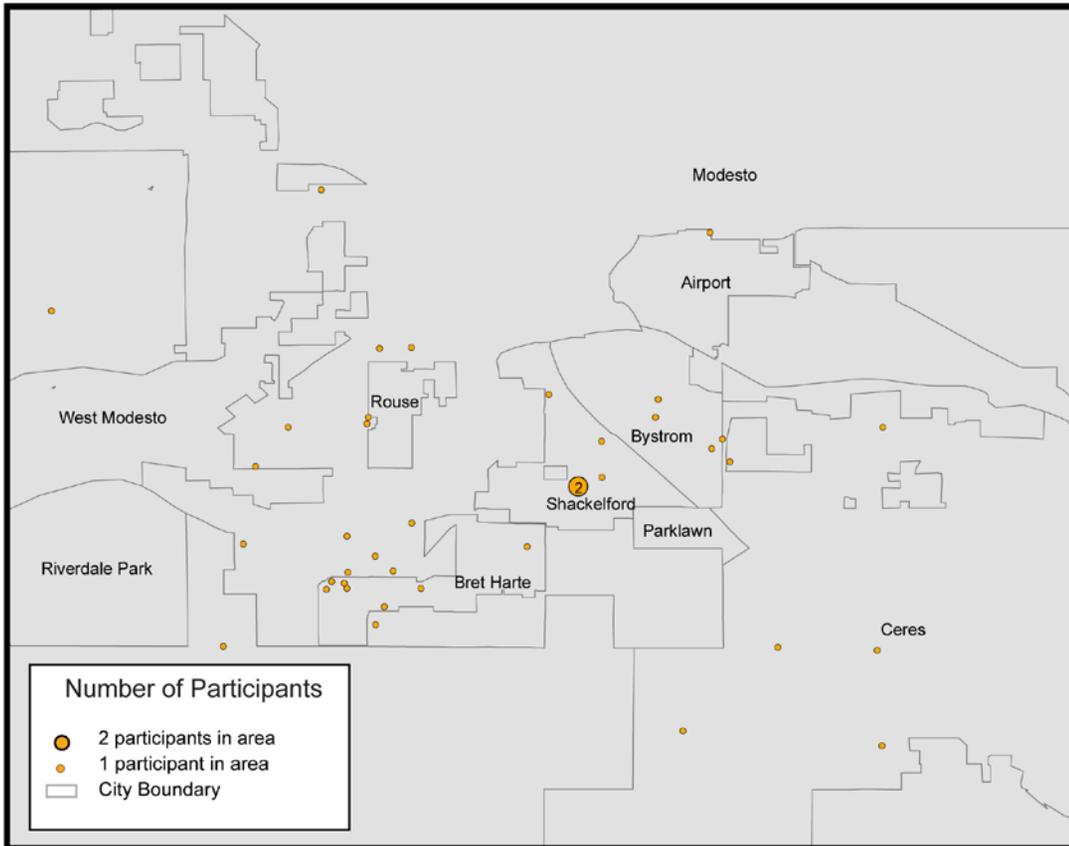


Source: Participant Survey: Statewide Asset Building Listening Session Project

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**FIGURE 19: RESIDENCE OF LISTENING SESSION PARTICIPANTS IN MODESTO (PART OF THE CENTRAL VALLEY)**

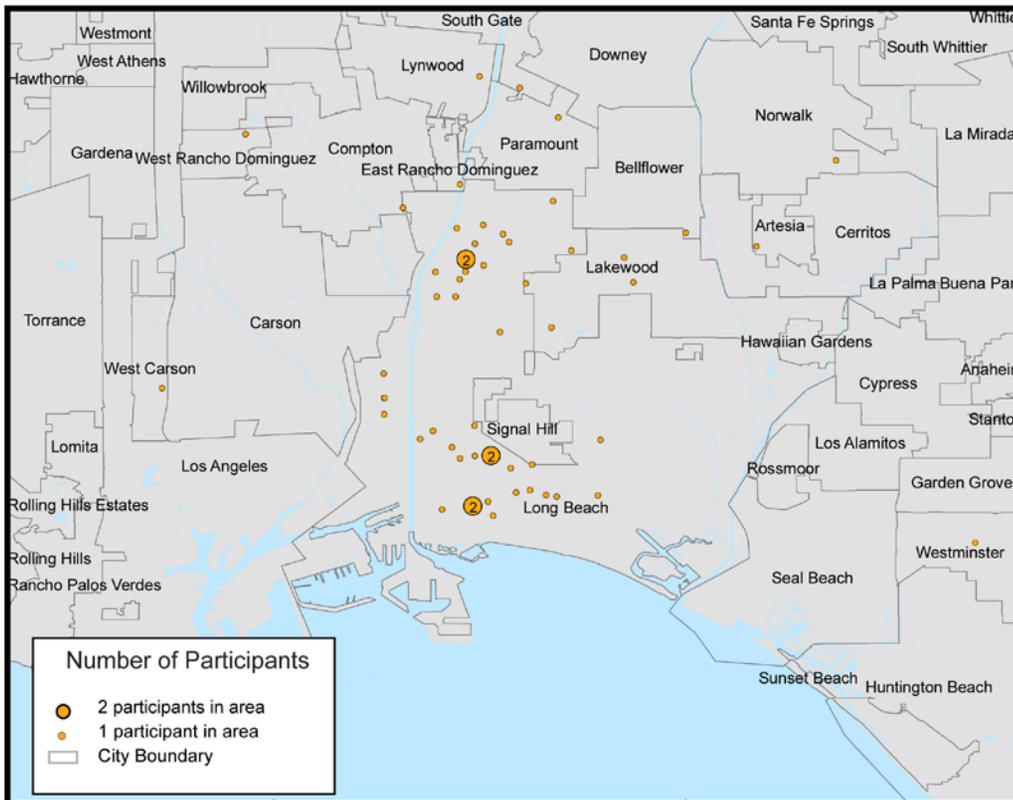


Source: Participant Survey: Statewide Asset Building Listening Session Project

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**FIGURE 20: RESIDENCE OF LISTENING SESSION PARTICIPANTS IN SOUTH LOS ANGELES**

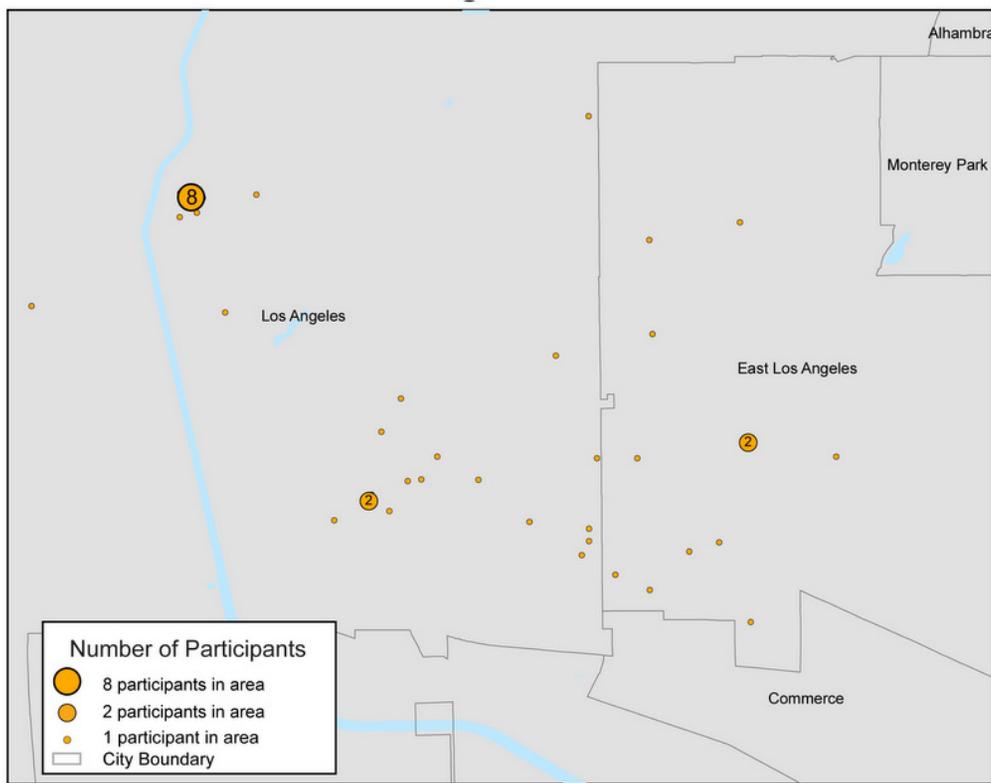


Source: Participant Survey: Statewide Asset Building Listening Session Project

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**FIGURE 21: RESIDENCE OF LISTENING SESSION PARTICIPANTS IN EAST LOS ANGELES**



Source: Participant Survey: Statewide Asset Building Listening Session Project

## NOTES

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<sup>1</sup> "Housing Cost Burden - Renters," Corporation for Enterprise Development (CFED), accessed April 3, 2012, <http://scorecard.assetsandopportunity.org/2012/measure/housing-cost-burden-renters?state=ca>. "Housing Cost Burden- Homeowners," Corporation for Enterprise Development (CFED), accessed April 3, 2012, <http://scorecard.assetsandopportunity.org/2012/measure/housing-cost-burden-homeowners?state=ca>.

<sup>2</sup> "The State of Housing in California 2011: Supply and Affordability Problems Remain," California Department of Housing and Community Development, [http://www.hcd.ca.gov/hpd/HCD\\_PaperState\\_of\\_Housing\\_in\\_CA2011.pdf](http://www.hcd.ca.gov/hpd/HCD_PaperState_of_Housing_in_CA2011.pdf).

<sup>3</sup> Rene Ciria-Cruz, "Affordable Housing Wobbles as Redevelopment Agencies Close," New American Media, April 30, 2012, accessed June 20, 2012, <http://newamericamedia.org/2012/04/affordable-housing-wobbles-as-redevelopment-agencies-close.php>.

<sup>4</sup> Signe-Mary McKernan and Michael Wayne Sherraden, *Asset Building and Low-Income Families, Part 4*, <http://books.google.com/books?id=Lg-94eiWTmIC&pg=PA130&lpg=PA130&dq=low+income+and+credit+worthiness&source=bl&ots=qYPcpZ2f0j&sig=XDIEk75rsUde4ZU3i7oKkhcPBY&hl=en&sa=X&ei=x1KXT97DG-eJiAlI9ewM&ved=0CCwQ6AEwBDgK#v=onepage&q=low%20income%20and%20credit%20worthiness&f=false>.

<sup>5</sup> "SB 1234 (De León and Steinberg) Retirement savings plans," accessed April 3, 2012, [http://www.aroundthecapitol.com/Bills/SB\\_1234/20112012/](http://www.aroundthecapitol.com/Bills/SB_1234/20112012/).

<sup>6</sup> The language of the Homestead Act of 1862 allowed almost any U.S. citizen, or intended citizen, who had never borne arms against the U.S. government to file an application and lay claim to 160 acres of surveyed government land. After the Emancipation Proclamation at the end of the Civil War, the situation of Black freedmen and women often depended upon local leadership and conditions. As early as 1865, certain White Southerners put legal obstacles in place to prevent former slaves from acquiring property. These included requiring Blacks to work or risk severe penalties for vagrancy as well as keeping them from owning land. Many non-whites were not able to take advantage of the Homestead Act due to limited financial resources, active discrimination, and because some groups were not recognized as citizens until later in American history. Groups that were disadvantaged include African-Americans, American Indians, Mexican-Americans, and Chinese immigrants. The Homestead Act made asset ownership accessible to more than 1 million White Americans.

Trina R. Williams, "Asset-building Policy as a Response to Wealth Inequality: Drawing Implications from the Homestead Act," Center for Social Development, George Warren Brown School of Social Work at Washington University.

Trina R. Williams, "The Homestead Act: A Major Asset-Building Policy in American History," Paper presented at the Inclusion in Asset Building: Research and Policy Symposium, Center for Social Development, Washington University, St. Louis, Missouri, September 21-23, 2000.

<sup>7</sup>The G.I. Bill, officially known as Servicemen's Readjustment Act of 1944, created funding for returning World War II veterans to attend college and pursue vocational training. The G.I. Bill also made it possible for Veterans to receive loans to buy homes and farms and to start businesses.

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<sup>8</sup> The federal home mortgage interest deduction allows taxpayers who own their homes to reduce their taxable income by the amount of interest paid on the loan secured by their principal residence (or, sometimes, a second home).

<sup>9</sup> Michael Wayne Sherraden, *Inclusion In The American Dream: Assets, Poverty, And Public Policy*, [http://books.google.com/books?id=jC-PDfYrqmoC&pg=PA395&lpg=PA395&dq=Homestead+act+and+households+wealth&source=bl&ots=BCAvx3ziV&sig=j3Ltp8WAOoayDxVTQeON0BcXoAE&hl=en&sa=X&ei=Z6CVT6SGCO\\_XiAL8n5wC&ved=0CE0Q6AEwBw#v=onepage&q=Homestead%20act%20households%20wealth&f=false](http://books.google.com/books?id=jC-PDfYrqmoC&pg=PA395&lpg=PA395&dq=Homestead+act+and+households+wealth&source=bl&ots=BCAvx3ziV&sig=j3Ltp8WAOoayDxVTQeON0BcXoAE&hl=en&sa=X&ei=Z6CVT6SGCO_XiAL8n5wC&ved=0CE0Q6AEwBw#v=onepage&q=Homestead%20act%20households%20wealth&f=false).

<sup>10</sup> "Laying the Foundation for National Prosperity: The Imperative of Closing the Racial Wealth Gap," Insight Center, March 2009, <http://www.insightcced.org/uploads/CRWG/Executive%20Summary.pdf>.

<sup>11</sup> Rakesh Kochhar, Richard Fry and Paul Taylor, "Wealth Gaps Rise to Record High Between Whites, Blacks, Hispanics Twenty-to-One," July 26, 2011, <http://www.pewsocialtrends.org/2011/07/26/wealth-gaps-rise-to-record-highs-between-whites-blacks-hispanics/>.

<sup>12</sup> "Return on Investment: Getting More from Federal Asset-Building Policies," accessed March 8, 2012 from [http://cfed.org/knowledge\\_center/research/roi/return\\_on\\_investment/](http://cfed.org/knowledge_center/research/roi/return_on_investment/).

<sup>13</sup> Economic Mobility and the American Dream, accessed March 8, 2012, [http://www.pewstates.org/uploadedFiles/PCS\\_Assets/2011/Mellman\\_Poll\\_Document%281%29.pdf](http://www.pewstates.org/uploadedFiles/PCS_Assets/2011/Mellman_Poll_Document%281%29.pdf).

<sup>14</sup> *Local Asset Poverty Index for California: Methodology*, January 2006, [http://www.earn.org/static/uploads/files/LAPI\\_methodology.pdf](http://www.earn.org/static/uploads/files/LAPI_methodology.pdf).

*Local Asset Poverty Index for California*, January 2006, [http://www.earn.org/static/uploads/files/LAPI\\_Handout\\_CA.pdf](http://www.earn.org/static/uploads/files/LAPI_Handout_CA.pdf).

<sup>15</sup> EARN Listening Session 10/22/10. Time stamp: 12:54.

<sup>16</sup> EARN partnered with Families in Schools, the Greenlining Institute and members of its coalition, Long Beach Interfaith Community Organization (ICO), and three PICO Federations in the Central Valley which includes: Congregations Building Community in Modesto, Merced Organizing Project, People and Congregations Together (PACT) in Stockton to conduct California statewide listening sessions.

<sup>17</sup> EARN Listening Session 2/23/11, Time stamp: 44:09.

<sup>18</sup> EARN partnered with Families in Schools, the Greenlining Institute and members of its coalition, Long Beach Interfaith Community Organization (ICO), and three PICO Federations in the Central Valley: Congregations Building Community in Modesto, Merced Organizing Project, People and Congregations Together (PACT) in Stockton to conduct California statewide listening sessions.

<sup>19</sup> EARN Listening Session 10/12/10, Time stamp: 1:00.

<sup>20</sup> Families in Schools Listening Session 11/22/2010. Time stamp: 27:39.

<sup>21</sup> EARN partnered with Families in Schools, the Greenlining Institute and members of its coalition, Long Beach Interfaith Community Organization (ICO), and three PICO Federations in the Central Valley: Congregations Building Community in Modesto, Merced Organizing Project, People and Congregations Together (PACT) in Stockton to conduct California statewide listening sessions.

<sup>22</sup> EARN Listening Session in Marin 3/10/2011.

<sup>23</sup> "Housing Cost Burden - Renters," Corporation for Enterprise Development (CFED), accessed April 3, 2012, <http://scorecard.assetsandopportunity.org/2012/measure/housing-cost-burden-renters?state=ca>.

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"Housing Cost Burden- Homeowners," Corporation for Enterprise Development (CFED), accessed April 3, 2012, <http://scorecard.assetsandopportunity.org/2012/measure/housing-cost-burden-homeowners?state=ca>.

<sup>24</sup> "The State of Housing in California 2011: Supply and Affordability Problems Remain," California Department of Housing and Community Development, [http://www.hcd.ca.gov/hpd/HCD\\_PaperState\\_of\\_Housing\\_in\\_CA2011.pdf](http://www.hcd.ca.gov/hpd/HCD_PaperState_of_Housing_in_CA2011.pdf).

<sup>25</sup> Rene Ciria-Cruz, "Affordable Housing Wobbles as Redevelopment Agencies Close," New American Media, April 30, 2012, accessed June 20, 2012, <http://newamericamedia.org/2012/04/affordable-housing-wobbles-as-redevelopment-agencies-close.php>.

<sup>26</sup> Signe-Mary McKernan and Michael Wayne Sherraden, *Asset Building and Low-Income Families, Part 4*, <http://books.google.com/books?id=Lg-94eiWTmIC&pg=PA130&lpg=PA130&dq=low+income+and+credit+worthiness&source=bl&ots=qYPcpZ2f0j&sig=XDIEk75rsUde4ZU3i7oKkhcPBY&hl=en&sa=X&ei=x1KXT97DG-eJiAlI9ewM&ved=0CCwQ6AEwBDgK#v=onepage&q=low%20income%20and%20credit%20worthiness&f=false>.

<sup>27</sup> "SB 1234 (De León and Steinberg) Retirement savings plans," accessed April 3, 2012, [http://www.aroundthecapitol.com/Bills/SB\\_1234/20112012/](http://www.aroundthecapitol.com/Bills/SB_1234/20112012/).