

STATE RATINGS: WASHINGTON



expanding economic opportunity

2007-2008 ASSETS & OPPORTUNITY SCORECARD












OVERVIEW

Washington's environment for building and preserving assets is mixed. The state ranks well above average in household net worth (12th in overall net worth of households; 6th in households with zero or negative net worth) and asset poverty (15th in asset poverty; 3rd in asset poverty by race; 7th in asset poverty by gender). Residents of Washington have better access to higher education (4th in 2 years of college; 14th in 4 years of college; 6th in degrees by race; 9th in degrees by income) than those of most other states, and are also more likely to own a small business (15th). However, access to health insurance is worse than average (31st in uninsured low-income parents; 30th in employer sponsored insurance) which bodes poorly for residents' ability to preserve the assets they have accumulated. In addition, homeownership, the most common source of household wealth in the United States, is elusive for many in the state (42nd in homeownership rate; 47th in homeownership by income), which has unaffordable home prices relative to wages (40th). Residents of Washington also hold high levels of debt in all categories (43rd in revolving debt; 44th in installment debt; 43rd in mortgage debt). Overall, the state earned a B grade in the 2007-2008 *Assets and Opportunity Scorecard*.

WHAT WASHINGTON CAN DO

Washington currently has several policies in place to support asset building. It directly supports incentives and financial education for low-income savers, and has a champion for such programs within the state government. The state is expanding affordable housing through its housing trust fund, a key feature of which is its dedicated source of funds. However, there is much more it could do. In order to remove penalties for savings, Washington could eliminate its asset limits on eligibility for TANF and Medicaid, as it has already done for Food Stamps. It could also support and leverage the capacity of local community development financial institutions (CDFIs), which invest in small businesses and affordable housing and help traditionally underserved individuals enter the financial mainstream and build wealth by providing them with bank accounts, financial education, and lower cost alternatives to payday loans. Finally, the state could expand its publicly-sponsored health insurance programs to include all low-income residents, in order to protect them from the asset depletion that results from medical debt. The state should be lauded for passing children's health reform, which provides access to health insurance for an additional 38,500 previously uninsured children.

CORE POLICY RATINGS

-  Asset Limits in Public Benefit Programs
-  Housing Trust Fund
-  Incentives for College Savings
-  Microenterprise Support*
-  Curbing Predatory Lending
-  Expanded Coverage for Medicaid and SCHIP****
- n/a State Earned Income Tax Credit***
-  School Spending Fairness*
-  Support for Community Development Lenders*
-  State Supported Preschool
-  Support for IDA Programs
-  Tax Expenditure Report**

-  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

* Maximum possible rating is 50%

** Maximum possible rating is 25%

*** State does not have an income tax

**** Does not reflect expanded SCHIP coverage (200% of FPL) passed in 2007

For a complete description of all 2007-2008 *Assets & Opportunity Scorecard* measures, including the 12 policies that the Scorecard highlights, information on 26 other asset policies and 46 outcome measures, and how the ratings and rankings were computed, please go to www.cfed.org/go/scorecard.

WASHINGTON

OVERALL OUTCOME GRADE: B

FINANCIAL SECURITY

OUTCOME GRADE: A

OUTCOME MEASURE RANKING
 (among the 50 states plus DC)

Net Worth of Households	12
Asset Poverty	15
Asset Poverty by Race	3
Asset Poverty by Gender	7
Household Asset Equality by Race	13
Household Asset Equality by Gender	33
Households with Zero or Negative Net Worth	6

Banked: Households with Non-Interest-bearing Accounts	16
Banked: Households with Interest-bearing Accounts	14
Bankruptcy Rates	31
Subprime Loans	15
Median Credit Card Debt	43
Median Installment Debt	44

BUSINESS DEVELOPMENT

OUTCOME GRADE: C

Small Business Ownership	15
Private Loans to Small Businesses	29
Microenterprise Ownership	42
Women's Business Ownership Rate	18
African-American Business Ownership Rate	21
Hispanic Business Ownership Rate	42
American Indian-Native Alaskan Business Ownership Rate	37
Asian Business Ownership Rate	40

Hawaiian-Pacific Islander Business Ownership Rate	44
Women Owned Business Value	34
African-American Owned Business Value	8
Hispanic Owned Business Value	35
American Indian-Native Alaskan Owned Business Value	8
Asian Owned Business Value	28
Hawaiian-Pacific Islander Owned Business Value	8

HOMEOWNERSHIP

OUTCOME GRADE: D

Affordability of Homes	40
Homeownership Rate	42
Homeownership by Race	18
Homeownership by Income	47

Homeownership by Gender	31
Foreclosure Rate	9
Median Mortgage Debt	43

HEALTH CARE

OUTCOME GRADE: C

Employer-Sponsored Insurance	30
Uninsured Low-Income Children	16

Low-Income Parents Without Insurance	31
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EDUCATION

OUTCOME GRADE: A

Head Start Coverage	40
Math Proficiency - 8th Grade	6
Reading Proficiency - 8th Grade	17
Two Years of College	4

Four Years of College	14
Degrees by Race	6
Degrees by Income	9
Degrees by Gender	23

For each measure, the state with the most desirable outcome is ranked 1st, and the least desirable is ranked 51st.