

STATE PROFILE: CONNECTICUT



expanding economic opportunity

2009-2010 ASSETS & OPPORTUNITY SCORECARD

ABOUT THE SCORECARD

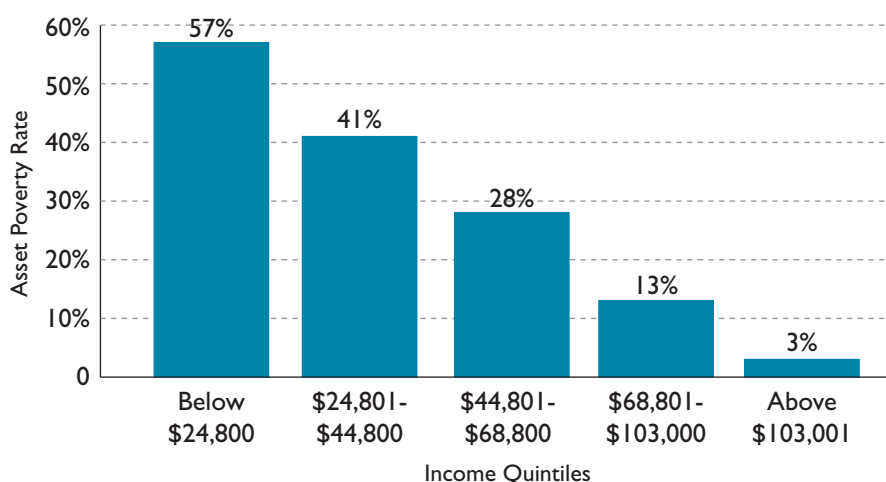
The 2009-2010 Assets & Opportunity Scorecard is a comprehensive look at wealth, poverty and the financial security of families. It assesses the 50 states and the District of Columbia on 92 outcome and policy measures, which describe how well residents are faring and what states can do to help residents build and protect assets. These measures are grouped into six issue areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care, Education and Community Investment & Accountability Policies. All data is collected from the latest available data sources and compiled by CFED.

Source: Estimations by Beacon Economics based on 2007 ACS and 2004 SIPP, Wave 6.

For a complete description of all 2009-2010 Assets & Opportunity Scorecard measures and sources, including how the grades and ratings were assigned, go to <http://scorecard.cfed.org>.

The data for Connecticut reveal marked disparities in asset ownership among its residents, many of whom face significant barriers to economic security. A state's asset poverty rate is one indicator of economic security. A household is asset poor if it lacks the resources to subsist at the poverty level for three months if it loses its source of income. Even middle-income families face asset poverty. In Connecticut, 28% of those earning \$48,801-\$68,800 are asset poor.

ASSET POVERTY BY INCOME IN CONNECTICUT



WHAT CONNECTICUT CAN DO

- **SUPPORT HOMEOWNERSHIP:** To address low rankings on a range of homeownership measures, including its low homeownership rate for women and minorities, Connecticut should provide additional assistance for first-time homebuyers.
- **ENCOURAGE SAVINGS:** To increase net worth and decrease asset poverty for minorities, the state should enact an Earned Income Tax Credit so individuals and families have more income to save. The state should also eliminate asset tests in the Temporary Assistance for Needy Families program to remove savings disincentives for those with very low incomes.
- **CREATE INCENTIVES FOR COLLEGE SAVINGS:** To reduce college debt and incentivize college completion, Connecticut should increase public funding for student financial aid and public universities, and match deposits of low-income individuals and families into education savings accounts.

"To keep Connecticut an economically strong and desirable place to live, we need to ensure that families have the assets they need to build a secure future for their children."

– Jamey Bell, Executive Director, Connecticut Voices for Children

CONNECTICUT

OVERALL OUTCOME GRADE: B

The *Scorecard's* 58 outcome measures are ranked best to worst; #1 is the most desirable, #51 is the least desirable. Grades are given on a curve: 10 states get A's, 10 get B's, 16 get C's, 10 get D's and 5 get F's. Grades for each issue area are calculated by averaging the ranks of measures within the issue area. The overall grade is calculated by adding together the average score from each issue area and ranking those scores.

FINANCIAL ASSETS & INCOME

OUTCOME GRADE: C

Are there widespread opportunities for wealth creation and protection, particularly for low-income residents?

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Net Worth	10	\$147,266	\$88,803
Net Worth by Race	32	65.3 [^]	6.1 [^]
Net Worth by Income	25	72.8 [^]	44.9 [^]
Net Worth by Gender	19	1.5 [^]	1.2 [^]
Asset Poverty Rate	27	22.3%	22.5%
Asset Poverty by Race	33	3.7 [^]	2.3 [^]
Asset Poverty by Gender	35	1.6 [^]	1.2 [^]
Extreme Asset Poverty Rate	23	13.8%	14.3%
Income Poverty Rate	3	8.1%	12.3%
Unbanked Households	36	30.2%	26.8%
Bankruptcy Rate (per 1,000 people)	7	1.6	2.7
Median Credit Card Debt	41	\$3,179	\$2,960
Median Installment Debt	19	\$14,680	\$14,887

BUSINESSES & JOBS

OUTCOME GRADE: B

Is the opportunity to grow a business or get a job that pays a sufficient wage with benefits available to all those who choose to pursue it?

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Small Business Ownership Rate	16	18.0%	17.7%
Private Loans to Small Business	34	\$1,953	\$2,116
Microenterprise Ownership Rate	19	16.5%	16.5%
Women's Business Ownership Rate	17	4.6%	4.4%
Minority Business Ownership Rate	28	3.5%	4.9%
Women Owned Business Value	16	\$148,796	\$144,969
Minority Owned Business Value	33	\$144,639	\$162,824
Employee Ownership (per 1,000 firms)	32	1.2	1.4
Business Creation Rate (per 1,000 workers)	51	6.1	9.6
Employment Growth	22	0.2%	-0.5%
Annual Unemployment Rate	33	5.7%	5.8%
Low-Wage Jobs	4	10.8%	22.2%
Average Annual Pay	6	\$44,729	\$44,458
Retirement Plan Participation	5	54.7%	47.4%
Employers Offering Health Insurance	6	65.1%	55.8%

[^] This is a ratio of disparity that measures the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

HOUSING & HOMEOWNERSHIP**OUTCOME GRADE: D****Is the opportunity to purchase and maintain a home available to all those who choose to pursue it?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Homeownership Rate	13	68.5%	64.2%
Homeownership by Race	45	1.9 ^	1.5 ^
Homeownership by Income	49	4.1 ^	2.7 ^
Homeownership by Gender	24	1.2 ^	1.2 ^
Foreclosure Rate	25	2.0%	3.0%
High-Cost Mortgage Loans	10	14.0%	17.5%
Mortgage Debt as % of Home Value	6	61.9%	76.9%
Affordability of Homes	34	4.3 #	3.5 #
Housing Cost Burden: Homeowners	40	40.3%	37.5%
Housing Cost Burden: Renters	44	47.5%	45.6%

HEALTH CARE**OUTCOME GRADE: B****Is there broad access to health insurance as protection against income interruption and asset depletion from medical bills?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Uninsured Rate	6	10.7%	17.2%
Uninsured by Race	41	2.5 ^	2.2 ^
Uninsured by Income	47	4.3 ^	3.6 ^
Uninsured by Gender	36	1.2 ^	1.0 ^
Uninsured Low-Income Children	20	12.9%	18.3%
Uninsured Low-Income Parents	8	20.2%	37.2%
Employees Insured by Employer	3	70.4%	60.9%
Employee Share of Premium	18	24.0%	25.0%
Out-of-Pocket Medical Expenses	6	15.9%	19.0%

EDUCATION**OUTCOME GRADE: B****Do residents have access to the education and training they need to get ahead?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Head Start Coverage	25	23.0%	20.3%
Math Proficiency: 8th Grade	21	34.7%	31.0%
Reading Proficiency: 8th Grade	6	37.1%	29.2%
High School Degree	14	91.6%	87.6%
Two-Year College Degree	13	63.6%	58.7%
Four-Year College Degree	4	37.9%	29.9%
Four-Year Degree by Race	29	1.6 ^	1.5 ^
Four-Year Degree by Income	12	3.6 ^	5.0 ^
Four-Year Degree by Gender	27	1.0 ^	1.0 ^
Average College Graduate Debt	41	\$22,215	\$20,098
College Graduates with Debt	19	57.6%	59.0%

^ This is a ratio of disparity that measures the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

This is a ratio of median home value compared to annual median family income, e.g., a ratio of 4 means housing values are 4 times higher than income.





POLICY RATINGS

The *Scorecard* includes 34 policy measures: 12 priority policies and 22 additional policies. For policy priorities, states are assessed against criteria for what constitutes a strong policy. These policies provide a comprehensive view of what states can do to help residents build and protect assets. Policy priority data are current as of June 30, 2009; additional policy data are drawn from the latest published reports, usually 2007-2008.

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

FINANCIAL ASSETS & INCOME

Policy Priorities

-  State IDA Program Support
-  State Earned Income Tax Credit
-  Lifting Asset Limits in Public Benefit Programs
-  Payday Lending Protections

Additional Policies

State Minimum Wage ... \$8.00/hr; Not indexed to inflation
Income Tax Threshold ... \$19,100
Financial Education in Schools ... Included in curriculum standards; Testing required; Not all criteria met

BUSINESSES & JOBS

Policy Priorities

-  State Microenterprise Support

Additional Policies

Workers' Compensation Coverage ... 98.8% of workers covered
Unemployment Benefit Level ... 28.9% of average weekly wage
Unemployment Benefit Eligibility ... Uses alternative base period; Benefits for compelling family reasons; Not all criteria met
Family Leave Benefits ... Expanded definition of family; Not all criteria met
Incentives for Employee Ownership ... ESOPs excluded from securities regulations; Direct state assistance; Not all criteria met

HOUSING & HOMEOWNERSHIP

Policy Priorities

-  Predatory Mortgage Lending Protections
-  Housing Trust Fund
-  First-time Homebuyer Assistance

Additional Policies

Affordable Rental Housing Preservation ... Data not available
Property Tax Relief ... Circuit breaker only for elderly & disabled homeowners & renters
Foreclosure Protections ... Homeowner access to judicial review; Loss mitigation required; Not all criteria met
Resident Ownership of Manufactured Housing Communities ... 120 days closure notice; Opportunity to purchase; Limited applicability; Not all criteria met

HEALTH CARE

Policy Priorities




-  Access to Health Insurance

Additional Policies

Insuring High-Risk Individuals ... Has high risk pool
COBRA Coverage of Small-Business Employees ... COBRA expansion for 36 months

EDUCATION

Policy Priorities

-  Early Childhood Education
-  Access to Quality K-12 Education
-  College Savings Incentives

Additional Policies

Postsecondary Education Financial Aid ... \$344.05 per undergraduate student
State-Funded Head Start ... \$5,500,000 in supplemental funds
WIA-Funded Workforce Training ... 73.9% of participants received training
TANF-Funded Workforce Training ... 0.02% of funds spent on training

COMMUNITY INVESTMENT & ACCOUNTABILITY POLICIES

Additional Policies

State Support for CDFIs ... No
Impact Analysis of Tax Law Changes ... Yes, multiple models

Community Investment for State-Chartered Banks ... Yes
Tax Expenditure Transparency ... Periodic report online; Covers major taxes