



Innovative State Policies to Reduce Poverty and Expand the Middle Class: Building Asset Security Among Low-Income Households

Comparison of Asset Indicators for Selected States

December 7, 2005

The following table and graphs reflect the relative capacity of residents in each highlighted state to build the types of assets needed for social mobility and economic security. While not inclusive of all types of asset, they reflect key variables that allow households in each state to create an asset foundation, strengthen human capital and build financial wealth. Median family income and poverty rates, for example, shed light on the ability of people in the state to create an asset foundation. The percentage of adults who have literacy proficiency for jobs,* or who have attained a bachelor's degree, reflect the level of human capital development. Likewise, home ownership and net worth are indicators of financial wealth.

* In the National Literacy Act of 1991, Congress established literacy proficiency as an individual's ability to read, write, compute and solve problems at levels necessary to function competently on the job and in daily life. As such, literacy is a continuum on which individuals perform at different levels for different skills. A 1992 national literacy survey conducted by the National Institute for Literacy, Washington, DC, measured five levels of proficiency in performing tasks. Performance in the bottom two levels is considered an indicator of being ill-equipped with necessary skills. The chart indicates the percentage of individuals ages 16 and up whose literacy proficiency falls in these lower levels.

Comparison of Asset Indicators for Selected States

Asset Indicator	Arizona	Arkansas	Florida	Georgia	Kansas	Kentucky	Louisiana	N. Mexico	Ohio	Utah	US
Creating an asset foundation											
Median family Income*	\$48,995	\$39,945	\$49,461	\$49,745	\$53,541	\$43,953	\$42,886	\$42,240	\$51,966	\$52,286	N/A
Families below poverty level*	14.2%	17.9%	12.2%	14.8%	10.5%	17.4%	19.4%	19.3%	12.5%	10.9%	13.1%
Strengthening human capital											
Attainment of bachelor's degree**	24.6%	18.4%	22.8%	23.1%	27.3%	20.5%	22.5%	23.6%	24.6%	26.4%	24.9%
Lack of real life literacy proficiency**	42%	56%	51%	54%	39%	54%	61%	46%	45%	33%	N/A
Building financial wealth											
Home Ownership**	68.0%	68.9%	68.4%	69.8%	69.3%	73.4%	68.1%	73.7%	71.3%	72.7%	67.4%
Household median net worth***	\$38,900	\$43,467	\$55,700	\$43,492	\$53,500	\$52,000	\$45,958	\$24,832	\$77,350	\$62,820	N/A

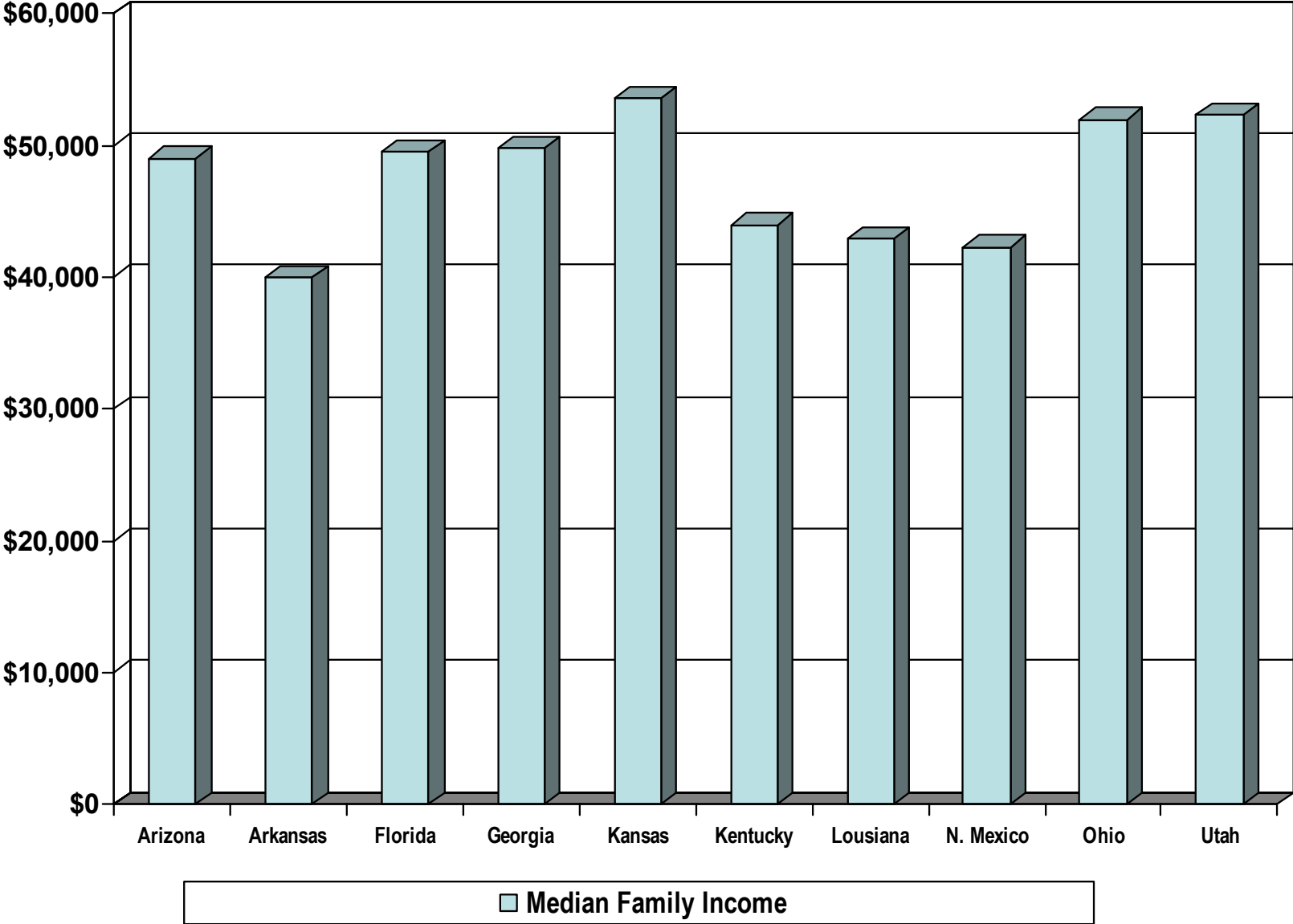
Sources:

*U.S. Census Bureau, 2004 American Community Survey

***The Asset Index: Assessing the Progress of States in Promoting Economic Security and Opportunity*, Institute on Assets and Social Policy, September 2002

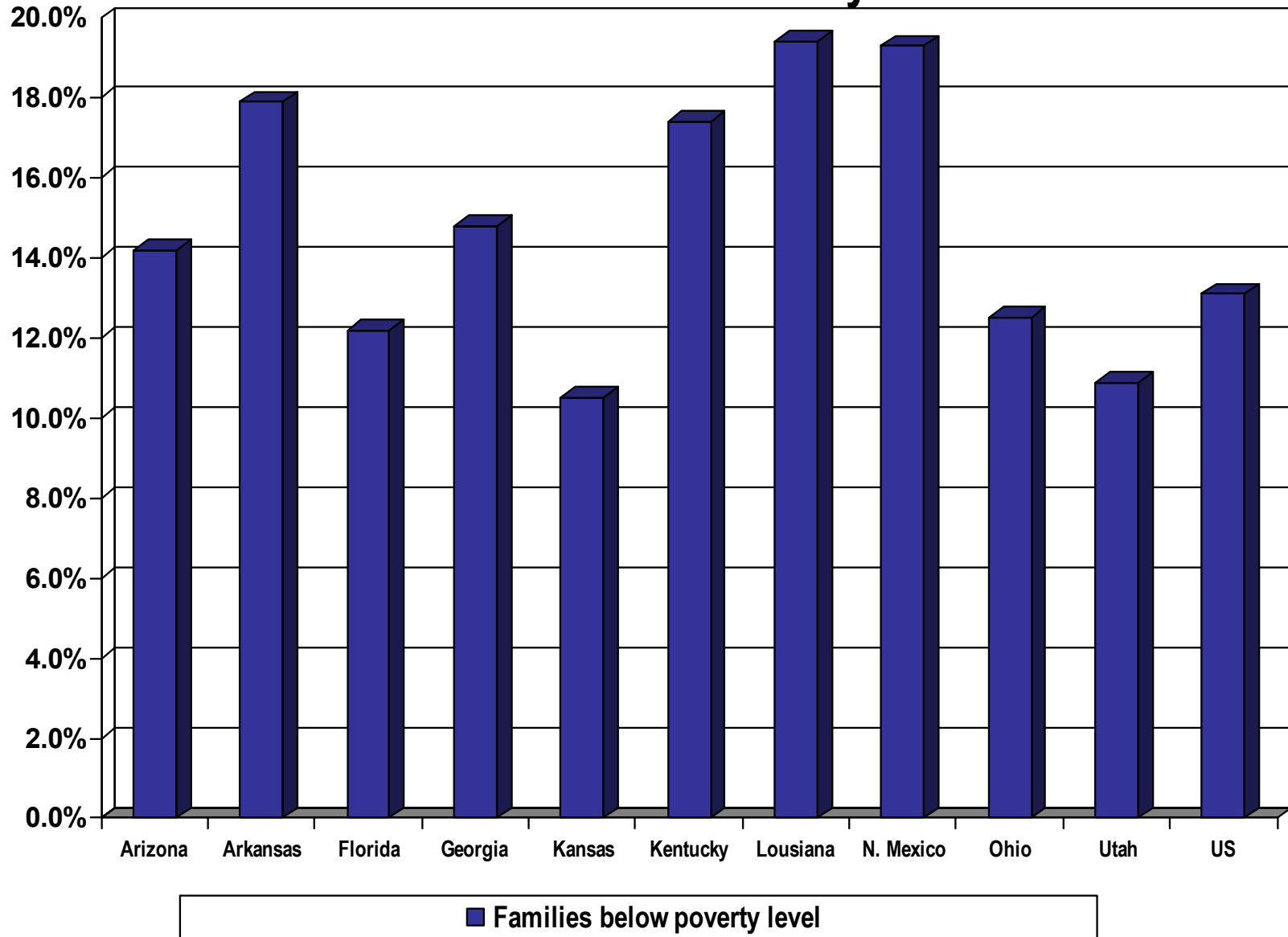
****2005 Asset and Opportunity Scorecard*, CFED, May 2005

Creating an Asset Foundation: Median Family Income



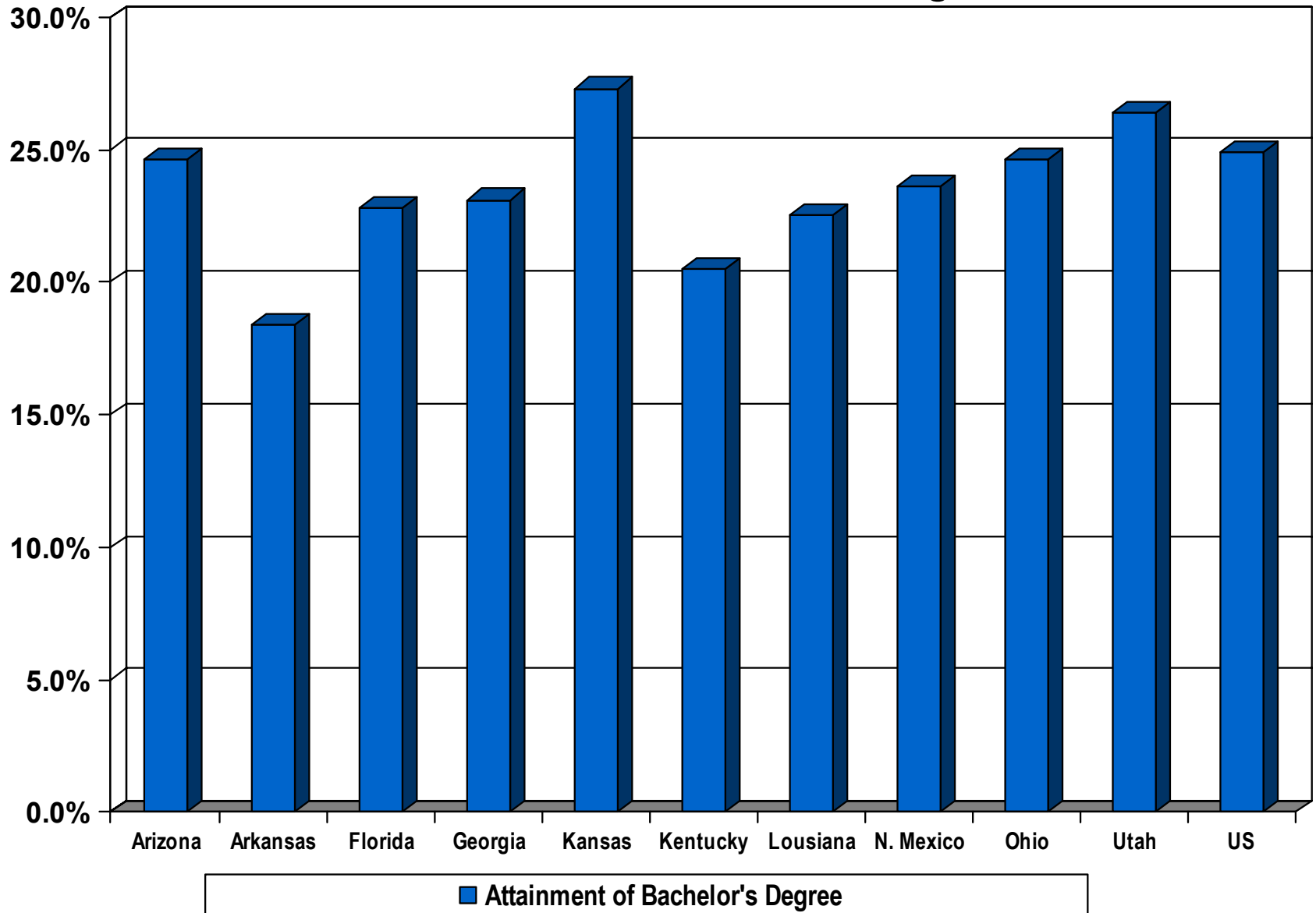
Source: U.S Census Bureau, 2004 American Community Survey

Creating an Asset Foundation: Families Below Poverty Level

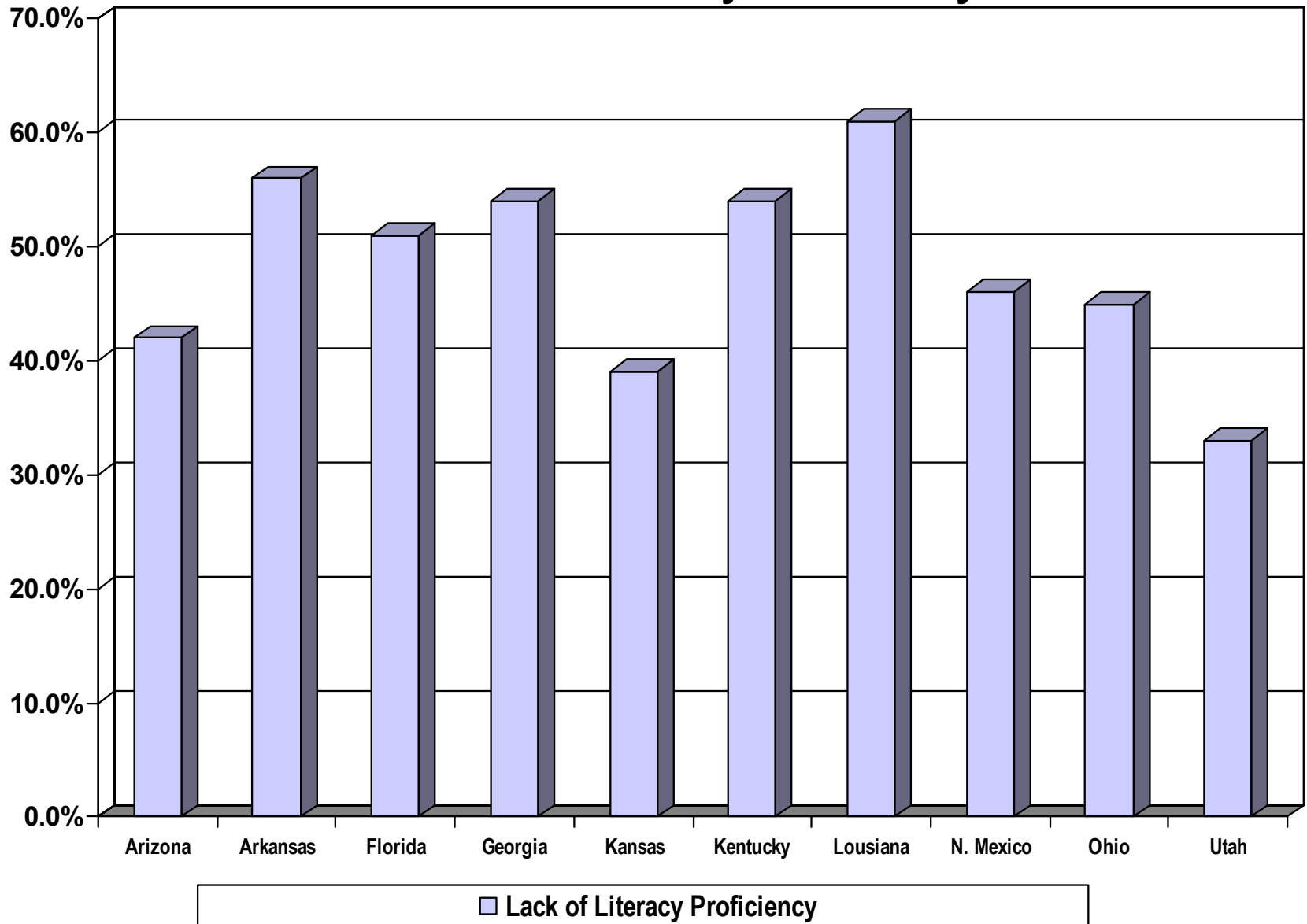


Source: U.S Census Bureau, 2004 American Community Survey

Strengthening Human Capital: Attainment of Bachelor's Degree

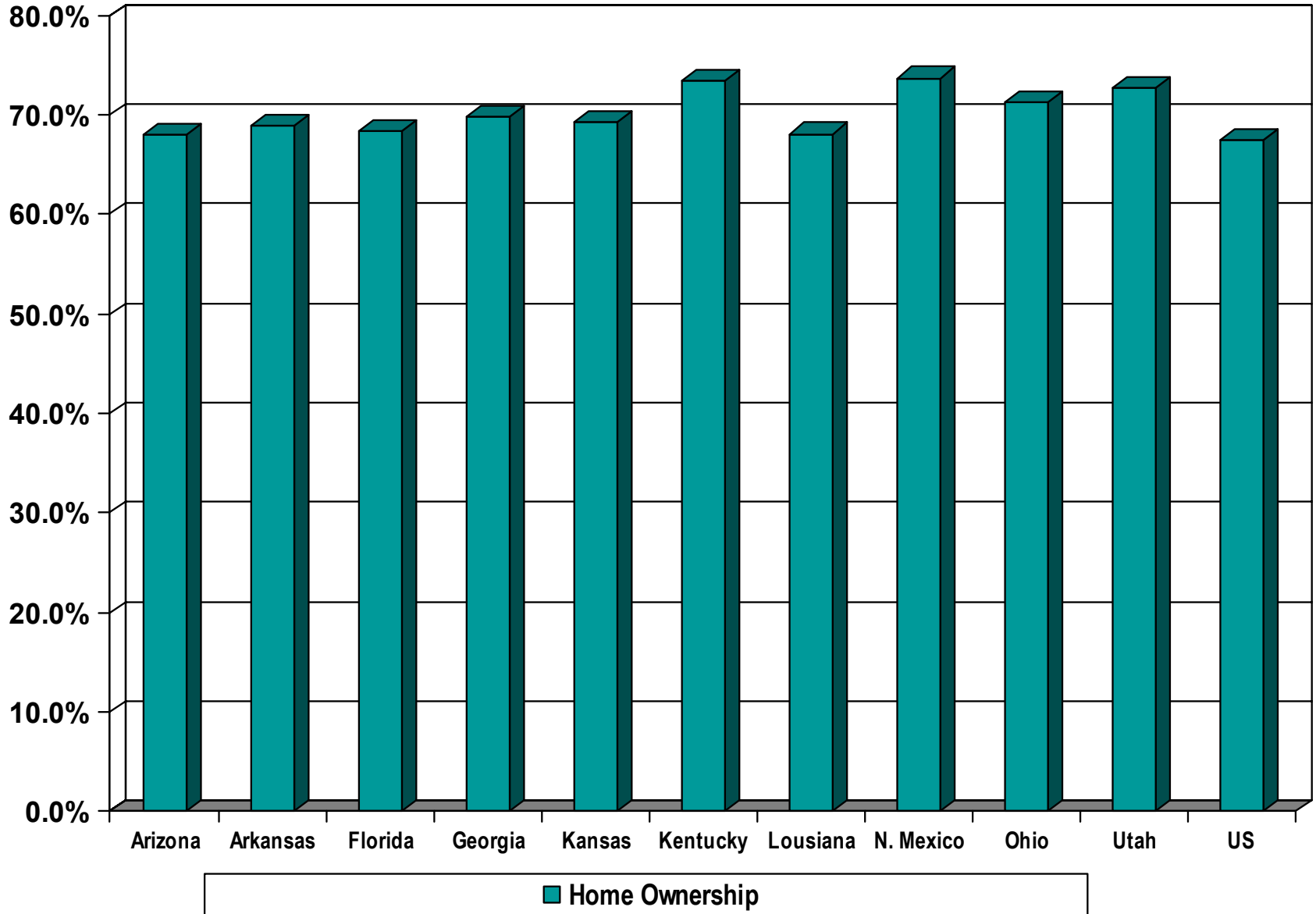


Strengthening Human Capital: Lack of Literacy Proficiency

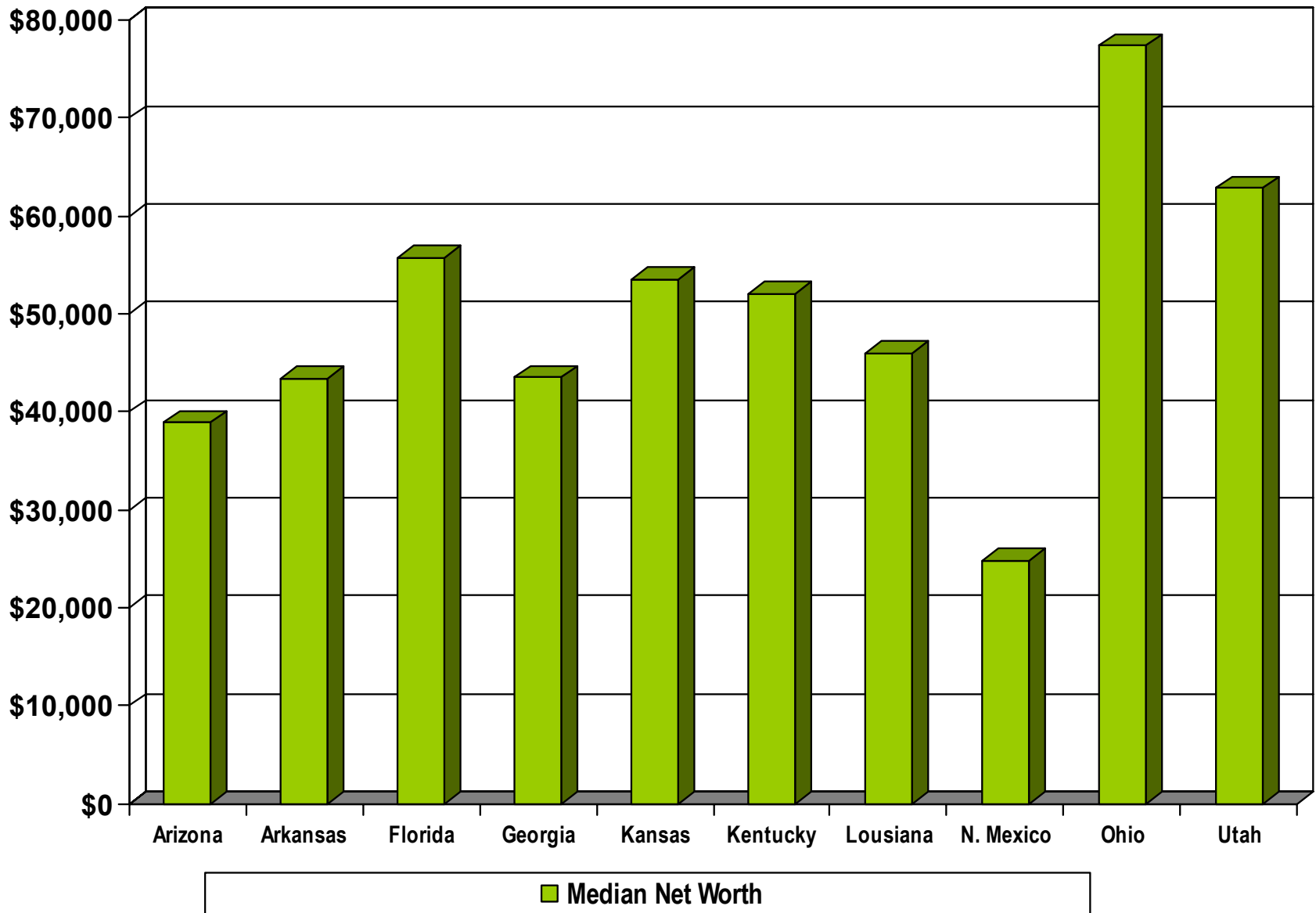


Source: *The Asset Index: Assessing the Progress of States in Promoting Economic Security and Opportunity*, Institute on Assets and Social Policy, September 2002

Building Financial Wealth: Home Ownership



Building Financial Wealth: Household Median Net Worth



Source: 2005 Asset and Opportunity Scorecard, CFED, May 2005