



Session 3A:

Where Are We Now?

Research and Data on Asset Outcomes in California

Moderator: Stephanie Upp, Associate Director, EARN

Session Attendees: Taria Whittingham, Rashi Kallur, Clarence Williams, Amy Goldwitz, Susan Howard, Jill Bangser, Liz Givens, Andrew Wong, Bill Kennedy, Gregory DeGiere, Betsy Zeidman, Beadsie Woo, Steve Wertheim, Elias Lopez

BILL KENNEDY: Grassroots effort won't be successful until data makes sense. We need new language.

CLARENCE WILLIAMS: Research must be relevant for management perspective so management can meet identified needs.

STEPHANIE UPP: Goal is to anticipate questions before they are asked so we can do targeted and timely research.

BEADSIE WOO:

- CFED's 2002 State Asset Report Card looked at 60 pieces of information for each state to compare how they are doing on an asset level. This was the first time to bring this information together.
- Update available in May. New information is positive and negative. The neegative is that "ownership society" is not reaching many population segments who are still struggling. The positive is that the disparities between whites and non-whites, and male-headed households and female-headed households are diminishing. We don't yet know why – need to tease out with research.
- In California, policies are supportive but not sufficient.
 - For example, number of households with zero or negative net worth has increased. State-sponsored IDA policy is needed.
 - Workers comp and unemployment insurance policies need to be more generous.
 - 60% have employer-sponsored health care so employers can have role in asset building – for example, employer-sponsored IDAs.
 - Use education to raise everyone up
 - Head Start
 - Public schools – equalize spending across counties (property tax distribution is unequal)
 - "Investment in human capital from birth all the way to retirement"



ELIAS LOPEZ: About the start of statewide research: I used to work at California Research Bureau, which uses model of Congressional Research Bureau and applies it to California.

- I produced the Wealth Distribution of California report
 - Lowest 1/4 of population has \$4,000 or less of assets
 - Many children fall into this category – 1/2 of Latino children, 1/10 of African American and Asian children
- Report went to legislature (usually legislature wants research to back up a bill they want to put through), but no response yet.
 - Problem is that one year this can be hot topic and another year not – policy makers follows the newspapers.
- Key: educational attainment is very important, business creation is very important.

CLARENCE WILLIAMS: Legislature is not good at deconstructing the data – need people after the researchers to take it and tell the story. The storyteller is a key missing link. Once a legislator gets it, they know it will make good press.

GREGORY DEGIERE: I agree. A research office can't be an advocate, can't lobby, can only respond to questions. There is good information in reports for grassroots to take to legislature to fight.

BILL KENNEDY: Reports must be reduced down to a couple of pages. This is a challenge. Legislators do not want data, they want implications of it. Advocates need to translate report into meaning for the particular community.

ELIAS LOPEZ: Legislators don't have time – charts can tell the story.

LIZ GIVENS: Ideal report:

- Problem is: X% have....
- Solution is X based on X research.
- Policy initiative that will work is X.

This style of report provides useful direction for policy/strategy discussions.

GREGORY DEGIERE: State researchers cannot do it because of the advocacy issue. Can't take policy position.

STEPHANIE UPP: It's starting to happen with APIC. A series of reports on California economy have been developed. APIC helped drive the creation of ACR254 (2004), which called for research to begin measuring the economic impact of asset building policies in CA. The Milkin Institute was also named in the resolution to help lead the research component.



BETSY ZEIDMAN: The Milkin Institute is oriented toward solutions. Ford Foundation sponsored work about three years ago about wealth creation – “financial technology transfer.” Looked at business and access to capital and how to apply this to low-income:

- Secondary market – e.g., Fannie Mae does not exist at business level
- Packaging/pooling loans – did pilot project in Bay Area, “Isabella project”
 - Problem is need to cover risk, maybe foundations can do this

LIZ GIVENS: We do that at Lenders for Community Development.

BETSY ZEIDMAN: You do that, but the data is in bits and pieces.

- We need central place to access data – a data consortium. Milkin Institute is working on this.
- Different users have different needs, so need mechanisms for collaboration on the data consortium.
- Suggestion – do an inventory of all that is out there.
- The Isabella project is an example of targeting something actionable out of research.
- Key – outcome is driven by who is paying. Funders drive the type of research that’s done and they don’t all go for actionable stuff.

JILL BANGSER: Important to identify strengths and use them – e.g., data, storytelling, advocacy. A role for APIC may be to identify strengths of different players and play a coordinating role? A significant problem is that there is no evaluation after program implementation of best practice that was identified by data organization. Can APIC do evaluation?

STEVE WERTHEIM: I did asset-poverty analysis of San Francisco for EARN – used national and state data and applied to local based on demographic findings

- Still lack local data
- Calculated asset-poverty rates within each county in California, broken down by demographics
- Wide variation across counties indicates we can’t have one policy for whole state
- Definition of asset poverty – can go for 3 months without income, uses federal poverty line (admittedly not sufficient) so very conservative

BETSY ZEIDMAN: Can’t we use state poverty level?

STEVE WERTHEIM: No, because federal level is standard.

STEPHANIE UPP: This local asset poverty data will be released in the coming months for each county in CA.



BEADSIE WOO: The new Report Card:

- Working with partners (including EARN) in five states to lay groundwork for policy change
 - Goal is to identify opportunities for taking data, support with state-specific data, and round out story – make it human, relatable.
- Broaden dialogue on assets – bring together people working on anti-poverty work – e.g., home ownership and health are part of whole picture so bring together these non-traditional partnerships to do building assets work.

CLARENCE WILLIAMS: Risk of data – correlation not causation. The Right could shoot it down and then it would be hard to get back, so we need to identify weaknesses (be upfront about it). Steve should put this information out to management.

STEVE WERTHEIM: What do people want to know? Make APIC a clearinghouse, a research center. This is a possibility.

STEPHANIE UPP: We need a translation – a link between raw data and the story. Who will translate? Is asset policy index important to you (community orgs)? How would you use it?

BILL KENNEDY: There is no market for solutions. Low-income families don't seek IDAs. We need to sell it to them, educate them. The use of data is to make the story personal.

ELIAS LOPEZ: The problem is that reports are not disseminated widely but the information is out there.

GREGORY DEGIERE: I want policy research data that says how to spend limited money most efficiently. I want a concrete way to tell by the characteristics of a person what is the best option for home ownership – i.e. traditional vs. other.

BETSY ZEIDMAN: Home ownership is not always the key to asset building. What are different things that can lead to wealth creation? Are there different paths? What should individuals or communities do to increase overall wealth?

LIZ GIVENS: Yes, I agree with those suggestions. Everyone chooses home ownership first as goal when given choices (include Education IDA, others) – would be good to have screening tool to identify best choice for individuals because then they could see success fast.



CLARENCE WILLIAMS: Is IDA the best policy push for people? What about just home ownership? Concern – IDA is a good model, but is it universally best? Can it achieve the scale necessary?

BETSY ZEIDMAN: But IDA is a tool, not the end. The end is wealth creation. IDA may not be best tool for all, so maybe should be one of an array available.

ANDREW WONG: Family Independence Initiative – tracks on all the things identified by Betsy Zeidman. Flexible, collects information on all family members. We see results in 18 months, double-digit asset growth.

- IDAs are one tool within tool box
- Various pathways to asset development
- Also track social networks – catalyze the family and you catalyze the network

STEPHANIE UPP: Conclusion

- APIC will serve as a clearinghouse for data/research dissemination. We can play a connector role in helping link data to real-life stories.
- Currently, the Wealth Data Inventory on APIC website. We encourage people to download the data to use in your current work and conversations.
- APIC will continue to pursue strategic partnerships with other research entities like The Milken Institute and CFED to address an array of asset building questions.