

For Immediate Release

October 18, 2011

Contacts: Ron Elwood 651.842.6909

615.686.2114 (cell)

Amy Saltzman 301.656.0348

New Data Shows Growing Number of Twin City Residents Lack Income and Assets to Achieve Financial Security

Elected Officials, National Experts Discuss Programs and Policies to Address Problem

St. Paul, Minn. — New data released today by the Corporation for Enterprise Development (CFED) reveals enormous disparities along racial lines in how people are faring in the Twin Cities during the economic downturn, particularly in the areas of homeownership, savings and overall income.

CFED's Asset & Opportunity profiles for the Twin Cities were released at a St. Paul forum featuring state and local elected officials and national experts, including Mayor Chris Coleman, State Rep. Morrie Lanning, St. Paul City Council Member Melvin Carter, Minneapolis City Council Member John Quincy and Commerce Commissioner Michael Rothman.

"We hope these profiles and the forum today fuel an ongoing conversation about income and asset poverty in the Twin Cities and statewide," said Jennifer Brooks, director of state and local policy for CFED. "It is clear that many families are suffering. But we have found ample evidence that local leaders, working in partnership with non-profits, have the power to create highly effective programs that help families build wealth and save for the future."

The Asset & Opportunity profiles provide a comprehensive look at the financial stability and economic resiliency of families in [Minneapolis and Hennepin County](#), and [St. Paul and Ramsey County](#). They offer the most comprehensive data available on the economic challenges facing households in the metro area in comparison with state and national figures. Among the key findings:

- While more than 63 percent of whites own homes in the Twin Cities, just 23 percent of blacks in Minneapolis and 26.4 percent in St. Paul are home owners. This is attributed, in part, to high home costs. The average national home cost is 3.7 times greater than median income, but is 5 times greater in Minneapolis and 4.5 times greater in St. Paul.
- Low incomes and lack of assets are having a profound effect on the ability of Twin City residents to save for the future and build financial security. Fully 63 percent of black Twin City residents, compared with approximately 25 percent of whites, are living in "asset poverty," meaning they do not have enough assets to live at the poverty level (\$22,314 for a family of four) for three months if they lose their main source of income. The overall rate for people of color living in asset poverty was also quite high (57 percent in Minneapolis and 52 percent in St. Paul).
- While median income for whites was nearly identical to the national rate of \$52,175, the medium income for black households was just \$21,747 in Minneapolis and \$26,031 in St. Paul.

“These data paint a troubling portrait of the recession’s impact on the Twin City’s most vulnerable families. Our region’s economy cannot prosper with so many residents lacking the income and assets to achieve financial security,” said Ron Elwood, supervising attorney for the Legal Services Advocacy Project, which hosted the forum along with CFED and Greater Twin Cities United Way.

At the forum, policy makers presented their reactions to the data and discussed current programs and future plans aimed at expanding financial security and opportunity. A panel of local experts also provided information about efforts currently underway that are helping struggling Twin City residents build wealth by connecting them to safe and affordable financial products and services, and increasing their access to income-boosting benefits and tax credits.

“These innovative programs are making a significant difference for families in our area. But they need to reach more people. Local, state and national leaders working with those of us in the non-profit sector have an opportunity to identify and support strategies that can help people achieve greater financial security,” said Andrea Ferstan, director of income strategies for Greater Twin Cities United Way.

CFED has been working with cities across the country to expand access to mainstream banking, financial education and income and asset-building opportunities, as well as help families protect the assets they have so they can become more financially stable. The organization is assisting Twin City officials to help bring about similar changes in the metropolitan area and throughout the state. To read the Minneapolis Asset & Opportunity Profile [click here](#); to read the St. Paul Asset & Opportunity Profile [click here](#).

The Asset & Opportunity Profiles were made possible with support from Northwest Area Foundation.

#

[CFED](#) expands economic opportunity by helping Americans start and grow businesses, go to college, own a home and save for their children’s and own economic futures. We identify promising ideas, test and refine them in communities to find out what works, craft policies and products to help good ideas reach scale, and develop partnerships to promote lasting change. We bring together community practice, public policy and private markets in new and effective ways to achieve greater economic impact. Established in 1979 as the Corporation for Enterprise Development, CFED works nationally and internationally through its offices in Washington, DC; Durham, North Carolina; and San Francisco, California.

[Greater Twin Cities United Way](#) addresses our community’s most critical issues by focusing on three key areas: Basic Needs, Education and Health. We attack poverty on multiple, interconnected fronts to achieve lasting change – through 10 measurable goals – by collaborating with business, government and nonprofit organizations to create solutions and carry out our call to action to LIVE UNITED by encouraging everyone to Give. Advocate. Volunteer. United Way serves people living in or near poverty in nine counties: Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott and western Washington. Join the movement. LIVE UNITED.

[Legal Services Advocacy Project](#) (LSAP) is a statewide division of Mid-Minnesota Legal Services. LSAP advocates on behalf of low-income Minnesotans, including elders and persons with disabilities, in legislative and administrative forums on issues affecting health, home, income and asset security.

