

# ASSETS & OPPORTUNITY PROFILE: ST. PAUL



expanding economic opportunity

## ASSETS & OPPORTUNITY PROFILE



### KEY HIGHLIGHTS

# 33%

of St. Paul households live in  
asset poverty

# 36%

of Ramsey County consumers  
have subprime credit scores

# 53%

of St. Paul renters  
are cost burdened

# 40%

of St. Paul homeowners  
are cost burdened

# 16%

of Ramsey County low-income  
residents are uninsured

# 11%

of St. Paul households receive  
self-employment income

Cities have long been thought of as places of opportunity for low-income workers to forge pathways to the middle class. Yet, far too many urban households struggle to gain a foothold in the mainstream economy. In major U.S. cities, one out of every four households owe more than they own, and almost 60% of consumers have subprime credit scores. More than one-third of families do not have enough assets to live for three months at the federal poverty level should they lose their main source of income. Not only does financial insecurity destabilize families, it also jeopardizes the long-term vitality of cities and local economies.

That is why a growing number of local leaders are expanding the vision of what cities can and should do to create financial security and opportunity for low-income residents. Local asset-building programs have proliferated in the nonprofit sector for more than a decade, but across the country, local leaders are pioneering new ways to leverage those programs, along with new policies and resources to expand the reach of asset-building opportunities for low- and moderate-income families.

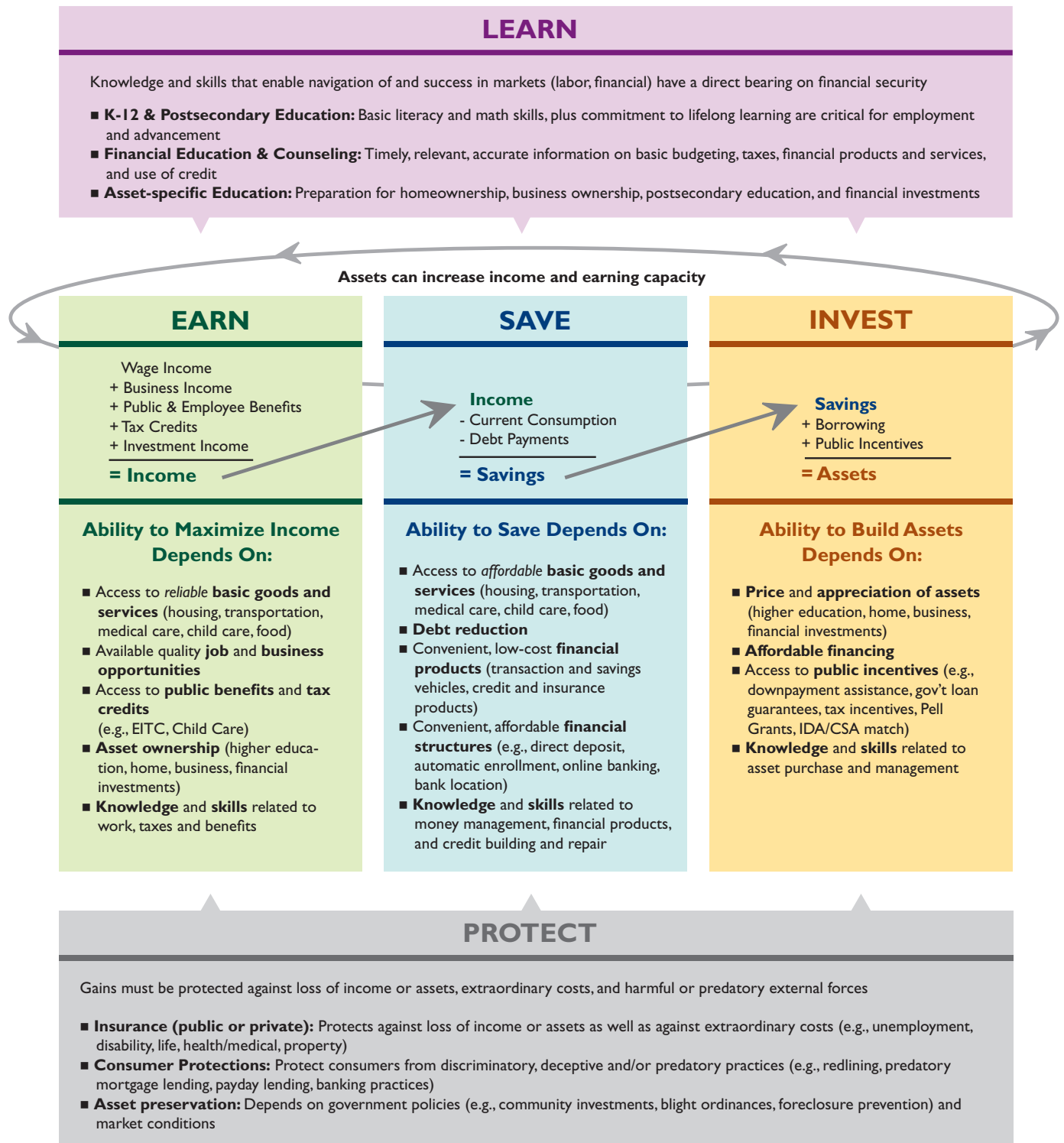
At their best, these new efforts utilize a systems approach that works across departmental silos and public/private sector divides to improve access to the information, products and protections that help families become more financially stable.

### ABOUT THE PROFILE

This Assets & Opportunity Profile was created to fuel a local conversation about wealth, poverty and opportunity in St. Paul. It includes a data snapshot of the financial security and opportunities for St. Paul residents. It also contains an overview of what it takes for households to achieve financial security and what cities are doing nationally to help financially educate, empower and protect residents and enable them to build a more prosperous future.

## HOUSEHOLD FINANCIAL SECURITY FRAMEWORK

CFED created the Household Financial Security Framework to illustrate – from a household’s perspective – what it really takes to build financial security over time. Individuals must first *learn* the knowledge and skills that enable them to *earn* an income and manage their money. They then use that income to take care of basic living expenses and debt payments and *save* for future purposes. As savings grow, households can *invest* in assets that will appreciate over time and generate wealth and income. Throughout the cycle, access to insurance and consumer protections help households *protect* the gains they make. The Framework’s focus on the household provides a universal lens that any organization – government, nonprofit, philanthropic or private sector – can look through to identify the ways their work contributes to the financial betterment of families.



## STRATEGIES TO BUILD FINANCIAL SECURITY

Using the lens of this Framework, it is possible to look holistically at whether the needs of households in your community are being met. Once you have identified the particular household strengths and needs in your community, you can look at the services and infrastructures currently available to households and try to find the gaps. Are there needs that are going unmet? Are there services that are being provided that are not being leveraged? What partnerships could be formed to better serve households?

A new vanguard of local leaders understands these challenges and is creating partnerships and programs that expand access to mainstream banking and wealth-building opportunities, as well as help families protect the assets they have and become more financially stable. These local leaders are pioneering new ways to leverage the resources and regulatory power of municipalities to work across departmental silos and public/private sector divides to scale up economic inclusion and asset-building opportunities for low- and moderate-income families. The following are examples from across the nation of the range of program and policy strategies they are implementing to financially educate, empower and protect their residents.

### GOAL

**Improve access to high quality financial information, education and counseling**

### CITY STRATEGIES

- Create financial education and counseling networks and referral structures
- Open neighborhood-based financial one-stop centers
- Incorporate financial education into social service and workforce programs
- Standardize and certify financial education services and providers

**Increase access to income-boosting supports and tax credits**

- Leverage technology to streamline public benefits screening and uptake
- Create access points for benefits screening in high-need communities
- Launch VITA and EITC public awareness campaigns
- Fund free or low-cost tax prep services
- Enact a locally-funded EITC

**Connect residents to safe, affordable financial products and services**

- Increase access to low-cost transaction and savings products through Bank On campaigns or in partnership with financial institutions
- Create affordable credit products, e.g., small dollar, refund anticipation (RALs) or auto refinance loans
- Encourage employers to use direct deposit

**Create opportunities to build savings and assets**

- Provide access to short-term and emergency savings products
- Offer incentivized savings accounts, e.g., Individual Development Accounts (IDAs), college savings accounts, or other accounts for uses such as buying a home or a vehicle
- Expand access to small business capital and training and use tax time to connect businesses and the self employed to training and resources
- Provide opportunities for first-time homeownership through homeownership counseling or shared equity programs

**Protect consumers in the financial marketplace**

- Limit or manage the proliferation of alternative, high-cost alternative financial service providers through licensing and zoning powers
- Curb predatory consumer lending through enforcement of local disclosure laws or litigation
- Implement foreclosure prevention strategies, including foreclosure counseling, forgivable emergency loans, encouraging lender workouts, and assistance to tenants in foreclosed properties

## ABOUT THE DATA

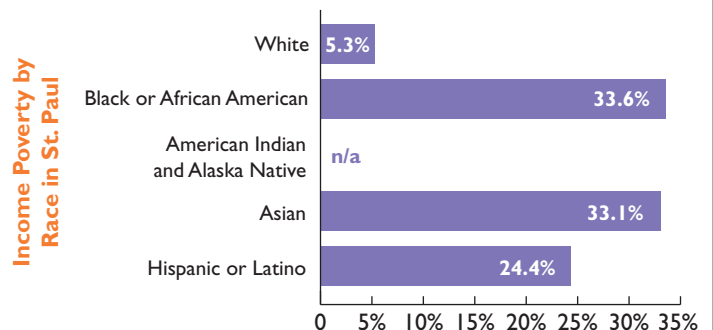
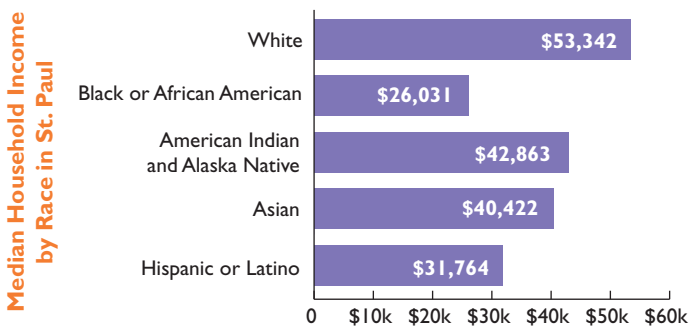
The data in the profile provide a comprehensive look at the financial stability and economic resiliency of families in St. Paul and Ramsey County. It also highlights racial disparities, which remain stark in St. Paul. Selected data measures show how much worse households of color are faring than white households. Limited data exist for communities of color, which are typically undercounted and insufficiently represented in survey data. As a result, data on racial disparities are provided for measures that are both particularly key to household financial security and available through reliable data sources.

## POPULATION DEMOGRAPHICS

MEASURE	City of St. Paul	Ramsey County	St. Paul Metro <sup>1</sup>	Minnesota	United States
Total Population	285,068	508,640	3,279,833	5,303,925	308,745,538
By Race					
White	55.9%	66.9%	78.6%	83.1%	63.7%
Black or African American	18.0%	12.8%	8.7%	6.2%	13.6%
American Indian and Alaska Native	2.4%	1.8%	1.5%	1.9%	1.7%
Asian, Native Hawaiian and Other Pacific Islander	16.2%	12.7%	6.7%	4.8%	6.0%
Hispanic or Latino	9.6%	7.2%	5.4%	4.7%	16.3%
U.S. Citizen	91.0%	93.6%	95.0%	96.3%	92.8%
Speak English Less Than "Very Well"	12.2%	8.2%	5.2%	4.0%	8.6%

## HOUSEHOLD FINANCES & USE OF SERVICES

MEASURE	City of St. Paul	Ramsey County	St. Paul Metro <sup>1</sup>	Minnesota	United States
Median Household Income	\$46,628	\$53,141	\$66,281	\$57,795	\$52,175
<b>% Gap btwn White/Minority Households<sup>2</sup></b>	<b>40.6%</b>	<b>39.8%</b>	<b>38.0%</b>	<b>30.2%</b>	<b>25.1%</b>
Income Poverty Rate	14.4%	9.4%	5.6%	6.4%	9.6%
<b>% Gap btwn White/Minority Households<sup>2</sup></b>	<b>486.8%</b>	<b>630.3%</b>	<b>590.5%</b>	<b>396.4%</b>	<b>200.6%</b>
Asset Poverty Rate	32.8%	26.7%	20.4%	20.7%	25.9%
<b>% Gap btwn White/Minority Households<sup>2</sup></b>	<b>110.0%</b>	<b>136.5%</b>	<b>163.3%</b>	<b>143.9%</b>	<b>101.8%</b>
Extreme Asset Poverty Rate	22.5%	18.3%	14.5%	14.5%	16.9%
<b>% Gap btwn White/Minority Households<sup>2</sup></b>	<b>89.3%</b>	<b>119.1%</b>	<b>142.6%</b>	<b>127.4%</b>	<b>93.8%</b>
Households w/ Interest, Dividend or Net Rental Income	25.3%	30.7%	30.4%	29.7%	25.1%
Unbanked Households	n/a	n/a	2.8%	2.6%	7.7%
Underbanked Households	n/a	n/a	8.9%	11.1%	17.9%
Median Credit Score	n/a	727	731	738	668
Consumers with Subprime Credit Scores	n/a	45.7%	44.3%	43.3%	55.8%
Average Credit Card Debt	n/a	\$10,618	\$13,040	\$11,052	\$11,906
Average Revolving Credit Utilization	n/a	26.9%	29.5%	28.0%	31.4%
Average Installment Debt	n/a	\$21,990	\$22,712	\$22,065	\$23,316
Borrowers 90+ Days Overdue	n/a	4.0%	4.3%	3.8%	4.8%

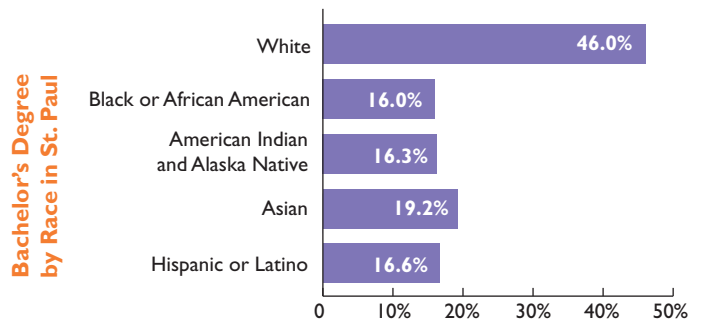
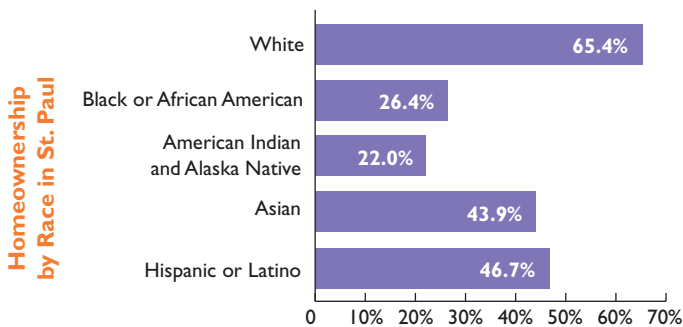


## EMPLOYMENT & BUSINESS OWNERSHIP

MEASURE	City of St. Paul	Ramsey County	St. Paul Metro <sup>1</sup>	Minnesota	United States
Annual Unemployment Rate	8.1	7.8	7.8	8.0	9.3
Average Annual Pay	n/a	\$49,903	\$51,044	\$45,826	\$45,563
Self-Employment	11.3%	11.3%	12.8%	14.2%	11.9%
Microenterprise Ownership Rate	n/a	14.7	17.2	15.9	17.0
Vehicle Non-Availability by Working Household	8.5%	5.6%	3.6%	3.2%	5.0%

## HOUSING & HOMEOWNERSHIP

MEASURE	City of St. Paul	Ramsey County	St. Paul Metro <sup>1</sup>	Minnesota	United States
Homeownership Rate	57.1%	65.3%	74.2%	75.3%	67.1%
<b>% Gap btwn White/Minority Households<sup>2</sup></b>	<b>45.2%</b>	<b>47.1%</b>	<b>44.1%</b>	<b>42.3%</b>	<b>32.7%</b>
Cost Burdened Renters	52.6%	50.4%	47.2%	45.1%	45.9%
Cost Burdened Owners	39.8%	36.2%	35.7%	34.2%	37.3%
Affordability of Homes	4.5	4.3	3.7	3.7	3.7
Average Mortgage Debt	n/a	\$172,159	\$196,886	\$173,737	\$192,774
High-Cost Mortgage Loans	5.1%	4.3%	4.5%	5.8%	8.3%
Foreclosure Rate	n/a	2.0%	n/a	1.7%	3.2%



## EDUCATIONAL ATTAINMENT

MEASURE	City of St. Paul	Ramsey County	St. Paul Metro <sup>1</sup>	Minnesota	United States
Less than High School	12.5%	9.7%	7.4%	8.9%	15.5%
High School Degree	87.5%	90.3%	92.6%	91.1%	84.5%
<b>% Gap btwn White/Minority Households<sup>2</sup></b>	<b>27.5%</b>	<b>23.7%</b>	<b>19.9%</b>	<b>19.6%</b>	<b>19.1%</b>
Associate's Degree	43.7%	45.9%	45.9%	40.7%	34.9%
Bachelor's Degree	37.5%	38.7%	37.0%	31.1%	27.4%
<b>% Gap btwn White/Minority Households<sup>2</sup></b>	<b>62.7%</b>	<b>48.1%</b>	<b>32.6%</b>	<b>24.4%</b>	<b>33.7%</b>
Graduate or Professional Degree	15.3%	15.3%	11.9%	9.9%	10.1%

## HEALTH INSURANCE

MEASURE	City of St. Paul	Ramsey County	St. Paul Metro <sup>1</sup>	Minnesota	United States
Uninsured Rate	n/a	10.1%	n/a	9.4%	17.1%
Uninsured Low-Income	n/a	16.2%	n/a	20.6%	31.5%
Uninsured Low-Income Children	n/a	8.9%	n/a	11.9%	17.8%

## HOUSEHOLDS IN ASSET POVERTY

Asset poverty is a measure that expands the notion of poverty to establish a minimum threshold of wealth needed for household security. A household is asset poor if it has insufficient net worth to support itself at the federal poverty level for three months in the absence of income, i.e., net worth of less than \$4,577 for a family of three in 2009. Asset poor households would not have enough savings or wealth to provide for basic needs during a sudden job loss or a medical emergency. Households of color and single-parent households are more likely to be asset poor, as are those with lower levels of education. Even middle income families face asset poverty. In St. Paul, 30% of households earning between \$37,741 and \$59,604 are asset poor.

PERCENT OF HOUSEHOLDS IN ASSET POVERTY	City of St. Paul	Ramsey County	St. Paul Metro <sup>1</sup>	Minnesota	United States
All Households	32.8%	26.7%	20.4%	20.7%	25.9%
By Housing Tenure					
Homeowner	7.8%	6.5%	6.2%	7.0%	5.3%
Renter	63.7%	61.9%	62.0%	62.8%	63.0%
By Race					
White	24.8%	20.5%	16.5%	17.7%	19.7%
People of Color	52.2%	48.5%	43.4%	43.1%	39.8%
Black	63.1%	61.3%	58.0%	58.5%	45.8%
Latino	48.6%	45.8%	43.2%	42.0%	41.2%
Asian	34.8%	29.8%	21.5%	21.7%	17.6%
Native American	n/a	n/a	41.3%	43.3%	39.7%
By Education					
High School	44.7%	36.5%	25.6%	24.4%	30.4%
Some College	35.2%	28.8%	22.1%	22.2%	26.2%
Bachelor's Degree	23.7%	18.9%	13.9%	14.0%	15.4%
Advanced Degree	13.5%	10.5%	9.3%	9.5%	10.6%
By Age of Householder					
< 35	48.4%	45.9%	37.6%	38.3%	45.5%
35-44	31.1%	25.5%	18.3%	18.3%	24.3%
45-54	24.1%	18.6%	13.3%	13.2%	17.6%
55-64	18.0%	12.4%	9.6%	9.8%	13.6%
By Family Status					
Married	15.4%	11.4%	9.0%	9.6%	13.9%
Household with Children	33.7%	27.4%	19.8%	20.2%	27.6%
Single Parent	55.6%	50.4%	41.8%	41.8%	49.7%
By Poverty Status					
Below Income Poverty Line	60.7%	56.5%	55.7%	53.0%	55.7%
Above Income Poverty Line	28.2%	22.9%	17.9%	18.1%	22.1%
By Household Income					
Below \$19,992	57.6%	53.7%	51.8%	48.5%	51.4%
\$19,993-\$37,740	44.5%	41.9%	36.1%	33.1%	37.9%
\$37,741-\$59,604	30.3%	27.6%	23.3%	21.6%	23.5%
\$59,605-\$93,492	12.0%	10.0%	9.5%	8.5%	12.0%
Above \$93,492	4.9%	3.8%	3.7%	3.6%	4.4%

## ENDNOTES

<sup>1</sup> The St. Paul Metro is defined as the 13-county region of: Anoka County (MN), Carver County (MN), Chisago County (MN), Dakota County (MN), Hennepin County (MN), Isanti County (MN), Ramsey County (MN), Scott County (MN), Sherburne County (MN), Washington County (MN), Wright County (MN), Pierce County (WI) and St. Croix County (WI).

<sup>2</sup> In this Profile, selected measures show disparities between white households and households of color expressed as a percentage gap. This gap is defined as the percentage difference between the two types of households and is calculated by using the following formula: (households of color - white households)/white households.

## DATA MEASURES &amp; SOURCES

	Data Measure	Measure Description	Source
Population Demographics	Total Population	Total population	U.S. Census Bureau, 2010 Census
	White, non-Hispanic	Percentage of population that is White, non-Hispanic	U.S. Census Bureau, 2010 Census
	Black or African American	Percentage of population that is Black or African American alone or in combination with another race	U.S. Census Bureau, 2010 Census
	American Indian and Alaska Native	Percentage of population that is American Indian or Alaska Native alone or in combination with another race	U.S. Census Bureau, 2010 Census
	Asian, Native Hawaiian and Other Pacific Islander	Percentage of population that is Asian, Native Hawaiian or Other Pacific Islander alone or in combination with another race	U.S. Census Bureau, 2010 Census
	Hispanic or Latino	Percentage of population that is Hispanic or Latino	U.S. Census Bureau, 2010 Census
	U.S. Citizen	Percentage of population that are U.S. citizens	U.S. Census Bureau, 2006-2008 American Community Survey
	Speak English Less Than "Very Well"	Percentage of population that speaks English less than "very well"	U.S. Census Bureau, 2006-2008 American Community Survey
Household Finances & Use of Services	Median Household Income	Median household income in the past 12 months	U.S. Census Bureau, 2006-2008 American Community Survey
	Income Poverty Rate	Percentage of all families with income in the past 12 months below the federal poverty threshold	U.S. Census Bureau, 2006-2008 American Community Survey
	Asset Poverty Rate	Percentage of households without sufficient net worth to subsist at the poverty level for three months in the absence of income	Estimates calculated by Beacon Economics, based on U.S. Census Bureau's 2004 Survey of Income and Program Participation, Wave 6 (2006) and 2005-2007 American Community Survey
	Extreme Asset Poverty Rate	Percentage of households that have zero or negative net worth	Estimates calculated by Beacon Economics, based on U.S. Census Bureau's 2004 Survey of Income and Program Participation, Wave 6 (2006) and 2005-2007 American Community Survey
	Households with Interest, Dividend, or Net Rental Income	Percentage of households reporting any interest, dividend, or net rental income in the past 12 months	U.S. Census Bureau, 2006-2008 American Community Survey
	Unbanked Households	Percentage of households lacking both a checking and savings account	FDIC National Survey of Unbanked and Underbanked Households (2009)
	Underbanked Households	Percentage of households that have a checking or savings account but have used non-bank money orders, non-bank check-cashing services, payday loans, rent-to-own agreements, or pawn shops at least once or twice a year or refund anticipation loans at least once in the past five years	FDIC National Survey of Unbanked and Underbanked Households (2009)
	Median Credit Score	Median TransUnion TransRisk score	TransUnion (Q1 2010)
	Consumers with Subprime Credit Scores	Percentage of consumers with a TransRisk score <=700 [on a scale of 150-934]	TransUnion (Q1 2010)
	Average Credit Card Debt	Average amount of revolving debt (including debt from credit cards, private label cards, and lines of credit) per revolving borrower	TransUnion (Q1 2010)
	Average Revolving Credit Utilization	Average percentage of credit limit in use per revolving borrower	TransUnion (Q1 2010)
	Average Installment Debt	Average amount of installment debt per installment borrower. Here, installment debt refers to any debt that is paid back in fixed monthly installments (e.g. vehicle loans, student loans) but excludes mortgage debt	TransUnion (Q1 2010)
	Borrowers 90+ Days Overdue	Percentage of borrowers who are 90 days or more past due on any debt payments	TransUnion (Q1 2010)
Employment & Business Ownership	Annual Unemployment Rate	Annual average unemployment rate of the civilian noninstitutional population 16 years of age and older, not seasonally adjusted	U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (2009); U.S. Census Bureau, Current Population Survey (2009)
	Average Annual Pay	Average annual pay for all workers covered by unemployment insurance	U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (2008)
	Self-Employment	Percentage of households reporting any self-employment income in the past 12 months	U.S. Census Bureau, 2006-2008 American Community Survey
	Microenterprise Ownership Rate	Number of firms with 0-4 employees (non-employer firms plus establishments with 1-4 employees), per 100 people in the labor force	CFED calculation based on U.S. Census Bureau, Nonemployer Statistics (2007), County Business Patterns (2007), and Current Population Survey (2007); U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (2007)
	Vehicle Non-Availability by Working Household	Percentage of households (with at least one worker) lacking access to a vehicle	U.S. Census Bureau, 2006-2008 American Community Survey

	Data Measure	Measure Description	Source
Housing & Homeownership	Homeownership Rate	Percentage of occupied housing units that are owner occupied	U.S. Census Bureau, 2006-2008 American Community Survey
	Cost Burdened Renters	Percentage of renter-occupied units spending 30% or more of household income on rent and utilities	U.S. Census Bureau, 2006-2008 American Community Survey
	Cost Burdened Owners	Percentage of mortgaged owners spending 30% or more of household income on selected monthly owner costs	U.S. Census Bureau, 2006-2008 American Community Survey
	Affordability of Homes	Median housing value divided by median household income	CFED calculation based on U.S. Census Bureau, 2006-2008 American Community Survey data
	Average Mortgage Debt	Average mortgage debt per mortgage borrower	TransUnion (Q1 2010)
	High-Cost Mortgage Loans	Percentage of all home purchase loans (1-4 family, owner occupied dwelling) with interest rates 3 or more percentage points for a first lien loan or 5 or more percentage points above the yield on a comparable term treasury security	Home Mortgage Disclosure Act (HMDA) data (2008), accessed through Policy Map
	Foreclosure Rate	Percentage of all mortgage loans that are in foreclosure	LPS Applied Analytics, County Delinquency Report (May 2010)
Educational Attainment	Less than High School	Percentage of population 25 and older who have not completed high school	U.S. Census Bureau, 2006-2008 American Community Survey
	High School Degree	Percentage of population 25 and older who have at least a high school degree, GED or alternative degree	U.S. Census Bureau, 2006-2008 American Community Survey
	Associate's Degree	Percentage of population 25 and older who have at least an associate's (2 year college) degree	U.S. Census Bureau, 2006-2008 American Community Survey
	Bachelor's Degree	Percentage of population 25 and older who have at least a bachelor's (4 year college) degree	U.S. Census Bureau, 2006-2008 American Community Survey
	Graduate or Professional Degree	Percentage of population 25 and older who have a graduate or professional degree	U.S. Census Bureau, 2006-2008 American Community Survey
Health Insurance	Uninsured Rate	Percentage of non-elderly population without health insurance	U.S. Census Bureau, Small Area Health Insurance Estimates (2006) and Current Population Survey, Annual Social and Economic Supplement (2007)
	Uninsured Low-Income	Percentage of non-elderly population at or below 200% of the federal poverty line without health insurance	U.S. Census Bureau, Small Area Health Insurance Estimates (2006) and Current Population Survey, Annual Social and Economic Supplement (2007)
	Uninsured Low-Income Children	Percentage of children under 19 years of age at or below 200% of the federal poverty line without health insurance	U.S. Census Bureau, Small Area Health Insurance Estimates (2006) and Current Population Survey, Annual Social and Economic Supplement (2007)

## ABOUT CFED

CFED (Corporation for Enterprise Development) 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. [www.cfed.org](http://www.cfed.org)



## ABOUT GREATER TWIN CITIES UNITED WAY

Greater Twin Cities United Way creates a better life for us all by focusing on three key areas: Basic Needs, Education and Health. We attack poverty on multiple, interconnected fronts to achieve lasting change. We LIVE UNITED by collaborating with partner agencies, corporations, community leaders and people like you. [www.unitedwaytwincities.org](http://www.unitedwaytwincities.org)



## ABOUT LEGAL SERVICES ADVOCACY PROJECT

The Legal Services Advocacy Project, a division of Mid-Minnesota Legal Assistance, conducts legislative and administrative advocacy on behalf of low-income Minnesotans. [www.mylegalaid.org/lsap](http://www.mylegalaid.org/lsap)



We gratefully acknowledge support for this profile from the Northwest Area Foundation.