

# Financial Inequality in Connecticut

Looking at What the Numbers *Really* Say

Connecticut Asset Building Collaborative

Orlando Rodriguez, M.A.

Sr. Policy Fellow

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## Connecticut Residents Appear to be Doing Well Financially

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Financial Health Indicator	U.S.	CT	CT Rank (1 is Highest)
Unemployment Rate in 2012	8.1%	8.4%	13 <sup>th</sup>
Median Hourly Wage in 2012	\$16.28	\$20.05	1 <sup>st</sup>
Net Worth in 2012	\$68,948	\$113,557	

Yet more detailed data shows  
clear income inequalities in  
Connecticut.

## Low Poverty in Connecticut?

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Population Living Below Poverty Threshold in 2012	U.S.	CT	CT Rank (1 is Highest Poverty)
Official Poverty Measure	15.1%	9.8%	49 <sup>th</sup>

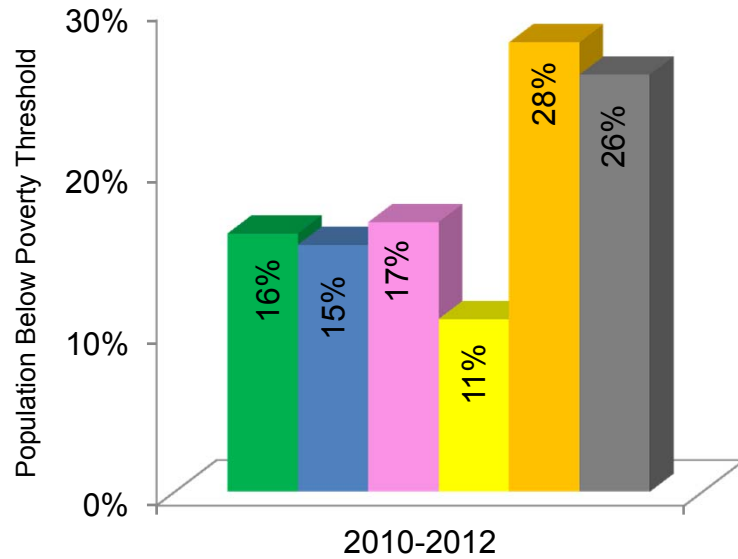
- The official poverty measure does *not* take into account the value of in-kind benefits, such as those provided by the Supplemental Nutrition Assistance Program, and housing and energy assistance. It does *not* take into account differences in cost-of-living across the country. For 2012, the official poverty threshold for a family of four with two children was **\$23,283** nationwide.
- The supplemental poverty measure is a more comprehensive measure that takes into account tax payments, work expenses and in-kind benefits in its family resource estimates. It also adjusts for differences in cost-of-living across the country. For 2012, the supplemental poverty threshold for a family of four with two children (in rental housing) was **\$25,105** nationwide, which is further adjusted for regional cost-of-living differences (\$27,174 CT metro, \$25,481 CT non-metro, Danbury \$31,921, Waterbury \$26,033).

Supplemental Poverty Measure	16.0%	12.5%	33 <sup>rd</sup>
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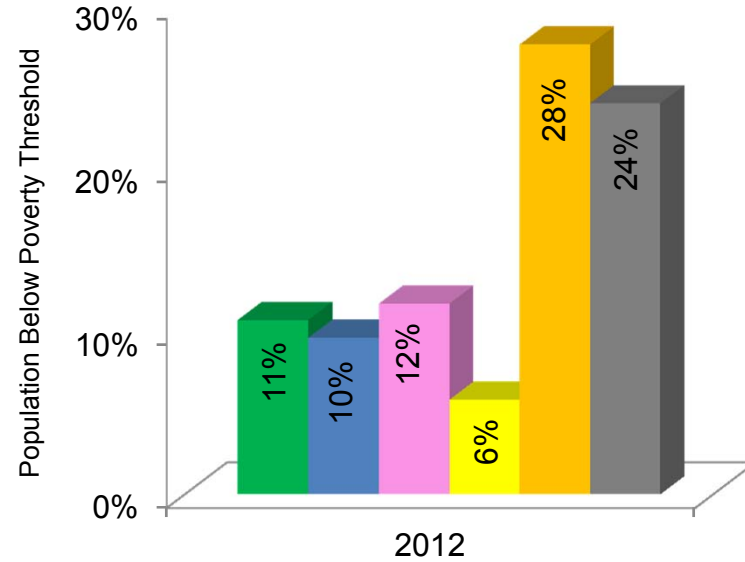
Sources: 2012 poverty thresholds at [http://www.bls.gov/pir/spm/spm\\_thresholds\\_2012.htm](http://www.bls.gov/pir/spm/spm_thresholds_2012.htm); 2010-2012 3-yr average poverty statistics available at: [http://www.census.gov/prod/2013pubs/p60-247.pdf?eml=qd&utm\\_medium=email&utm\\_source=govdelivery](http://www.census.gov/prod/2013pubs/p60-247.pdf?eml=qd&utm_medium=email&utm_source=govdelivery)

# Minorities & Women Are More Likely to be Poor

Natl. Supplemental Poverty Measure



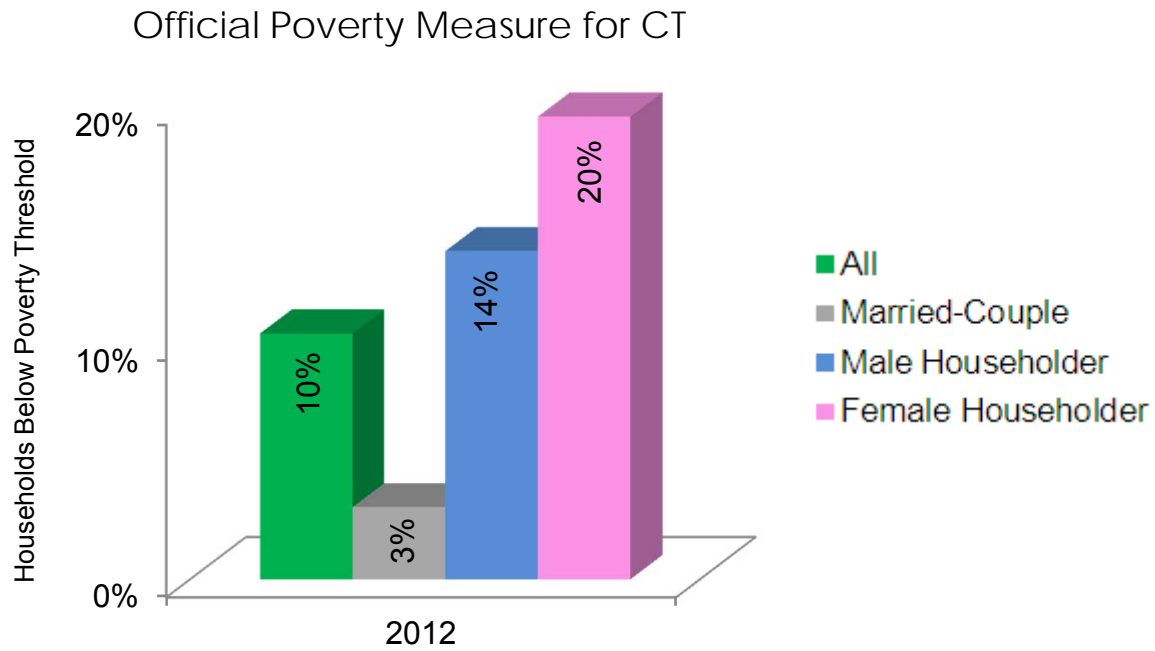
Official Poverty Measure for CT



- All
- Male
- Female
- Non-Hispanic White
- Hispanic
- Black

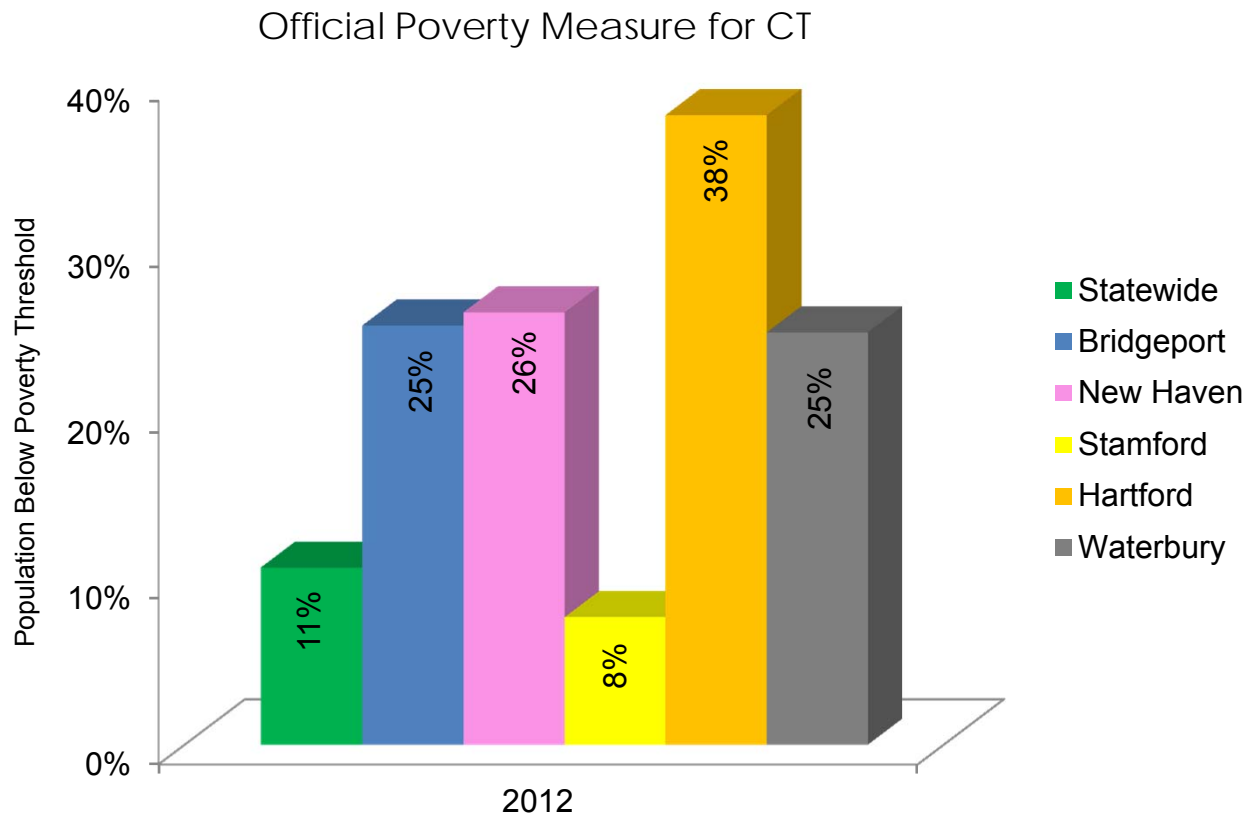
# Married-Couple Households are Doing Better in CT

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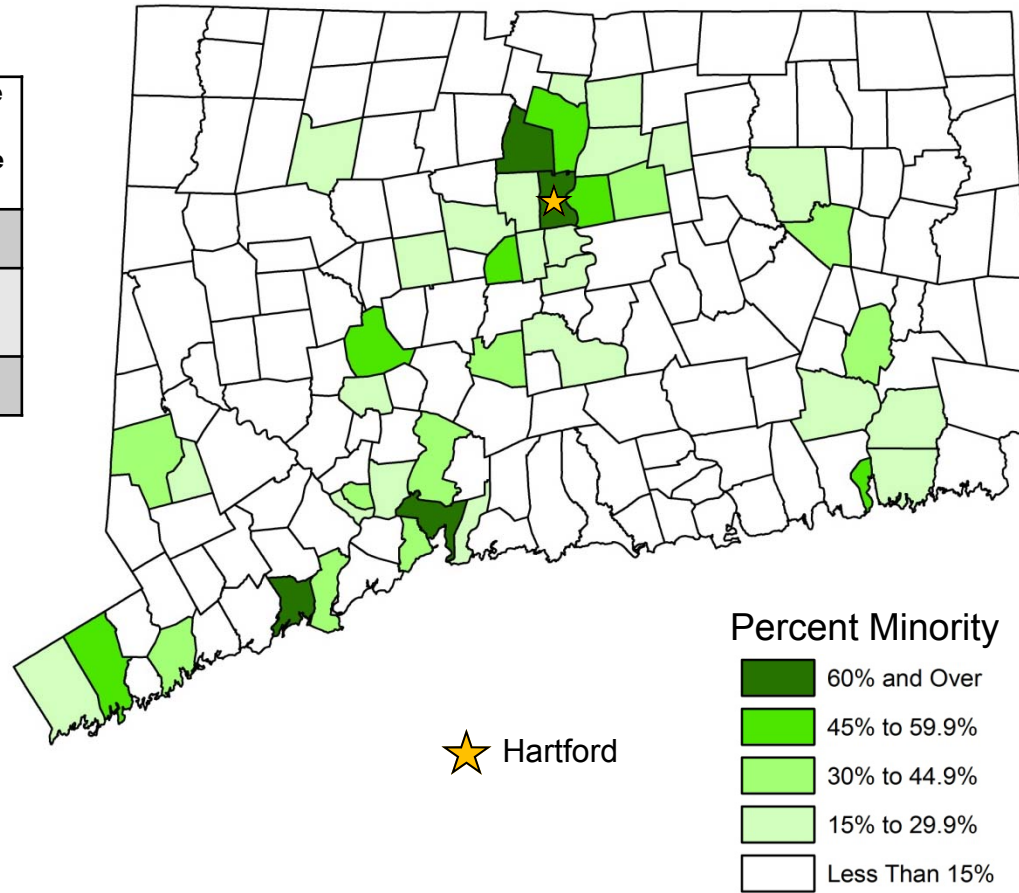
# In CT, Poverty is Concentrated in Urban Areas

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# In CT, Minorities are Concentrated in Urban Areas\*

Category	Percent of Population Statewide	Percent of CT Land Area	People per Square Mile
Disproportionately White Areas (≥ 72% White)	82% of Whites 30% of Minorities	94%	506
Disproportionately Minority Areas (≥ 30% minority)	18% of Whites 70% of Minorities	6%	3,948
High Poverty Areas (Poverty > 9.2%)	19% Whites 61% Minorities	11%	2,940

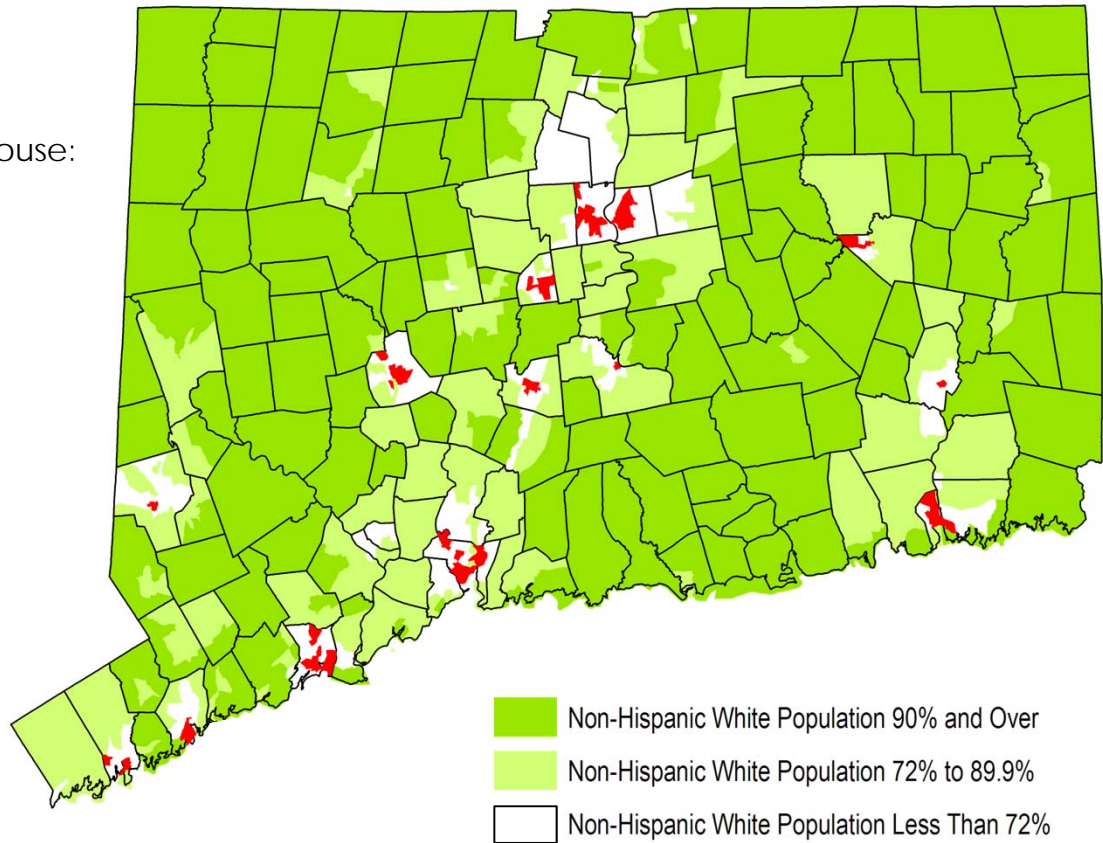




# Racially Concentrated Areas of Poverty

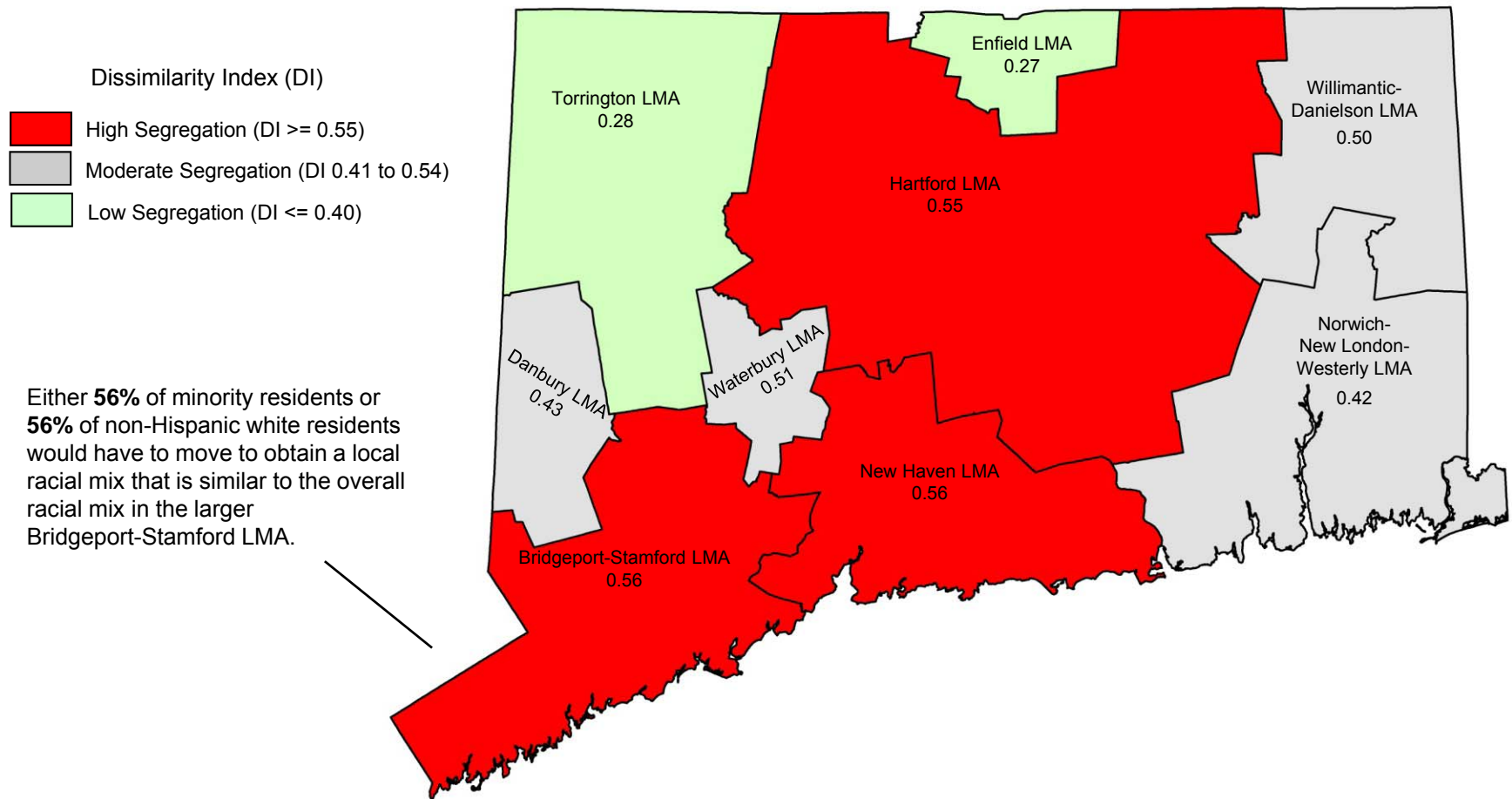
Racially Concentrated Areas of Poverty House:

- 8% of statewide population
- 10% of all children
- 24% of all minorities
- 30% of Hispanics
- 29% of Hispanic children
- 25% of non-Hispanic Blacks
- 26% of non-Hispanic Black children



Analysis Category	Percent of Population Statewide	Percent of CT Land Area	People per Square Mile
Racially Concentrated Areas of Poverty	2% of Whites 24% of Minorities	< 1%	7,400

# Residential Segregation: Non-Hispanic Whites and Minorities



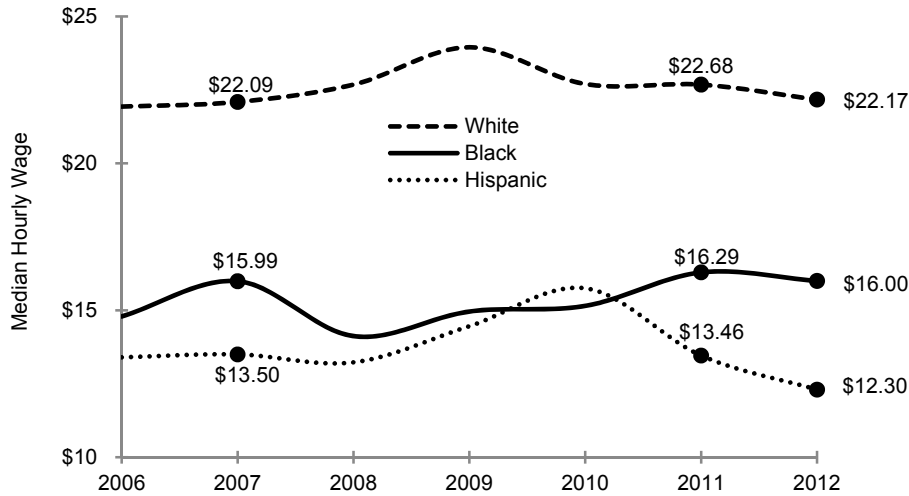
## Barriers to Asset Growth in Connecticut: Declining Disposable Income

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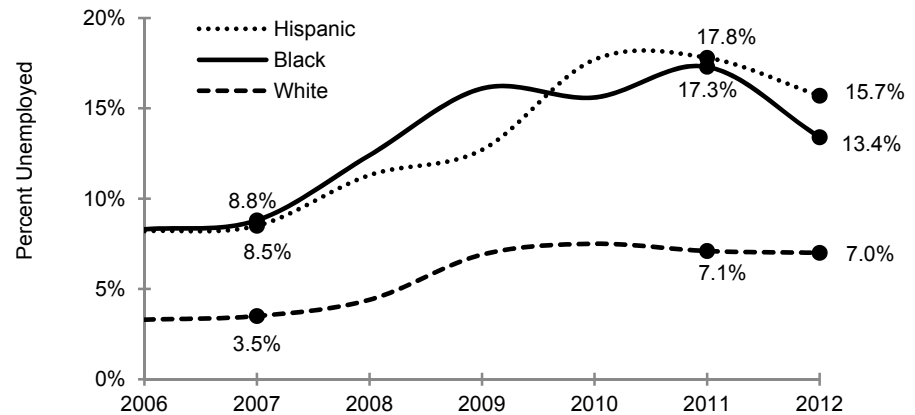
- CT has the 5<sup>th</sup> highest college-student debt in the country at \$28,783 per borrower vs. \$26,600 nationally (2010-2011)
- In CT in 2012, nearly 77% of renter households spent more than 30% of their income on rent compared to 72% nationally
- From 2010 to 2012, the annual unemployment rate in CT declined from 9.3% to 8.4%, however:
  - Fewer CT residents were employed in 2012 than in 2010
  - Labor force participation declined
  - Lower paying jobs replaced higher paying jobs
- CT in 2012 had the highest long-term unemployment rate for the population age 55+ at 62%.
- In CT in 2011, the unemployment rate for youth (age 16-24) was 17%, which was higher than the national rate of 16%.
- In 2011, CT had the 6<sup>th</sup> highest cost of living in the U.S. and the highest in New England.

# For Minorities in Connecticut, Unemployment is *High* and Wages are *Low*

### Minorities in CT Earn Significantly Less



### Connecticut Minorities Have Higher Unemployment Rates



## Unemployment Among Urban Youth is Extremely High in CT

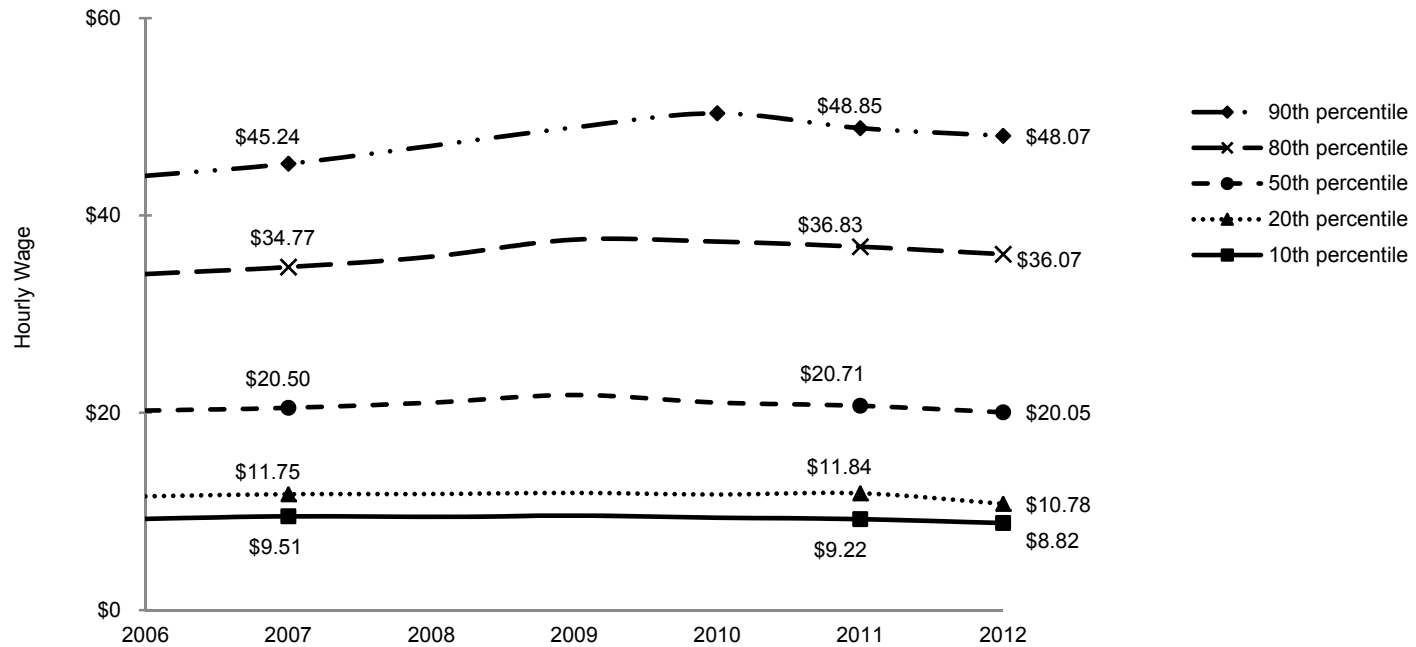
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Cities	Unemployment Rate for Age 16-19	Unemployment Rate for Age 20-24
Bridgeport	49.5%	31.9%
Waterbury	48.1%	18.1%
New Haven	44.4%	27.6%
Danbury	42.3%	13.6%
Norwalk	41.0%	24.4%
Stamford	33.3%	17.4%
Hartford	32.6%	23.1%
New Britain	31.6%	24.8%
United States	29.6%	16.8%

Source: American Community Survey 2011 1-year data table S2301.

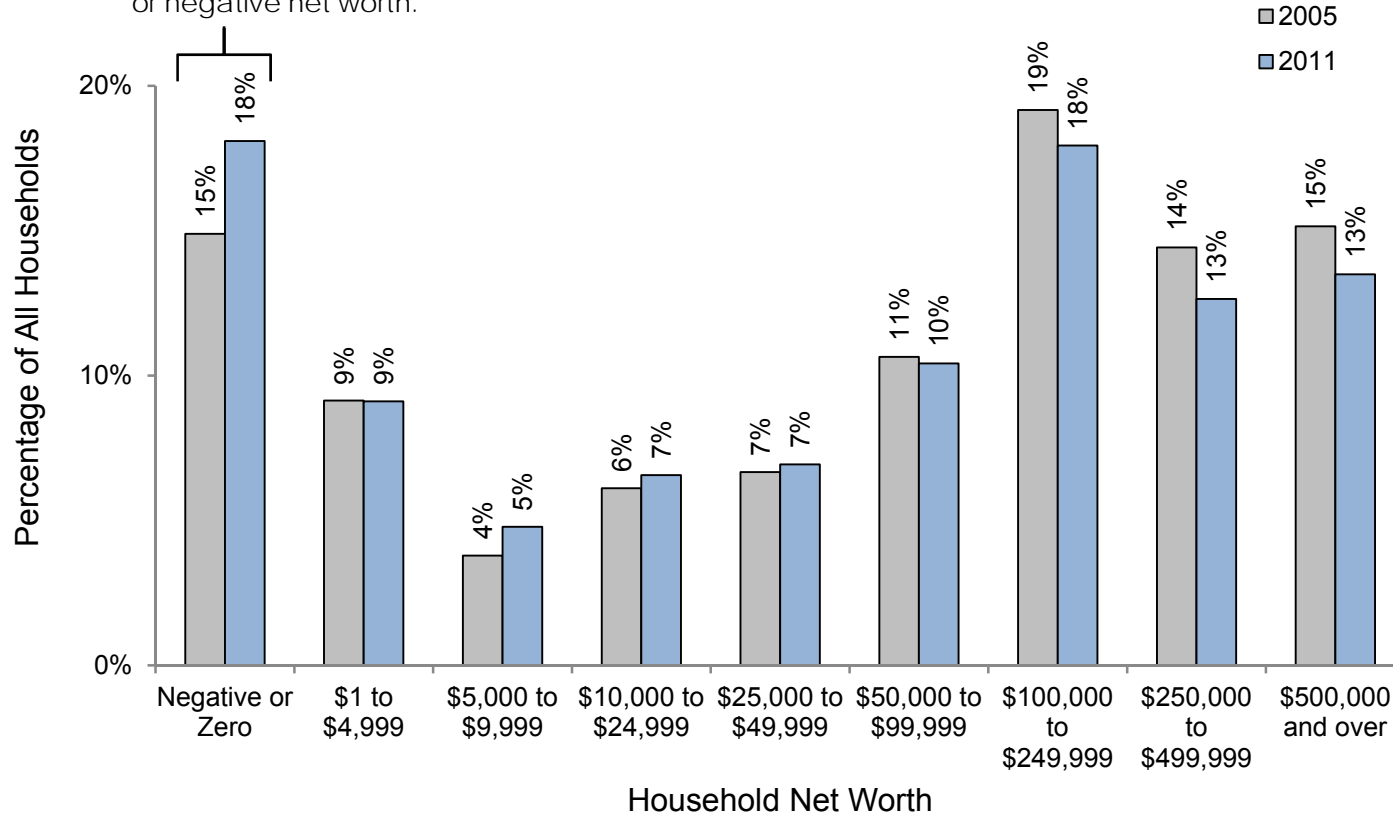
# Income is Declining for Middle- and Lower-Income Groups

Hourly Wage in CT by Percentile

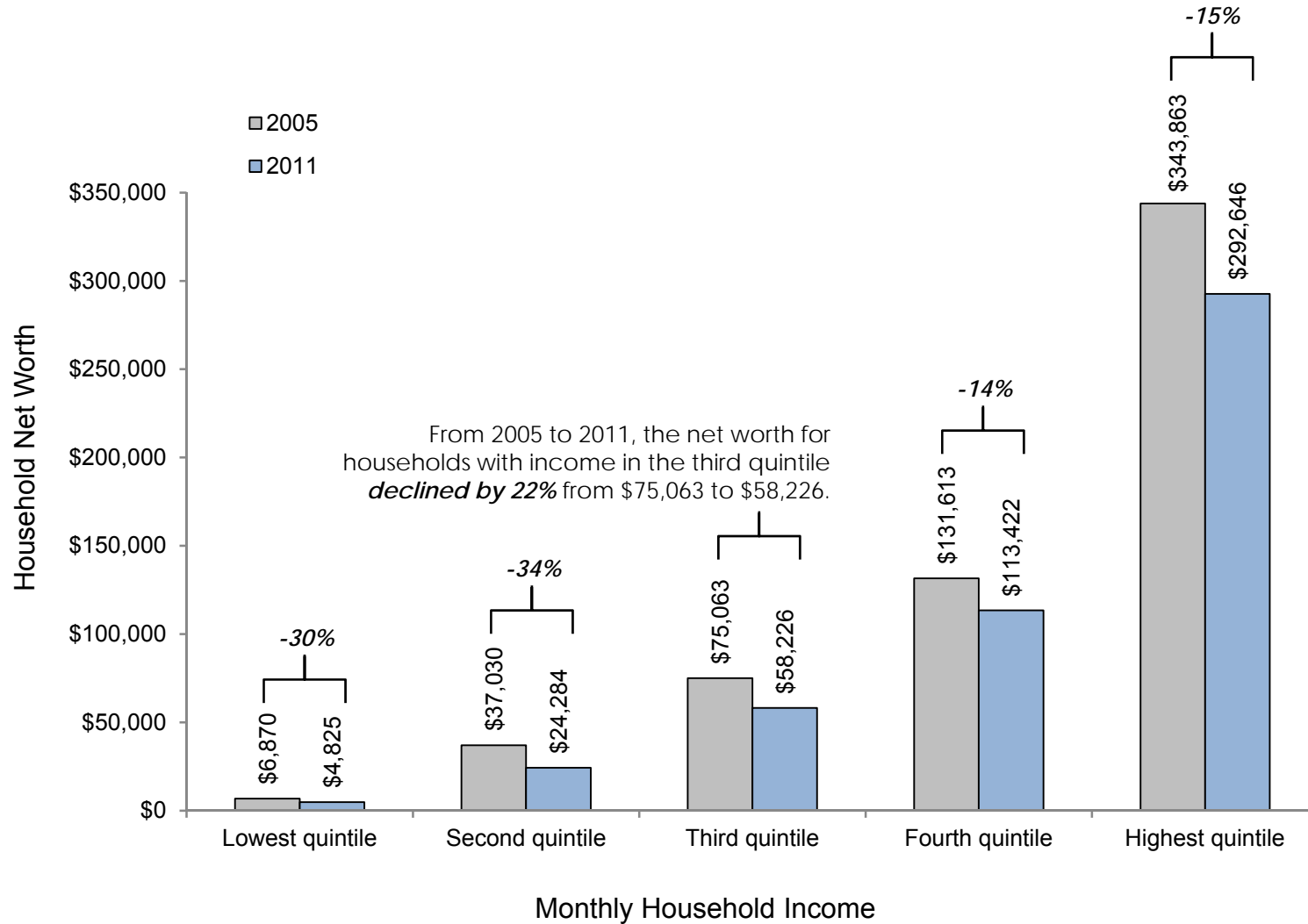


# Change in Net Worth by Total Assets: U.S. 2005 to 2011

In 2005, **15%** of all households had \$0 or negative net worth. By 2011, **18%** of all households had \$0 or negative net worth.

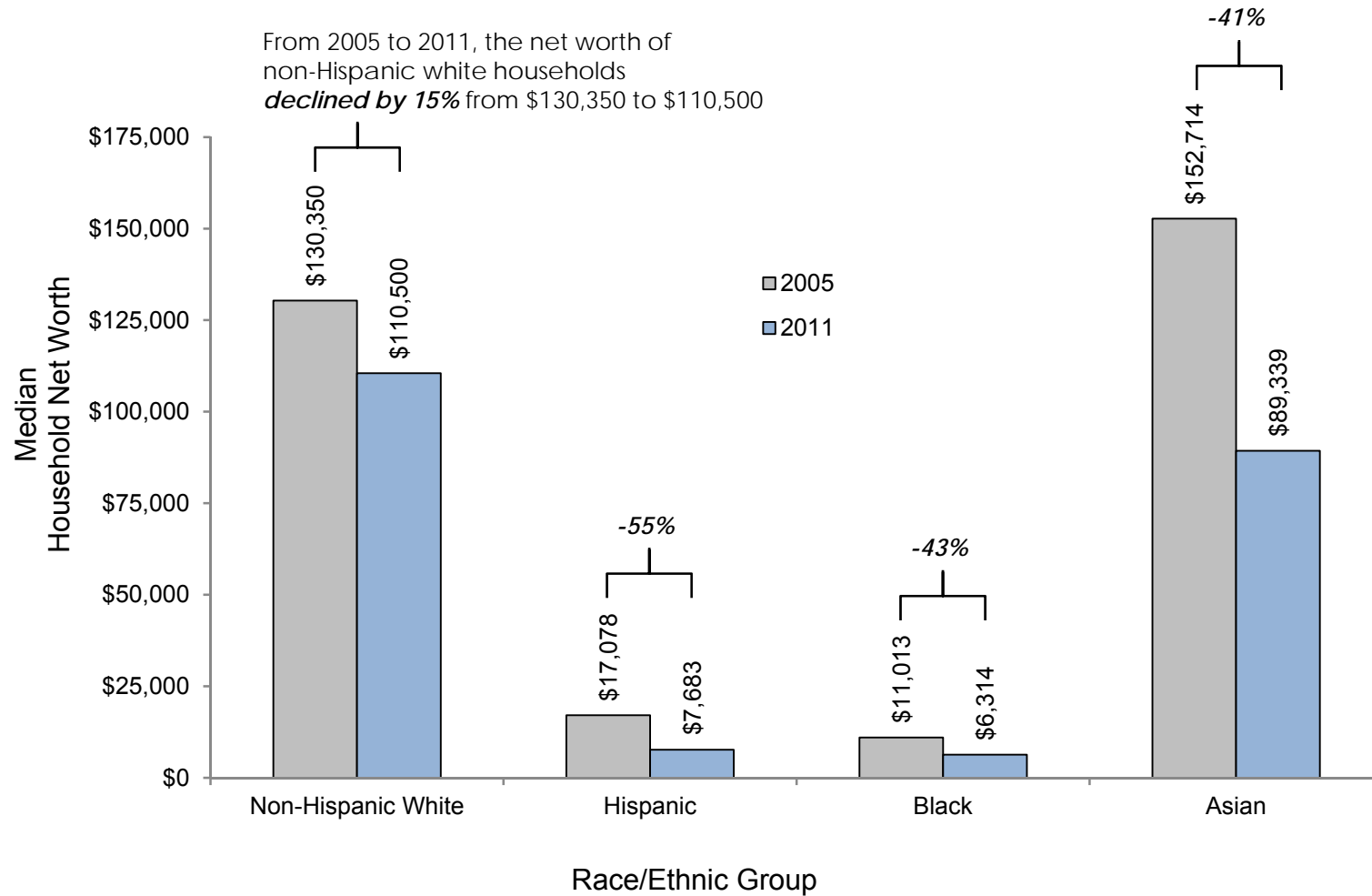


# Change in Net Worth by Income Group: U.S. 2005 to 2011



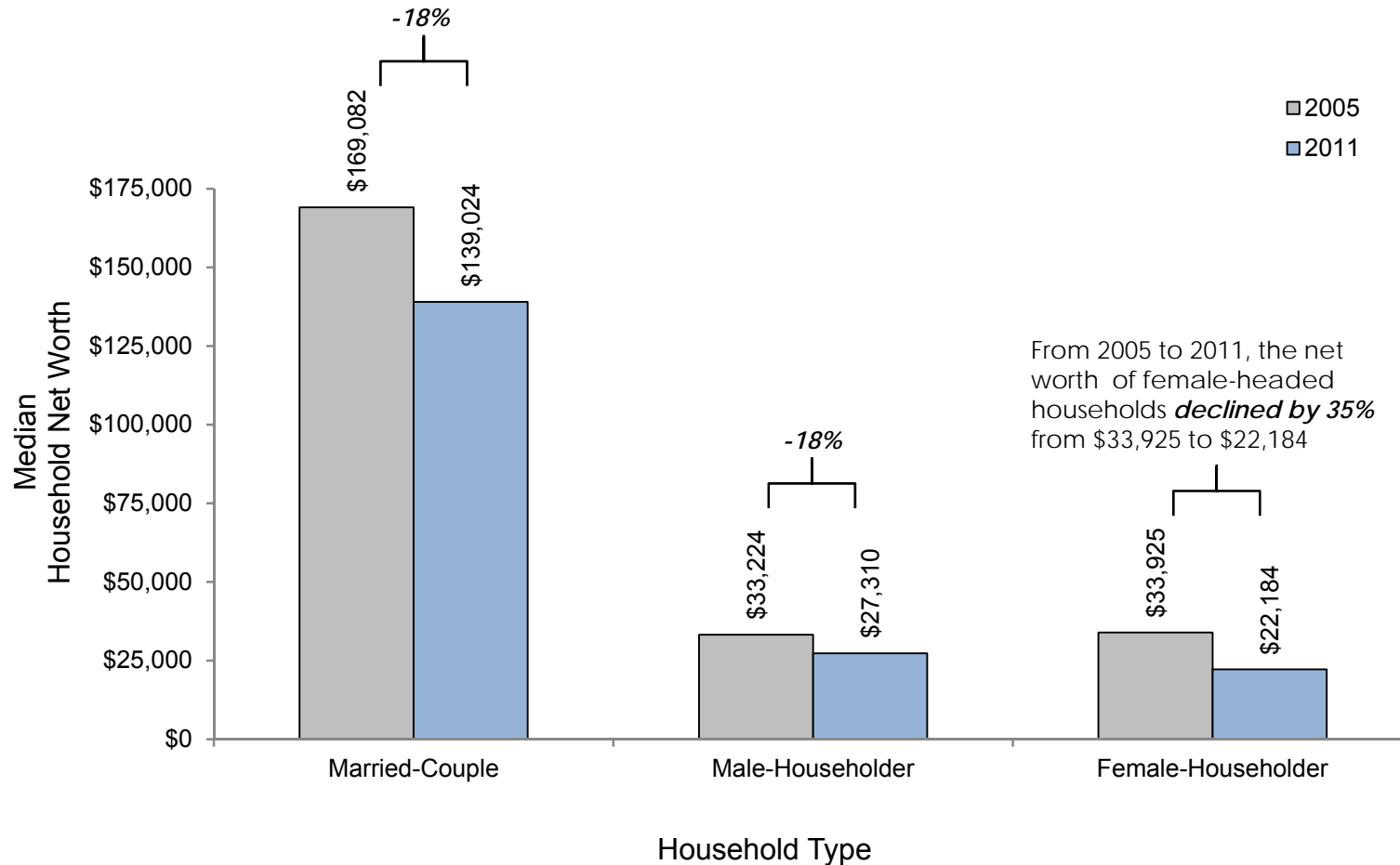


# Change in Net Worth by Race/Ethnicity: U.S. 2005 to 2011



# Change in Net Worth by Household Type: U.S. 2005 to 2011

From 2000 to 2010 in Connecticut, the number of married-couple households **declined by 1%** while male-headed households increased by **15%** and female-headed households increased by **10%**.



# Strength of asset-building policies in Connecticut

✓ Strong policy

✗ Weak policy or room for improvement

LEARN	EARN	SAVE	INVEST	PROTECT
<ul style="list-style-type: none"> <li>✓ Access to K-12 Education</li> <li>✓ State-Funded Head Start</li> <li>✓ Access to Early Education</li> <li>✓ WIA-Funded Workforce Training</li> <li>✓ Funding for Public Colleges</li> <li>✗ Full-Day Kindergarten</li> <li>✗ Financial Education in Schools</li> </ul>	<ul style="list-style-type: none"> <li>✓ State EITC</li> <li>✓ Paid Sick Leave</li> <li>✗ Child Tax Credit Child &amp; Dependent Care Tax Credit</li> <li>✗ Tax Prep Regulation</li> <li>✗ State Tax Fairness</li> <li>✗ Minimum Wage</li> <li>✗ Unemployment Benefits</li> <li>✗ Prepaid Cards – Unemployment Compensation</li> <li>✗ Property Tax Relief</li> </ul>	<ul style="list-style-type: none"> <li>✓ Statewide Bank On Program</li> <li>✓ Prize-Linked Savings</li> <li>✓ State Support for IDAs</li> <li>✗ Lifting Asset Limits in Public Benefit Programs</li> <li>✗ College Savings Incentives through 529 plan</li> <li>✗ Automatic Direct Deposit</li> </ul>	<ul style="list-style-type: none"> <li>✓ Housing Trust Fund</li> <li>✓ Postsecondary Financial Aid</li> <li>✓ In-State Tuition for Undocumented Students</li> <li>✗ State Support for Microenterprise</li> <li>✗ Support for Unemployed Entrepreneurs</li> <li>✗ Loans for Beginning Farmers</li> <li>✗ First-Time Homebuyer Assistance</li> <li>✗ Resident Ownership and Titling of Manufactured Housing</li> </ul>	<ul style="list-style-type: none"> <li>✓ Medicaid Expansion</li> <li>✓ Protections from Predatory Short-Term Loans</li> <li>✓ Protections from Predatory Debt Settlement Practices</li> <li>✓ Tenant Protections from Foreclosure</li> <li>✓ Protection from Discrimination for Low-Income Renters</li> <li>✓ Post-Foreclosure Protections</li> <li>✓ Student Protections from Deceptive For-Profit Schools</li> <li>✓ Expanded COBRA Coverage</li> <li>✓ Limitations on Hospital Charges, Billing and Collections</li> <li>✗ Debt Collection and Bankruptcy</li> </ul>