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2 OUT OF 5 PENNSYLVANIA RESIDENTS HAVE ALMOST NO SAVINGS TO COVER EMERGENCIES OR SAVE FOR THE FUTURE

State Policy Action Needed to improve Asset Building, Debt Reduction and Small Business Opportunities

[Audio is available here](#)

Holmes, PA – Nearly two in five Pennsylvania are living on the edge of financial disaster with almost no savings to fall back on in the event of a job loss, health crisis or other emergency, according to a report released today by the Corporation for Enterprise Development (CFED). The report also notes the large debt and financial burden faced by Pennsylvania college graduates and homeowners, and that Pennsylvania ranks near the bottom in the rate of micro-enterprise ownership.

The 2013 Assets & Opportunity Scorecard highlights the number of Pennsylvania residents who do not have sufficient savings to cover basic expenses at the federal poverty level for just three months if they suffer a loss of stable income. Without savings these families have limited opportunity to build a more prosperous future for themselves or their children, including saving for college, buying a home or setting aside money for retirement.

"It's clear that these families have prioritized today's expenses over tomorrow's goals, in part as a way to cope with the current recession's continued impact," said Andrea Levere, president of CFED. She called the findings "particularly disturbing given the ongoing budget talks in Congress that will likely result in further reductions in the social safety net and other programs that help low- and moderate-income people get on their feet and start planning and saving for a better future."

Published annually, the Assets & Opportunity Scorecard offers the most comprehensive look available at Americans' ability to save and build wealth, fend off poverty and create a more prosperous future. The Scorecard explores how well residents are faring in the 50 states and the District of Columbia and assesses policies that are helping residents build and protect assets across five issue areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care and Education.

Many Pennsylvanians, and working families across the State, face considerable challenges in meeting their daily economic needs and building financial stability. As the Scorecard indicates, State policies impact a family's ability to build assets and realize financial goals. In Pennsylvania, three organizations lead the Assets and Opportunities Network to promote financial growth and asset building in low-and moderate-income individuals and families. These organizations are DelCoAD/PathWays PA, the Montgomery County Asset Building Coalition, and the Women's Opportunities Resource Center (WORC).

Both DelCoAD and the Montgomery County Asset Building Coalition represent coalitions that include multiple nonprofits, colleges, and the United Way of Greater Philadelphia and Southern New Jersey. Coalition partners collaborate to provide low- to moderate-income individuals and families with free tax service as well as the tools, resources, and strategies they need to build financial stability. "The Scorecard's release is quite timely," states Carol Goertzel, President and CEO of PathWays PA (fiscal sponsor of DelCoAD). "By going to a free Volunteer Income Tax Assistance (VITA) site for tax preparation, individuals and families can not only save hundreds of dollars in fees, but they can also get assistance with savings, budgeting, and credit - to realize their financial goals."

Harriet Winokur, Coordinator of the Montgomery County Asset Building Coalition notes "The federal Earned Income and other tax credits provide working Pennsylvanians with a greater cash influx than they receive at any other time during the year. This provides a unique opportunity for families to save and build assets. Pennsylvania must continue to invest in free tax preparation programs, along with implementing a state earned income tax credit."

Pennsylvania's lowest performing area is Education, where the state receives a "C". 70% of Pennsylvania's college graduates graduate with student loan debt, and the average debt is almost \$30,000, the 5th highest debt level in the US. The State also ranks 48th (out of 51) in micro-enterprise ownership, with small business ownership rates even lower for women. Pennsylvania's weak policies do not encourage business creation.

"It is time for our legislators to reinstate the Family Incentive Savings Account Program and take advantage of all available federal funding for micro-enterprise development" states Lynne Cutler, President of the Women's Opportunities Resource Center (WORC). "These programs create financial stability, hope, and jobs for individual families, business and the community as a whole."

The Scorecard includes a dozen policy solutions that can help Pennsylvania increase opportunity and promote financial well-being for its residents. These include:

- **Encourage Asset Building:** To reduce asset poverty and increase savings, Pennsylvania should invest in a state earned income tax credit, free tax preparation, and promote participation in federal tax credits; remove savings disincentives by eliminating asset limits for food assistance programs; and help families build assets by the promotion of the its 529 plan and funding the Family Savings Account program.
- **Invest in Entrepreneurs:** To increase micro-enterprise and small business ownership, leading to job creation, Pennsylvania should access and utilize all federal funding for micro-enterprise development, including self-employment assistance programs, block grants, and the Workforce Investment Act.
- **Protect Homeowners:** To reduce the number of high-cost mortgage loans, delinquent mortgages, and foreclosures, the state should increase regulation of the mortgage servicers and promote mortgage assistance programs, including the Homeowners' Emergency Mortgage Assistance Program.

Nationally, the Scorecard data reveals the daunting reality facing far too many low- and moderate-income families as they struggle to move up the economic ladder. To read an analysis of key findings from the 2013 Assets & Opportunity Scorecard click here. To access the complete report, visit <http://assetsandopportunity.org/scorecard>. For more information on the Pennsylvania Local Lead Organizations, please visit mcassetbuilding.org, pathwayspa.org, and worc-pa.com.

About the Speakers:

Lyn Kugel is the Vice President of Workforce Development and Self Sufficiency with PathWays PA. For over 35 years, PathWays PA has provided women, children, and families with the education, training, outreach, and supportive services required to build family well-being and economic self sufficiency. PathWays PA is the Philadelphia Chamber of Commerce's Nonprofit of the Year, accredited by COA, and recognized as a leader in child welfare services and for policy and advocacy across the State. PathWays PA is also the fiscal sponsor of [DelcoAD](#), a coalition of agencies, educational and financial institutions dedicated to building the financial health and stability of individuals and families in Delaware County, Pennsylvania.

Harriet Winokur is the coordinator or the Montgomery County Asset Building Coalition, a partnership of nonprofit organizations in Montgomery County working together to assist low-to-moderate individuals and families to achieve financial stability. The coalition was formed in 2008 to provide income tax preparation services, and had expanded its scope to include asset building and other tools as a route to economic stability.

Lynne Cutler is the President and Founder of the Women's Opportunities Resource Center and CFED's lead local agency for Philadelphia. WORC is a national recognized organization. It is the oldest micro-enterprise organization in the Philadelphia region and one of the earliest micro-enterprise organizations in the US.

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PathWays PA was founded in 1978 as the Women's Association for Women's Alternatives. It served as one of Pennsylvania's first residential programs to keep low-income, vulnerable women together with their children and has grown to become one of the Greater Philadelphia Region's foremost providers of residential and community-based services for women, children and families. Each year over 6,000 women, children and families benefit from our full complement of social services; job training and employment assistance; as well as outreach and residential programs as they move along the path to self-sufficiency.