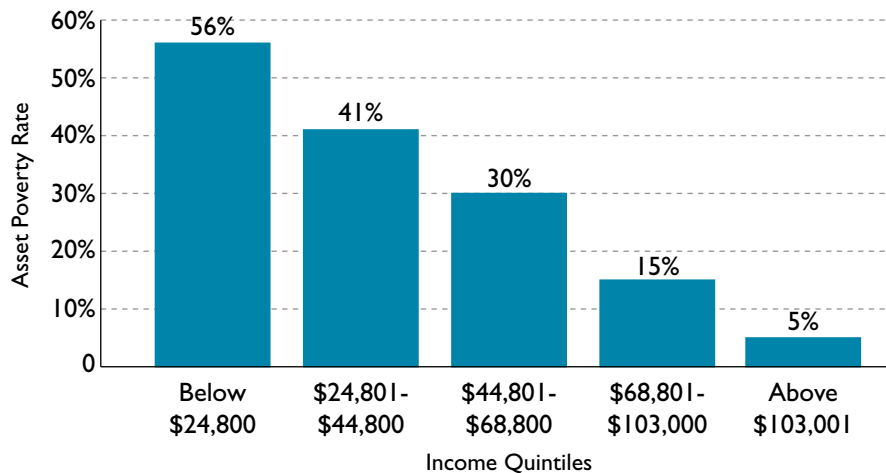


# STATE PROFILE: MASSACHUSETTS



The data for Massachusetts reveal marked disparities in asset ownership among its residents, many of whom face significant barriers to economic security. A state's asset poverty rate is one indicator of economic security. A household is asset poor if it lacks the resources to subsist at the poverty level for three months if it loses its source of income. Even middle-income families face asset poverty. In Massachusetts, 30% of those earning \$44,801-\$68,800 are asset poor.

## ASSET POVERTY BY INCOME IN MASSACHUSETTS



## WHAT MASSACHUSETTS CAN DO

- **INCREASE SUPPORT FOR HOMEOWNERSHIP:** To improve homeownership rates for minorities and low-income households, Massachusetts should increase funding and establish a dedicated funding source for its housing trust fund.
- **ENCOURAGE SAVINGS:** To improve its below-average ranking for net worth and high level of asset poverty, Massachusetts should remove savings disincentives of very low-income households by eliminating the asset test in its Temporary Assistance for Needy Families program and expand savings incentives through Individual Development Accounts and children's savings accounts.
- **SUPPORT EARLY CHILDHOOD EDUCATION:** To address its below-average rank for Head Start coverage, Massachusetts should expand coverage of early childhood education programs.

*"Some Massachusetts families are living with financial instability every day, while others are doing relatively well. The Scorecard shows us where we can focus our work to make more families financially secure."*

– Margaret Miley, Executive Director, The Midas Collaborative

## ABOUT THE SCORECARD

The 2009-2010 Assets & Opportunity Scorecard is a comprehensive look at wealth, poverty and the financial security of families. It assesses the 50 states and the District of Columbia on 92 outcome and policy measures, which describe how well residents are faring and what states can do to help residents build and protect assets. These measures are grouped into six issue areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care, Education and Community Investment & Accountability Policies. All data is collected from the latest available data sources and compiled by CFED.

Source: Estimations by Beacon Economics based on 2007 ACS and 2004 SIPP, Wave 6.

For a complete description of all 2009-2010 Assets & Opportunity Scorecard measures and sources, including how the grades and ratings were assigned, go to <http://scorecard.cfed.org>.

## MASSACHUSETTS

## OVERALL OUTCOME GRADE:A

The *Scorecard's* 58 outcome measures are ranked best to worst; #1 is the most desirable, #51 is the least desirable. Grades are given on a curve: 10 states get A's, 10 get B's, 16 get C's, 10 get D's and 5 get F's. Grades for each issue area are calculated by averaging the ranks of measures within the issue area. The overall grade is calculated by adding together the average score from each issue area and ranking those scores.

## FINANCIAL ASSETS & INCOME

## OUTCOME GRADE: C

**Are there widespread opportunities for wealth creation and protection, particularly for low-income residents?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Net Worth	7	\$157,160	\$88,803
Net Worth by Race	31	31.9 ^	6.1 ^
Net Worth by Income	32	474.6 ^	44.9 ^
Net Worth by Gender	32	1.7 ^	1.2 ^
Asset Poverty Rate	38	25.0%	22.5%
Asset Poverty by Race	16	2.2 ^	2.3 ^
Asset Poverty by Gender	23	1.4 ^	1.2 ^
Extreme Asset Poverty Rate	31	14.8%	14.3%
Income Poverty Rate	15	10.5%	12.3%
Unbanked Households	23	22.2%	26.8%
Bankruptcy Rate (per 1,000 people)	19	2.1	2.7
Median Credit Card Debt	33	\$3,016	\$2,960
Median Installment Debt	12	\$14,238	\$14,887

## BUSINESSES & JOBS

## OUTCOME GRADE:A

**Is the opportunity to grow a business or get a job that pays a sufficient wage with benefits available to all those who choose to pursue it?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Small Business Ownership Rate	25	17.5%	17.7%
Private Loans to Small Business	40	\$1,833	\$2,116
Microenterprise Ownership Rate	24	16.1%	16.5%
Women's Business Ownership Rate	14	4.9%	4.4%
Minority Business Ownership Rate	20	4.2%	4.9%
Women Owned Business Value	19	\$142,899	\$144,969
Minority Owned Business Value	20	\$176,834	\$162,824
Employee Ownership (per 1,000 firms)	36	1.1	1.4
Business Creation Rate (per 1,000 workers)	22	10.0	9.6
Employment Growth	36	-0.6%	-0.5%
Annual Unemployment Rate	25	5.3%	5.8%
Low-Wage Jobs	3	8.5%	22.2%
Average Annual Pay	11	\$43,283	\$44,458
Retirement Plan Participation	12	52.2%	47.4%
Employers Offering Health Insurance	3	66.2%	55.8%

^ This is a ratio of disparity that measures the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

**HOUSING & HOMEOWNERSHIP****OUTCOME GRADE: D****Is the opportunity to purchase and maintain a home available to all those who choose to pursue it?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Homeownership Rate	39	63.8%	64.2%
Homeownership by Race	46	1.9 ^	1.5 ^
Homeownership by Income	50	4.4 ^	2.7 ^
Homeownership by Gender	23	1.2 ^	1.2 ^
Foreclosure Rate	34	2.1%	3.0%
High-Cost Mortgage Loans	2	11.4%	17.5%
Mortgage Debt as % of Home Value	11	66.4%	76.9%
Affordability of Homes	42	6.1 #	3.5 #
Housing Cost Burden: Homeowners	44	41.3%	37.5%
Housing Cost Burden: Renters	43	47.2%	45.6%

**HEALTH CARE****OUTCOME GRADE:A****Is there broad access to health insurance as protection against income interruption and asset depletion from medical bills?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Uninsured Rate	1	8.9%	17.2%
Uninsured by Race	3	1.5 ^	2.2 ^
Uninsured by Income	21	3.3 ^	3.6 ^
Uninsured by Gender	51	1.6 ^	1.0 ^
Uninsured Low-Income Children	2	7.9%	18.3%
Uninsured Low-Income Parents	1	11.2%	37.2%
Employees Insured by Employer	10	68.3%	60.9%
Employee Share of Premium	24	25.0%	25.0%
Out-of-Pocket Medical Expenses	11	17.6%	19.0%

**EDUCATION****OUTCOME GRADE:A****Do residents have access to the education and training they need to get ahead?**

OUTCOME MEASURE	RANKING	State Data	U.S. Data
(among the 50 states plus DC)			
Head Start Coverage	28	21.2%	20.3%
Math Proficiency: 8th Grade	1	50.7%	31.0%
Reading Proficiency: 8th Grade	1	43.0%	29.2%
High School Degree	15	91.4%	87.6%
Two-Year College Degree	6	66.3%	58.7%
Four-Year College Degree	2	42.1%	29.9%
Four-Year Degree by Race	17	1.4 ^	1.5 ^
Four-Year Degree by Income	10	3.5 ^	5.0 ^
Four-Year Degree by Gender	34	1.0 ^	1.0 ^
Average College Graduate Debt	33	\$21,090	\$20,098
College Graduates with Debt	31	62.6%	59.0%

^ This is a ratio of disparity that measures the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

# This is a ratio of median home value compared to annual median family income, e.g., a ratio of 4 means housing values are 4 times higher than income.





## POLICY RATINGS

The *Scorecard* includes 34 policy measures: 12 priority policies and 22 additional policies. For policy priorities, states are assessed against criteria for what constitutes a strong policy. These policies provide a comprehensive view of what states can do to help residents build and protect assets. Policy priority data are current as of June 30, 2009; additional policy data are drawn from the latest published reports, usually 2007-2008.

-  Very strong policy
-  Strong policy, but some room for improvement
-  Some policy, but much room for improvement
-  Minimal policy in place
-  No policy in place

## FINANCIAL ASSETS & INCOME

### Policy Priorities

-  State IDA Program Support
-  State Earned Income Tax Credit
-  Lifting Asset Limits in Public Benefit Programs
-  Payday Lending Protections

### Additional Policies

**State Minimum Wage** ... \$8.00/hr; Not indexed to inflation  
**Income Tax Threshold** ... \$25,100  
**Financial Education in Schools** ... Included in curriculum standards; Testing required; Not all criteria met

## BUSINESSES & JOBS

### Policy Priorities




-  State Microenterprise Support

### Additional Policies

**Workers' Compensation Coverage** ... 98.5% of workers covered  
**Unemployment Benefit Level** ... 36.3% of average weekly wage  
**Unemployment Benefit Eligibility** ... Uses alternative base period; Benefits for compelling family reasons; Not all criteria met  
**Family Leave Benefits** ... No state policy  
**Incentives for Employee Ownership** ... ESOPs excluded from securities regulations; WIA funds support feasibility studies; Direct state assistance; Has employee ownership center

## HOUSING & HOMEOWNERSHIP

### Policy Priorities

-  Predatory Mortgage Lending Protections
-  Housing Trust Fund
-  First-time Homebuyer Assistance

### Additional Policies

**Affordable Rental Housing Preservation** ... 57.4% of LIHTC for preservation  
**Property Tax Relief** ... Circuit breaker only for elderly; Tax deferment  
**Foreclosure Protections** ... Protects pre-foreclosure rights; Protects against rescue scams; Not all criteria met  
**Resident Ownership of Manufactured Housing Communities** ... 45 days closure notice; Opportunity to purchase; Broadly applicable; Not all criteria met

## HEALTH CARE

### Policy Priorities




-  Access to Health Insurance

### Additional Policies

**Insuring High-Risk Individuals** ... No high risk pool  
**COBRA Coverage of Small-Business Employees** ... COBRA expansion for 36 months

## EDUCATION

### Policy Priorities

-  Early Childhood Education
-  Access to Quality K-12 Education
-  College Savings Incentives

### Additional Policies

**Postsecondary Education Financial Aid** ... \$291.62 per undergraduate student  
**State-Funded Head Start** ... \$9,000,000 in supplemental funds  
**WIA-Funded Workforce Training** ... 69.8% of participants received training  
**TANF-Funded Workforce Training** ... 2.14% of funds spent on training

## COMMUNITY INVESTMENT & ACCOUNTABILITY POLICIES

### Additional Policies

**State Support for CDFIs** ... No  
**Impact Analysis of Tax Law Changes** ... Yes, multiple models

**Community Investment for State-Chartered Banks** ... Yes  
**Tax Expenditure Transparency** ... Biennial report online; Covers major taxes