

STATE RATINGS: TEXAS



expanding economic opportunity

2007-2008 ASSETS & OPPORTUNITY SCORECARD

OVERVIEW

While Texas's 2007-2008 *Assets and Opportunity* data present a troubling picture overall – the state earned an overall grade of F – home values and rates of minority business ownership provide some brighter points in opportunities for residents to build wealth. The Lone Star state boasts affordable homes compared to other states (4th in affordability of homeownership), as well as the 17th lowest median mortgage debt. While Texas ranks 44th in overall homeownership and 30th in homeownership distribution by both income and gender, the state does have more evenly distributed homeownership rates by race (7th) than most other states. Texas's uneven business climate masks strong microenterprise ownership (13th), as well as impressive business ownership rates among the state's African-American (18th), Hispanic (11th), American Indian (18th), and Asian (10th) populations. American Indian-owned businesses in Texas also rank 4th in the nation in value.












Texans' access to health insurance is extremely low (49th in employer-sponsored insurance, and 51st in both uninsured low-income children and low-income parents without insurance) which bodes poorly for their ability to preserve the assets they have accumulated.

WHAT TEXAS CAN DO

Texas is not without options, however. To further help bolster the value of minority-owned businesses, Texas could follow the lead of other states in providing support to microentrepreneurs, as well as the community development financial institutions that support them, thus fostering a sustainably healthy business climate for all of its residents. The state should take action to curb rampant payday lending and property tax lending practices. Texas also could encourage savings and foster asset building among low-income families by providing funding for individual development accounts. By expanding its Medicaid programs to cover families with incomes up to 200% of the federal poverty level, more Texans would be eligible to receive medical care and be protected from the asset depletion that so frequently results from medical debt. The state should be lauded for recent changes to its SCHIP program, which will provide health coverage for children from families with incomes up to 200% of the federal poverty level.

Not surprisingly, the state sees better returns in those areas in which it invests its resources. Through the Texas's housing trust fund – which has a dedicated source of revenues for housing activities like construction, rehabilitation and financing – low-income homeowners are receiving help in purchasing and increasing the value of their homes.

CORE POLICY RATINGS

-  Asset Limits in Public Benefit Programs
-  Housing Trust Fund
-  Incentives for College Savings
-  Microenterprise Support*
-  Curbing Predatory Lending
-  Expanded Coverage for Medicaid and SCHIP****
- n/a State Earned Income Tax Credit***
-  School Spending Fairness*
-  Support for Community Development Lenders*
-  State Supported Preschool*****
-  Support for IDA Programs
-  Tax Expenditure Report**

-  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

* Maximum possible rating is 50%

** Maximum possible rating is 25%

*** State does not have an income tax

**** Does not reflect expanded SCHIP coverage (200% of FPL) passed in 2007

***** Maximum possible rating is 75%

For a complete description of all 2007-2008 *Assets & Opportunity Scorecard* measures, including the 12 policies that the Scorecard highlights, information on 26 other asset policies and 46 outcome measures, and how the ratings and rankings were computed, please go to www.cfed.org/go/scorecard.

TEXAS

OVERALL OUTCOME GRADE: F

FINANCIAL SECURITY

OUTCOME GRADE: D

OUTCOME MEASURE RANKING
(among the 50 states plus DC)

Net Worth of Households	45
Asset Poverty	43
Asset Poverty by Race	12
Asset Poverty by Gender	20
Household Asset Equality by Race	11
Household Asset Equality by Gender	34
Households with Zero or Negative Net Worth	40

Banked: Households with Non-Interest-bearing Accounts	25
Banked: Households with Interest-bearing Accounts	42
Bankruptcy Rates	15
Subprime Loans	43
Median Credit Card Debt	23
Median Installment Debt	42

BUSINESS DEVELOPMENT

OUTCOME GRADE: B

Small Business Ownership	45
Private Loans to Small Businesses	43
Microenterprise Ownership	13
Women's Business Ownership Rate	26
African-American Business Ownership Rate	18
Hispanic Business Ownership Rate	11
American Indian-Native Alaskan Business Ownership Rate	18
Asian Business Ownership Rate	10

Hawaiian-Pacific Islander Business Ownership Rate	20
Women Owned Business Value	26
African-American Owned Business Value	33
Hispanic Owned Business Value	41
American Indian-Native Alaskan Owned Business Value	4
Asian Owned Business Value	30
Hawaiian-Pacific Islander Owned Business Value	22

HOMEOWNERSHIP

OUTCOME GRADE: B

Affordability of Homes	4
Homeownership Rate	44
Homeownership by Race	7
Homeownership by Income	30

Homeownership by Gender	30
Foreclosure Rate	35
Median Mortgage Debt	17

HEALTH CARE

OUTCOME GRADE: F

Employer-Sponsored Insurance	49
Uninsured Low-Income Children	51

Low-Income Parents Without Insurance	51
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EDUCATION

OUTCOME GRADE: D

Head Start Coverage	49
Math Proficiency - 8th Grade	22
Reading Proficiency - 8th Grade	36
Two Years of College	43

Four Years of College	28
Degrees by Race	27
Degrees by Income	40
Degrees by Gender	47

For each measure, the state with the most desirable outcome is ranked 1st, and the least desirable is ranked 51st.