



## **Asset Building Advocates Call for National Movement to Reform Federal Policy**

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[www.community-wealth.org](http://www.community-wealth.org), September 2012

More than 1,200 asset building advocates from around the country gathered to participate in the Corporation for Enterprise Development (CFED) biennial Asset Learning Conference, held on September 20<sup>th</sup> and 21<sup>st</sup> in Washington, DC.

The conference, titled “Ideas into Action,” aimed to encourage a shift from research and ideas to building a social movement that would have the political strength to begin to implement asset-building ideas into policy. Andrea Levere, President of CFED, outlined seven key principles guiding that effort. First was financial inclusion. The second principle was “building financial capability where knowledge informs behavior.” The third principle was building savings. “It is not just what you earn; it is also what you own,” Levere said. The fourth principle, Levere said, was to “build right side-up policy.” Right now, Levere pointed out, a person earning a million dollars on average receives \$96,000 a year in government subsidies (tax deductions) to promote savings, while the poorest fifth of Americans on average receive \$5 of support. “It is time to ask big,” Levere said. “We need a truly universal savings and investment infrastructure.” The fifth principle is to integrate asset building into “where we live, work, and shop.” The sixth principle is to “remember protections or risk losing it all.” As the seventh and final principle, Levere called for “a movement to rebuild American capitalism.” “Today,” Levere said, “we are joined by numerous organizations—consumer protection, health care, affordable housing, disability rights, immigrant rights—that have generously added assets to their agenda.” Levere then announced the launch of the Assets Opportunity Network, which aims to take on that work.

Richard Cordray, Director of the U.S. Consumer Financial Protection Bureau, followed Levere’s remarks. The Bureau, formed as part of the Dodd-Frank Act, aims to provide “clearer rules of the road.” “For the first time,” Cordray added, “we have that authority to regulate bank and non-bank firms in the mortgage market to ensure the rules are enforced.” To date, the Bureau has received 72,000 citizen complaints. Cordray emphasized that the Bureau is still in the process of being built. Cordray pointed out that, “We have currently 983 people. We will eventually have 1,600 or so people. Our job is to engage with 310 million Americans. That is a daunting task.” Cordray emphasized the role of consumer protections in allowing for economic mobility: “The work is about steadying the ladder for people who seek to climb. Every one of us deserves the chance to climb the ladder and be treated with dignity and respect no matter what rung we find ourselves.”

John Campbell, Executive VP of the Social Responsibility Group at Wells Fargo spoke from the banking industry’s perspective. Campbell claimed that due to the financial crisis, “It is no longer a shareholder world” and instead that, “We clearly now live in a stakeholder world.” Campbell discussed the banks’ efforts in the areas of keeping people in their homes, individual development accounts, and financial education and outreach. In concluding, Campbell called on banks and consumer advocates to work together to find “sustainable, scalable solutions.”

Lisa Mensah, Executive Director of the Institute on Financial Security at the Aspen Institute, closed out the first plenary session. Mensah noted that many might counsel the asset building movement to “wait until the economy heals. That’s the wrong message for us ... we can’t just fix the [social safety] net; we have to build a ladder. That’s what budget and tax policy is about. Yes, we understand the jobs – we are the people who fight poverty. But we also understand how to move up – we’re ladder people. We are not an optional field. This really is our time.”

At the following plenary, Bill Corr, Deputy Secretary of the U.S. Department of Health & Human Services spoke about his agency’s Assets Savings Support Education and Training (ASSET) Initiative, which focuses on six areas: financial education, savings and IDAs [individual development accounts; getting banks accounts for households without bank accounts; managing credit card debt; tax credits and filing assistance; and assistance with accessing benefits. At present, Corr added, there are 750 federally funded IDA projects through the Assets For Independence Act program, conducted in coordination with 416 community organizations.

Following Corr’s address, CFED presented its biennial Assets and Opportunities Award, an award given to the group that is seen to have done the most to advance the asset-building field in the United States. The winner this time was Cities for Financial Empowerment, a coalition of a dozen large cities that are developing asset-building campaigns. Jonathan Mintz, Commissioner of the New York City Department of Consumer Affairs, and José Cisneros, Treasurer of the City and County of San Francisco, accepted on the organization’s behalf.

Following the award presentation, Corey Booker, Mayor of Newark, New Jersey—a member of Cities for Financial Empowerment—delivered the luncheon keynote address. Booker cast the movement on behalf of “assets for all” as a movement for liberation: “The slavery of generations was about physical bondage,” Booker said, “The slavery of today is the soul of our nation being confined and imprisoned by limited opportunities and lack of pathways – not by failures of our own, but the failures of our own common country.” Booker added, “We need to empower everyone born. We need to make sure everyone has a pathway to prosperity. Only then will this nation will find achieve its call: A nation of liberty and justice for all.”

The following day, San Francisco Treasurer José Cisneros highlighted his city’s “Kindergarten to Career” program, a program that gives every student who enters public school kindergarten his or her own \$50 (\$100 if low income) starter savings account. “In the last two years, we’ve opened 3,300 accounts. By the end of the year we will have opened 8,000 accounts. There has been \$120,000 in additional family deposits put into the accounts so far. More than 65 percent of our first savers are free-and-reduced-lunch qualifying students. Seventy-three percent of families claim they will make a deposit in the account before the end of the year.”

Anne Mosle, Executive Director, Aspen Institute Ascend Family Economic Security Program, highlighted the growth of the asset building movement. In the 1998, the first conference was 14 people. This year, there are more than 1,200 people from 49 states.” Mosle noted that, “A lot of folks are working hard, but how do we move further, faster.” Mosle called for a “two generational” approach that worked both with children and their parents.

Sterling Speirn, CEO of the W.K. Kellogg Foundation spoke next. Speirn noted that the Kellogg Foundation started 80 years ago with a focus on two things: education and health. “Those continue to be our two pillars.” But the foundation has now “added a third pillar of family economic security” because Kellogg sees achieving family economic security as a necessary means to achieve better education and health outcomes. Following Speirn’s remarks, Martha Kanter, Under Secretary in the U.S. Department of Education, highlighted the Obama administration’s education 2020 goal that the United States once again has the highest percentage of population graduating from college (includes 2-year and 4-year colleges). Kanter noted, in 2009, “We were 16<sup>th</sup> in the world. We moved up to 14<sup>th</sup>. But we have lost our share of thought leadership and capacity that we need to get back. Our ranking is unacceptable.”

Following her talk, Kanter moderated a panel of three young women who had benefitted from matched savings account programs: LaTerra Cole, was a matched savings account holder at Mile High United Way in Denver and now s second year law student at Catholic University; Tierra Hopkins, attended Maya Angelou Charter School in Washington, D.C. and now a sophomore at Trinity Washington University; and Jennifer Jones is a student at a Kipp charter school in Washington, DC. A Cole talked about the importance of matched savings accounts as making financial education meaningful. “They gave me money to manage. Other programs taught me how to manage money, but to me those classes were for those who had money to manage. It allows me to think of having a new future that didn’t have to be defined by poverty.” Hopkins noted that her matched savings account, though modest, provided a major boost to her ability to finance college. “Without my account I don’t know how I would pay for books and my computer,” she said. Jones emphasized the importance of working with parents as well as the children: “Parents need the ability to save and to teach their children how to get a college education. If the parent can’t teach them how to do it or someone else close teaches them how to do it, then the child struggles.” After the panel, Bob Friedman, Board Chair of CFED, made a call for “a savings match and an account for every man, woman, and child in the country.” Friedman said the likelihood of a tax system overhaul after the 2012 election (made likely by the expiration of 2001 tax cuts in 2013) provides an opening to pursue this goal.

The closing session featured Eugene Robinson, columnist for the *Washington Post*. Robinson emphasized the current stakes. “Mobility out of the top of the income scale and the bottom is decreasing. Born poor you’re more likely to stay poor than it used to be. If you’re born rich there is an excellent chance that you will stay rich and your children will stay rich as well. Lack of mobility threatens the very essence of what America is about.” Robinson’s talk was followed by a presentation by Robin Katcher of Management Assistant Groups regarding the importance of networks in building social movements. The conference closed with a call to join the Asset and Opportunity Network. Lucy Gorham, a member of the national steering committee, said that the network would have four goals: 1) to shape the direction and priorities for the field, 2) influence federal policy, 3) access funders, and 4) learn and share with peers. José Quiñones, Executive Director of the Mission Asset Fund invited everyone to join the network. The goal, he said, was nothing less than “to make the American dream more of a reality.”

*For more information on CFED (Corporation for Enterprise Development), see:*  
<http://www.cfed.org>.