

ASSETS & OPPORTUNITY PROFILE: WINSTON-SALEM AND FORSYTH COUNTY



expanding economic opportunity

ASSETS & OPPORTUNITY PROFILE



Cities have long been thought of as places of opportunity for low-income workers to forge pathways to the middle class. Yet, far too many urban households struggle to gain a foothold in the mainstream economy. In a CFED study of 10 major U.S. cities, it was found that one out of every four households owes more than they own, and over one-third of families do not have enough assets to meet their very basic needs for three months should they lose their main source of income.¹ Not only does this type of financial insecurity destabilize families, it also jeopardizes the long-term vitality of cities and local economies.

That is why a growing number of local leaders are expanding the vision of what cities can and should do to create financial security and opportunity for low-income residents. Local asset-building programs have proliferated in the nonprofit sector for more than a decade, but across the country, local leaders are pioneering new ways to leverage those programs, along with new policies and resources to expand the reach of asset-building opportunities for low- and moderate-income families.

At their best, these new efforts utilize a systems approach that works across departmental silos and public/private sector divides to improve access to the information, products and protections that help families become more financially stable.

ABOUT THE PROFILE

This Assets & Opportunity Profile was created to fuel a local conversation about wealth, poverty and opportunity in Winston-Salem. It includes a data snapshot of the financial security and opportunities for Winston-Salem residents. It also contains an overview of what it takes for households to achieve financial security and what cities are doing nationally to help financially educate, empower and protect residents and enable them to build a more prosperous future.

KEY HIGHLIGHTS

39%

of Winston-Salem households
live in asset poverty

22%

of Forsyth County households
live in extreme asset poverty

56%

of Forsyth County residents
have subprime credit scores

49%

of Winston-Salem renters
are cost-burdened

35%

of Winston-Salem low-income
residents are uninsured

60%

of Forsyth County single parent
households live in asset poverty

ASSET BUILDING IN WINSTON-SALEM AND FORSYTH COUNTY

In a market economy, what one owns (i.e. wealth, savings or assets) is a key measure of financial stability and economic opportunity. Having assets enables individuals and households to make key, long-term investments, such as buying a home, starting a business or pursuing further education and training. In times of financial crisis, such as a job loss or health emergency, savings serve as a safety net to sustain a household and to prevent foreclosure, bankruptcy or other long-term hardships. In addition to important economic benefits, wealth or assets also have important psychological benefits in that they help people to envision a better future for themselves and their children. Asset building refers to efforts to help all households, particularly limited resource households, to acquire and utilize productive assets.

In Winston-Salem and Forsyth County, a variety of public, private and nonprofit agencies provide a broad range of services to promote the asset building and financial security needs for families. The need for these services continues to grow as the effects of the international financial crisis worsen and are felt locally. Wealth creation through asset accumulation, financial literacy and asset protection is a major focus of the United Way of Forsyth County and its partner agencies.

In the second half of 2011, a team of local leaders in Winston-Salem and Forsyth County came together to develop a Municipal Profile of asset building, asset poverty and financial security in the Winston-Salem community. The members of this Action Team initiated a discussion of where the community stands now, where it should be in future, and how best to get there. The contributions of these Action Team members provided a critical first step in a process of increasing local awareness and support for asset building.

ABOUT THE WINSTON-SALEM FUNDERS' COLLABORATIVE

Organized in 2006, the Winston-Salem Funders' Collaborative is a network of 12 funders who have informally joined to fund core operating support for community development corporations. One of the emerging successes of the 8-year Local Initiative Support Corporation's (LISC's) presence was the creation of a funders' collaborative for community development. There are five funding priorities: 1) neighborhood involvement and leadership; 2) strong/effective community development corporations/entities (CDCs/CDEs); 3) real estate development; 4) strategic alliances; and 5) leveraged resources. The CDCs/Es of the Funders' Collaborative propose to join with and support organizations focused on asset building.

This Profile was prepared by CFED with generous support from the Z. Smith Reynolds Foundation, the Winston-Salem Funders' Collaborative, Forsyth County, the City of Winston-Salem and Consumer Credit Counseling Services.

Action Team Leaders
Atkinson Collaborative Enterprise
Carolina Bank
Center for Homeownership
City of Winston-Salem
Consumer Credit Counseling Services
DataMax Foundation
Department of Social Services
Experiment in Self Reliance, Inc.
Forsyth County Housing Department
Forsyth County Department of Public Health
Forsyth County School District
Forsyth Futures
Forsyth Technical Community College
Goodwill Industries
Habitat for Humanity of Forsyth County
Housing Authority of Winston-Salem
JFK Consulting
Kate B. Reynolds Charitable Trust
Piedmont Federal Savings Bank
Southern Piedmont Community Federal
United Way of Forsyth County
The Winston-Salem Foundation
Winston-Salem State University and the Center for Community Safety at WSSU
Winston-Salem Funders' Collaborative

PROGRAM HIGHLIGHTS

Existing Programs (Program Sponsors)	Services Offered
Individual Development Accounts (Experiment in Self Reliance, Inc.)	Economic literacy Debt reduction Credit rebuilding Matched savings Asset purchase (home)
Center for Financial Education (Consumer Credit Counseling Services)	Economic literacy Budgeting Debt management Credit rebuilding Asset protection/Foreclosure prevention
Senior Financial Care (Consumer Credit Counseling Services)	Budgeting Bill paying Consumer protection
Family Self Sufficiency (Housing Authority of Winston-Salem)	Savings in escrow account Homeownership program
Earned Income Tax Credit (Earned Income Tax Credit)	Work incentives Tax credits can be used for savings
Volunteer Income Tax Assistance (Volunteer Income Tax Assistance)	Free tax preparation and filings Suggestions for investing refunds
Neighborhood Prosperity Center (Goodwill Industries)	One-stop center for financial prosperity Wide range of financial empowerment services
Ways to Work (Family Services)	Help provide affordable transportation Help build positive credit history Stabilize families' financial situation
ESR Saves (Experiment in Self Reliance, Inc.)	Promotes banking for unbanked
Homeownership Counseling (Center for Homeownership)	Pre-homeownership training & counseling Post-homeownership counseling Home maintenance
Home Purchase (Habitat for Humanity, City of W-S, Forsyth County, SG Atkins and Goler Community Development Corporations)	Below market home interest-free financing Sweat equity Pre-homeownership counseling Post-homeownership counseling
Consumer and Family Education (Forsyth Cooperative Extension Services)	Economic literacy Home maintenance Consumer awareness Agri-education
Micro-Enterprise Development & Support: (Forsyth Tech/ W-S Chamber of Commerce, MELP, Self-Help Credit Union, SG Atkins Enterprise Center, Goler Piedmont Contractors Resource Center, Wake Forest Community Law & Business Clinic)	Education/Training Business planning City loan programs Micro-enterprise loan programs Small business technology NWPDC 504 small business lending Small business legal assistance
Workforce Development & Joblink (NWPCOG, Goodwill of NW North Carolina, Forsyth Tech, Urban League)	Job training Workforce skills training

ABOUT THE DATA

The data in the Profile includes a look at households in asset poverty, a demographic snapshot of Winston-Salem, and outcomes in five categories essential to building assets and long-term financial security in today's economy: Financial Assets, Income & Credit, Employment & Business Ownership, Housing & Homeownership, Educational Attainment, and Health Insurance. Taken together, these five categories provide a comprehensive look at the financial stability and economic resiliency of families in Winston-Salem and Forsyth County.

HOUSEHOLDS IN ASSET POVERTY

Asset poverty is a measure that expands the notion of poverty to establish a minimum threshold of wealth needed for household security. A household is asset poor if it has insufficient net worth to support itself at the federal poverty level for three months in the absence of income, i.e., net worth of less than \$4,577 for a family of three in 2009. Asset poor households would not have enough savings or wealth to provide for basic needs during a sudden job loss or a medical emergency. Minority and single-parent households are more likely to be asset poor, as are those with lower levels of education. Even middle-income families face asset poverty. In Winston-Salem, 28% of those earning between \$45,655 and \$70,014 are asset poor.

PERCENT OF HOUSEHOLDS IN ASSET POVERTY	City of Winston-Salem	Forsyth County	Winston-Salem, Metro ²	North Carolina	United States
All Households	38.9%	30.9%	28.7%	29.9%	29.1%
By Housing Tenure					
Homeowner	11.0%	10.0%	10.1%	10.7%	10.3%
Renter	67.2%	65.4%	65.2%	64.1%	61.4%
By Race					
White	22.8%	20.0%	20.1%	21.9%	22.2%
Minority	53.5%	49.0%	48.2%	47.1%	44.2%
Black	52.7%	48.9%	47.8%	49.0%	50.2%
Latino	60.5%	55.1%	53.9%	50.8%	46.2%
Asian	n/a	n/a	n/a	23.1%	22.8%
Native American	n/a	n/a	n/a	32.7%	40.0%
By Education					
High School	49.2%	37.3%	32.0%	34.5%	34.4%
Some College	41.6%	32.9%	29.4%	31.3%	30.5%
Bachelor's Degree	23.0%	18.4%	17.0%	18.6%	18.2%
Advanced Degree	14.2%	12.0%	11.6%	12.2%	12.0%
By Age of Householder					
< 35	56.0%	50.2%	48.5%	49.3%	48.4%
35-44	42.5%	32.0%	29.7%	28.4%	28.3%
45-54	30.9%	23.5%	21.8%	21.6%	21.3%
55-64	20.4%	15.8%	15.4%	16.4%	16.4%
By Family Status					
Married	22.8%	17.6%	16.8%	17.7%	17.7%
Household with Children	46.4%	35.7%	33.1%	33.5%	32.2%
Single Parent	67.0%	59.7%	55.6%	55.1%	52.9%
By Poverty Status					
Below Income Poverty Line	70.7%	65.2%	62.5%	58.9%	58.8%
Above Income Poverty Line	31.4%	25.4%	23.5%	25.3%	25.1%
By Household Income					
Below \$24,987	64.0%	58.9%	55.5%	53.7%	54.1%
\$24,988-\$45,654	46.2%	41.1%	36.9%	38.8%	40.6%
\$45,655-\$70,014	28.3%	24.3%	22.3%	23.7%	26.9%
\$70,015-\$107,289	15.4%	12.5%	11.7%	14.2%	16.3%
Above \$107,289	6.0%	5.4%	5.4%	6.2%	7.4%

For comprehensive definitions of the measures and data sources, please see pages 7 and 8.

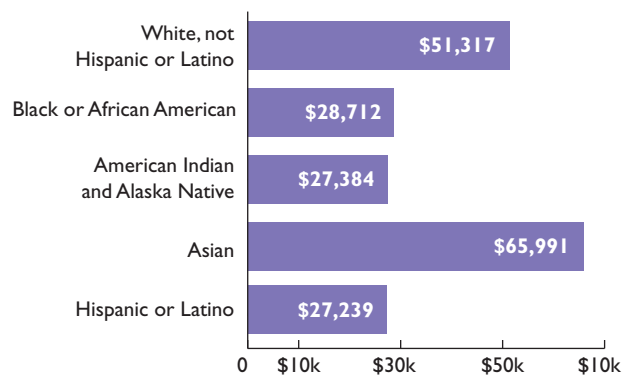
WINSTON-SALEM POPULATION DEMOGRAPHICS

MEASURE	City of Winston-Salem	Forsyth County	Winston-Salem, Metro ²	North Carolina	United States
Total Population	229,617	350,670	477,717	9,535,483	308,745,538
White, not Hispanic or Latino	47.1%	58.7%	66.5%	65.3%	63.7%
Black or African American	34.7%	26.0%	20.3%	21.5%	12.6%
American Indian and Alaska Native	0.4%	0.4%	0.4%	1.3%	0.9%
Asian	2.0%	1.9%	1.5%	2.2%	4.8%
Hispanic or Latino	14.7%	11.9%	10.3%	8.4%	16.3%
U.S. Citizen	92.2%	93.8%	94.8%	95.1%	92.9%
Speak English Less Than "Very Well"	8.6%	6.8%	5.8%	4.6%	8.6%

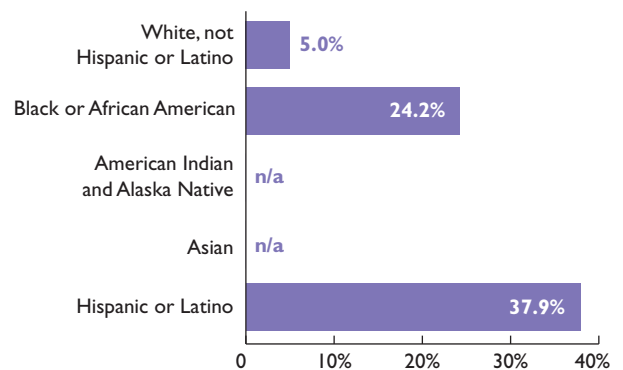
FINANCIAL ASSETS, INCOME & CREDIT

MEASURE	City of Winston-Salem	Forsyth County	Winston-Salem, Metro ²	North Carolina	United States
Median Household Income	\$40,418	\$45,944	\$45,320	\$45,131	\$51,369
Income Poverty Rate	15.6%	11.8%	11.0%	11.2%	9.9%
Asset Poverty Rate	38.9%	30.9%	28.7%	29.9%	29.1%
Extreme Asset Poverty Rate	27.2%	21.8%	20.3%	21.2%	20.5%
Households Receiving SNAP	10.9%	8.5%	8.6%	9.8%	8.9%
Households w/ Interest, Dividend or Net Rental Income	21.6%	22.7%	22.5%	21.8%	24.5%
Unbanked Households	n/a	n/a	n/a	8.2%	7.7%
Underbanked Households	n/a	n/a	n/a	20.0%	17.9%
Median Credit Score	n/a	671	675	653	663
Consumers with Subprime Credit Scores	n/a	55.5%	54.8%	58.6%	56.8%
Average Credit Card Debt	n/a	\$11,505	\$11,312	\$11,405	\$11,381
Average Revolving Credit Utilization	n/a	28.3%	28.8%	31.3%	31.7%
Average Installment Debt	n/a	\$24,374	\$23,779	\$23,623	\$23,669
Borrowers 90+ Days Overdue	n/a	3.8%	3.6%	3.9%	4.4%

Median Household Income by
race in Winston-Salem



Family Income Poverty by Race
in Winston-Salem

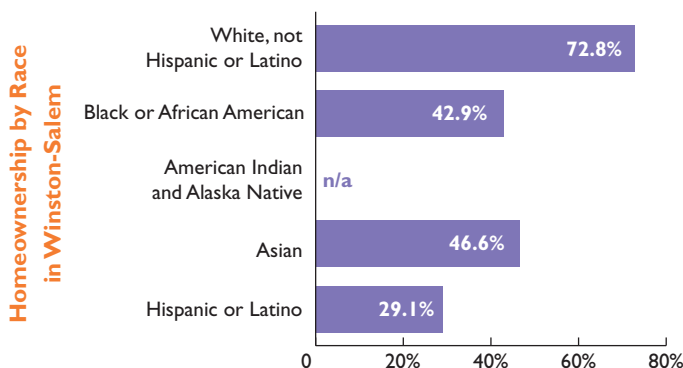


EMPLOYMENT & BUSINESS OWNERSHIP

MEASURE	City of Winston-Salem	Forsyth County	Winston-Salem, Metro ²	North Carolina	United States
Annual Unemployment Rate	9.1%	9.7%	10.0%	10.6%	9.6%
Average Annual Pay	n/a	\$41,501	\$39,874	\$39,844	\$45,559
Self-Employed Workers	8.0%	9.2%	9.9%	10.2%	10.3%
Microenterprise Ownership Rate	n/a	14.8	14.8	16.3	16.5
Vehicle Non-Availability by Working Household	4.8%	3.8%	3.1%	3.1%	5.1%

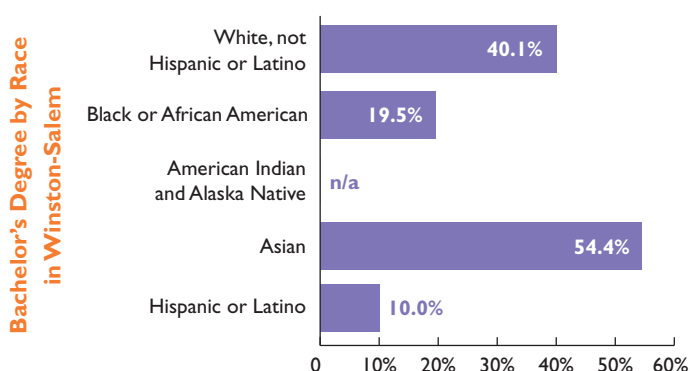
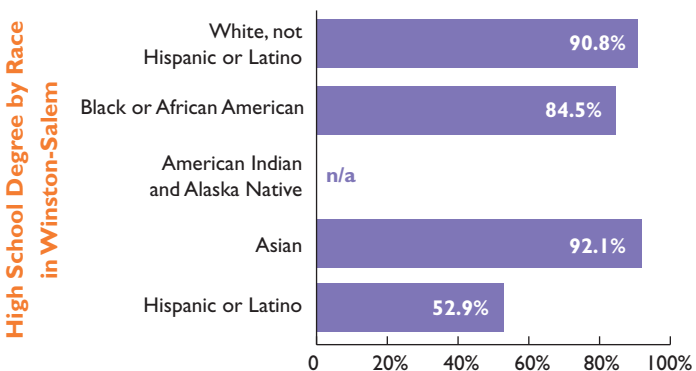
HOUSING & HOMEOWNERSHIP

MEASURE	City of Winston-Salem	Forsyth County	Winston-Salem, Metro ²	North Carolina	United States
Homeownership Rate	58.3%	66.1%	69.9%	67.7%	66.4%
Cost Burdened Renters	48.4%	45.9%	43.9%	43.5%	46.6%
Cost Burdened Owners	30.7%	28.6%	28.7%	31.4%	36.7%
Affordability of Homes	3.6	3.3	3.2	3.4	3.7
Average Mortgage Debt	n/a	\$142,808	\$136,556	\$154,583	\$189,046
High-Cost Mortgage Loans	5.1%	4.4%	4.4%	3.3%	5.2%
Foreclosure Rate	n/a	2.5%	n/a	2.3%	3.7%



EDUCATIONAL ATTAINMENT

MEASURE	City of Winston-Salem	Forsyth County	Winston-Salem, Metro ²	North Carolina	United States
Less than High School	14.9%	13.3%	15.3%	16.4%	15.1%
High School Degree	85.1%	86.7%	84.7%	83.6%	84.9%
Associate's Degree	37.2%	37.4%	33.2%	34.5%	35.2%
Bachelor's Degree	30.8%	30.5%	26.1%	26.2%	27.8%
Graduate or Professional Degree	10.8%	9.8%	8.3%	8.7%	10.2%



HEALTH INSURANCE

MEASURE	City of Winston-Salem	Forsyth County	Winston-Salem, Metro ²	North Carolina	United States
Uninsured Rate	19.3%	17.0%	16.3%	18.3%	17.2%
Uninsured Low-Income	35.4%	33.9%	32.7%	31.5%	30.0%
Uninsured Low-Income Children	13.0%	13.5%	13.6%	11.7%	12.9%

DATA MEASURES & SOURCES

	Data Measure	Measure Description	Source
Population Demographics	Total Population	Total population	U.S. Census Bureau, 2010 Census
	White, not Hispanic or Latino	Percentage of population that is White, not Hispanic or Latino	U.S. Census Bureau, 2010 Census
	Black or African American	Percentage of population that is Black or African American alone, including Hispanic or Latino	U.S. Census Bureau, 2010 Census
	American Indian and Alaska Native	Percentage of population that is American Indian or Alaska Native alone, including Hispanic or Latino	U.S. Census Bureau, 2010 Census
	Asian	Percentage of population that is Asian alone, including Hispanic	U.S. Census Bureau, 2010 Census
	Hispanic or Latino	Percentage of population that is Hispanic or Latino	U.S. Census Bureau, 2010 Census
	U.S. Citizen	Percentage of population that are U.S. citizens	U.S. Census Bureau, 2007-2009 American Community Survey
	Speak English Less Than "Very Well"	Percentage of population 5 years and older that speaks English less than "very well"	U.S. Census Bureau, 2007-2009 American Community Survey
Financial Assets, Income & Credit	Median Household Income	Median household income in the past 12 months	U.S. Census Bureau, 2007-2009 American Community Survey
	Income Poverty Rate	Percentage of all families with income in the past 12 months below the federal poverty threshold	U.S. Census Bureau, 2007-2009 American Community Survey
	Asset Poverty Rate	Percentage of households without sufficient net worth to subsist at the poverty level for three months in the absence of income	Estimates calculated by Compass Economics, based on U.S. Census Bureau's 2008 Survey of Income and Program Participation, Wave 4 (2009) and 2007-2009 American Community Survey
	Extreme Asset Poverty Rate	Percentage of households that have zero or negative net worth	Estimates calculated by Compass Economics, based on U.S. Census Bureau's 2008 Survey of Income and Program Participation, Wave 4 (2009) and 2007-2009 American Community Survey
	Households Receiving SNAP Benefits	Percentage of households that have received SNAP (Supplemental Nutrition Assistance Program) benefits in the past 12 months	U.S. Census Bureau, 2007-2009 American Community Survey
	Households with Interest, Dividend or Net Rental Income	Percentage of households reporting any interest, dividend or net rental income in the past 12 months	U.S. Census Bureau, 2007-2009 American Community Survey
	Unbanked Households	Percentage of households lacking both a checking and savings account	FDIC National Survey of Unbanked and Underbanked Households (2009)
	Underbanked Households	Percentage of households that have a checking or savings account but have used non-bank money orders, non-bank check-cashing services, payday loans, rent-to-own agreements, or pawn shops at least once or twice a year or refund anticipation loans at least once in the past five years	FDIC National Survey of Unbanked and Underbanked Households (2009)
	Median Credit Score	TransUnion TransRisk Score among consumers with credit	TransUnion (Q4 2010)
	Consumers with Subprime Credit Scores	Percentage of consumers with a TransRisk Score ≤ 700 [on a scale of 150-934]	TransUnion (Q4 2010)
	Average Credit Card Debt	Average amount of revolving debt (including debt from credit cards, private label cards and lines of credit) per revolving borrower	TransUnion (Q4 2010)
	Average Revolving Credit Utilization	Average percentage of credit limit in use per revolving borrower	TransUnion (Q4 2010)
	Average Installment Debt	Average amount of installment debt per installment borrower. Here, installment debt refers to any debt that is paid back in fixed monthly installments (e.g. vehicle loans, student loans) but excludes mortgage debt.	TransUnion (Q4 2010)
	Borrowers 90+ days overdue	Percentage of borrowers who are 90 days or more past due on any debt payments	TransUnion (Q4 2010)
Employment & Business Ownership	Annual Unemployment Rate	Annual average unemployment rate of the civilian noninstitutional population 16 years of age and older, not seasonally adjusted	U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (2009 and 2010); U.S. Census Bureau, Current Population Survey (2010)
	Average Annual Pay	Average annual pay for all workers covered by unemployment insurance	U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (2009)
	Self-Employed Workers	Percentage of workers 16 years and over who are self-employed	U.S. Census Bureau, 2007-2009 American Community Survey
	Microenterprise Ownership Rate	Number of businesses with 0-4 employees (non-employer firms plus establishments with 1-4 employees), per 100 people in the labor force	CFED calculation based on U.S. Census Bureau, Nonemployer Statistics (2008), County Business Patterns (2008), and Current Population Survey (2008); U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (2008)
	Vehicle Non-Availability by Working Household	Percentage of households (with at least one worker) lacking access to a vehicle	U.S. Census Bureau, 2007-2009 American Community Survey

	Data Measure	Measure Description	Source
Educational Attainment	Less than High School	Percentage of population 25 and older who have not completed high school	U.S. Census Bureau, 2007-2009 American Community Survey
	High School Degree	Percentage of population 25 and older who have at least a high school degree, GED or alternative degree	U.S. Census Bureau, 2007-2009 American Community Survey
	Associate's Degree	Percentage of population 25 and older who have at least an associate's (2 year college) degree	U.S. Census Bureau, 2007-2009 American Community Survey
	Bachelor's Degree	Percentage of population 25 and older who have at least a bachelor's (4 year college) degree	U.S. Census Bureau, 2007-2009 American Community Survey
	Graduate or Professional Degree	Percentage of population 25 and older who have a graduate or professional degree	U.S. Census Bureau, 2007-2009 American Community Survey
Housing & Homeownership	Homeownership Rate	Percentage of occupied housing units that are owner occupied	U.S. Census Bureau, 2007-2009 American Community Survey
	Cost Burdened Renters	Percentage of renter-occupied units spending 30% or more of household income on rent and utilities. Residents paying more than 30% of their income are considered housing-burdened, as they may be less likely to pay their rent or may have to choose between paying rent and other life necessities.	U.S. Census Bureau, 2007-2009 American Community Survey
	Cost Burdened Owners	Percentage of mortgaged owners spending 30% or more of household income on homeowner costs, including mortgages, real estate taxes, insurance, and utilities. Residents paying more than 30% of their income are considered housing-burdened, as they may be more likely to lose their homes or may have to choose between making housing payments and other life necessities.	U.S. Census Bureau, 2007-2009 American Community Survey
	Affordability of Homes	Median value of owner-occupied housing units divided by median household income in the past 12 months	CFED calculation based on U.S. Census Bureau, 2007-2009 American Community Survey data
	Average Mortgage Debt	Average mortgage debt per mortgage borrower	TransUnion (Q4 2010)
	High-Cost Mortgage Loans	Percentage of all home purchase loans (1-4 family, owner-occupied dwelling) with interest rates 3 or more percentage points for a first lien loan or 5 or more percentage points for a second lien loan above the yield on a comparable term treasury security	Home Mortgage Disclosure Act (HMDA) data (2009), accessed through Policy Map
	Foreclosure Rate	Percentage of all mortgage loans that are in foreclosure	LPS Applied Analytics, County Delinquency Report (December 2010)
Health Insurance	Uninsured Rate	Percentage of the non-elderly civilian noninstitutionalized population without health insurance	U.S. Census Bureau, 2009 American Community Survey
	Uninsured Low-Income	Percentage of the non-elderly civilian noninstitutionalized population at or below 200% of the federal poverty line without health insurance	U.S. Census Bureau, 2009 American Community Survey
	Uninsured Low-Income Children	Percentage of civilian noninstitutionalized children under 18 years of age at or below 200% of the federal poverty line without health insurance	U.S. Census Bureau, 2009 American Community Survey

ABOUT CFED

CFED (Corporation for Enterprise Development) expands economic opportunity by helping Americans start and grow businesses, go to college, own a home, and save for their children's and own economic futures. We identify promising ideas, test and refine them in communities to find out what works, craft policies and products to help good ideas reach scale, and develop partnerships to promote lasting change.

We bring together community practice, public policy and private markets in new and effective ways to achieve greater economic impact.

www.cfed.org

We gratefully acknowledge support for this profile from the Z. Smith Reynolds Foundation.

ENDNOTES

¹ *Building Economic Security in America's Cities: New Municipal Strategies for Asset Building and Financial Empowerment* (Washington, DC: CFED, 2011).

² The Winston-Salem Metro area is defined as the 4-county region of: Davie County, Forsyth County, Stokes County, & Yadkin County.

