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4.1.c: Improve Washington's Corporation for Enterprise Development (CFED) Scorecard Ranking in "Financial Assets & Income" from 17 to within the top 10 by 2017

Reported: August 8, 2016



4.1.C: IMPROVE WASHINGTON'S CFED SCORECARD RANKING TO WITHIN THE TOP 10 BY 2017

Dept. of Financial Institutions

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Aug. 8, 2016



Background: DFI works to improve the CFED ranking through the positive impact of financial education.

- Champlain College's Center for Financial Literacy Continues to give WA State an "F"

- Financial Education is not currently required to graduate HS in WA.



Washington

- Grade: F
- Is a high school course with personal finance concepts required to be taken as a graduation requirement? No, Washington state requires high school students to complete several courses in social studies, including: U.S. history, Washington state history and contemporary world history. See: Washington State High School Graduation Requirements.
- Education Standards: Washington has economics standards embedded in their 12th grade social studies standards, but there are no personal finance concepts included in those standards. See: Washington State Economics Standards (pages 107-113).
- Extra Credit: The Washington state legislature recently amended a law that went into effect on July 24, 2015, which requires the Superintendent of Education to integrate financial education, skills and content knowledge into the state learning standards. See: Washington State Legislation for Financial Education (page 7). However, Washington's grade does not reflect the passage of this law because it has not yet been implemented. Any grade given in a future National Report Card by the Center for Financial Literacy will be based on how this new requirement is actually implemented. Washington state also offers some financial literacy education through its career ready program for 6th through 12th grades. See: Washington Financial Literacy Education 6-12.

Current State: Goal met one year early! There is more work to be done to stay at 10 or better

CFED ASSETS AND OPPORTUNITY SCORECARD 2016

Current Ranking: 10

Outcome Measure	2012	2013	2014	2015	2016	Current State Data	US Data
Income Poverty Rate	12	16	15	19	16	12.2%	14.5%
Liquid Asset Poverty Rate	5	8	5	5	5	32.5%	43.5%
Income Inequality				25	1	4.6 x as high for top 20%	5.0 x as high for top 20%
Unbanked Households	7	11	11	9	9	4.1%	7.7%
Underbanked Households	24	25	25	13	13	17.2%	20.0%
Households with Savings Accounts	NA	1	1	3	3	81.8%	68.8%
Consumers with Prime Credit	11	12	11	11	12	56.4%	48.9%
Borrowers 90+ Days Overdue	20	20	16	9			
NEW On-time Payers					7	84.1%	79.2%
Average Credit Card Debt	47	46	43	44			
NEW Access to Revolving Credit					11	73.2%	67.9%
Bankruptcy Rate (Per 1,000 people)	30	32	32	34	31	2.90	2.9
Rank	18	17	15	13	10		

Better than most:

- ✓ Unbanked and underbanked households below national rates.
- ✓ Households with savings accounts are significantly higher than the national rate.
- ✓ On-time payers above national rate.

Opportunities to improve rank require strong partnerships

CFED Financial Assets & Income Measures

OUTCOME RANKINGS			
Issue Area Rank: 10 GRADE A			
Outcome Measure	State Data	US Data	Rank
Income Poverty Rate 🔗	12.2%	14.5%	16
Asset Poverty Rate 🔗	25.3%	25.4%	—
Liquid Asset Poverty Rate 🔗	32.5%	43.5%	5
Extreme Asset Poverty Rate 🔗	19.3%	17.0%	—
Net Worth 🔗	\$85,571	\$70,359	—
Income Inequality 🔗	4.6 x as high for top 20%	5 x as high for top 20%	21
Unbanked Households 🔗	4.1%	7.7%	9
Underbanked Households 🔗	17.2%	20.0%	13
Households with Savings Accounts 🔗	81.8%	68.8%	3
Consumers with Prime Credit 🔗	56.4%	48.9%	12
On-Time Payers 🔗	84.1%	79.2%	7
Access to Revolving Credit 🔗	73.2%	67.9%	11
Bankruptcy Rate (per 1,000 people) 🔗	2.9	2.9	31

Problem:

- Educating & Empowering WA residents to make sound \$\$ decisions:
 - Reduce debt
 - Increase savings
 - Access credit

Opportunity:

- Working with partners
 - Asset Building Coalitions
 - State Agencies
 - Community-Based Orgs
 - Non-profits
 - Bank On programs

Strategies: A new partner/stakeholder with creative solutions



"Our school age children were very receptive to the concept of money. They greatly enjoyed the lessons and learning, adored the take home stuffed pig and the piggy bank. One of our biggest ah-ha moments concerned the response from the parents. They were so enthusiastic about the learning and the lessons that introduced responsibility with money. They all responded openly during the take home overnight lessons."

-EWU Children's Center, Cheney, WA

Addressing Research:

- Children grasp the concept of "growing" money age 4-6
- Money Habits set by age 7
- MSG provides MSKids in elementary schools
- DFI asked MSG to develop a Pre-K program
- DEL assisted in getting MSG into pre-schools
- ChildCare Aware connected us

Strategies: A new partner/stakeholder with creative solutions

- *Embedded Financial Empowerment
Coach/Counselor Pilot – Pierce County*



Strong Partners:

- Working with CBOs already making communities stronger
 - ✓ Utilizes existing programs within multiple organizations
 - ✓ Creates more integrated partnerships with existing organizations
 - ✓ Pierce County pilot program designed to be scaled up for statewide implementation

Detailed Action Plan:

Task	Task Lead	Partners	Expected Outcome	Status	Due Date
No required Fin. Ed. In K-12	Scott Jarvis, Catherine Mele Hetter	FEPPP	K-12 standards completed, need curriculum alignment	5202 Passed	Sept. 2017
Increase # of teachers trained in Fin. Ed.	Lyn Peters	FEPPP	FEPPP teacher trainings 50+ teachers per workshop, demonstration district pending	On Track	Sept. 2017
Increase Fin Ed in Pre-K, Elementary & M.S.	Lyn Peters	MSG, DEL, Childcare Aware	Added 91 3 rd grade MSK classrooms & 60 MSU classrooms	On Track	Aug. 2017
Reach underserved/diverse populations	Lyn Peters	Heritage University, Financial Beginnings, Seattle Urban League		On Track	Aug. 2017
Increase financial outreach & education efforts	Lyn Peters	Increase number of financial education presentations Target 2/month – 24/year		Exceeding (67)	Ongoing
Increase financial outreach & education efforts	Lyn Peters	Increase number of FinEd outreach events DFI organizes or participates in. Target 4/month – 48/year.		Exceeding (52)	Ongoing

Assistance Needed:

- Approval of Washington Financial Education Standards – Sept. 27, Yakima Junior Achievement
- Approval of curriculum alignment to standards when complete – late summer early Fall 2017.
- Legislation mandating financial education K-12.
- Additional opportunities to partner with other state agencies.



Additional resource links:

- C FED Assets & Opportunity Scorecard Washington data: <http://scorecard.assetsandopportunity.org/latest/state/wa>
- Champlain College's Center for Financial Literacy: <http://www.champlain.edu/centers-of-excellence/center-for-financial-literacy/report-making-the-grade>
- Cambridge University on Money Habits: <https://mascdn.azureedge.net/cms/the-money-advice-service-habit-formation-and-learning-in-young-children-may2013.pdf>
- Money Savvy Generation: <http://www.msgen.com/>
- Child Care Aware: <http://wa.childcareaware.org/>

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