



# State Asset Policy Coalitions

## *State of the Field; Opportunities for Growth*

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### I. Introduction & Background:

#### Emergence of state coalitions as effective advocates for asset policy

For the past several years, consensus has been growing around the potential of state policy to improve the opportunities to build and protect wealth for low- and moderate-income families, and for state policy coalitions to be key players in making this policy change. In the 2008 legislative session alone, asset coalitions and their allies won state policy victories that resulted in hundreds of millions of dollars for asset building and the protection of hundreds of millions more in existing financial resources from asset stripping.<sup>2</sup> These victories were accomplished in a variety of ways. In some instances, advocates used their muscle to push for policy change under the umbrella of an explicit “asset coalition.” In others, assets advocates joined anti-poverty or consumer protection campaigns and brought the “asset voice” to those other efforts. In all cases, these efforts represent important victories for low- and moderate-income families and demonstrate the power collective advocacy.

Since 2001, a number of states have built sustainable, effective asset coalitions. The development of each coalition has been informed by the prior successes and challenges of other states, as well as by promotion and support of the approach by national intermediaries, consultants and funders through papers, reports, meetings, conferences and one-on-one technical assistance. The following chronology provides highlights of the emergence of state asset policy coalitions as a policy change strategy. Note that it focuses on “firsts” rather than attempting to catalog each and every development. Due to space constraints, many policy and practical achievements of individual coalitions that were built on this initial work are not described here.

#### *Key milestones in the emergence of state coalitions as an asset policy change strategy*

##### 2001

- The State of Delaware convened the first government-sponsored task force that focused on a broad asset policy agenda.
- The Center for Social Development at Washington University (CSD) and CFED co-hosted the first state policy conference related to asset issues. This conference, which was focused primarily on Individual Development Account policy, grew out of overwhelming interest in state policy by participants at CFED’s 1999 IDA Learning Conference.

##### 2002

- CFED released the first *Assets & Opportunity Scorecard*—then titled the *State Asset Development Report Card*—with 16 state partners.<sup>3</sup> The *Scorecard* helped broaden the framework from “IDAs only” to a broader set of state asset policies. Its design was informed by an advisory committee that included a range of state and national organizations.<sup>4</sup>

##### 2003

- Advocates in California and Illinois planned and launched nonprofit-led asset policy coalitions.

- CSD and CFED broadened the focus of their state policy conference from IDAs to additional asset-building and protection policies.

#### 2004

- Hawaii hosted a statewide conference on asset policy and practice that brought together more than 250 participants and led to the establishment of the Ho’owaiwai Asset Policy Initiative.
- Spurred on by the work in Delaware, the Commonwealth of Pennsylvania launched its own government-sponsored asset policy task force. Policymakers in Pennsylvania were introduced to this approach through a convening hosted by the National Conference of State Legislators.
- The Michigan IDA Partnership, which was established four years earlier, broadened its advocacy focus to include a broad set of policy issues in addition to IDAs.

#### 2005

- CFED released the second *Assets & Opportunity Scorecard* with five state partners—in Arkansas, California, Connecticut, Illinois and Michigan. Through these partnerships, CFED sought to support the work of several newly established coalitions and arm them with data and resources for advocacy.
- The Fannie Mae Foundation published a paper by independent consultant Heather McCulloch of Asset Building Strategies that cataloged the emergence of “state asset policy initiatives” —defined as efforts that include a diverse group of public, private and nonprofit stakeholders working together to develop a state policy agenda that creates and expands opportunities for working families to acquire and preserve assets.<sup>5</sup>
- CFED hosted a symposium in partnership with McCulloch and with funding from the Annie E. Casey Foundation to explore the implications of McCulloch’s paper and the relationship to the *Assets & Opportunity Scorecard*. The meeting brought together state advocates and policymakers from 12 states,<sup>6</sup> along with national organizations<sup>7</sup> and funders.<sup>8</sup> An outcome of the symposium was the creation of a “learning circle” convened by leading asset coalitions.

#### 2006

- The Asset Policy Learning Circle met for the first time, with participation by advocates from Arkansas, California, Connecticut, Delaware, Hawaii, Illinois and Pennsylvania, along with CFED and the Federal Reserve Bank of Chicago. Since then, the group has met two additional times to share experiences and provide an opportunity for candid discussion among peers.
- Tuskegee University, with support from the Ford Foundation and technical assistance from CSD, began work to build a multi-state asset coalition in Alabama, Louisiana, Mississippi and Florida.
- Massachusetts enacted legislation to create a time-limited, government-led Asset Development Commission.
- Washington State appropriated first-ever funding to support local and statewide asset coalitions.

#### 2007

- CFED released the third *Assets & Opportunity Scorecard* and launched the first Assets & Opportunity Campaign with 10 partners.<sup>9</sup>
- CFED hosted the first Assets & Opportunity Institute, which brought together 160 leading state advocates and policymakers to focus on 12 *Scorecard* core policies and strategies for adoption.

## 2008

- Texas—after six years of evolution from the Texas IDA Network to the Texas Asset Building Coalition to RAISE Texas—became the first state with an independent 501(c)3 state asset policy coalition.
- Brandeis University’s Institute for Assets and Social Policy (IASP), CSD and CFED co-hosted a state asset policy coalition meeting focused primarily on emerging coalitions. Advocates from 25 states participated.<sup>10</sup>
- CSD published a report on the relevance of asset coalitions in the United States.<sup>11</sup>
- IASP published a report on state and city asset-building initiatives.<sup>12</sup>
- CFED hosted a virtual convening on state policy progress made since the release of the 2007-2008 *Scorecard*. The event highlighted roles of asset policy coalitions and connections to other anti-poverty and consumer protection campaigns.
- The 2008 Assets Learning Conference included a “mini-track” on building and sustaining state asset coalitions to advance state policy.

## II. Current Status of the Field: State asset policy coalitions today

Using a broad definition, there are at least 31 states that have convened a “state asset coalition.”<sup>13</sup> These groups share a commitment to helping people build and/or protect assets, as well as to working across local jurisdictions to increase the efficacy of their work. The term “state asset coalition,” however, can refer to a wide range of efforts that have varying degrees of formality and structure, as well as a variety of functions.

### *Coalition purpose and function:*

Groups defining themselves as state asset coalitions can see their purpose in a variety of ways. For example, their primary function may be information sharing and better utilizing existing resources; public education, communications or marketing around the importance of asset building; and/or state- and/or federal-level policy advocacy.

In the summer of 2008, CFED and CSD jointly surveyed participants in advance of a meeting to encourage the development of emerging asset coalitions.<sup>14</sup> Eighteen of the 25 states represented at the meeting responded to the survey, which included a question about state coalitions’ primary function.

- Eight states indicated that their primary function was sharing/leveraging information and resources.
- Five states indicated that their primary function was policy advocacy.
- Three states indicated that their primary function was public education, marketing or communications.
- Two states did not identify a top priority.

Responses to this question tended to correlate with the number of years the coalition had been meeting, suggesting an evolution of purpose/function from information sharing to policy advocacy.

- Six of the eight states that identified sharing/leveraging information and resources as their coalition’s primary function had been meeting for fewer than two years.
- All five of the states that said policy advocacy was their coalition’s primary function had been meeting for two or more years.

Further, of the 10 states that had been meeting for at least two years, nine had articulated a policy agenda. Of the eight states whose coalition had been meeting for fewer than two years, seven had not articulated a policy agenda.

### ***Experienced and emerging state asset policy coalitions:***

To better understand the contours of the field of state asset policy coalitions, it is useful to distinguish between “emerging” and “experienced” coalitions.

We suggest that **experienced state asset policy coalitions** share the following attributes. They:

- have come to consensus around a broad asset-building and protection policy agenda;
- act in concert to advocate policy change; and
- are accountable to coalition members through regular communications, i.e., they regularly meet and correspond electronically or in writing.

An additional mark of experienced coalitions is that they have funds to support ongoing coalition building and policy advocacy. However, based on experience, the ability to secure funding may be either the cause or effect of the coalition’s staying power and policy advocacy capacity.

CFED recently surveyed its 2007-2008 Assets & Opportunity Campaign state partners.<sup>15</sup> These 10 organizations lead some of the most experienced and effective state asset policy coalitions in the country. Seven partners completed the survey. Responses to a question about current funding dedicated to coalition-building and advocacy ranged from \$0<sup>16</sup> to \$470,000. The average (mean) amount of yearly funding was \$190,000; the median was \$120,000. The number of full-time equivalents (FTEs) that were supported by that funding ranged from zero to four. The average number of FTEs was 1.6; the median was one FTE.

It is also implicitly evident that for coalitions to succeed in agreeing on a policy agenda, collaboratively advocating for policy change and being accountable to one another (i.e., meeting the criteria of an “experienced” coalition), they have also addressed important structural issues such as how leadership will be shared and decisions made.

**Emerging coalitions**, by contrast, may not have the same level of organization or capacity to advance policy change. They may, for example, have come together with an intention to expand asset-building opportunities, but have not yet articulated a policy agenda (or even come to consensus that policy advocacy is an important coalition function). They may also still have important decisions to make regarding the coalition’s mission and function, organizational leadership, how it will carry out its work, how it will make decisions, or how and when members will communicate, etc.

### **III. State Asset Policy Issues: Recent policy success**

Coalitions that have articulated a policy agenda focus on a wide range of policies that help people build and protect assets, as well as policies that remove disincentives to saving for the future. These policies include:<sup>17</sup>

- alternative small-dollar consumer loan products
- asset limits in public benefit programs
- assets endowments
- child care/pre-school
- community tax centers
- enhancing financial skills
- foreclosure prevention
- health insurance
- homeownership
- housing trust fund
- individual development accounts (IDAs)
- matched 529s/children’s savings accounts
- payday lending reform
- post-secondary education
- predatory lending protections
- property tax issues
- state earned income tax credit (EITC)

These policy issues overlap substantially with the 12 Core Policies that CFED tracks in the *2007-2008 Assets & Opportunity Scorecard*.<sup>18</sup> CFED documented the state policy progress that was made on these policies between February 2007 (the close of data collection for the 2007-2008 *Scorecard*) and July 2008.<sup>19</sup> We found that states made substantial progress: more than 80 positive policy changes were made, resulting in an additional \$325 million for asset building and the protection of \$396 million of existing financial resources from asset stripping. The table below describes these policy changes.

### *2008 state policy changes on the 12 Scorecard Core Policies*<sup>20</sup>

<i>Policy</i>	<i># of changes</i>	<i>Description of policy changes</i>
Asset limits	9	4 addressed Food Stamps; 4 exempted certain accounts; 1 raised limit
College savings incentives	5	4 new programs; 1 taskforce (4 unsuccessful attempts)
State support for CDFIs	4	4 successes (2 pending, 8 unsuccessful attempts)
State EITC	12	4 new; 8 improved existing policy (1 pending, 4 unsuccessful attempts)
Housing trust fund	5	3 improved existing policy; 1 increased \$; 1 taskforce (1 attempt)
State support for IDAs	10	8 increased \$; 2 decreased \$ (10 maintained same \$, 3 attempts)
Medicaid/SCHIP coverage	11	1 increased to 100% of FPL; 3 increased 101-199%; 7 increased to 200%+
State support for microenterprise	9	5 increased \$; 4 decreased \$ (12 maintained same \$)
Predatory lending protections	11	mortgage: 7 successes (2 pending, 1 attempt); payday: 4 successes
State support for pre-K	15	5 parity w/ K-12; 5 class size; 2 added BA req.; 5 removed BA req.
K-12 spending fairness	11	3 increased \$; 3 defined funding formula; 5 taskforces
Tax expenditure reports	2	2 successes (1 pending, 3 unsuccessful attempts)

Coalitions of advocates have brought about positive asset policy change in a variety of ways. In some instances, they have used their muscle to advocate for asset policy under the umbrella of an explicit “asset coalition.” For example, the Arkansas Assets Coalition was a key advocate for tripling state funding for IDAs between 2007 and 2008. In other instances, assets advocates have joined other anti-poverty or consumer protection campaigns and brought the “asset voice” to those other efforts. For example, in 2008, the Washington Asset Building Coalition’s (ABC) policy agenda included a state EITC, but it was not until a policy window opened that the EITC became a priority for advocacy. When an opportunity emerged, the ABC joined forces with tax and budget advocates—the leaders on this issue—along with anti-poverty advocates and others to push for and ultimately win a state EITC.

## **IV. Recommendations: What coalitions need to be successful**

In CFED’s survey of its 2007-2008 Assets & Opportunity Campaign partners, noted above, we gathered partner input on what is needed to sustain and expand the work of state asset policy coalitions.<sup>21</sup> Respondents described a range of needs for their coalitions and offered creative ideas for meeting those needs.

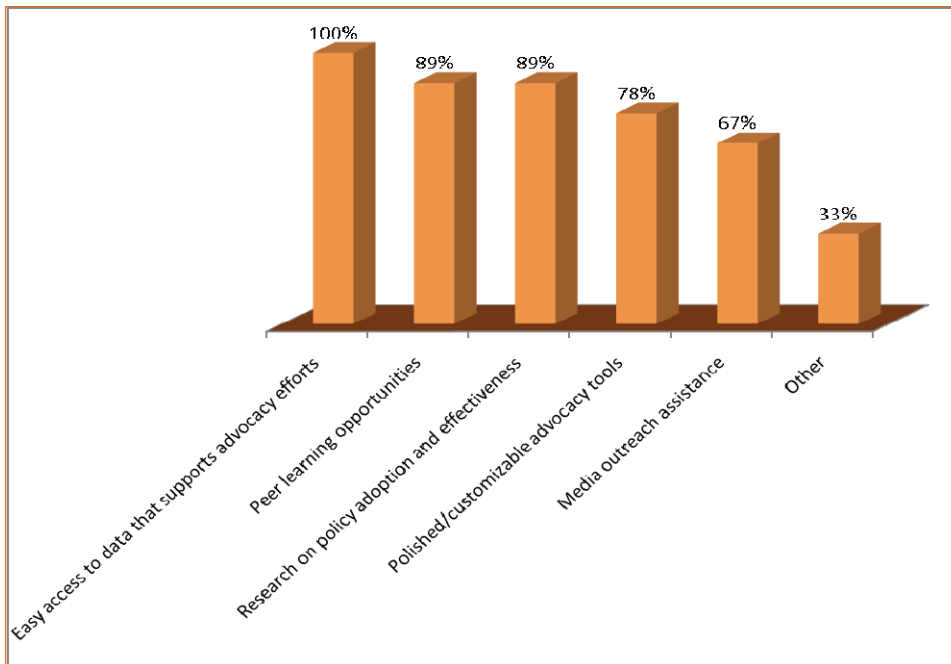
At the top of the list was consistent **funding**. There was a wide range of responses to a question about funding needs two years into the future: partners indicated that they would need anywhere from \$70,000 to \$720,000 to continue or expand their coalition-building, policy analysis, policy advocacy, communications

and development work. The average amount partners expected to need was approximately \$220,000; the median was \$120,000. Several respondents described the need for longer-term general operating funds to support coalition work. The perception is that the funding that is currently available tends to be “project-based” or “siloed,” which limits flexibility to use funds to support the coalition and creates burdensome reporting requirements.<sup>22</sup>

*“It is important for state coalitions to have longer term funding of at least three to five years to really have an impact on asset building at the local and state level. Much of our local and state policy work requires a number of years dealing with elected officials and to truly build a movement it takes a longer term organized strategy with local members and products, programs, and policies to make it happen.”*

—Woody Widrow, RAISE Texas

In addition to funding, partners were asked what else they need to be effective. All of the survey respondents indicated that **easy access to data** that supports advocacy efforts was necessary. Nearly all



(89%) of respondents said that **peer learning** opportunities and **research on policy adoption and effectiveness** were important. A majority of respondents (78% and 67%, respectively) said that **polished/customizable advocacy tools** and **media outreach assistance** were also necessary. The chart at left shows these responses.

### ***Role for national intermediaries in supporting emerging and experienced coalitions***

As noted above, the emergence of state asset coalitions as an effective strategy for policy change has been built on the experiences—both successes and challenges—of states themselves, as well as by the promotion of the approach by national intermediaries, consultants and funders. CFED asked partners what role they thought national intermediaries should play going forward to support and expand the work of both emerging and experienced coalitions. Common responses included providing national **data/research**; providing a national **context in which to frame state-specific work**; **resource development assistance**; **messaging assistance**; **convening state coalitions** across states; and customized **technical**

*“A high performing national intermediary should be helping both emerging and existing state coalitions to develop, sustain, perform and prosper. They effectively use economies of scale to raise funds for state work and development and develop shared tools and resources. This needs to go well beyond simply convening conference gatherings (though [that] can add value) and needs to have a robust focus on moving the movement through state and local action.”*

— Paul Knox. Washington Asset Building Coalition

*“Being in touch with the field, understanding what cutting edge policy initiatives look like, and having a good website that can archive useful information that can be easily accessed.”*

*—Lucy Gorham, NC Asset Building Policy Task Force, MDC, Inc.*

assistance/strategic advice.<sup>23</sup>

We asked about the core competencies that national intermediaries must have to help emerging and experienced coalitions succeed. Respondents described a range of competencies including having **hands-on experience** with state policy work, **understanding the distinction between policy design and policy advocacy** and being able to provide tools for both; and the **ability to connect coalitions** from different states.

### ***Role for funders in supporting emerging and experienced coalitions***

Funders have played a critical role in the emergence of state asset coalitions in a number of ways. They have provided direct support to coalitions in specific states, funded coalitions and other stakeholders to come together across states for peer learning, commissioned papers and reports to explore the approach, and supported efforts of national intermediaries to produce tools and resources for and provide technical assistance to state coalitions. In addition, an important development has been the Charles Stewart Mott Foundation’s announcement that it will provide support and technical assistance to a number of state coalitions.

CFED asked partners what they would recommend funders do to support the work of emerging and experienced coalitions going forward. A number of respondents mentioned the need for consistent **general operating funds** to staff state coalitions. In addition, partners mentioned a range of specific activities that they encouraged funders to support, including: **research** that responds to needs identified by coalitions; interactive coalition **websites** that are linked together; **convenings** in particular regions, of coalitions at similar stages of development, or with other funders in a particular state; **partnerships** between intermediaries and practitioners; and **message testing**. In addition, partners suggested creative ideas such as encouraging funders to create a **funding pool**, which coalitions could apply to for a range of purposes and encouraging funders to **communicate with policymakers** and the media about why they support asset building programs.

*“Consistent, general operating funding that will sustain coalitions and allow coalitions to react to issues and changes at the state level. ... The best model for state funding [is] the CBPP’s state center on budgets, but this funding should be tailored to focus on a broader range of asset policy activities – from advocacy to policy research”*

*—Chris Giangreco, Heartland Alliance for Human Needs & Human Rights, Andrea Kovach, Sargent Shriver National Center on Poverty Law, Illinois Asset Building Group*

## **V. Conclusion**

State asset policy coalitions are effective advocates for expanding opportunities for low- and moderate-income families to build and protect wealth. They have demonstrated success by securing millions of dollars in new state-level funding for asset-building and the protection of millions more from asset stripping. This approach—one of collaborating across silos and jointly advocating for policies that are in the common interest of low- and moderate-income people—has gained significant momentum in the last several years. We are now poised to take this approach to the next level and turn that momentum into a movement.

Imagine if every state had a strong network of anti-poverty, consumer protection, tax and budget, and “assets” advocates who were linked together with free tax preparation sites and other asset-building service providers, financial institutions, businesses and state policymakers. Imagine if we could “network those networks” into a force that would not only push to improve state policies, but would also weigh in on important federal policy debates and raise public awareness about asset disparities and the alternatives to create a fairer and more prosperous economy for all. With proper encouragement and investment, state asset policy coalitions have the potential to make this vision a reality.

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<sup>1</sup> The author would like to thank a number of people who reviewed this paper and shared their insights and historical perspective, including CFED colleagues— Andrea Levere, Carl Rist, Leigh Tivol and Liz Coit; peers in the field— Heather McCulloch, Gena Gunn and Sandra Venner; and Asset Funders Network consultant Rick Williams.

<sup>2</sup> See <http://www.cfed.org/scorecard/webinar/data/> for more information.

<sup>3</sup> AR, CA, CT, IL, IN, MA, MI, NM, NY, NC, OR, PA, TN, TX, VT, WI.

<sup>4</sup> The following organizations were invited to participate in the advisory committee: Andy Reamer & Associates, Annie E. Casey Foundation, Asset Development Institute/Center on Hunger & Poverty at Brandeis University(now known as Institute on Assets and Social Policy), California Budget Project, California Community Economic Development Association, Center on Budget and Policy Priorities, Center for Community Capitalism at University of North Carolina, Center for Social Development at Washington University, Center for the Study of Social Policy, Fannie Mae Foundation, Foundation Communities, Mile High United Way, C.S. Mott Foundation, National Association of State Budget Officers, National Governors Association, North Carolina Budget & Tax Center, Ohio CDC Association, South Carolina Association of CDCs, Southern Growth Policies Board.

<sup>5</sup> <http://content.knowledgeplex.org/kp2/cache/documents/106925.pdf>

<sup>6</sup> AR, CA, CT, DE, FL, HI, IL, MI, MS, OR, PA, TX.

<sup>7</sup> National Conference of State Legislators, National Disability Institute, National Governors Association, National League of Cities, New America Foundation.

<sup>8</sup> Annie E. Casey Foundation, Fannie Mae Foundation, Ford Foundation, Woods Fund of Chicago.

<sup>9</sup> AR, CA, CT, HI, IL, MA, MI, NC, TX, WA.

<sup>10</sup> AL, AR, CA, DC, FL, GA, HI, IL, KS, MD, MA, MI, MN, MO, MT, NE, NM, NC, ND, OK, OR, SD, TX, UT, WA.

<sup>11</sup> <http://www.povertylaw.org/advocacy/community-investment/2008%20Policy%20Report%20-%20CSD.pdf>

<sup>12</sup> <http://iasp.brandeis.edu/pdfs/State-City-Asset-Bldg-0208.pdf>

<sup>13</sup> AL, AZ, AR, CA, CT, DE, DC, FL, HI, IL, IN, KS, LA, ME, MD, MA, MI, MN, MO, MT, NE, NM, NC, ND, OH, OK, PA, SC, SD, TX, WA.

<sup>14</sup> Unpublished survey responses, CFED and the Center for Social Development, June 2008. State coalition profiles based on these responses are available at <http://www.cfed.org/focus.m?parentid=31&siteid=2471&id=2705>.

<sup>15</sup> Unpublished survey responses from 2007-2008 Assets & Opportunity Campaign state partners, CFED, July 2008.

<sup>16</sup> Respondent indicated that the organization does not have explicit funding to support an assets coalition. They do, however, have funding for policy analysis and advocacy.

<sup>17</sup> Unpublished survey responses, CFED and the Center for Social Development, June 2008. State coalition profiles based on these responses are available at <http://www.cfed.org/focus.m?parentid=31&siteid=2471&id=2705>.

<sup>18</sup> The 12 Scorecard Core Policies are: asset limits in public benefit programs, incentives for college savings, support for community development lenders, state EITCs, housing trust funds, state support for IDAs, expanding coverage by Medicaid/SCHIP, state support for microenterprise, predatory lending protections, state support for pre-K, K-12 school spending fairness, and state publishing of tax expenditure reports.

<sup>19</sup> Due to availability of data, time frames for policy changes vary for three policies: Medicaid/SCHIP, microenterprise and state support for preschool. We report on changes in eligibility levels for Medicaid for parents between January 2006 and January 2008; we report on states that allocated CDBG funds for microenterprise in PY 2006; and we report on states that strengthened or weakened their preschool policy between 2005 and 2007.

<sup>20</sup> Data as of July 2008, available at <http://www.cfed.org/scorecard/webinar/data/>.

<sup>21</sup> Unpublished survey responses from 2007-2008 Assets & Opportunity Campaign state partners, CFED, July 2008.

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<sup>22</sup> Note that this survey was conducted prior to release of the C.S. Mott Foundation's request for proposals to support state coalition work.

<sup>23</sup>These responses were echoed at the meeting co-hosted by IASP, CSD and CFED.