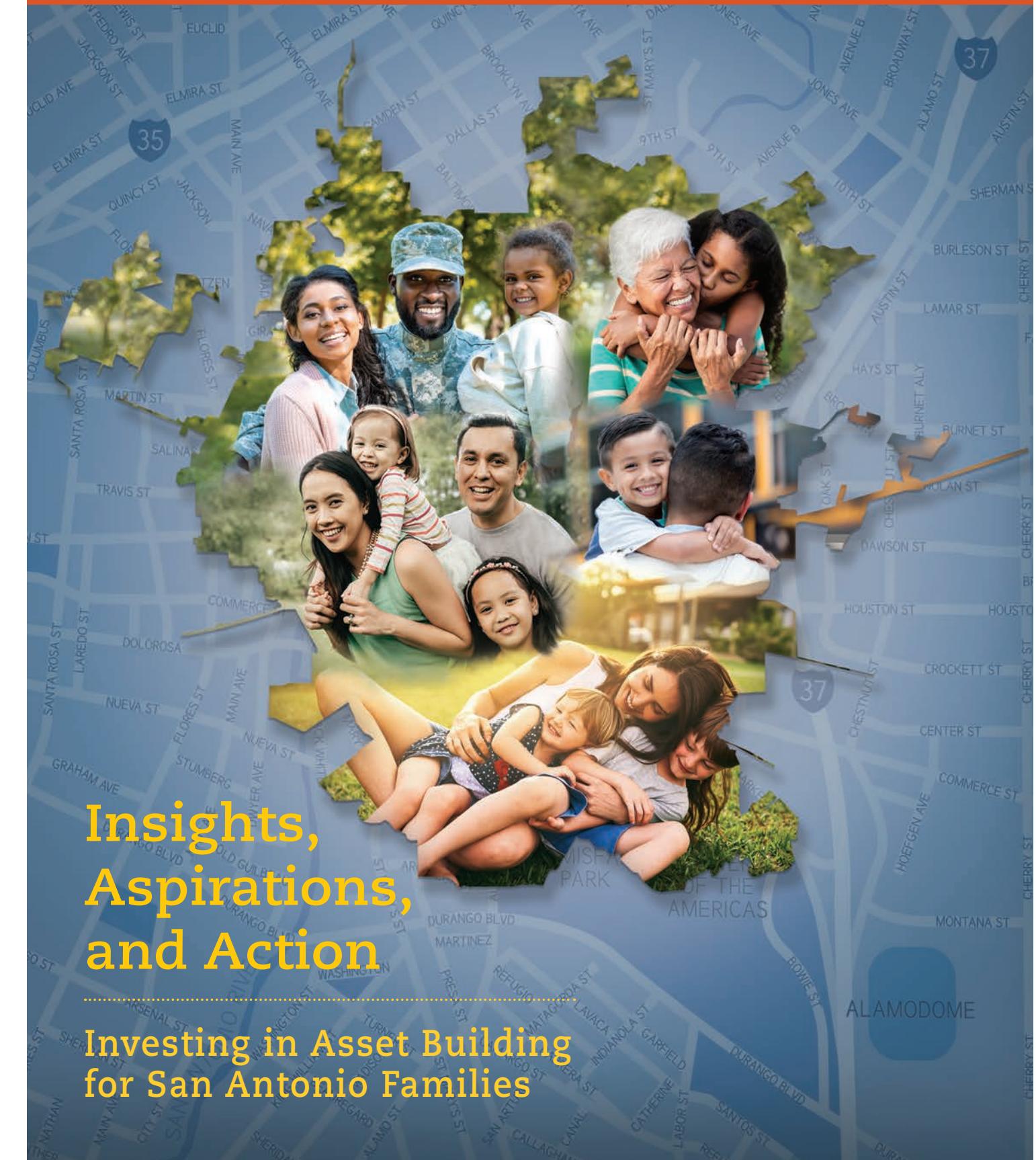




Asset Funders Network



Insights, Aspirations, and Action

Investing in Asset Building
for San Antonio Families

THIS DATA AND COMMUNITY ASSET-BUILDING SCAN OFFERS INSIGHTS INTO COMMUNITIES THAT ARE BEING LEFT BEHIND IN THE CITY OF SAN ANTONIO. THE FINDINGS AND RECOMMENDATIONS PROVIDE A ROAD MAP TO ADDRESS SYSTEMIC ECONOMIC INEQUALITY THROUGH DEVELOPING NONPROFIT CAPACITY, IMPROVING COORDINATION, AND BETTER MEETING THE ASSET BUILDING AND SOCIAL SERVICE NEEDS OF WORKING FAMILIES.

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Texas Appleseed is a public interest justice center working to change unjust laws and policies that prevent Texans from realizing their full potential. Through a network of pro bono partners and collaborators, Texas Appleseed develops and advocates for innovative and practical solutions to complex issues while also conducting data-driven research that uncovers inequity in laws and policies and identifies solutions for lasting, concrete change.

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JPMORGAN CHASE & CO.



The opinions expressed in this report are those of AFN and Texas Appleseed and do not necessarily represent those of our sponsors

Summer 2019

Dear Friends and Colleagues,

On behalf of the San Antonio Area Asset Funders Network (AFN), we are proud to present a comprehensive look at the financial health of low-income San Antonio families.

San Antonio Area AFN is a regional chapter of grantmakers who support effective programs for low- and middle-income individuals and families to build economic well-being. Our network seeks to connect funders and their peers in the nonprofit, public, and private sectors to share promising programs and smart strategies, gather knowledge to make their grantmaking more effective, and work to increase philanthropic support for asset building.

Through this report, developed by Texas Appleseed, we seek to provide funders, as well as the larger community, with a fact-based analysis of San Antonio's asset building gaps, community needs, and opportunities. We hope these insights provide a valuable resource to inform collaborations that expand asset-building programs for low-income San Antonio families, and foster economic resilience, increased financial health, and prosperity.

Sincerely,

SAN ANTONIO AREA AFN STEERING COMMITTEE

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San Antonio is a dynamic community and, overall, it is an economically strong city.¹

In 2018, the same year that the city celebrated its 300-year anniversary, San Antonio was named one of the top 15 best cities in the country to live.² Existing side by side with its many successes is another reality: San Antonio ranks among the most economically segregated cities in the country.³ Too many San Antonio families struggle just to pay bills and make ends meet. Yet, alongside the struggle is hope and aspiration, with goals of building better skills, growing savings, and achieving homeownership.

This study is part of an effort to address economic inequity in San Antonio. It offers a fact-based analysis to inform investments and collaborations to expand asset-building options for low-income San Antonio families, to foster economic resilience, increased financial health, and prosperity. The goal of the study is to assist San Antonio Area Asset Funders Network members in establishing responsive investment priorities that promote asset building and financial health for San Antonio families. Through increased understanding of opportunities, gaps, and community needs, we hope to inspire increased and targeted investments, collaboration, and further the success of promising practices.

Asset building is “how individuals, families, and communities gather the resources that will move them toward economic well-being, for now and for years to come.”⁴ It runs the gamut from building emergency savings, to access to healthcare and education, home ownership, entrepreneurship, and retirement savings. These individual and community assets create a safety-net for unexpected hard times as well as a jumping-off point for intergenerational wealth-building. Financial health is an aspect of asset building that is specific to the day-to-day finances of an individual, the ability to manage expenses, build savings, and achieve financial goals. In a nutshell, it is the ability to, “Spend, Save, Borrow, and Plan.”⁵

The first section of this study establishes a historical context for this analysis of asset building and financial health in San Antonio. The second section elevates insights from a deeper dive into data about residents of San Antonio to gauge how communities are faring based on key asset-building indicators. The third section summarizes important recent city programs and policies that seek to address economic segregation and support asset building for low-income San Antonio families. The fourth section provides insights into community asset-building needs and opportunities based on a survey of local nonprofits and focus groups with individuals who would benefit from asset-building initiatives. The final section provides recommendations for funders, grantmakers, and policymakers to complement and enhance asset-building efforts in San Antonio to improve the financial health and economic mobility of low-income San Antonio families.

A HISTORICAL SNAPSHOT OF ECONOMIC SEGREGATION IN SAN ANTONIO

Economic segregation in San Antonio, and the resulting social inequity, can be traced back through 100 years of policies that have resulted in an urban core of entrenched poverty due to limited access to credit, investment, and opportunity.⁶

Economic segregation in San Antonio is deeply intertwined with racial segregation. Over many decades, original deed restrictions for new neighborhoods in San Antonio excluded Black and Hispanic families from higher-opportunity neighborhoods, infrastructure was neglected in the neighborhoods where they could live, and redlining policies excluded Black and Hispanic neighborhoods from access to federally subsidized mortgages. These families and neighborhoods were locked out of investments and opportunities that created the basis of substantial wealth-building for middle-class Americans in the post-World War II era.⁷

Changes in federal law have served to limit overt discriminatory practices, but have not undone the vast inequities that historical policies created. Those inequities persist today and have led to a rethinking of City policy, shifting from a focus on equality (equal distribution of resources across the city) to one based on equity, working to invest more in historically neglected areas in an attempt to balance the scales.⁸

DATA OVERVIEW

A DEEPER LOOK AT FINANCIAL WELL-BEING IN SAN ANTONIO

HIGHLIGHTS

The data overview of San Antonio, which draws on demographic, economic, education, and healthcare data, reveals 10 key findings that impact asset building for individuals and families:



ECONOMIC MOBILITY

- ◆ Overall, San Antonio is more integrated compared to other U.S. cities, but poverty in the city is segregated—concentrated in majority Hispanic and Black communities.
- ◆ Women of all ethnicities and Black men are the least economically mobile populations in San Antonio. Hispanic and White men have higher economic mobility.



FINANCIAL HEALTH

- ◆ San Antonio families have lower median credit scores, higher delinquent debts, and limited savings compared to the U.S. Hispanic and Black residents consistently have worse financial health outcomes compared to White residents.
- ◆ Low-income zip codes in San Antonio are dominated by high-cost alternative financial services, limiting options to build savings and access fair credit.



EMPLOYMENT

- ◆ San Antonio has relatively low unemployment, but many available jobs are low-wage.
- ◆ Hispanic, Black, and female small-business owners are underrepresented in small-business ownership in San Antonio.



HOUSING

- ◆ Most low-income San Antonio renters spend more than one-third of their income on housing, making them housing burdened, and evictions are increasing.
- ◆ San Antonio has fewer mortgage originations in census tracts that have a high percentage of minority residents, and high-cost mortgages are more common in those areas.



EDUCATION

- ◆ Economically disadvantaged students in San Antonio public schools are not leaving school college ready, and there is low educational attainment in San Antonio's lower-income zip codes.



HEALTH

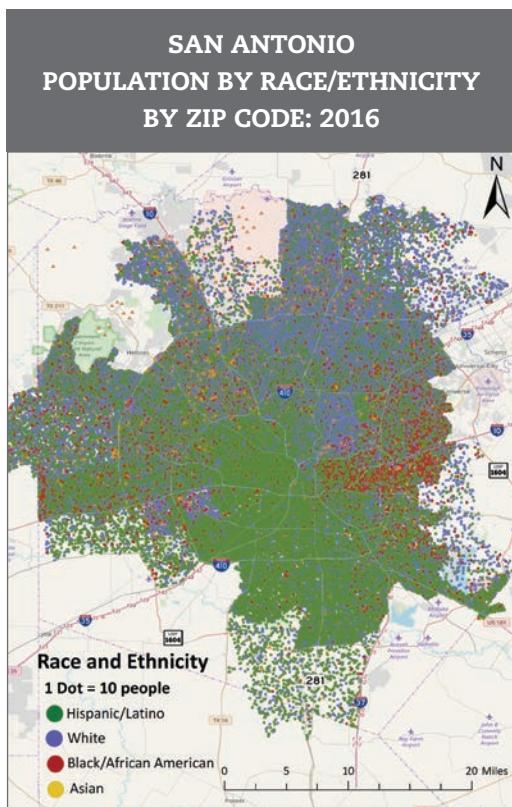
- ◆ San Antonio, like Texas, has a high uninsured rate, which disproportionately impacts low-income Hispanic and Black families. Poor health outcomes can impact a family's ability to save, build credit, and enjoy economic mobility.

ECONOMIC MOBILITY

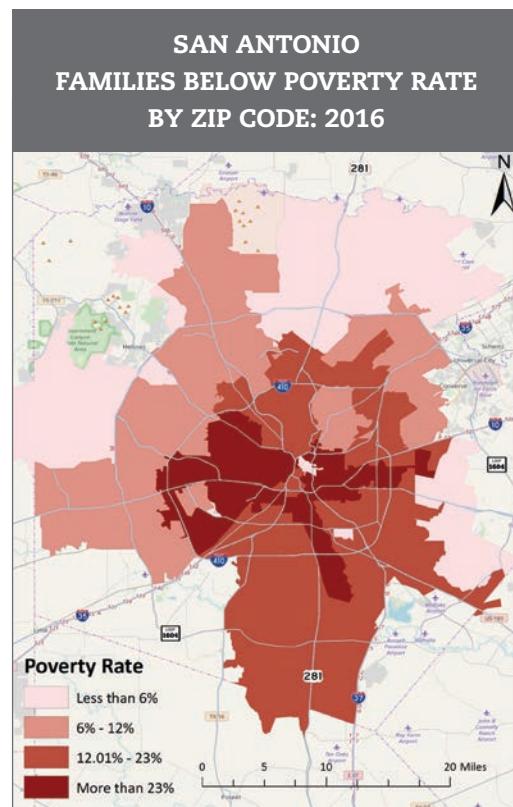
1. Overall, San Antonio is more integrated compared to other U.S. cities, but poverty in the city is segregated—concentrated in majority Hispanic and Black communities.

San Antonio is a predominantly Hispanic city, accounting for 64% of the population. White residents account for 25% of the population, Black residents represent 7% of the population, and Asian residents make up 3% of the population. According to a national measure of racial and ethnic segregation in comparable cities, San Antonio is slightly above the expected level of integration of the average U.S. city.⁹

However, in contrast to the overall picture of integration, areas of San Antonio with entrenched poverty are in areas of the city with high Hispanic and Black populations.¹⁰ Consistent with the population and poverty data maps, there are significant racial disparities in poverty: 24% of Black residents and 21% of Hispanic residents are at or below the poverty level, compared to just 10% of White residents. Female Hispanic heads of household have one of the highest rates of poverty, at 35%, while 27% of Black female heads of household live in poverty. In contrast, only 8% of married-couple families live in poverty and 15% of families overall live in poverty. When assessed by disability, 25% of residents with any disability were at or below the poverty level.¹¹



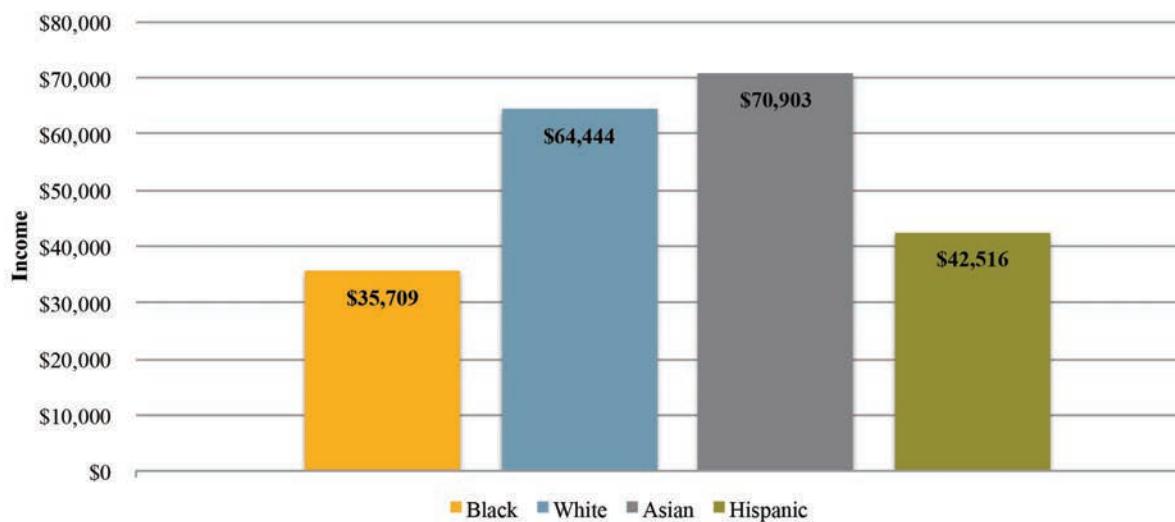
Source: U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates.



Source: U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates.

The same disparities hold true when looking at median household income. Black households have the lowest median income, at \$35,709, approximately half that of Asian households, who have the highest median household income.¹²

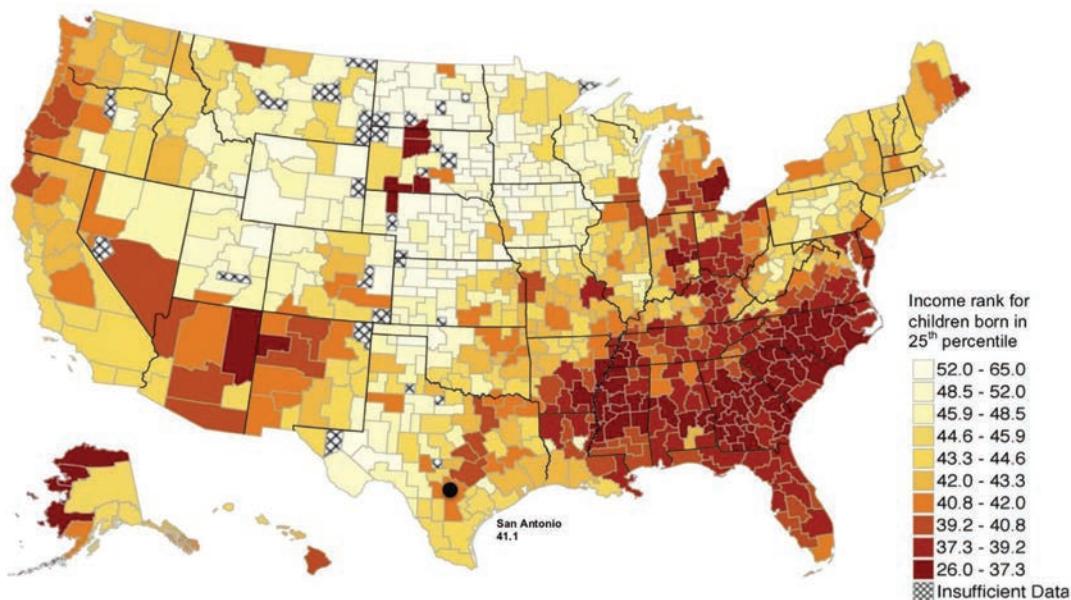
SAN ANTONIO MEDIAN HOUSEHOLD INCOME BY RACE: 2016



Source: U.S. Census Bureau, 2016 American Community Survey 1-Year Estimates.

2. Women of all ethnicities and Black men are the least economically mobile populations in San Antonio. Hispanic and White men have higher economic mobility.

Economic mobility assesses economic outcomes across generations, for instance, the ability of children to out-earn their parents. Upward mobility occurs when children who were born in low-income households (i.e., 25th income percentile) have a higher income rank as adults than their parents.¹³

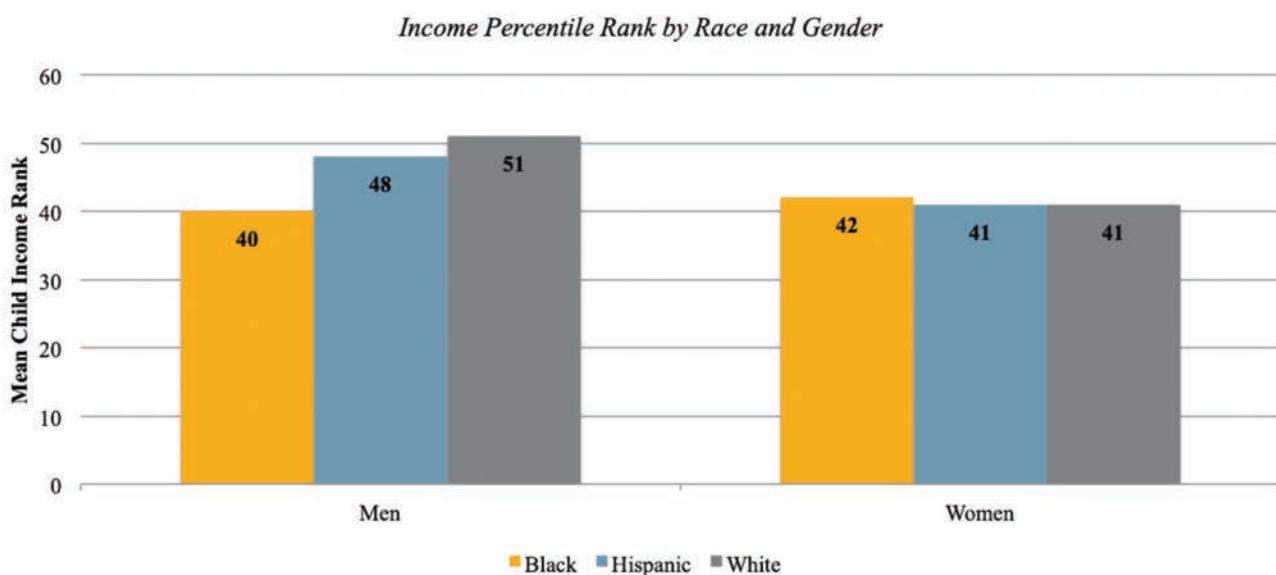


Source: Map taken from Chetty, R., Hendren, N., Kline, P., and Saez, E. (2014) based on 2000 Census estimates. "Where is the land of opportunity? The geography of intergenerational mobility in the United States." *Quarterly Journal of Economics*, 129, 1553-1623.

In an updated analysis of the San Antonio commuting zone (which is analogous to metro area), children who are born to parents in the 25th percentile income bracket were able to move up the 41st percentile in adulthood on average, translating to a national average income of about \$30,480 in 2015. While San Antonio is worse on both upward and downward mobility compared to the nation, it is similar to other areas in Texas.

When assessed by race and gender, Black men and women of all ethnicities have the lowest rates of upward mobility compared to other groups.¹⁴

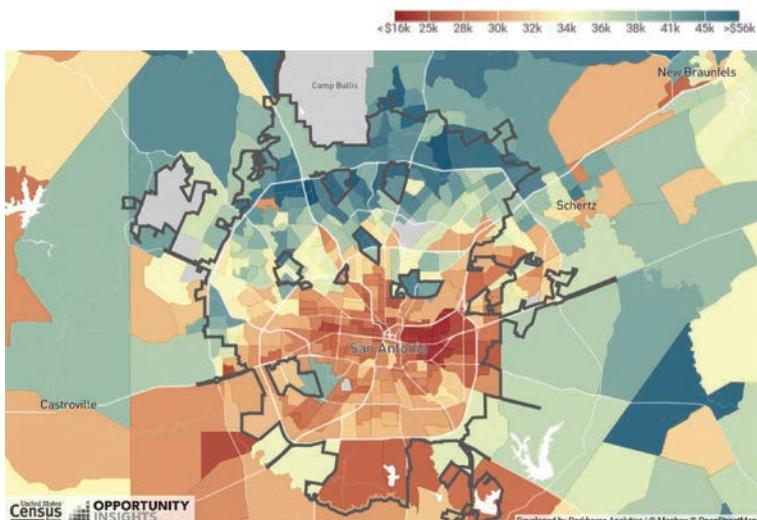
SAN ANTONIO COMMUTING ZONE MOBILITY FOR LOW-INCOME HOUSEHOLDS



Source: Chetty, R., Hendren, N., Jones, M.R., and Porter, S.R. (2018).

"Race and economic opportunity in the United States: An intergenerational perspective." (Working paper).

A more detailed look at economic mobility in San Antonio, by census tract, released in 2018 through a partnership with the United States Census Bureau and Opportunity Insights, indicates that economic mobility is particularly low in tracts to the east and west of central San Antonio. Children born in the lowest income quartile tend to remain low-income into adulthood, with median annual incomes of \$34,000, and with many census tracts averaging annual incomes at \$16,000 or below for adults who were born into poverty.¹⁵



SAN ANTONIO HOUSEHOLD INCOME FOR ADULT CHILDREN OF LOW-INCOME PARENTS BY CENSUS TRACT

Source: Map downloaded from The Opportunity Atlas, 1/22/19. Available at <https://www.opportunityatlas.org/>.

FINANCIAL HEALTH

3. San Antonio families have lower median credit scores, higher delinquent debts, and limited savings compared to the rest of the U.S. Hispanic and Black residents consistently have worse financial health outcomes compared to White residents.

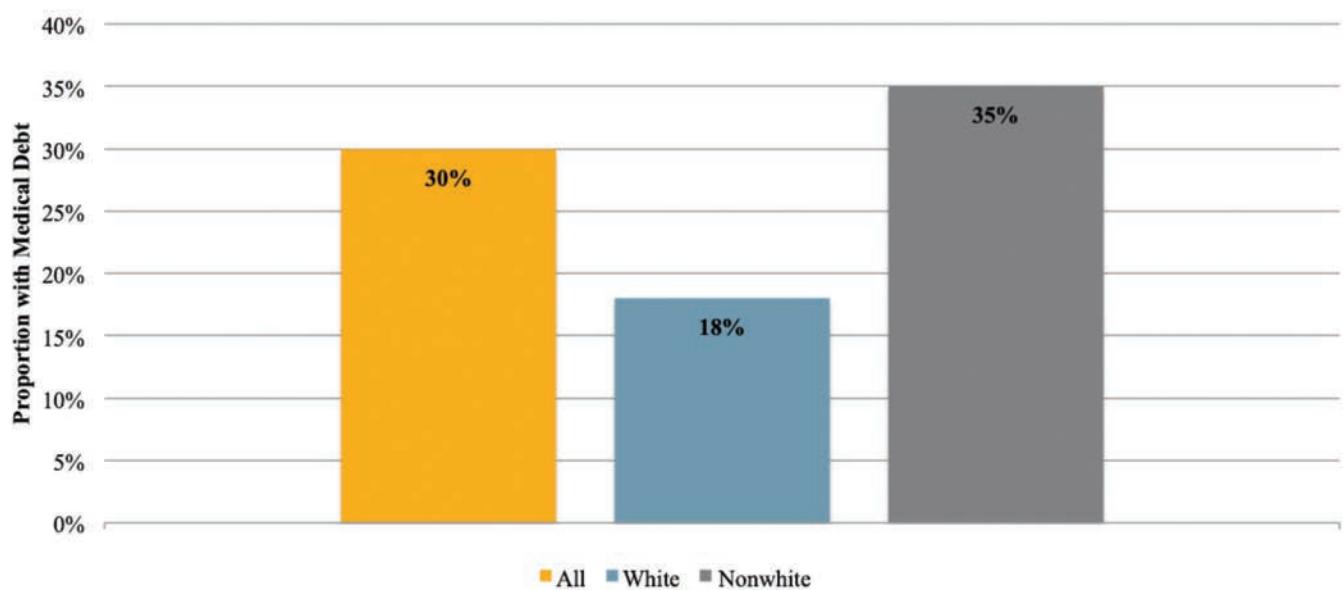
CREDIT SCORES

In 2016, the median credit score for residents in San Antonio was 646, which is below the national median of 675, but slightly above the Texas median of 643. Median credit scores for Nonwhite residents were nearly 100 points lower than median credit scores for White residents, with a median score of 615, compared to 721.¹⁶ Scores of 660 or below are generally considered below prime.¹⁷ Concentrations of below prime and subprime credit scores in Nonwhite neighborhoods can increase the racial wealth gap by adding substantial costs to families. For example, a mortgage loan for a borrower with a credit score in the low 600s costs at least \$100 more per month than a similar loan for a borrower with a credit score near 700.¹⁸

DEBT

San Antonio residents are more likely to have delinquent debt than Texas residents and U.S. residents, 49% for San Antonio adults with a credit record compared to 44% for Texas and 33% for the U.S. San Antonio residents also have higher than average delinquent debts—nearly \$600 more than individuals in comparable cities and the country as a whole. In Bexar County, Nonwhite residents are much more likely to have a debt in collection compared to White residents—54% compared to 25%.¹⁹

BEXAR COUNTY MEDICAL DEBT BY RACE: 2016



Source: Ratcliffe, McKernan, Lou, Hassani, and Quakenbush. 2018. "Debt in America: An Interactive Dashboard." Washington, D.C.: Urban Institute.

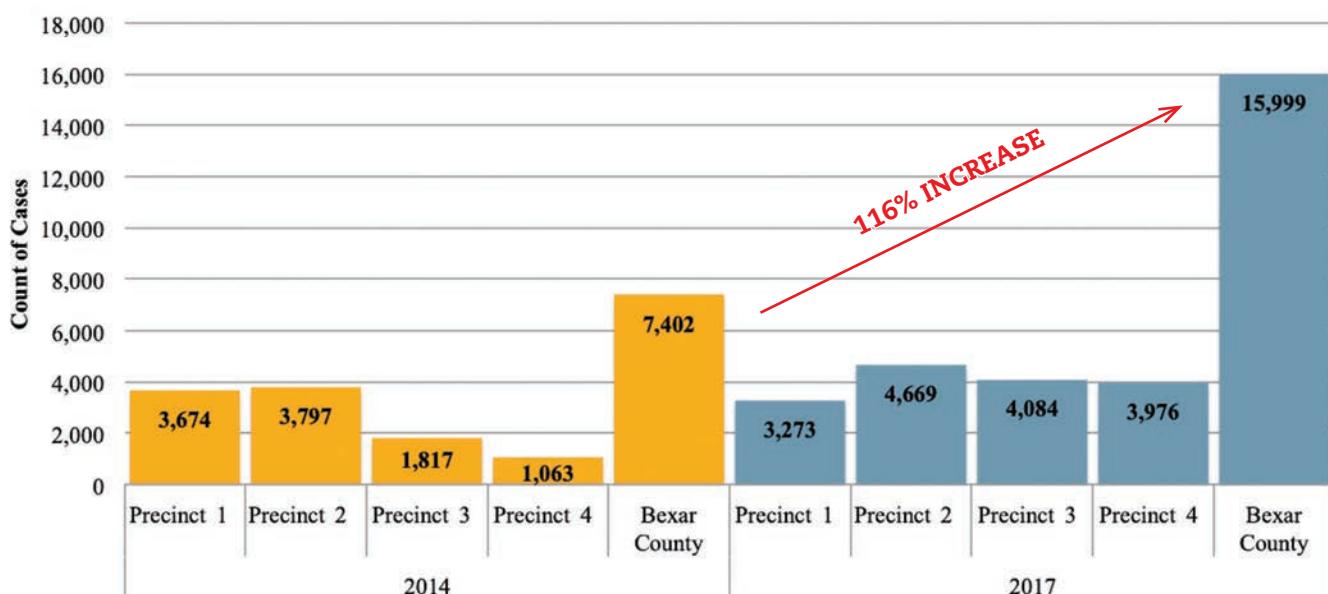
Student loan debt impacted White residents of Bexar County more than Nonwhite residents in terms of median debt in collections. Among the 14% of Bexar County residents with student loan debt in collections, the median student loan debt for Nonwhite residents was \$8,115 less than for White residents, \$14,226 compared to \$22,341. However, Nonwhite residents were more than twice as likely as White residents to have student loan debt in collections, 17% compared to 7%. Overall, median student loan debt was \$15,836.²⁰

Nonwhite residents also were more likely to have medical debt in collections. Thirty-five percent of Nonwhite residents had medical debt in collection compared to 18% of White residents and the debt averaged nearly \$200 more for Nonwhite residents—\$871 compared to \$678 for White residents.²¹

With such high levels of delinquent debt, it is not surprising to see that Bexar County is also seeing a steep increase in debt claim cases being filed in justice court to collect debts. The San Antonio area saw a 116% increase in the number of new debt claim cases filed from 2014 to 2017, compared to a 65% increase statewide.²²

Nearly half of all debt claim cases in Bexar County in 2017 result in a default judgment—a judgment against the person sued because he or she does not answer the lawsuit or appear in court. The result of a default judgment is often garnishment of a bank account in order to collect on the debt and any additional accrued costs, whether or not the debt was legitimate, in addition to the negative impacts on credit scores.

TEXAS COUNTY DEBT CLAIM CASES: 2014, 2017



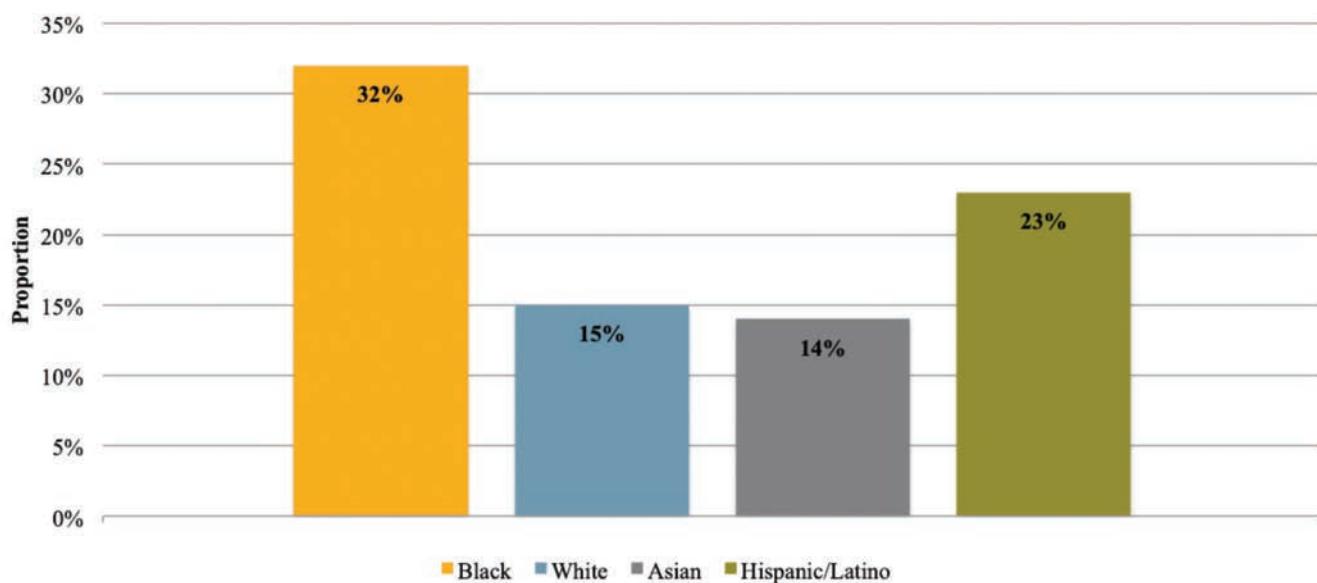
Source: Texas Office of Court Administration Court Activity Reporting and Directory System., 2014-2017.

SAVINGS AND ASSET POVERTY

In 2013, nearly half (44.4%) of households in San Antonio did not have sufficient liquid assets to cover basic expenses for three months if there was a financial emergency (liquid asset poverty). This rate is slightly higher than Texas (42.6%) and higher than the U.S. (36.8%).²³ This finding aligns with the 2015 FDIC National Survey of the Unbanked and Underbanked, which found, for the San Antonio MSA, that 48% of the sample did not have savings for an unexpected expense or emergency.²⁴

When assessed by race, more than half of Black households (54.2%) and Hispanic households (55.1%) did not have sufficient liquid assets to cover basic expenses if there was a financial emergency.²⁵

SAN ANTONIO HOUSEHOLDS WITH ZERO NET WORTH BY RACE/ETHNICITY: 2013



Source: Prosperity Now Estimates using SIPP and ACS, 2013, Prosperity Now, 2016 Prosperity Now Scorecard, San Antonio, Texas.

In 2013, 30.6% of households in San Antonio did not have sufficient net worth to cover basic expenses for three months if there was a financial emergency (asset poverty). This is higher than both Texas (24.6%) and the U.S. (25.5%). When assessed by race, 46.3% of Black households did not have sufficient net worth to cover basic expenses for three months if there was a financial emergency.²⁶

In 2013, 20.9% of households in San Antonio had zero or negative net worth, meaning debts are equal to or greater than assets. This rate is higher than both Texas (15.8%) and the U.S. (16.9%). When assessed by race, 23% of Hispanic households and 32.2% of Black households had zero net worth.²⁷

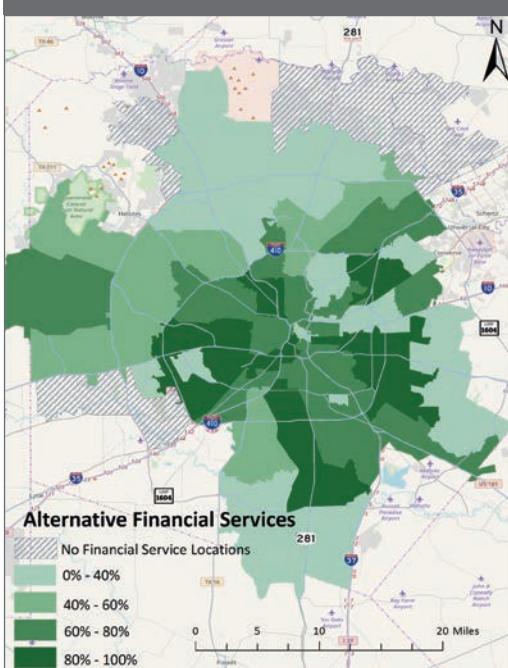
4. Low-income zip codes in San Antonio are dominated by high-cost alternative financial services, limiting options to build savings and access fair credit.

In 2016, unbanked families spent an estimated \$1.939 billion on alternative financial services.²⁸ From 2012-2017, families in the San Antonio Metropolitan Statistical Area spent nearly \$600 million on payday and auto title loan fees, and lost 16,366 cars to auto title loans.²⁹ Concentrations of high-cost alternative financial services are also associated with low economic mobility. Conversely, high concentrations of mainstream financial services correspond to higher mobility and greater access to small business and home mortgage loans.³⁰

Alternative financial services include state licensed locations of payday and auto title loan businesses, finance companies, refund anticipation loan providers, and pawn shops.³¹ Mainstream financial services include bank and credit union branches.³² Overall, alternative financial services are most concentrated in lower-income zip codes in the city, and in those same zip codes, mainstream financial services are less available.

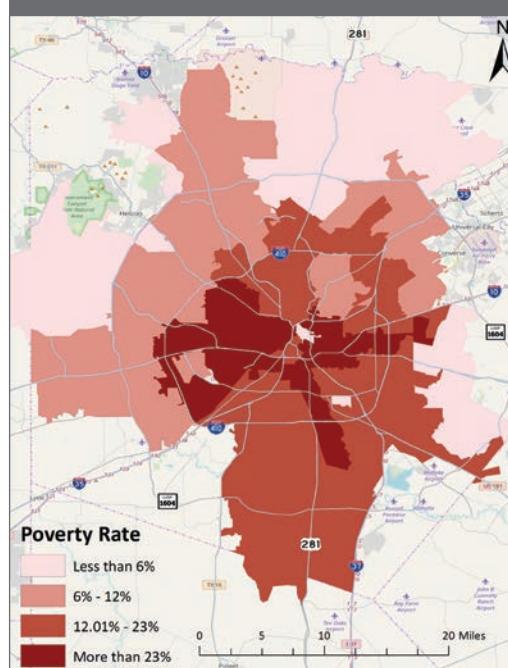
According to the FDIC National Survey of Unbanked and Underbanked, in 2015, 11.3% of residents in the San Antonio MSA were unbanked, 31.3% were underbanked, and 54.3% were fully banked. Since 2009, unbanked rates have increased slightly (0.5%).³³

**SAN ANTONIO PERCENT
ALTERNATIVE FINANCIAL SERVICES
BY ZIP CODE: 2018**



Source: U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates.

**SAN ANTONIO
FAMILIES BELOW POVERTY RATE
BY ZIP CODE: 2016**

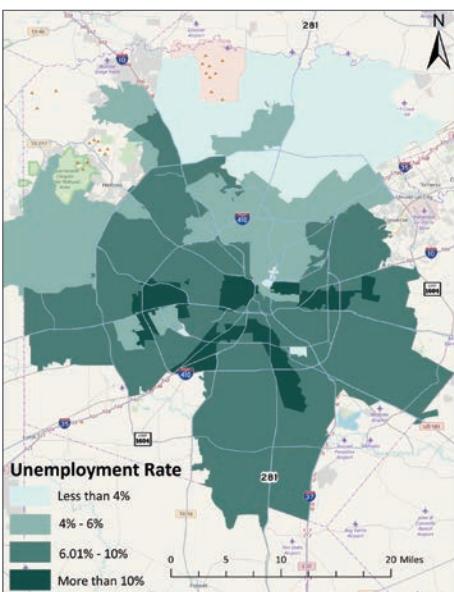


Source: U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates.

EMPLOYMENT

5. San Antonio has relatively low unemployment, but many available jobs are low wage.

The unemployment rate for 20- to 64-year-olds in San Antonio is 5.6%, which is slightly higher than the statewide unemployment rate (5.1%). While the unemployment rate has decreased over time in some areas of San Antonio, there are pockets in south San Antonio that have consistently had high unemployment rates. These pockets overlap with areas of concentrated poverty and high Hispanic and Black populations.³⁴



**SAN ANTONIO UNEMPLOYMENT
RATE OF RESIDENT LABOR
FORCE: 2016**

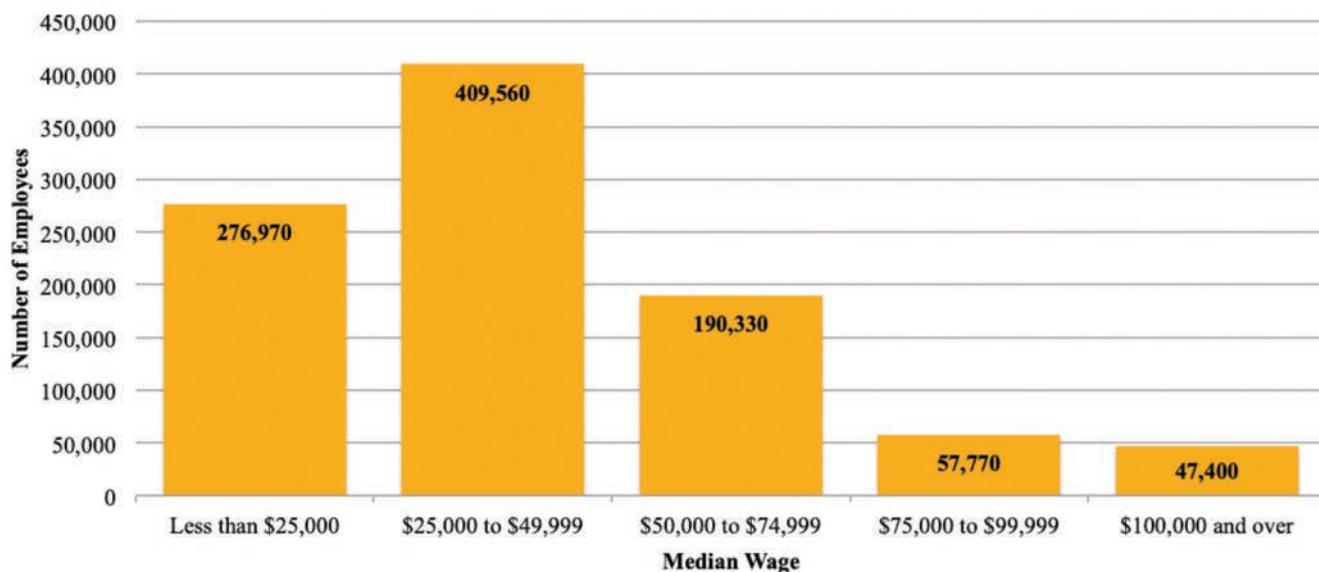
Source: U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates.

Lower-wage jobs dominate the San Antonio market. More than a quarter of workers in the San Antonio-New Braunfels MSA are in occupations with a median wage of less than \$25,000. Sixty-nine percent of these lowest-wage jobs are in service occupations that include food preparation and service, personal care, and sales.³⁵ They include specific occupations such as cashiers, food preparation and serving workers, and retail salespersons.

Two-thirds of workers in the San Antonio-New Braunfels MSA are in occupations with a median wage of less than \$50,000. These include occupations such as customer service representatives, office clerks, and waiters and waitresses.³⁶

Transportation can be a barrier to employment. Approximately 34% of San Antonio residents spend more than 30 minutes traveling to work. The average travel time to work for San Antonio residents is 25 minutes.³⁷ Geographically, residents living in the outer edges of San Antonio spend more than 30 minutes traveling to work. Those near the center of the city spend 25 minutes or less traveling to work.

SAN ANTONIO MSA NUMBER OF JOBS BY MEDIAN WAGE: 2017



Source: United States Bureau of Labor Statistics, May 2017 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates.

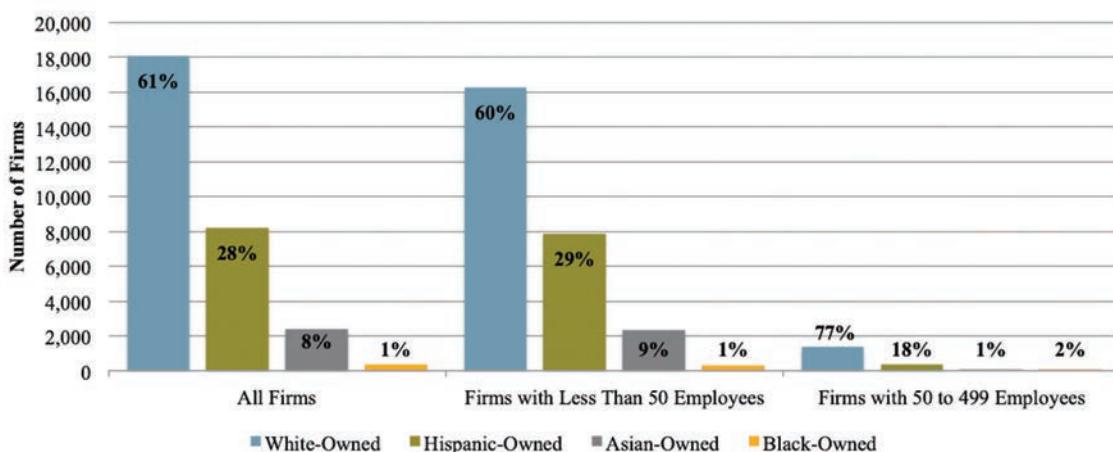
6. Hispanic, Black, and female small-business owners are underrepresented among small-business owners in San Antonio.

Small businesses, defined as businesses with fewer than 500 employees, employ 41% of the San Antonio MSA labor force.³⁸ Firms with less than 50 employees employ 22% of the labor force, while those with 50 to 499 employees employ 20 percent.

Most small businesses in the San Antonio MSA are White-owned. Of the 29,459 firms classifiable by race/ethnicity, 61% or 18,088 are White-owned, far above the White proportion of the San Antonio population. For businesses with less than 50 employees, 60% are White-owned; 77% of businesses with between 50 and 499 employees are White-owned.³⁹ The Asian community is also disproportionately represented among small-business owners, while Hispanic and Black small-business owners are underrepresented, owning just 28% and 1% respectively of all firms in the San Antonio MSA. Women owned 38% of businesses with less than 50 employees and 27% of businesses with 50 to 499 employees.⁴⁰

SAN ANTONIO MSA NUMBER OF FIRMS BY RACE/ETHNICITY OF BUSINESS OWNERS AND FIRM SIZE: 2016

Percent Reflects Percent of Total Firms in San Antonio MSA

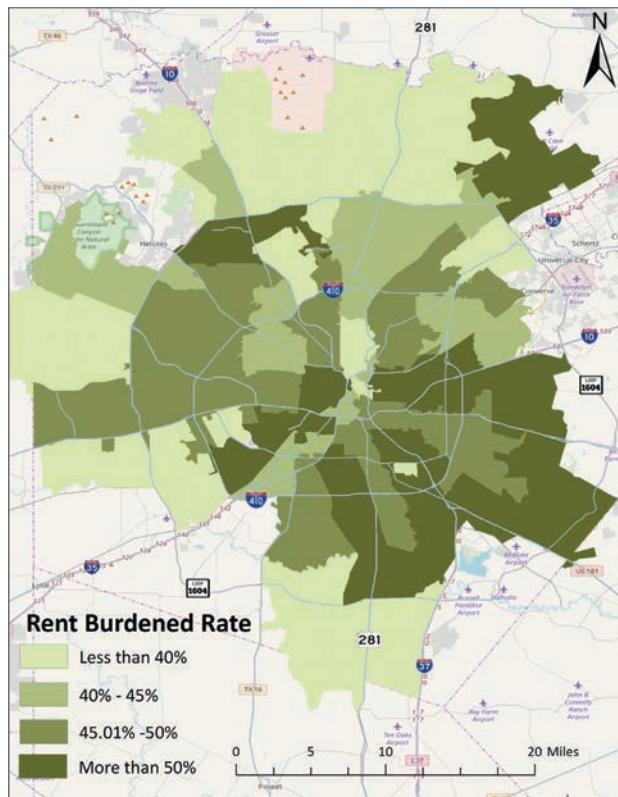


Source: Statistics for U.S. Employer Firms by Sector, Gender, Ethnicity, Race, and Veteran Status for the U.S., States, and Top 50 MSAs: 2016, 2016 Annual Survey of Entrepreneurs. The Hispanic-owned category includes businesses equally owned by Hispanic and non-Hispanic owners. Percentages do not add up to 100%, as the chart does not include business owners who do not fall into the categories examined in the chart.

HOUSING

7. Most low-income San Antonio renters spend more than one-third of their income on housing, making them housing burdened, and evictions are increasing.

Nearly half of renters (47%) in San Antonio are housing burdened and a fifth of homeowners (21%)—spending more than 30% of household income on rent.



SAN ANTONIO PERCENT OF RENTERS WHO ARE HOUSING BURDENED BY ZIP CODE: 2016

Source: U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates

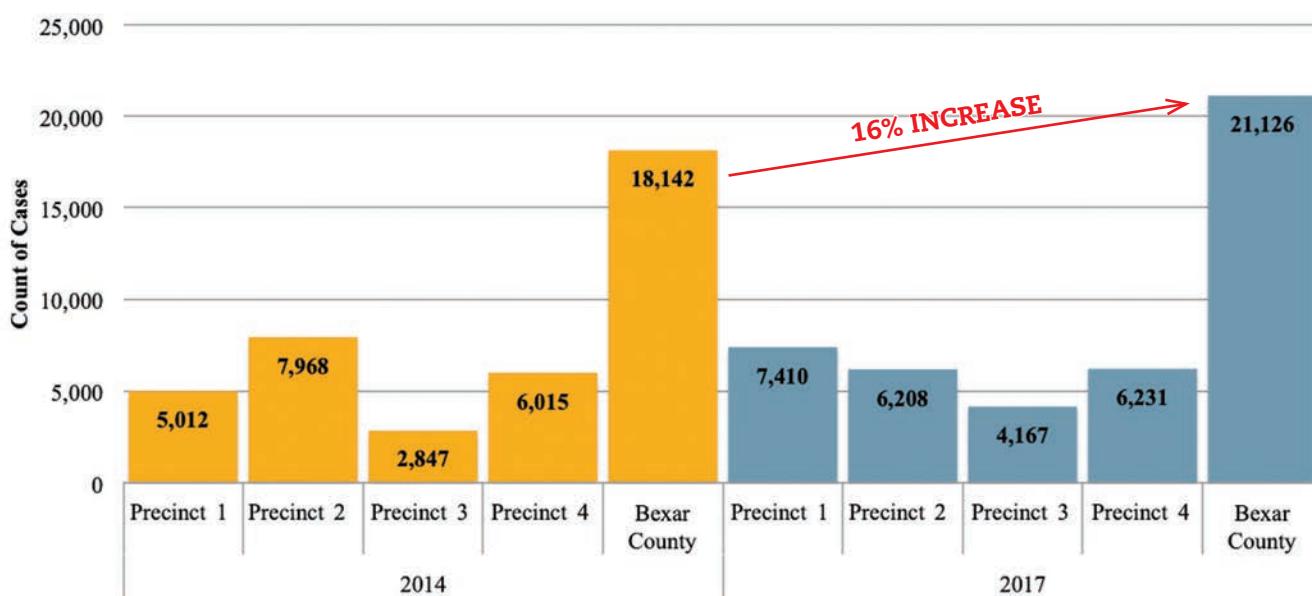
Renters who are the most housing burdened are those making less than \$20,000 per year. At least 91% of these renters were housing burdened in 2016. These renters have consistently remained housing burdened over time. The proportion of renters making less than \$20,000 per year who are housing burdened has increased from a rate of 89% in 2011.⁴¹

Additionally, among those who make between \$20,000 and \$34,999, at least 79% were housing burdened in 2016. Among these renters, the proportion who were housing burdened has increased over time by 9% (70% in 2011 to 79% in 2016). The median gross rent in San Antonio is \$924, below the statewide gross rent of \$956.⁴²

EVICTIONS

Landlord tenant cases filed in justice court in Bexar County, which are predominantly eviction cases, have increased and are rising at higher rates than the state average—a 16% increase from 2014 to 2017 compared to a 6% increase statewide.⁴³

TEXAS APPLES FOR THE HOMES | BEXAR COUNTY NEW LANDLORD TENANT CASES: 2014, 2017



Source: Texas Office of Court Administration Court Activity Reporting and Directory System, 2014-2017.

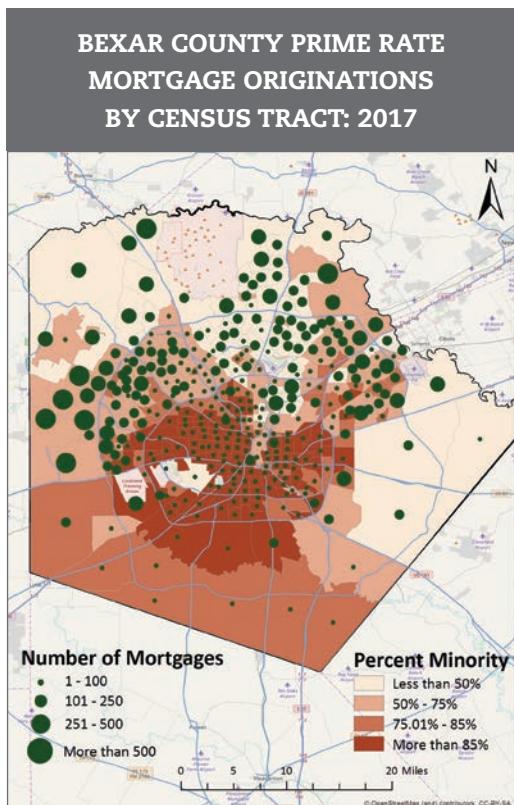
The default judgment rate for landlord tenant cases in Bexar County is 47% compared to 32% statewide. San Antonio has a 4.1% eviction rate (evictions per 100 renter homes), almost twice the state average of 2.17%, and a stark increase from a low of 2.09% in 2011.⁴⁴

Access to legal counsel in these cases can substantially alter the outcome. An eviction makes housing more difficult to find and more expensive. For low-income families with Section 8 vouchers, an avoidable eviction is particularly harmful, as it generally causes the family to lose the voucher. Losing a voucher harms housing stability and could lead to homelessness.

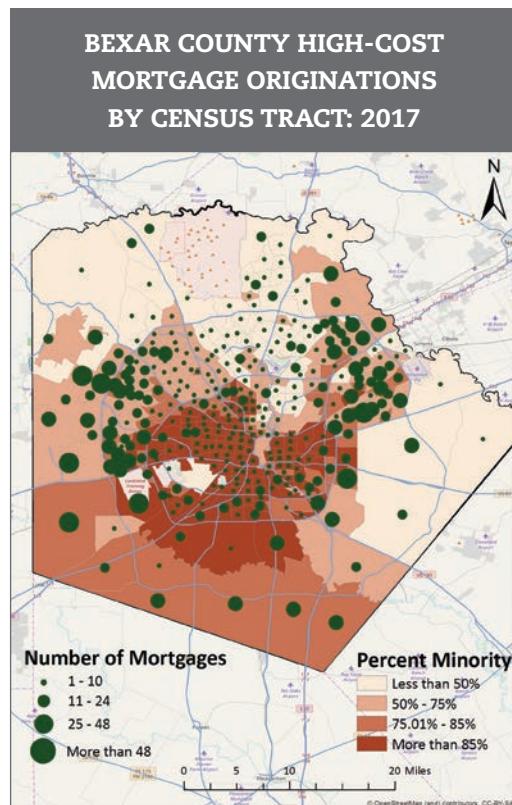
8. San Antonio has fewer mortgage originations in census tracts that have a high percentage of minority residents, but high-cost mortgages are more common in those areas.

In 2017, 40,347 mortgage loans were originated in Bexar County, based on loans reported in the 2017 Home Mortgage Disclosure Act data.⁴⁵ Of those loans, 4,060, or 10%, were deemed high-cost—at least 1.5 percentage points above the average prime offer rate. Looking at loan originations by census tract and minority population reveals a pattern of limited mortgage lending in the highest percentage minority census tracts. Equally concerning is the higher incidence of high-cost mortgages in those same areas.

Census tracts with 85% or more minority population made up 31% of the total population of Bexar County, and 14% of all mortgages originated. Of the mortgages originated in those census tracts, 19% were high-cost mortgages, compared to 9% of all mortgages in census tracts with less than 85% minority population. In census tracts with less than 50% minority population, just 4% of the mortgages were high cost.⁴⁶



Source: 2017 Home Mortgage Disclosure Act Data for Bexar County.

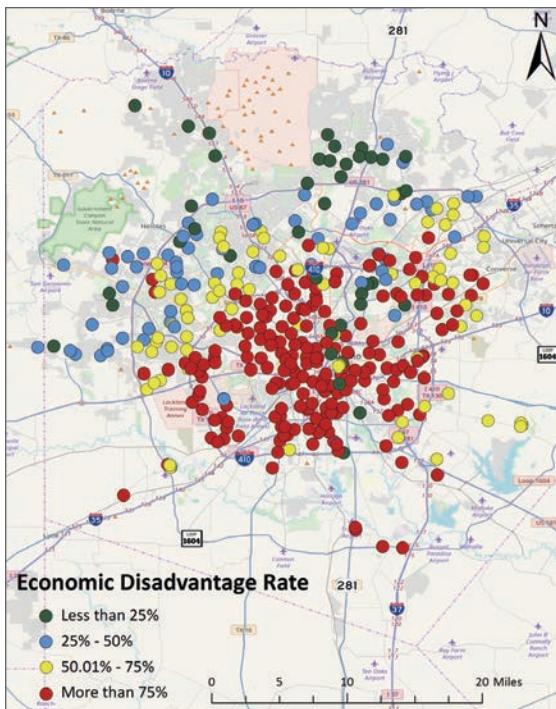


Source: 2017 Home Mortgage Disclosure Act Data for Bexar County.

EDUCATION

9. Economically disadvantaged students in San Antonio public schools are not leaving school college ready, and there is low educational attainment in San Antonio's lower-income zip codes.

San Antonio has high rates of students who are economically disadvantaged, which is defined by the Texas Education Agency as students who are eligible for free or reduced-price lunch. At least 64% of students in San Antonio are economically disadvantaged. In 73% of campuses in San Antonio, more than half of the students are economically disadvantaged. Campuses in central San Antonio have particularly high rates of students who are economically disadvantaged.⁴⁷



SAN ANTONIO ECONOMIC DISADVANTAGE BY SCHOOL CAMPUS: 2016-2017

Source: Texas Education Agency, 2016-17 Texas Academic Performance Report.

GRADUATION AND DROPOUT RATE

The average four-year graduation rate in San Antonio school districts is 88%. This graduation rate is consistent among economically disadvantaged students, students receiving special education services, and across gender.

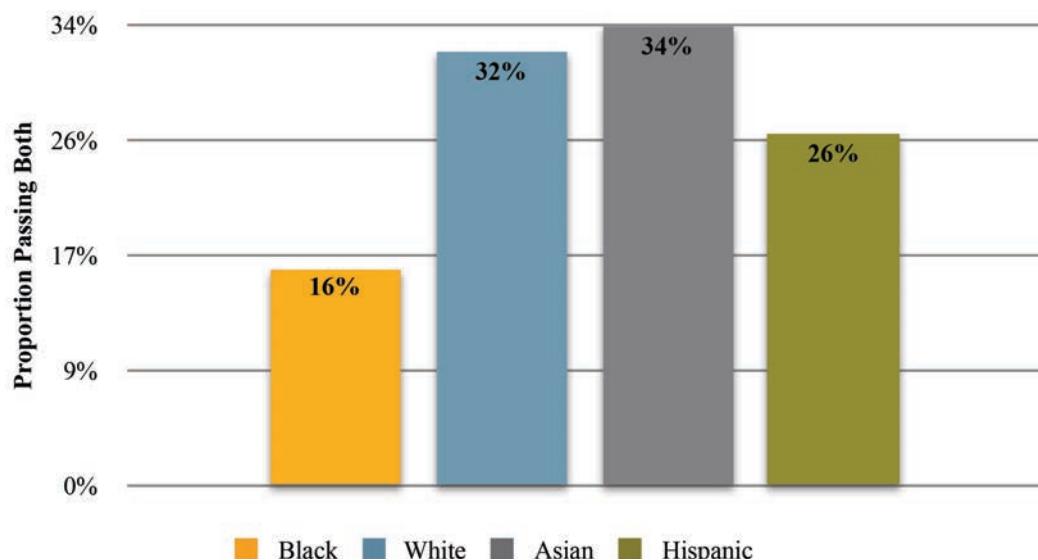
The average four-year dropout rate in San Antonio school districts is 7%. The dropout rate is slightly higher for economically disadvantaged students (8%), boys (8%), and for students receiving special education services (10%).⁴⁸

COLLEGE READINESS

College readiness is defined by the Texas Education Agency as the percentage of students who pass or exceed the college ready criteria on the Texas Success Initiative Assessment (TSIA), the SAT test, or the ACT test. School districts in San Antonio have relatively low rates of students who are college ready. The average rate of college readiness for students in San Antonio school districts for passing both the English and math criteria was 27% in the 2015-2016 school year.

When assessing the passing rate for either the English or math criteria, students fare better. The average rate of college readiness for students in San Antonio school districts for passing either the English or math criteria was 46%. Students fare better on the English criteria (average district passing rate 43%) than the math criteria (average district passing rate 31%).⁴⁹

SAN ANTONIO SCHOOL DISTRICTS' RATE OF PASSING BOTH MATH AND ENGLISH CRITERIA: 2015-2016



Source: Texas Education Agency, 2016-17 Texas Academic Performance Report.

There are large racial disparities in college readiness, with Black and Hispanic students performing worse in both math and English. Additionally, economically disadvantaged students had lower rates of passing both the math and English criteria than the general population (20% versus 29%). Lastly, students receiving special education services had especially low rates of passing both the math and English criteria, with an average passing rate of 3%.

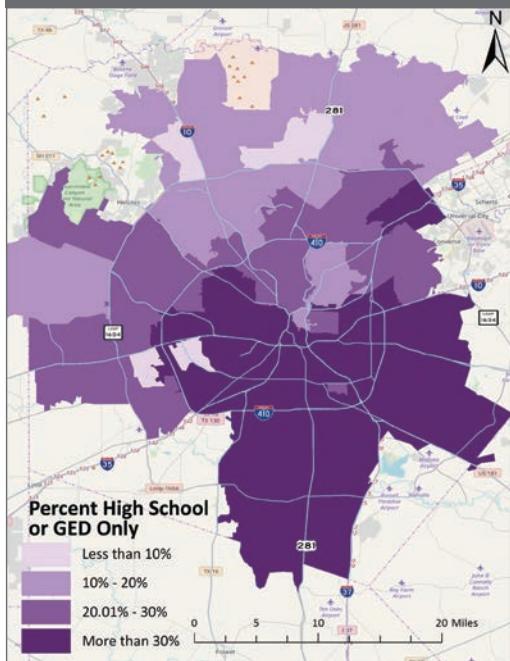
These findings have significant implications for future earnings and wealth building. According to the Bureau of Labor Statistics, median weekly earnings in 2017 for a high school graduate were \$712 compared to \$1,173 for someone with a bachelor's degree.⁵⁰ Over a lifetime, the median earnings of a college graduate are twice those of someone with just a high school diploma—\$1.2 million compared to \$600,000.⁵¹

EDUCATIONAL ATTAINMENT

Of the 49,596 high school graduates between 2008 and 2010, only 6% earned an associate degree and 19% earned a bachelor's degree or higher.⁵²

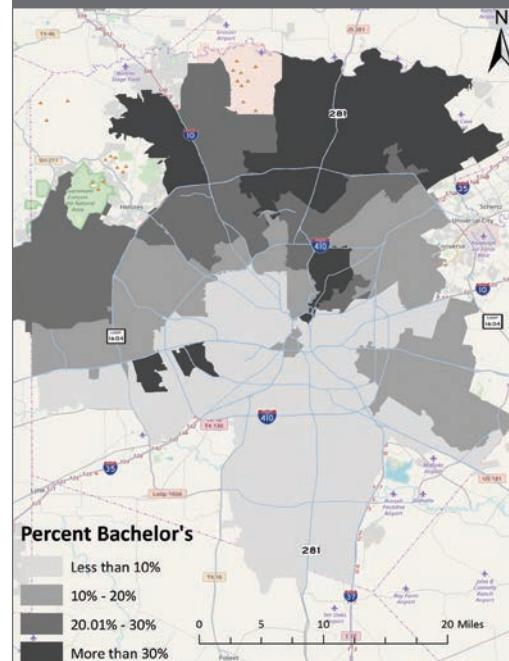
More than half (54%) of San Antonio residents have an associate degree or higher. When assessed by race, White residents held bachelor's degrees or a higher degree at twice the rate of Black residents, and more than 2.5 times the rate of Hispanic residents. There are no gender differences in educational attainment in San Antonio.⁵³

SAN ANTONIO PERCENTAGE OF POPULATION WITH ONLY HIGH SCHOOL OR GED BY ZIP CODE: 2016



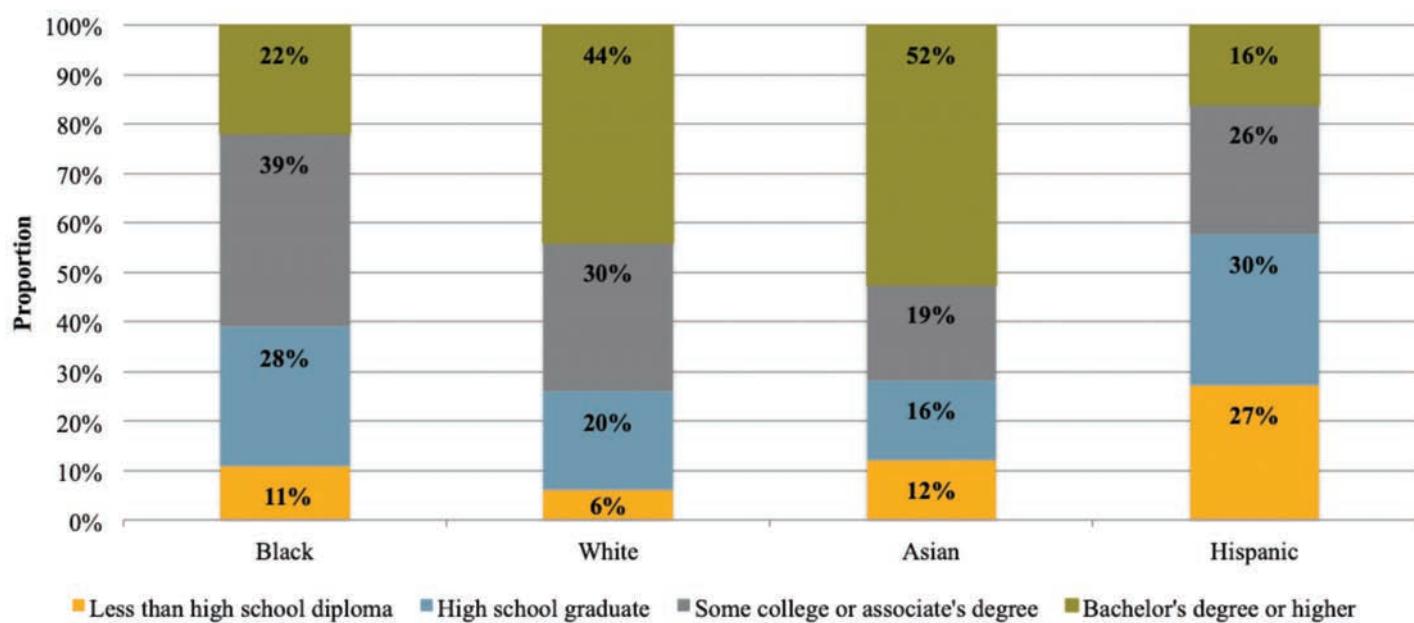
Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

SAN ANTONIO PERCENTAGE OF POPULATION WITH A BACHELOR'S DEGREE OR HIGHER BY ZIP CODE: 2016



Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

SAN ANTONIO EDUCATIONAL ATTAINMENT BY RACE: 2016



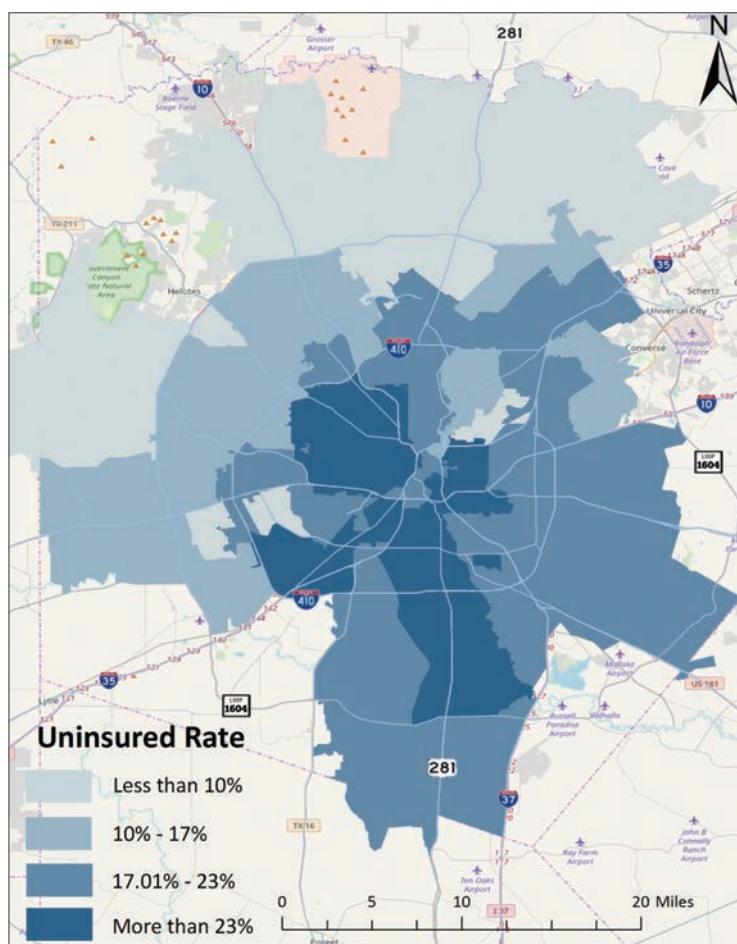
Source: U.S. Census Bureau, 2016 American Community Survey 1-Year Estimates.

HEALTH

10. San Antonio, like Texas, has a high uninsured rate, which disproportionately impacts low-income Hispanic and Black families. Poor health outcomes can impact a family's ability to save, build credit, and improve economic mobility.

Health and wealth are intertwined.⁵⁴ Social determinants of health, such as the neighborhood someone grows up in, the quality of housing, or family assets are key to both a healthy household and a financially healthy life. Higher wealth is consistently correlated with better health outcomes for chronic diseases and conditions that contribute to early mortality, such as obesity and smoking.⁵⁵ Better health outcomes are connected to improved academic performance of children and to improved long-term financial outcomes.⁵⁶ In San Antonio, 16% of residents were uninsured, more than 1.5 times the rate of uninsured in the United States (9%), but similar to the statewide uninsured rate (17%).

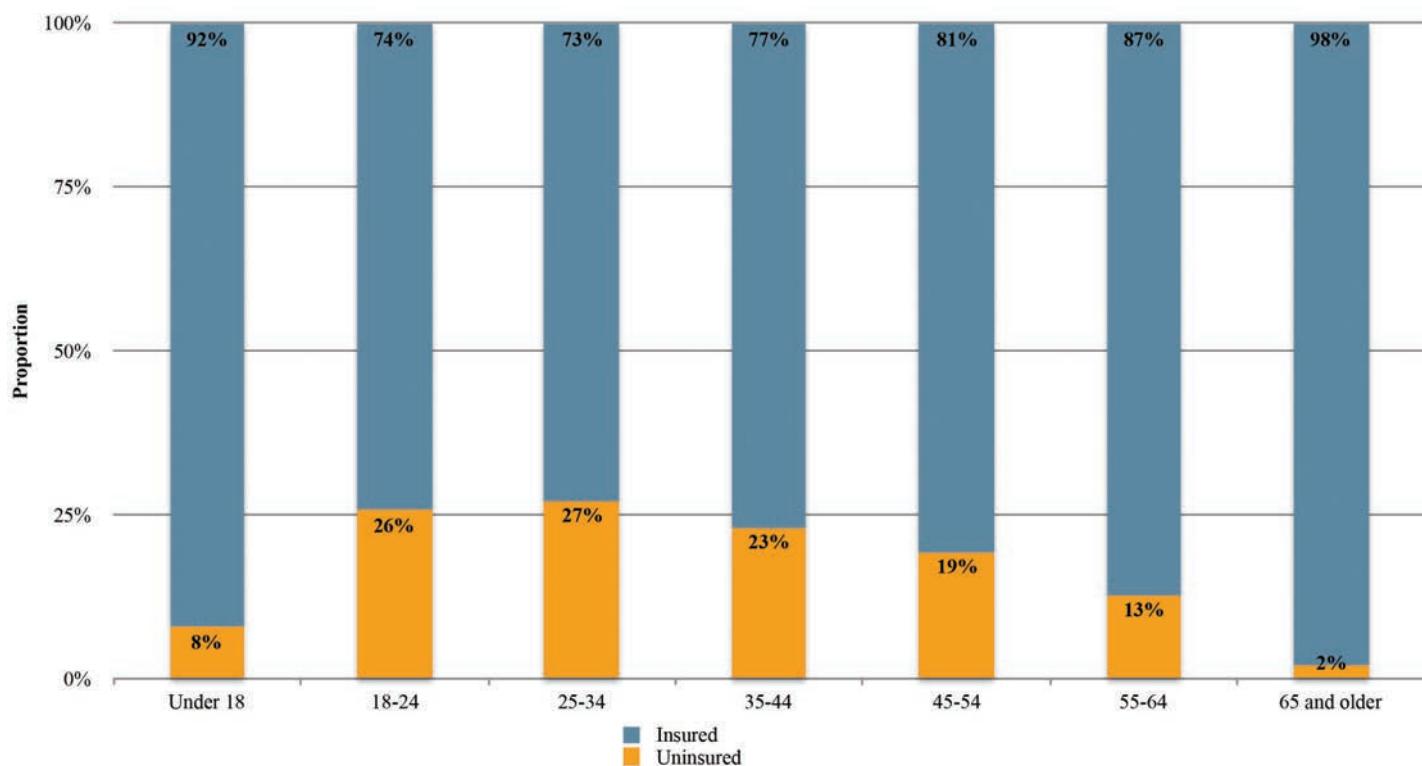
Working adults aged 18-44 had particularly high uninsured rates compared to other age groups. Individuals with a disability are slightly less likely to be uninsured (12%). Among individuals who had worked fulltime, year round, in 2016, 17% were uninsured.



**SAN ANTONIO PERCENT UNINSURED
BY ZIP CODE: 2016**

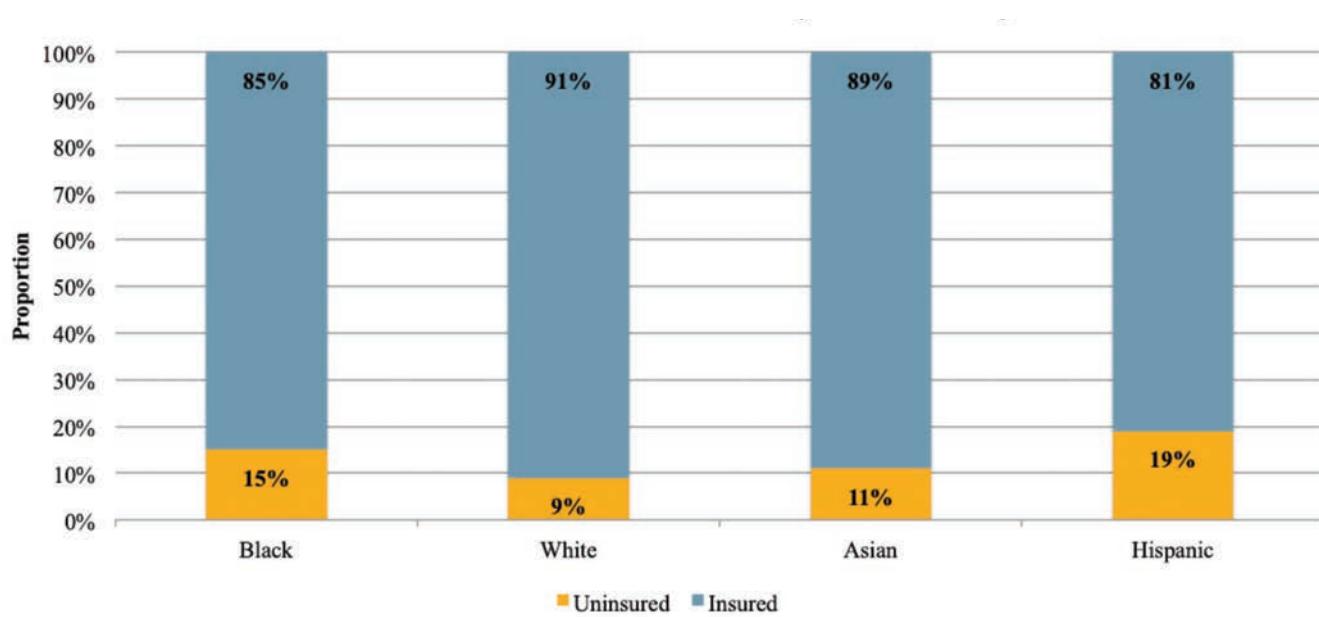
Source: U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates

SAN ANTONIO INSURED AND UNINSURED RATES BY AGE: 2016



Source: U.S. Census Bureau American Community Survey 1-year Estimates 2016.

SAN ANTONIO INSURED AND UNINSURED RATES BY RACE/ETHNICITY: 2016

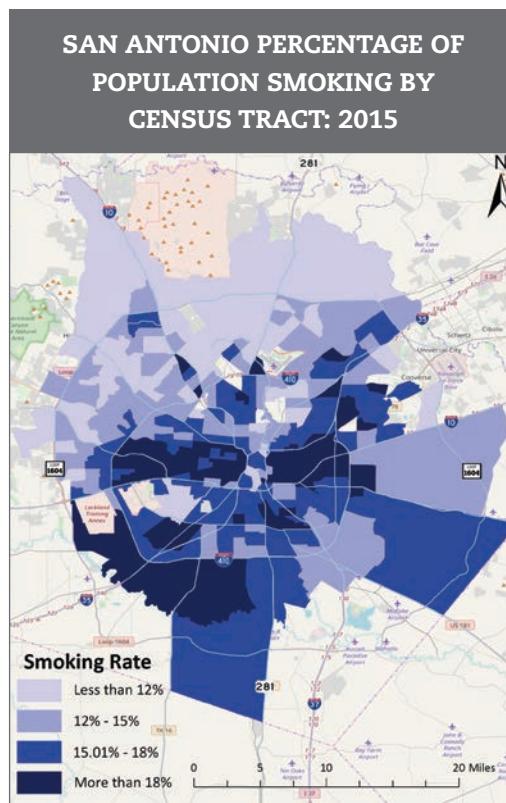
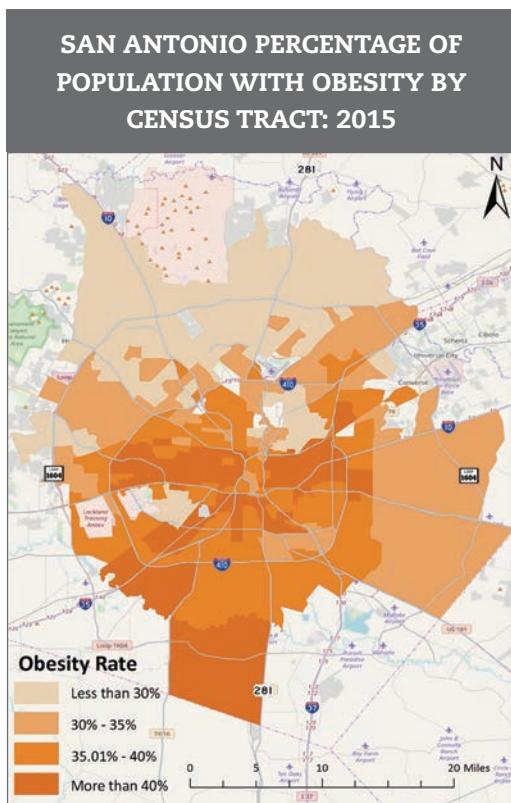


Source: U.S. Census Bureau American Community Survey 1-year Estimates 2016.

MORTALITY AND HEALTH OUTCOMES

Bexar County health outcomes rank relatively well compared to other counties in Texas, ranking 115 (out of 242) for health outcomes, which include indices measuring length of life and quality of life, and 30 (out of 242) in health factors, which include health behaviors such as smoking, obesity, and physical inactivity.⁵⁸ However, the census tract-based data are more striking and show broad disparities in outcomes based on where people live within the county. According to national research, economically distressed areas have a 25% higher mortality rate than those that are not distressed and have an average life span that is five years shorter.⁵⁹

In San Antonio, health factors that contribute to many causes of mortality are concentrated in economically distressed census tracts.⁶⁰



Source: 500 Cities Project Data Centers for Disease Control and Prevention, 2015 2-Year Modeled Estimates.

Data downloaded from www.cityhealthdashboard.com.

Areas with the highest obesity rates in San Antonio largely mirror those with high smoking rates and lower incomes. The same holds true for other chronic diseases and unhealthy behaviors, including high blood pressure, diabetes, and physical inactivity.⁶¹

New research is showing increased connections of childhood trauma, such as sexual abuse, physical abuse, and emotional abuse, with negative health outcomes.⁶² A 2015 survey of adverse childhood experiences (ACEs) in the San Antonio MSA found that between 5% and 13% of residents experienced some form of sexual abuse as children, at least 19% experienced physical abuse as children, 33% experienced emotional abuse, and between 8% and 34% experienced some form of household challenges as children (such as having a parent or family member incarcerated or having a substance abuse problem).⁶³

While these rates are related to the metro area, it is likely that residents within San Antonio are also experiencing ACEs at a high rate, which can negatively impact their future health outcomes.

CITY-BASED POLICY INITIATIVES TO REDUCE ECONOMIC SEGREGATION AND PROMOTE EQUITY IN SAN ANTONIO

In order to assess gaps between community asset-building needs and existing services, it is important to also look at ongoing City-based initiatives. Public funding and services are important to the overall landscape of asset-building services in San Antonio and offer some insight into local priorities. It also helps to assess the best ways to invest additional funding, to ensure that new investments enhance or complement ongoing efforts.

City policies to reduce economic segregation and promote asset building for low-income San Antonio families focus on four key areas: housing, increasing income, preventing financially harmful practices, and enhancing education. Important policies and initiatives are highlighted below.

To address growing local concerns about access to affordable housing, Mayor Ron Nirenberg convened a task force, which undertook a yearlong process to recommend a pathway forward for the city. The San Antonio Mayor's Housing Task Force issued its final report in August 2018. The report includes five pillars that aim to preserve neighborhoods and increase the city's affordable housing stock through improved coordination and targeted investment, ultimately impacting low-income communities in a positive way.⁶⁴

Initiatives undertaken to increase income for low-wage workers and support family asset building over the past decade include:

- ◆ **PAID SICK LEAVE.** San Antonio City Council passed an ordinance in August 2018 that requires employers to offer earned paid sick leave to employees. This ordinance will offer important safety-net supports to low-wage workers. It is scheduled to go into effect on August 1, 2019.
- ◆ **TRAINING FOR JOB SUCCESS.** This program offers low-income residents (\$29,813 in annual income for a family of four) training, financial support, and financial coaching to pursue skills that lead to higher-paying jobs.
- ◆ **INCREASED MINIMUM WAGE.** Since 2015, the City of San Antonio has been increasing the minimum wage for its own employees. The minimum living wage of \$15 per hour was enacted January 1, 2019, for the lowest-paid employees.
- ◆ **FINANCIAL EMPOWERMENT CENTERS.** Financial Empowerment Centers were launched by the City of San Antonio in 2013, in partnership with local nonprofit organizations. The centers were initially funded through a grant from Cities for Financial Empowerment and have been continued through a combination of private philanthropy and federal community development funds. The program initially included two centers offering free financial counseling services, one on the city's West Side and the other on the East Side. In 2015, four centers were added as part of the "Learn at San Antonio Public Libraries" initiative.

LOCAL ASSET-BUILDING HIGHLIGHT: FINANCIAL EMPOWERMENT CENTERS

In 2015, Financial Empowerment Centers served 2,823 San Antonio residents, led to \$3.5 million in reduced debt, and increased savings by \$270,000. Clients averaged three financial counseling sessions, for a total of 6,036 sessions.

- ◆ **VOLUNTEER TAX ASSISTANCE (VITA).** The VITA program is one of the longest-standing asset-building initiatives of the City of San Antonio, offering free tax preparation and filing services to low- and moderate-income families.

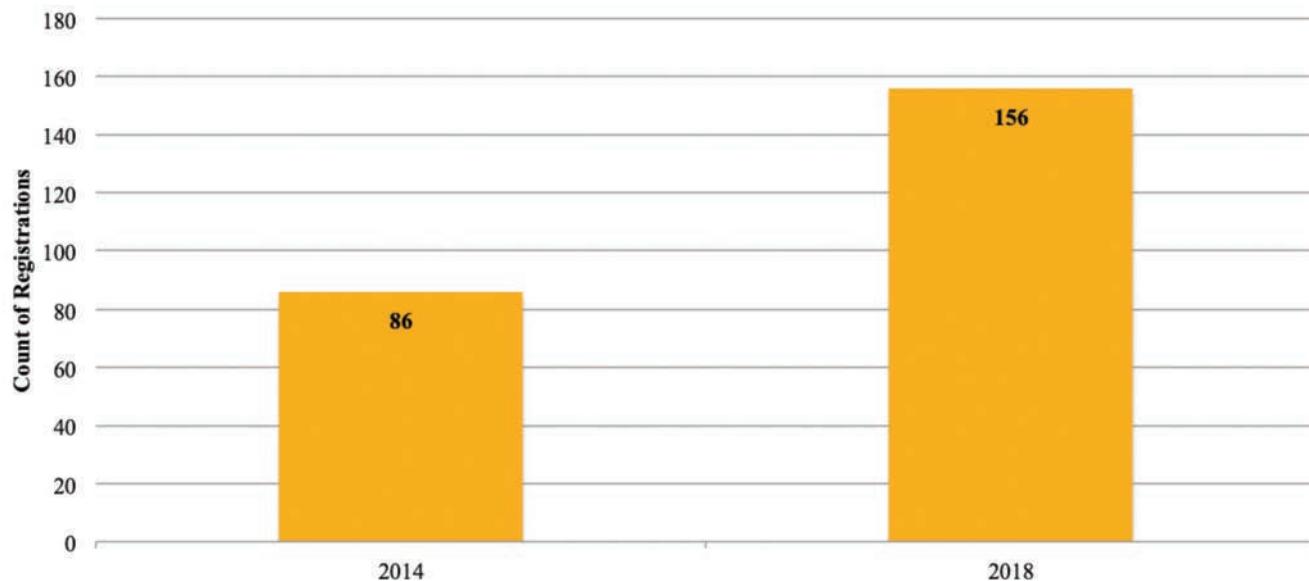
LOCAL ASSET-BUILDING HIGHLIGHT: VITA

During the 2017 tax season, volunteers prepared about 31,000 returns, resulting in \$54 million in refunds that went back to the local economy. It also saved clients an estimated \$10 million in tax preparation fees. According to a 2016 analysis by the Urban Institute, 39% of San Antonio residents receive the Earned Income Tax Credit, compared to 32% nationwide.

Despite the success of the VITA program, funding from the City of San Antonio has slowly declined over the past five years. In 2014, the program received \$600,000. That funding dropped to \$483,000 in 2018.

Another cause for concern is the increase in refund anticipation loan (RAL) providers in San Antonio and related costs. The increase in RAL providers appears to coincide with a decrease in Earned Income Tax Credit filers using the VITA sites in San Antonio. Low-income tax filers who use VITA sites save hundreds of dollars in fees compared to private tax preparation services.

San Antonio Number of Active RAL Registrations: 2014, 2018



Source: Texas Office of Consumer Credit Commissioner Refund Anticipation Loan Provider Registration Data, 2018.

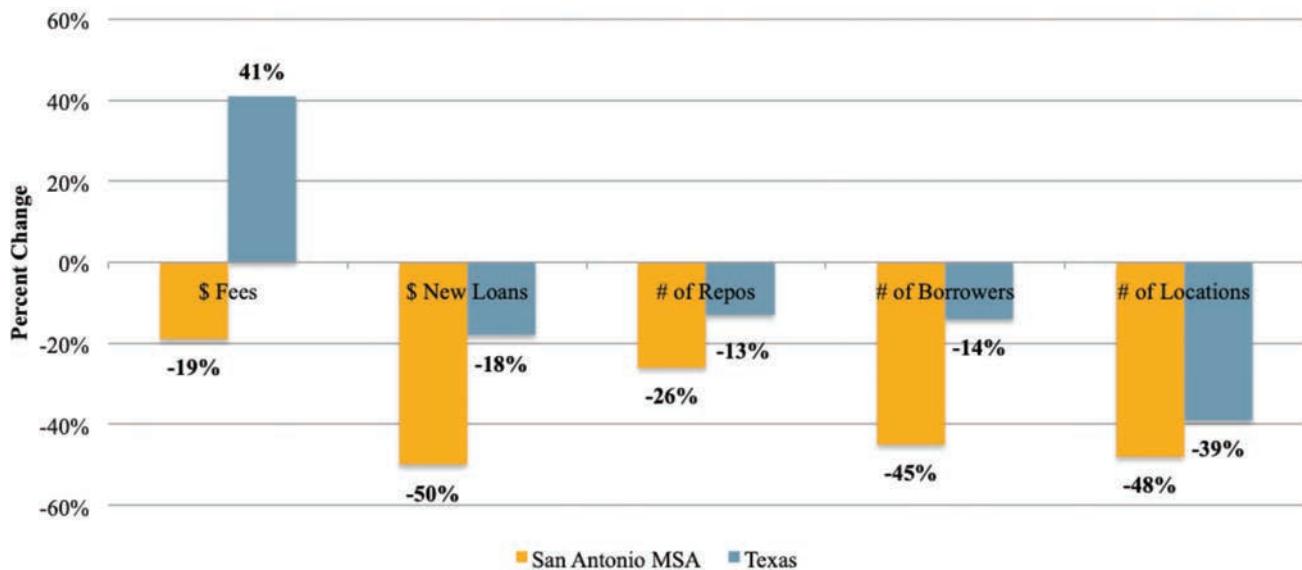
Initiatives to prevent financially harmful practices include:

- ◆ **PAYDAY AND AUTO TITLE LOAN ORDINANCES.** Starting in 2008, the City has adopted measures to limit predatory payday and auto title lending using ordinances to place zoning restrictions on the store locations and establish basic fair market practices.

LOCAL ASSET-BUILDING HIGHLIGHT: PAYDAY AND AUTO TITLE LOAN ORDINANCE

Ordinances addressing predatory payday and auto title lending practices have shown positive results for the city. According to San Antonio MSA level data from the Texas Office of Consumer Credit Commissioner, 781 fewer families lost a car to an auto title lender in 2017 compared to 2012. Struggling families lost \$29.7 million fewer dollars in fees paid to payday and auto title lenders in 2017 compared to 2012, and the number of store locations fell from 301 in 2012 to 158 in 2017.⁶⁵

San Antonio MSA Payday and Auto Title Lending % Change 2012-2017



Source: Texas Appleseed analysis of Texas Office of Consumer Credit Commissioner Credit Access Business Data 2012-2017.

- ◆ **ENDING JAILING FOR FAILURE TO PAY FINES.** In 2007, in an effort to reduce jail overcrowding, the San Antonio Municipal Court ended the practice of sentencing people to jail solely because they do not have money to pay court fines and fees for non-jailable offenses. The results have been positive for the community. Since 2012, there has been a 22% decrease in fines and court costs collected, while the number of cases fully or partially satisfied with community service has risen by 853%. The number of cases where fines and fees were waived for indigency increased by 202% during the same period (Texas Office of Court Administration, Court Activity Reporting and Directory System, 2012, 2017).

In the area of education:

- ◆ **PRE-K 4 SA:** A sales-tax funded universal pre-kindergarten program has supported important educational progress for low-income children. A 2017 independent evaluation found that 80% of the students served by Pre-K 4 SA in the 2016-2017 academic year were low income. Students had a 93.6% attendance rate and surpassed averages in cognition, literacy, and mathematics as a result of participating in Pre-K 4 SA.⁶⁶

ASSET-BUILDING PERSPECTIVES FROM SAN ANTONIO NONPROFITS AND RESIDENTS

NONPROFIT SURVEY

In addition to the data scan identifying San Antonio's asset-building needs, a survey of nonprofit providers was conducted in order to better understand existing nonprofit asset-building programs and to identify gaps in services. The survey asked nonprofits to identify the top financial challenges facing their clients, any geographies or populations that were not being served by current asset-building services, and any unmet organizational needs that would better help them serve their clients' asset-building needs.

PROCEDURE AND PARTICIPANTS

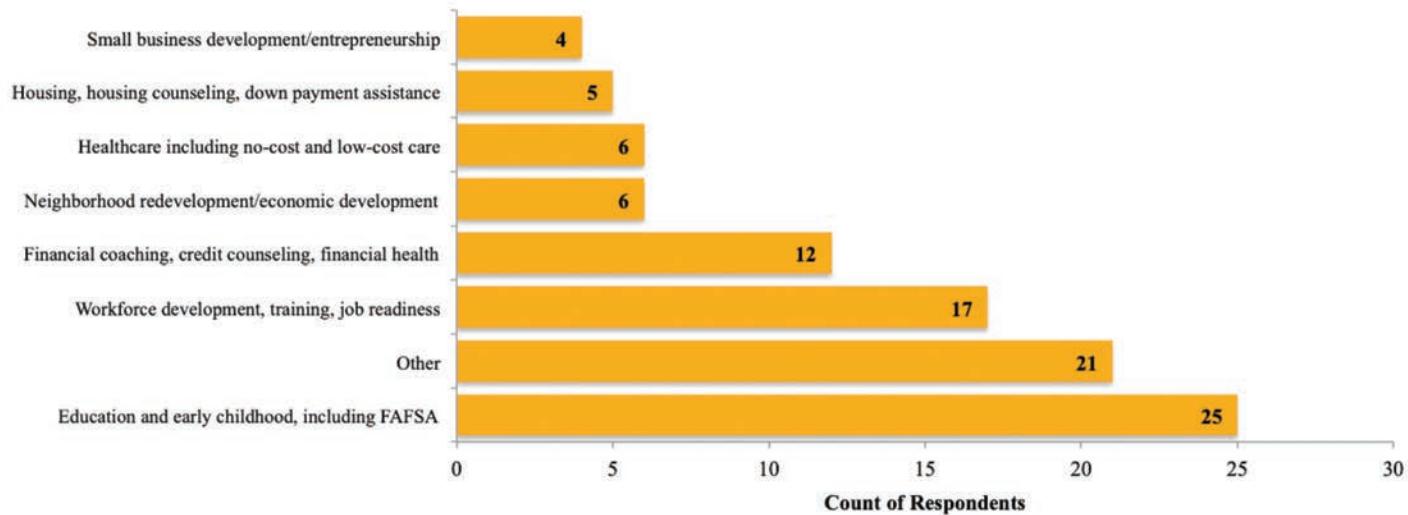
In collaboration with the Federal Reserve Bank of Dallas, a survey was created and disseminated to the executive directors of targeted organizations. The survey was also shared through the Nonprofit Council in San Antonio and through the San Antonio Asset Funders Network listserv. The survey was shared with 113 nonprofit organizations with active services in the areas of (1) financial coaching, credit counseling, and financial health; (2) housing, housing counseling, and down payment assistance; (3) small-business development/entrepreneurship; (4) neighborhood redevelopment and economic development; (5) workforce development, workforce training, and job readiness skills training; (6) education and early childhood, including FAFSA completions, and San Antonio Partnership enrollment; and (7) healthcare, including no-cost and low-cost care referrals and assistance with medical debt.

The survey had a 38% response rate, with 44 organizations completing at least half of the survey. For a full list of the participating nonprofit organizations, please see Appendix A. Since the purpose of the survey is exploratory, all answers were included in the final analyses, even if the survey was not fully completed, so the total number of responses varies by question.

DEMOGRAPHICS OF SURVEYED NONPROFIT ORGANIZATIONS

- ◆ 83% of survey respondents were executive staff (i.e., CEOs, executive directors, vice presidents)
- ◆ Most of the nonprofit providers surveyed had a large budget (38% surveyed had an estimated budget greater than \$7 million and 35% had an estimated budget between \$1 million and \$7 million)
- ◆ Half of the nonprofit providers surveyed had more than 40 employees
- ◆ The most common key program area of the surveyed nonprofit providers was education and early childhood (52%).

KEY PROGRAM AREAS*



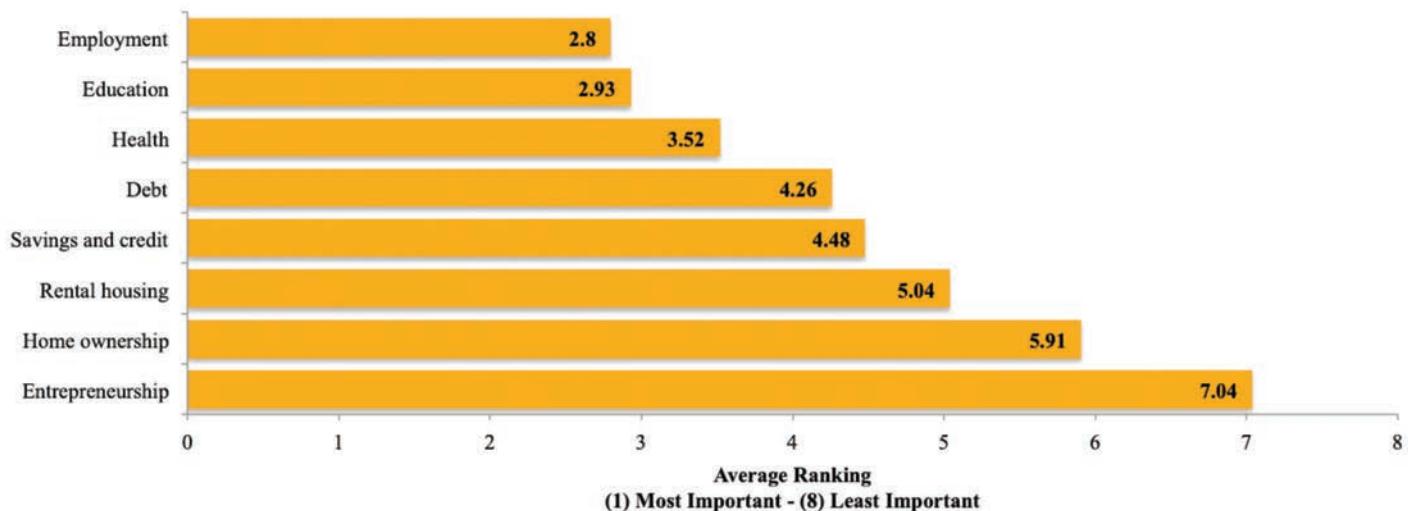
*Note: Participants could pick multiple program areas.

TOPLINE FINDINGS

1. The top three financial challenges facing San Antonio residents were (1) employment issues, with a focus on affordable child care and living wage jobs, (2) education issues, including paying for college and job training, and (3) health issues, focused on a lack of health insurance.

Nonprofit providers were asked to rank the top financial challenges impacting their clients from (1) most important to (8) least important. Both education and employment were ranked as being the most important financial challenges impacting nonprofits' clients. A lower average score reflects a higher priority.

TOP FINANCIAL CHALLENGES



For their top two client financial challenges, nonprofit providers were asked to identify the most pressing specific challenges under each category.

Under the category of employment, the four highest-need areas identified were (1) affordable child care (91%), (2) living wage or higher-wage jobs (68%), (3) job training (55%), and (4) transportation to work (55%).

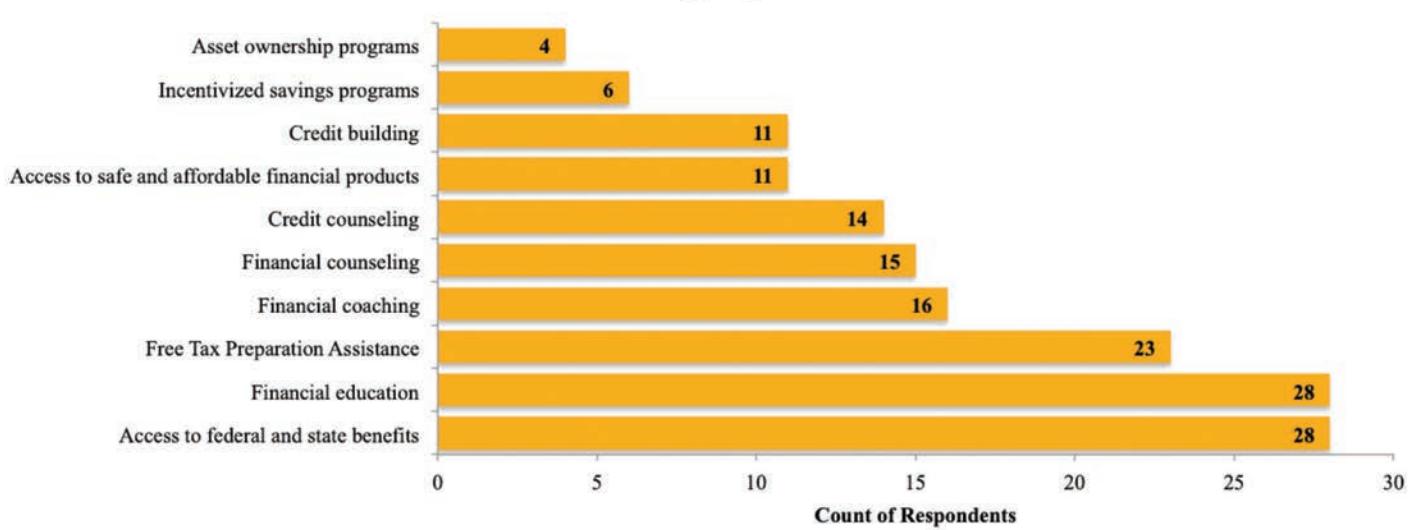
Under the category of education, the four highest-need areas identified were (1) paying for college (67%), (2) paying for job training (57%), (3) access to and awareness of the Texas Application for State Financial Aid (TASFA) and the Free Application for Federal Student Aid (FAFSA) (48%), and (4) paying for continuing education (43%).

Within the health category, the four highest-need areas identified were (1) lack of health insurance (78%), (2) inability to pay for medications (72%), (3) lack of affordable mental and behavioral health services (72%), and (4) access to quality healthcare (67%).

2. Asset ownership and incentivized savings programs are the least available asset- building services among the nonprofit organizations surveyed, though there is willingness to provide these programs if funding was available.

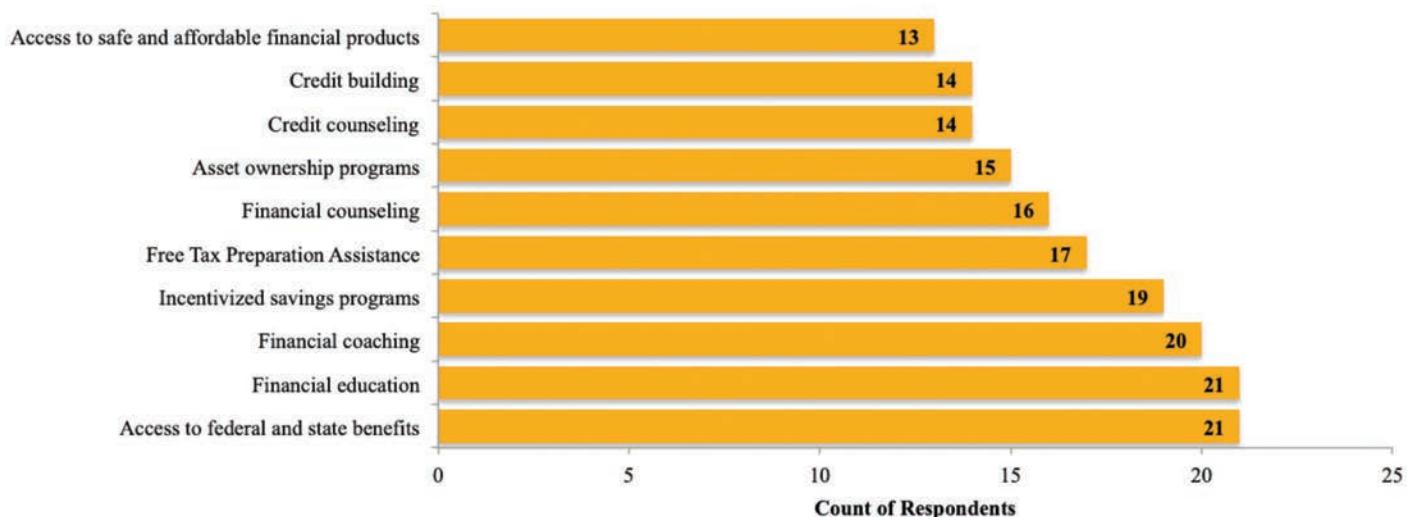
Nonprofits were asked to identify the asset-building programs and services that either they or their referral network offered to address the financial challenges facing their clients. The most commonly offered programs identified were financial education (67%) and access to federal and state benefits (67%). Asset ownership (10%) and incentivized savings programs (14%) were the least likely to be offered.

WHAT ASSET-BUILDING PROGRAMS ARE OFFERED?



Nineteen nonprofit providers (70%) stated they would be willing to provide incentivized savings programs, and 15 nonprofit providers (56%) stated they would be willing to provide asset-ownership programs.

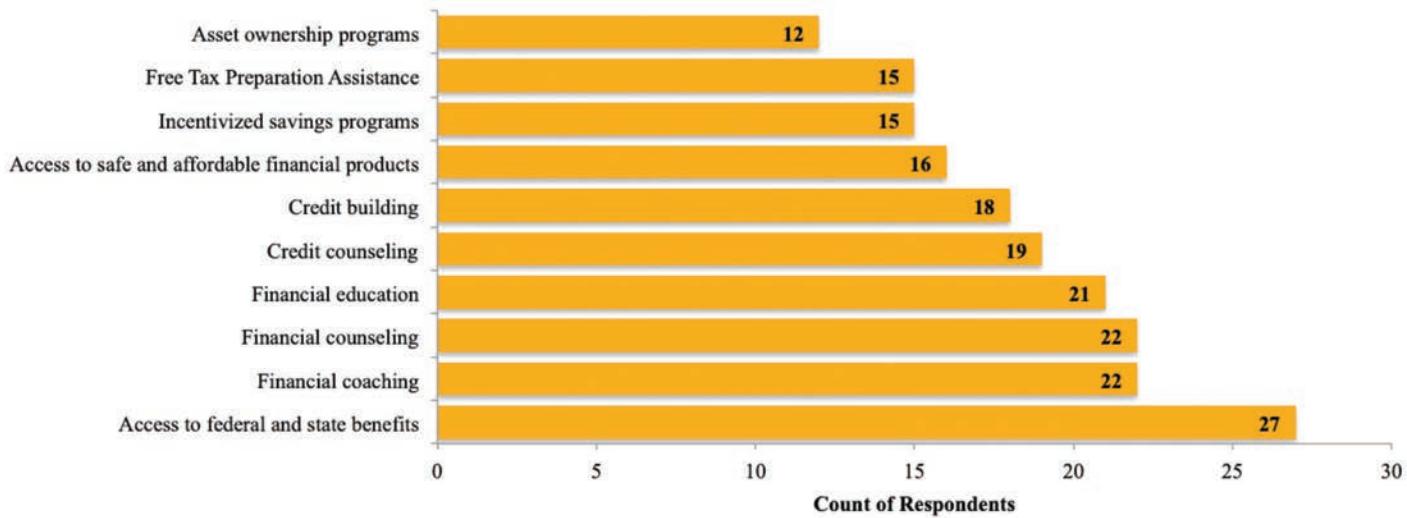
NONPROFITS WILLING TO PROVIDE SERVICES



3. Nonprofit providers identified access to federal and state benefits programs as a service gap with the highest need for additional capacity, though most nonprofits are offering these services.

Nonprofit providers were also asked to identify unmet needs for asset-building programs and services. Access to federal and state benefits was identified as the most-needed program with 87% of respondents saying it was very needed. Financial counseling and financial coaching were the next most-needed programs with 71% of respondents saying they were very needed. However, more than half of nonprofits surveyed (67%) stated that access to federal and state benefits was currently being offered in San Antonio, suggesting that there is an even larger need for this service or possibly that nonprofits are not aware of the number of other organizations offering the same services.

WHAT PROGRAMS ARE VERY NEEDED?



4. One-third of nonprofit providers surveyed did not identify any referral networks.

In order to better understand how nonprofit providers communicate with each other, nonprofit providers were asked to identify other organizations that they refer clients to in order to access asset-building programs that are not provided by their own organization. Fourteen nonprofit providers (33%) did not identify any referral network. The need for referral networks was echoed by nonprofit providers. For example, one provider stated, “Nonprofits are better together, but often face barriers to collaboration even when they have the desire. Funders facilitating or funding collaborations while also bridging the gaps to reduce barriers for place-based strategies work!”

“San Antonio has many organizations that can assist, the challenge is to connect those organizations into a network to reach the people who can benefit.”

5. There is a lack of access to asset-building programs particularly on the East Side, West Side, and South Side, and for low-income single women and young adults not in school.

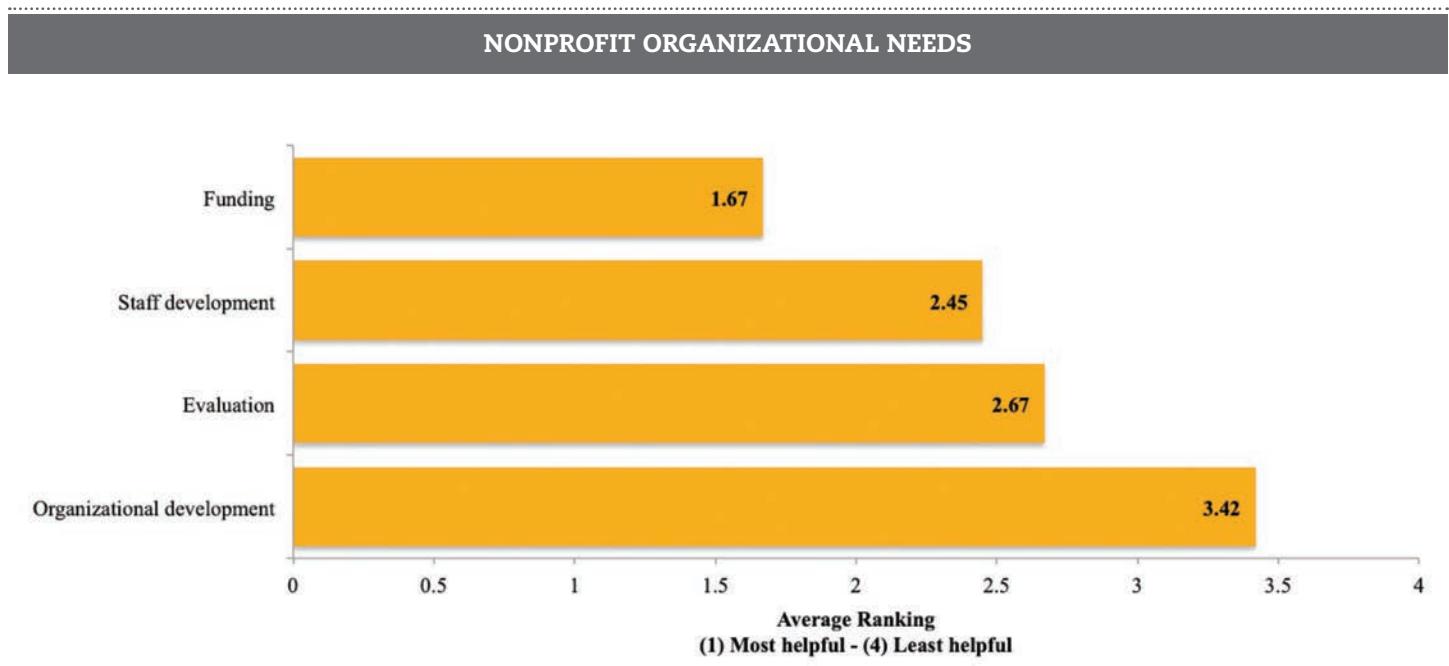
To identify gaps in service areas, nonprofit providers were asked in an open-ended question whether there were any neighborhoods or other client populations that were not being reached by current asset-building services. Most frequently, nonprofit providers mentioned specific geographic areas that do not have access to asset-building services, such as the West Side, East Side, and South Side. One nonprofit provider stated, “We knock on doors to find the most isolated families with young children, but their [sp] are thousands of isolated individuals/families with no children or older children that need help in the south, west, and east sides of town.”

In addition to specific geographies that are not accessing services, nonprofit providers identified specific populations that are not receiving services. Most commonly, providers spoke of individuals who are homebound or isolated, including low-income single mothers and young adults who are not in school. For instance, one provider stated, “Since asset-building services in San Antonio are minimal, I feel like there is a huge gap. Low-income single mothers and young adults of color who are not in school and not working are particularly disconnected from human services and asset-building services.”

“Some services are limited to certain neighborhoods, or are not marketed well, so there are thousands of individuals without a secondary education that need this type of service/support.”

6. Long-term committed funding and staff development were identified as the greatest nonprofit organizational needs.

Lastly, nonprofit providers were asked about organizational needs to better meet the asset-building needs of San Antonio families. Participants were asked to rank the top needs from (1) most helpful to (5) least helpful. Funding and staff development were identified as the top organizational needs of the surveyed nonprofits. The lowest average score in the chart below indicates the highest need.



Nonprofit providers were asked to identify the most pressing issues under their top two organizational needs. Within the funding category, the three highest-need areas identified were (1) long-term funding commitment to particular programs (88%), (2) program-specific funding (81%), and (3) general operating funding (77%).

Under the category of staff development, the three highest-need areas identified were (1) professional development training for staff (75%), (2) project management training (69%), and (3) support for employee retention (50%).

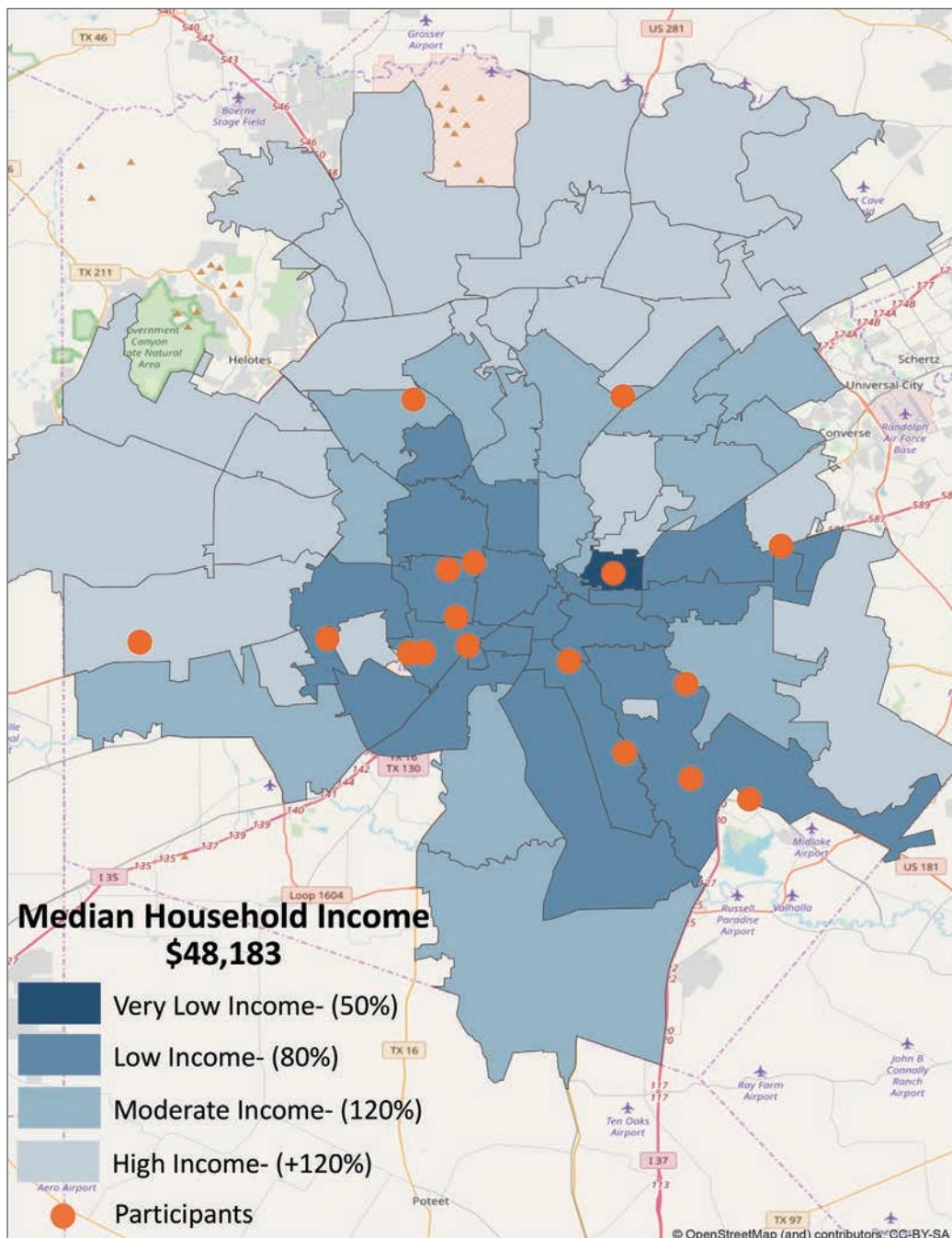
Nonprofit providers further echoed these organizational needs. For example, one provider stated, “Multiyear funding strategies are critically important because humans don’t change overnight and sustainability is critical.”

“Nonprofits struggle for operating funds. Often funders want us to create new programs when the current programs are working and need capital.”

FOCUS GROUPS WITH NONPROFIT CLIENTS

Two focus groups, with a total of 19 nonprofit clients, were held to complement the insights of the survey and to gather information from customers. The focus groups, conducted in partnership with Family Service Association, were held at the Methodist Healthcare Ministries Wesley Clinic in South San Antonio and the Family Service Association's The Neighborhood Place on the West Side of San Antonio. The 19 participants came from diverse neighborhoods, with the majority living in low-income zip codes.

ZIP CODE OF RESIDENCE FOR FOCUS GROUP PARTICIPANTS OVERLAY ON MAP OF MEDIAN HOUSEHOLD INCOME BY ZIP CODE: 2016

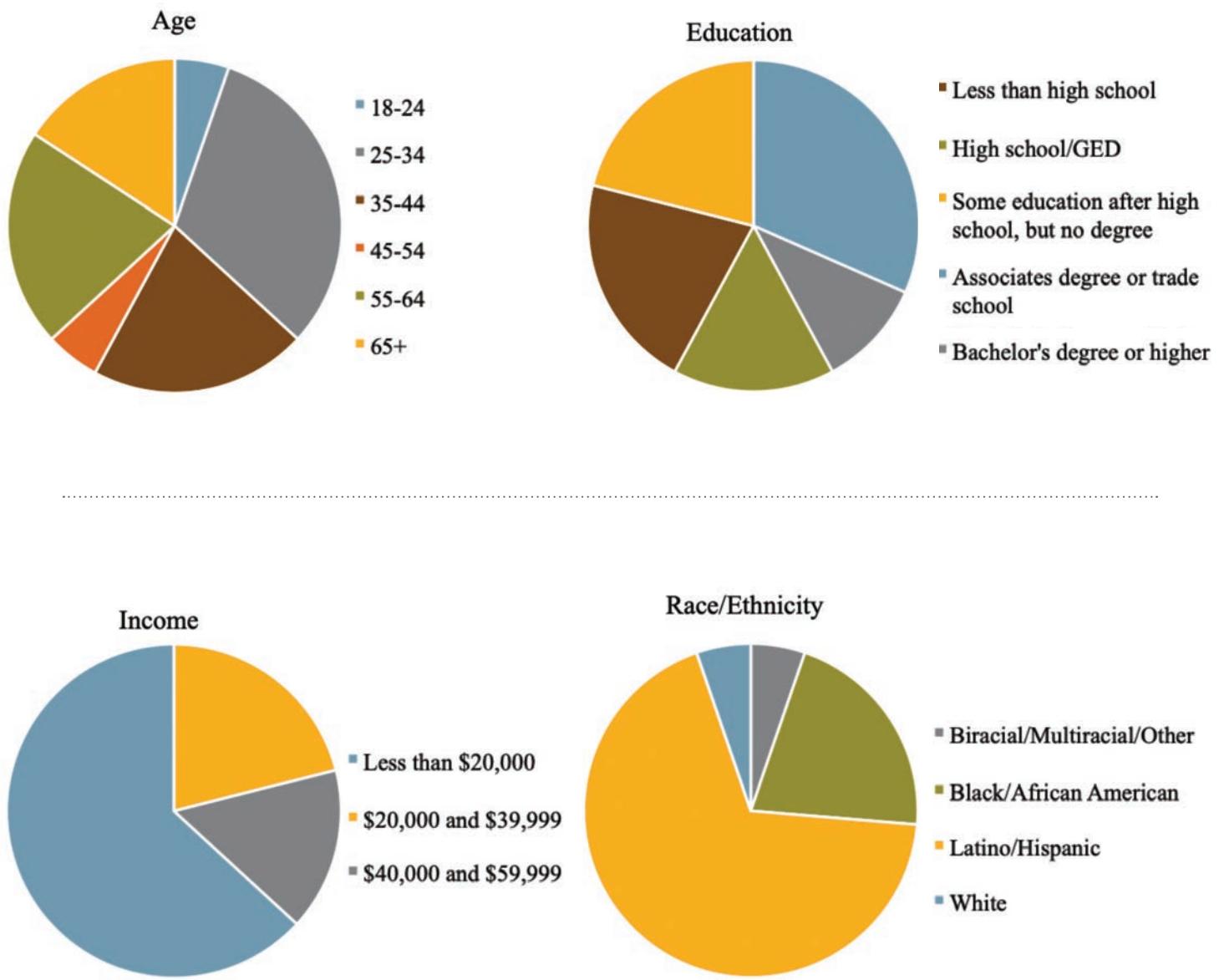


Source: U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates.

WHO ATTENDED THE FOCUS GROUPS?

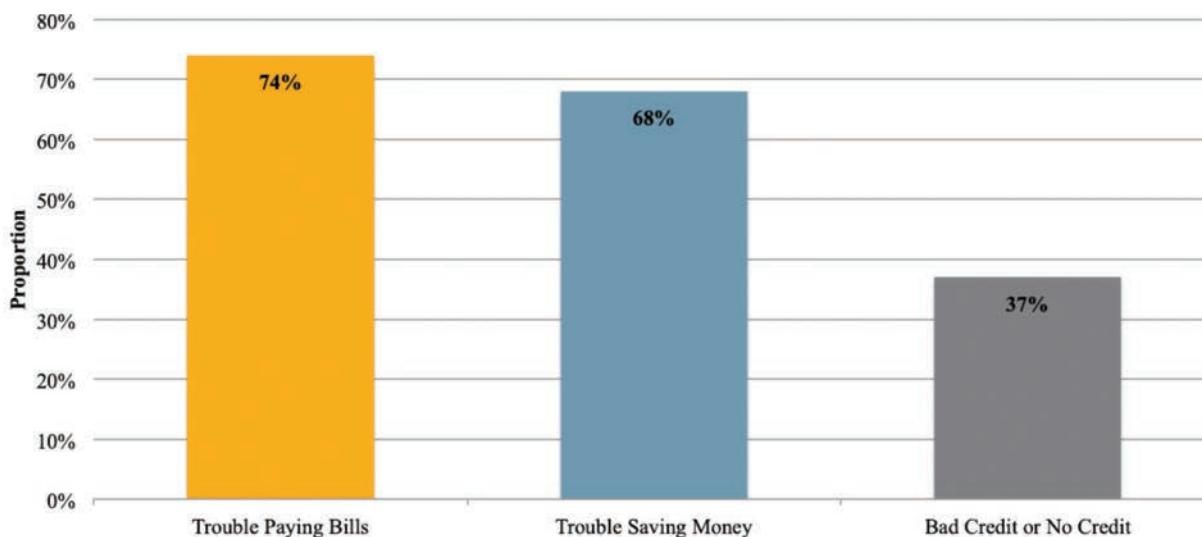
The focus group participants were primarily low-income, age 25-44, Hispanic, and had some education after high school. Though these characteristics represented the majority of participants, the focus groups also included seniors and young participants, as well as a variety of education and racial and ethnic backgrounds.

Overall, the focus group participants were struggling financially, with a mean financial well-being score of 42 and a median score of 43, based on the Consumer Financial Protection Bureau Financial Well-being scale. These average scores translate into participants experiencing difficulty making ends meet 70% of the time.⁶⁷



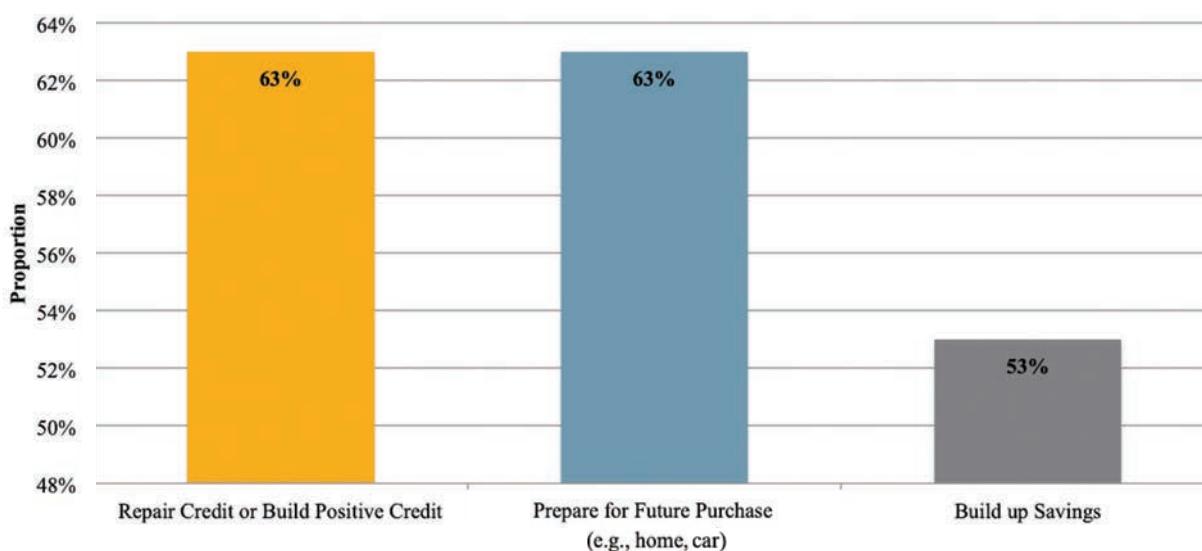
The top financial concerns of the participants aligned with the average well-being scores. Nearly three-quarters indicated trouble paying bills as their top financial concern, followed by 68% who were concerned about having trouble saving.

FINANCIAL CONCERN



Though financial concerns were tied closely to meeting basic necessities, financial goals that people prioritized were tied to building financial resiliency. Repairing and building credit and preparing for a future asset purchase topped the list of financial goals with 63% of the participants choosing those options as a financial goal.

FINANCIAL GOALS



ASSET-BUILDING PROGRAMS PEOPLE ARE USING AND NEEDS FOR ADDITIONAL RESOURCES

Participants were already clients of local nonprofits and so were, for the most part, accessing programs and services. Financial coaching and counseling and emergency food assistance were the top programs used, based on a survey with a list of asset-building programs available in San Antonio. Additional programs that participants mentioned and felt were particularly helpful included:

- ◆ Subsidized child care services. (“I have four young kids. Without that program, I would have a few thousand dollars a month to pay.”)
- ◆ Utility assistance programs, both as a direct service and as a conduit to access other services, like financial coaching. (“211 referred me to SAMMinistries for utility assistance. They told me I had to have an intake with financial empowerment...I’ve been coming back since 2013.”)
- ◆ Free tax preparation. (“I came in through the income tax services. They were really helpful.”)
- ◆ Programs that support people going to nonprofit higher education, helping with short-term financial issues, so that people can stay in school. (“They will help you with short-term issues like paying a ticket, rent, utilities, groceries.”)

Throughout the hour-and-a-half conversation with each of the two groups, needs for additional asset-building community services rose to the top. Many participants were interested in purchasing a home and also concerned about the rising cost of living. They expressed strong interest in homebuyer education, down payment assistance programs, and matched savings. As one noted, “We need more programs like Habitat for Humanity to help people own homes and affordable housing. The rent is ridiculous.” Affordable housing was also a top need for seniors living on fixed incomes. Aligned with the income pressures, a participant wanted, “banks that would work with us for lower interest.” Job training also rose to the top, particularly job training that led to better-paying jobs without the insurmountable burden of expensive student loans.

Healthcare was another recurring need, from basic affordable care to more specialized care such as diabetes care and mental healthcare for kids. A participant with a child with autism noted, “Kids with mental health and special needs, I just feel like a lot of schools just throw them under the bus and try to get rid of them.” A final need that was discussed multiple times within the groups was the need for support for single mothers raising kids with a father involved in the criminal justice system.

Participants listed schools, churches, public libraries, grocery stores, the workforce center and community centers as helpful locations to access asset-building services.

“We need more programs like Habitat for Humanity to help people own homes and affordable housing. The rent is ridiculous.”

OVERARCHING BARRIERS TO ASSET BUILDING

Two overarching barriers rose up as themes in the focus group discussions.

1. Participants felt that low-income working families are being left behind.

The feeling of being left behind was expressed both in terms of access to social safety-nets and in the broader labor market—stuck in low-wage jobs. A participant observed, “The cost of living keeps going up faster than the pay raise.” Many participants felt they were stuck needing help, but earning just too much to qualify. As one noted, “When you are in the middle, you are always left behind. You are sometimes better off not working, because if you work, you don’t qualify for benefits.” Another had a similar experience, “It is like if you are working and trying to do something better for yourself, you are denied everything.” There was strong support for looking at net income instead of gross income to decide who qualifies for assistance. “They go by your gross, not by what you actually bring home,” a participant summarized. The top problem they highlighted was substantial income deductions for employer-based health insurance, decreasing available income. They also observed that income assessment policies based on gross income create a disincentive to save money in employer-based retirement plans.

“When you are in the middle, you are always left behind. You are sometimes better off not working, because if you work, you don’t qualify for benefits.”

2. When people qualify for assistance, there are multiple barriers to access services.

Focus group participants highlighted four major challenges accessing assistance when a crisis hits: limited hours of operation, long waits to access basic help, long waiting lists to meet immediate needs, and too many programs that require a crisis to get service. “You need something after hours,” noted one participant who often felt she had to choose between working and getting assistance in a difficult time. Another challenge is the amount of time it can take to get help—both in the moment and the long waiting lists that exist. “If you want utility assistance, you have to sit there for two or three hours to get services. At a church, if you are going there for food assistance, you have to wait in a really long line and pray that there is food left when your turn comes,” added another participant. Sometimes the waiting lists are so long that assistance cannot come in time. For one participant, “There was a yearlong waiting list for housing assistance.” Finally, a participant expressed frustration that, “A lot of programs require an eviction notice to get services. And they take a month to process assistance...by that time, you are already evicted.” She felt she could only get help if she was in a full-blown crisis, and even then, it often came too late.

“A lot of programs require an eviction notice to get services. And they take a month to process assistance...by that time, you are already evicted.”

RECOMMENDATIONS AND CONCLUSION

The following recommendations, gathered from insights from the data scan, nonprofit survey, and focus groups, provide guidance for funders and other stakeholders looking for responsive, strategic, and actionable ways to support the financial health of San Antonio families.

FOSTER INTEGRATION OF ASSET-BUILDING AND SOCIAL SAFETY-NET SERVICES

While many of the nonprofits surveyed had some referral network, nearly a third of nonprofits did not have any referral network. Considering that 44% of San Antonio households do not have savings in case of a financial emergency and 20.9% of households have zero net worth, there is a dire need for greater coordination and communication across the nonprofits in San Antonio that cover the many varied aspects of asset building (i.e., health, education, employment, etc.).

Additionally, feedback from the focus groups suggested that “warm handoffs” (i.e., person-to-person contact) between nonprofits was more helpful than cold-calling a service provider. A more efficient and expansive referral network would better ensure that the asset-building needs of San Antonio families are met.

Specific Suggestions that Emerged from the Study:

- ◆ **Bolster investments in existing asset-building hubs** like the Financial Empowerment Centers to play a greater role in coordinating access to the network of service providers in San Antonio and to create more “warm handoffs” to services for families in need.
- ◆ **Foster alignment and coordination.** Invest in the development of referral systems to streamline the referral process across asset-building and safety-net service providers in San Antonio. The system should align with service provider capacity and prioritize efficiency and a positive experience for the end users.
- ◆ **Nurture peer learning, knowledge and innovation.** Leverage the convening power of philanthropy to provide ongoing learning about emerging asset-building topics, trends, and innovations. Bring asset-building organizations together with public, nonprofit, and faith-based social safety-net service providers to develop a common understanding of asset-building, as well as best practices for integrating with safety-net services.

FOCUS ON HIGHEST-NEED GEOGRAPHIES AND POPULATIONS

There is an abundant need for asset-building services across San Antonio, but there are particular geographies and populations that are not currently being served. Specifically, there are pockets of entrenched poverty in east, west, and south San Antonio, and nonprofits identified those areas as needing the most access to services. These areas have a family poverty rate 1.5 times the rate of the city family poverty rate.

Additionally, there are specific populations that were identified as having a large unmet need. For example, low-income single mothers have some of the highest rates of poverty and therefore may be less economically mobile. Isolated groups, such as young adults who are not in post-secondary education, or opportunity youth (young people between the ages of 16 and 24 who are not in school or working), may also need targeted efforts in order to connect them to asset-building services.

Industry trends toward automation are leading to a loss of well-paid entry level jobs.⁶⁸ Twenty-eight percent of workers in San Antonio are in jobs with a median wage of less than \$25,000, impacting asset-building for young adults and particularly the young Hispanic population in San Antonio. Young adults overall would benefit from asset building, education, and job training services that recognize labor market shifts and offer them tools to succeed.

Specific Suggestions that Emerged from the Study:

- ◆ **Promote and invest in inclusion and equity.** Consider investments that increase equitable access to asset-building services and resources. Multiple zip codes showed worse than average outcomes compared to the city average for at least one data category (e.g., poverty, unemployment, uninsured, and housing burden). The zip codes 78202, 78207, 78208, and 78211 had worse than average outcomes for two or more data categories included in this analysis. Future work on access to asset-building services should focus efforts on high-need zip codes. (See Appendix C page 61)
- ◆ **Consider participatory grantmaking strategies to engage constituencies in the grantmaking process.** Funders have an opportunity to activate the voice and leadership of families in the communities they seek to support.

ENHANCE SAFETY-NET FOR LOW-INCOME FAMILIES

Many focus group participants expressed concerns that they are penalized within the social services networks for small income increases that result from efforts to better themselves. This reality is often termed the “benefits cliff.” With 79% of San Antonio renters with incomes between \$20,000 and \$34,999 being housing burdened, a small increase in income would not eliminate financial need for families. Focus group participants also felt they needed to fall into a crisis before being able to access any assistance. The uptick in evictions and debt claim cases, and the high levels of default judgments, indicate that many people are not getting the help they need even in times of crisis.

Nonprofits also expressed frustration with strict income limitations for direct assistance funds and the limited funds that could be disbursed to working families and individuals who have earnings just above existing program limits. Requiring a family to fall into crisis in order to get needed assistance and removing healthcare, child care, and other basic supports due to small income increases do not support long-term asset building and financial stability for families. Financial supports that enhance the ability of families to build assets, including healthcare, rental support, and child care support, would benefit from a structure that better addresses the continuum from reliance on safety-nets to independent financial stability.

Specific Suggestions that Emerged from the Study:

- ◆ **Nurture innovative solutions to address the need gap created by income and credit qualification constraints.** Re-examine funder guidelines for direct assistance dollars to better meet the needs of an expanded income range of low-income San Antonio families. Considering net instead of gross income to qualify for assistance is one approach that could ensure that families are not penalized for purchasing health insurance through an employer or contributing to employer-based retirement plans. Funder guidelines could also encourage program design that mitigates the effects of the benefits cliff, allowing philanthropic dollars to meet the need gap created by income qualification constraints of publicly funded programs.
- ◆ **Invest in the expansion of programs that offer wrap-around financial supports for single mothers** attending nonprofit job-training or higher education programs so that they can successfully complete the training. Invest in workforce training supports that lead to higher-paying and in-demand jobs.
- ◆ **Invest in legal services** for debt claim and eviction cases to ensure fair outcomes for low-income San Antonio families.

EXPAND ACCESS TO PRODUCTS AND SERVICES THAT SUPPORT ASSET-BUILDING AND ASSET PRESERVATION.

San Antonio has been a leader in supporting innovative financial products and services for low-income families. For example, the City of San Antonio partnered with the now-defunct Ways to Work loan program to support low-cost auto loans for subprime borrowers, was a pioneer in offering free tax preparation services, and launched a model partnership with a local credit union to integrate refund anticipation loans (RALs) into the free tax preparation program. Today, the Ways to Work loan program is no longer available; there has been a recent resurgence in RALs, but the RAL alternative loan program is no longer offered through the free tax-preparation program; and free tax preparation, though still a robust service, has received reduced funding from the city in recent years. With many low-income working families using tax refunds to pay off high-cost debt and as down payments on subprime auto loans, it would support family asset building to revisit offering RALs and access to low-cost auto loans in conjunction with free tax-preparation services.

San Antonio is also plagued with a high concentration of subprime financial service providers, particularly in areas of the city with the highest concentration of low-income working families. In many of the high-poverty zip codes, 80% to 100% of financial services available are high-cost providers, such as payday lenders, auto title lenders, and finance companies. Businesses such as payday and auto title lenders, subprime auto sales, and high-cost finance companies add to the high cost of being poor and undercut asset building and savings opportunities.

Specific Suggestions that Emerged from the Study:

- ◆ **Invest in the expansion of financial coaching and counseling.** Support the development of additional partnerships with financial services providers, to connect coaching clients to low-cost financial services to support long-term credit and asset building.
- ◆ **Expand the availability of and access to low-cost financial products and services.** Support coordinated efforts with the City of San Antonio and asset-building service providers to engage local banks, credit unions and Community Development Financial Institutions (CDFIs) to expand low-cost financial products and services in areas of San Antonio that are currently dominated by high-cost subprime services. These financial products and services could focus on access to low-cost short-term credit, vehicle loans, credit-building opportunities, and building emergency and long-term savings.

- ◆ **Nurture the development of innovative and affordable alternatives to tax time loans.** Revisit financial services connected with the free tax preparation program. Opportunities exist to create better options to support savings and asset building for San Antonio families.
- ◆ **Investigate the use of high-cost subprime services** to better understand utilization and to identify methods to reduce their use in the community.

SUPPORT LOCAL POLICY WORK TO ENSURE PUBLIC, NONPROFIT AND PHILANTHROPIC EFFORTS BEST COMPLEMENT EACH OTHER.

Publicly funded services are a tremendous resource for low-income families. The dollars invested into those services, from Medicaid to SNAP to affordable housing and workforce development, often exceed philanthropic dollars. Racial disparities in poverty, with 24% of Black residents and 21% of Hispanic residents living in poverty, compared to 10% of White residents, as well as geographic concentrations of poverty, support a strong need for equitable city funding to lift up high-need communities.

San Antonio is making a coordinated effort to support equity in funding across local neighborhoods and expand access to affordable housing. Ensuring that public dollars are spent in the most impactful ways that complement philanthropic investments and priorities is one way to maximally leverage the available asset-building and poverty-alleviation resources in a community.

Specific Suggestions that Emerged from the Study:

- ◆ **Work with publicly funded workforce development services** to ensure they prioritize long-term financial well-being of clients instead of short-term transitioning to low-wage jobs.
- ◆ **Engage with the equity budgeting process in the City of San Antonio** to ensure local dollars are going to the highest-need communities and reaping beneficial results for families.
- ◆ **Engage with local affordable housing efforts**, including city and county officials who control public funding of those efforts, to ensure that subsidies and funding benefit those in need, including low-income working families, seniors, and single mothers.
- ◆ **Work with the City of San Antonio to limit predatory market practices and increase funding and support for asset-building efforts**, including down payment assistance, free tax preparation, financial coaching, and access to low-cost financial services.

OFFER ORGANIZATIONAL SUPPORT TO NONPROFITS TO ENHANCE LONG-TERM VIABILITY AND OUTCOMES.

Nonprofit organizations spoke to the need of long-term funding for projects, particularly for populations that may need a longer time commitment in order to build assets. Measures of economic mobility in San Antonio show that children from low-income families can have upward mobility (from the 25th percentile to the 41st percentile in income) in adulthood, but these gains are measured across a generation, and are particularly hard to achieve for all women who are born into low-income families and Black male residents of San Antonio. Funders should be cognizant of these challenges and keep them in mind when setting outcomes and goals for nonprofits.

Concurrently, nonprofits need staff members who have the training to work with families over time. Funders need to be willing to commit to funding staff to keep up with the demand for asset-building services and to support families through a long process. Additionally, because many nonprofits have multiple funders, it would be more efficient to have a coordinated process for program evaluation to increase effectiveness and reduce reporting burdens. Helpful approaches could include developing common program metrics and reporting systems, which would allow nonprofits to spend valuable time working to build assets with their clients.

Specific Suggestions that Emerged from the Study:

- ◆ ***Provide long-term funding horizons recognizing the time required to support financial health and asset-building outcomes.*** Foster a focus on consumer engagement; support grantees to focus on generating enthusiastic and voluntary consumer utilization of the organization's asset-building products, programs or services. Promote and endorse evidence-based shared outcome measures and metrics. Consider collaborating with other funders to identify and leverage common outcome and evaluation measures. Challenge grant seekers to engage consumers by both meeting needs and encouraging impactful change. Outcome measures should be reassessed and refined on a periodic basis to ensure relevancy.
- ◆ ***Invest in organizational and staff capacity.*** Nurture continuing education and peer learning. Offer strategic support to nonprofits to navigate structural changes currently underway in the areas of grantmaking and philanthropy.

EMERGING ISSUES

Some emerging national trends did not rise to the top in this study, but nonetheless impact asset building in San Antonio for particular populations. Three important additional issues include:

- ◆ ***Provide asset building support for multigenerational families:*** Whether it be millennials supporting parents and grandparents, grandparents raising grandchildren, or multiple generations living together, addressing the unique needs of multigenerational families is an important emerging trend that requires targeted attention.
- ◆ ***Enhance financial security for older working adults:*** Many people need to work well into their sixties because of little or no retirement savings. The realities of the financial lives of older adults, coupled with labor market preferences for hiring younger people, create specific challenges. Unemployed older adults who need to find work are often underserved by existing systems.
- ◆ ***Address financial challenges for seniors:*** Seniors, and particularly those living on fixed incomes, face a broad array of financial challenges. Though affordable housing is a top issue, other challenges include transportation, access to healthcare and medications, and high-cost debt.

APPENDIX A

A LIST OF NONPROFITS SURVEYED

NONPROFIT	KEY PROGRAM AREAS
¡Vamos Ya!	Education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment
Arthur Nagel Community Clinic	Healthcare, including no-cost and low-cost care referrals and assistance with medical debt
AVANCE – San Antonio, Inc.	Financial coaching, credit counseling, and financial health; workforce development, workforce training, and job readiness skills training; education and early childhood, including FAFSA completions and San Antonio Education Partnership enrollment; healthcare, including no-cost and low-cost care referrals and assistance with medical debt; parenting classes, child abuse prevention, high school recovery/GED, ESL, continuing adult education
Big Brothers Big Sisters	Workforce development, workforce training, and job readiness skills training; education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment
Catholic Charities Archdiocese of San Antonio	Financial coaching, credit counseling, and financial health; neighborhood redevelopment/economic development; workforce development, workforce training, and job readiness skills training; education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment
Center for Healthcare Services	Substance use and mental health treatment
Children's Bereavement Center of South Texas	Mental health counseling
Christian Assistance Ministry or CAM	Safety-net, food clothing, and financial assistance for utilities and prescriptions

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**City of San Antonio,
Department of Human Services**

The department provides support in a broad array of program areas. Programs include: financial coaching, credit counseling, and financial health; workforce development, workforce training, and job readiness skills training; education and early childhood, including FAFSA completions and San Antonio Education Partnership enrollment; healthcare including no-cost and low-cost care referrals and assistance with medical debt; senior services and centers; opportunity youth re-engagement; utility assistance; VITA; homelessness, faith-based initiative; Compassionate SA; internship programs; Americorp VISTA and non-profit funder

Clarity Child Guidance Center

Healthcare, including no-cost and low-cost care referrals and assistance with medical debt

**Communities in Schools
of San Antonio**

Youth development

**Community Council of
South Central Texas**

Utility assistance, weatherization, case management, WIC

Daedalian Foundation

Education and early childhood, including FAFSA completions and San Antonio Education Partnership enrollment

Education Service Center, Region 20

Workforce development, workforce training, and job readiness skills training; education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment

Esperanza Peace and Justice Center

Neighborhood redevelopment/economic development; cultural grounding of low-income residents

**Family Service Association
of San Antonio**

Financial coaching, credit counseling, and financial health; housing, housing counseling and down payment assistance; Small-business development/entrepreneurship; workforce development, workforce training, and job readiness skills training; education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment

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Girls Inc. of San Antonio	Education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment
Girls on the Run of Bexar County	Youth development
Good Samaritan Community Service	Education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment; food insecurity, case management
Habitat for Humanity of San Antonio	Financial coaching, credit counseling, and financial health; housing, housing counseling, and down payment assistance; neighborhood redevelopment/economic development
Healy-Murphy Center	Financial coaching, credit counseling, and financial health; workforce development, workforce training, and job readiness skills training; education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment
Inman Christian Center	Education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment; social services such as a food pantry, diapers, wipes, formula, clothing
LiftFund	Financial coaching, credit counseling, and financial health; small-business development/entrepreneurship
Madonna Center, Inc.	Education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment
Meals on Wheels San Antonio	Nutrition, Alzheimer's disease care
Morningside Ministries	Skilled nursing and senior housing
National Association for Latino Community Asset Builders (NALCAB)	Financial coaching, credit counseling, and financial health; housing, housing counseling, and down payment assistance; small-business development/entrepreneurship; neighborhood redevelopment/economic development
Parent/Child Incorporated of San Antonio and Bexar County	Education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment

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Pre-K 4 SA	Workforce development, workforce training, and job readiness skills training; education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment
Presa Community Center	Financial coaching, credit counseling, and financial health; workforce development, workforce training, and job readiness skills training; senior adult programming, afterschool youth programming, counseling services, transportation services
Project MEND	Medical equipment reuse services
Prospera Housing Community Services	Housing, housing counseling, and down payment assistance; neighborhood redevelopment/economic development
Respite Care of San Antonio	Education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment
Restore Education	Small-business development/entrepreneurship; workforce development, workforce training, and job readiness skills training; GED and college preparation
SA Christian Hope Resource Center	Financial coaching, credit counseling, and financial health; workforce development, workforce training, and job readiness skills training; case management, parenting
SAMMinistries	Homeless service provider
San Antonio Christian Dental Clinic	Workforce development, workforce training, and job readiness skills training; healthcare, including no-cost and low-cost care referrals and assistance with medical debt, dental health
San Antonio Education Partnership	Education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment
San Antonio Food Bank	Workforce development, workforce training, and job readiness skills training; emergency food services

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**San Antonio Housing Authority
Education Investment Foundation**

Education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment

San Antonio Lighthouse for the Blind

Workforce development, workforce training, and job readiness skills training; education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment; healthcare, including no-cost and low-cost care referrals and assistance with medical debt; independent living skills for the blind

San Antonio Youth Literacy

Education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment

SAY Sí

Workforce development, workforce training, and job readiness skills training; education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment

**United Way of San Antonio
and Bexar County**

Workforce development, workforce training, and job readiness skills training; education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment

Visitation House Ministries

Financial coaching, credit counseling, and financial health; education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment

YMCA of Greater San Antonio

Education and early childhood, including FAFSA completions, and San Antonio Education Partnership enrollment

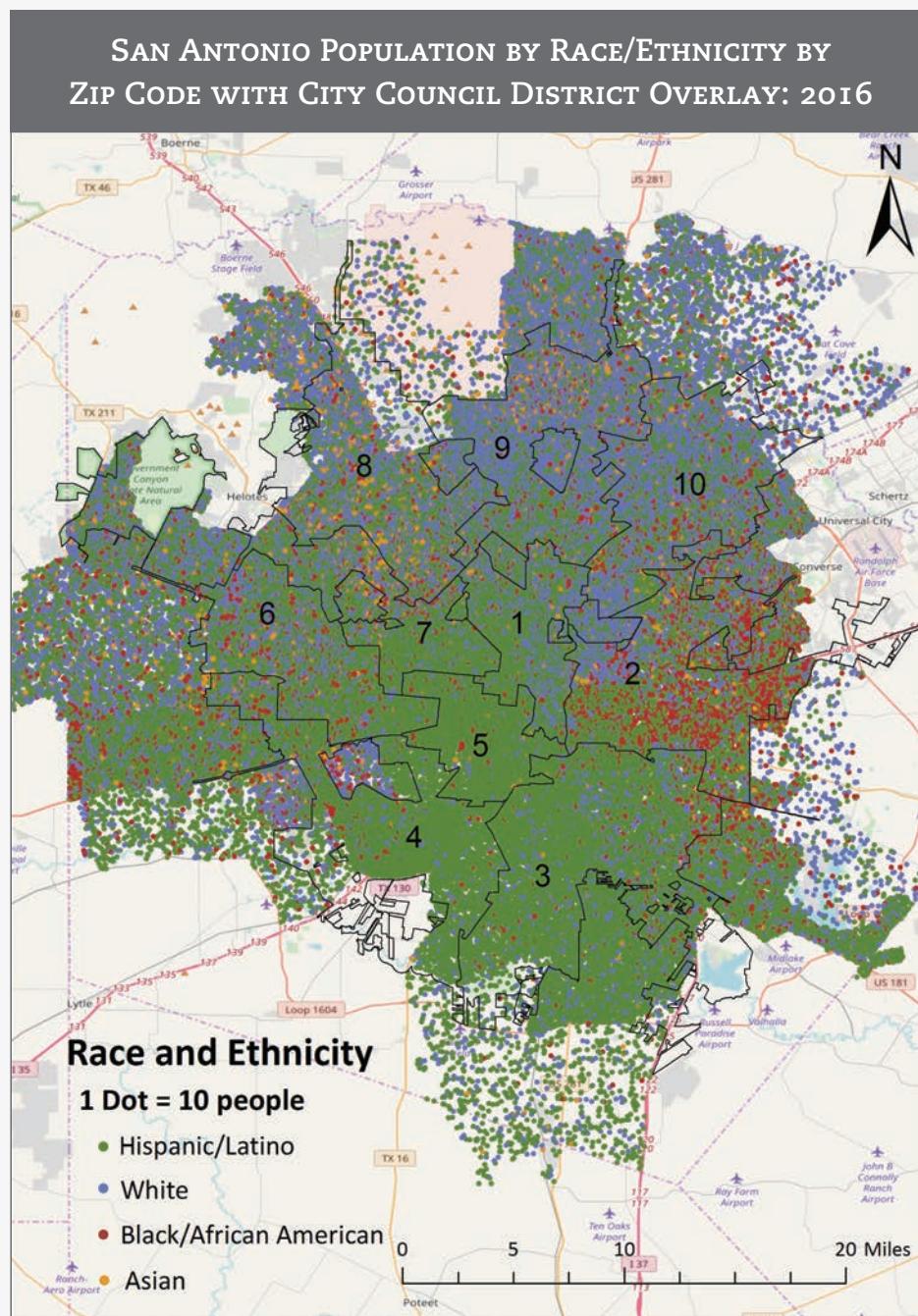
Youth Code Jam

Workforce development, workforce training, and job readiness skills training

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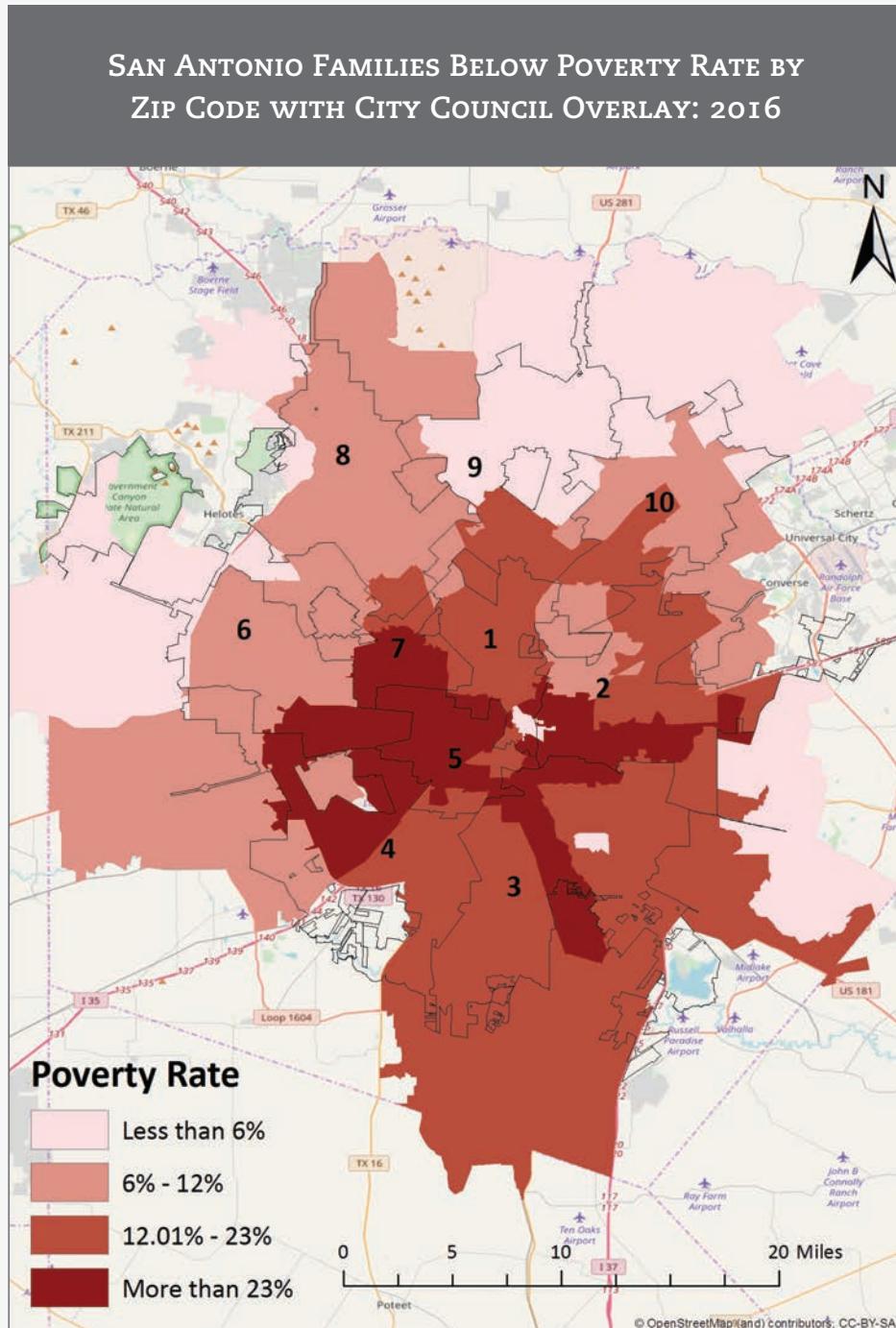
REPORT MAPS WITH CITY COUNCIL DISTRICT OVERLAY

MAPS PRESENTED IN ORDER OF APPEARANCE IN THE REPORT



Source: U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates.

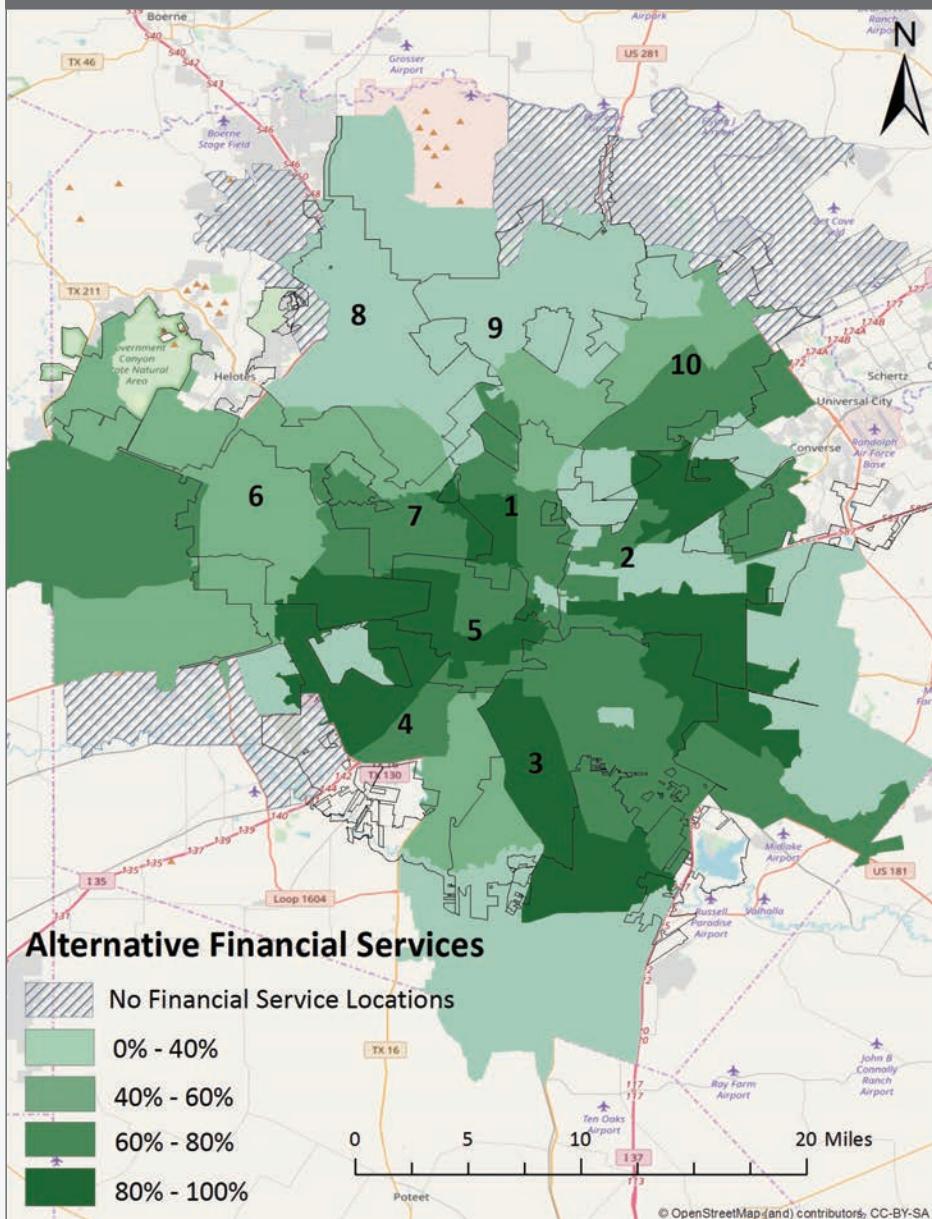
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Source: U.S. Census Bureau 2012-2016 American Community Survey 5-Year Estimates.

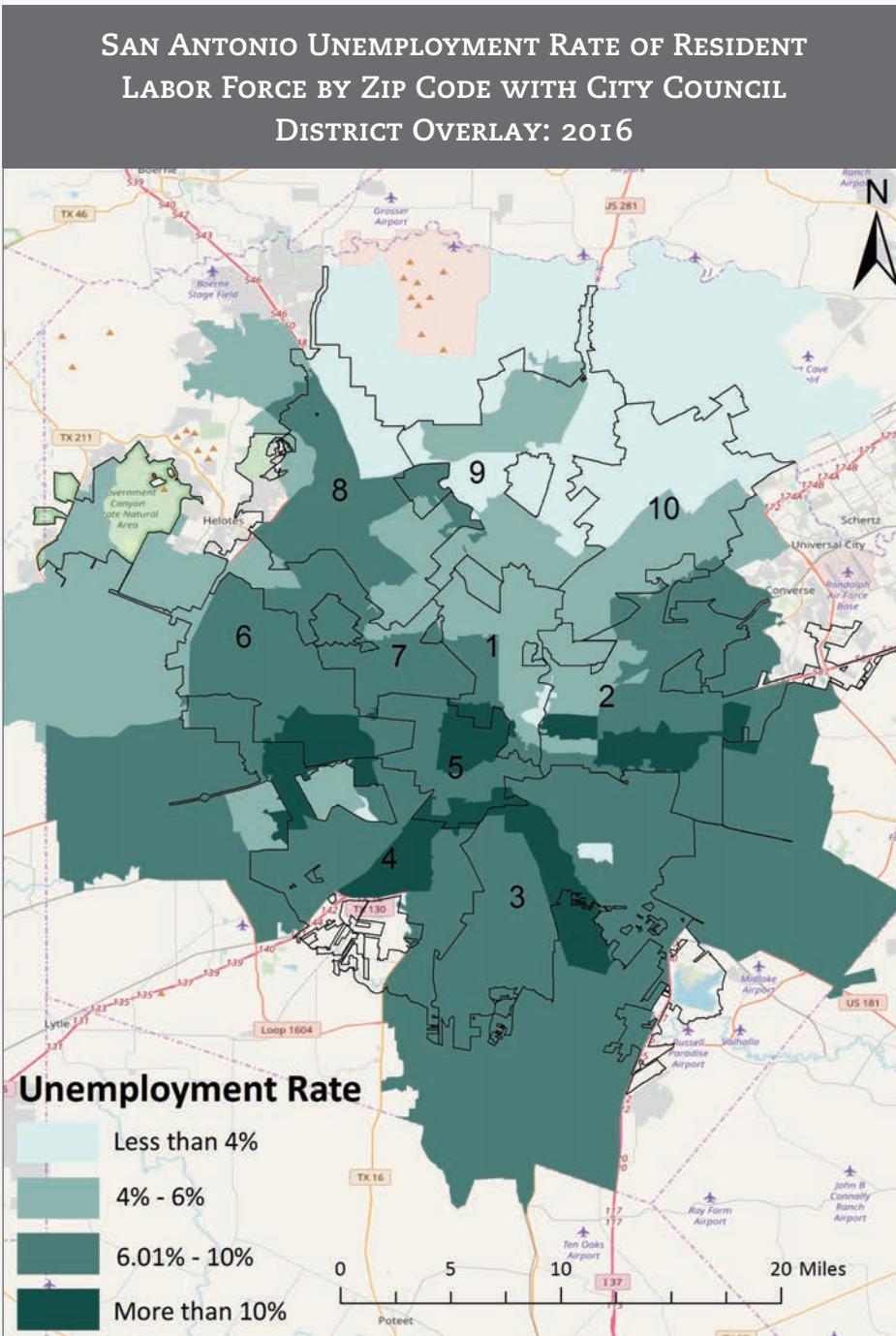
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SAN ANTONIO PERCENT OF TOTAL FINANCIAL SERVICE LOCATIONS THAT ARE ALTERNATIVE FINANCIAL SERVICES BY ZIP CODE WITH CITY COUNCIL DISTRICT OVERLAY: 2018



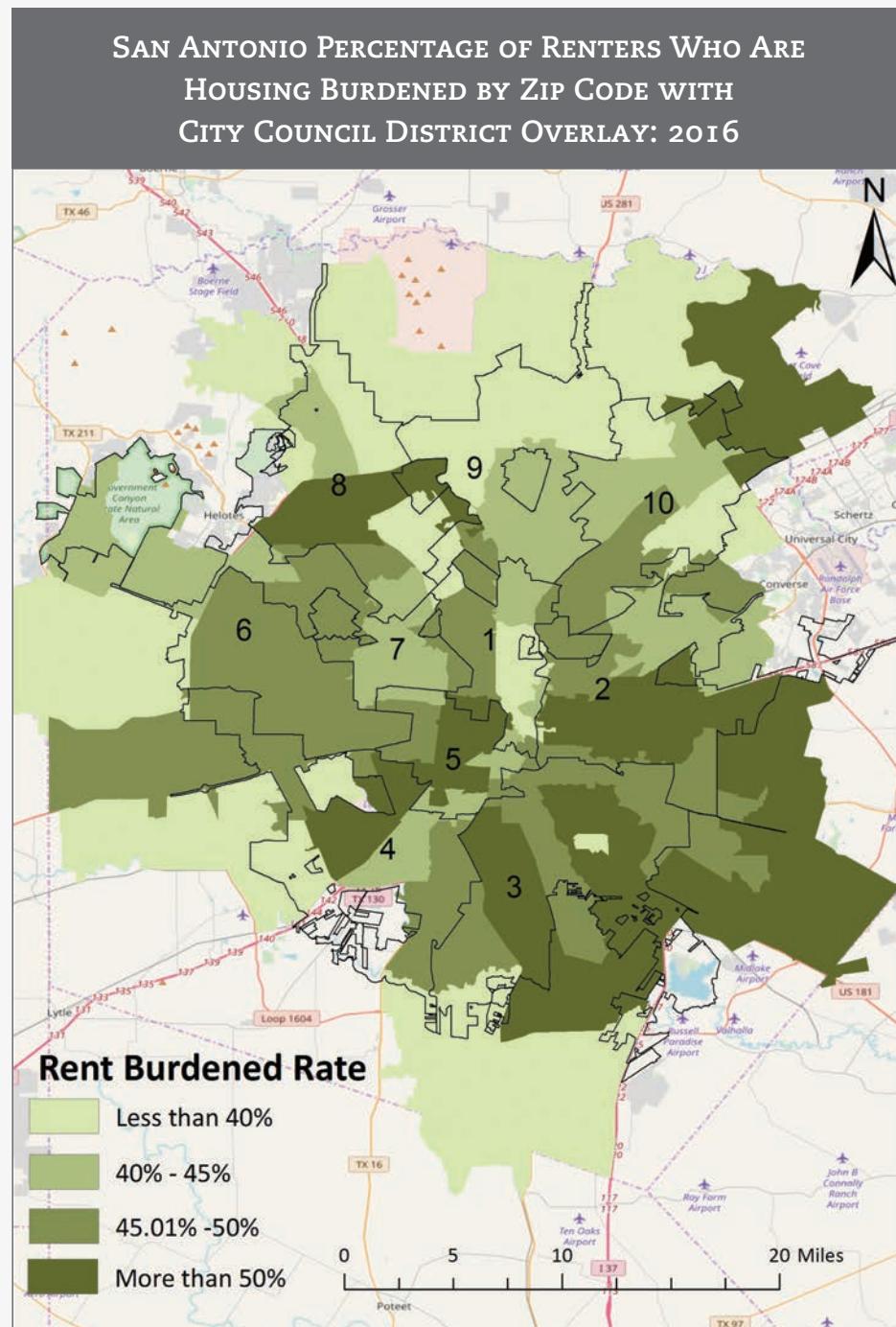
Source: Office of Consumer Credit Commissioner, 2018 Alternative Financial Services Locations.

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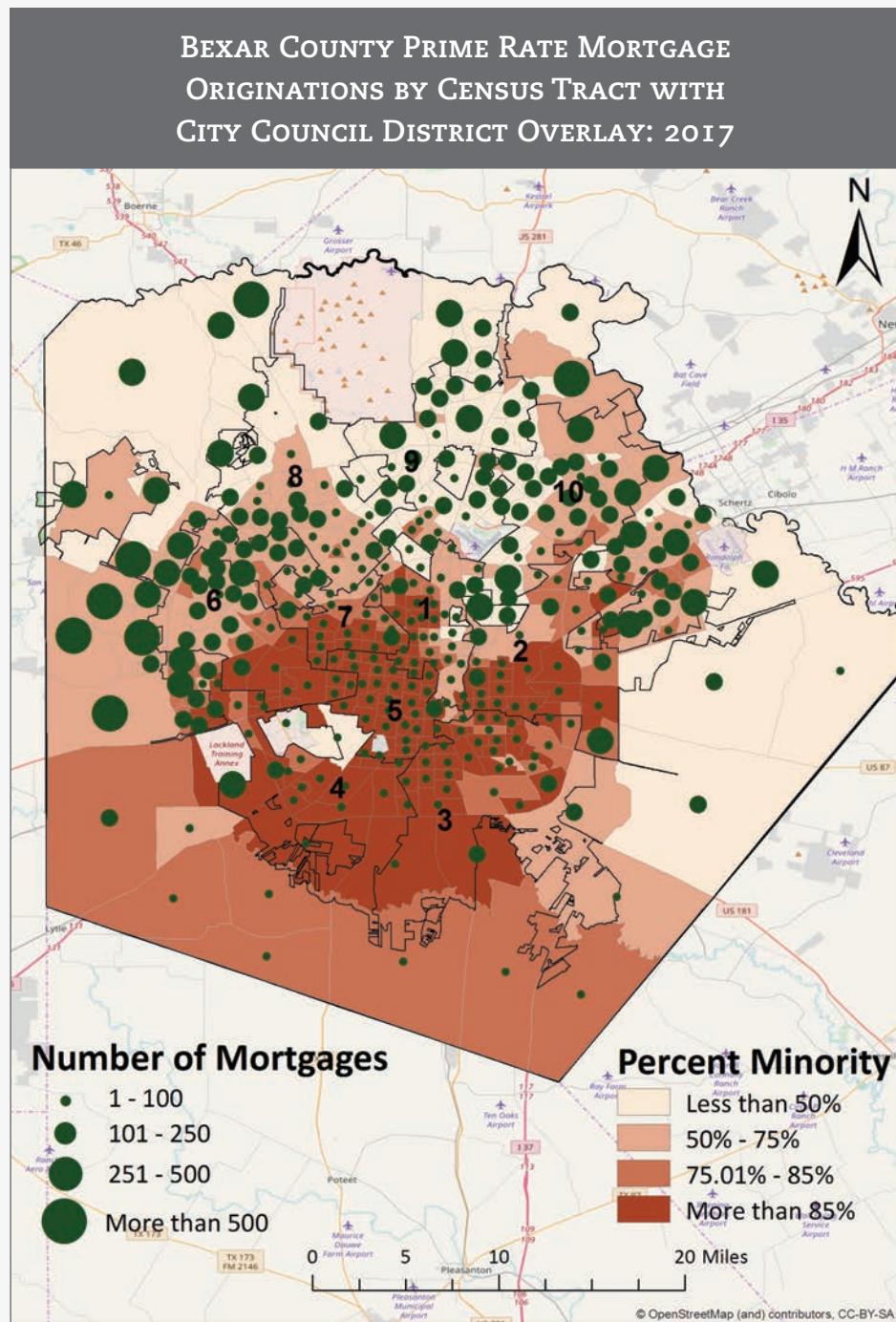
Source: U.S. Census Bureau, 2012-2016 American Community Survey
5-Year Estimates, by Zip Code.

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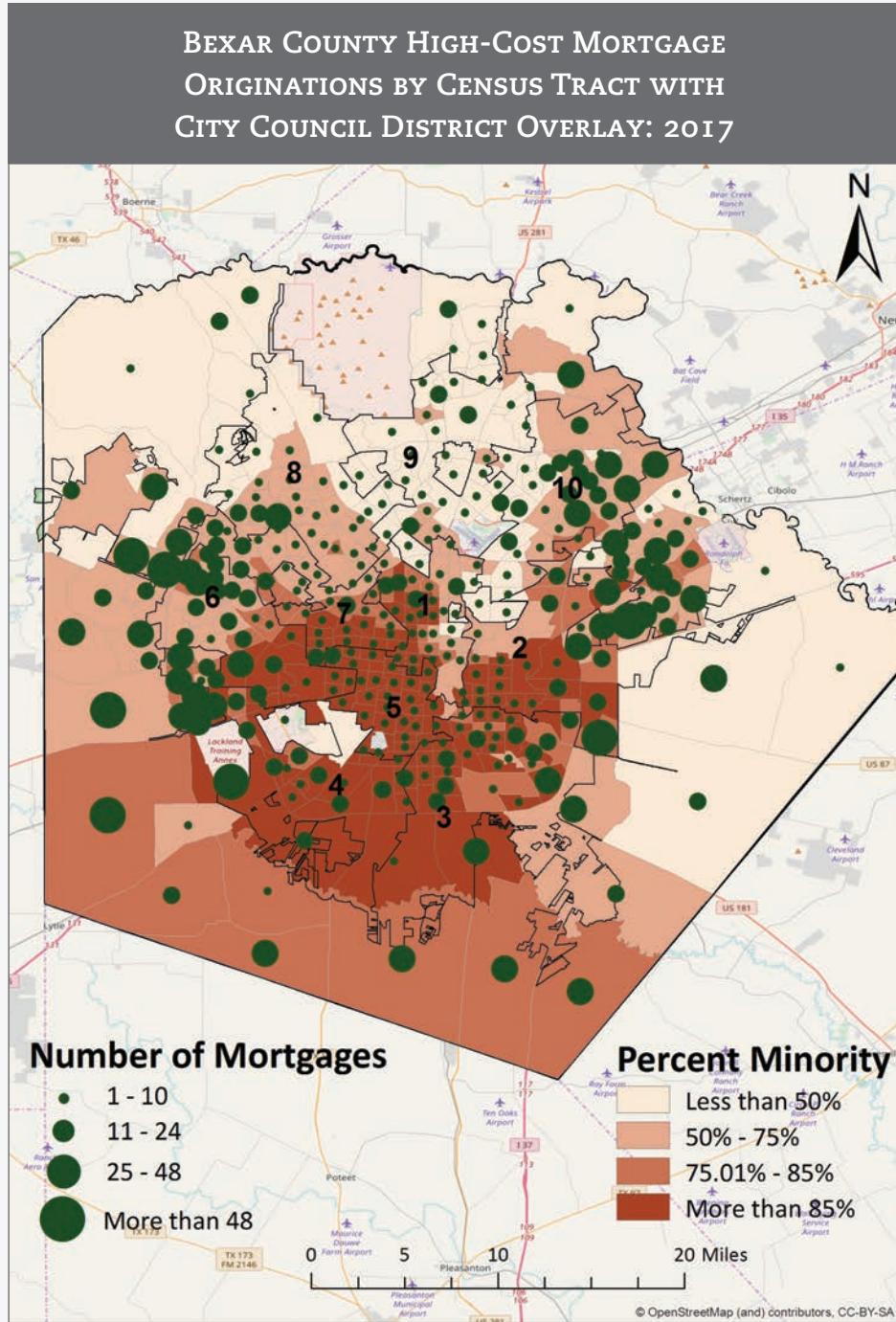
Source: U.S. Census Bureau, 2012-2016 American Community Survey
5-Year Estimates, by Zip Code.

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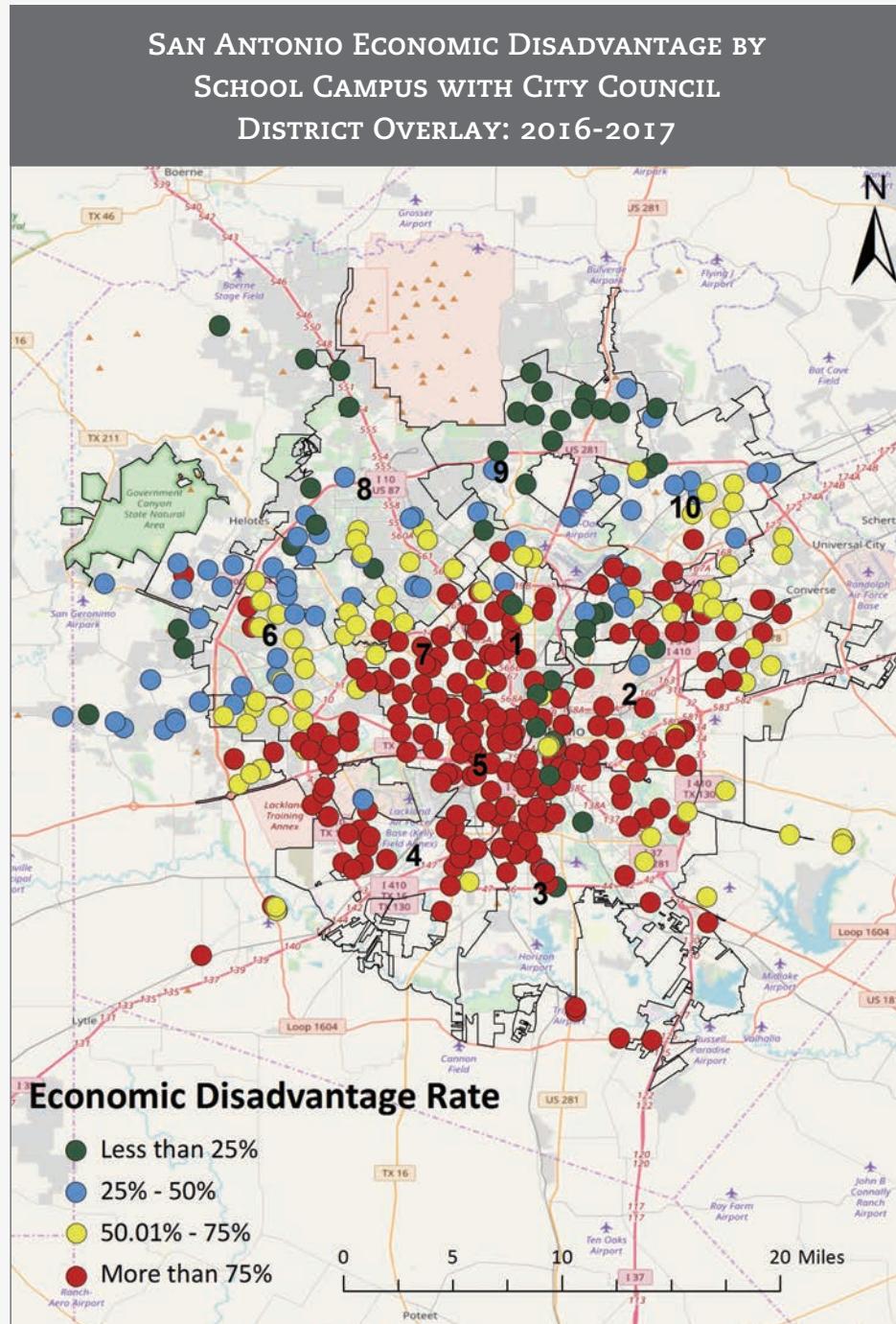
Source: 2017 Home Mortgage Disclosure Act Data for Bexar County.

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Source: 2017 Home Mortgage Disclosure Act Data for Bexar County.

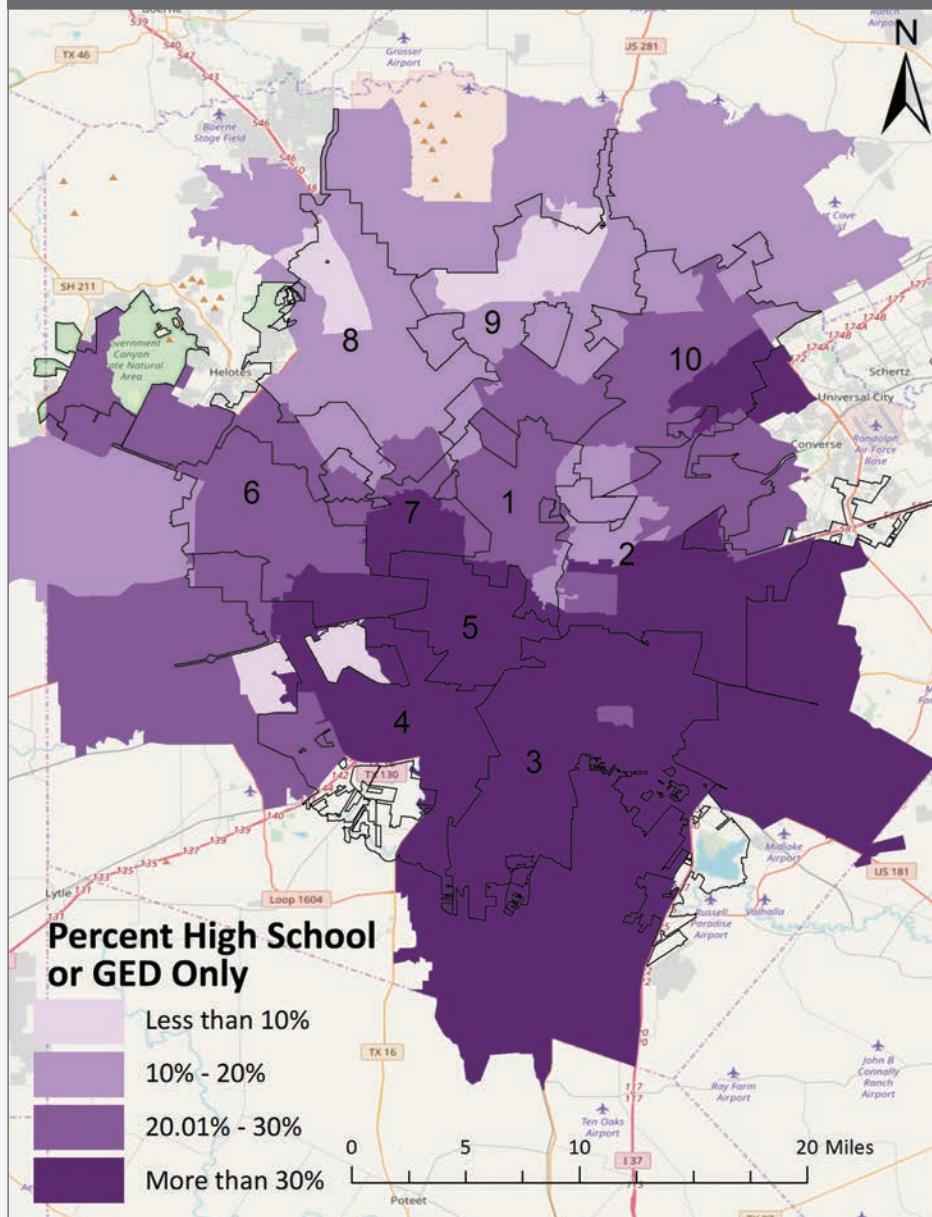
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Source: Texas Education Agency, 2016-17 Texas Academic Performance Report.

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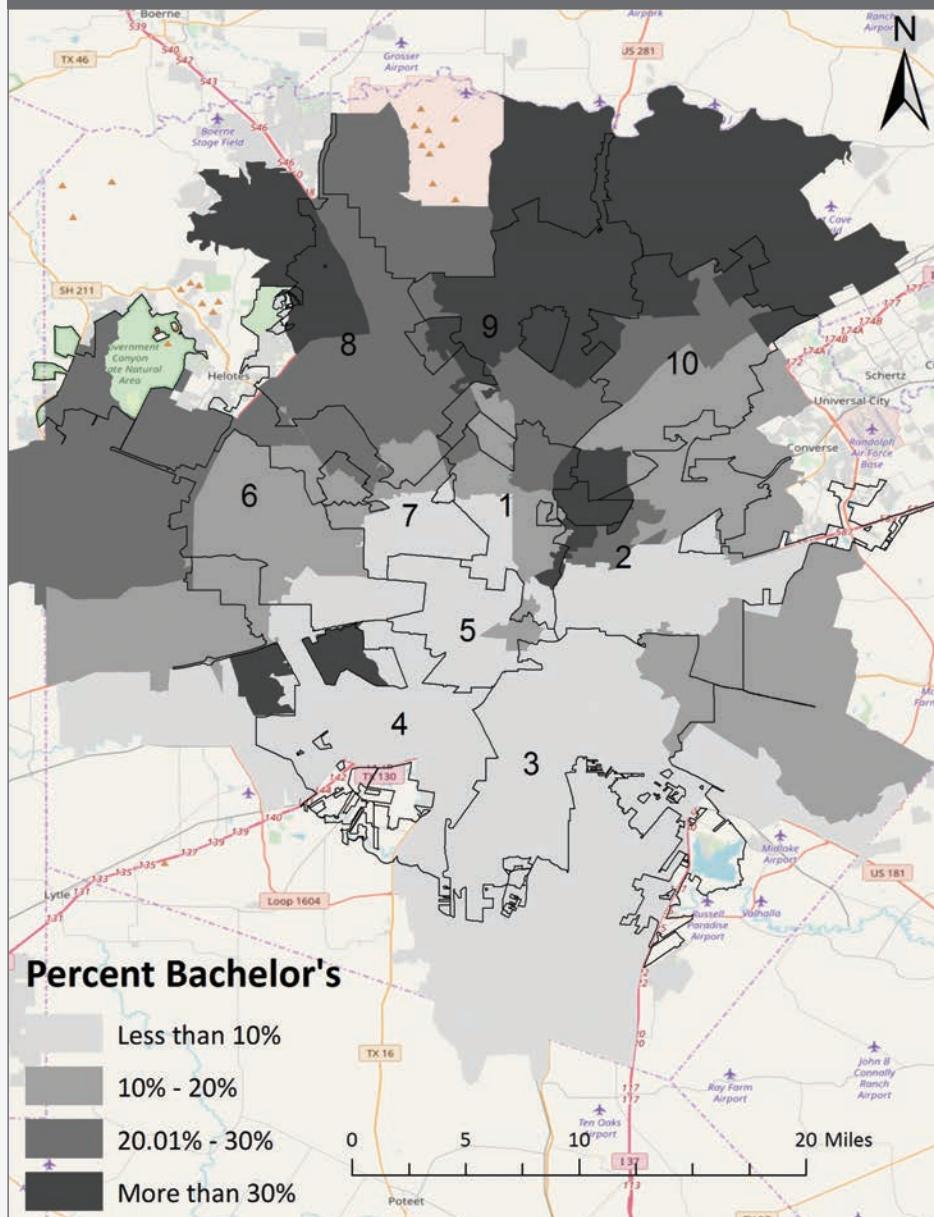
SAN ANTONIO PERCENTAGE OF POPULATION WITH ONLY HIGH SCHOOL OR GED BY ZIP CODE WITH CITY COUNCIL DISTRICT OVERLAY: 2016



Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

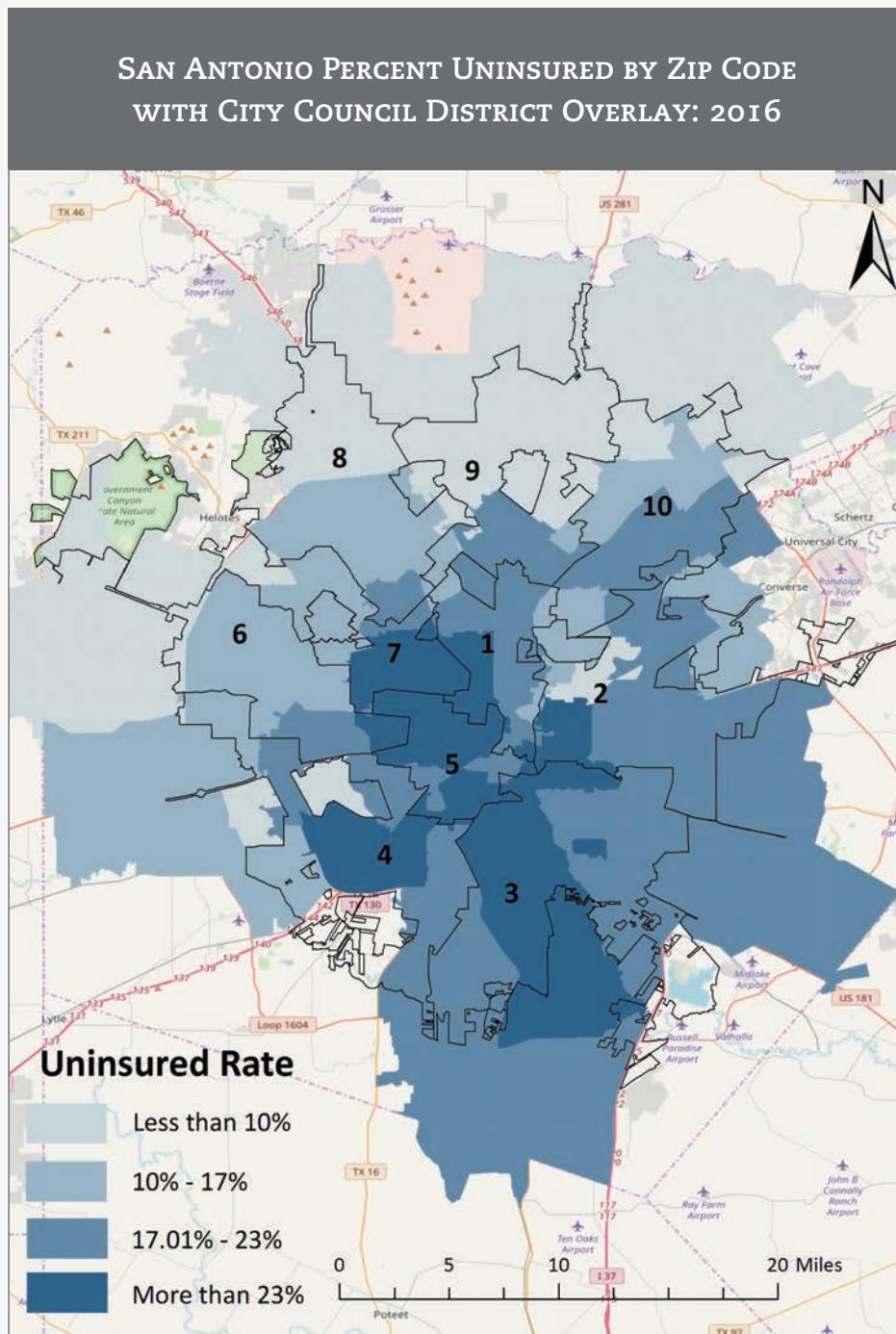
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SAN ANTONIO PERCENTAGE OF POPULATION WITH A BACHELOR'S DEGREE OR HIGHER BY ZIP CODE WITH CITY COUNCIL DISTRICT OVERLAY: 2016



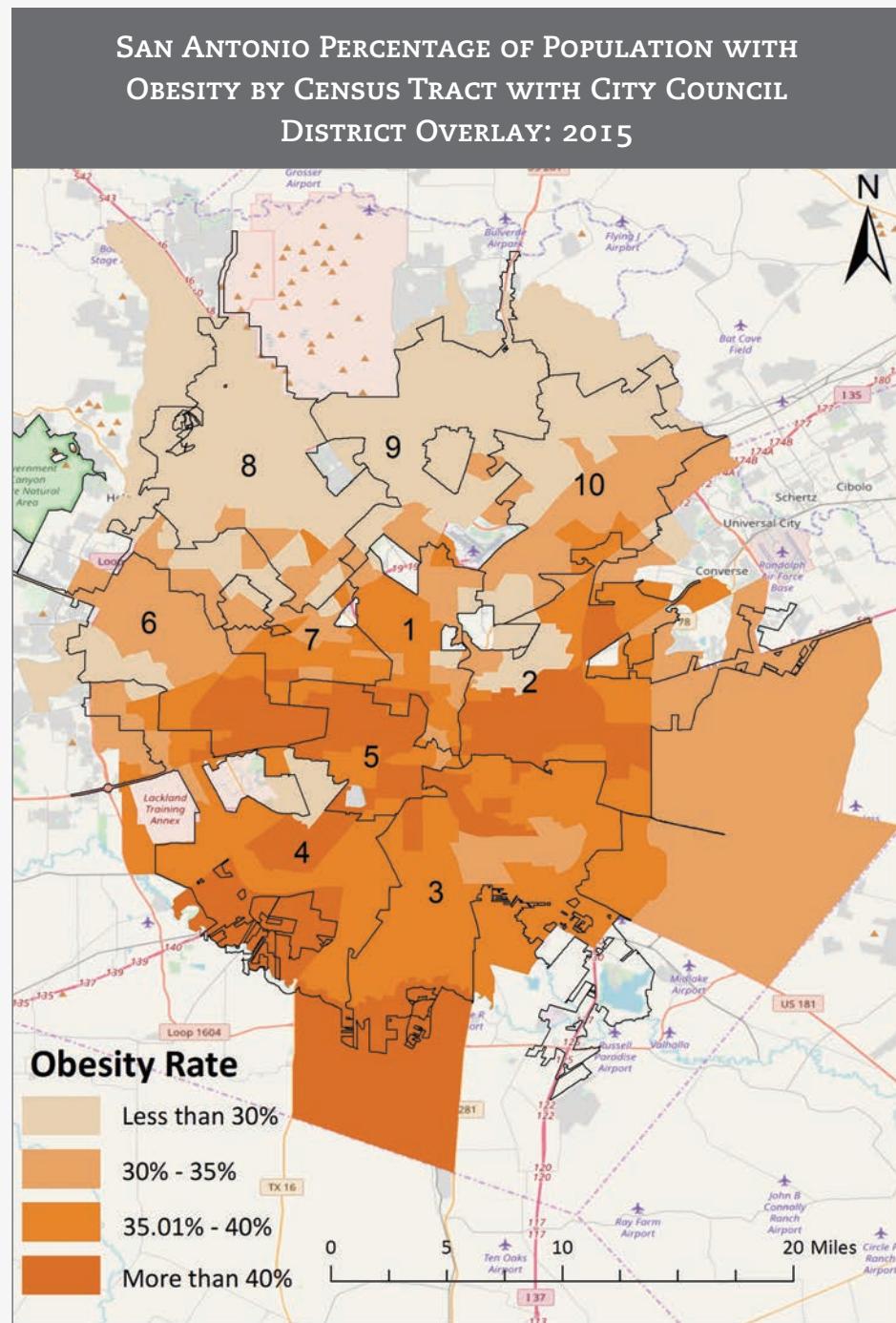
Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

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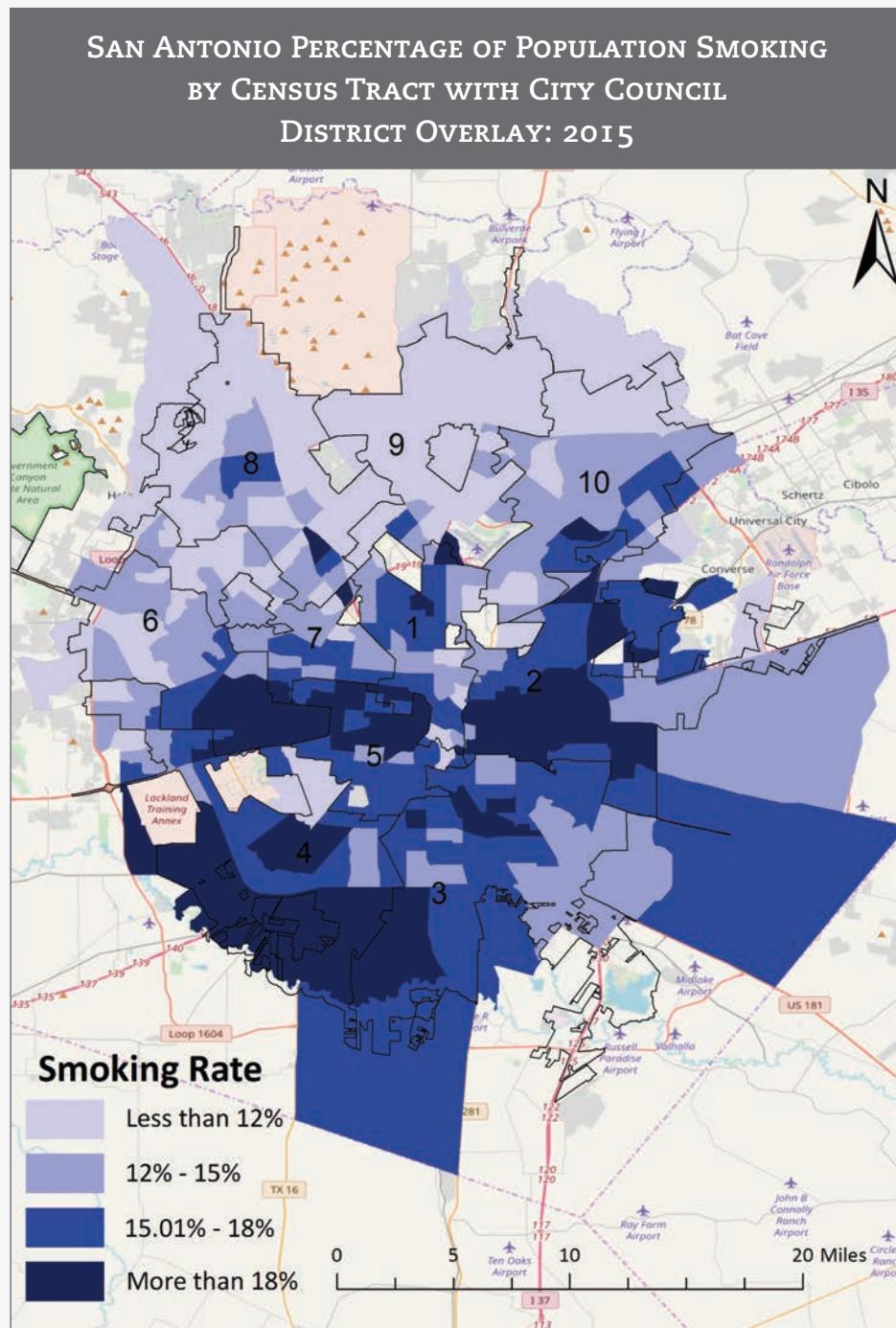
Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

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Source: 500 Cities Project Data Centers for Disease Control and Prevention, 2015 2-Year Modeled Estimates. Data downloaded from www.cityhealthdashboard.com.

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Source: 500 Cities Project Data Centers for Disease Control and Prevention, 2015 2-Year Modeled Estimates. Data downloaded from www.cityhealthdashboard.com.

APPENDIX C

A Closer Look at Four High-Need Zip Codes:

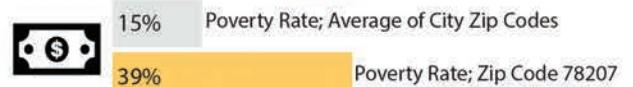
Zip Codes with worse than average outcomes for two or more data categories included in this analysis.¹

78207

Median Household Income
\$24,766



Poverty Rate



Unemployment Rate



High School Graduation Rate



78211

Median Household Income
\$34,461



Unemployment Rate



High School Graduation Rate



Health Insurance Uninsured Rate



78202

Median Household Income
\$24,001



Poverty Rate



Unemployment Rate



Health Insurance Uninsured Rate



78208

Median Household Income
\$24,104



Poverty Rate



Housing Burden



¹ A Z-score analysis was used to determine high need zip codes. A zip code was identified as being high need if the mean value was significantly higher (i.e., more than 1.64 standard deviations) than the mean of all zip codes for at least two data categories: poverty rate, unemployment rate, uninsured rate, median household income, homeowner burdened, renter burdened, concentration of alternative financial services, high school degree attainment. Data used for this analysis is from The American Community Survey (ACS) 2012 - 2016 5-year estimates.

ENDNOTES

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