



AN INDIVIDUAL AND COMMUNITY ASSET-BUILDING ASSESSMENT OF THE MAHONING VALLEY

FINAL REPORT SUBMITTED TO THE
COMMUNITY WEALTH BUILDING ADVISORY COMMITTEE



ACKNOWLEDGEMENTS

An Individual and Community Asset-Building Assessment of the Mahoning Valley was made possible thanks to the leadership of the Raymond John Wean Foundation and the support of *Assessment* sponsors JP Morgan Chase and Turning Technologies.

BACKGROUND

In response to an invitation from the Raymond John Wean Foundation and the Community Wealth Building Advisory Committee (CWBAC), CFED conducted an assessment of the needs, opportunities and institutional capacity for individual and community asset-building in the Mahoning Valley, with a focus on the cities of Youngstown and Warren. The principal goal of the project was to provide the community with actionable information regarding the financial security and economic opportunities of individuals and families in the Mahoning Valley, specifically the urban core areas of Youngstown and Warren. Data and insights generated through the assessment are intended to aid community stakeholders in executing a strategy that squarely targets priority issues and leverages opportunities for improving financial security, building wealth and expanding opportunity. Recommendations offered through the assessment are equally intended to inform and influence the priorities of a wide range of public, private and non-profit decision-makers in the region.

CFED brought to this work its mission of expanding economic opportunity by helping Americans start and grow businesses, go to college, own a home and save for their children's and their own economic futures. We identify promising ideas, test and refine them in communities to find out what works, craft policies and products to help good ideas reach scale and develop partnerships to promote lasting change. CFED brings together community practice, public policy and private markets in new and effective ways to achieve greater economic impact.

This assessment was managed by Nancy Stark, Director of Enterprise and Economic Development, with data analysis expertise from Ida Rademacher, Director of Research. Other members of the project team included Program Associates Keven Cotton and Alex Villaverde, who provided useful project assistance.

ASSESSMENT METHODOLOGY

CFED's methodology for conducting *An Individual and Community Asset-Building Assessment of the Mahoning Valley* was guided by members of the CWBAC. (A list of the CWBAC members is attached as Appendix I.) The Advisory Committee is a diverse group of about 20 stakeholders from the region's business, philanthropy, nonprofit and public sectors who share a commitment to community asset building. Committee members provided thoughtful input and resources to CFED's scope of work, offered recommendations for assessment interviewees and data sources, and remained engaged in the project throughout its duration.

In January 2009, CFED submitted a draft research design and an in-depth description of the key research questions, methods and tools it proposed to employ in the assessment project. Clear and compelling research questions served the purpose of keeping the assessment focused. CFED culled the set of questions listed below from various notes, documents and discussions with key community stakeholders on the CWBAC.

Research Questions	Assessment Component(s) that Address this Question
How widespread is financial security among Youngstown and Warren residents?	<ul style="list-style-type: none"> • Statistical Profile • Key Informant Interviews
What is the level and quality of access to financial products and services for Mahoning Valley residents?	<ul style="list-style-type: none"> • Statistical Profile • Key Informant Interviews
What are the primary and emerging employment sectors in the Mahoning Valley and what is the quality of jobs in these sectors?	<ul style="list-style-type: none"> • Statistical Profile • Key Informant Interviews
What is the extent of entrepreneurship and small business development in the Mahoning Valley?	<ul style="list-style-type: none"> • Statistical Profile • Key Informant Interviews • Resource Scan
Do residents have the adequate levels of education as well as access to the education and training they need to get ahead?	<ul style="list-style-type: none"> • Statistical Profile • Key Informant Interviews • Resource Scan
Is there broad access to health insurance as protection against income interruption and asset depletion from medical bills?	<ul style="list-style-type: none"> • Statistical Profile • Key Informant Interviews • Resource Scan
What community capacity exists to promote financial empowerment, economic mobility and access to financial services among residents?	<ul style="list-style-type: none"> • Key Informant Interviews • Resource Scan

All questions were addressed simultaneously through at least two, often three, research methods and tools: Municipal Statistical Profiles, Key Informant Interviews and Resource Scan. As a result, information obtained through quantitative data analysis informed the qualitative informant interviews and observations shared through interviews provided additional direction for the data analysis.

1. MUNICIPAL PROFILE

The *Assets and Opportunity Statistical Profiles* for the Mahoning Valley present data that describe the status and trends in asset ownership among a city population. The *Profiles* also illuminate core conditions that promote or prevent financial stability in households and communities. CFED accessed the most recent quantitative data available for each indicator and organized the data into six categories:

- Demographics
- Financial Security and Financial Access
- Employment and Business Development
- Education
- Health Insurance
- Housing and Homeownership

Where possible, data delineated municipal jurisdictions versus county or Metropolitan Statistical Area (MSA) boundaries and was disaggregated by race, income and other meaningful delineations. For context, data was compared to Ohio and national data whenever possible. Appendix II is a Data Source Table showing all available measures and sources within each data index.

2. KEY INFORMANT INTERVIEWS

CFED conducted a series of one-on-one, small group (2-4 individuals) and focus group (8-12 individuals) conversations with a cross-section of regional stakeholders. Three individual evening (dinner) focus groups were held: one with residents of subsidized housing, one with middle and high school youth and one with local clergy. Foundation staff developed the initial list of interviewees with input from the CWBAC. Individuals representing additional sectors (e.g., youth) were also added at the request of CFED. Interviewees represented the following sectors: social services (consumers and providers), philanthropy, research, banking and assets, economic development, workforce development, unions, education and faith-based and community organizing. All members of the CWBAC were interviewed.

Ninety-one (91) individuals shared their perspectives on the region's key issues, performance gaps, capacities and trends. All but 12 interviews were held on-site in Youngstown or Warren. CFED conducted telephone interviews when it was not feasible for the individual to meet with CFED during either of the team's two visits to the region (Feb. 23–23 and March 17–19). Appendix III is a list of interviewees including area organizations, agencies, governments and companies. Appendix IX provides three distinct protocols used by CFED to conduct individual/small group interviews, the consumer focus group and the youth focus group.

3. CAPACITY AND RESOURCE SCAN

CFED conducted a capacity and resource scan to identify opportunities for enriching the capacities of institutions in the region and leveraging additional resources from government (state and federal), foundation and other philanthropic sources. The project team drew information from a variety of sources including: data analysis and statistical profiles prepared by CFED; interviews and focus groups conducted by CFED; research reports and other documents produced locally or by institutions outside the region; directories of local service providers; Web sites, marketing materials, training curricula, reports and other documentation of organizational capacity and focus; newspaper and other media clippings compiled by the Mahoning Valley Organizing Collaborative and other organizations; and other sources.

ASSETS & OPPORTUNITY PROFILE OF YOUNGSTOWN AND WARREN, OHIO

DEMOGRAPHICS

WHO LIVES IN THE MAHONING VALLEY?

KEY FINDINGS:

- Since 2000, population has decreased in the cities of Youngstown and Warren and in the surrounding counties. During the same time period, the overall population in Ohio has increased.
- In Mahoning County, 94% of total population decrease is attributable to the population loss in the city of Youngstown.
- In Trumbull County, 24% of total population decrease is attributable to the population loss in the city of Warren.
- The Latino population in Youngstown grew nearly 31% since 2000, from 5.2% of the population to 6.8%. In Ohio, the Latino population comprises 2.4% of the population.

POPULATION, 2005–2007 AND 2000

	Youngstown	Mahoning	Warren	Trumbull	Ohio
2000	82,026	257,555	46,832	225,116	11,353,140
2005–2007	68,592	243,289	44,473	215,398	11,463,403

Source: U.S. Census Bureau, American Community Survey and U.S. Bureau of the Census, Census 2000

CHANGE IN POPULATION PERCENTAGE BY RACE IN YOUNGSTOWN AND WARREN, 2000 AND 2005–2007

		White	African American	Hispanic or Latino (of any race)	American Indian and Alaska Native	Asian	Native Hawaiian and Other Pacific Islander
Youngstown	2000	50.9%	43.8%	5.2%	0.3%	0.3%	-
	2005-2007	50.1%	47.5%	6.8%	0.2%	0.3%	0.0%
Warren	2000	71.9%	25.2%	1.0%	0.1%	0.4%	-
	2005-2007	71.2%	27.9%	1.0%	0.1%	0.4%	0.0%

Source: U.S. Census Bureau, American Community Survey and U.S. Bureau of the Census, Census 2000

Note: Population chart totals less 100% due to omitted data on: Native American Pacific Islander, Some Other Race, and Two or More Races.

FINANCIAL SECURITY AND ACCESS TO SERVICES

HOW WIDESPREAD IS FINANCIAL SECURITY AMONG MAHONING VALLEY RESIDENTS?

WHAT IS THE LEVEL AND QUALITY OF ACCESS TO FINANCIAL PRODUCTS AND SERVICES FOR MAHONING VALLEY RESIDENTS?

Earned income, asset ownership and financial security are interconnected. The ability to earn a living wage and accumulate assets means having greater economic mobility and stability. Assets enable millions of Americans to plan for the future, buy a home, prepare for retirement, send their children to college and weather unexpected financial storms. But in order to build and maintain assets, particularly in low-income communities, a financial environment must be in place to provide adequate tools and incentives to earn, save and invest. Accumulated assets must then be preserved and protected so the benefits of holding assets may continue.

Both the public and private sectors can play a role in providing the right tools, incentives and environment to help families earn, save, invest and enjoy protection against unforeseen events. The Financial Security measures provide a snapshot of economic stability and asset accumulation among different populations in the Mahoning Valley.

INCOME KEY FINDINGS:

Earned income is the most important gauge of financial stability and security. In addition to enabling a family to meet its monthly living expenses, a steady, stable and rising income also creates the opportunity for families to save for a home, retirement and higher education.

- Median household income in the Mahoning Valley is low compared to Ohio:
 - \$24,924 in Youngstown; \$33,122 in Warren; \$46,296 in Ohio.
- There are marked income disparities between white and minority-headed households, although this gap has not grown considerably since 2000.
 - In Youngstown, median income for whites is 1.5 times higher than it is for African Americans or Latinos.
 - Income inequality by race and ethnicity is lower than in Ohio.
- Income poverty in the Mahoning Valley is high and has been increasing since 2000. The problem is especially acute for minorities.
 - Nearly 30% of households in Youngstown live below the poverty level, as do 25% of households in Warren. This represents a 5% increase in poverty rates since 2000.
 - In both Youngstown and Warren, 37% or 1 in 3 African-American households live in poverty.
 - In Youngstown, 55% of Latino families live in poverty, more than twice the rate for Latinos in Ohio generally.

- The Federal Earned Income Tax Credit (EITC) provides an important boost to the low annual earnings of families in the Mahoning Valley.
 - In order to receive the federal stimulus check for Tax Year 2007, households had to file a tax return in 2008 even if they had no tax liability.
 - This resulted in very large increases in number of income tax returns filed in Youngstown and Warren in 2008 by low income individuals and families. In Youngstown, the number of EITC returns jumped over 45%; in Warren, the number of EITC returns grew by 40%.
 - The average EITC return remained consistent between 2006 and 2007 at roughly \$2,000, but the *total* return to low-income households in Youngstown increased 43% to over \$30 million. In Warren the total amount returned through the EITC increased 40% to over \$13 million.
 - Absent the incentive of the one-time stimulus check, there is a real need for enhanced outreach and assistance to maintain and increase the number of low-income individuals filing for and receiving the EITC.

MEDIAN HOUSEHOLD INCOME, 2005-2007

	Youngstown	Mahoning	Warren	Trumbull	Ohio
Total Households	\$ 24,924	\$ 38,906	\$ 33,122	\$ 42,378	\$ 46,296
White	\$ 30,711	\$ 42,134	\$ 35,248	\$ 43,761	\$ 49,271
African American	\$ 20,673	\$ 22,486	\$ 25,757	\$ 27,761	\$ 28,077
American Indian	-	\$ 40,557	-	-	\$ 35,022
Asian	\$ 16,938	\$ 38,101	\$ 85,315	\$ 60,705	\$ 59,130
Native Hawaiian	-	-	-	-	\$ 65,345
Hispanic or Latino	\$ 20,985	\$ 25,036	\$ 2,499	\$ 37,457	\$ 35,733

Source: U.S. Census Bureau, American Community Survey

INCOME POVERTY, INDIVIDUAL RATE, 2005–2007 AND 2000

	Youngstown	Mahoning	Warren	Trumbull	Ohio
Percent below poverty level	29.6%	15.3%	24.9%	12.5%	13.2%
Census 2000	24.8%	12.5%	19.4%	10.3%	10.6%
White	19.7%	10.7%	19.4%	10.3%	10.5%
Black or African American	37.4%	34.9%	37.1%	33.8%	30.5%
American Indian and Alaska Native	-	-	-	-	25.1%
Asian	-	36.9%	-	-	11.9%
Native Hawaiian and Other Pacific Islander	-	-	-	-	13.0%
Hispanic or Latino origin (of any race)	54.9%	36.1%	-	28.9%	24.2%

Source: U.S. Census Bureau, American Community Survey and U.S. Bureau of the Census, Census 2000.

EITC RETURNS, 2007

One of the largest and most effective wage support programs for low- and moderate-income families is the Federal Earned Income Tax Credit (EITC). The EITC supplements the earnings of workers by reducing their tax burden. When the EITC is greater than the amount of taxes owed, the taxpayer

receives a refund. Every year, millions of Americans use these refunds to get out of debt and start saving for the future. Local EITC campaigns play an important role in ensuring that eligible families receive their full EITC amount.

	Youngstown	Mahoning	Warren	Trumbull	Ohio
EITC Returns 2007	15,110	19,859	6836	15,958	850,176
<i>Change from 2006</i>	<i>45%</i>	<i>4.7%</i>	<i>40.8%</i>	<i>0.1%</i>	<i>3.9%</i>
EITC Refund Total 2007	\$30,034,234	\$38,798,870	\$13,282,389	\$29,990,841	\$1,648,285,783
<i>Change from 2006</i>	<i>43.4%</i>	<i>8.2%</i>	<i>40.3%</i>	<i>0%</i>	<i>7.1%</i>
Average EITC Refund 2007	\$1,988	\$1,954	\$1,943	\$1,879	\$1,939
<i>Change from 2006</i>	<i>-3.0%</i>	<i>3.7%</i>	<i>-0.8%</i>	<i>2.8%</i>	<i>3.3%</i>

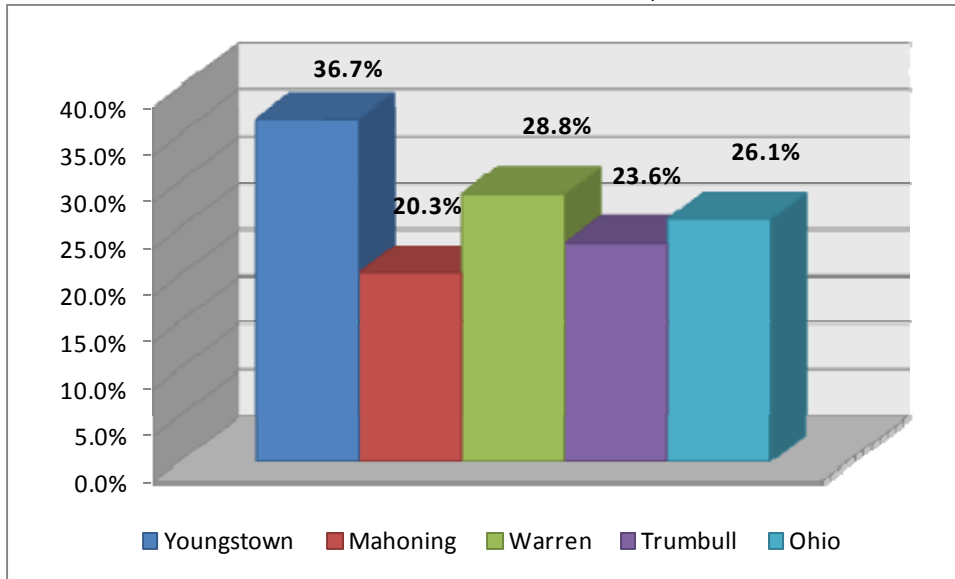
Source: IRS Data. 2006 Data from IRS, Calculations by Brookings Institution. 2007 Data Provided by SPEC (Stakeholder Partnerships Education and Communication), Wages and Investment Division of the Internal Revenue Service, Cleveland OH). Personal correspondence.

ASSET POVERTY KEY FINDINGS:

Asset Poverty is a measure of economic security and mobility based on household net worth. A household is asset poor if it has insufficient net worth to stay above the federal poverty level for three months if all income is cut off. Asset poor households do not have enough net worth to provide for basic needs during economic crises such as sudden job loss or medical emergencies.

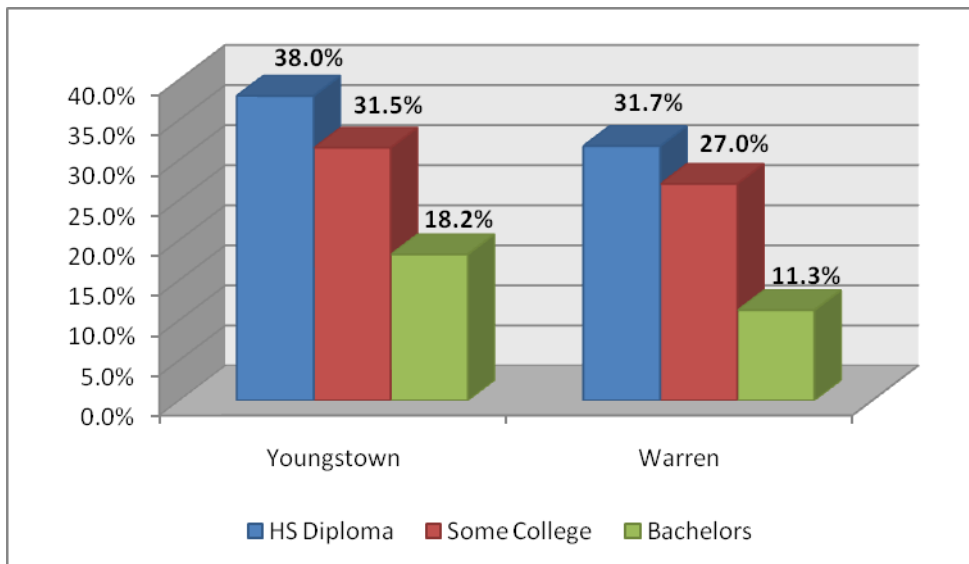
- A very high percentage of families in both Youngstown and Warren are asset poor:
 - 37% of Youngstown households are asset poor.
 - 29% of Warren households are asset poor.
 - Asset poverty affects 38% of households in Youngstown where the head of household has only a high school diploma.
- Asset poverty is even more prevalent in minority and single-parent households:
 - 65% of single parent households in Youngstown are asset poor; asset poverty exists among 57% of single parent households in Warren.
 - One in every two African American households is asset poor in Youngstown and Warren.
- The largest disparity exists between homeowners and renters:
 - In Youngstown, 9.4% of homeowners are asset poor, compared to 73.6% of renter households.
 - In Warren, 7.3% of homeowners are asset poor, compared to 67.2% of renter households.

ASSET POVERTY FOR TOTAL POPULATION, 2005–2007



Source: U.S. Census Bureau, Survey of Income and Program Participation and the American Community Survey. Calculations by Beacon Economics

ASSET POVERTY BY EDUCATIONAL ATTAINMENT, YOUNGSTOWN AND WARREN 2005–2007



Source: U.S. Census Bureau, Survey of Income and Program Participation and the American Community Survey. Calculations by Beacon Economics

ASSET POVERTY, 2005–2007

(Proportion of households without sufficient net worth to subsist at the poverty level for three months without income.)

	Youngstown	Mahoning	Warren	Trumbull	Ohio
Total Population	36.7%	20.3%	28.8%	23.6%	26.1%
Homeowner	9.4%	5.7%	7.3%	7.0%	6.4%
Renter	73.6%	62.9%	67.2%	66.3%	66.0%
White	25.2%	17.9%	24.5%	21.2%	21.6%
Minority	50.4%	46.1%	51.1%	47.9%	47.6%
Black	50.9%	-	53.6%	52.2%	51.7%
HS Diploma	38.0%	22.1%	31.7%	25.7%	28.6%
Some College	31.5%	23.6%	27.0%	21.0%	26.6%
Bachelors Degree	18.2%	11.6%	11.3%	10.4%	15.2%
Married	15.7%	10.1%	13.6%	11.4%	12.1%
Households with children	45.1%	21.3%	35.7%	27.4%	27.6%
Single Parent	64.7%	45.0%	56.8%	49.0%	52.9%
Below Poverty Line	64.3%	49.7%	60.1%	56.5%	59.2%
Above Poverty Line	27.6%	17.9%	22.8%	19.0%	21.5%
1st Quintile	58.2%	47.1%	52.9%	50.0%	54.2%
2nd Quintile	29.8%	32.4%	33.1%	28.5%	36.1%
3rd Quintile	19.8%	18.2%	20.1%	17.2%	19.8%
4th Quintile	9.4%	7.9%	12.0%	8.3%	9.3%
5th Quintile	-	3.4%	4.4%	3.5%	3.6%

Source: U.S. Census Bureau, Survey of Income and Program Participation and the American Community Survey. Calculations by Beacon Economics.

ACCESS TO FINANCIAL SERVICES KEY FINDINGS:

Research shows that at every level of income, “unbanked” households—those that lack a savings or a checking account—are worse off financially than their “banked” counterparts. It is estimated that in the United States today, more than 10 million households lack a bank account. The absence of a safe banking relationship means that households pay hundreds of dollars more per year to cash checks, pay bills and process money orders for rent and other basic transactions. In addition to paying high fees, these unbanked households are missing opportunities to build assets and wealth.

- The Pew Safe Banking Initiative estimates that about 5,800 households in Youngstown and Warren are unbanked and therefore lack access to mainstream financial services.
 - 16% of Youngstown households do not have banking accounts.
 - 11% of Warren households do not have banking accounts.

- Both mainstream and alternative financial service providers have branches in low- and middle-income neighborhoods, but branches are not always equally distributed.

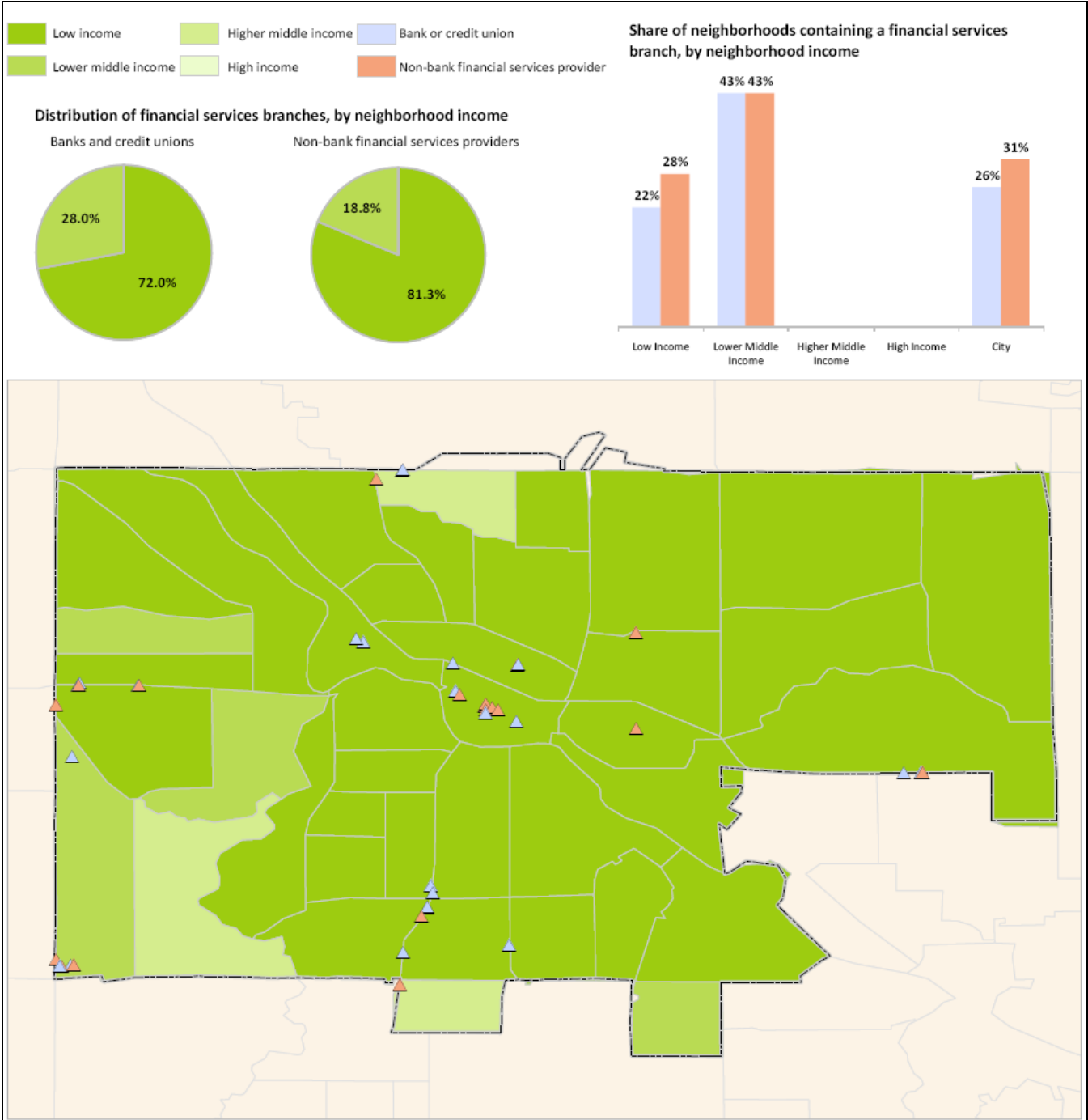
ACCESS TO FINANCIAL SERVICES , 2006

	Percent Unbanked	Bank and Credit Union Branches	Alternative Financial Service Providers <i>(check cashers, payday lenders, pawn shops)</i>
Youngstown	16%	25	25
Warren	11%	17	17

Source: The Pew Safe Banking Opportunities Project.

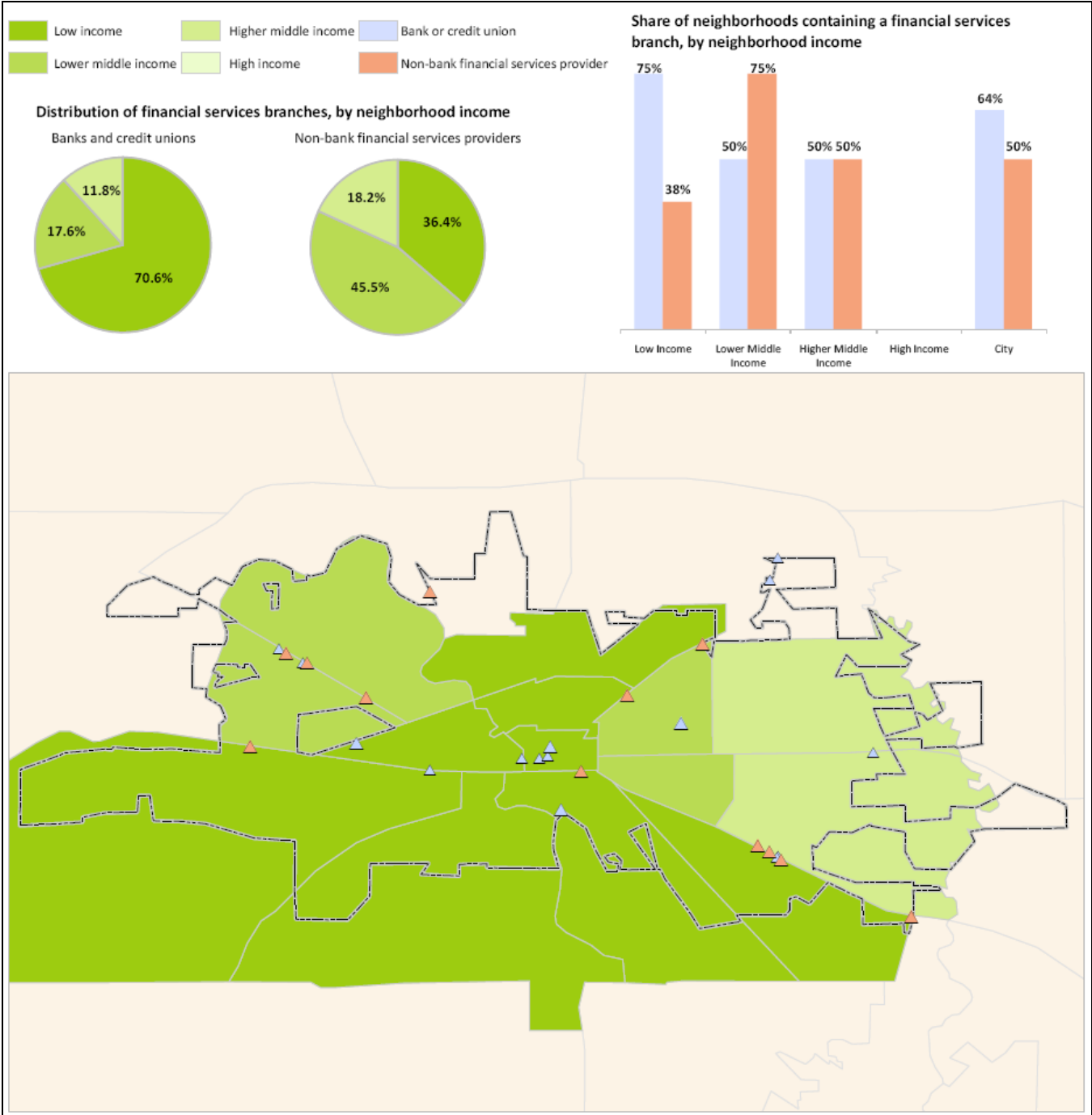
Notes: The Pew estimate of unbanked households was generated using a proprietary algorithm developed and owned by the Pew Safe Banking Opportunities Project and incorporating data from the Federal Reserve’s 2007 Survey of Consumer Finances, U.S. Census Bureau, Ohio Division of Financial Institutions and infoUSA. Data about bank and alternative financial service providers obtained from the Ohio Division of Financial Institutions, FDIC, infoUSA, and the U.S. Census Bureau. Alternative financial service providers include any non-bank institutions that offer check cashing, payday loans and/or pawn loans.

YOUNGSTOWN FINANCIAL SERVICES PROFILE



Source: The Pew Safe Banking Opportunities Project's analysis of data from the Ohio Division of Financial Institutions, FDIC, infoUSA and the U.S. Census Bureau. Neighborhood income is represented by census tract. Income groups were determined using national neighborhood income quartiles where median neighborhood income is greater than \$0 (low income is \$37,146 or less; lower middle income is between \$37,147 and \$48,258; higher middle income is between \$48,259 and \$64,190; and high income is \$64,191 or greater). Financial services data are current as of 2006; neighborhood income data are from 1999 and have been adjusted to 2006 dollars using the Bureau of Labor Statistics' CPI Research Series.

WARREN FINANCIAL SERVICES PROFILE



Source: The Pew Safe Banking Opportunities Project's analysis of data from the Ohio Division of Financial Institutions, FDIC, infoUSA and the U.S. Census Bureau. Neighborhood income is represented by census tract. Income groups were determined using national neighborhood income quartiles where median neighborhood income is greater than \$0 (low income is \$37,146 or less; lower middle income is between \$37,147 and \$48,258; higher middle income is between \$48,259 and \$64,190; and high income is \$64,191 or greater). Financial services data are current as of 2006; neighborhood income data are from 1999 and have been adjusted to 2006 dollars using the Bureau of Labor Statistics' CPI Research Series.

EMPLOYMENT & BUSINESS DEVELOPMENT

WHAT ARE THE PRIMARY AND EMERGING EMPLOYMENT SECTORS IN THE MAHONING VALLEY AND WHAT IS THE QUALITY OF JOBS IN THESE SECTORS?

WHAT IS THE EXTENT OF ENTREPRENEURSHIP AND SMALL BUSINESS DEVELOPMENT IN THE MAHONING VALLEY?

Fundamentally, economies are about people. Healthy economies offer greater opportunities for everyone. They should provide economic livelihoods, financial security and an environment of opportunity for the people who live there. Quality employment opportunities and a supportive small business environment are key factors in a local economy's ability to provide financial security.

One of the key challenges in regional economic development is creating more and better jobs: jobs with higher pay, benefits, security and stability, decent working conditions and opportunities for advancement and control.

Entrepreneurship and small business development are fundamental engines for wealth creation. The key components of a strong entrepreneurship development system are access to capital, networks, education, training, technical assistance and an entrepreneurial culture.

KEY FINDINGS:

- Unemployment rates continue to rise in the Mahoning Valley.
 - Youngstown's annual unemployment rate in 2008 reached 9%. In Warren, the annual rate was 8.5%.
 - Preliminary data from the Bureau of Labor Statistics estimates that for the month of March 2009, Youngstown's unemployment rate was 14% and Warren experienced 15.1% unemployment.
- A shortage of quality jobs also contributes to financial insecurity in the Mahoning Valley.
 - In Mahoning County, the average wage in four of the largest five industry sectors by employment is below the self-sufficiency wage (\$36,621) for a family of three (1 adult, 2 children).
 - The Health Care and Social Assistance sector employs the largest percentage of the population outside of government in Mahoning County (19%), followed closely by retail trade (16% of employment). Together these two sectors employ one out of every three workers.
 - Manufacturing employs 12% of the population.

- In Trumbull County, the average wage in three of the top five industry sectors by employment is below the self-sufficiency wage (\$35,527) for a family of three (1 adult, 2 children).
 - Manufacturing is still the dominant private employment sector in Trumbull, representing 23% of jobs.
- In both Mahoning and Trumbull Counties, only two out of the five fastest growing industry sectors provide employment opportunities with average wages that meet the self-sufficiency standard described above.
- The small business ownership rate for the Youngstown-Warren-Boardman area is less than half the rate for Ohio (7.7 small businesses per 100 workers vs. 15.3 per 100 workers in Ohio). However, the microenterprise ownership rates for Mahoning and Trumbull Counties are just below the state rate of 14% and not far below the national rate of 16.4%.

TOP 5 PRIVATE INDUSTRIES, MAHONING AND TRUMBULL COUNTY 2008, QUARTER 2

	Industry	Share of Employment			Average Annual Earnings 2007		
		Mahoning	Trumbull	Ohio	Mahoning	Trumbull	Ohio
Mahoning (3)	1. Manufacturing	12%	23%	17%	\$ 40,874	\$ 83,756	\$ 53,085
Mahoning (1)	2. Health care and social assistance	19%	18%	16%	\$ 32,386	\$ 36,058	\$ 36,763
Mahoning (2)	3. Retail trade	16%	16%	13%	\$ 21,701	\$ 22,756	\$ 23,831
	4. Accommodation and food services	11%	11%	10%	\$ 11,790	\$ 10,573	\$ 12,731
	5. Administrative and waste services	8%	6%	7%	\$ 26,372	\$ 21,496	\$ 26,643

Source: The Ohio Department of Jobs and Family Services, Ohio Labor Market Information

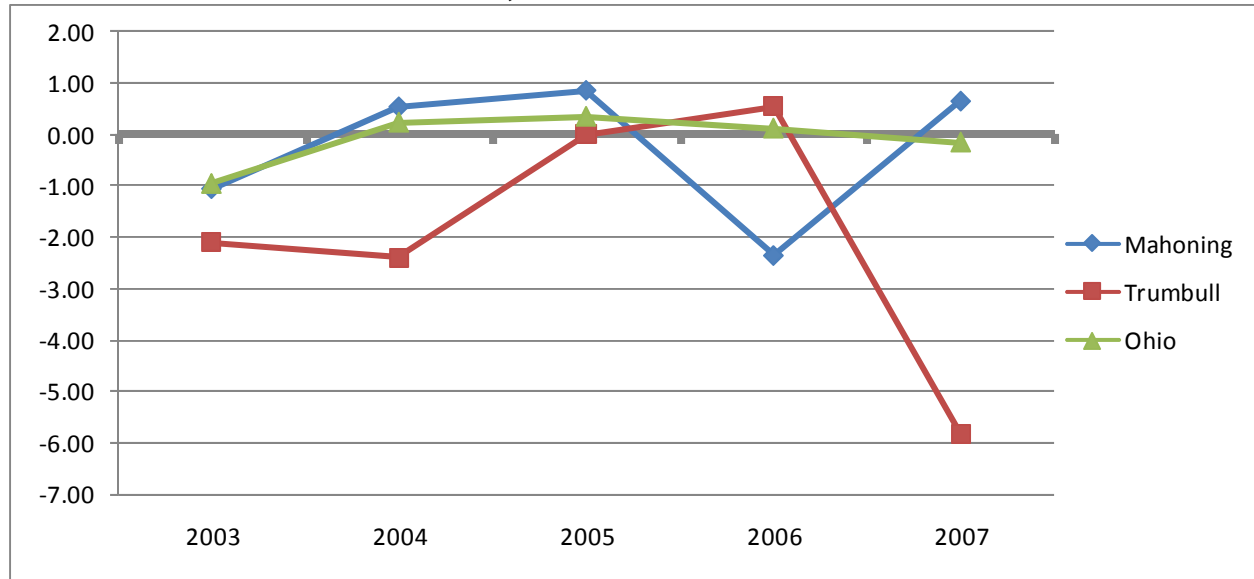
TOP 5 GROWING PRIVATE INDUSTRIES, MAHONING AND TRUMBULL COUNTIES, 2001 TO 2008

	Industry	Growth	Share of 2008 employment	Average Annual Earnings 2007
Mahoning	1 Transportation and warehousing	53.1%	4.7%	\$ 34,497
	2 Management of companies and enterprises	8.3%	1.0%	\$ 44,138
	3 Educational services	4.0%	1.7%	\$ 22,098
	4 Wholesale trade	2.0%	5.6%	\$ 50,035
	5 Accommodation and food services	1.5%	10.5%	\$ 11,790
Trumbull	1 Administrative and waste services	33.3%	6.1%	\$ 21,496
	2 Health care and social assistance	24.6%	18.3%	\$ 36,058
	3 Construction	6.5%	3.9%	\$ 38,651
	4 Real estate and rental and leasing	2.4%	1.8%	\$ 26,383
	5 Accommodation and food services	1.2%	10.1%	\$ 10,573

Source: The Ohio Department of Jobs and Family Services, Ohio Labor Market Information.

Note: In order to be recognized as a "growth industry" for purposes of this analysis, only industries that with an employment share of 1% or greater in 2008 were included.

ANNUAL EMPLOYMENT GROWTH, 2003-2007



SMALL BUSINESS OWNERSHIP

A small business is defined as a firm that employs fewer than 500 employees. Business ownership is a fundamental engine for wealth creation. The higher the business ownership rate, the higher the percentage of residents who have the opportunity to build wealth through business capital accumulation. While not a direct measure of business capital, this indicator shows what percentage of the Mahoning Valley labor force owns its own business.

SMALL BUSINESS OWNERSHIP, 2005

	Youngstown-Warren-Boardman MSA	Ohio	US
Total Sum	43,539	900,665	26,538,137
Rate per 100 workers	7.7	15.3	17.7

Source: U.S. Small Business Administration, Office of Advocacy.
 Definition: Number of employer and non-employer firms per 100 workers.

MICROENTERPRISE OWNERSHIP, 2005

	Mahoning	Trumbull	Ohio	US
Total Microenterprise	16999	14160	827,501	24,457,042
Rate per 100 Workers	14.2	13.4	14.1	16.4

Source: U.S. Census Bureau, Non-Employer Statistics.
 Definition: Number of microenterprises per 100 workers. A microenterprise is defined as a self-employed enterprise or a firm that employs 5 or fewer employees.

EDUCATION

DO RESIDENTS HAVE THE ADEQUATE LEVELS OF EDUCATION AS WELL AS ACCESS TO THE EDUCATION AND TRAINING THEY NEED TO GET AHEAD?

Education is the first step toward building assets and getting ahead. Skills and knowledge are important drivers for the economy as well as central determinants of earning capacity. The more education one has, the more flexibility in the type of work to pursue, and the higher the earning potential. While the majority (57%) of Americans in the top income quintile has a four-year college education, that number is only 10% for those in the lowest income quintile.

Education is also correlated with savings patterns and financial literacy. There is a small but growing body of research that supports the notion that assets play an important role in helping families move up the economic ladder. Several recent studies, for example, show that regardless of a family's income level, the children of parents who have high asset levels are more likely to have higher academic achievement and complete more years of education. In one study, children in families with as little as \$3,000 in savings had greater odds of graduating from high school than children in families without savings.¹

In today's economy, knowledge itself is a traded commodity. Those with a college degree earn significantly more than those with just a high school diploma. Moreover, data from the Survey of Consumer Finances indicate that in 2004, families in which the head of household had a college degree had more than three times the net worth as families whose head of household had only some college.²

KEY FINDINGS:

- Nearly one in every four Youngstown residents over the age of 25 (23%) lack a high school degree.
- Only 10.4% of Youngstown adults have a four-year degree, a rate that is less than half that of Ohioans in general (23%), and nearly three times lower than the U.S. population as a whole (27%).
- The percentage of the adult population in Youngstown and Warren that has earned a two-year college credential is also less than half the national average (16% versus 34%).
- In Mahoning and Trumbull Counties, whites are more than twice as likely as African Americans to hold a bachelor's degree. In the cities of Youngstown and Warren, African Americans have lower rates of educational attainment at all levels, although the gap in some cases is not very large.

¹ Zhan, M., & Sherraden, M. (2003). Assets, expectations, and children's educational achievement in female-headed households. *Social Service Review*, 77 (2), 191-211.

² Board of Governors of the Federal Reserve System. (2006). "2004 Survey of Consumer Finances." Final Report to the Community Wealth Building Advisory Committee
June 2009

- Reading and math proficiency among Youngstown and Warren eighth graders is very low. One in every two eighth graders is not proficient in reading, and one in every three is not proficient in math. These rates of proficiency are between 20 and 40 percentage points below Ohio's overall proficiency rates.

EDUCATIONAL ATTAINMENT FOR POPULATION 25 YEARS AND OLDER, 2005–2007

	Youngstown	Mahoning	Warren	Trumbull	Ohio	US
High school graduate (includes equivalency)	77.1%	86.5%	79.8%	85.4%	86.3%	84.0%
Some college, no degree	34.0%	45.6%	34.9%	39.5%	49.4%	54.0%
Associate's degree	16.2%	26.1%	16.5%	21.2%	30.4%	34.4%
Bachelor's degree	10.4%	19.8%	11.6%	15.5%	23.3%	27.0%
Graduate or professional degree	3.2%	6.3%	4.0%	5.0%	8.5%	9.9%
8th Grade Reading Proficiency (%)	48.5%	-	54.9%	-	79.4%	-
8th Grade Math Proficiency (%)	33.9%	-	39.5%	-	72.8%	-

Source: U.S. Census Bureau, American Community Survey and Ohio Department of Education 2007–2008.

EDUCATIONAL ATTAINMENT BY RACE FOR YOUNGSTOWN, 2005–2007

	White	African American	Hispanic or Latino
High School Graduate (includes equivalency) or Higher	78.1	76.1	66.4
Bachelor's Degree or Higher	12.3	8.0	5.4
Graduate or Professional Degree	3.7	2.3	0.5

Source: U.S. Census Bureau, American Community Survey.

EDUCATIONAL ATTAINMENT BY RACE FOR MAHONING, 2005–2007

	White	African American	Hispanic or Latino
High School Graduate (includes equivalency) or Higher	88.0	78.2	68.0
Bachelor's Degree or Higher	21.3	9.5	8.5
Graduate or Professional Degree	6.9	2.3	2.4

Source: U.S. Census Bureau, American Community Survey.

EDUCATIONAL ATTAINMENT BY RACE FOR WARREN, 2005–2007

	White	African American	Hispanic or Latino
High School Graduate (includes equivalency) or Higher	81.7	75.3	-
Bachelor's Degree or Higher	13.0	5.5	-
Graduate or Professional Degree	4.8	0.4	-

Source: U.S. Census Bureau, American Community Survey.

EDUCATIONAL ATTAINMENT BY RACE FOR TRUMBULL, 2005–2007

	White	African American	Hispanic or Latino
High School Graduate (includes equivalency) or Higher	86.1	77.8	-
Bachelor's Degree or Higher	15.8	7.7	-
Graduate or Professional Degree	5.1	1.8	-

Source: U.S. Census Bureau, American Community Survey.

HEALTH INSURANCE

IS THERE BROAD ACCESS TO HEALTH INSURANCE AS PROTECTION AGAINST INCOME INTERRUPTION AND ASSET DEPLETION FROM MEDICAL BILLS?

There is no greater threat to a family's financial security than the expenses of a major medical emergency or treatment of a chronic illness. Health care and health insurance provide individuals and families with a safety net that complements their asset ownership. Health insurance that allows, even encourages, people to get checkups as well as seek treatment for illnesses and injuries protects the household in two distinct ways: individuals will seek treatment when they need it and thereby minimize the impact of major illnesses that keep them from earning income; and, household savings and assets will not be jeopardized by large medical bills. Health insurance is most often provided privately through employers or publicly through Medicare, Medicaid and the State Children's Health Insurance Program (SCHIP).

All individuals need health care if they are to be successful workers and contributors to our society. Non-elderly, low-income adults typically are not considered under the issue of Medicaid expansion. The ability to stay healthy and avoid debt is critical if individuals are to be productive members of the workforce and achieve financial self-sufficiency.

KEY FINDINGS:

- The rate of uninsured adults and children is *lower* in the Mahoning Valley than in Ohio.
 - 15% of adults in Mahoning and 14.2% in Trumbull vs. 17% of adults in Ohio.
 - 2.2% of children in Mahoning and 1.4% of children in Trumbull vs. 4.0% in Ohio.
- Even those with health insurance face additional costs that can erode financial stability. In 2006 insured Ohioans paid 18% of their total medical expenses out-of-pocket.³

HEALTH INSURANCE RATES, SELECTED POPULATION, 2007

	Mahoning	Trumbull	Ohio
Uninsured Adults	15.0%	14.2%	17.0%
Uninsured Children	2.2%	1.4%	4.0%
Adults with Employer-Provided Health Insurance	52.7%	59.0%	-
Children with Employer-Provided Health Insurance	52%	50.5%	-

Source: Ohio Family Health Survey.

³ Center for Financing, Access, and Cost Trends, Agency for Healthcare Research and Quality: Medical Expenditure Panel Survey Household Component, 2006.

HOUSING AND HOMEOWNERSHIP

IS THE OPPORTUNITY TO PURCHASE AND MAINTAIN A HOME AVAILABLE TO ALL THOSE WHO CHOOSE TO PURSUE IT?

The family home is the chief asset of many American households. It is an integral part of the American dream and provides the family with both physical and financial security. Because mortgage payments can be substituted for rent, even households with very modest disposable incomes can nonetheless, over time, build assets through homeownership. In fact, homeownership is the single largest source of equity for American households.

A home is an asset that allows stability, fosters long-term thinking and builds both financial equity and commitment to a neighborhood. While not directly measuring home equity, the rate of homeownership provides an indication of how many families in a state have the opportunity to build wealth in the form of home equity.

KEY FINDINGS:

- Relative to the rest of Ohio, housing is affordable in Youngstown and Warren:
 - Median home price is 2.3 times the median income in Ohio vs. 1.57 times the median income in Youngstown and 1.76 times the median income in Warren.
- Nearly 57% of individuals who rent in Youngstown have housing costs that exceed 30% of total income.
- The foreclosure rate as of January 2009 had risen to 7.2% in Youngstown and 6.3% in Warren, compared to 3.5% in Ohio.

HOMEOWNERSHIP RATE 2005–2007 AND FORECLOSURE RATES AS OF THE END OF JANUARY 2009

	Youngstown	%	Mahoning	%	Warren	%	Trumbull	%	Ohio	%
Homeownership Rate	47.76		63.40		48.15		66.86		62.56	
Housing Affordability*	1.57		1.95		1.76		1.97		2.32	
Housing Cost Burden > 30% of Income, Renters	6,293	56.9%	13,222	48.1%	3,901	50.4%	9,569	41.9%	601,939	44.6%
Housing Cost Burden > 30% of Income, Owners	3,233	19.1%	14,306	19.8%	2,060	20.1%	11,025	17.0%	669,423	21.2%
% of Loans in Foreclosure, 1/09	7.2%		6.4%		6.3%		5.7%		3.5%	

Source: U.S. Census Bureau, American Community Survey (Homeownership) and NeighborWorks America (Foreclosure).

*Housing Affordability is defined as median housing value divided by median family income.

ASSESSMENT RECOMMENDATIONS:

TRANSFORMING IDEAS & INVESTMENT OPPORTUNITIES

CFED offers the following recommendations for strengthening the financial security and economic opportunities of individuals and families in the Mahoning Valley, particularly the urban core areas of Youngstown and Warren. The recommendations were generated through CFED's analysis of quantitative data, extensive key informant interviews and a capacity and resource scan. Assessment recommendations focus on Youngstown and Warren because these are the areas of greatest income and asset poverty, and the centers of highest unemployment, debt problems, bankruptcy and foreclosures. Youngstown and Warren also have the Mahoning Valley's highest concentrations of low-income African Americans and Latinos, along with single women-headed households.

The recommendations fall into two groups. *Transforming Ideas* are major initiatives that require substantial resources and commitment. CFED proposes two major initiatives in the Financial Security category and two in the category of Employment and Business Development. *Investment Opportunities* are critical actions that build on existing efforts or can be undertaken with relatively modest resources. *Investment Opportunities* reflect all six categories of the *Assets & Opportunity Profile*.

TRANSFORMING IDEA #1

EXPAND FINANCIAL SERVICES FOR THE UNDERBANKED: DEVELOP NON-PREDATORY FINANCIAL PRODUCTS AND SERVICES THAT PROVIDE THE CONVENIENCE AND EASE-OF-USE OF HIGHER COST SERVICES

The data show that most Youngstown and Warren residents do not have difficulty accessing banking services. Many banking institutions exist in the region and several are located in the downtown, lower-income area. The primary population of concern is not the *unbanked*—individuals without a current checking and/or savings account—but the *underbanked*. The underbanked are individuals who use non-bank financial providers fairly routinely despite having a current checking and/or savings account.

According to the Center for Financial Services Innovation, approximately one-third of the U.S. population (108 million individuals in 40 million households) is underbanked. In its June 2008 *Underbanked Consumer Study*, CFSI found that the most common reasons why the underbanked borrow money is to pay utility bills, cover living expenses, purchase a car or pay rent. These are critical financial needs for which some underbanked consumers pay high fees to payday lenders, check cashers and other non-bank credit providers in exchange for easy, quick service. Unfortunately, payday loans often trap people in a cycle of debt that is hard to escape. This is exactly what we heard in interviews with local citizens and financial education providers in the Mahoning Valley.

The evidence suggests the need for a different mix of financial products and strategies for the region's low-to-moderate income consumers. A few possibilities include:

- Small-dollar loans provided by area banks and credit unions. The FDIC and 31 banks are operating a pilot program to illustrate how banks can gainfully offer small-dollar loans (up to \$1,000) as an alternative to high-cost, predatory financial products. All loans incorporate automatic savings features and access to financial education. Early results indicate that safe, sound and affordable small-dollar loans can be profitable. In addition, small-dollar loans provide opportunities for cross-selling other bank products (e.g., auto loans).
- Partnerships between financial institutions and social service providers. In St. Paul, Minnesota, the U.S. Federal Credit Union joined forces with Lutheran Social Services to launch the Eastside Financial Center. Banking and social services are co-located in one lobby, offering customers immediate referrals and easy access to a range of financial products and family supports.
- Affordable "second chance" checking accounts coupled with financial education. These accounts offer a "second chance" to individuals who mismanaged accounts in the past and thereby incurred high finance charges. The most effective financial education programs provide real-life scenarios, offer accommodations for a working person's demanding schedule and are culturally relevant to the target audience. In general, women receive money management classes more favorably than men.
- Enhanced customer service at area banks and credit unions, including expanded evening and weekend hours and a more welcoming attitude among banking personnel. Improved customer service is a vital component of most Bank On programs, municipal initiatives that aim to bring all residents into the financial mainstream. Bank On San Francisco was the first city in the nation to launch a comprehensive initiative starting with low-cost starter accounts for the "unbanked."
- Restrictions on payday lenders, including lower interest charges, mandatory waiting periods and caps on the number of loans a customer can acquire per year. Many cities across the country have enacted customer regulations to protect local residents from predatory practices. Thirteen states explicitly prohibit payday lending.
- Alternative Refund Anticipation Loans (RALs) provided by free income tax preparation sites to low-income individuals and families. RALs are short-term loans secured by taxpayers' expected tax refunds. Instead of waiting to receive their refunds, RAL customers borrow against part or all of the expected tax refunds. RALs provided by for-profit tax preparers are expensive. Commercial tax preparers typically charge hundreds of dollars to file a person's taxes, process a RAL application and furnish the loan. In contrast, free tax preparation sites promote the long-term financial health of low-income taxpayers by coupling Alternative RALs with asset building and financial education.

TRANSFORMING IDEA #2

GROW MICROENTERPRISES INTO SMALL BUSINESSES

While manufacturing remains one of the region's top industrial sectors, especially in Trumbull County, the Mahoning Valley now boasts a more diversified economy with a sizeable number of microenterprises—businesses with five or fewer employees. The microenterprise ownership rates of Mahoning and Trumbull Counties are on par with the state rate of 14% and not far below the national rate of 16.4%. The Youngstown Business Incubator, Regional Chamber of Commerce—which, unlike many Chambers, embraces an entrepreneurship agenda—Mahoning Valley Community Action Partnership (MYCAP) and Mayor Jay Williams are among the forces that have contributed to microenterprise development. The new Innovation Series, sponsored by YSU and the Youngstown Business Incubator, are likely to spur additional business startups.

But the challenge ahead is to grow a portion of these microbusinesses into small businesses, firms of up to 500 employees, and retain them in the region for the long term. Of course, not all microenterprises aspire to grow. Some self-employed or microbusinesses intend to remain very small, often to accommodate the entrepreneur's life style or to supplement family income received from other sources, including wage employment.

The rate of small business ownership in the region is only 7.7% which is half the state rate. This means that the Mahoning Valley has microbusinesses and large businesses, but too few businesses in between. Just as a Youngstown 2010 mapped out a plan to address population loss and blight, Youngstown-Warren needs a plan to fuel small-medium business development. Here are a few strategies and resources being pursued in other regions of the country:

- The Greenstone Group, a 10-year initiative of the Northeast Entrepreneur Fund, is investing in the professional development of high-performing, high-potential entrepreneurs in northeast Minnesota and northwest Wisconsin. The Greenstone Group expects to build the region's economy by targeting support and resources toward 500 entrepreneurs in the region who are committed to growing their businesses. Growth Groups of 6-8 business owners are being teamed with a business coach and a coordinated network of service providers committed to providing the right services at the right time.
- The Entrepreneurial League System (ELS) is an innovative entrepreneurship growth strategy modeled after the professional baseball league system and based on two assumptions: that successful entrepreneurship requires a specified set of skills and that no two entrepreneurs start their businesses at the same level of skill. ELS architects Thomas Lyons and Gregg Lichtenstein believe that structured group support provides the most effective system for helping small business to grow to their fullest potential, be it single A, AA or AAA.

- Increasingly, regions are looking for opportunities to enhance their competitive advantage. Industry clusters, business networks and other forms of inter-firm cooperation are among the strategies generating positive results in cities and states. One of the most exciting ideas percolating in some regions is a campaign to harness the significant economic power of local anchor institutions—local governments, regional hospitals, state universities, etc.—to re-circulate dollars in the region and build wealth. Youngstown is a perfect location for executing this strategy. The local economy could benefit substantially if Youngstown’s anchor institutions were to purchase their supplies from local vendors instead of vendors located outside the region. If needed products are not currently available in the region, economic developers might encourage an existing business to expand their product line to meet this demand. Alternatively, developers might pass along this market intelligence to a promising entrepreneur. If a campaign to harness the economic power of Mahoning Valley’s anchor institutions sounds like a good idea, consider involving enterprising YSU business students in researching and designing the campaign.
- Financial capital to start new ventures usually comes from an entrepreneur’s personal savings plus investments from family, friends and associates. Additional capital may come from risk capital investors (“angels”) and the venture community: private venture capital funds, SBA’s Small Business Investment Companies, funds operated by some Community Development Financial Institutions (CDFIs) and state capitalized venture funds. Several organizations provide research, training and networking to help local and state development entities access and grow capital for investment in new and small enterprises. Three such institutions are the National Association of Seed and Venture Funds (NASVF), the Angel Capital Association and Angelsoft.net.

TRANSFORMING IDEA #3

TARGET WORKFORCE AND EDUCATION RESOURCES TO TOP INDUSTRIES WITH DECENT WAGES

Integral to business growth is a strong educational system and targeted workforce development. Yet the Valley’s urban core has struggled to build both of these structures. Statistics on educational attainment and reading and math proficiency tell a discouraging story, especially about African Americans and Latinos. Youngtown-Warren does not have the workforce demographics favored by many industries. This is a disincentive for companies that might otherwise be attracted to the region.

But the tides are shifting. Youngstown State University’s new Williamson College of Business, strategically situated between downtown and the university campus, may encourage more Youngstown youth to look to YSU for their future. Most promising is the new Eastern Gateway Community College and training programs geared to health care, an expanding sector that provides good paying jobs. This new regionalized community college is putting resources where they will be most productively used—in programs, not buildings.

EGCC will serve three target populations:

- Local youth who are not yet college-ready.
- Working-age people who need new skills, connections to area employers and living-wage jobs.
- Older people who have lost their jobs and need retraining for new part-time or full-time employment because they are not yet able to retire.

According to The Aspen Institute's Workforce Strategies Initiative (WSI), community-based organizations that are working to improve opportunities and outcomes for low-income individuals increasingly are partnering with local community colleges to open pathways to post-secondary training and education, as well as to quality jobs. WSI's *Courses to Employment* project is a three-year demonstration (2008-2010) designed to illuminate the role these partnerships can play in addressing the special supports low-income adults need while they work and learn, and subsequently make employment advances. Funded by the Charles Stewart Mott Foundation, the *Courses to Employment* demonstration involves six partnerships working to help low-income adults achieve greater success in higher education and, ultimately, the workforce. The demonstration is designed to support, strengthen and evaluate their efforts. In particular, the demonstration seeks to learn more about effective models of collaboration, program features, costs and outcomes for the students.

Another positive development for the Mahoning Valley is 53% growth in the transportation and warehousing industry thanks to the region's transportation infrastructure and proximity to metropolitan areas. As the Regional Chamber of Commerce boasts, Youngstown-Warren is well positioned to provide overnight ground access to both New York and Chicago markets. Equally important is the fact that jobs in the transportation and warehousing industry, along with health care, pay a decent wage relative to other industries such as food services and recreation. The region's business and workforce development leaders should consider how resources can be more effectively deployed to stimulate increased growth in these promising sectors.

TRANSFORMING IDEA #4

LAUNCH A CHILDREN'S DEVELOPMENT ACCOUNTS (CDA) PILOT PROJECT: ESTABLISH CDAs FOR A TARGETED POPULATION OF URBAN YOUTH

What if every child in America grew up knowing that she or he had a nest egg to attend college, buy a home or start a business? Children's Development Accounts (CDAs), also known as Children's Savings Accounts, are an innovative policy proposal to do just that. CDAs are universal, long-term asset-building accounts established for children as early as birth and allowed to grow over their lifetime. In their ideal form, accounts are seeded with an initial deposit of \$500 to \$1,000, and built by contributions from family, friends and the children themselves. In addition, accounts are augmented by savings matches and other incentives. Savings in CDAs are usually restricted to financing higher education, starting a small business, buying a home or funding retirement. The programs also couple financial education with savings.

A growing body of research is demonstrating the effectiveness and powerful potential of CDAs:

- Low-income children and their families can and do save in CDAs. Given the appropriate financial incentives, access, and support, families of all income levels can save for the future.
- CDAs help low-income parents and children to see college attendance as an attainable goal, which in turn can improve students' K–12 academic performance and broaden the pool of low-income students who are college-ready by age 18.
- CDAs are a potential vehicle to promote beneficial social development and address a number of contemporary public policy challenges, including increasing savings and financial education and providing a foundation for long term asset-building and investment. The accounts are a long-term investment in children's futures with the potential for impressive financial and social returns.

CDAs are becoming a reality in many places in the United States and beyond:

- An early demonstration of CDAs in the United States—the Savings for Education, Entrepreneurship and Down payment (SEED) Initiative, directed by CFED—has already successfully established more than 1,400 children's savings accounts. SEED is a 10-year national policy, practice and research endeavor to develop, test, inform and promote matched savings accounts and financial education for children and youth.
- CDA policy proposals have been introduced at the federal level and in many states.
- In addition, a growing number of cities are launching or considering children's savings initiatives.

In the Mahoning Valley, the combination of high asset poverty, high income poverty (especially among African Americans and Latinos) and a large achievement gap suggests the need for a program such as CDAs in the urban core. A prudent strategy would be to begin with a pilot CDA project (focused on a targeted population) and scale up over time. Decisions about how to target and structure a CDA initiative will depend upon what the region wishes to accomplish and its priorities for investment. For instance:

- If the goal is to increase college attendance and attainment among urban youth, the CDA program should target Youngstown and Warren middle and/or high school students.
- If the goal is to invest in an especially underserved or at-risk population, the CDA program could focus on foster youth, children living in a particularly distressed neighborhood or students attending a particular school.
- If the goal is to instill a savings habit in low-income children and their parents, the CDA program should target children at as early an age as possible.

No matter how the program is targeted, accountholders and their parents should participate in age-appropriate financial education. It is the combination of *learning* about money and actually *saving* money over time that makes CDAs such a powerful asset-building and educational tool.

INVESTMENT OPPORTUNITIES

EXPAND AND STRENGTHEN THE FINANCIAL STABILITY PARTNERSHIP; BROADEN THE EITC CAMPAIGN TO INCREASE PARTICIPATION; MAXIMIZE RESOURCES FOR INDIVIDUAL DEVELOPMENT ACCOUNTS (IDAs)

The Mahoning County FSP was launched in August 2008 to help low- to moderate-income individuals and families achieve economic self-sufficiency, save for emergencies and plan for their economic future. In less than one year, this partnership of more than 30 area organizations and agencies has made progress in expanding and marketing services in the areas of financial literacy, employment assistance, money saving strategies, free income tax preparation and Earned Income Tax Credit (EITC) filing. Given rising concerns about predatory lending and residential housing foreclosures, the FSP has also assumed a public policy advocacy role on these issues.

The local EITC campaigns deserve tremendous credit for the recent swell in EITC participation. As stated earlier in this report, the number of EITC returns filed in 2008 increased by over 45% in Youngstown and 40% in Warren. This uptick is also attributable to the federal stimulus check made available to households that filed a 2007 tax return.

But now is the time to reach higher. A myriad of financial education, credit/debt counseling and savings programs are housed in organizations and agencies scattered across the two counties. There is insufficient coordination among the many groups and the economic self-sufficiency message isn't getting out to the people who most need it. Conversations with low-to moderate-income individuals in the region indicate that most people don't know about free income tax preparation at VITA (Volunteers in Tax Assistance) and AARP Tax-Aide sites, or they find out too late into the tax filing season when they have already spent \$300 for private, sometimes predatory tax services. Even fewer low-income, self-employed individuals know that some tax sites help entrepreneurs to file Schedule Cs, and many low-income entrepreneurs qualify for the EITC (e.g., home-based child care providers). There is a real need for enhanced outreach and assistance to maintain and increase the number of low-income individuals filing for and receiving the EITC.

A different problem is hampering Individual Development Account (IDA) programs operated by various organizations and agencies across the region. IDAs are matched savings accounts that enable low-income families to save, build assets and enter the financial mainstream. IDAs reward the monthly savings of working-poor families who are building towards purchasing an asset—most commonly buying their first home, paying for post-secondary education or starting a small business. The match incentive—similar to an employer match for 401(k) contributions—is provided through a variety of government and private sector sources. Organizations that operate IDA programs usually couple the match incentive with financial education, training to purchase their asset and case management. The predicament facing Mahoning Valley IDAs is that few organizations have acquired sufficient matching funds to operate their programs successfully. Without adequate matching funds, low-income families cannot build enough savings to purchase a home, finance post-secondary education or start a business.

Community leaders can address these issues by:

- Extending the Financial Stability Partnership beyond Mahoning County, at least into neighboring Trumbull County, and adopting a more ambitious agenda.
- Conducting a survey, perhaps with YSU students, to locate all relevant financial stability programs operating in the region and identify opportunities for more efficient service delivery and marketing. Perhaps the region should have fewer, but better financed, IDA programs with expanded uses (e.g., for car purchase or repair since public transportation is lacking, especially in Trumbull County). This is clearly an area for greater coordinate and, perhaps, consolidation of services among providers.
- Creatively promoting financial education, credit/debt counseling and free tax preparation services through public libraries, churches, grocery stores and other frequented and trusted places. Such locations are also good sites for service delivery.
- Encouraging VITA, Tax Aide, Benefit Bank and other programs to provide free tax preparation services for low-income self-employed businesses. (CFED's Self-Employment Tax Initiative can help.)
- Volunteer recruitment and retention is a challenge for many free tax preparation sites, including those operating in the Mahoning Valley. A few strategies for successfully recruiting and retaining tax prep volunteers include:
 - Partnering with local colleges and universities, especially business, economics and law (tax law) programs. Students may be required to volunteer a set number of hours as part of their grade for the class or may receive extra credit for volunteer hours.
 - Partnering with local companies or a sports team that might offer give-aways and other incentives to volunteers.
 - Marketing volunteer opportunities via radio, newspaper and/or TV.
 - For retention: hosting celebratory occasions such as happy hours and end of year acknowledgments.
- Restarting a dialogue between Mahoning and Trumbull County United Ways toward greater collaboration or a merger. Ten years ago, Delphi employed 13,000 workers who generated approximately \$1.5 million dollars in donations to United Way. In recent years, a down-sized Delphi produced about \$125,000 in contributions. Can the region's decreased population and struggling economy really support two United Ways? Might one regional United Way better serve the citizens of Mahoning Valley? However, impediments that might arise from merging the two United Way agencies should not be barriers to expanding the work of the Financial Stability Partnership.

DETERMINE IF/HOW ASSISTANCE PROGRAMS ARE ADEQUATELY SERVING LATINO FAMILIES

The Mahoning Valley is increasing home to Latino families. In Youngstown, the Latino population is now 6.8%, up from 5.2% in 2000, and considerably higher than the statewide population of 2.4%. More than half of the city's Latino families live in poverty, but most parents are working hard to make a better life for their children. Local leaders can help families to achieve this goal by listening to and supporting the region's Latino organizations, such as Latinas United Networking Association. At present, LUNA is a small organization with a very targeted focus on Latin women and youth. If provided additional resources, LUNA and/or other organizations could better represent the Latino community and help to ensure that area programs are adequately serving Latino families.

Community leaders can also advance economic opportunity among Latinos by assuring that all program materials (print and electronic) are available in Spanish, and that all leadership and networking programs (e.g., Leadership Mahoning, Mahoning Valley 40 under 40) actively welcome Hispanic professionals.

CONSIDER EXTENDING THE MAHONING VALLEY URBAN HOMEOWNERSHIP INCENTIVE PROGRAM

In 2007, the Wean Foundation created the Mahoning Valley Urban Homeownership Incentive Program to encourage reinvestment in urban neighborhood homes. The program earmarked \$500,000 for Youngstown home-buying efforts, given the city's greatest need, and \$75,000 for Warren. Catholic Charities (serving as fiscal agent), the Buy Into Youngstown Program of Youngstown State University and the Warren Community Development Agency served as program collaborators. Grants for down payments and property repairs were not expected to continue into 2010, but the Urban Homeownership Incentive Program deserves a few more years of support. After all, "Rebuilding Youngstown and Warren one household at a time" cannot happen overnight.

KEEP SOME ATTENTION ON RENTERS WHO ARE INCURRING A HUGE HOUSING COST BURDEN

More than half of Youngstown tenants are "housing cost burden renters," individuals who spend more than 30% of their total income on rent. The elderly on fixed incomes are particularly vulnerable, but high rent-to-income ratios affect all family types on the lower (particularly minimum wage) income scale. When the housing cost burden is particularly high, families forgo education, healthcare, transportation and even food to cover monthly payments. Such families are one unexpected bill away from homelessness and the associated impacts on job performance and school attendance. Unfortunately, we are already seeing this pattern of behavior in the Mahoning Valley's urban core.

While working hard to increasing homeownership, the region's leader should create and preserve affordable, safe rental housing. Here are some promising affordable rental housing strategies underway in other regions of the country:

- The Alamo Area Mutual Housing Association in San Antonio manages a number of innovative programs to help residents, including a resident assistance fund from which residents may borrow if they need rental assistance.
- Community Builders, headquartered in Boston, developed an Early Intervention/Watch List Protocol to identify renters who are exhibiting a pattern that could result in eviction, and then working with them to identify solutions.
- Cook County, Illinois has a tenant alliance that provides outreach, education and support. Also, owners of rental housing get a break on property taxes when they make needed repairs and keep their rents low.
- Missouri and Illinois offer a “donations tax credit” that helps nonprofit buyers keep rental properties affordable.
- California, Texas and many other places have “early warning” laws that require owners to notify renters before they “opt out” of a federal subsidy program.
- Some regions are experimenting with lease-to-own housing. This idea came up in an interview with a Youngstown area banker.
- Legislation that would protect renters who live in homes at risk of foreclosure recently passed the U.S. House and Senate. The bills provide for a 90-day eviction notice coupled with a right to remain in the home through the end of the lease, unless the new owner will occupy. In this case the 90-day notice rule would apply. Given the high foreclosure rates in Youngstown and Warren (7.2% and 6.3% respectively as of January 2009), some area renters are undoubtedly in this situation.

MAINTAIN STRONG SUPPORT FOR THE MAHONING VALLEY ORGANIZING COLLABORATIVE AND NEIGHBORHOOD EMPOWERMENT PROGRAMS

Faced with a declining regional economy, housing foreclosures, job losses and continued disinvestment in urban neighborhoods, the Mahoning Valley Organizing Collaborative (MVOC) keeps to its mission: to identify and develop leaders, organize neighborhoods and build capacity to achieve healthy communities. In just one year, the 60 grassroots groups comprising the Collaborative have taken on major challenges and earned respect from a variety of voices across the region. Low-income citizens talk about how MVOC teaches residents the skills to reclaim their neighborhoods. The Regional Chamber of Commerce talks about how MVOC is putting together a neighborhood revitalization strategy that promises to be a model for the nation. Local newspapers talk about how MVOC is spearheading efforts to clean up urban neighborhoods and address vacant and blighted properties. Even Ohio Lieutenant Governor Lee Fisher talks about how “change will come from the people in the neighborhoods, in the communities.” This solid neighborhood-focused work should carry on.

CONTINUE THE GOOD WORK OF MAHONING VALLEY COVERING KIDS AND FAMILIES COALITION

The Mahoning Valley Covering Kids and Families Coalition provides local support to Ohio’s State Children’s Health Insurance Program (SCHIP) to reduce the number of uninsured children in the region. The Coalitions efforts appear to be paying off. According to recent reports from the Ohio

Family Health 2008–09 Survey, the number of uninsured children dropped in Mahoning County during the past four years from 2,607 to 1,133. The numbers of uninsured children are even lower in Trumbull and Columbiana Counties.

But the Coalition faces an uphill battle. Tough economic times are causing many Mahoning Valley residents to lose their jobs or take lower paying jobs, often resulting in little or no family health coverage. Service organizations such as Catholic Charities, Family Service Agency and the Salvation Army witness these events on a daily basis. Until the regional economy improves, the Mahoning Valley Covering Kids and Families Coalition should keep up its good work.

MOVE FORWARD WITH THE YOUNGSTOWN NEIGHBORHOOD DEVELOPMENT CORPORATION; CONSIDER STRUCTURING IT TO BE CERTIFIED AS A COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION

The Youngstown Neighborhood Development Corporation (YNDC) is being developed to lead strategic neighborhood development and revitalization efforts in targeted regions across the city. As such, YNDC will play a critical role in realizing and implementing the Youngstown 2010 Vision. According to the Mahoning Valley Organizing Collaborative, Youngstown has had limited community development capacity over the years and currently there is no functioning CDC that is able to work comprehensively on a targeted citywide scale.

Youngstown residents are eager for YNDC to get going. Residents talk about the slow demise of their neighborhoods—the number of vacant or unmaintained houses on their block, news about foreclosed properties and blight around the corner that discourages neighbors from keeping their homes in decent shape. There is support for starting revitalization efforts in the city’s transitional neighborhoods, where recovery is most likely to take hold.

Like other Community Development Corporations, the YNDC will be a not-for-profit organization incorporated to provide community improvement and economic development programs and services in a defined geographic region. Many CDCs are established as community development financial institutions (CDFIs) to bring capital to struggling areas, both urban and rural, that are underserved by traditional financial institutions. If this is the case in Youngstown, perhaps the YNDC should be established as a CDFI and should pursue certification from the US Department of Treasury CDFI Fund. Certification is a requirement for accessing funding and tax credits through the CDFI Program and the New Market Tax Credit Program, two programs that are favored by the Obama Administration. The President’s 2010 budget calls for \$113.6 million for the CDFI Program, a 90% increase over previous years. The budget also requests \$80 million for the Capital Magnet Fund, a newly authorized program to increase capital investment for the development, preservation, rehabilitation or purchase of affordable housing for low-income families.

INCREASE INVESTMENT IN YOUTH ORGANIZATIONS

Everyone is worried about the kids. “The youth of Youngstown and Warren are lost and discouraged; most old teachers don’t care about them; most young teachers are clueless about being African American, Latino and poor. Many of the neighborhood break-in’s can be attributed to 13-year-olds with nothing to do.” While statements such as these may be exaggerations, they say a great deal about the community’s overwhelming concern about their children. As one person put it, “We have to give hope back to the people. Let’s start with the kids.”

The urban core needs more after-school, weekend and summer youth programs at schools and churches. It needs more organizations like Flying HIGH, a local organization devoted to developing the potential of at-risk and disadvantaged young people. And it needs a new “lens” such as that provided by *Bridges Out of Poverty* and *Getting Ahead in a Getting’-By-World*. An impressive number and diversity of Mahoning Valley program leaders understand the power behind these programs and are eager to put them to wider use. (*Bridges Out of Poverty* and *Getting Ahead in a Getting’-By-World* are educational materials that describe the “hidden rules” of the middle class which prevent individuals in poverty from succeeding. Participants use the materials to examine their own lives and create new future stories.)

DON’T FORGET THE POOREST OF THE POOR

The economic downturn hurts everyone, but some people are affected more than others. Local agencies serving the poorest of the poor—Beatitude House, Rescue Mission, Salvation Army and others—talk about programs operating at maximum capacity, waiting list for women and children, mothers diluting milk to extend it, seniors cutting their medications in half and the mentally ill skipping treatments entirely. Service providers talk about the “\$3 people,” people who are just a few dollars above the limit for receiving public assistance. Clearly, federal and state funding programs are insufficient.

Maybe the Mahoning Valley can do more to help the people at the bottom. One idea is to engage the region’s foundations in more targeted funding for programs serving the poorest of the poor. The Mahoning Valley Grantmakers (MVG) is a network of more than a dozen private and community foundations. It was created to facilitate communications across the region’s philanthropy community. What if MVG members agreed to set aside a specified percentage of their funds for this purpose?

IN CONCLUSION

Everyone knows that the Mahoning Valley, along with many industrial urban areas, continues to face economic challenges. Yet the region has tremendous energy and opportunities arising from its people, many born and raised in the Valley, and its institutions. With a deliberate focus on advancing collaboration, eliminating unnecessary duplication of services and leveraging capacity among existing and potentially new institutions, the region *can* make great strides in strengthening financial security, building wealth and expanding opportunity for the Valley’s citizens. The actionable information contained in this report is a solid step in that very important direction.

APPENDICES

- I. CWBAC Member List
- II. Data Source Table
- III. List of Interviewees
- IV. Interview Protocols

APPENDIX I CWBAC MEMBER LIST

David E. Arnold
President/ CEO
Family Service Agency
Youngstown, OH

Andy Barkley
Councilman, Third Ward
City of Warren
Warren, OH

Mike Broderick
CEO
Turning Technologies, LLC
Youngstown, OH

James B. Callen
Attorney
Northeast Ohio Legal Services
Youngstown, OH

Ron Chordas
Executive Director
YSU Center for Urban & Regional Studies
Youngstown, OH

Jennie H. Dennison-Budak
Executive Director
Interfaith Home Maintenance Service, Inc
Youngstown, OH

June Johnson
Homes Savings Charitable Foundation
Youngstown, OH

Marilyn Montes
Community Action Agency of Columbiana
County
Lisbon, OH

Marnette Nelson
Youngstown Metropolitan Housing Authority
Youngstown, OH

Joel Ratner
President
The Raymond John Wean Foundation
Warren, OH

Jennifer Roller
Program Officer
The Raymond John Wean Foundation
Warren, OH

Richard A. Roller
Mahoning-Youngstown Community Action
Partnership
Youngstown, OH

DeShawn Scott
Flying High, Inc
Warren, OH

Carlton Sears
Executive Director
The Public Library of Youngstown and Mahoning
County
Youngstown, OH

Mary June Tartan
Youngtown, OH

Tammy L. Thomas
Community Organizer
Mahoning Valley Organizing Collaborative
Youngstown, OH

Nancy Voitius
Executive Director
Catholic Charities, Regional Agency
Youngstown, OH

APPENDIX II DATA SOURCE TABLE

Index	Measures	Youngstown	Mahoning	Warren	Trumbull	Ohio	Source	Data Used
1	Community and Population Demographics	Population	X	X	X	X	American Community Survey	2005-2007
2		Population Change/Growth	X	X	X	X	U.S. Census Bureau, Census 2000	2000
3		Age Profile	X	X	X	X	American Community Survey	2005-2007
4		Race Profile	X	X	X	X	ACS; U.S. Census Bureau, Census 2000	2005-2007; 2000
5		Language Profile	-	X	-	X	American Community Survey	2005-2007
6		Native-Born Population	X	X	X	X	American Community Survey	2005-2007
7	Financial Security and Access to Services	Median Household Income	X	X	X	X	ACS; U.S. Census Bureau, Census 2000	2005-2007; 2000
8		Income Equality	X	X	X	X	ACS; U.S. Census Bureau, Census 2000	2005-2007; 2000
9		Income Poverty Rate	-	X	-	X	Census, Small Area Income and Poverty Estimates	2007; 2000
10		Asset Poverty Rate	X	X	X	X	Beacon Economics (Survey of Income and Program Participation, American Community Survey)	2005-2007
11		EITC Returns Per Capita	X	X	X	X	IRS data through Brookings	2005
12		EITC Refund Amount Per Return	X	X	X	X	IRS data through Brookings	2005
13		Payday Lenders Per Capita	-	X	-	X	Policy Matters Ohio, Continued Growth of Payday Lending in Ohio	2007
14		Number of non-bank payday lenders	X	-	X	-	Pew Safe Banking Opportunities Initiative	
15		Bankruptcy Rate	X	-	-	-	U.S. Bankruptcy Court – Northern District of Ohio	
16								
17		Number of Unbanked Households	X	-	X	-	Pew Safe Banking Opportunities Initiative	2006
18		Percentage Unbanked	X	-	X	-	Pew Safe Banking Opportunities Initiative	2006
19		Number of Banks and Credit Unions	X	-	X	-	Pew Safe Banking Opportunities Initiative	2006
20		Number of Alternative Financial Service Providers	X	-	X	-	Pew Safe Banking Opportunities Initiative	2006
21		Share of All Neighborhoods Containing a Financial Services Branch	X	-	X	-	Pew Safe Banking Opportunities Initiative	2006
22	Share of Low Income Neighborhoods Containing a Financial Services Branch	X	-	X	-	Pew Safe Banking Opportunities Initiative	2006	
23	Credit Score	X	-	X	-	Experian National Score Index	2009	
24	Employment and Business Development	Employment Rate	X	X	X	X	BLS, LAUS	2008
25		Unemployment Rate	X	X	X	X	BLS, LAUS	2008
26		Employment by Private Industry Sector (top 5)	-	X	-	X	Ohio Department of Labor	2008
27		Employment Growth by Private Industry Sector (top 5)	-	X	-	X	Ohio Department of Labor	1996-2007
28		Average Wage by Industry	-	X	-	X	Ohio Department of Labor	2007
29		Self Sufficiency Wage	-	X	-	X	The Self-Sufficiency Standard for Ohio 2008, Diana Pearce	2008
30		Small Business Ownership	X	-	X	-	U.S. Census Bureau	2005
31		Microenterprise Ownership	-	X	-	X	Association for Enterprise Opportunity	2005
32	Homeownership	Homeownership Rate	X	X	X	X	American Community Survey	2005-2007
33		Housing Affordability	X	X	X	X	American Community Survey	2005-2007
34		Housing Cost Burden - Renters	X	X	X	X	American Community Survey	2005-2007
35		Housing Cost Burden - Owners	X	X	X	X	American Community Survey	2005-2007
36		Foreclosure Rate	X	X	X	X	Policy Matters Ohio; NeighborWorks	2007-2008
37	Education	High School Completion	-	-	-	X	National Center for Higher Education Management Statistics	2005-2006
38		High School Attainment	X	X	X	X	ACS; U.S. Census Bureau, Census 2000	2005-2007
39		College Degrees	X	X	X	X	ACS; U.S. Census Bureau, Census 2000	2005-2007
40		Advanced Degrees	X	X	X	X	ACS; U.S. Census Bureau, Census 2000	2005-2007
41		Reading Proficiency	X	-	X	-	OH Dept of Ed/Data Source	2007-2008
42		Math Proficiency	X	-	X	-	OH Dept of Ed/Data Source	2007-2008
43	Health Insurance	Uninsured Rate	-	-	-	X	Ohio Family Health Survey	2008
44		Uninsured Children	-	X	-	X	Ohio Family Health Survey	2008
45		Uninsured Parents	-	X	-	X	Ohio Family Health Survey	2008
46		Employer-Provided Health Insurance	-	X	-	X	Ohio Family Health Survey	2008

APPENDIX III

LIST OF INTERVIEWEES

AARP (local chapter)
Agape Assembly Church
Alliance Community Outreach Program (ACOP)
Ashtabula County Educational Service Center
Beatitude House
Bridges Out of Poverty, Youngstown State University
Burdman Group, Inc.
Buy Into Youngstown
Catholic Charities
Center for Urban and Regional Studies at the Ohio State University
Regional Chamber of Commerce
Character Education Academy
Choffin Career & Technical Center
City of Youngstown
Community Legal Aid
Financial Stability Partnership
Flying High, Inc.
Help Hotline Crisis Center, Inc.
Holy Trinity Missionary Baptist Church
Huntington National Bank
Interdenominational Ministerial Alliance for Youngstown and Vicinity
Interfaith Home Maintenance
Jefferson Community and Technical College
Junior Achievement of Mahoning Valley, Inc.
Latinas United Networking Association, Inc.
Mahoning County MRDD
Mahoning County Training Association (MCTA)
Mahoning Valley Organizing Collaborative (MVOC)
Mahoning Valley Saves
Mahoning Youngstown Community Action Partnership (MYCAP)
Mature Services, Inc.
Neighborhood SUCCESS SMC
New Birth Community/ Center for Community Empowerment
New Jerusalem Fellowship
Northeast Ohio Legal Services
One Stop Ohio- Columbia County
One Stop Ohio- Mahoning County
One Stop Ohio- Trumbull County
Project Gridiron, Inc.

Mahoning County Public Library
State Convention of Baptist in Ohio
The Center for Community Solutions
The Center for Community Empowerment
The Community Foundation of the Mahoning Valley
The Department of Jobs and Family Services, Mahoning County
The Home Saving Charitable Foundation
The Home Savings and Loan Company
The Rescue Mission of Mahoning Valley
The Salvation Army
Trumbull 100
Trumbull County Career & Technical Center
Trumbull County Interdenominational Ministerial Alliance
Trumbull Metropolitan Housing Authority
Turning Technology, LLC
UAW Local 1112
Union Baptist Church
United Way of Trumbull
United Way of Youngstown and the Mahoning Valley
Warren Community Credit Union
Warren Joint Apprenticeship and Training
Warriors, Inc.
Youngstown City Schools
Youngstown Early College
Youngstown Foundation
Youngstown Neighborhood Developments Corp
Youngstown State University
Youngstown Business Incubator

APPENDIX IV

Individual/Small Group Interview Protocol: Questions for Youngstown and Warren Community Leaders

Introduction

CFED is a national non-profit that works to expand economic opportunity. For 30 years, CFED has been promoting asset ownership—financially empowering low-income communities to build positive net worth that allows them to plan and work for the future. We do that by helping people start businesses, purchase homes, further their education, and build savings.

CFED was invited by the Raymond John Wean Foundation to conduct some in-depth research about financial security issues and opportunities in Youngstown, Warren and the Mahoning Valley. Our findings will advise the Foundation and its partners in making investments in support of a comprehensive, community-wide initiative that expands financial empowerment through asset-building.

We are conducting interviews with a broad cross-section of members of the community – leaders from key public and private institutions and businesses as well as business leaders, residents and youth. A number of individuals have suggested that you are an ideal candidate to interview and help us to get a better sense of how things are going in and around Youngstown/Warren.

Thank you for taking time to talk with us today. Your knowledge and perspective about the community, its resources and challenges will be very helpful to us. We will be taking detailed notes of our conversation to ensure accuracy, however, we will treat our conversation as confidential, meaning that our report will not attribute any information or comments you share with us specifically to you in any reports -- unless we seek explicit permission to do so.

Do you have any questions for us before we begin?

Preliminary Questions:

1. How long have you lived in the community?
2. What is your work?
3. How are you involved in the community (e.g. church, civic organizations, local government, planning boards)?

Questions:

1. How would you describe the current economy of the Youngstown (Warren) region?
2. Which segments of the population are most vulnerable in the current economy and why?

3. From your perspective, what are the most pressing community needs that you see in Youngstown (Warren) and the Mahoning Valley, especially in terms of financial stability and security?
4. How difficult is it for Youngstown (Warren) and the Mahoning Valley residents to earn enough money to save and build assets?
 - a. What are the major threats to achieving financial stability? (prompt: low pay, unemployment, lack of health insurance, housing costs, foreclosures, predatory lending, child care, lack of banking/financial services)
5. What have been the most significant efforts to help move Youngstown (Warren) residents out of poverty?
 - a. What's the most exciting or effective work going on now (or in the past) that you know about?
 - b. Why was it so effective in your opinion?
6. What lessons can the Raymond John Wean Foundation and its partners learn from this about what works (or what doesn't work) in Youngstown (Warren)?
7. Which organizations do you consider integral partners to the success of a long-term asset-building initiative in Youngstown? Are there organizations or constituencies that have been left out (intentionally or not) of previous efforts that should be tapped from the start?
8. Thinking about a long-term initiative focused on wealth creation and protection in Youngstown, what kind of information/data would you want to see over time to assess whether or not the initiative was having an impact?

**Consumer Focus Group Interview Protocol:
Group Discussion Guide for Youngstown and Warren Community Members:**

Introduction

CFED is a national non-profit that works to expand economic opportunity. For 30 years, CFED has been promoting asset ownership—financially empowering low-income communities to build positive net worth that allows them to plan and work for the future. We do that by helping people start businesses, purchase homes, further their education, and build savings.

CFED was invited by the Raymond John Wean Foundation to conduct some in-depth research about financial security issues and opportunities in Youngstown, Warren and the Mahoning Valley. Our findings will advise the Foundation and its partners in making investments in support of a comprehensive, community-wide initiative that expands financial empowerment through asset-building.

We are conducting interviews and group discussions with a broad cross-section of members of the community – leaders from key public and private institutions and businesses as well as business leaders, residents and youth.

Thank you for taking time to talk with us today. Your knowledge and perspective about the services, resources and challenges for families in the community will be very helpful to us. We will be taking detailed notes of our conversation to ensure accuracy, however, we will treat our conversation as confidential, meaning that our report will not attribute any information or comments you share with us specifically to you in any reports we produce.

Focus Group Guide

Welcome

Welcome and thank you for coming. My name is _____. We are here tonight to talk about financial matters and financial services in your neighborhood. We will spend the next hour talking about these topics. The information we collect talking to you and in other groups like this in Youngstown/Warren will be used to help the Raymond John Wean Foundation and many community partners develop programs and policies for the Mahoning Valley.

1. Focus group procedures. We have a series of questions around the availability of financial services, your decision making around money, savings and financial challenges. We want you to share your opinions and feelings here so we can understand how better to encourage family financial stability.
2. Ground Rules:
 - a. This focus group will be captured through detailed note-taking. The notes will only be used by CFED for this study.
 - b. Several people are here to observe/assist with note taking.
 - c. Participation—we value everyone’s opinion and want to encourage everyone to participate. There are NO wrong answers; so don’t be afraid to contribute even if your ideas are different from everyone else’s.
 - d. Financial questions—We will be discussing finances which can be a sensitive topic. If you don’t want to discuss a particular topic, you don’t have to. I may ask individual participants to add to their answers or speak at different times to encourage participation. But if you don’t feel comfortable, just let me know that you don’t have anything to add.
 - e. Speak up—please speak loudly enough for everyone to hear.
 - f. Take turns—please take turns speaking and let people finish their statements. Raise your hand if necessary.
 - g. Confidentiality—again, all responses will be confidential. Please respect everyone’s confidentiality by not talking about what we discuss tonight.

Introductions

Participants introduce themselves by first name and how long they have lived in the neighborhood, their main occupation and one thing they like to do in their free time.

Financial Service Availability

Everyone here was invited to participate because you live in Youngstown or Warren.

1. First, we want to talk about how available financial services are in your community. Are there enough banks/too many? Enough check cashers/too many? Other places to save or borrow money? What are they and how available?
2. What financial services do you use regularly? How many people use a bank or a credit union account as their main way to pay bills, get paid, etc? (Raise hands). How many use check cashers mainly? Both?
3. What kinds of transactions do you compete in the bank branch? Does anyone bank online? Pay bills online? Why or why not? How often do you check you balance?
4. Are banks open when you need them? Are they convenient?
5. Do you know about credit unions? (how you can join; why would you might want to) Do other people in your community use credit unions? How do they rate in terms of convenience, service, comfort and physical environment?
6. What the most important factors keeping people from using banks? (ignore if answered above) PROBE off the books income, court ordered payments, other financial/legal/tax issues; don't like banks or other issues above
7. What do you like about your bank/credit union? Dislike? Like/dislike about check cashers? What is the main factor that encouraged you to open a bank account?
8. What kinds of financial services could help make you better off? What do you wish you could get access to? PROBE for low fees, basic banking, low cost mortgage programs, alternative loan programs, financial planning, small business loans, etc; Should services be available physically in the community or would people rather go to banks where they work or other places in the city?

Loans/ Credit

1. Where would you go to if you needed to borrow money? PROBE for family, friends, financial institutions, business leaders in the community, loan sharks, retail stores, and internet transactions. Do people go to different places if they need emergency money versus less immediate loans?
2. How many people in the room have major credit cards (Visa, Mastercard, Amex, etc.)? What do people use credit cards for? Are credit cards good or bad for you?
3. Do you feel that you know enough about how to use credit wisely and credit scores? How they work, what makes up a credit score?

Savings

1. If you won \$1,000, what would you do with it? PROBE for paying bills, saving, buying something.
2. What are some goals that you would want to save for? PROBE a house, car, children's education, vacation, special event like a wedding or sweet sixteen, holiday presents, emergency/rainy day
3. What would help you save? What getting in the way of savings?
4. What kinds of things that a community group or your employer or the city do could make saving easier?
5. PROBE savings match, make it automatic, making a monthly budget, spending less on lotto.
6. (Optional) Do you think people's lives are different if they have savings? PROBE for reduced levels of stress, helping friends and family, think about the future, give children a better life

Taxes

1. Do most people you know file taxes each year? Why or why not?
2. Have you ever heard of the Earned Income Tax Credit (EITC)? Filed for it? Where did you learn about it? (Probe tax preparer, friend, CBO, posters) Have you ever seen ads for the EITC on the street? (bring ad to show) Is it clear what this message is? Would you do anything if you saw this on the subway?
3. Have you ever used a RAL/rapid refund loan?
4. What would help you save some of this year's tax refund? Probe match, reward, putting in an account where I couldn't touch it

Financial Challenges

1. What would you do if you couldn't pay your bills/debts? PROBE for ignoring them, borrowing to pay, moving debt from credit card to credit card, taking second jobs, pawning things.
2. If you know people who have gotten into financial trouble, what kind of trouble did they get into and what led to their troubles? PROBE for predatory lending practices, credit card spending, short term loans.

3. What do you think are some of the biggest obstacles to financial success? PROBE for friends, family, dead end jobs, court ordered payments, education, debt, income limit on government programs.

Financial Decision Making

1. Where would you go for information to help you make decisions about money? PROBE for family, friends, organizations (religious, nonprofits), banks/credit unions, financial planners, other.
2. Who are trustworthy or reliable sources for information on finance? Why? Government, community organizations, friends, family members, TV shows, etc.
3. Who has taken a financial education class? Where, on what topics? Did you find it to be helpful, why? What were the lessons you took away from the class? What could the organization have done to improve the class? Is there another way to learn the information/skills that would work better for you? If no, why not? (not available, don't have time, etc.)

Closing & Thank You

Closing Comments. We talked about a number of things that might be helpful to your financial situation.

Is there anything that would be helpful that we didn't discuss?

Is there any part of the conversation that you felt was especially important or surprising?

Youth Focus Group Interview Protocol: Group Discussion Guide for Youngstown and Warren Community Members:

Introduction

CFED is a national non-profit that works to expand economic opportunity. For 30 years, CFED has been promoting asset ownership—financially empowering low-income communities to build positive net worth that allows them to plan and work for the future. We do that by helping people start businesses, purchase homes, further their education, and build savings.

CFED was invited by the Raymond John Wean Foundation to conduct some in-depth research about financial security issues and opportunities in Youngstown, Warren and the Mahoning Valley. Our findings will advise the Foundation and its partners in making investments in support of a comprehensive, community-wide initiative that expands financial empowerment through asset-building.

We are conducting interviews and group discussions with a broad cross-section of members of the community – leaders from key public and private institutions and businesses as well as business leaders, residents and youth.

Thank you for taking time to talk with us today. Your knowledge and perspective about the services, resources and challenges for families in the community will be very helpful to us. We will be taking detailed notes of our conversation to ensure accuracy, however, we will treat our conversation as confidential, meaning that our report will not attribute any information or comments you share with us specifically to you in any reports we produce.

Focus Group Guide

Welcome

Welcome and thank you for coming. My name is _____. We are here tonight to talk for about an hour about:

- how you feel about your community,
- what kind of jobs are available for youth,
- if or how you are saving for college or vocational training programs, and
- what kinds of financial challenges face you and other young people in the region.

The information we collect talking to you and in other groups like this in Youngstown/Warren will be used to help the Raymond John Wean Foundation and many community partners develop programs for the Mahoning Valley. We think it's important to talk with youth, not just adults.

3. Focus group procedures. We have a series of questions about the community, jobs, saving money, etc. We want you to share your opinions and feelings here so we can understand how to create a better Youngstown/Warren community.

4. Ground Rules:

- a. This focus group will be captured through detailed note-taking. The notes will only be used by CFED for this study.
- b. Several people are here to observe/assist with note taking.
- c. Participation—we value everyone’s opinion and want to encourage everyone to participate. There are NO wrong answers; so don’t be afraid to contribute even if your ideas are different from everyone else’s.
- d. Financial questions—We will be discussing finances which can be a sensitive topic. If you don’t want to discuss a particular topic, you don’t have to. I may ask individual participants to add to their answers or speak at different times to encourage participation. But if you don’t feel comfortable, just let me know that you don’t have anything to add.
- e. Speak up—please speak loudly enough for everyone to hear.
- f. Take turns—please take turns speaking and let people finish their statements. Raise your hand if necessary.
- g. Confidentiality—again, all responses will be confidential. Please respect everyone’s confidentiality by not talking about what we discuss tonight.

Introductions

Participants introduce themselves by first name and say how they are involved in the community (e.g., church, youth organization, school club, advisory board)? [Back up question: say one they like to do in their free time.]

Community Life

1. In your opinion, what’s the best thing about the area?
2. If you could change two things about this region, what two things would you change?
 - a. What might your Mom or Dad want to change?

Income Generation

1. What jobs are available for young people in the area (e.g., retail, service, babysitting)?
 - a. Are local schools preparing young people for these jobs or for better jobs?
2. Do you see possibilities for starting your own business?
 - a. If yes, tell me more...
 - b. If not, what *would* help you to start your own business?

Savings and Financial Challenges

1. Do you have a bank account? Maintain a checkbook? Have a credit card in your name?

2. When you are paid through allowance or a job, how much of it do you save versus spend in the next week or so?
3. What are some goals that you would want to save for? PROBE a car, rent apartment/house to live independently, TV, help family members.
4. Have you ever attended money management classes/programs inside or outside school (e.g., how to save money, avoid debt)?
5. If you know people who have gotten into financial trouble, what kind of trouble did they get into and what led to their troubles? PROBE for predatory lending practices, credit card spending, short term loans.
6. How many of you plan to go to college (2-year general or vocational program or 4-year traditional program)?
 - b. Are *you* saving for college? Are *your* parents saving for college?
 - c. Are you making decisions about college based on financial circumstances?
 - d. If you're not saving for college, but plan to attend, is it because you expect to receive grants and scholarships to cover college expenses?

Closing & Thank You

We talked about a number of things that might be helpful to your financial situation.

- Is there anything that would be helpful that we didn't discuss?
- Is there any part of the conversation that you felt was especially important or surprising?