



# OpportunityTexas

Opportunities. For Everyone.

*Texas faces numerous challenges but also has abundant opportunities to increase prosperity. The OpportunityTexas initiative identifies innovative solutions to increase household savings and advance financial stability in Texas.*

## Our Purpose

OpportunityTexas is a joint statewide initiative of the Center for Public Policy Priorities (CPPP) and RAISE Texas to expand household savings in Texas. With CPPP's expertise in research and advocacy and RAISE Texas' network of organizations advancing financial stability, OpportunityTexas provides a collaborative structure for maximum impact.

Our goal is for all Texans to have sufficient savings that increase financial stability and access to college. We work to integrate financial education and savings activities into statewide platforms, such as schools, the workplace, and social service providers.

With one in 12 Americans living in Texas, how Texans are faring is a window into the future of the United States. Despite our state's wealth, when compared to other states, Texas ranks near the bottom on nearly every indicator of financial well-being, especially for women and people of color, including:

- 49.8 percent of Texas households do not have enough savings to cover basic expenses for three months without income;<sup>1</sup>
- 36.1 percent of Texas households do not have a savings account;<sup>1</sup>
- 64.2 percent of workers do not have an employer-sponsored retirement savings plan;<sup>2</sup>
- 64.3 percent of consumers have subprime credit;<sup>1</sup> and,
- Two-thirds of Texans ages 25-54 lack an associate's degree or higher, limiting households' earning potential.<sup>3</sup>

## Our Priorities



**Expand College Savings Accounts Among Texas Students**



**Increase Savings and Asset Building Opportunities in the Workplace**



**Promote Tax-Time Savings**



### Children's Savings Accounts

As higher education costs continue to rise, more students are faced with going deeper into debt to attend college or delaying college all together. College savings accounts (CSAs) help students and their families financially prepare for college at an early age, supporting college access as well as financial capability. *OpportunityTexas* is working to expand college savings accounts in Texas, in partnership with schools and financial institutions, by connecting CSA programs to Texas' financial education curriculum.

In 2012-13 *OpportunityTexas* implemented the Assessing Financial Capability Outcomes (AFCO) pilot program in Amarillo, Texas, which provided positive evidence for our approach to scale college savings through schools. The pilot tested the benefits of offering savings accounts to students and families in conjunction with Texas' financial education curriculum.

The AFCO savings pilot found:

- Improved student attitudes: Access to school-based savings accounts improved students' attitudes toward saving and about financial institutions;
- No differences in participation based on income: 38 percent of pilot students opened an account, and no difference existed between student account enrollment in schools with more or fewer economically disadvantaged students; and,
- Financial education boosted account enrollment: Students who received financial education were more likely to open an account.

We are currently working to launch another CSA pilot in the 2015-16 school year to continue refining our approach to expand access to college savings accounts in Texas.

For more information, view the **AFCO Research Brief & Amarillo Pilot Implementation Guide** online at [opportunitytexas.org](http://opportunitytexas.org).

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Research has found that students with as little as \$500 in savings are three times more likely to go to college.<sup>4</sup>

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### Employer-Based Asset Building

We are exploring the workplace as a natural platform to expand savings opportunities and other financial stability programs. In 2014-15 we partnered with United Way for Greater Austin (UWATX) and the Corporation for Enterprise Development (CFED) to test an employer, automatic savings program with an employer of low-wage workers. The results of the pilot were promising – one third of the low-wage employer's workers enrolled in the automatic savings program. We identified a few best practices for an employer savings program from the pilot program including having the employer host an in-person meeting to introduce the savings program and providing an opportunity for employees without a bank account to open a savings account at the workplace. Over the next year we will be exploring strategies, including policy options, to expand employer-based savings and implement other asset-building programs into the workplace.

## Tax-Time Savings

Since a tax refund may be the largest sum of money that an individual receives during the year, it offers an important savings moment for Texas families. *OpportunityTexas* has focused on expanding tax-time savings at Texas Volunteer Income Tax Assistance (VITA) sites since 2011.

From 2011-2015, we developed and funded the *OpportunityTexas* Tax-Time Savings Project, which helped Texas VITA filers increase household savings by encouraging them to save a portion of their tax refund. Participants could save a portion of their refund by either purchasing savings bonds or using a matched savings account when filing their taxes. Over the project's duration, 4,065 tax filers saved \$684,055. This project enabled *OpportunityTexas* to learn what works well in getting VITA sites to promote savings at tax time and has led local VITA sites to integrate tax-time savings into their ongoing VITA work. While 2015 was our last tax season to fund this project, we will continue to explore other platforms to scale tax-time savings in Texas.

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## Our Team



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The **Center for Public Policy Priorities** (CPPP) believes in a Texas that offers everyone the chance to compete and succeed in life. We envision a Texas where everyone is healthy, well-educated and financially secure. CPPP is an independent public policy organization that uses data and analysis to advocate for solutions that enable Texans of all backgrounds to reach their full potential. *OpportunityTexas* is coordinated by CPPP's Economic Opportunity team, which takes a comprehensive LEARN, EARN and SAVE approach to focus on the interconnected drivers of financial stability and success, advancing strategies that link the importance of educational attainment and securing a good paying job to the advancement of savings and asset building initiatives. For more, visit [CPPP.org](http://CPPP.org).

**RAISE Texas** works to promote policies and programs that promote financial success and economic stability for all Texans. RAISE Texas acts as a resource for local and state leaders as well as community organizations, helping them to offer asset-building training and assistance to Texas citizens. For more, visit [RaiseTexas.org](http://RaiseTexas.org).

- 1 CFED 2015 Assets and Opportunity Scorecard. "Liquid Asset Poverty Rate." <http://scorecard.assetsandopportunity.org/latest/measure/liquid-asset-poverty-rate>.
- 2 Working Poor Families Project. Chapter 4. Population Reference Bureau analysis of March 2012-2014 CPS Supplement.
- 3 Helmcamp, Leslie and Garrett Groves. Keeping College Within Reach. CPPP. April 2015.
- 4 Assets and Education Initiative. (2013). Building Expectations, Delivering Results: Asset-Based Financial Aid and the Future of Higher Education. In W. Elliott (Ed.), Biannual report on the assets and education field. Lawrence, KS: Assets and Education Initiative (AEDI). [http://save4ed.com/wp-content/uploads/2013/07/Biannual-Report\\_Building-Expectations-071013.pdf](http://save4ed.com/wp-content/uploads/2013/07/Biannual-Report_Building-Expectations-071013.pdf).