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**Four in 10 U.S. families lack financial assets for essential household expenses when facing unemployment**

*With job recovery nowhere in sight, financial assets decline along with economic mobility*

Waltham, MA—Today the Institute on Assets and Social Policy (IASP) at Brandeis University's Heller School released a new research and policy brief which reports that four in ten U.S. families lack sufficient assets to pay for essential expenses in the face of unemployment.

IASP created a new approach to measuring asset poverty that includes unemployment benefits and compares families' asset holding to their ability to pay for essential household expenses and also to invest in future opportunities for mobility, such as a home purchase, business start-up, retraining, or education.

The IASP research and policy brief also shows that less than half of all U.S. families have sufficient savings to address essential expenses and invest in opportunities for mobility when faced with a job loss. Moreover, many more households of color lack the financial assets to meet their expenses during periods of unemployment. Sixty-six percent of African American and Latino households are not asset secure, and only 20 percent of households of color have financial assets to invest in opportunities for mobility. While most American families lack sufficient wealth to invest in education, housing, business ventures, or training for better jobs, the dramatic distance that marks families of color is a reflection of the profound, deep, and systematic racial wealth gap.

“The wealth gains of families of color over the past two decades are being savaged by the Great Recession, illustrating the persistence of the racial wealth gap in the U.S.,” said Thomas Shapiro, IASP Director and co-author of the report.

Unemployment rates topping 10 percent are the highest in 26 years. Families are working more hours and taking on more part-time jobs. At the same time, unemployment benefits are running out for many families. Faced with the worst recession since the Great Depression, many U.S. families have no choice but to draw on inadequate savings to pay for essential household expenses. Many of these families are at risk of losing their housing. They may also cut back on food and healthcare to make ends meet.

“This timely and incisive report documents the lack of financial capacity of families to weather tough times. In this financial crisis, millions of American families have used up their nest-eggs, with job and wage recovery nowhere in sight,” said Robert Kuttner, co-editor of *The American*

Prospect, a Senior Fellow at Demos, a nonpartisan public policy and advocacy organization, and Author of “Obama's Challenge.”

“Now, more than ever, Tom Shapiro, Melvin Oliver and Tatjana Meschede, turn our attention toward what it will take to make America again, the land of opportunity,” Said Bob Friedman, Chair, CFED.

The Institute on Assets and Social Policy (IASP), a research institute at the Heller School for Social Policy and Management at Brandeis University, is dedicated to promoting a better understanding of how assets and asset-building opportunities improve the wellbeing and financial stability of individuals and families left out of the economic mainstream. IASP pursues its mission through original research, policy analysis, program evaluation, technical assistance, community engagement, organizational capacity building, and leadership development.