



November 2019

Family Financial Security Matters for Cities

The financial health of Dallas residents



The financial health of cities depends on financially secure residents. When families have little to no savings and experience a disruption in their income or expenses, bills may be missed and consequences such as eviction may result.

The financial security of Dallas is tied to the financial health of its residents

**\$30–69
million**

The minimum cost to Dallas
government of family financial
insecurity from eviction and
unpaid property taxes
and utility bills

332,000

of the 513,000 families in
Dallas are financially insecure

43%

of Dallas residents have
subprime credit scores

Among families in Dallas, 65% were financially insecure, with less than \$2,000 in savings, compared with 52% nationally.

Financial Health of Dallas Residents

Indicators of the financial health of city residents

Three ways of characterizing financial health using credit data

1) Delinquent debt

- Having delinquent debt is an indicator of financial distress
- Delinquent debt is debt that is 60 or more days past due or in collections

2) Credit score

- Credit scores are a composite indicator of overall financial health
- Scores range from 300 to 850; a score below 600 is subprime

3) Credit use

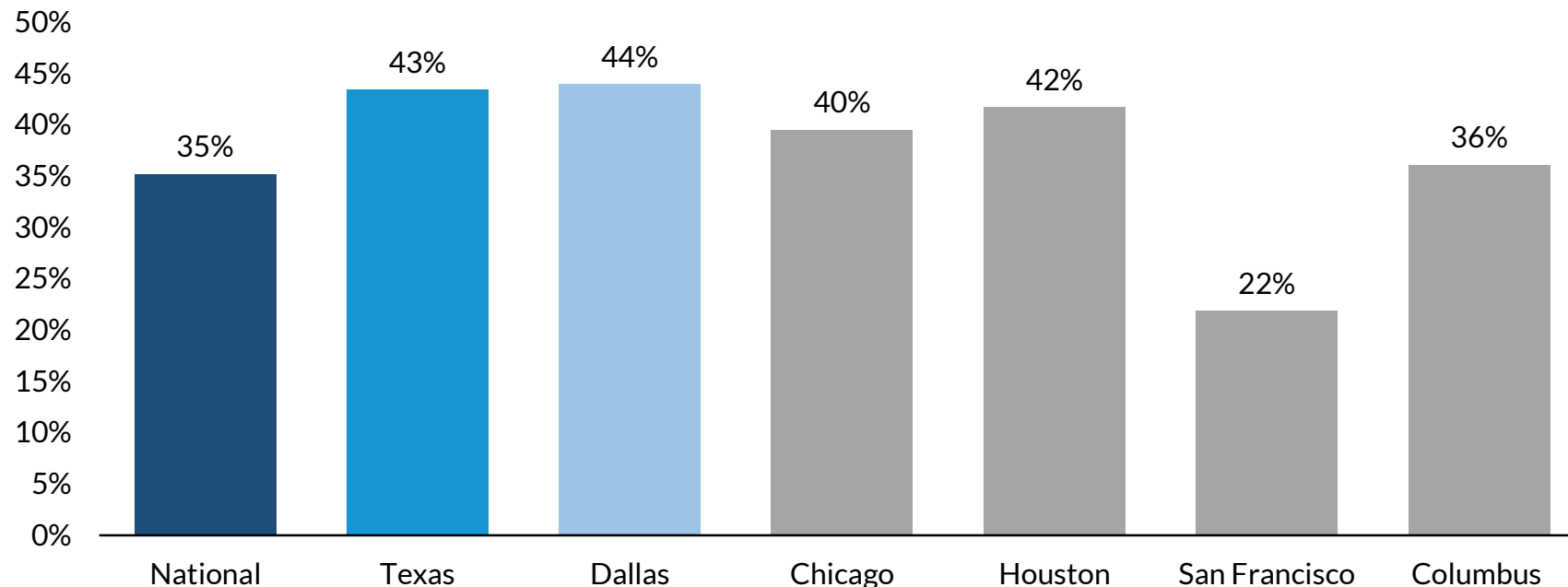
- Having a credit card or other revolving debt indicates access to credit, which families may use to meet their financial needs
- But the share of available credit used is a measure of debt burden

Delinquent Debt

More than 40 percent of Dallas residents have delinquent debt

Delinquent debt indicates residents have trouble meeting financial obligations

Share of residents with delinquent debt

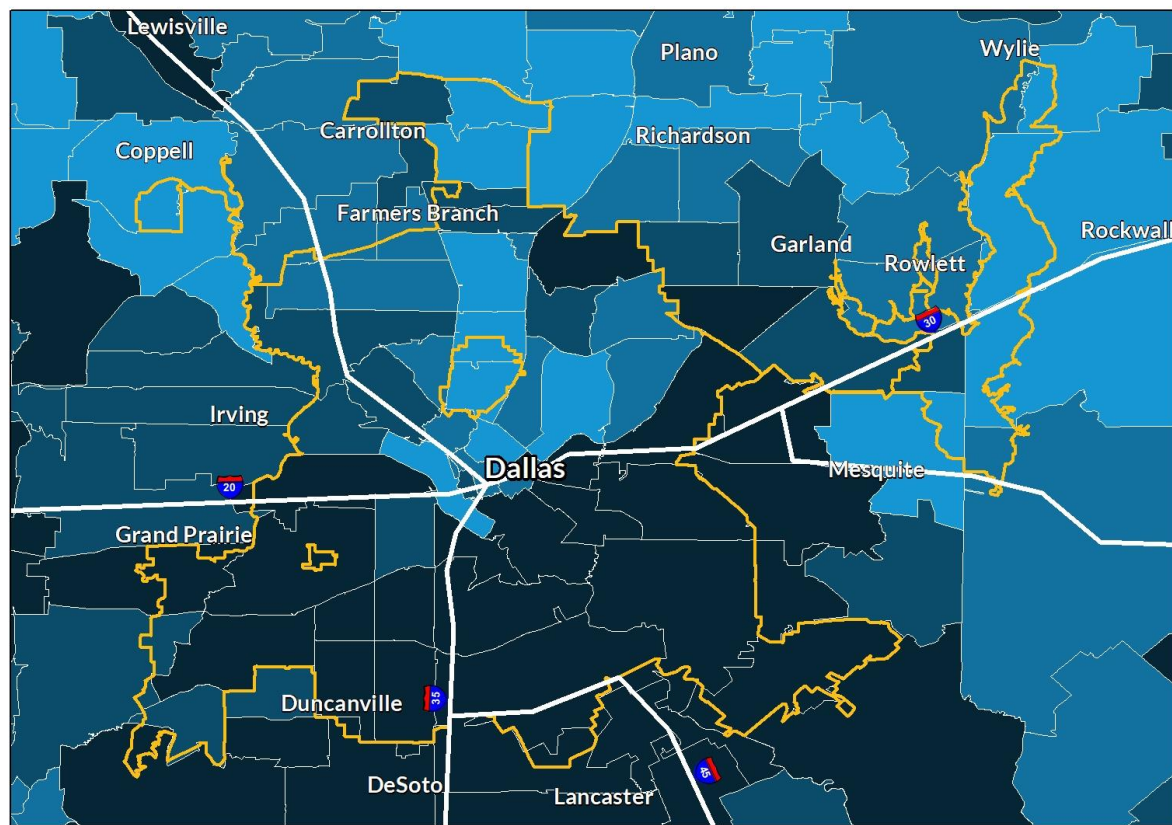


Source: Urban Institute tabulations of data from a major credit bureau, 2018.

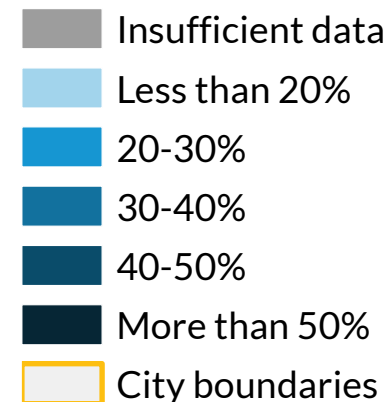
Notes: Delinquent debt includes debt that is 60 or more days past due or in collections. Dallas and other city residents include consumers with a credit record living within city limits. National and state figures include consumers with a credit record living in the US or within Texas. Approximately 89 percent of US adults have a credit record (Brevoort, Kenneth P., Philipp Grimm, and Michelle Kambara. 2015. *Data Point: Credit Invisibles*. Washington, DC: Consumer Financial Protection Bureau).

There are geographic disparities in delinquency within Dallas

In some neighborhoods, more than half of residents have delinquent debt



Percent of residents with delinquent debt



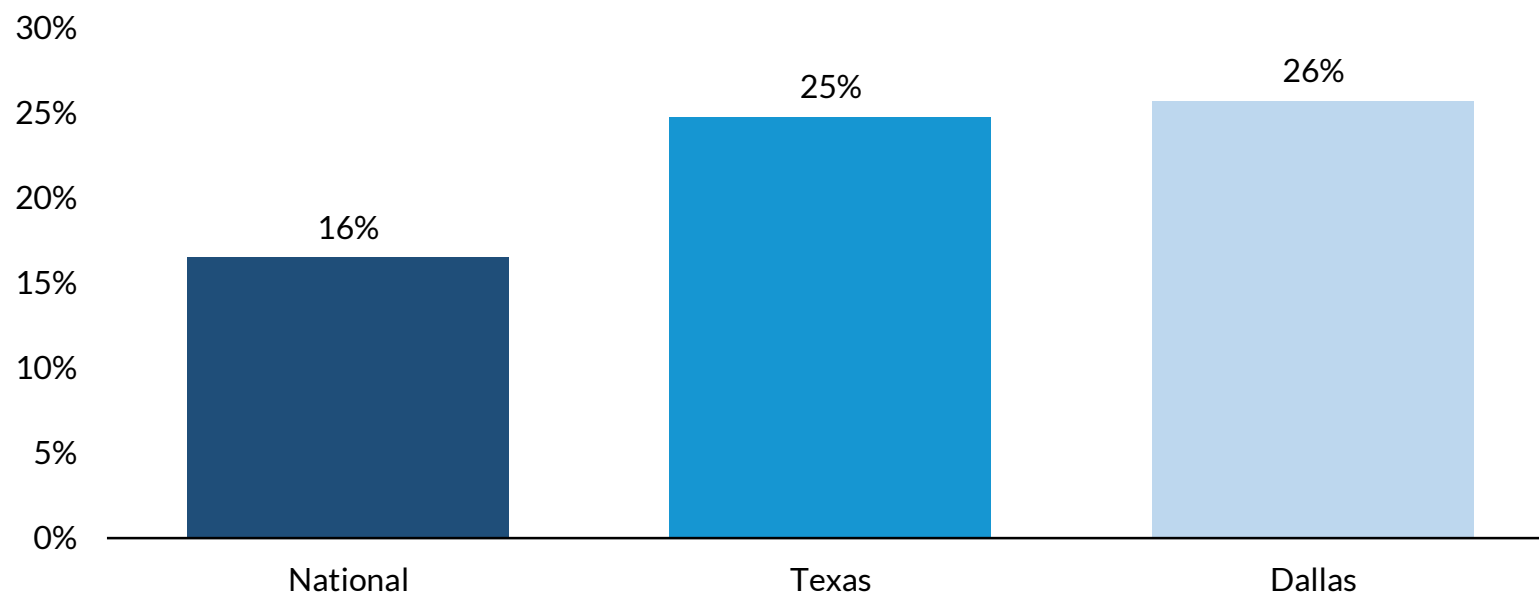
Source: Urban Institute tabulations of data from a major credit bureau, 2018.

Notes: Delinquent debt includes debt that is 60 or more days past due or in collections. Dallas residents include consumers with a credit record living within city limits. Approximately 89 percent of US adults have a credit record (Brevoort, Kenneth P., Philipp Grimm, and Michelle Kambara. 2015. *Data Point: Credit Invisibles*. Washington, DC: Consumer Financial Protection Bureau). Data are visualized at the zip-code level.

Many Dallas residents struggle with medical debt

About one-quarter of residents have medical debt in collections, above the national average

Share of residents with medical debt in collections



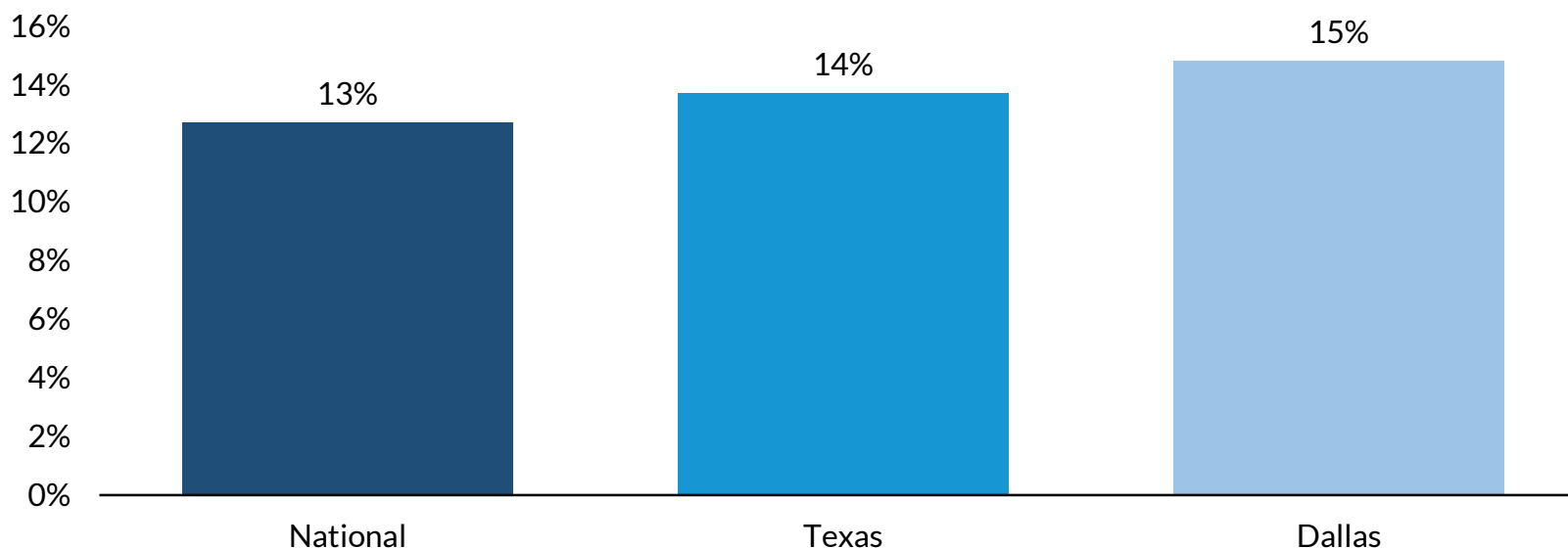
Source: Urban Institute tabulations of data from a major credit bureau, 2018.

Notes: Dallas residents include consumers with a credit record living within city limits. National and state figures include consumers with a credit record living in the US or within Texas. Approximately 89 percent of US adults have a credit record (Brevoort, Kenneth P., Philipp Grimm, and Michelle Kambara. 2015. *Data Point: Credit Invisibles*. Washington, DC: Consumer Financial Protection Bureau).

Student debt may be a challenge for some Dallas residents

Fifteen percent of residents with student debt have loans in collections, on par with the national average

Share of student loan holders with student loan debt in collections



Source: Urban Institute tabulations of data from a major credit bureau, 2018.

Notes: Student collections are among those with any student loan debt. Dallas and other city residents include consumers with a credit record living within city limits. National and state figures include consumers with a credit record living in the US or within Texas. Approximately 89 percent of US adults have a credit record (Brevoort, Kenneth P., Philipp Grimm, and Michelle Kambara. 2015. *Data Point: Credit Invisibles*. Washington, DC: Consumer Financial Protection Bureau).

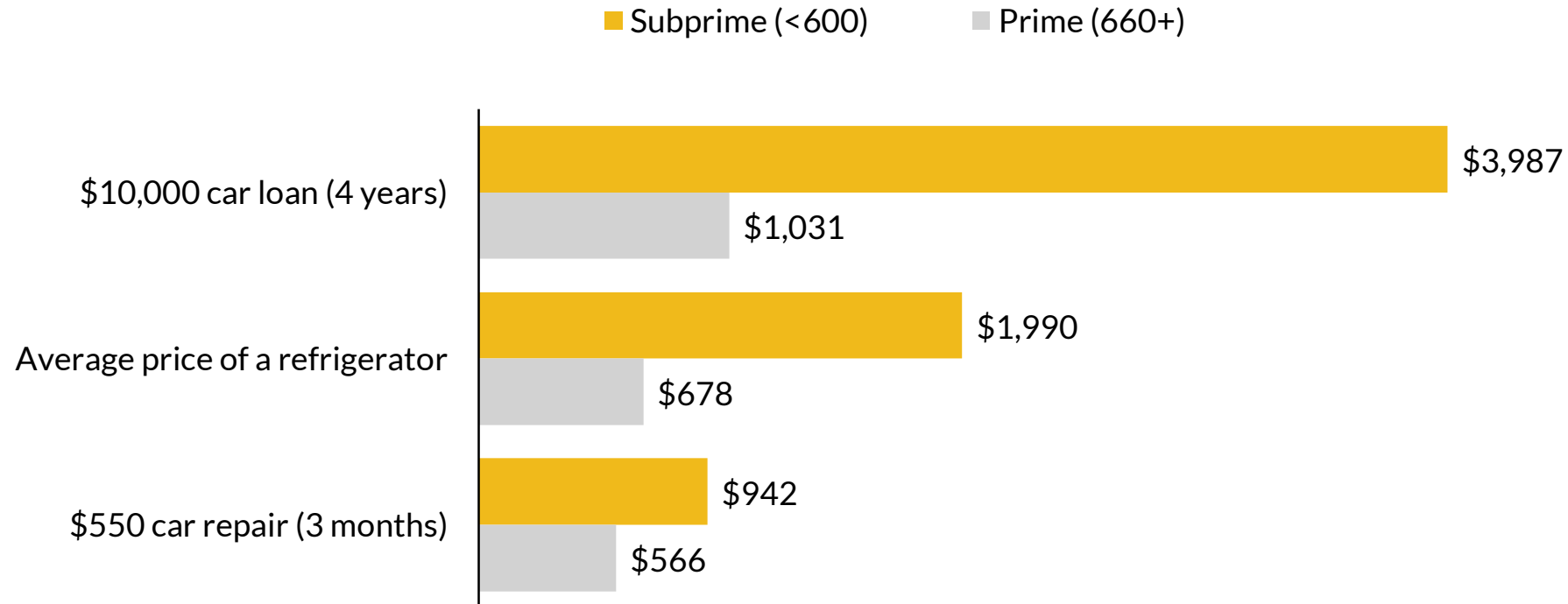
Summary of findings on delinquent debt

- 1) Delinquent debt is a measure of financial distress. It indicates that residents have trouble meeting financial obligations.
- 2) Over 40 percent of Dallas residents have delinquent debt, a rate that is higher than the national average.
- 3) Geographic disparities in delinquency impact Dallas residents. In some neighborhoods, more than half of residents have delinquent debt.

Credit Score

Credit health affects residents' costs of living

Having a subprime credit score increases the costs of common consumer purchases

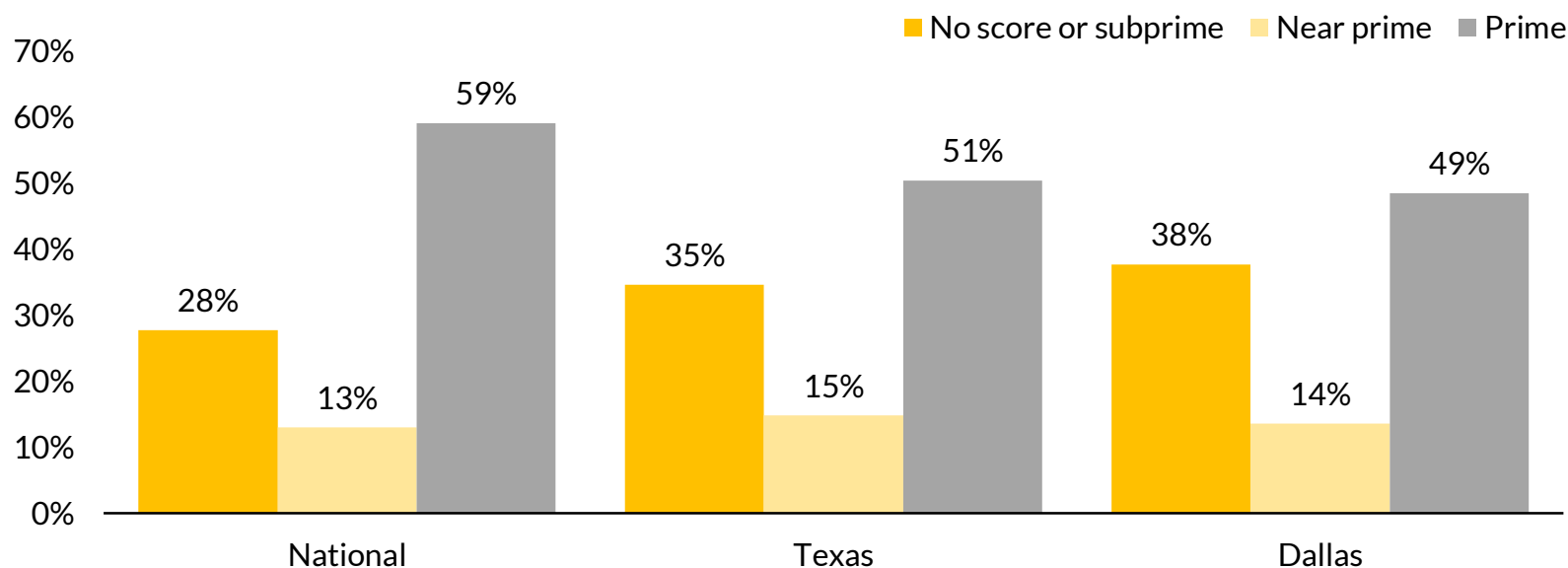


Source: Elliott and Lowitz. 2018. What Is the Cost of Poor Credit. Washington, DC: Urban Institute.

Dallas residents have relatively poor credit compared with the national average

Half of Dallas residents have a credit score that is below prime

Share of residents by credit score range



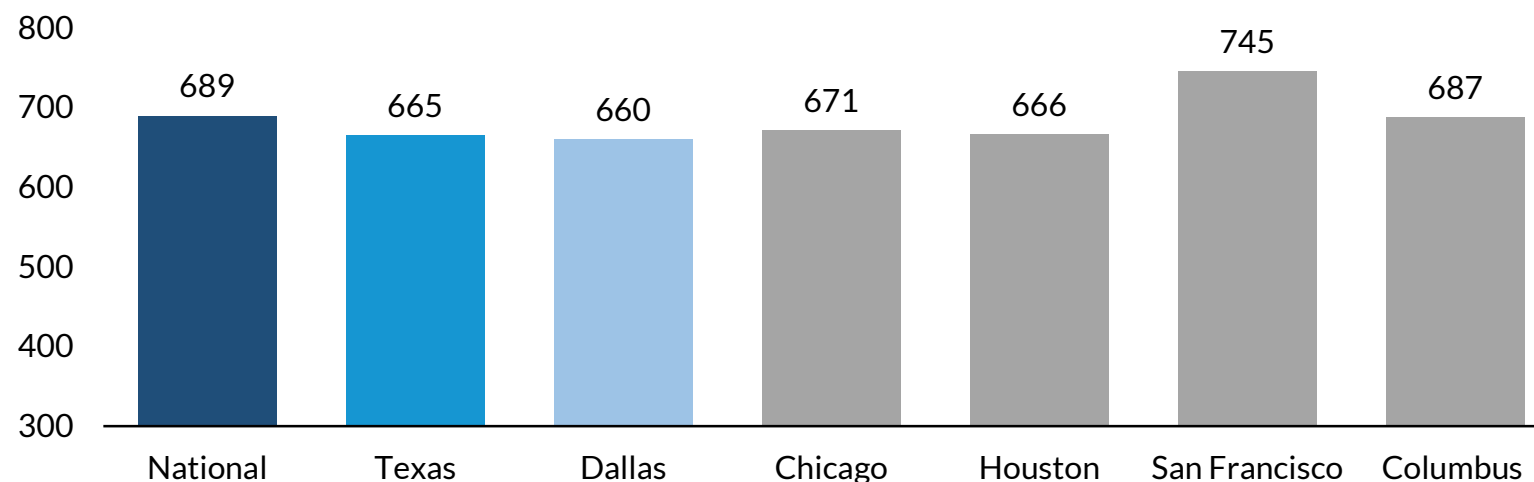
Source: Urban Institute tabulations from a major credit bureau, 2018.

Notes: The VantageScore credit score ranges from 300 to 850. Subprime scores range from 300 to 600, near-prime from 601 to 660, and prime or more from 661 to 850. Dallas residents include consumers with a credit record living within city limits. National and state figures include consumers with a credit record living in the US or within Texas. Approximately 89 percent of US adults have a credit record (Brevoort, Kenneth P., Philipp Grimm, and Michelle Kambara. 2015. *Data Point: Credit Invisibles*. Washington, DC: Consumer Financial Protection Bureau).

Dallas residents have slightly poorer credit than residents in other cities

Dallas' median credit score is below the national median and slightly below Houston's

Median credit score



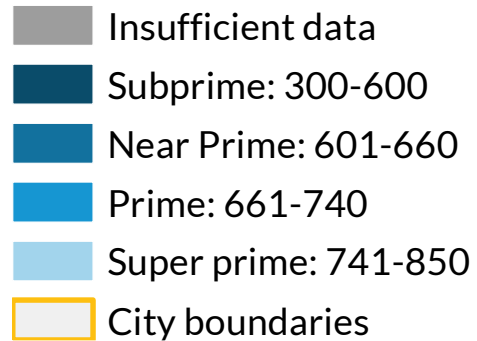
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There are geographic disparities in credit health within Dallas

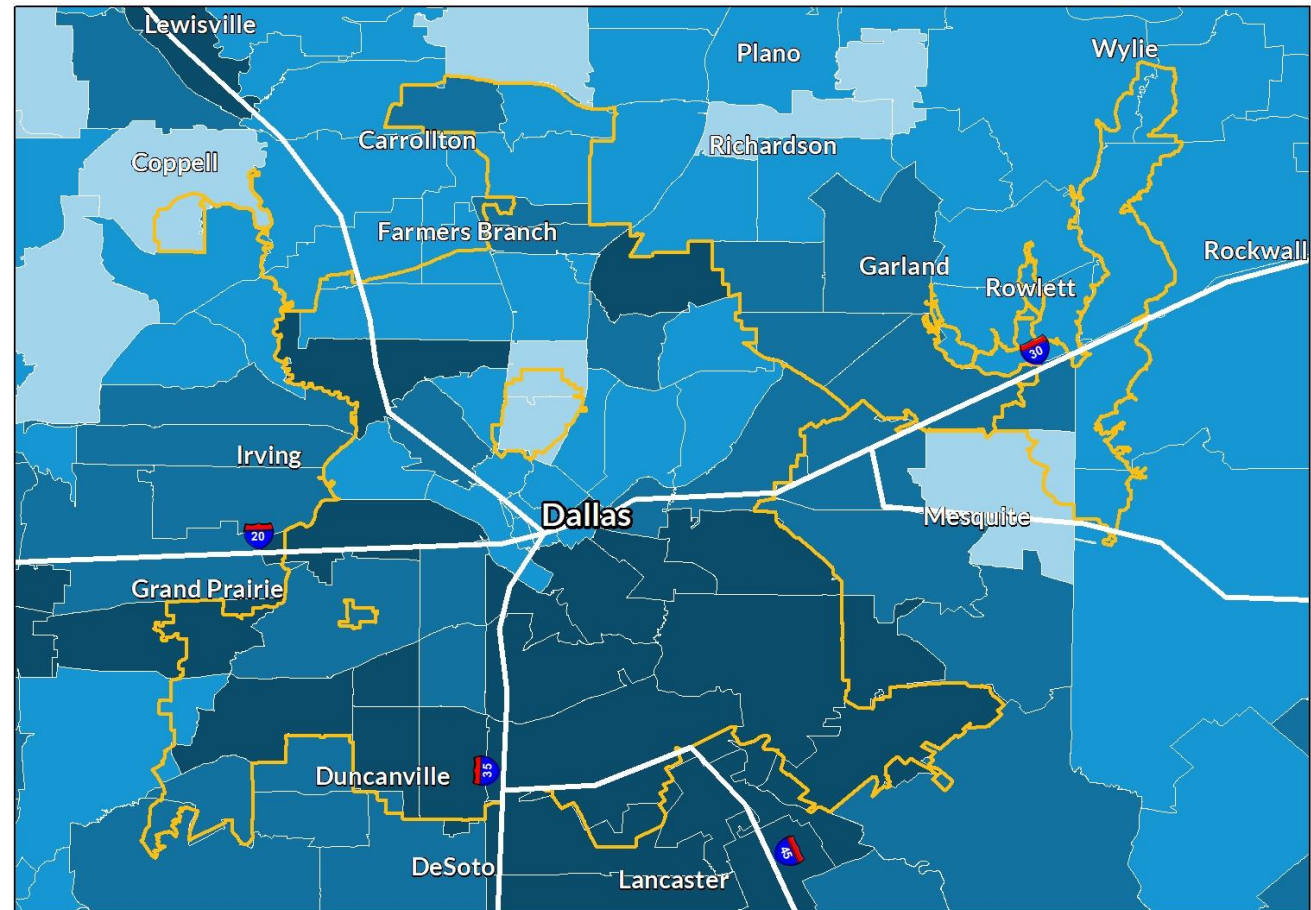
In some neighborhoods, the median credit score is subprime

Median credit score



Source: Urban Institute tabulations of data from a major credit bureau, 2018.

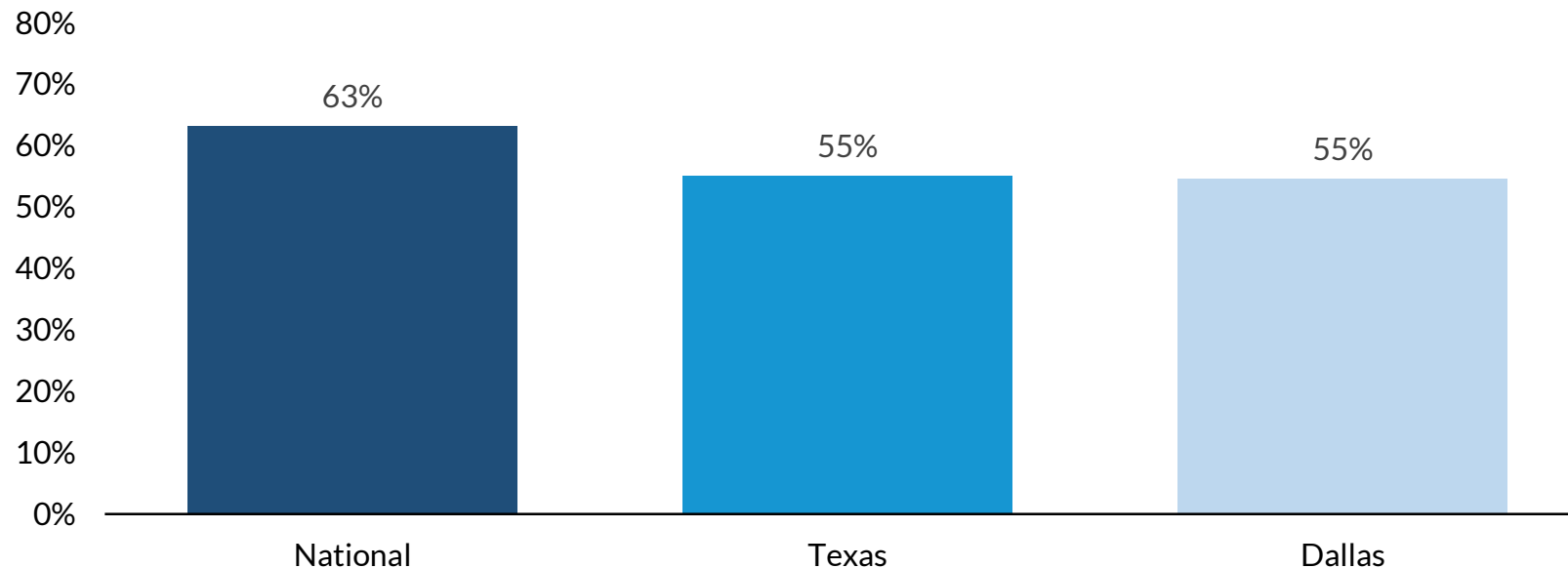
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Just over half of Dallas residents have healthy credit

Dallas residents have poorer credit health than US residents overall

Share of residents with healthy credit



Source: Urban Institute tabulations of data from a major credit bureau, 2018.

Notes: Consumers with healthy credit have at least one line of credit never delinquent in the past year and no lines of credit paid 60 or more days late in the past two years. Dallas residents include consumers with a credit record living within city limits.

National and state figures include consumers with a credit record living in the US or within Texas. Approximately 89 percent of US adults have a credit record (Brevoort, Kenneth P., Philipp Grimm, and Michelle Kambara. 2015. *Data Point: Credit Invisibles*. Washington, DC: Consumer Financial Protection Bureau).

Summary of findings on credit score

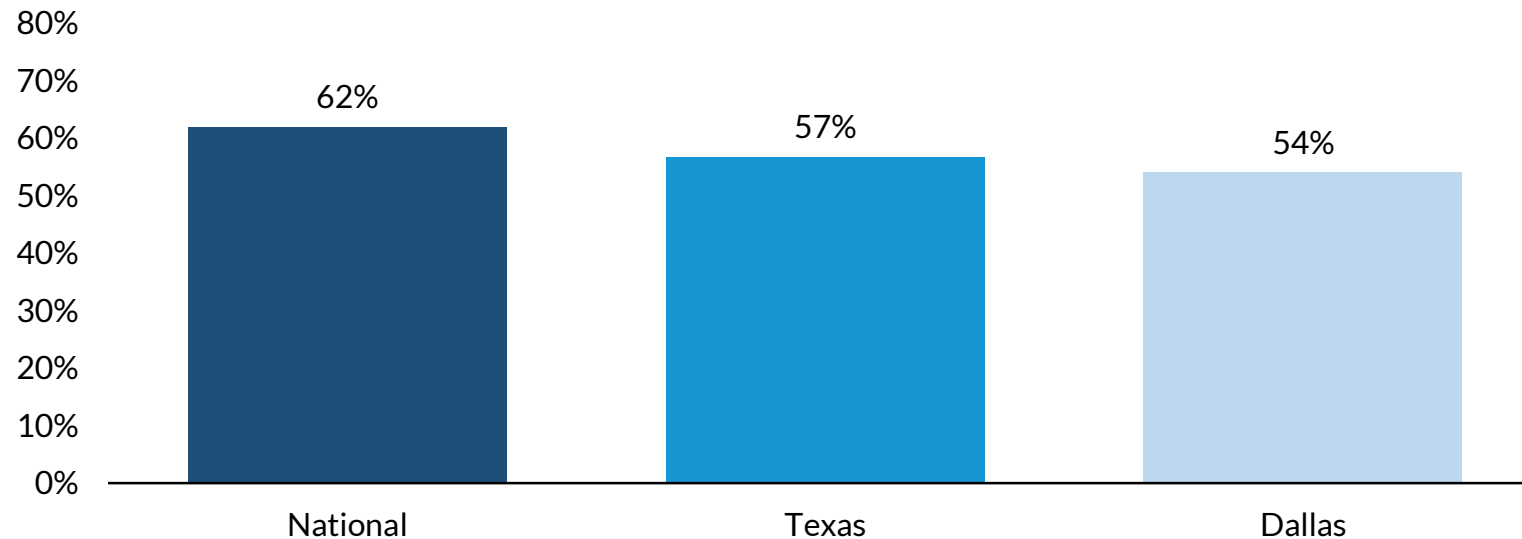
- 1) Credit scores are a composite indicator of overall financial health. Poor credit is costly for city residents.
- 2) Dallas residents, on average, have poor credit compared with US residents or residents of other cities. Half of Dallas residents have subprime credit.
- 3) In some Dallas neighborhoods, the median credit score is subprime, while in others it is prime or higher.

Credit Use

About half of Dallas residents have access to credit

A credit card or other sources of credit can help residents meet their financial needs

Share of residents with credit card or other revolving credit



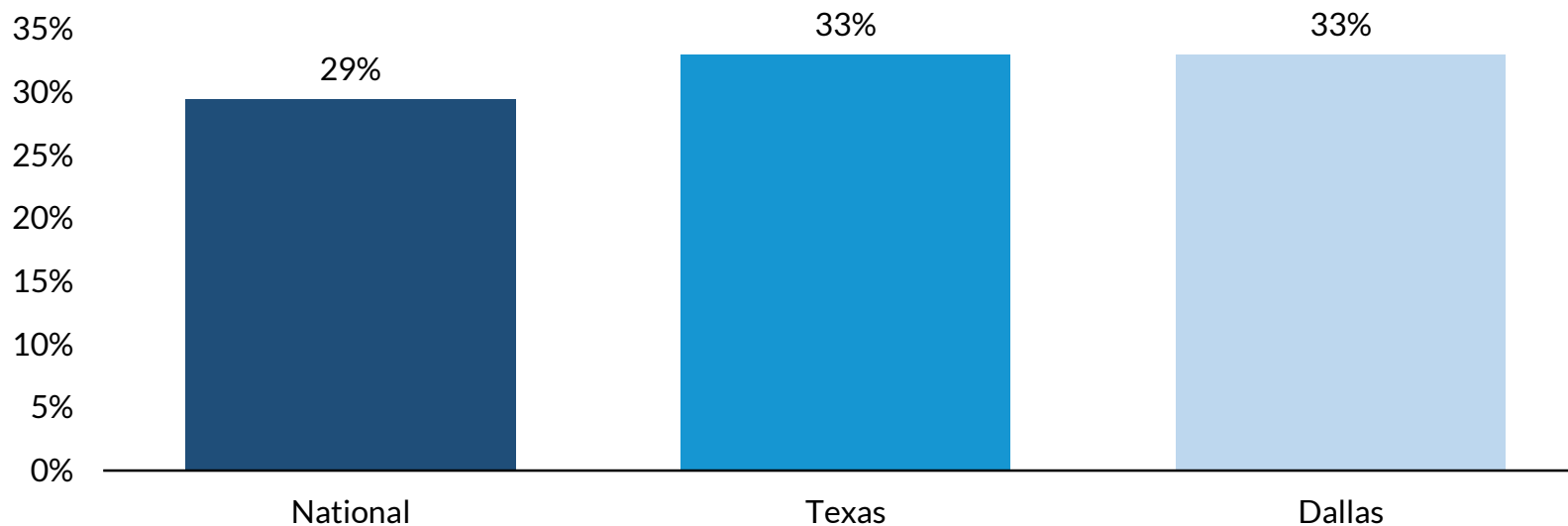
Source: Urban Institute tabulations of data from a major credit bureau, 2018.

Notes: A revolving account is one in which the credit may be used or withdrawn repeatedly up to a pre-approved credit limit. Credit cards are the most common type of revolving account. Dallas residents include consumers with a credit record living within city limits. National and state figures include consumers with a credit record living in the US or within Texas. Approximately 89 percent of US adults have a credit record (Brevoort, Kenneth P., Philipp Grimm, and Michelle Kambara. 2015. *Data Point: Credit Invisibles*. Washington, DC: Consumer Financial Protection Bureau).

Credit burden for Dallas residents is similar to the national average

Credit card holders using a larger share of their available credit have larger debt burdens

Share of available credit used, among credit card holders



Source: Urban Institute tabulations of data from a major credit bureau, 2018.

Notes: Available credit is the credit amount available for the borrower to use; the amount difference between the credit limit and outstanding balance. Dallas residents include consumers with a credit record living within city limits. National and state figures include consumers with a credit record living in the US or within Texas. Approximately 89 percent of US adults have a credit record (Brevoort, Kenneth P., Philipp Grimm, and Michelle Kambara. 2015. *Data Point: Credit Invisibles*. Washington, DC: Consumer Financial Protection Bureau).

Summary of findings on credit use

- 1) Having a credit card or other revolving debt indicates access to credit, which families may use to meet their financial needs. The share of available credit used is a measure of debt burden.
- 2) Approximately half of Dallas residents have access to these sources of credit. The credit burden faced by Dallas residents with a credit card is similar to the national average.

Key takeaways

- Residents' financial health is linked to cities' financial health.
- Steps cities can take:
 - Offer financial coaching, counseling, and innovative uses of technology to help build residents' financial well-being, including savings strategies.
 - Integrate financial interventions—such as those that help residents repay rent and utility debt—into other programs to meet people where they are.
 - Make saving easy through incentivized programs that provide matching funds to help residents build an emergency savings cushion and move up the economic ladder.
- To learn more about how Dallas's financial health compares to similar cities across the country and specific actions cities can take to improve their residents' financial health, explore Dallas's profile on our [interactive City-Level Dashboard](#).

Thriving Residents, Thriving Cities

INTERACTIVE FEATURE

The Financial Health of Residents: An Interactive Dashboard

RESEARCH BRIEF

Thriving Residents, Thriving Cities

BLOG

Financially Insecure Residents Can Cost Cities Millions

URBAN
WIREDATA/
VIZ

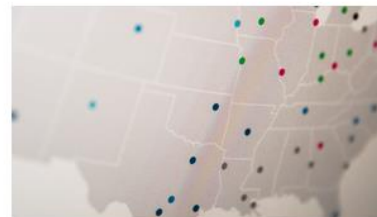
FEATURES

POLICY
DEBATESPARTNER
PROJECTS

NEXT50

Thriving Residents, Thriving Cities

The economic health of cities and communities depends on residents' financial health and stability. When residents thrive, cities are better able to thrive. And when residents struggle to make ends meet, cities can too. By improving family financial health, cities can bolster their own financial security and ensure that all residents have the chance to succeed.



Financial Health of Residents: A City-Level Dashboard



Credit scores perpetuate racial disparities, even in America's most prosperous cities



Thriving Residents, Thriving Cities: Family Financial Security Matters for Cities



Why Cities Should Care about Family Financial Security



The Financial Health of Detroit Residents



Detroit's financial future is looking up, but residents have a long way to go



Debt in America: An Interactive Map

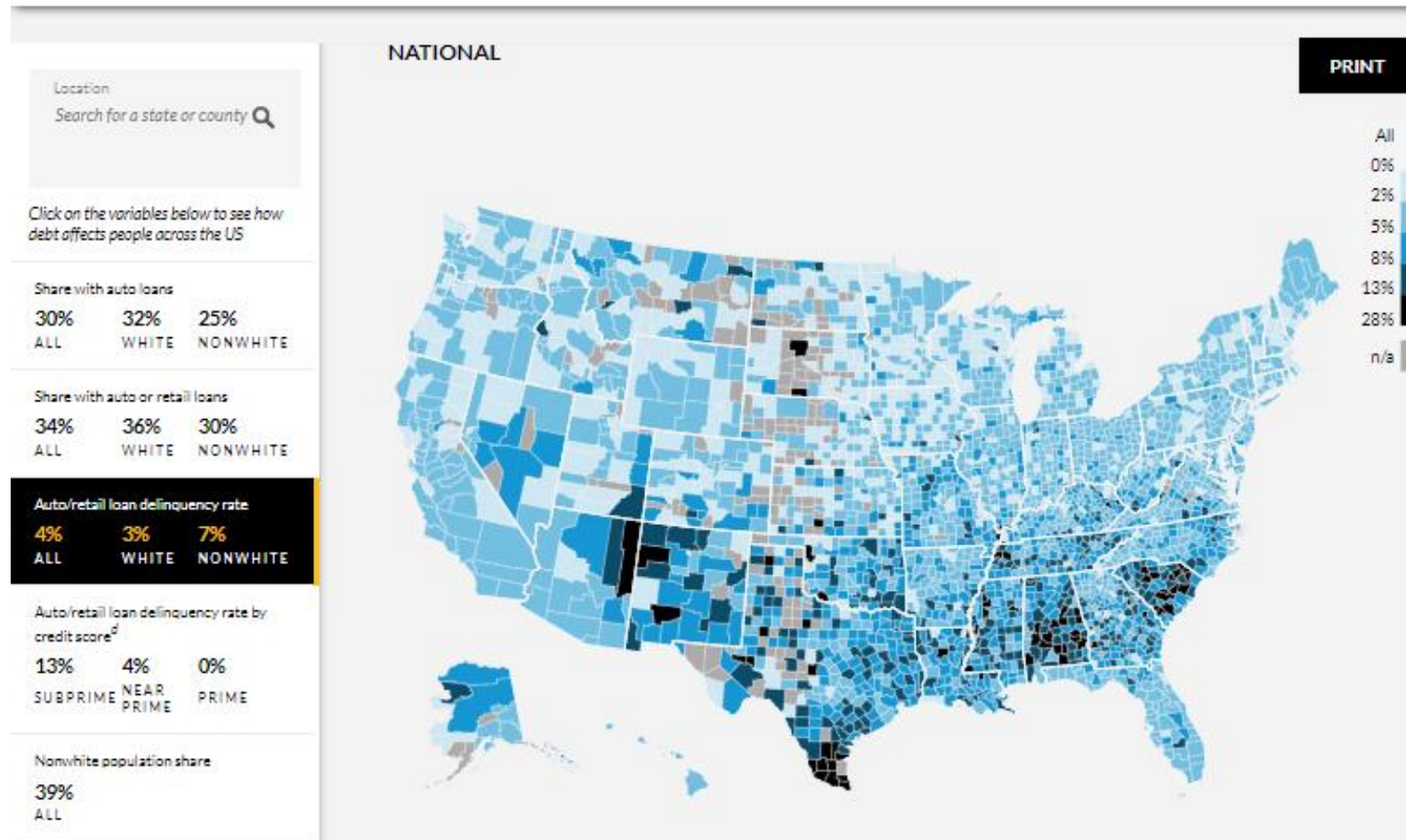
INTERACTIVE FEATURE

apps.urban.org/features/debt-interactive-map/

Debt in America: An Interactive Map

Credit can be a lifeline during emergencies and a bridge to education and homeownership. But debt, which can stem from credit or unpaid bills, often burdens families and communities and exacerbates wealth inequality. This map shows the geography of debt in America at the national, state, and county levels. How does your community compare?

Currently viewing: **AUTO LOAN DEBT (LAST UPDATED 12/13/18)**



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The financial health of Dallas residents

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