



November 2019

Family Financial Security Matters for Cities

The financial health of San Francisco 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 San Francisco is tied to the financial health of its residents

**\$30–70
million**

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

168,000

of the 360,000 families in San Francisco are financially insecure

13%

of San Francisco residents have subprime credit scores

Among families in San Francisco, 47% were financially insecure, with less than \$2,000 in savings, compared with 52% nationally.

Financial Health of San Francisco 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

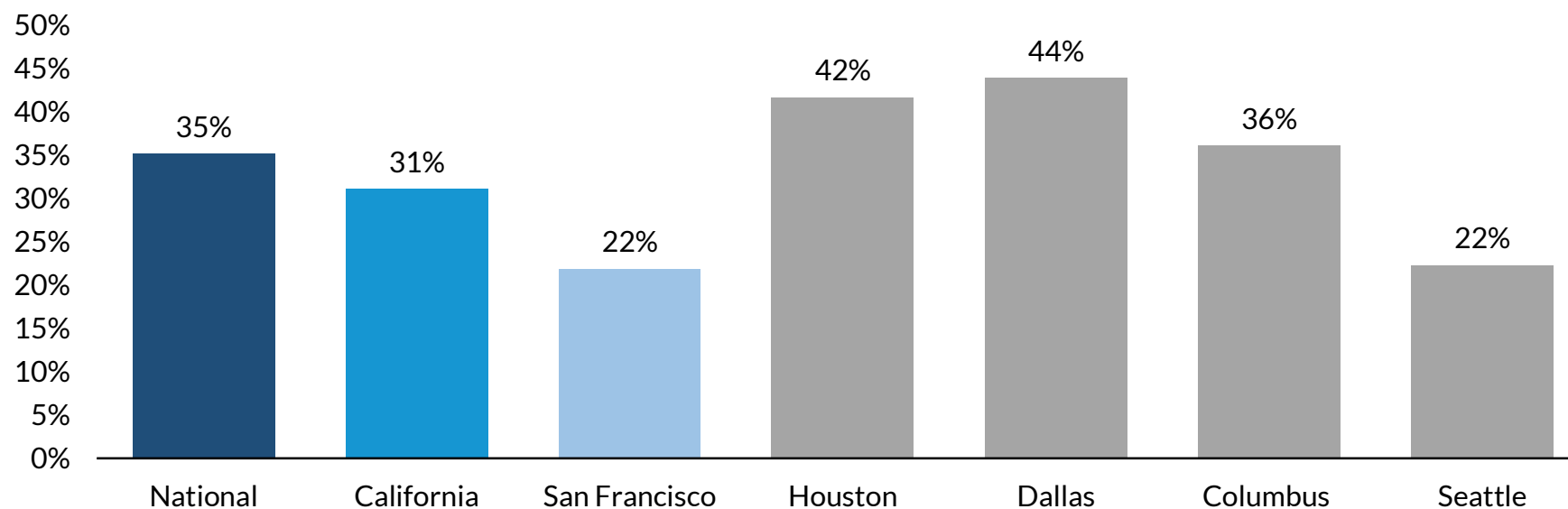
- Having a credit card or other revolving debt indicates access to credit, which families may use to meet their financial needs
- But the share of available credit used is a measure of debt burden

Delinquent Debt

Nearly one in four of San Francisco residents have delinquent debt

Delinquent debt indicates residents have trouble meeting financial obligations

Share of residents with delinquent debt



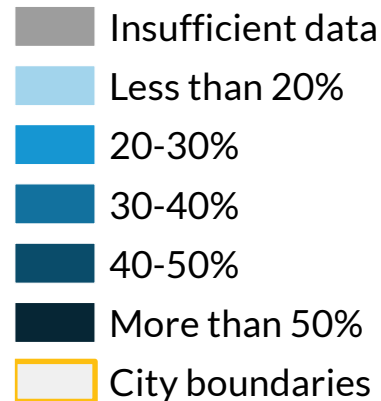
Source: Urban Institute tabulations of data from a major credit bureau, 2018.

Notes: Delinquent debt includes debt that is 60 or more days past due or in collections. San Francisco 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 California. 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 San Francisco

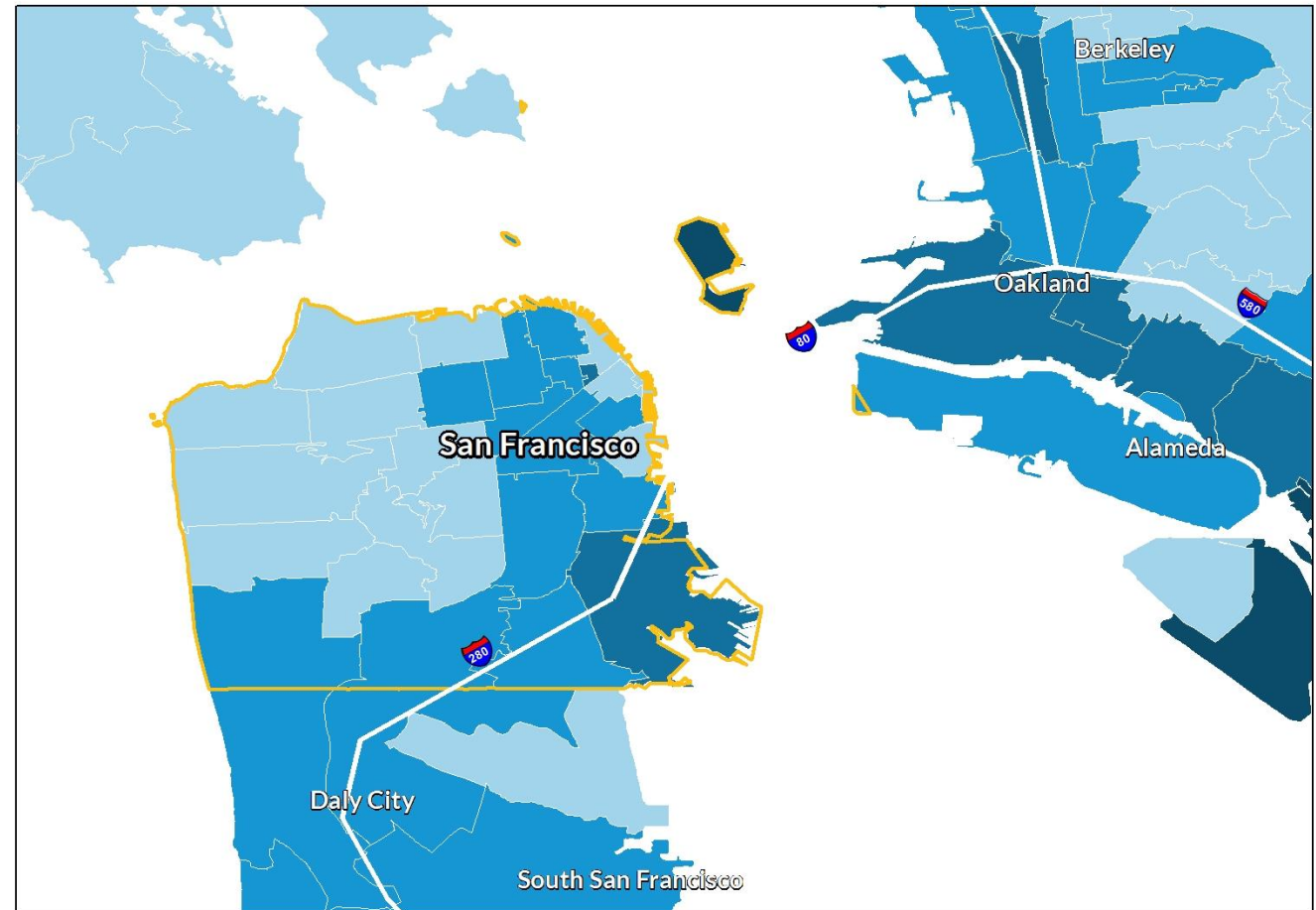
In some neighborhoods, more than 30 percent of residents have delinquent debt

Percent of residents with delinquent debt



Source: Urban Institute tabulations of data from a major credit bureau, 2017.

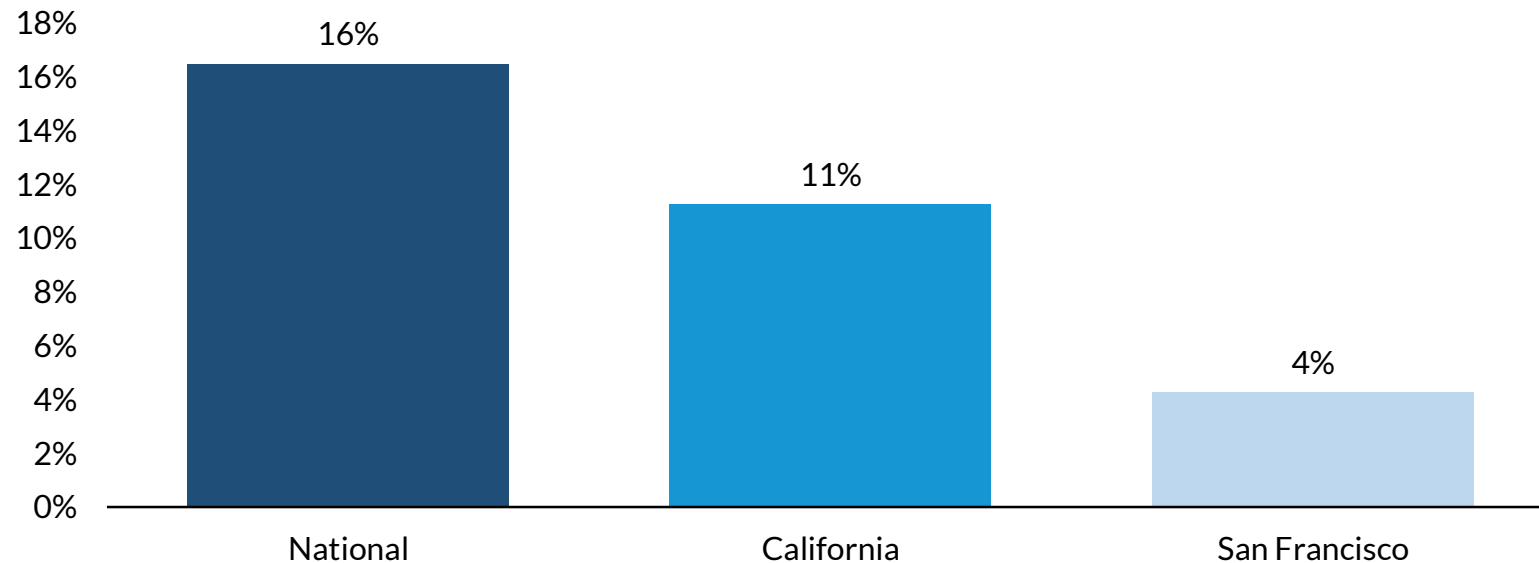
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Relatively few San Francisco residents struggle with medical debt

Only one in twenty residents have medical debt in collections, well below the US average

Share of residents with medical debt in collections



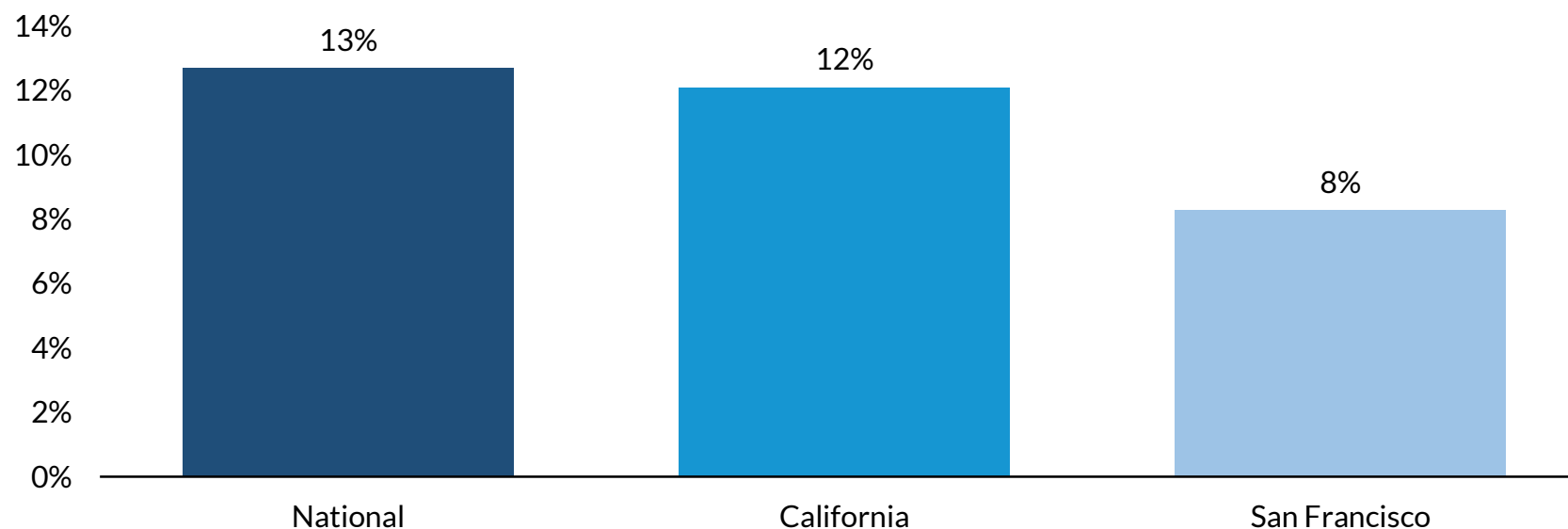
Source: Urban Institute tabulations of data from a major credit bureau, 2018.

Notes: San Francisco 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 California. 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).

Relatively few San Francisco residents struggle with student debt

One in twelve residents with student debt have loans in collections, below the US 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. San Francisco 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 California. Approximately 89 percent of US adults have a credit record (Brevoort, Kenneth P., Philipp Grimm, and Michelle Kambara. 2015.

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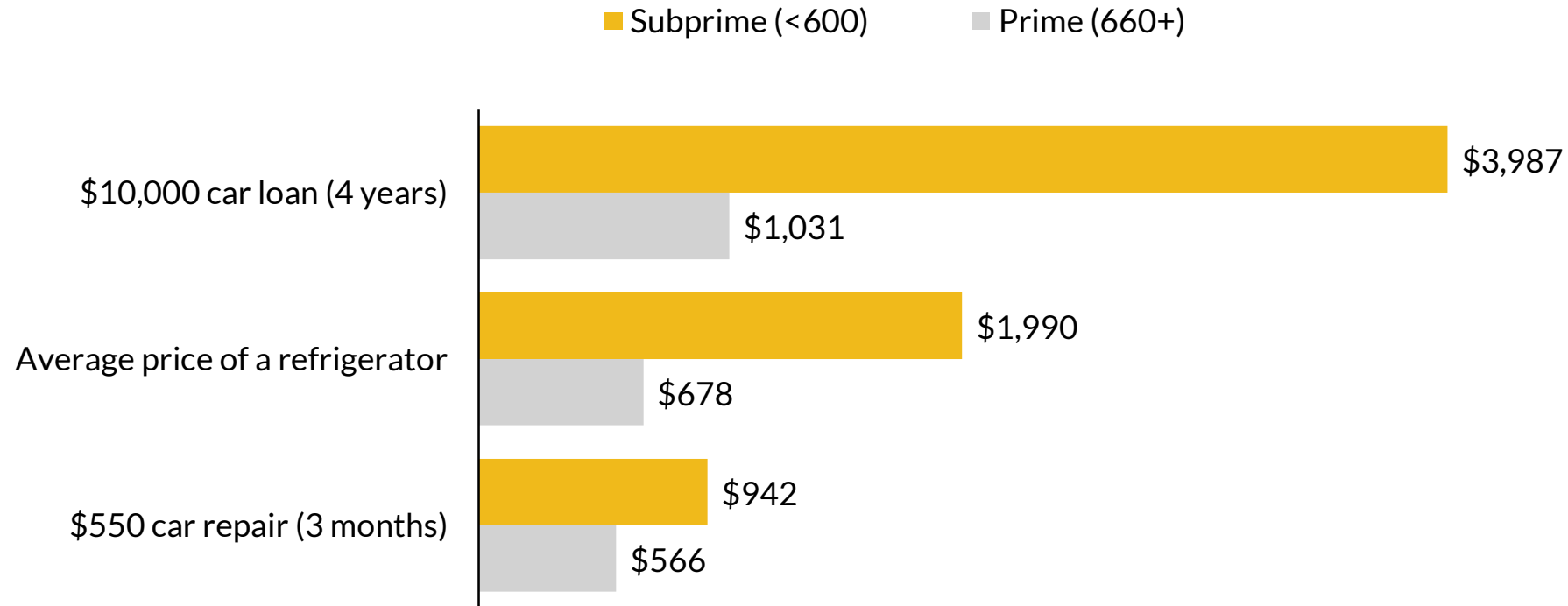
Summary of findings on delinquent debt

- 1) Delinquent debt is a measure of financial distress. It indicates that residents have trouble meeting financial obligations.
- 2) Nearly one in four San Francisco residents have delinquent debt, a rate that is lower than the US and California state averages.
- 3) In some San Francisco neighborhoods, however, more than 30 percent 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

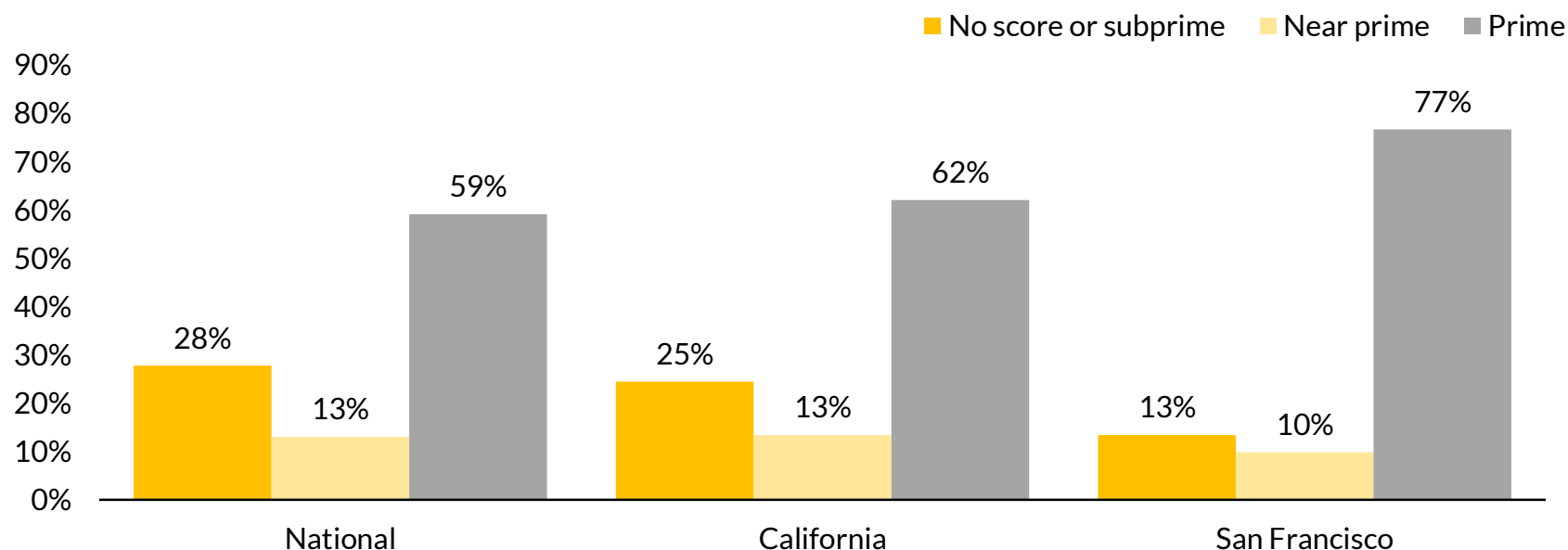


Source: Elliott and Lowitz. 2018. What Is the Cost of Poor Credit. Washington, DC: Urban Institute.

San Francisco residents have better credit than the national average

However, nearly one in four San Francisco residents have a credit score that is below prime

Share of residents by credit score range



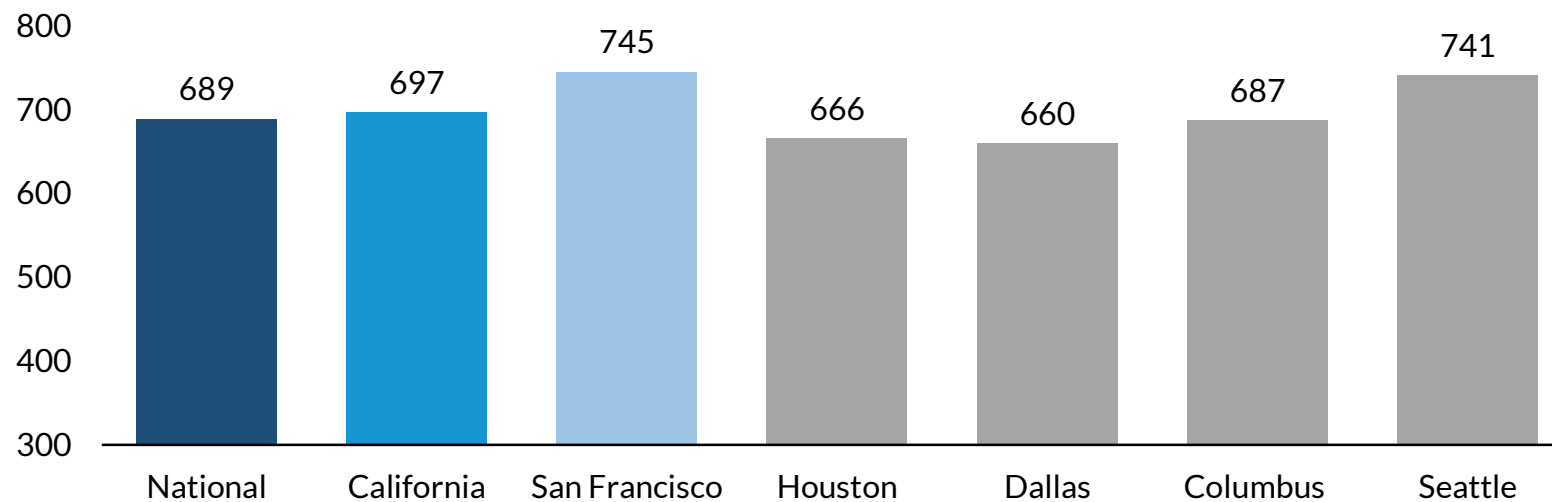
Source: Urban Institute tabulations from a major credit bureau, 2018.

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. San Francisco 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 California. 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).

San Francisco residents have strong credit compared with other cities

San Francisco's median credit score is above the national median and is similar to Seattle's

Median credit score



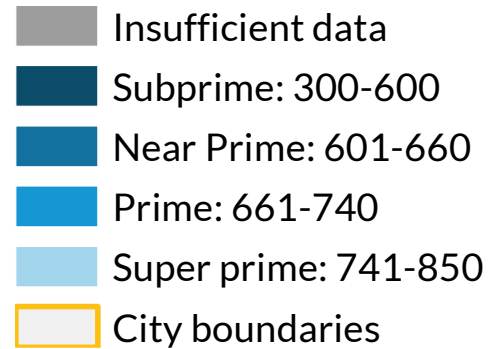
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Most San Francisco neighborhoods display strong credit health

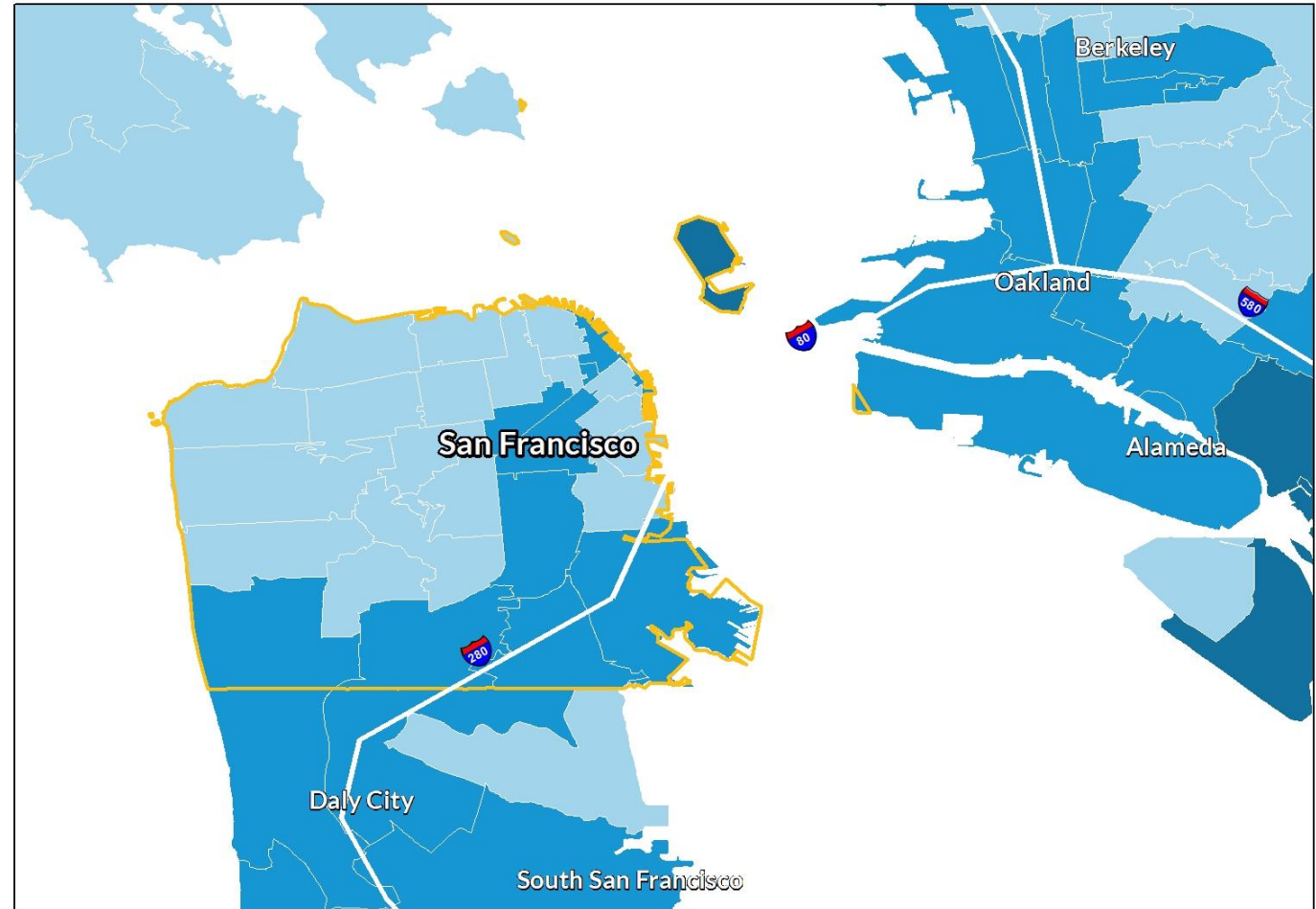
In many neighborhoods, the median credit score is prime or above

Median credit score



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

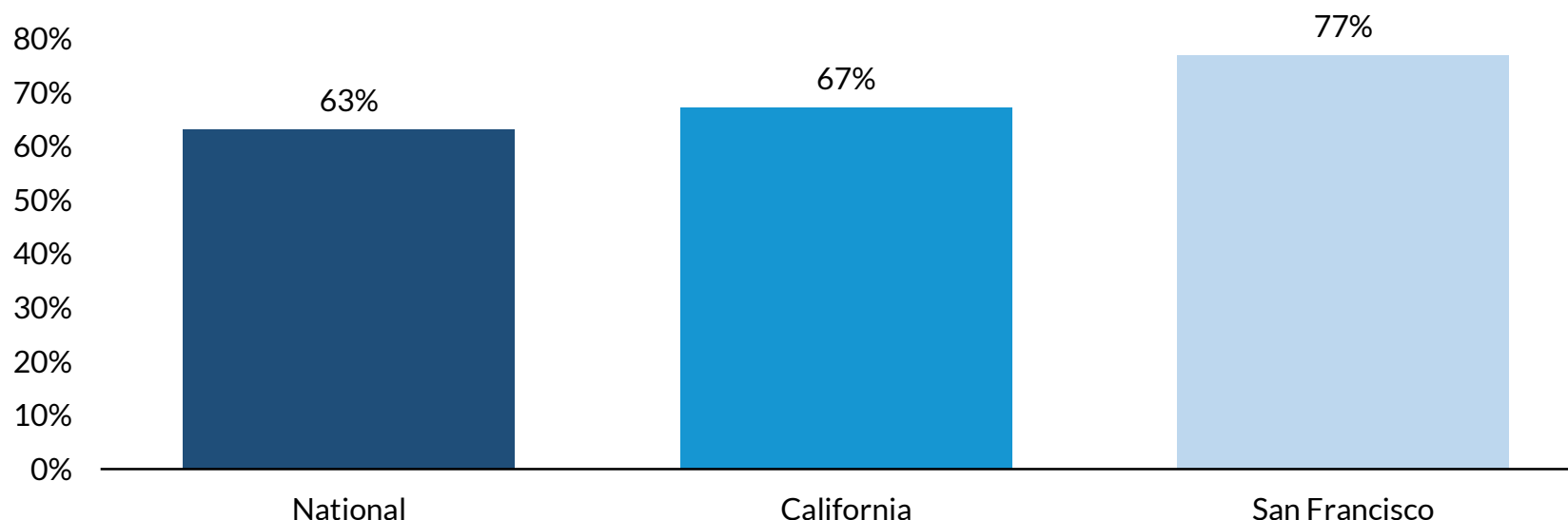
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San Francisco residents have healthier credit than the US average

Over three quarters of San Francisco residents have healthy credit

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. San Francisco 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 California. 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.

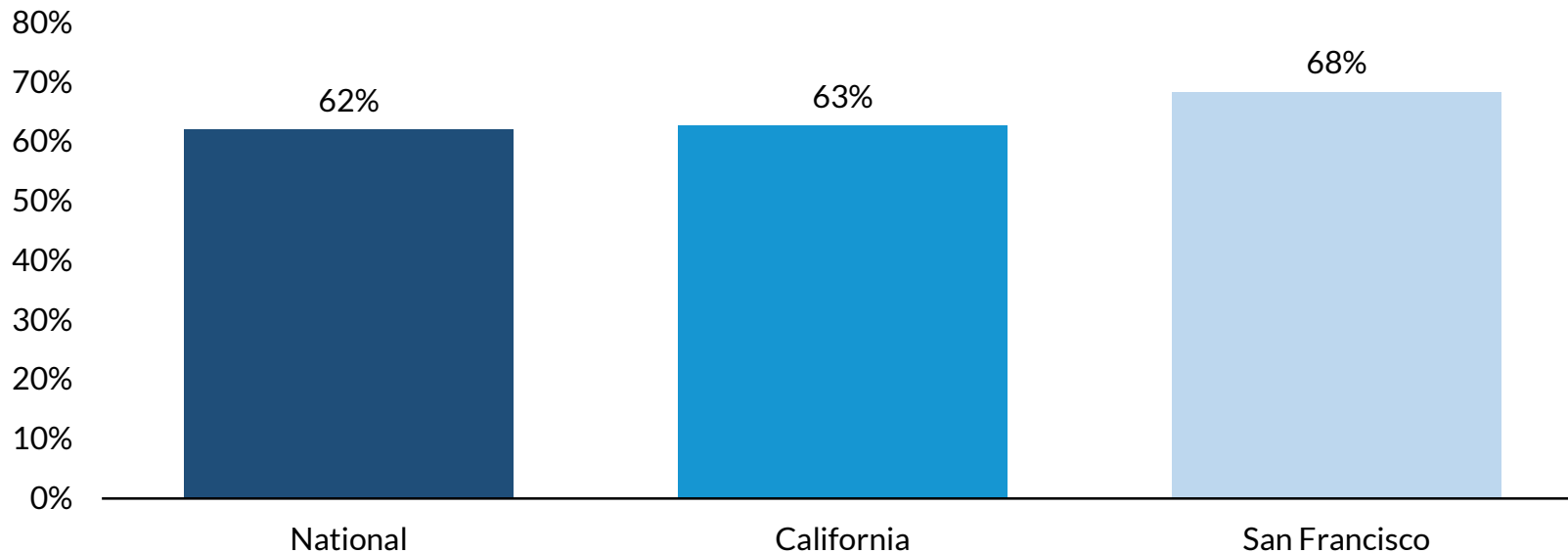
2) San Francisco residents, on average, have strong credit compared with US residents or residents of other cities. Overall, 77 percent of San Francisco residents have healthy credit.

Credit Use

Most San Francisco 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



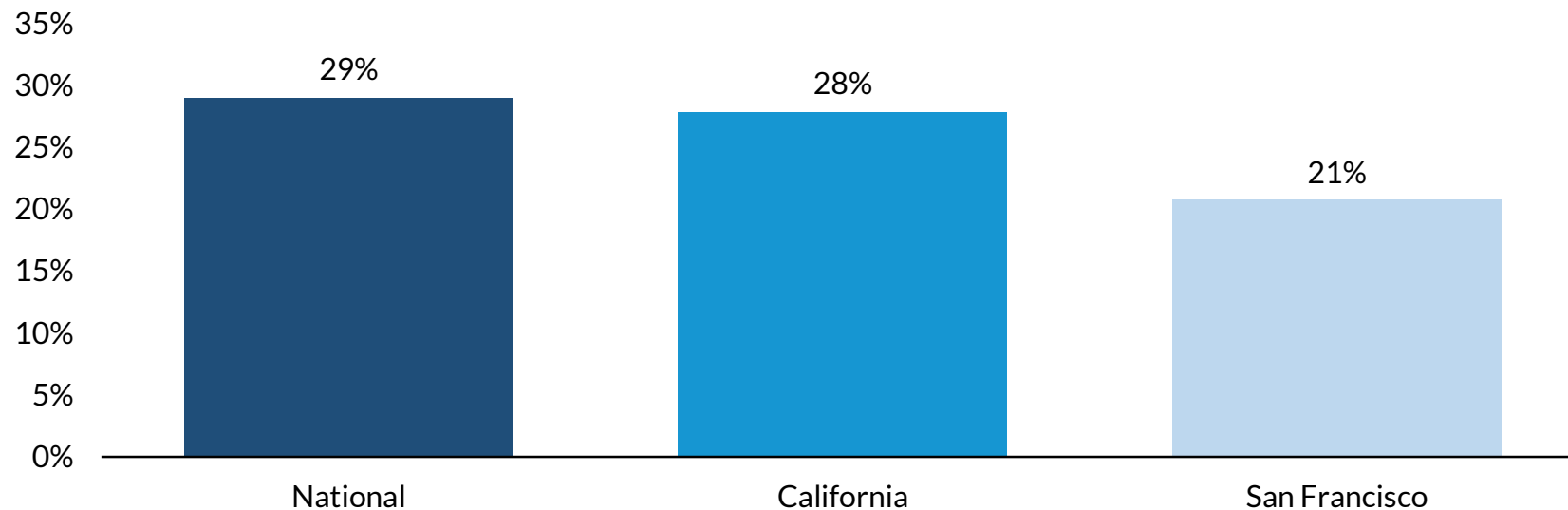
Source: Urban Institute tabulations of data from a major credit bureau, 2018.

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. San Francisco 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 California. 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 San Francisco residents is lower than 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. San Francisco 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 California. 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) Most San Francisco residents have access to these sources of credit. The credit burden faced by San Francisco residents with a credit card is lower than 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 San Francisco's financial health compares to similar cities across the country and specific actions cities can take to improve their residents' financial health, explore San Francisco'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

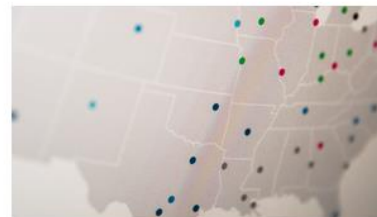
FEATURES

POLICY
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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

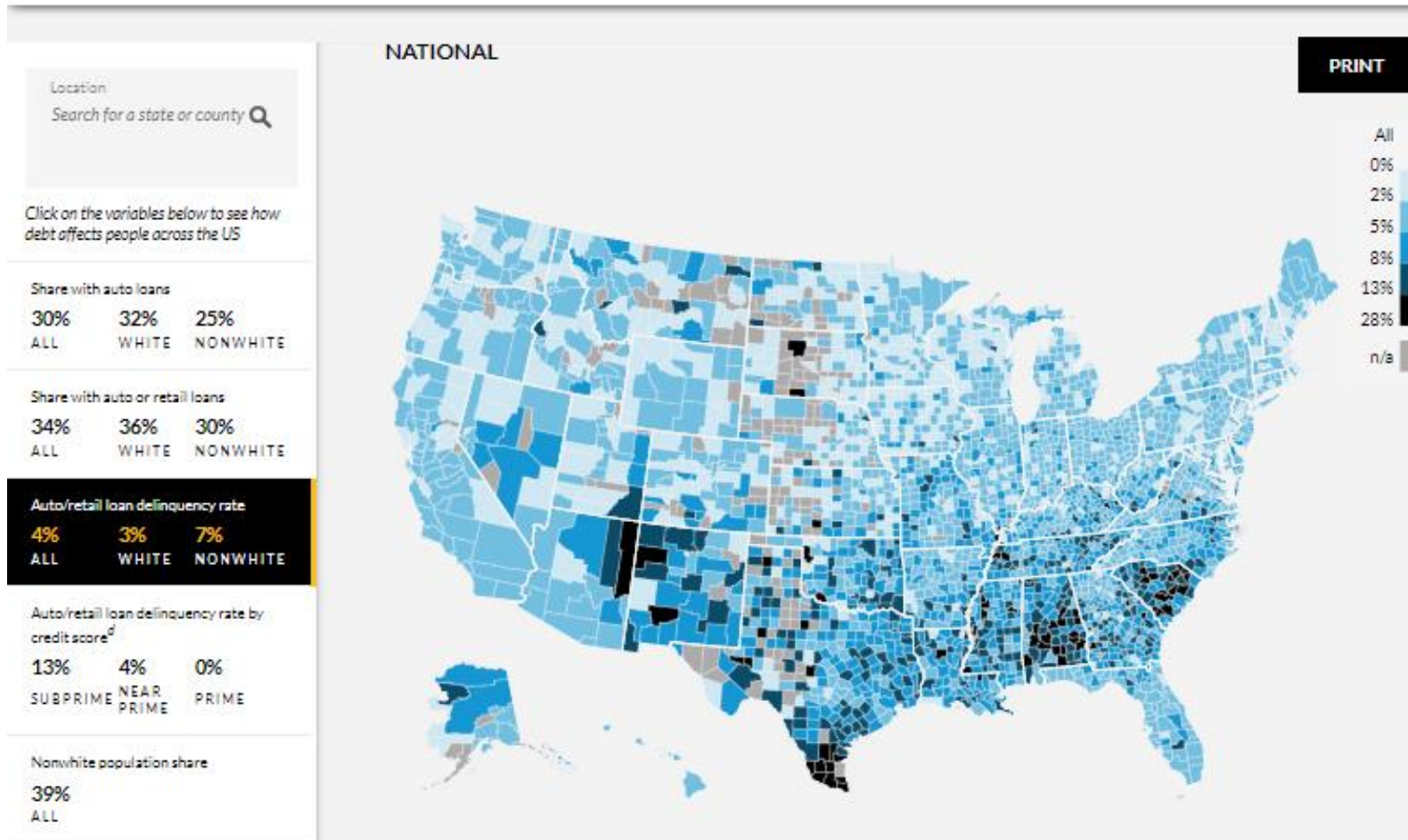
INTERACTIVE FEATURE

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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