

THE SOUTHERN PARTNERSHIP TO REDUCE DEBT

Many hard-working families of color are unable to achieve financial stability because segregationist policies of the past, chronic disinvestment and lax regulation of predatory lending have kept them on a treadmill of debt. These factors have led to lower incomes, lower wealth and higher debt burdens, especially for those living in the South.

A new multiyear, multistate effort seeks to close the racial and ethnic wealth gap by giving families of color the tools they need to fully contribute to, and benefit from, the nation's economy. Launched in 2017 by the Annie E. Casey Foundation, the Southern Partnership to Reduce Debt (SPRD) involves a network of national organizations — the Aspen Institute, Asset Funders Network, MDC, National Consumer Law Center, National League of Cities, Prosperity Now and Urban Institute — and over 20 state and local organizations working throughout Alabama, Arkansas, Georgia, North Carolina, South Carolina, Tennessee and Texas.

GOALS

The Southern Partnership to Reduce Debt is enabling more families of color to eliminate debt and build and maintain wealth by:

- enacting state and local policies that protect them from predatory, wealth-stripping products and practices;
- developing innovative, scalable models to prevent and eliminate debt; and
- holding public institutions accountable for reducing debt burdens for their consumers and communities.

WEALTH AND DEBT BY RACE AND REGION



Though median **wealth** for African Americans and Latinos is higher in the South than nationally, it remains much lower than that of their white counterparts.

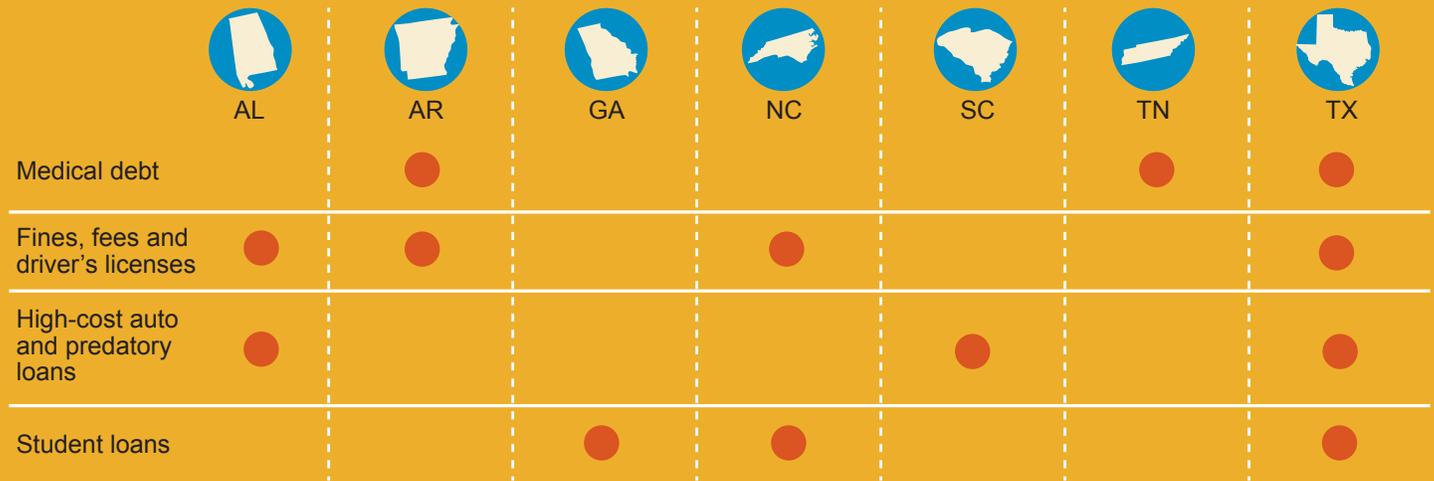


Note: The median wealth of Latinos in Alabama, South Carolina and Tennessee has been omitted because the sample size is too small (less than 30).

Source: U.S. Census Bureau, Survey of Income and Program Participation, 2014 Panel, Wave 3.

TYPES OF DEBT BY STATE

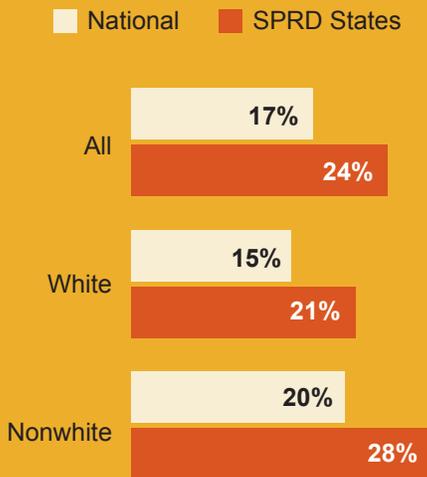
Each of the SPRD partners is focused on one or more specific kinds of debt: high-cost auto and predatory loans; fines, fees and driver's licenses; medical debt; and student loans.



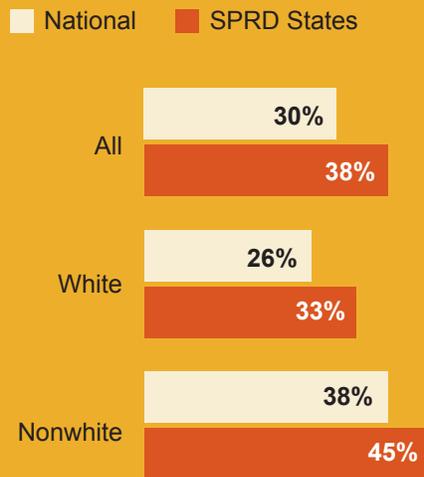
WEALTH AND DEBT BY RACE AND REGION



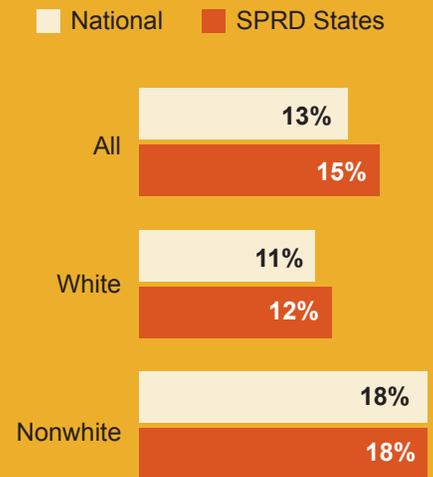
Share of consumers with medical debt in collections



Share of consumers ages 18–24 with any delinquent debt



Share of student loan holders in default



Note: White and nonwhite values are based on county or state ZIP codes that are predominantly white (at least 60 percent of the population is white) or predominantly nonwhite (at least 60 percent of the population is nonwhite). Nonwhite populations are defined as those who are African American, Latino, Asian or Pacific Islander, American Indian or Alaska Native, another race or multiracial.

Source: Ratcliffe, C., McKernan, S-M., Lou, C., Hassani, H., & Quakenbush, C. (2018). *Debt in America: An interactive map*. Retrieved from https://apps.urban.org/features/debt-interactive-map/?type=medical&variable=perc_debt_collect

STATE PARTNERS

Arkansas

- Arkansas Community Institute
- KABF Radio
- University of Arkansas at Little Rock
- Center for Arkansas Legal Services

Tennessee

- Tennessee Justice Center
- The Sycamore Institute

North Carolina

- North Carolina Justice Center
- Community Success Initiative
- City of Durham
- Leading Into New Communities
- University of North Carolina Center for Community Capital

Texas

- Center for Public Policy Priorities
- Faith in Texas
- Young Invincibles
- Texas Appleseed
- Texas Fair Defense Project

Alabama

- Alabama Appleseed
- Greater Birmingham Ministries
- University of Alabama at Birmingham
- Legal Services Alabama

Georgia

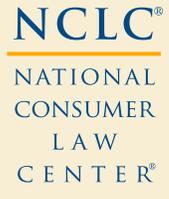
- Georgia Budget & Policy Institute
- Georgia Shift

South Carolina

- South Carolina Appleseed
- South Carolina Association for Community Economic Development
- South Carolina NAACP

NATIONAL ORGANIZATIONS

Through technical assistance and training, the national SPRD network is fostering greater collaboration among the state partners and strengthening their data-analysis, outreach and communication abilities.



ADDITIONAL RESOURCES

- **Alabama Appleseed.** *Under pressure: How fines and fees hurt people, undermine public safety, and drive Alabama's racial wealth divide.* www.alabamaappleseed.org/underpressure
- **National Consumer Law Center.** *What states can do to help consumers: Medical debt.* www.nclc.org/images/pdf/debt_collection/fact-sheets/fact-sheet-med-debt-state-reform.pdf
- **Texas Fair Defense Project and Texas Appleseed.** *Driven by debt.* <http://stories.texasappleseed.org/driven-by-debt>
- **The Aspen Institute.** *Student loan cancellation: Assessing strategies to boost financial security and economic growth.* www.aspeninstitute.org/publications/student-loan-cancellation-assessing-strategies-to-boost-financial-security-and-economic-growth
- **The Sycamore Institute.** *Medical debt in Tennessee: Who has it and why does it matter?* www.sycamoreinstitutetn.org/wp-content/uploads/2019/05/2019.05.08-FINAL-Medical-Debt-in-TN-Who-Has-It-and-Why-Does-It-Matter.pdf
- **Urban Institute.** *Debt in America.* https://apps.urban.org/features/debt-interactive-map/?type=auto&variable=autoopen_pct

For more information, visit www.aecf.org.



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