

*COMMUNITY ACTION PARTNERSHIP  
LEARNING COMMUNITY RESOURCE CENTER*

# *DRAFT*

*WHITE PAPER  
ON  
STRATEGIES RECOMMENDED  
TO  
REDUCE POVERTY  
AND  
ENHANCE ECONOMIC SECURITY*

*August 11, 2016 (Version 5)*

*By*

*Jim Masters, CCAP, NCRT. Knowledge Worker*

[jmasters@cencomfut.com](mailto:jmasters@cencomfut.com)

*And*

*Allen C. Stansbury, Senior Associate,*

*Center for Community Futures*

[allen@stansbury.net](mailto:allen@stansbury.net)

**Note: This is the author's third draft. It has not yet been reviewed by the participants in the Learning Community or by Partnership staff. We invite your feedback. Additional drafts maybe forthcoming.**

*This publication was created by the National Association of Community Action Agencies – Community Action Partnership, in the performance of the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services Grant Number, 90ET0436. Any opinion, findings, and conclusions, or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Health and Human Services, Administration for Children and Families.*

Please Note: There are many hotlinks to the source material in this document, so a digital version (rather than a paper version) is the best way to use this White Paper.

We want to thank the staff at the Partnership who assisted in creating and managing this Learning Community and the webinars.

Denise Harlow – Executive Director

[ddharlow@communityactionpartnership.com](mailto:ddharlow@communityactionpartnership.com)

Jarle Crocker -- Director of Training and Technical Assistance

[jarle@communityactionpartnership.com](mailto:jarle@communityactionpartnership.com)

Tiffney Marley, CCAP, NCRT - Project Director, Learning Communities Resource Center

[tmarley@communityactionpartnership.com](mailto:tmarley@communityactionpartnership.com)

Natalie Kramer, MSW, NCRT - Program and Policy Associate

[nkramer@communityactionpartnership.com](mailto:nkramer@communityactionpartnership.com)

Sonji Dawson Johnson – Program Specialist

[sjohnson@communityactionpartnership.com](mailto:sjohnson@communityactionpartnership.com)

Barbara Ledyard – Project Director, Learning Communities Resource Center

[bledyard@communityactionpartnership.com](mailto:bledyard@communityactionpartnership.com),

Cashin Yiu – Program and Event Coordinator

[cuiu@communityactionpartnership.com](mailto:cuiu@communityactionpartnership.com)

We also thank all the people who participated in the webinars and gave their feedback there, those who attended the workshops and gave feedback after the National Convention, and those who commented on this paper.

We have selected many strategies from national advocacy organizations, think tanks and experts. We have tried to identify all sources. Where we have inadvertently missed citing the correct source -- we apologize and give you full credit for your idea.

**Table of Contents**

Introduction and overview of this project..... 4

Executive Summary..... 6

APPENDIX1: INDEX OF BACKGROUND MATERIAL ..... 16

1. CHANGE THE RULES UNDER WHICH THE ECONOMY OPERATES TO EXPAND ECONOMIC OPPORTUNITY - BACKGROUND MATERIALS..... 17

2. HUMAN DEVELOPMENT - BACKGROUND MATERIALS ..... 31

    23 Current Issues in Human Development for CAA’s to Think About ..... 33

3. SAFETY NET - BACKGROUND MATERIALS ON THE TOPIC ..... 47

4. FAMILY FORMATION and IMPLICATIONS FOR THE SAFETY NET - BACKGROUND MATERIALS..... 48

5. HOW WE TALK ABOUT POVERTY AND ECONOMIC SECURITY ..... 51

6. GLOBALIZATION AND INTERNATIONAL COMPARISONS - BACKGROUND MATERIALS..... 55

7. AFFORDABLE HOUSING SOLUTIONS ..... 60

8. THE HIGH PROBABILITY OF EVEN MORE UNHAPPY SCENARIOS - BACKGROUND MATERIALS ..... 68

9. HOW DO WE BRING ABOUT CHANGE - BACKGROUND MATERIALS..... 73

Appendix 2. Results from the National Survey ..... 87

National Poll Results Summary ..... 87

APPENDIX 3: ACE’s quiz and discussion ..... 96

Appendix 4: About the Authors. .... 98

Appendix 5: Endnotes ..... 99

## Introduction and overview of this project.

The War on Poverty is celebrating decades of success. We have helped millions of people avoid poverty or get out of poverty. In this 52<sup>th</sup> anniversary year, the community action network continues to seek social change and to expand economic opportunity for the tens of millions of people with low-incomes.

Community Action Agencies and communities are faced with dramatic changes in the economy, a widening income gap, and resources that are nowhere near the amount needed to make a major impact on most social problems. Especially since the great recession of 2007-2009, rising poverty, hunger, and declines in economic opportunity and social mobility have affected every state, city, suburb, and rural community in our nation. In addition to celebrating the past, the community action network is reviewing what worked and what did not work and what remains to be done. This paper explores possible answers to the question “Where do we go from here?”

The Partnership created several Learning Clusters. The National Trends Learning Cluster began by asking: What is the opportunity structure that exists in America? What are the current conditions? What caused the current conditions? What are the trends? CAA’s do community assessments and devise strategies that address community conditions and the causes of those conditions. This White Paper does this on a national basis; it is the first version of a National Assessment.

We reviewed the national trends in: demographics, the economy, the labor market, and social values. We covered these topics in webinars which are available on the Partnership website at: [http://www.communityactionpartnership.com/index.php?option=com\\_content&task=view&id=123](http://www.communityactionpartnership.com/index.php?option=com_content&task=view&id=123)

Given these realities and trends, in the next four webinars we looked at what the experts propose as remedies. We look at the strategies that would expand economic and social opportunity for people with low-incomes. We reviewed the recommendations from dozens of scholars, think tanks and advocacy organizations.

In each of these eight webinars there is (a) a compilation of reading materials, the “reader, (b) a bibliography, (c) a PowerPoint presentation, and (d) a list of questions that we asked the participants to respond to.<sup>1</sup> Most questions were related to one of two general themes. “Of the issues presented today, which do you think are most relevant to your CAA?” And/or: “Of the strategies presented today, which do you think your CAA board and senior staff would be most likely to support?” The materials presented in the Webinars are not repeated here. This White Paper provide background information on which the webinars were based and goes beyond where the webinars left off.

After the webinars were completed, the questions were synthesized and a national survey of the community action network was done. It repeated some of the questions asked in the webinars to the entire network. Further, we asked “What worked best and remains relevant for now? Which

of our current strategies should be continued, and which modified or replaced?” If a respondent answered that changes need to be made, then we asked them “What were the strengths that we can build on?” “Are the vision, values and mission of community action still valid, or do they need to be refined? If so, how?” The National Poll Results Summary follows the Executive Summary. The full results of the survey are in Appendix 2.

We organized the background material into the following categories: (1) Change the rules under which the economy operates to expand economic opportunity. (2) Engage in human development activity, (3) reinforce the safety net, or as we should say now – provide enough to people so they avoid destitution, and ensure health security. (4) Understand and discuss family formation issues, even though we do not have much influence over them, (5) Change the way we talk about issues so our ideas appeal to a wider base,(6) International Comparisons, (7) Worst Case Scenarios, and (8) HOW we might bring about desired changes. What approaches might work?

Based on our experience in the community action network (approaching 100 years between the two of us), the authors reviewed all the approaches suggested by the think tanks and scholars. We sorted them into two categories. The first is strategies that we think the community action network should consider adopting, either at the national, state or local level during the next 5 – 10 years. We listed all of them in the background sections.

We selected those that we think -- based on the capacity of community action, the recommendations of experts and the results of the survey -- have the most potential to expand economic opportunity. These are described in the section “Recommended Strategies and Approaches” starting on page 9. Please note that the recommendations are presented BEFORE the background material is presented.

For those strategies the network is most interested in, we will advise and coach CAA’s about how to pursue them. Other national organizations may have material that can be used, or the Partnership may prepare guidance.

We did not include strategies that we thought would have little impact, or that are not based on the core competencies of most CAA’s.

John Johnston, formerly South Dakota State OEO Director a contributor to this white paper wrote: *“50 years ago OEO set out to create a "new model," a new approach to fighting poverty. The mission statement for CAAs acknowledged that operating programs and providing services would be the principle activity of CAAs, but it made it clear that the most important role of CAAs was to change the attitudes and practices directed toward poor people. That is, CAAs were expected to try to fix poor people---the old model---but more significantly they were to build a new model---to change or stop what was being done to poor people.”*

John also has a new model for addressing poverty issues. It is at:  
<http://www.cencomfut.com/ANewModel072116byJohnJohnston.docx>

## Executive Summary

Introduction. The national Community Action Partnership (the Partnership) commissioned a White Paper to review nationwide demographic, social and economic trends as they affect the ability of people with low-incomes to earn a living, and to make recommendations about what the anti-poverty network should be doing next. Eight highly participatory webinars were held. Workshops took place at national and state conventions. A nationwide survey took place. This is a summary of important issues and proposed policy and program changes.

Social and economic conditions have changed dramatically since the passage of the Economic Opportunity Act of 1964. Then, a “dad” who was unskilled could get a GED and get a job on an assembly line at minimum wage and that would lift the family out of poverty. Now, there are too few dads present in the household, too few dads working, and too few assembly lines. A GED does not guarantee a person a job -- and most importantly the minimum wage is not sufficient to lift a family out of poverty. “Work full-time and play by the rules” is no longer enough to produce an adequate level of living. The project reviewed many trends: demographic; economic including automation and globalization; labor market including participation rates, salaries and wages; family formation and family development; health-medical; and others along with changes in the social values, science and technology and public policies that helped create these trends.

Who we are and what we do best. CAA’s serve low income communities throughout the U.S. CAA’s cover virtually all of the nation’s 3,300 counties. CAA’s work with partner programs such as:

- Family assistance and family development,
- Weatherization and low-income heating and energy assistance,
- Head Start with over 1,600 programs serving nearly a million low-income children and their families,
- Housing development,
- Community economic development,
- Food and nutrition programs, and others

CAA’s excel at human development. Most support early childhood development with child care, preschool education, prenatal care, and nutrition –from pregnancy through preschool. Family development strategies include parent education on the topics of health, early learning and other aspects of early childhood development. CAA’s are fast responders to changing conditions, and highly adaptive to community needs. CAA’s may sponsor Head Start or work directly with families in their low-income community service areas. Using the Head Start Parent Family Community Engagement framework, CAA’s help fathers, mothers and expectant mothers learn how to raise healthy children who are ready for school. This work on the “supply side” of the population is useful and has long-term benefits, but the focus of this paper is on the “demand side” of the economy, on the jobs and self-employment opportunities for people to make a living

CAA's have employed non-service strategies to shape the rules under which people live. In the late 1970's, the Community Services Administration financed a series of studies on this topic by the Stanford Research Institute. See: <http://www.cencomfut.com/NonserviceApproaches.htm>

With the U.S. Census Bureau reporting more than 45 million people living in poverty nationwide in FY 2013, according to the annual report of 2014 published by the National Association for State Community Services Programs the CSBG Network served 15.7 million individuals and 6.7 million families.<sup>6</sup> Of the 6.7 million families served by Community Action, 32 percent were in severe poverty, living below 50 percent of the Federal Poverty Guidelines (FPG). This indicates both the severity of need facing Americans served by the Network, and the importance of multiple strategies needed to help people improve their lives.

The National Community Action Partnership just completed a survey of its membership and found that 400+ agencies of 931 are highly engaged in education and awareness strategies around anti-poverty efforts. Highest ranked responses to issues were: to increase participation in parent engagement and development programs for children; increase access to and quality of early care and education for children; expand access to job training and related workforce development programs, and increase access to higher education.

What's missing in terms of economic opportunity for people with low incomes? Here are a few examples:

1. There are not enough opportunities for people to work. Too many jobs have been automated out of existence (bank tellers, gas station attendants) or have been sent overseas.
2. Economic mobility has declined. Profits are up, but wages are not. Wages have been stagnant for 30 years. Too many people who work full time do not earn enough money to escape poverty. For them, the American Dream will never be anything but a dream.
3. There are not enough opportunities to get a higher education at a reasonable cost. Many college graduates are saddled with debt which delays their ability to get married and buy a house.
4. Access to preventative health care and health insurance is very uneven among the states. One Bush Administration official estimated 30% of poverty was caused by health problems or health-related problems (caring for a sick family member instead of working).
5. America's infrastructure is decaying. Thousands of people are ready to go to work through jobs at private contractors or through public service employment. As a general proposition, whether it is called public service employment, subsidized employment or some other term, it is only through PSE that America can produce enough work for people who need it. There have been about 17 such initiative since WWI. Richard Nixon did it. Here's a roadmap. <https://www.law.georgetown.edu/academics/centers-institutes/poverty-inequality/current-projects/upload/GCPI-Subsidized-Employment-Paper-20160413.pdf>  
And here is an oldie but goody on this topic: [http://research.upjohn.org/cgi/viewcontent.cgi?article=1128&context=up\\_bookchapters](http://research.upjohn.org/cgi/viewcontent.cgi?article=1128&context=up_bookchapters)
6. Many families have had their economic security reduced during the last 30 years. America's middle class has been shrinking as a percentage of the population. It used to be 61% , and now it is 50% and still shrinking. See Allen Stansbury's excellent blog on this topic. He has more than 130 entries. <http://declineofusmiddleclass.blogspot.com/>

What corrective actions are needed? This paper lists strategies, which if implemented, will improve Americans economically and will enhance American workers competitive advantage in today's global economy. While CAA's work to help people with low incomes to find jobs, educational opportunities, preventive health and medical treatment, housing and similar services; and while Head Start provides a holistic approach to family development -- CAA's need the financing to expand these services and to create a broader and more diverse paths out of poverty to help people become more socially mobile and financially stable. There is a need to expand social and private sector investment in conservation programs, including "green jobs" that can be made sustainable through "cap and trade." The Weatherization program should increase the types of "measures" to include washing machines, dishwashers, clothes dryers, and repair of foundations, walls and roofs. America should increase solar energy generation through "community solar energy" projects.<sup>ii</sup>

What is to be done? The next seven pages of this Executive Summary list the Recommended Strategies (policies and programs) in the areas of: 1. Change the rules under which the economy operates to expand economic opportunity. 2. Human development. 3. Safety net. 4. Family formation and implications. 5. How we talk about poverty and economic security. 6. International comparisons. 7. The high probability of even more unhappy scenarios in automation, globalization, resource depletion and climate change. 8. How to bring about change. The more complete explanations and reference material FOLLOWS this section.

- (1) **Change the rules of the economy operates.** There are not enough good-paying jobs for people who want them. There have not been enough for the past 30 years. Our research found **no** evidence to suggest that these trends will be reversed in the near future. They are going to get worse. The middle class is at its lowest percentage since 1985. Automation, digitization, robotics, globalization and corporate practices will continue to deplete "middle class jobs". The current rules under which the economy operates are working against 80% of America's wage earners, from the lowest income level through the middle earners. This first section includes several includes several subsections: (a) increasing the number of jobs, (b) expanding the amount of money that workers earn, (c) expand work supports (family leave), (d) get more money into the household and keep it there through improved money management, reducing car-loan and payday loan scams, (e) improve the tax system, (f) explore alternative economic systems to help people make a living like reducing consumption, and/or participating in the sharing economy.
- Move towards growing the economy through investments in education, and social and physical infrastructure. Invest in maintaining and improving the nation's infrastructure.
  - Expand the number of jobs through public and private investment in energy conservation, careers in medical and health industry, careers in science, technology, engineering, and math (STEM) especially for women and minorities.
  - Promote the "sharing economy" and help people with low incomes get into it, but be careful how you do this because most of the are low-paying ways to earn money.
  - Eliminate wage theft: support policies that eliminate job misclassifications, third party contracts, and similar policies.
  - Expand work support programs: especially child care, family and paid sick leave, require that work schedules be predictable at least two weeks in advance or require additional pay, increase employer subsidies for skill building.

- Support and promote free 2-year community college education. Many CAAs already have solid partnerships with their local community colleges in areas such as family development, Head Start teachers and health workers. Many of these lead to certificates or licenses.
  - Support states moving towards universal pre-school and access to affordable child care.
  - The myth is that investors are the job creators and so we should not tax them. Replace the myth with the fact that job creation happens primarily because the population expands and people consume more.
  - Reduce income inequality especially through tax reforms. Set a more reasonable, higher tax on investment income, close the “carried interest loophole.”<sup>iii</sup>
  - Expand earned income tax credits (EITC)<sup>iv</sup> to single persons and childless couples. This will help reduce income and asset inequality<sup>v</sup>.
  - Turn around the myth that increased wages are “job killers.” Increase the minimum wage. Index it to inflation. Overtime laws were recently updated to cover more people, (2)
  - Eliminate the gender pay gap with enactment of Paycheck Fairness Act.
  - Amend the tax code for multi-national corporations that take advantage of current US tax laws to hide and protect earnings in overseas banks<sup>vi</sup> – there is over \$2.5 trillion on deposit in US banks<sup>vii</sup> along with an estimated \$2.1 trillion in overseas banks that are not invested in America’s economy and jobs.
  - Support the regulatory effort created by [Dodd–Frank Wall Street Reform and Consumer Protection Act](#) to prevent bank and financial practices that lead the US into the 2007-2009 recession.
  - Support local initiatives for increased housing in the expensive areas for workers with low paying jobs. Local initiatives include inclusionary housing, encouraging “granny unit” additions, interest rate buy-downs first time home buyers, and density bonuses for multi-family housing targeting families of low-wage earners.<sup>viii</sup>
  - Enactment of the [Federal Highways Trust Fund](#) and the [National Infrastructure Bank Act](#) will go a long way towards job creation. It is estimated that the current need is \$157 billion annually for drinking water and waste water, electricity, airports, seaports and waterways, tunnels and surface transportation.<sup>ix</sup>
  - America will have to add many “measures” to conservation programs, like Weatherization. Virtually all appliances (dishwashers, washing machines, dryers) will have to be more energy efficient. Roofs and foundations often need to be repaired to reduce energy consumption. Solar should be on almost every roof.
  - A good compilation of strategies to help increase the income of the bottom third of workers is presented in” Strategies for Assisting Low-Income Families by Isabel Sawhill and Quentin Karpilow, at <http://www.brookings.edu/~media/research/files/papers/2013/07/01-assisting-low-income-families-sawhill/01-assisting-low-income-families-sawhill.pdf>
  - This list could be put in the “safety net” chapter or in “work supports because it is policies that support people who work. [http://www.clasp.org/resources-and-publications/publication-1/WSS\\_Lessons\\_4.1.16-.pdf](http://www.clasp.org/resources-and-publications/publication-1/WSS_Lessons_4.1.16-.pdf)
- (2) **Human Development.** These can be done at the local, regional, state level or national level:
- Now is the time to provide universal pre-school and access to affordable child care and early childhood development programs. Programs that help reduce Adverse Childhood Experiences and that assist families with health, nutrition and other early childhood development methods are prove effective at helping children get ready for school. A new

variation on family development called the “Two Generation” approach (Aspen institute, HHS, et. al.) is well within the capability of CAA’s. Other developmental framework such as the Human Development Capability Approach” also help ensure desired results.

- Expand prevention programs – including nutrition, and annual health check-ups,
- Eliminate or reduce incarceration for most petty crimes, and use the savings towards social service preventive measures for those at risk and to reintegrate people into society;
- Rein in the high interest rates for student loans: currently there is \$1.36 trillion<sup>x</sup> in student loans with interest rates ranging from the current 4.29% to 6.84%;<sup>xi</sup>
- Conditional cash transfer are an interesting approach in which small sums are awarded to parents for making sure kids get to school on time etc. The New York City Center for Economic Opportunity is exploring this approach.
- Virtually everybody must have high-school level skills in language and numeracy to succeed in America. Preventing dropouts and providing alternative ways of learning are essential to the future of the economy and the society.
- Criminal justice reform is now being pursued by liberals and conservatives alike. From a human development perspective education is a better alternative to incarceration. Most drug use should be taken out of the criminal justice domain and put into the health and education domains. <https://www.whitehouse.gov/the-press-office/2016/04/23/cea-report-economic-perspectives-incarceration-and-criminal-justice>

### (3) Strengthen the safety net.

- Most other advanced societies have determined what the minimum quality of life is that they want all citizens to have. This “anti-destitution” level provides a solid floor in most advanced societies. Not in America. We still have a patchwork of federal, state and local programs. In the U.S., there is no agreement about what the safety net should contain by way of features or benefits, and no agreements about what the minimums should be, and no agreement about how long the benefits should last. You can see this writ large in the varying monthly benefits for recipients of TANF, which for a single person range from \$81 in Arkansas to \$428 in Minnesota. The states are spread all along that spectrum. Kansas is \$267 and Missouri is \$136. Really?
- The Office of Economic Opportunity pioneered the experiments on Guaranteed Annual Income. President Richard Nixon supported this, and we need to do this again. Nine nations are exploring the concept of universal basic income, and so should America.
- Support low-income energy subsidies and weatherization by eliminating the oil depletion allowance that dates back to 1926. Instead, used the extra income to finance LIHEAP and conservation programs.<sup>xii</sup>

### (4) Family formation and implications for the safety net.

- For most women, single motherhood means poverty. For women with only a high school diploma, it almost guarantees it. This trend is disturbing to conservatives and liberals alike. Even though most family formation issues are beyond the ability of government to influence them (and some argue should remain that way) there are approaches to help ensure that at least the children obtain what they need to flourish. Programs like “Circles of Support” seek to help women build the social capital and self-confidence they need to succeed.
- Is marriage going to work for college graduates only? Research by the Brookings Institution (Ron Haskins and Elizabeth Schorr and Isabel Sawhill) describe the challenges of single

parenthood. Most households need two incomes to make it. For most children, more than one adult is needed in the household for them to thrive.<sup>xiii</sup>

- Long Acting Reversible Contraceptives are one way to help people manage family size. The Office of Economic Opportunity spent the first Federal money in support for family planning programs. It is time to look at this issue again.

(5) **How we talk about poverty and economic security.** The focus of this section is on false narratives, and also on the terminology used in the war against poverty.

False narratives are small kernels of truth that are twisted in a way to create false impressions about the poor and causes of poverty. Politicians built their political base by spreading myths about the poor, i.e. “the poor are lazy, don’t wish to work and social welfare and food stamps are dis-incentives that allow them not to work.” Another false portrayal is a stereotype of those living in poverty “as their own choice.” Needless to say, if a “fact” is successfully twisted to create a false impression it serves as the basis against creating or maintaining a safety net such as unemployment insurance, social welfare, food stamps and social security.

Other common myths perpetuated by the media and others include:

- Families must have two parents at all cost;
- Some people thrive while others fail based totally on their individual efforts;
- Private enterprise is the sole engine of economic growth.

"People tend to view the economy as a fixed pie where there is only so many jobs," people think there is "only so much opportunity, and that is simply not true. People create jobs, people grow the economy. This is a failure to understand how the economy — how opportunity actually works.

In 1976, Ronald Reagan was trying to win the Republican Presidential primaries. As he refined his stump speech, he tested out a theme that had worked well when he ran for governor of California and found that it resonated with audiences all across the country: the need to reform welfare. He did so by inventing the myth of the “welfare queen,” stating at his campaign rallies, *"In Chicago, they found a woman who holds the record. She used 80 names, 30 addresses, 15 telephone numbers to collect food stamps, Social Security, veterans' benefits for four nonexistent deceased veteran husbands, as well as welfare. Her tax-free cash income alone has been running \$150,000 a year."* Needless to say he was successful in making “welfare” and those on “welfare” scapegoats as undesirables and thieves in his presidential campaign. It has been continued by conservative’s efforts to further reduce public assistance.

Starting about 20 years ago, studies by Linguistics Professor George Lakoff and also by Dr. Meg Bostrum (Ford Foundation) produced a series of reports that showed using the traditional historic language about poverty was LOSING ITS POWER TO PERSUADE people to support new policies to reduce poverty. The Center for Community Change and The Frameworks Institute have recently issued guidance on why phrases like “economic security for all” and “economic opportunity for all Americans” and other cultural universals

that apply to all people have broader support that concepts that create an “us” and “them” with “us” being asked to provide special benefits to “them.”

Reframing poverty as a public health issue is one way to broaden the policy frame.

- (6) **International comparisons.** The U.S. is Number One. But it ranks everywhere from 4<sup>th</sup> to 18<sup>th</sup> among advanced nations on most measures of economic, education and health. According to the [World Economic Forum, the US ranks 3<sup>rd</sup> in competitiveness](#). The details of these rankings add up to a “call for action” on numerous fronts.
- (7) **Affordable Housing.** There are many reasons that housing for all incomes categories is becoming increasingly less affordable and accessible. Of course, the largest impact are on low-income families and the middle class. Owning and renting has become out of reach for a large segment of our population creating an enormous number of families with children who are homeless. A big piece of this puzzle is finding affordable land on which to build affordable housing for everyone, particularly for low-income families and households. What is often thought as affordable is in flood plains (i.e. 9<sup>th</sup> ward of New Orleans resulting from Hurricane Katrina, August 2005) and other hazardous zones, often placing low-income earners living there in harm’s way. Photos of Hurricane Katrina were published in a 10<sup>th</sup> anniversary edition of the International Business Times at <http://www.ibtimes.co.uk/hurricane-katrina-10th-anniversary-powerful-photos-devastation-new-orleans-ninth-ward-1517626> and <http://www.ibtimes.co.uk/hurricane-katrina-10-years-why-was-it-so-destructive-1515841>.

### **Defining the housing problems in the US.**

**Homeless** by the numbers, according to the [National Alliance to end homelessness](#):

In January 2015, 564,708 people were homeless on a given night in the United States. Of that number:

- 206,286 were people in families, and
- 358,422 were individuals.

About 15 percent of the homeless population - 83,170 - are considered "chronically homeless" individuals.

- About 2 percent - 13,105 - are considered "chronically homeless" people in families.
- About 8 percent of homeless people- 47,725 - are veterans.

These numbers come from the 2015 [Point-in-Time Counts](#), which are conducted, community by community, on a single night in January every other year for the Department of Housing and Urban Development. The problem is growing in many urban areas. Los Angeles, Seattle, Portland, Oregon and Hawaii have all recently declared emergencies over the rise of homelessness. The actual U.S. homeless population is likely higher than HUD's snapshot suggests because many people living without the means to put a roof over their heads are beyond the reach of the survey, sleeping on a friend's couch or a relative's basement. *A lack of affordable housing, combined with slumping pay at the lower end of the U.S. wage scale, has been cited by analysts as a driver of homelessness in a number of U.S. cities.*

"We are 7 million units short of affordable housing for low-income people – that's a big gap," according to one analyst cited in [an article published by Reuters](#).

**Housing Affordability:** Housing prices and rents are driven by classic supply and demand economics. A driver of homelessness are rising rents and home prices in turn driven by availability. To understand how this works, there is an indicator called the Housing Affordability Index created by the National Association of Realtors (NAR). The Index which starts at 100 measures whether or not a typical family earns enough income to qualify for a mortgage loan on a typical home at the national and regional levels based on the most recent price and income data. Needless to say, the lower the index number, the less affordable to the average wage earner is the average home in the area they live. The [index](#) is published annually by the NAR.

According to the 2015 published index, among the least affordable metropolitan areas are the San Jose-Sunnyvale-Santa Clara, CA metropolitan area at 63.9. New York-Wayne-White Plains, NY-NJ is 84.4. The more affordable areas in the US in 2015 are: Buffalo (284.6), Cincinnati (275.1), Cleveland (295.1) and Rochester (281.8).

In the high wage and low unemployment areas such as San Francisco Bay Area or New York, housing costs are out-of-reach for most workers causing them to endure long commutes from home to work. The workers in this case are often from middle income occupations such as teachers, police, bank tellers, restaurant employees, retail store clerks, etc. the very people needed for local services.

Another cause is more artificial, the local political climate is controlled by anti-growth movements and environmentalists demanding a limit to traffic, and therefore commercial and housing developments.

Mortgage interest rates are a second factor in determining monthly housing payments. If rates are high, monthly mortgage payments are high and vice versa. Currently, relative rates for 30 year fixed mortgages are quite low compared to prior years.

Another important factor in housing costs are policies of local governments. Often these reflect the attitude of local voters on matters of growth rates, density, environment, impact on local services (Water/Sewer/Schools) and traffic circulation. Poor traffic conditions are perhaps the number one reason local react adversely against housing development. If the infrastructure is insufficient to accommodate traffic generated by a housing or commercial development, voters will react negatively and will organize to stop the development.

In many northern California communities NIMBYism (Not in my back yard) is an outgrowth of persistent housing and commercial development. Once NIMBYism was limited to undesirable facilities such as “smokestack” plants, prisons, power companies, or chemical companies. Now it is extended to perceived “adverse impacts” on the community. These can be street or highway improvements, rail extensions, schools, water and sewer plants, the very things that mitigate growth impacts. Many of the NIMBY policies that arise in local governments are specifically aimed at multi-family units that can provide affordable rents to low-income residents.

Another is the adoption of impact fees on housing development. These are to buy open space for schools, parks, road and infrastructure construction and a variety of other requirement to accommodate development. These fees add to the price of a home, making many communities less affordable.

Another growth prevention mechanism is the cumbersome Environmental Impact Report (IEIR) process. One is required for every housing development, often requires a year or more to conduct and write an adequate EIR, one that will be accepted by the government jurisdiction the development will occur. Then it may take months of hearings and discussions before a local entity will make a decision which will be subject in most instances to a court challenge.

The collapse of the housing bubble causing the global recession of 2007-2009 resulted in \$11trillion in household wealth losses, with retirement accounts and life savings swept away. However, the worse tragedy was that 26 million Americans ultimately lost their jobs from the resultant world-wide recession many abandoning their homes due to aggressive foreclosure process by banks and other financial institutions.

While foreclosure rates continue to drop, some regions, especially in the coastal communities are experiencing sharp rises in home sales. This has led to very low inventory in some areas causing sharp price increases. Some housing market experts are beginning to sense that this might be the start of another housing bubble.

Another cause of this sharp decrease in housing inventory is the very large number of inner city homes and apartments that were bank foreclosures but are not for resale. This is especially true of units in predominately black communities where banks have chosen not to secure nor maintain these properties so that they could be resold when the economy rebounded.

- (8) **The high probability of even more unhappy scenarios.** There are many gloomy predictions related to the continued loss of jobs due to automation and globalization. If another 20 million jobs disappear in the next decade, what will replace them? People driving for Uber and writing code for computer games? We don't think so. Governments worldwide do not seem to have a clue this is even happening. They have not yet articulated approaches to deal with millions of newly unemployed.

Resource depletion is persuasively described by the Partnership in The New Reality Report. [http://www.communityactionpartnership.com/index.php?option=com\\_content&task=view&id=82&Itemid=243](http://www.communityactionpartnership.com/index.php?option=com_content&task=view&id=82&Itemid=243) The first cousin of resource depletion (and overutilization) is climate change. A three increase in ocean levels will displace millions of people with low-incomes worldwide.

(9) **How to bring about change.** This paper provides an overview of theories and methods that have worked in the past. Here is one excerpt from the chapter.

**Ms. Sarah Stachowiak** describes ten ways to bring about change in “PATHWAYS FOR CHANGE: 10 Theories to Inform Advocacy and Policy Change Efforts.” (The hotlink is below)

“Global theories include the following:

1. “Large Leaps” or Punctuated Equilibrium theory
2. “Policy Windows” or Agenda-Setting theory
3. “Coalition” theory or Advocacy Coalition Framework
4. “Power Politics” or Power Elites theory
5. “Regime” theory

Tactical theories include the following:

1. “Messaging and Frameworks” theory
2. “Media Influence” or Agenda-Setting theory
3. “Grassroots” or Community Organizing theory
4. “Group Formation” or Self-Categorization theory
5. “Diffusion” theory or “Diffusion of Innovations”

At the “global” (societal or community) level, one must decide whether to wait for other dynamics in the society to begin to produce change and to piggy-back on them or blend with them. Or you might initiate or pursue change at the “tactical” level through methods like those she describes. Everybody in community action should read this.

<http://www.evaluationinnovation.org/sites/default/files/Pathways%20for%20Change.pdf>

Endnote: The strategies listed in the above summary are selected from a much larger number in the remainder of the White Paper.

If enacted, these kinds of strategies (policies and programs) will go a long way to recreating opportunity in job growth and rebuilding America’s middle class. This will expand social and economic mobility for individuals and families with low-incomes and this will increase their economic security. YOU have to decide which of these will produce the most benefit to people with low incomes in your area, and which are within your capability to help bring about.

We close this summary with the themes of this paper. Tens of millions of people in America either cannot make a living or are struggling to make a living. Tens of millions cannot find an affordable place to live. America and community action need to do something about it.