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Joint Economic Committee

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Congressional Hearing
"Leave No Family Behind: How Can We Reduce the Rising Number of American Families Living in Poverty?"

Testimony By

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&

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Introduction

To America, poverty is an issue that is important and one that is emotionally charged. This can be said for people who live in poverty, those who make policy, professionals who work to help people get out of poverty and elected officials at all levels of government.

The fact is there are too many Americans living in poverty in 2008. America, the wealthiest Nation in the world, has too many people living in poverty. America is a country of prosperity, wealth and abundance, yet, many people find it difficult to pay for their basic assistance without subsidy.

The problem of poverty is complex, complicated, and generational. Despite investments made to help people get out of poverty, there is no single government-wide strategy and tactical game in play to change the landscape of poverty for America's poor people and the communities in which they live. Indeed, progress has been made over the past 40-years to lift people out of poverty, yet the problem continues to exist for millions of Americans – senior citizens, young adults, youth and children. It should be required of the federal government to solve this growing problem.

Public Law 88-452, An Act was designed, "To mobilize the human and financial resources of the nation to combat poverty in the United States." The Economic Opportunity Act of 1964, enacted by the Senate and House of Representatives of the United States of America in Congress assembled. Therefore, the policy in 1964 of the United States was to eliminate poverty by way of training, education, and work so all Americans could live in decency and dignity. The purpose of this Act of 1964 was to strengthen, supplement and coordinate efforts in the furtherance of that policy.

Millions of Americans – the unemployed, the working poor – are struggling to find adequate food, housing, and health care for their families.

37.3 million people lived below the federal poverty level in 2007. The number is up from 36.5 million in 2006. Economic research shows adverse impacts on people living in poverty such as employment, health care, housing, and criminal activity.

Changing Nature of Population Being Served By Community Action Agencies

There is a recent change – within the last two (2) years – in the face of poverty in America. Inflation, a recession and the outsourcing of jobs are creating an environment for people who traditionally take care of their basic needs to seek services from Community Action Agencies. More middle class families are asking for public assistance because they are having difficulty paying their bills. The average person is struggling to make ends meet.

There are myths surrounding who receives social services in Florida and other states. It is often assumed that families receiving social services are non-white and reside in the inner city.

The 2007-2008 report reveals that nearly 37% of households receiving services from Community Action Agencies were white and who traditionally receive income from employment related activity.

Poverty and hunger are problems that millions of Americans face daily. This is such an issue in 2008 that many American families fear they will not have money to purchase food among other competing basic needs, such as rent, mortgage payments, utility payments for summer cooling and winter heating costs. Poverty is on the rise, despite the growth in the US economy. In fact, the latest numbers indicate that almost 6% of American workers live in poverty.

What we are seeing in 2007-2008 is the rise in the number of married couples who are in poverty. This traditional family unit has historically been the family unit that stays out of poverty.

This family unit – married couples – has not traditionally made application for social service programs. Yet, because of job loss, companies closing and as well as job being outsourced outside of America, many American families have sought social services to meet basic assistance.

Because of the number of non-traditional families, coupled with the number of traditional families, served by Community Action Agencies, has impacted on the agencies' ability to serve this new and old applicant pool.

The bottom line is that American families are faring worse than they have in years. The growth in the number of poor should give us grave concern from a policy standpoint, given the vast growing distance between Americans who are rich from those who are poor.

This can be easily seen in salary and compensation for wealthier Americans which have risen drastically. Conversely, wages for millions of lower-wage workers have gone down, many of whom have lost their jobs.

The implications of these changes are dramatic. As the number of people go up who desire and need social services compared to limited budgets create frustration on behalf of people trying to get in the door. There is a recent trend that more people are seeking help with basic assistance – food, shelter, cooling and heating costs, transportation and childcare.

There is a need for public policy decision makers to take note of these changes and make policy decisions that will get people out of poverty and on the road to recovery by the most expeditious means. This may require additional federal appropriations and/or redistribution of federal appropriations for a more robust service delivery system.

Indeed, the sooner people get out of poverty, the sooner our national economy will be on the road to recovery.

Northeast Florida Community Action Agency, Inc.

Consolidated Participant Demographic Report

For the period from: 10/01/2006 to: 07/31/2008

Total unduplicated number of persons about whom one or more characteristics were obtained: 24466

Total unduplicated number of families about whom one or more characteristics were obtained: 8967

Gender

Male: 9433
Female: 15033
TOTAL: 24466

Age

0 to 5: 3404
6 to 11: 4319
12 to 17: 3967
18 to 23: 2247
24 to 44: 5670
45 to 54: 2346
55 to 69: 1755
70 + 758
TOTAL: 24466

Ethnicity/Race

African American 15967
Asian 39
Native American 57
White: 7313
Other: 888
Multi-Race: 197
TOTAL: 24461

Education

[adults 25 and older]
0 - 8: 375
9 - 12 Non-graduate: 2085
HS Grad/GED: 6365
12+ Some Post HS: 456
2 or 4 yr College Grad: 810
TOTAL: 10091

Family Size

One: 2612
Two: 1899
Three: 1822
Four: 1361
Five: 732
Six: 306
Seven: 148
Eight or more: 86
TOTAL: 8966

Family Income Source

No Income Data Available: 1654
TANF 76
SSI: 1577
Social Security: 2115
Pension: 223
Unemployment Insurance: 175
Employment + Other Sources: 223
Employment Only: 2767
Other: 1631
Families reporting income
(unduplicated): 7311

Other Characteristics

Have Health Insurance: 3342
Are Disabled: 2776
Are Veterans: 81
Have no Health Insurance: 21115
Are not Disabled: 21690
Are not Veterans: 24376

Ethnicity

Hispanic or Latino: 1045
Not Hispanic or Latino: 23415

Family Type

Single Parent Female: 4228
Single Parent Male: 169
Two Parent Household: 1125
Single Person: 2618
Two Adults/no children: 534
Other: 292
TOTAL: 8966

Level of Family Income (% Poverty Level)

Up to 50%: 3731
51% to 75%: 1952
76% to 100%: 1462
101% to 125%: 1164
126% to 150%: 577
151% & over: 79
TOTAL: 8965

Housing

Own: 2065
Rent: 6766
Homeless: 3
Other: 132
TOTAL: 8966

Other Family Characteristics

Receive Foodstamps: 4317
Do not receive Foodstamps: 3841
Farmer: 2
Migrant Farmer: 5
Seasonal Farmworker: 7
Is not Farmer: 8144
Is not Migrant Farmer: 8153
Is not Seasonal Farmer: 8151
At least 1 member 60+: 1393

Total unduplicated number of persons about whom one or more characteristics were obtained: 24466

Total unduplicated number of families about whom one or more characteristics were obtained: 8967

Census – 2007 American Community Survey

	Florida	Jacksonville
Medium Family Income	\$ 56,966	\$ 58,397
Percentage of People 65+ In Poverty	9.4	8.5
Percentage of Related Children In Poverty	16.6	18.5
Percentage of People in Poverty	12.1	12.4

Federal Poverty Limits

A 40-year old formula used to determine poverty levels is outdated and must be changed. The current method of determining poverty based solely on income is a policy that time has passed. The income levels used today fail to take into account the changing face of poverty today.

People who are in poverty because of a job loss or other temporary set backs in life often do not meet the poverty guidelines because they may be \$1 over the federal guidelines. Instead of turning those people away, the system should be able to provide temporary services to help them get back on their feet as quickly as possible. This assistance should be designed to keep their temporary poverty condition temporary so as to get the family back on their feet above the poverty line as quickly as possible.

The current poverty formula is flawed because it focuses on food costs. It fails to factor in the cost of shelter, home heating and cooling, transportation, childcare, health care of all sorts and other costs for basic needs of people.

There is overwhelming evidence that change in the federal poverty limits are necessary given that 37 million Americans live in poverty today. This number is without regard to the working poor and those who are “temporary” poor because of some life change.

There should be some factor built into the formula based upon geographical conditions. What it takes a family to survive in New York City, Chicago or San Francisco is different than the cost of living in Jacksonville, Florida.

Sustained Long-Term Support

There is evidence to support that 37 million people live in poverty in America today. This number is growing every year. Our society has failed to provide the policy leadership necessary to aid people to get out of poverty and to stay out.

Many people require long-term sustained support to get and remain out of poverty. The fact is the lack of such sustained services only guarantees people to escape poverty modestly or if at all. Such sustained services that support work should be explored. Such services like childcare, transportation, health care, and the like that support work must be given top priority by policy makers.

The idea and goal of poverty reduction is a noble goal that requires a new level of thinking to assist people to get and stay out of poverty. This is a complicated issue requiring a complicated solution to overcome. This is a problem that can be attacked and won with the political will of policy makers to put appropriate resources on the problem.

Rooting Out Poverty: A Campaign by America's Community Action Network

Rooting Out Poverty...is a call to action for a national commitment – a **national campaign** – to promote economic security for all of us in America and to substantially reduce, if not eliminate, poverty.

The report was developed during the past year with the input of nearly 1,000 individuals in The Community Action Network from across America. More than 1,000 local Community Action Agencies provide essential services and new opportunities for low-income individuals and families, covering all states.

Rooting Out Poverty recommends the following five (5) action themes, strategies that community leaders and individuals can use to “root out” poverty at the state, local, and national levels:

- **Maximize Participation** – involve everyone in the community – rich, poor, and in between – in addressing and solving needs and issues that result from poverty. This includes involving civic, faith-based, business, and other groups.
- **Building An Economy That Works For Everyone** – develop and promote economic opportunities and improved conditions for all, including jobs and workforce development.
- **Invest For The Future** – provide education, especially for those with greatest needs, preserve and protect our environmental assets, including renewable energy and healthy global ecosystem.
- **Maximize Equality Of Opportunity** – ensure that opportunities are fully accessible and widely promoted. Create policies, programs and initiatives, including enforcement strategies that enable people to improve their situations.

- **Ensure Healthy People And Places** – accessible, affordable health care is essential. Healthy environments, free of pollution, toxic waste and environmental degradation are essential for healthy communities.

The report lays out 64-specific recommendations that Community Action Agencies can consider emphasizing as they address those issues and needs most immediate to their geographic areas of service and as they pertain to federal and state policy improvements.

Rooting Out Poverty also identifies effective success stories from Community Action which show that economic security and the lives of low-income and other vulnerable people in America can be improved through thoughtful, cost-effective programs and strategies that will be the basis for this national campaign.