

Community Connections

May 2008

The High Cost of Poverty: Past Accomplishments, Next Steps, and What You Can Do

Erie County, Pennsylvania



The Erie
Community
Foundation

Helping today... Shaping tomorrow.

Community Connections is a series of publications
designed to build and share knowledge on public issues in Erie County, Pennsylvania.

Poverty in Erie County has been reviewed, analyzed, discussed, and debated.

As a follow-up to our April 2007, *Community Connections: The High Cost of Poverty: It Affects Us All*, The Erie Community Foundation and Greater Erie Community Action Committee (GECAC) are sponsoring a series of poverty simulations. Participants in the simulation experience the day-to-day realities of the nearly 40,000 Erie County residents living in poverty.

During the simulation, participants experience a month of living in poverty. They role-play the lives of low-income families including single parents, people with disabilities, and senior citizens on social security. All experience the realities of long lines, eviction notices, making choices between paying for medication and purchasing food, facing limited transportation options, uncertainty and hunger.

After the simulation, trained facilitators led both participants and volunteers in a discussion. Significant attitude changes occur during this brief, but intense, experience. Participants realize many people living in poverty are employed.

They learn poverty is not a choice. They experience frustrations and are motivated to make changes.

But what can be done? What are the next steps? How can you make a difference?

What is poverty?

For one adult and one child:

Federal Poverty Level: **\$14,000/year**

Minimum Wage: **\$14,872/year**

Needed for Self-Sufficiency in Erie County: **\$25,600**

Gap in necessary funds: **\$10,728**



What You Can Do

1. Be Aware, Stay Informed

Poverty is a complex issue and requires an improved understanding of its many causes. Being informed means recognizing the far-reaching effects of poverty; not only on individuals, families, and children, but also neighborhoods and communities. Because you may not see it, does not mean poverty is not there.



If you are active in a civic group, church community or service club, consider contacting our speaker's bureau. The poverty study group will continue to build awareness through dissemination of its report and updated information on poverty in Erie County and is happy to make a presentation to your group.

The Erie Community Foundation and GECAC will continue to host poverty simulations throughout the community. Encourage colleagues, coworkers, and friends to attend. Let us know if there are individuals you would like us to involve.

2. Be Sensitive to Individuals, Families and Children Living in Poverty

Attitudes toward the poor are largely negative and mainly based on beliefs that are untrue. Existing stereotypes are, for the most part, anachronistic since welfare reform ended cash assistance as an entitlement. The overwhelming majority of poor individuals and families work—and work hard. What can we do to promote better outcomes for them?

In your workplace, business or church, who interacts with clients, customers, consumers and employees? Are they sensitive to the issue of poverty? Do something to promote improved understanding and/or cultural sensitivity such as giving them a copy of *The High Cost of Poverty: It Affects Us All*. Copies are available by calling The Erie Community Foundation at (814) 456-0843.

3. Be a Myth Buster

When you hear stereotyping, provide information that may bring a more thoughtful approach. Don't blame the poor for being poor and when you hear someone doing it, stop them.

Consider your co-workers and employees—do they need help? If you have an employee with attendance problems, ask them about the cause. He, or his children, may have chronic health problems he cannot afford to address. She may not be able to afford reliable child care. These are very real issues for low-wage workers. In Erie County, the self sufficiency wage for a two-parent family with two children is over \$41,000; for a mother and two children it is \$34,000 (approximately \$16 an hour).



Make sure that low wage workers know about benefits and work supports. Child care, food stamps, WIC, Medicaid, Pennsylvania CHIP, and federal housing assistance are a few examples of benefits that many families may not know about but are qualified to receive. For example, over 3500 children in Erie County alone are eligible but not enrolled in CHIP. Nationally, only one quarter of the families eligible for federal housing assistance actually receive it.

4. Promote the Earned Income Tax Credit (EITC)

EITC is good for working families and good for local business and the economy. The federal Earned Income Tax Credit (EITC) provides up to \$4,500 to working families who earn less than \$38,000 a year. The credit enjoys wide bipartisan support because of its proven record in helping to reduce poverty, reward work, provide tax relief, stimulate the economy and meet basic expenses for working families. The federal EITC lifted 4.7 million people—including 2.7 million children—above the federally defined poverty line in 2001, more than any other government program (Berube, 2004; Hanauer & Reddy, 2003).

With support from The Erie Community Foundation, the Pennsylvania Department of Community and Economic Development and United Way of Erie County, we are fortunate to have a local EITC initiative called Erie FREE Taxes. For more information, contact Coordinator, Cheryl Bates at (814) 453-5744 ext. 235.

5. Support Efforts to Establish a Community College

Education has always been a key to economic independence. The development of an appropriately trained and educated workforce is necessary for Erie's companies to remain competitive. In Erie County, 57% of adults ages 25 and older have only a high

school diploma or less. We, as a community need to provide improved access for individuals to seek post-secondary education that is affordable and will result in improved employment outcomes.

Trustees of The Erie Community Foundation have unanimously endorsed preparation of an application for review by the Pennsylvania Board of Education to establish a community college in Northwest Pennsylvania. A copy of this resolution can be found at www.eriecommunityfoundation.org. We encourage local groups and organizations to review this resolution and make their own independent decisions.

6. Get Involved

The Erie Community Foundation will continue to seek opportunities to convene stakeholders with an aim toward problem solving and action. Economic development, job training, education and neighborhood revitalization can have a big impact on poor communities.

Participate in The Erie Community Foundation's effort to articulate a more focused, action-oriented and collaborative approach to reducing poverty. This will require cross-sector collaboration and cooperation between the private and public sectors representing a variety of institutional systems including: health, housing and neighborhood development, elected officials, economic development, human service, education, employment and faith-based.

7. Commit and Sign On

Members of the Poverty Study Group may be contacting you. Please seriously consider participating when called upon. Your commitment can and will make a difference.

This important work requires both time and money.

Get involved and do what you can.

“Poverty is the single greatest deterrent to economic and human development in this area. Unless we provide equity of education we are perpetuating the cycle. The ladder of opportunity must be extended to grow prosperity in Erie.”

— Dr. James Barker,
Superintendent,
Erie City School District



Strategic Grantmaking at The Erie Community Foundation

In December 2007, Trustees of The Erie Community Foundation agreed to allocate a portion of our unrestricted endowment income toward a program of strategic grantmaking focused on the development of solutions for systemic issues facing our community.

Our support for The Poverty Study Group, and related activities, is one example of this community problem-solving approach. The *Shaping Tomorrow* framework includes:

1. Solutions for Working Families

Grants in this area seek to:

Reduce Poverty

- Support Erie FREE Taxes; the local Earned Income Tax Credit initiative.
- Advance family financial literacy through support of Money Works for You, in partnership with United way of Erie County and GECAC.
- Establish a community action agenda for reducing poverty.

Promote Education, Employment and Career Advancement

- Support Erie Industry Partnership Initiative for Low-Income Workers.
- Work with National Fund for Workforce Solutions to establish a best-practices pilot site in Erie.

Improve Access to Quality Health Services and Reduce Health Disparities

- Promote enhanced access to quality dental and medical services among underserved populations.
- Support the PartnerSHIP for a Healthy Community and its work to address health disparities.

2. Solutions for Civic Change

Grants in this area will:

- Provide core support to the Erie Regional Chamber and Growth Partnership in their efforts to develop a regional vision and agenda.
- Encourage regional problem solving and collaboration.

3. Solutions for Nonprofits

Grants in this area will:

- Provide core support to The Nonprofit Partnership and their efforts to enhance the capacity of member organizations.
- Support capacity-building grants through The Nonprofit Partnership.

About the Poverty Study Group

Since its publication of *The High Cost of Poverty: It Affects Us All* in April 2007, the group's work has continued to focus on two principal goals: (1) creating awareness in the community about poverty, and (2) convening diverse stakeholders and building consensus on solutions as well as shared action.

Over the last year, and related to these goals, the group has:

- Distributed over 3,200 publications to approximately 25 civic groups, various elected officials, churches, and service clubs;
- Hosted an Interfaith Luncheon in October, 2007 with 40 guests;
- Sponsored the film "Waging a Living" with WQLN and Mercyhurst College, approximately 150 guests were in attendance;
- Co-hosted with United Way of Erie County a policy forum at the Bayfront Convention Center. Over 100 guests listened to presentations from Keystone Research Center and Pathways PA. After, a panel discussed the implications of state policies on local working families; and
- Drafted a comprehensive literature review entitled "Community Approaches to Addressing Poverty: Paths to Success."

Future activities will continue building on these accomplishments.

Recommended Readings:

One Nation Underprivileged: Why American Poverty Affects Us All
by Mark Robert Rank

American Dream: Three Women, Ten Kids, and a Nation's Drive to End Welfare
by Jason DeParle

Nickel and Dimed: On (Not) Getting By in America by Barbara Ehrenreich

No Shame in My Game: The Working Poor in the Inner City
by Katherine Newman

Tapping the Power of City Hall to build Equitable Communities: 10 City Profiles
by Kiran Cunningham, Phyllis Furdel and Hannah McKinney

Bridges out of Poverty: Strategies for Professionals and Communities
by Ruby K. Payne

Class Matters by Correspondents of The New York Times with an Introduction by Bill Keller

Ending Poverty in America Edited by Senator John Edwards, Marion Crain and Arne Kalleberg



The Erie Community Foundation

Helping today... Shaping tomorrow.

127 West Sixth Street
Erie, Pennsylvania 16501-1001
Phone: (814) 454-0843 • Fax: (814) 456-4965
www.eriecommunityfoundation.org

Poverty Study Group Members: Cheryl Bates, Amy Cuzzola-Kern, Ph.D.,
Andy Glass, David González, Bill Jackson, Danny Jones, Carl Kallgren,
Ph.D., Cheryl Kobel, Susan Kemenyffy, Laura Lewis, Ph.D., Debi Liebel,
Linda Madara, Jim Martin, Dale McBrier, Jeanine McCreary

127 West Sixth Street
Erie, Pennsylvania 16501

Non-Profit Org.
U.S. Postage
PAID
Erie, PA 16501
Permit No. 636