

From Poverty to Prosperity:

Moving People to Self-Sufficiency



Why Explore this Topic?

Why Now?

- 4 decades after “War on Poverty”, rate of poverty has declined less than 2%
- The gap between what Longmont residents are earning and what they need to survive is widening
- Situational poverty is increasing in Longmont due to the weak economy
- Traditional approaches are helping people survive in poverty, not move out of poverty

Desired Outcomes

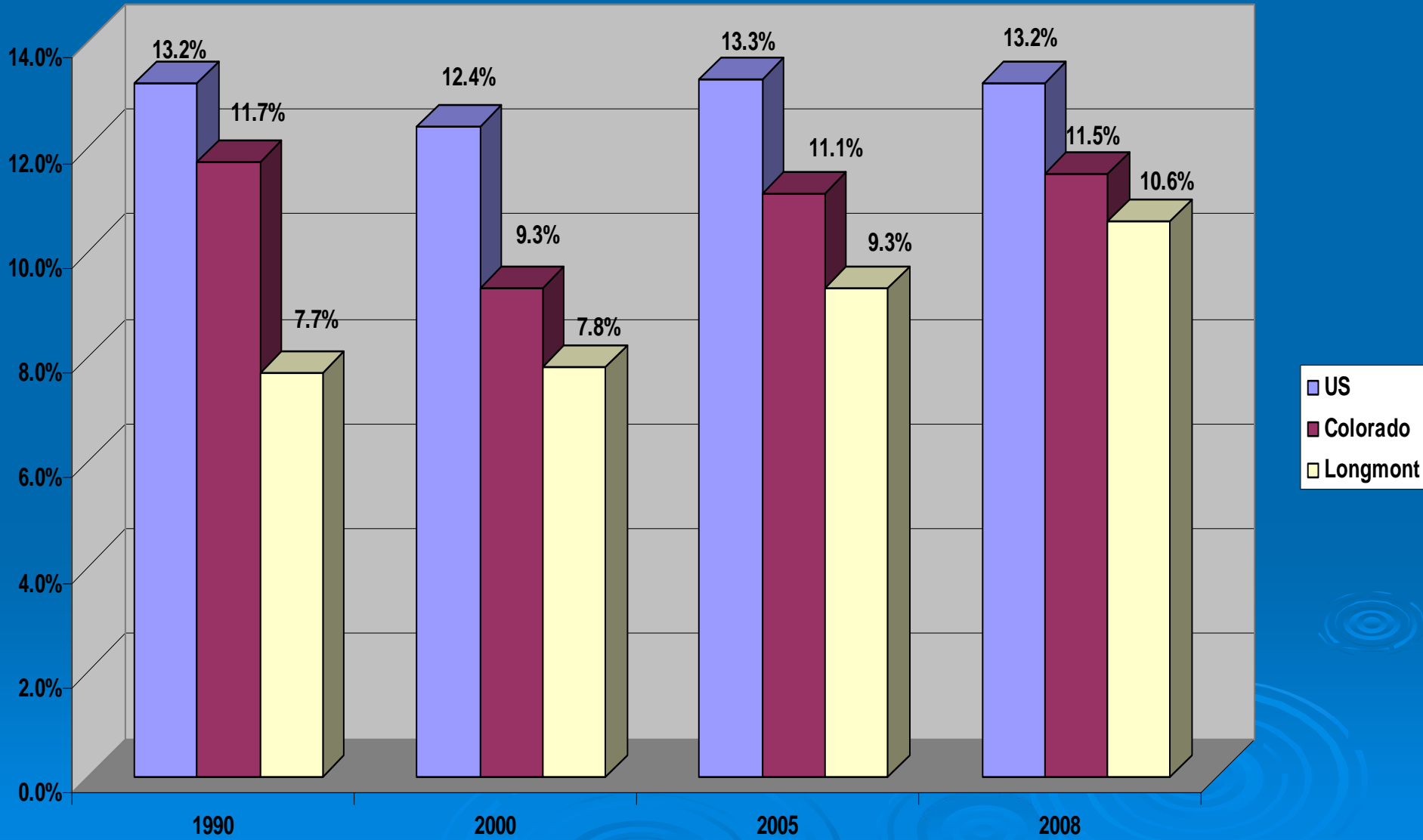
Assist City Council in:

- Understanding the face of poverty, the generational cycle of poverty and how we currently address poverty issues
- Exploring poverty reduction efforts from other communities
- Determining what role or changes, if any, Council wishes to undertake

Poverty in Longmont

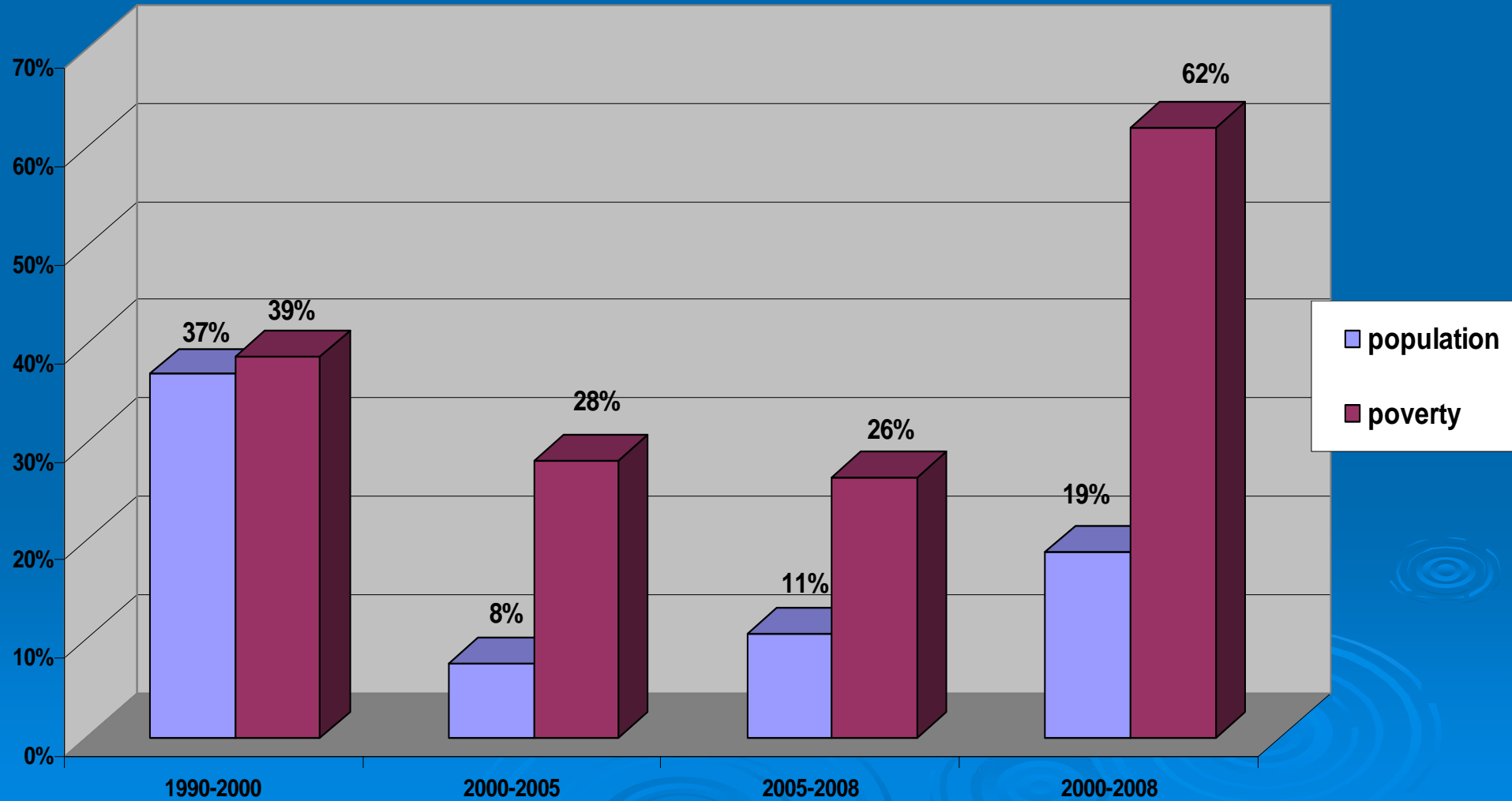
- 10.6% of Longmont residents in 2008 had incomes below poverty (8,963 persons)
- 10% of our households live in poverty (3,519 households)
- 48% of these are families (1,689 hh)
- 56% of families in poverty are single-parent families (946 hh)

Persons in Poverty



Rate of poverty rising more dramatically than population

Comparison of Increase in Population to Increase in Poverty Rate



Understanding Poverty—Bridges Out of Poverty

- Community change model to eliminate poverty
 - Mental models of poverty
 - Root causes of poverty
 - Hidden rules of class
 - Community and systemic change
- Brief workshop to be presented by Debra Whitehead, Creative Training-Accelerating Talent (CTAT) followed by comments from Amy Kozak and Robert Topping

Strategies to Reduce Poverty

- Ending poverty and building prosperity is everyone's responsibility
- Comprehensive, community-based strategies for entire life cycle
- Individual, organizational and community change

Bridges Continuum

COMPREHENSIVE STRATEGIES FOR BRIDGES STEERING COMMITTEES THE BRIDGES CONTINUUM

	BIRTH TO 6	K-12	POST-SECONDARY	WORKFORCE PREP/PLACEMENT	JOB RETENTION	SELF-SUFFICIENT INCOME	SENIORS	WELLNESS	COMMUNITY PROSPERITY
Metrics: Ending Poverty Scorecard	Ready for school Language experience, brain development, cognitive learning structures	Graduation rates GEDs	Retention rates Graduation rates Certifications	Employment rate Apprenticeships Certifications Availability of jobs Mix of jobs	1 year minimum	Self-sufficient wage (WOW) 200% poverty guidelines goals met for households Assets established	Poverty rate. Access to housing and health care.	High resources – all eleven Balanced life Giving back to the community	Environmental Sustainability Economic viability where everyone can live well Low rates of poverty and disparity Social Health Indices are positive
Fallout Costs	Failure to act here means giving up the highest returns on dollars spent on interventions: for birth-to-five the returns can be as high as 15-17%.	Dropouts from the class of 2007 will cost the U.S. nearly \$329 billion in lost wages, taxes, and productivity in their lifetimes. ii	Loss of income: lifetime earnings of a male with a bachelor's degree in 2004 were 96% higher than a male with a high school diploma. iii	Young men with low earnings and employment rates are much more likely than others to engage in crime, less likely to marry, and more likely to father children outside of marriage. Crime imposes costs of as much as \$1-2 trillion per year. The savings that can be realized by preventing crime and delinquency among youth are extremely high. iv	\$5,505.08 average turnover cost for an \$8.00 an hour employee v	Children who live in families with an annual income less than \$15,000 are 22 times more likely to be abused or neglected than children living in families with an annual income of \$30,000 or more. vi	Individuals 55 and older accounted for 22 percent of all personal bankruptcies in 2007, compared to 8 percent in 1991. Health care costs proved to be the top reason for many of these bankruptcies. vii	Poor rankings in the OECD (Organization for Economic Co-operation and Development) viii	Persistent childhood poverty is estimated to cost our nation \$500 billion a year, or about 4% of GDP. ix Communities that have lost manufacturing jobs, businesses, and their tax base are not viable economically and socially.
Family of Strategies Using aha! Process Constructs	<i>Tucker Signing Strategies</i> <i>Reading by Age 5</i> <i>Getting Ahead</i> Develop an early childhood champion <i>Until It's Gone/Circles</i>	Ruby Payne schools—Framework training <i>The R Rules</i> <i>Collaboration for Kids</i> Dropout prevention Financial Literacy <i>Until It's Gone/Circles</i>	<i>Helping Under-Resourced College Students</i> (for administrators) <i>Getting Ahead, College Edition</i> <i>Understanding and Engaging Under-Resourced College Students</i> (for faculty and instructors) <i>Until It's Gone/Circles</i> targeting barriers and academic performance	Cascade Engineering/Quest Cincinnati Works The Source <i>Getting Ahead</i> <i>Until It's Gone/Circles</i> to support placement and barrier removal	Cascade Engineering/Quest Cincinnati Works The Source <i>Getting Ahead</i> for new employees <i>Until It's Gone/Circles</i> Working Bridges Employer Workgroup, VT	Employer in-house advancement strategies Bridges training <i>Getting Ahead</i> Cascade Engineering/Quest Cincinnati Works The Source <i>Until It's Gone/Circles</i> for advancement	Wider Opportunities for Women <i>Until It's Gone/Circles</i>	Sophisticated Service Delivery Systems – consulting CCI, Community Collaboration, Inc., Northern Illinois University <i>Until It's Gone</i> Community engagement models, Circles Campaign <i>Champions by discipline</i> <i>Tactical Communications</i>	Bridges Steering Committees Community Sustainability Grid Systemic change and policy issues addressed by all sectors <i>Until It's Gone/Circles</i>
Who Takes Responsibility for Change	Families, early childhood development field	Parents, students, educators, school boards, PTAs, taxpayers	Students, faculty, administrators, boards, communities, benefactors	Employers, employees, government, colleges, chambers of commerce, economic and community developers, workforce development, high schools	Employers, employees, chambers of commerce, economic and community developers, workforce development, government services, government	Policymakers, employers, employees, workforce development, government, human services	Service providers, faith community, government, neighborhood associations, civic groups.	Faith community, civic organizations, medical community, law enforcement, neighborhood associations, political parties	Bridges Steering Committees, people and organizations from all other points on the continuum. People from all classes, races, and political persuasions.

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ⁱ Heckman, James J. "Investing in Disadvantaged Young Children is an Economically Efficient Policy." Paper presented at Committee for Economic Development, The Pew Charitable Trusts, PNC Financial Services Group Forum on "Building the Economic Case for Investments in Preschool." New York, January 10, 2006.

ⁱⁱ High School Dropouts in America, Alliance for Excellent Education, http://www.all4ed.org/files/GraduationRates_FactSheet.pdf

ⁱⁱⁱ Kirsch, Irwin, Braun, Henry, Yamamoto, Kentaro. (January, 2007). "America's Perfect Storm: Three Forces Changing Our Nation's Future." Princeton, NJ: Educational Testing Service.

^{iv} Holzer, Harry J. "Workforce Development and the Disadvantaged." The Urban Institute, Brief 7, September 2008. www.urban.org/UploadPDF/411761_workforce_development.PDF

^v Compilation of Turnover Studies, SASHA Corporation, <http://www.sashacorp.com/turnframe.html>

^{vi} American Humane, <http://www.americanhumane.org/about-us/newsroom/fact-sheets/americas-children.html>

^{vii} Health Care Costs, Economy Pushing Senior Citizens to Bankruptcy and Poverty in the U.S., Senior Journal.com. <http://seniorjournal.com/NEWS/SeniorStats/2008/20080826-USSeniorCitizensInPoverty.htm>

^{viii} Burd-Sharps, Sarah, et. al. (2008) The Measure of America: American Human Development Report 2008-2009. New York, NY: Columbia University Press.

^{ix} Center for American Progress, From Poverty to Prosperity: A National Strategy to Cut Poverty in Half, April 2007. www.americanprogress.org/issues/2007/04/pdf/poverty_report.pdf.

Portland Economic Opportunity Initiative

- Increase incomes of low-income residents
- Define success as a minimum 25% increase in income
- Fund both workforce and microenterprise tracks
- Each participant receives 3 years of assistance
- CDBG and General Fund are primary funding sources: \$6.9 million (CDBG) and \$2.56 million (General Fund) for three-year period, including 4 FTE staff
- City annually enters into legal contracts with CBDOs
- Contracts have numerical goals for enrollment & successes
- Long-term tracking system follows advancement

Portland – Best Practices

- Serve relatively small numbers who share a common bond; build on their strengths; maximize peer support
- Offer comprehensive support services to remove barriers
 - Pro bono health care if not provided by job
 - Pro bono legal assistance
 - Below market loans and free banking services for micro-entrepreneurs
 - Individual Development Accounts (IDAs) for all participants
 - Temporary Assistance to Needy Families (TANF) assistance extensions for participants
 - Credit repair assistance
 - Clean up of traffic and petty crime records
- Develop long-term mentoring/coaching relationship
- Involve employers early on in design of training
- Provide hands on business technical assistance and training relevant to the circumstances of each business and owner

Portland – Unique Aspects

- Define success by incomes increased, not numbers served
- Clear outcomes benefit participants, contractors & funders:
 - New taxpayers
 - Business growth
 - Increased wages and skills
 - Satisfied employers
 - Stronger community
- Multiple additional resources leveraged
- Flexibility provided: one size does not fit all
- 34 projects' staffs exchange information

Portland – Outcomes

- 202 successful graduates in 2008; 324 successful graduates in 2009
- Wages for adults grew by 33% from first placement (from \$11.51 to \$15.34)
- 21 start-up microenterprises tripled gross revenues; 32 existing microenterprises more than tripled their gross revenues

Working Bridges - Burlington, VT

- Employer collaboration that develops innovative practices to directly improve employee productivity, retention, advancement and financial stability
- Convened employers from manufacturing, construction, health care and hospitality sectors (sectors that hire lower-wage workers)
- Provided “Bridges Out of Poverty” training sessions to set the foundation for organizational and systems change
- Participating employers developed a series of management and benefits changes to improve workforce attendance, retention, and advancement
- Employees with unmet human service needs are connected with resources while remaining at work (Resource Coordinator)

Working Bridges - Outcomes

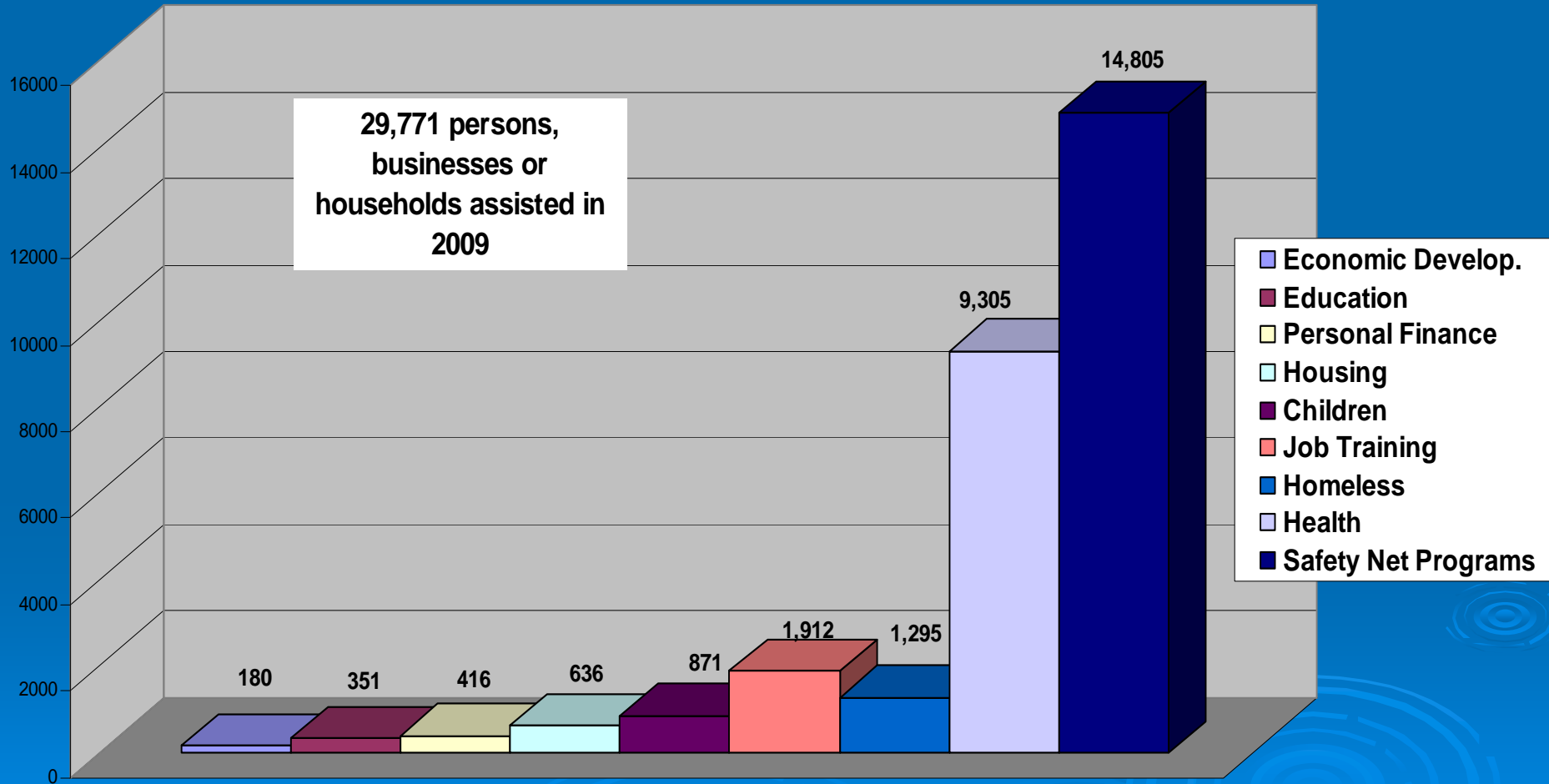
- Employer participation tripled within a two-year period. 71% of all employers are changing their policies and practices that affect lower wage workers
- 75% of core group employers report improvement in one or more areas affecting their workforce
- Resource Coordinator has assisted 220 lower wage workers. 83% reported that they got the help they needed
- Ten employers are offering loan/savings programs in partnership with five financial institutions. Over 186 loans have been made, with a 95% repayment rate

Working Bridges - Investment

- Annual budget is \$125,000 which supports 1.75 FTE project director and Resource Coordinator
- Funding comes from private foundations, vocational rehabilitation, National Council of the Society for Human Resources Management, and from participating employers

Current programs

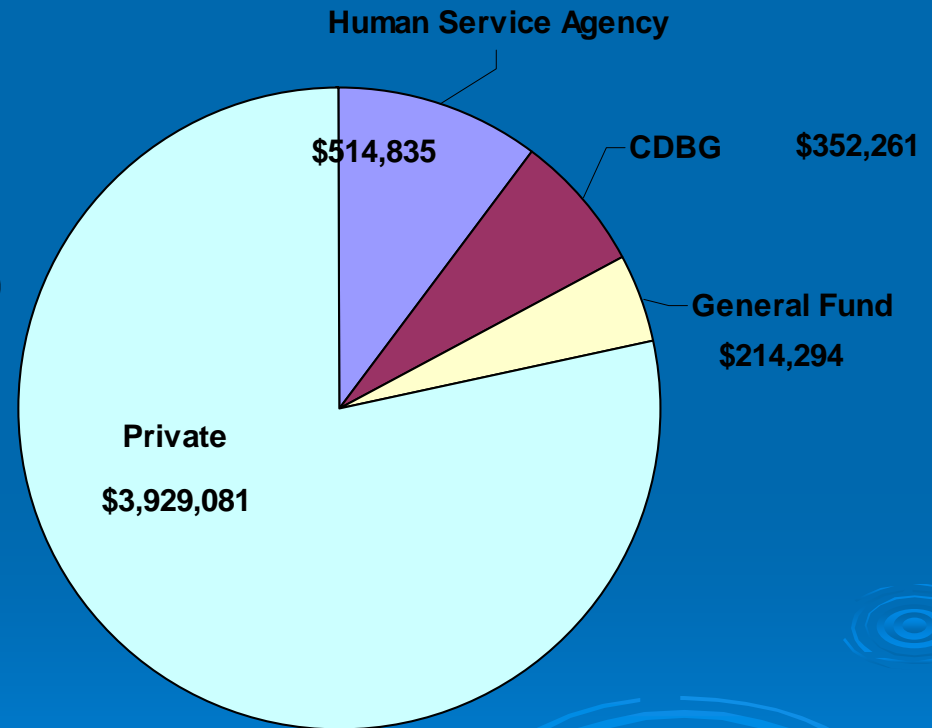
Numbers Served under Current Programs



Comparison of Programs

- In 2009 we assisted 29,771 persons, households or businesses with \$5,010,471 = \$168.30 per assistance
- Removing the private funding, we assisted 26,725 entities with \$1,081,390 = \$40.46 per assistance

Funds Currently Being Used



Comparison of Programs

- Portland's Program: \$9,460,000 in CDBG & GF over 3 years with 526 graduates to date, \$9,500 cost per graduate
- Burlington's Program: \$1,292,700 over 3 years with 220 workers assisted, \$5,876 per person
- Longmont: Assume \$3,300,000 over 3 yrs. Using Portland's average - 347 persons would be assisted. Using Burlington's avg. - 561 persons would be assisted