



# Dialogue On Poverty 2000

## *Leading America to Community Action*

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# Community Action: An Agenda for Every American

*The policy and program recommendations to address poverty included in this report were developed through a process of broad-based, inclusive citizen participation at the local level. Since 1996, the National Dialogue on Poverty has involved over 200,000 Americans from all walks of life in important discussions about the problems of poverty and the best ways to address them. The national network of Community Action Agencies is working with citizens, policymakers, and other nonprofit organizations at all levels to achieve the goals outlined in this report.*

## Preface

The Community Action network has a 36-year history of proven expertise in operating quality programs that build communities, serve families, and advocate opportunities. Community Action Agencies (CAAs), with the federal Community Services Block Grant (CSBG) as their core funding source, form a nationwide delivery system through which low-income Americans gain access to federally and state-funded programs and services. The Community Services Block Grant provides CAAs with funds to meet critical local needs, seed innovative programs, and ensure agency viability and quality. Strengthening the CSBG and increasing its allocation over time is critical to ensure the capacity of the Community Action network to carry out this action agenda.

With 1,000 local Community Action Agencies supported by strong state and national associations, the Community Action network is uniquely positioned to be a part of the solution to the problems of poverty in America. Each layer of the network has specific roles and responsibilities that combine and complement each other to create a unified approach to addressing the critical needs of low-income Americans.

The roles Community Action Agencies play in addressing the needs of low-income residents of the community are:

- Educate and inform local policymakers and the community on the state of poverty and the needs of the low-income population.
- Create opportunities for low-income individuals, families, and communities to tell their stories.
- Monitor local government activities and advocate for increased responsiveness.
- Seek private solutions to problems that are not exclusively the government's responsibility.
- Outreach and provide programs and support services to move low-income individuals, families, and communities to self-sufficiency.
- Provide leadership to state and national association efforts.

The roles of state CAA associations in meeting the needs of low-income individuals, families, and communities include:

- Develop and maintain alliances with other statewide groups to advocate on behalf of the poor.
- Represent Community Action Agencies in collaborations with state agencies and officials.
- Lobby state legislatures for policy reforms on behalf of low-income citizens and funding for needed programs and services.
- Support local CAA efforts by providing appropriate training and technical assistance.
- Inform and educate state policymakers and the public on poverty in the state, the needs that exist, and the capacity of CAAs to address the problems.

The roles of the Community Action Partnership in advancing this agenda are to:

- Support local CAA and state efforts by providing appropriate training and technical assistance.
- Participate in national coalition efforts to advocate on issues related to poverty, jobs, basic needs, and housing.
- Educate Congress and federal officials on the capacity of the Community Action network to address the needs of low-income individuals, families, and communities.
- Increase the national visibility of Community Action Agencies and their role in meeting the needs of low-income Americans.

## Introduction

Poverty is an issue that affects *all* Americans. The Community Action Network launched the **National Dialogue on Poverty** initiative in 1996 with two primary objectives: first, to involve low-income and other disenfranchised people in the affairs of their communities; and, second, to determine what programs and policies would have the greatest impact in fighting poverty.

In 1996, 500 Community Action Agencies convened more than 3,000 community meetings involving over 150,000 people. The results of those local dialogues can be summed up in this statement of a common vision:

### Dialogue 2000 Vision Statement

*Everyone who can work should work. People who work should earn sufficient income to provide for their families' basic needs. Those who are unable to work or who work but do not earn enough to provide for their families should be assisted by policies and programs to meet their basic needs and secure safe and decent housing.*

During 2000, the CAA network conducted another National Dialogue on Poverty. **Dialogue on Poverty 2000: Leading America to Community Action** gave Americans an opportunity to discuss which specific actions our nation should take to achieve that common vision and re-affirm a social contract that aims to assure a civil society and a reasonable standard of living for all Americans. Dialogue 2000 included dialogues at the local, state, and national levels to focus on appropriate strategies for each level.

**Participants in Dialogue 2000 also endorsed the above vision statement; 86.5 percent of participants said this vision should guide the development of policies and programs.**

The work of America's Community Action Agencies stems from the belief that every American is entitled to a life of decency and dignity. Individuals and families cannot live in decency and dignity unless their basic needs for food, clothing, housing, health care, and education are met. Ideally these needs are met through employment at a living wage. Yet, even in this time of unprecedented economic prosperity, millions of Americans live in poverty without sufficient income to provide for themselves and their families. Neither the economy nor the existing system of government policies and programs is adequately meeting the needs of low-income Americans for good jobs, income support, health care, housing, education, and training.

Based upon results of the Dialogue on Poverty, this agenda proposes public policy reforms in the areas of (1) jobs and income, (2) meeting basic needs, and (3) affordable housing, and suggests representative strategies that can be taken at the local, state, and national levels to move toward these reforms.

## Jobs & Income

The 1996 **National Dialogue on Poverty** had a very clear result. When Community Action Agencies asked their communities what they needed most to solve the problems of poverty, they received a resounding answer: Americans want jobs—and not just any jobs. They want jobs that pay well and provide the benefits necessary to maintain economic security for a family.

The demand for good jobs was the top priority in 64 percent of the communities that participated in the 1996 Dialogue, easily beating out other important issues such as housing, health care, child care, food and nutrition, and education. The overwhelming priority given to good jobs indicates that Americans want to be self-sufficient and self-supporting through work. With good jobs, they could meet their needs.

Since the 1996 Dialogue, Congress passed welfare reform legislation that created a new program, Temporary Assistance to Needy Families (TANF), that has led to a new philosophy governing the provision of welfare—“work first.” But, even with a supercharged economy that has created millions of new jobs, thousands of new millionaires, and federal budget surpluses for many years to come, “work first” does not work for poor people. Many of the new jobs are out of reach to them because they lack the necessary skills or experience. This problem is becoming more and more visible with the emergence of the digital divide—the gap between those with access to information technology and those without. Many of the jobs that are available to low-income Americans are poor quality, low-wage jobs without health insurance, other benefits, or opportunities for advancement.

**To address this situation, which can be summed up as a lack of sufficient disposable income, America needs a set of policies that will raise wages, expand tax benefits for the poor, and create higher quality, living wage jobs.**

In order to fulfill the needs of low-income workers and help the government meet its own obligations to its citizens, Community Action supports the following policies and action steps to implement those policies.

- ⇒ **Raise the federal minimum wage by at least \$1.00 per hour (from \$5.15 to at least \$6.15 per hour) and index the wage to keep pace with inflation.**

By definition, minimum wage jobs fail to meet a family’s needs. At \$5.15 an hour, a full-time, year-round worker earns only \$10,712 per year. According to the official federal poverty

guidelines, a family that is living on an annual income of \$10,712 is living in poverty if there is more than one person in the family.

<b>Federal Poverty Guidelines for 2001</b>	
<b>Family Size</b>	<b>Poverty Level</b>
1	\$8,590
2	\$11,610
3	\$14,630
4	\$17,650
Add \$3,020 for each additional family member.	

During the 1960s and 1970s, the poverty level for a family of three was roughly equal to the yearly earnings of a full-time, year-round worker earning the minimum wage. The minimum wage, however, remained unchanged at \$3.35 an hour from 1981 until 1990. Increases since 1990 have brought the minimum wage up to \$5.15, but the increases have not restored the value lost to inflation during those years. According to the Economic Policy Institute, the minimum wage would have to be raised to \$6.53 to restore the purchasing power it had in 1979.

*Actions that the Community Action network can take to raise the minimum wage include:*

**Community Action Agencies can:**

- Educate the community and elected and appointed public officials at all levels about the inadequacy of the current minimum wage and who will benefit from an increase.
- Dispel myths about potential negative impacts from an increased minimum wage.
- Inform the Community Action Partnership, state associations, and local, state, and national elected representatives about positive local impacts of a higher minimum wage.

**CAA State Associations can:**

- Advocate for a state minimum wage that is both higher than the federal minimum wage and indexed for inflation.
- Educate state officials and other statewide audiences about the inadequacy of the current minimum wage.
- Inform the Community Action Partnership about prospects for a higher state minimum wage.

**The Community Action Partnership can:**

- Support national coalition efforts to increase the minimum wage.
- Disseminate national research data about the minimum wage.
- Inform Congress and federal officials about local impacts of an increased minimum wage.

⇒ **Launch living wage campaigns to lift even more families out of poverty than a higher minimum wage can accomplish.**

A true living wage is difficult to define because of cost of living differences around the nation and differences in families' needs. But, using the federal poverty guidelines as a standard, a

family of three would need to earn \$14,630 per year to remain above the poverty line. That translates to \$7.03 per hour for a full-time worker. However, many people view the federal poverty guidelines as an inadequate measure of the income really needed to support a family. Estimates based on a variety of “family budget” planning tools put the poverty line for a family of three at \$21,000 to \$42,000.

In 1994, an alliance between labor and religious leaders in Baltimore, Maryland, launched a successful campaign for a living wage law. Since then, strong community coalitions have fought for and won 58 similar ordinances in cities such as Boston, Detroit, Los Angeles, Milwaukee, Minneapolis, Oakland, Portland, and San Jose. Today, more than 75 living wage campaigns are underway in cities across the country.

In short, living wage campaigns seek to pass local laws requiring private businesses that benefit from public money to pay their workers a living wage. Commonly, the ordinances cover employers who hold large city or county service contracts or receive substantial financial assistance from the city in the form of grants, loans, bond financing, tax abatements, or other economic development subsidies.

***Actions that the Community Action network can take to support the living wage movement include:***

**Community Action Agencies can:**

- Conduct and publicize a local cost of living study to develop a basic needs budget and establish a local living wage.
- Study the experiences of other living wage campaigns, both successful and unsuccessful, to determine the type of living wage law to pursue and which organizing strategies would work best in your community.
- Organize a task force to study the feasibility of and launch a local living wage campaign.
- Inform the Community Action Partnership, state associations, and state and national elected representatives about your living wage campaigns.
- Provide data about the cost of instituting a living wage for CAA employees to support a national living wage effort.

**CAA State Associations can:**

- Study the experiences of successful living wage campaigns to educate state officials and other statewide audiences about positive impacts of living wage laws.
- Support CAA research and community organizing activities by providing appropriate training and technical assistance.

**The Community Action Partnership can:**

- Inform federal officials and national audiences about positive impacts of living wage campaigns based on the experiences of living wage campaigns led by CAAs and others.
- Support CAA research and community organizing activities by providing appropriate training and technical assistance.
- Support indexed increases in the Community Services Block Grant appropriation to allow CAAs to pay their employees a living wage.

⇒ **Expand the Earned Income Tax Credit (EITC) to include more families and raise income thresholds.**

Recent Census data and other research studies show that among working families, the Earned Income Tax Credit (EITC) lifts substantially more children out of poverty than any other government program or category of programs. According to the President's Council of Economic Advisors, the EITC lifted more than four million Americans out of poverty between 1993 and 1997. A study by Columbia University's National Center for Children in Poverty found that the EITC reduces poverty among young children by nearly one fourth.

The EITC can also help make the "work first" mandate of welfare reform workable. One study found that the proportion of single mothers who are in the labor force rose sharply between 1984 and 1996 and that the EITC expansions instituted during this period were responsible for more than half of this increase. Another study found that the EITC offset between one-fourth and one-third of the decline during the past 20 years in the share of national income received by the poorest fifth of households with children. In addition to the federal EITC, 12 states and one county government have enacted EITCs.

*Actions that the Community Action network can take to expand the EITC include:*

**Community Action Agencies can:**

- Seek Community Services Block Grant, Temporary Assistance for Needy Families, or other funds to outreach and assist eligible people to apply for the EITC.
- Conduct outreach and educational efforts to inform eligible people about the EITC.
- Provide tax preparation assistance to qualified taxpayers.
- Advocate for broader coverage and higher income thresholds.
- Advocate for a local and/or state EITC.

**CAA State Associations can:**

- Develop and seek funding for statewide CAA Earned Income Tax Credit outreach and assistance programs.
- Support CAA outreach and educational efforts by providing appropriate training and technical assistance.
- Advocate for broader coverage and higher income thresholds.
- Advocate for a state EITC.

**The Community Action Partnership can:**

- Explore the possibility of using the Community Services Block Grant or other targeted appropriations for national CAA outreach and enrollment efforts.
- Support CAA outreach and educational efforts by providing appropriate training and technical assistance.
- Advocate for broader coverage and higher income thresholds.

⇒ **To help unemployed people gain appropriate jobs skills and work experience, government should create public sector jobs that benefit the public without displacing existing workers.**

Welfare reform has re-defined the safety net for poor people. The safety net is no longer a set of government programs and services; instead, the safety net is a job. However, there are not enough good jobs available to meet the need created by welfare reform.

Furthermore, if the federal government requires people to work, and if the private sector will not hire them, then the government has an obligation to help them gain the experience and personal habits they need to become productive workers. Experience has shown that when public job creation is used as a pathway to the traditional job market, both the individual and community benefits. Therefore, a comprehensive approach to moving people from dependency to self-sufficiency must include a job creation strategy that allows people to gain valuable experience that prepares them to be competitive in the job market and, at the same time, provides useful products or services to the community.

*Actions that the Community Action network can take to make better job opportunities available to low-income people include:*

**Community Action Agencies can:**

- Advocate for temporary public sector job creation in your community.
- Identify the types of jobs that would benefit the community and the available pool of workers.
- Promote economic development strategies that create permanent, living wage jobs in the private sector for people moving from temporary public jobs.
- Use their presence on local Workforce Investment Boards to advocate for strategies that create living wage jobs for low-income people.
- Inform the Community Action Partnership, state associations, and local, state, and national elected officials about the types of jobs and skills development that unemployed and under-employed people need.

**CAA State Associations can:**

- Advocate for a state-sponsored jobs creation program.
- Identify the types of jobs that would benefit the state and the available pool of workers.
- Promote statewide economic development strategies that create permanent, living wage jobs in the private sector for people moving from temporary public jobs.
- Inform state and national elected officials about the types of jobs and skills development that unemployed and under-employed people need.

**The Community Action Partnership can:**

- Advocate for a national jobs creation program.
- Inform federal officials about the types of jobs and skills development that unemployed and under-employed people need.

⇒ **Existing health, safety, and anti-discrimination laws must be enforced or expanded to cover more people and improve the quality of available jobs.**

Several federal laws are in place to prevent workplace discrimination and protect workers' health and safety. They include the following:

- **Title VII, Civil Rights Act of 1964**—Prohibits discrimination in employment practices on the basis of race, sex, color, religion, or national origin.
- **Equal Pay Act of 1963**—Prohibits unequal pay for equal or “substantially equal” work performed by men and women.
- **Age Discrimination in Employment Act of 1967**—Protects people over age 40 from being denied employment, promotion, or other benefits based on their age.
- **Americans With Disabilities Act of 1990**—Provides protection against discrimination based on a person's physical disabilities.
- **Occupational Safety and Health Act of 1970 (OSHA)**—Assures that workplaces are physically safe by eliminating hazards or requiring certain precautions to avoid illness or injury from inevitable dangers.
- **National Labor Relations Act of 1935 (and subsequent amendments)**—Protects the right of employees to form and join unions.

Employers can help ensure that low-wage jobs offer safe and fair working environments by complying with these laws. Expansion and better enforcement of these laws can also improve conditions in the low-wage labor market.

*Actions that the Community Action network can take to improve conditions in low-wage jobs include:*

**Community Action Agencies can:**

- Provide job retention training.
- Provide skills training to help low-wage workers advance to better jobs.
- Inform appropriate public officials with enforcement authority about violations of existing workplace health, safety, and anti-discrimination laws.

**CAA State Associations can:**

- Provide training and technical assistance to help CAAs understand existing legal requirements.
- Inform appropriate public officials with enforcement authority about violations of existing workplace health, safety, and anti-discrimination laws.

**The Community Action Partnership can:**

- Provide training and technical assistance to help CAAs understand existing legal requirements.
- Inform appropriate public officials with enforcement authority about violations of existing workplace health, safety, and anti-discrimination laws.

## Meeting Basic Needs

Many low-income Americans are trapped in the cycle of poverty and lack what mainstream society considers basic necessities for survival—food, clothing, shelter, health care, and education. The instability of these families' lives makes it difficult for them to find and retain the employment that would ideally enable them to meet their basic needs. For those low-income workers fortunate enough to secure a job, wages alone often are not enough to enable them to meet the basic needs of themselves and their families. It also must be acknowledged that there will always be people who are unable to work, and they must depend on other methods of meeting their needs.

Hundreds of thousands of “hard to serve” families remain on welfare rolls. Currently, government is espousing extraordinary programs and services designed to move these families from welfare to self-sufficiency. Yet the multiple barriers faced by these families precludes many from ever reaching full self-sufficiency. Until there is a universal public will for ensuring that no one who works full-time, year-round is poor, there will be those “working poor” who require assistance in meeting basic needs for themselves and their families.

To that end, Community Action believes that:

**Those who are unable to work or who work but do not earn enough to provide for their families should be assisted by policies and programs to meet their basic needs and secure safe and decent housing.**

Based upon the input of hundreds of thousands of Americans who participated in Dialogue 2000, Community Action supports the following policies that will help to achieve this goal.

- ⇒ **The federal government and state welfare offices should work together to make sure that families in need—TANF recipients, those diverted from welfare, those transitioning into jobs—receive all the benefits for which they are eligible.**

The “work first” philosophy that underlies welfare reform is being transformed by many states into “work exclusively.” More restrictive welfare reform legislation at the state level, coupled with the failure of state welfare caseworkers to inform poor families of their eligibility for benefits, is worsening the economic status of large numbers of low-income Americans.

Some states responded to the increased flexibility of the 1996 welfare reform legislation by making it more difficult for low-income people to access the assistance they need and are eligible for under federal guidelines. The Center on Budget and Policy Priorities reported that states had a total of \$7.3 billion in unspent TANF funds at the end of federal FY 1999. A recent study by Families USA found that nearly one million families with children have been dropped from Medicaid since 1996. The U.S. Health Care Financing Administration has acknowledged the problem by developing and distributing new guidelines designed to prevent families leaving welfare from being illegally dropped from Medicaid rolls.

Despite the fact that studies show persistent need, the numbers of Americans receiving Food Stamps have declined drastically since the TANF program was established. According to the Food Research and Action Center's analysis of data from USDA, Food Stamp participation in May 2000 was 940,000 persons less than in May 1999 and 8.5 million persons less than May 1996. According to USDA's analysis of Food Stamp caseload data, more than one-third of those eligible for the program are not receiving benefits. A July 1999 report prepared for USDA by Mathematica Policy Research identified lack of client information as a barrier to participation. Among non-participating persons eligible for food stamp benefits, 72 percent were not aware that they were eligible.

While Medicaid and Food Stamps come most readily to mind, many other excellent programs exist at both the federal and state levels to provide income support to poor families so that the wages that are earned stretch to meet more of the families' needs. Low-income families depend on transportation programs to provide access to jobs, get to medical appointments, and meet other critical needs. Energy assistance and weatherization programs enable low-income families to maintain their homes in comfort during winter and summer—an especially critical need for the elderly and families with young children. These and other programs must be adequately funded to meet the needs of low-income Americans, and appropriate outreach must be done to ensure that families are aware of their eligibility for this support.

*Actions that the Community Action network can take to ensure low-income families receive available benefits include:*

**Community Action Agencies can:**

- Develop and/or strengthen partnerships with local welfare offices.
- Encourage local welfare offices to improve access (increasing number of application sites, expanding evening/weekend office hours, etc.).
- Outreach and inform low-income families of available benefits and eligibility criteria.

**CAA State Associations can:**

- Partner with state welfare offices to ensure CAA input into planning for TANF-funded activities and funding of CAAs to provide TANF-funded support services for low-income families.

- Advocate for statewide policy changes that will improve access (simplification of forms and process, etc.).
- Advocate for amendments to state welfare laws that are more restrictive than the federal law.
- Support adequate funding for state and federal income support programs for low-income families.
- Provide the Community Action Partnership with reports on successful partnerships.

**The Community Action Partnership can:**

- Support stronger federal monitoring of state welfare offices.
- Advocate for amendments to TANF that provide stronger income support for families transitioning from rolls.
- Provide CAAs with information on federal TANF regulations and status of TANF spending on a state-by-state basis.
- Collect and share information with the CAA network on successful TANF/CAA partnerships.
- Support increased funding for the Low-Income Home Energy Assistance Program and the Weatherization Assistance Program and emphasize to policymakers the importance of these programs to Community Action Agencies and the low-income families they serve.

⇒ **The federal government should ensure that every American has access to health insurance, whether purchased directly or through an employer-sponsored plan or other method.**

Forty-four million people nationwide have NO health insurance. Millions more have insurance that doesn't cover enough of their medical bills. The number of uninsured Americans has continued to grow despite the booming economy. The overwhelming majority of people without health insurance coverage are in working families. Families moving from welfare to work are losing health insurance. According to Families USA, the de-linking of TANF and Medicaid has resulted in the loss of medical benefits to 675,000 eligible low-income families. In 1999, they reported that almost half of women and close to one-third of children are uninsured one year after leaving welfare. The lack of adequate funding of outreach has limited enrollment in the federal State Children's Health Insurance Program (SCHIP) to only 40 percent of the 5 million children expected to be covered by the program, and the parents of children enrolled in SCHIP have, for the most part, been left behind. Working poor parents are twice as likely to be uninsured as their unemployed counterparts.

According to the Center on Budget and Policy Priorities, more than one-third of working families with incomes under 200 percent of poverty have no insurance coverage; almost half of working families under 100 percent of poverty are uninsured. The Kaiser Family Foundation reports that in 1996 only 43 percent of workers making less than \$7 per hour were offered health insurance coverage, and that even when employers offer insurance,

the average premium cost to the employee was 12 percent of total family income for workers earning \$7 an hour.

*Actions that the Community Action network can take to improve low-income families access to health insurance include:*

**Community Action Agencies can:**

- Seek Community Services Block Grant or other funds to support local, statewide, and national initiatives to conduct outreach and enrollment in available programs—SCHIP, Medicaid, WIC, etc.
- Provide SCHIP outreach/application assistance to all CAA participants with children.
- Identify families in need of insurance who do not qualify for SCHIP/Medicaid (e.g., working poor who make too much money) and provide them with opportunities to tell their stories.

**CAA State Associations can:**

- Seek state funds to support local and statewide initiatives to conduct outreach and enrollment in available programs—SCHIP, Medicaid, WIC, etc.
- Advocate for amendments to state CHIP eligibility requirements that are more restrictive than the federal guidelines.
- Mount a public relations campaign (PSAs, op-ed, etc.) to inform potentially eligible families of the benefits of CHIP.

**The Community Action Partnership can:**

- Advocate for expansion of SCHIP/Medicaid to cover low-income adults and to increase upper income eligibility limits.
- Explore the availability of funding for a nationwide CAA SCHIP outreach program.
- Continue to monitor the status of SCHIP and the enrollment of eligible children, and provide information to CAAs.
- Inform state CAA associations of CHIP bureaucracy in their states.

⇒ **The federal government should fully fund quality child care and youth development programs such as Head Start and Early Head Start to ensure that every low-income child has an equal opportunity to develop to his/her fullest potential.**

Quality infant and toddler care and preschool education are crucial to improving the later learning success of disadvantaged children. Research shows that when children are in better quality child care programs, they have stronger language, pre-mathematics, and social skills; better relationships with their teachers; and stronger self-esteem. The latest research findings in the field of human brain development indicate that childhood experiences and environment have profound effects on the physical, emotional, and intellectual capacities of adults.

Yet many working families lack access to affordable and quality child care. The Children's Defense Fund reports that the federal Child Care and Development Block Grant serves only one in ten children whose families qualify for assistance. This is due to various factors, including lack of information about their eligibility, high co-payments, and unavailability of "off-hour" care shifts. According to the Center for Policy Alternatives, for families with children between the ages of three and five, child care is the third greatest expense, after housing and food. Child care costs consume approximately one-quarter of the income of low-income families who pay for child care, compared to middle-income families, who pay only around 7 per cent of their income for child care.

*Actions that the Community Action network can take to ensure the availability of affordable, quality child care and youth development programs include:*

**Community Action Agencies can:**

- Seek funding to increase the numbers of children served in child care and child development programs.
- Provide care that is accessible to families with non-traditional child care needs—evenings, weekends, wrap-around, etc.
- Encourage local government and local businesses to invest in systems of high quality, accessible child care for low-income working families.

**CAA State Associations can:**

- Advocate for increased child care subsidies to make child care affordable for low-income working families.
- Develop Memoranda of Understanding with state Head Start associations to work together to improve program quality and increase program funding.

**The Community Action Partnership can:**

- Support full funding of Head Start, Early Head Start and the Child Care and Development Block Grant.
- Continue activities that enhance CAA capacity for delivering quality services to children and families—Head Start Task Force, Child Care and Development Special Interest Group, etc.
- Advocate for an adequate refundable child care credit that benefits low-income working families.

- ⇒ **To ensure that America’s workers are prepared for the job market, government should work with colleges, universities, and the business community to provide enough financial aid, apprenticeship programs, and other education and training options to all students interested in education and training after high school and to adults who need training in order to enter or advance in the workforce.**

Post-secondary education and skills development are necessary to help people adapt to the more demanding and constantly changing requirements of today’s technology- and knowledge-based economy. America’s continuing economic growth is producing a well-documented shortage of qualified workers in all sectors of the economy. Unfortunately, millions of low-income persons in communities across America are ill-equipped to compete for the good jobs that are being generated by the unprecedented economic expansion. As a group, low-income persons have the potential to help reduce the worker shortages in many industries; but as individuals, they face barriers to employment that government, business, and human service providers must help them to overcome.

A barrier to employment that should be singled out as critical is the lack of access to and training in information technology. In addition to its impact on the education of children and youth, as well as the employability of adults, the digital divide—the gap between those with access to information technology and those without—serves to isolate low-income families from life in the community. In today’s society, the ability to access and use information technology is a need that is as basic as the needs for food, clothing, shelter, and health care.

Many youths are stereotyped as “non-college-bound” because they lack access to financial resources. These youths, who often live in families where the benefits of post-high school education and training are not recognized, need encouragement, support, and assistance to make the choices that will lead them to get the education and training they need to prepare themselves for jobs at wages that will meet their needs.

The federal Workforce Investment Act (WIA) creates a workforce development system designed to provide unemployed and under-employed workers with the training and support they need to obtain employment and advance in their careers. Community Action Agencies are one of the 19 partners mandated by the legislation to participate in and direct this system at the local level.

*Actions that the Community Action network can take to improve low-income youth and adult access to education and training include:*

**Community Action Agencies can:**

- Develop partnerships with Local Education Authorities to provide youth mentoring, encouragement and support of aspirations for post-secondary education and training.

- Provide low-income individuals and families with an understanding of the benefits of information technology, training in its effective use, and access to computers and the Internet.
- Participate fully in local Workforce Investment Act activities as a mandated federal partner.
- Encourage Workforce Investment Boards to support skills training that prepares low-income workers for “living wage” employment.
- Apply for WIA funding to provide intensive and training services to low-income people.

**CAA State Associations can:**

- Develop partnerships with state education offices, state workforce development agencies, and statewide business organizations to promote access to education and training.
- Advocate for education and training as an allowable work activity under TANF in states that have more restrictive guidelines.
- Support the system-wide enhancement of CAA capacity to utilize information technology.

**The Community Action Partnership can:**

- Support increased federal funding for tuition assistance.
- Advocate for TANF reauthorization that contains greater federal direction to the states in support of education and training.
- Collect and share studies of successful CAA/education programs (e.g., Project Discovery).
- Monitor federal education and workforce development issues and opportunities and report to the network.
- Provide the Community Action network with updates on the status of information technology within the network and highlight examples of best practices in internal capacity-building as well as low-income access and training projects.

## Affordable Housing

Safe, decent, and affordable housing is fundamental to people's ability to hold stable jobs, have good health, provide educational opportunities for their children, and have a reasonable quality of life. This requires both an adequate stock of housing units and the ability of owners and renters to pay for it. The lack of decent, affordable housing is increasingly a significant impediment to local economic growth. There is a wide and growing gap between the cost of building and maintaining our housing stock and the incomes of low-wage workers, those unable to work, and those willing to work but unable to find jobs. Ironically, our booming economy has driven up housing costs far more rapidly than it has raised incomes of most working households.

"Affordable housing" is a term that has been used in many different ways. From the community or provider's point of view, it usually means providing housing at the lowest feasible cost, given variations in climate, land costs, and local code requirements. From the consumer's point of view, it usually means housing that costs no more than 30 percent of a family's income. This is the standard definition of affordability for many federal housing assistance programs and has become widely accepted as a convenient and uniform measure. However, in many communities the cost of providing decent, affordable housing, even without any profit to the owner, is higher than the entire income of almost all families or individuals dependent on public assistance (TANF, SSI, or similar programs) as well as of many low-wage workers who are often unable to obtain steady, full-time jobs. It is no more realistic to expect everyone to have enough income to afford the cost of modest but decent housing without some kind of housing assistance than it would be to expect them to absorb the costs of adequate health care without such programs as Medicare and Medicaid. But housing assistance, unlike education, food stamps, or health care, has never been available for more than a small fraction of low-income people who need it and are eligible for it.

Today, in spite of overall economic growth, one out of every three American families—33 million households—has a housing problem. One out of every seven families has a critical housing need. The U. S. Department of Housing and Urban Development (HUD) defines a family as having critical housing needs if it spends more than half its total income on housing and/or lives in a severely inadequate unit. In 1997, there were 13.7 million families with critical housing needs representing all walks of life. This included 6 million working families whose modest incomes could not support the cost of decent housing. Many others were elderly. Many were unemployed and dependent on welfare. Some had handicaps that did not allow them to work. More than half were renters. The majority (60 percent) lived either in suburbs or rural areas and was more likely to be owners than renters. However, central city residents with critical housing problems were twice as likely to be renters rather than owners. Significantly, well over three-quarters were poor or near-poor.

In the 1950s, most families with a single full-time wage earner could afford to buy a "starter home." Today, well over half of young (under 35) first time homebuyers have two or more earners in the household, and most of those who don't have more than one wage earner have moderate or severe housing cost burdens.

Over half of all households with critical problems were working families. A 1999 study by the National Low Income Housing Coalition found no state, metropolitan area, or county in the country where the minimum wage was sufficient to afford rent and utilities for a modest but adequate two-bedroom unit. In 239 counties, with over 13 million households in 1990, the wage needed to afford such housing (the “housing wage”) ranged from \$15 to \$25 an hour. Even if minimum wages were to be substantially increased, low-wage workers and families with irregular or fixed income are in trouble. Unless they have vouchers or other forms of assistance, not only are tenants forced to skip on basic necessities because of their high rent burdens, but their landlords often find that their rental income does not cover the cost of maintenance and repairs or property taxes. In situations like this, code enforcement often lead to displacement rather than repairs.

The U.S. Department of Housing and Urban Development and the Rural Housing Service (RHS) of the Department of Agriculture have provided the bulk of funding for affordable housing programs. This funding source, and the rules and regulations that go with it, masks the fact that many of the key decisions about the use of these funds have generally been made by individuals or governmental entities at the state or local level. This has been true from the early days of federal housing assistance. The last quarter century has seen a strong trend to simplify and streamline the federal rules and regulations and to give state and local governments, in particular, a stronger role in deciding how federal housing resources will be used.

Much of the complexity of housing programs arises because, while the housing assistance funds are primarily federal, housing markets are local and diverse. In addition, most low-income housing and community development efforts involve an array of public and private entities or partners—often with conflicting interests and priorities. For example, public housing—the oldest of the federal low-income housing assistance programs—is built by private, for-profit builders and is administered primarily by local public housing agencies established under state enabling legislation. Public housing developments may be managed by the agencies that own them, or by private management companies, or by tenant management organizations. Rental assistance, or vouchers, are funded by the federal government, administered by public housing agencies, and are used primarily to assist families in renting privately owned housing. Housing developers building or rehabilitating low-income units typically get the funds they need for each project from a number of different sources because no single one is able to provide the full amount needed to serve extremely low-income families. These funders may include the local government using federal block grant funds through programs such as Community Development Block Grants (CDBG) or HOME Housing Partnerships; the state government through the allocation of federal Low-Income Housing Tax Credits; either state or local governments through providing financing with tax-exempt bonds; state or local housing trust funds; and, in the case of nonprofits, foundations.

The array of housing programs at the federal, state, and local levels provides many opportunities for shaping how housing needs are addressed at the local or neighborhood level, both through working with local public agencies, nonprofits, and housing providers to address urgent needs and through opportunities for citizen and customer participation in preparation of plans for action and monitoring how they are carried out. Of paramount importance to success is an adequate flow of the funds needed so that the existing affordable stock is well maintained, so that additional new or rehabilitated units can be provided to meet the needs of the community, and to

address the gap between the cost of creating and operating these units and the meager amounts that low-income people can afford.

The following four principles are useful foci for meeting the housing needs of this nation:

1. Broadening the public policy dialogue concerning affordable housing to include the growing number of moderate-income working families;
2. Building and strengthening the awareness and support of the most extensive constituency possible for meeting this challenge;
3. Clarifying federal, state, and local roles so that the federal resources guide and support state and local initiatives; and
4. Encouraging and supporting diverse solutions to the affordable housing challenge.

In order to meet the housing needs of low-income Americans, Community Action supports the following policies and action steps to implement those policies.

⇒ **Build or rehabilitate affordable housing to expand the supply, particularly in areas of high job concentration or growth.**

While some communities with declining populations have an adequate housing stock, many face severe shortages. New and expanded production programs are needed to address the shortage of affordable housing for most renter households and provide deeper subsidies to make the units produced affordable to low-wage workers, the elderly, and others with special needs who could not otherwise obtain decent housing.

- ✓ **At the federal level**, the current ceiling on the Low-Income Housing Tax Credit and issuance of Mortgage Revenue Bonds should be raised and indexed for inflation; funding for HUD's Community Development Block Grant and HOME Housing Partnership programs should be increased; and the rural housing programs of the Department of Agriculture should be substantially increased. Additional programs focused on production of low-income housing should be established, such as a federal housing trust fund to capture the income generated by the FHA and Government National Mortgage Corporation rather than returning it to the general funds of the Treasury.
- ✓ **At the state and local levels**, resources should be substantially increased both through the creation of housing trust funds and by other means. A number of states and local jurisdictions already have established Housing Trust Funds to capture revenue from many sources for affordable housing. State and local plans and programs for the use of these funds should be targeted to areas and neighborhoods with the greatest housing needs. Even with the limited resources currently available, it should be possible to deal with serious health and safety hazards, such as lack of plumbing, inadequate heat or cooling in hot climates, and elimination of lead hazards. Without funds for dealing with these

problems, expanded or more effective code enforcement is likely to result in evictions rather than correction of the problem.

- ✓ **CAAs, concerned citizens, and affordable housing providers** should participate actively in addressing policy and program issues, whether they be the level and targeting of federal funds for housing and community development; the policies and programs of HUD and RHS; state and local plans for the use of housing funds, including allocation of tax credits; the need for more effective housing code enforcement, including resources needed for compliance; or decisions about the location and characteristics of specific developments.

⇒ **Preserve the existing stock of subsidized low-income housing by providing the funds and program changes required, including facilitating the sale or transfer of developments from for-profit to nonprofit ownership.**

Except for public housing, the long-term contracts between HUD and the owners of subsidized housing projects either have expired and are being renewed on a year-to-year basis or soon will expire. Owners then can opt out of the subsidy program, resulting in a loss of subsidized units. Many do so, particularly for-profit owners, if they can raise their rents or if they are simply tired of dealing with HUD. In most cases, the impact on tenants in these units is softened by provision of “sticky vouchers” to cover the increases in their rents as long as they stay. But currently there are no programs to replace the units lost and inadequate resources to support the transfer from current owners to others, particularly nonprofits, wishing to preserve them as low-income housing.

⇒ **Reward local and state efforts to produce and preserve affordable housing.**

In many cases, it is local taxing, planning, and zoning decisions that determine what is done or not done about affordable housing. The challenge is to fashion the right kind of incentives that will encourage local decision makers to recognize and support the production and preservation of affordable housing. Tools proven to be successful include inclusionary zoning, tax sharing plans, local trust funds, regional strategies, and employer support. The challenge becomes how to reward and support those absolutely necessary activities while recognizing the importance of local diversity and creativity. Tools such as challenge grants, incentive funding formulas, Consolidated Plan improvements, and tax benefits are among the available options.

- ✓ **At the federal level**, HUD should continue to give preservation high priority and Congress should adopt pending legislation to provide federal matching grants to states that appropriate funds for preservation.

- ✓ **At the state and local levels**, priority should be given to use of state housing funds to preserve viable developments, if necessary by assisting in purchase by nonprofits or others willing to continue their use as low-income housing. State and local governments also should plan now for the efforts necessary to preserve the early developments provided under the Low-Income Housing Tax Credit when the 15-year use restrictions expire.
- ✓ **CAAs, concerned citizens, and affordable housing providers** should be alert to the dangers of losing subsidized housing and the opportunities for acquiring and improving those that would otherwise be lost so that they can continue to provide affordable housing.

⇒ **Offset the loss of housing for extremely low-income families through either demolition or changes in admission policies in subsidized housing.**

Several years ago, HUD embarked on a program to replace roughly 100,000 units of public housing, generally in substandard condition and lacking adequate community facilities or access to jobs, by replacing them with mixed income developments. Coupled with this loss of units has been the ending of federal preferences for households with critical housing problems and very low incomes. While the emphasis on income diversity and access to supportive services and job opportunities leads to more viable neighborhoods, it also reduces even further the limited supply of housing affordable to families with incomes below the poverty level or 30 percent of area median income.

- ✓ **At the federal level**, priority should be given to providing the funding and program support for offsetting this loss of units, through such measures as incentives and funding for additional production, through rental assistance as needed for these households, and for vigorous enforcement of relocation requirements to enable displaced families to obtain decent housing in locations of their choice.
- ✓ **At the state and local levels**, high priority should be given to using available resources, especially federal block grants and tax incentives, for this purpose. The Consolidated Plan (ConPlan) process should be used to assess the loss of units through both displacement and targeting changes, and to offset them.
- ✓ **CAAs, concerned citizens, and affordable housing providers** should address this issue both by monitoring the loss of units and the adequacy of replacement planning and by giving priority to addressing this problem in their own activities.

⇒ **Create new housing opportunities by providing families who cannot pay for the available affordable housing in the community with direct financial assistance to reduce rental or homeownership cost burdens.**

This requires improving and greatly expanding rental assistance programs so that funding constraints do not force eligible households to wait years to get vouchers and so they can obtain housing when they do get them, as well as providing support for low-income owners with critical housing problems. Evaluations of voucher programs around the country have found that success, measured by the ability of those receiving vouchers to use them instead of turning them back, appear to be at least as sensitive to the way in which the PHA administers vouchers as it is to local vacancy rates. That is, there are successful programs in tight markets, and unsuccessful programs in markets with much higher vacancy rates.

- ✓ **At the federal level**, both HUD's voucher program and the RHS rental assistance programs should be expanded at least to the level necessary to deal with critical housing problems of eligible households. The current legal requirement that HUD set fair market rents at the 40<sup>th</sup> percentile of rental housing costs in the market area should be repealed so they can more adequately reflect current housing costs, which vary widely from place to place. In addition, HUD should provide both financial support and technical assistance to enable PHAs to provide the necessary assistance and support so that voucher holders are able to obtain housing.
- ✓ **At the state and local levels**, successful voucher programs depend both on the availability of vouchers and a stock of housing that is open and affordable to voucher holders. This should be a major consideration in planning the use of housing funds and discrimination by owners on the basis of source of income should be prohibited. In addition to directly addressing supply issues, both the ConPlan and PHA plans should address barriers to voucher use and, as necessary, include outreach efforts and provision of supportive services and counseling as well as more aggressive use of the option to project-base up to 15 percent of the jurisdiction's vouchers.
- ✓ **CAAs, concerned citizens, and affordable housing providers** should recognize that vouchers are currently the primary vehicle for enabling extremely low-income families to occupy affordable housing. This calls for attention to the extent to which affordable housing is marketed to voucher holders and to addressing whatever obstacles to successful voucher use exist in the locality.

⇒ **Continue and expand support for home ownership, including measures to assist current low-income owners avoid foreclosures and pay for adequate utilities, maintenance, or property taxes.**

Most of the focus on home ownership in recent years has been on how to increase it, with far less attention paid to the possible problems that loss of income, the need for major repairs, or declining value may present to the home owner. Yet almost half of all households with critical housing problems are owners, many of them elderly families. Thus, the present and potential housing problems of owners should be given the same

attention as the challenge of making home ownership possible for more and more families who desire it.

⇒ **Use an array of federal programs and policies enhance home ownership.**

These include FHA mortgage insurance, rural housing low-interest loans and loan guarantees, the Community Development Financial Institutions funding available from the Treasury Department, the affordable housing programs of the Federal Home Loan Bank system, as well as the requirements of the Community Reinvestment Act (CRA) and the Home Mortgage Disclosure Act. All of these have been helpful in increasing home ownership, primarily for moderate-income people. Moreover, the largest federal housing expenditure is the “tax expenditure” for homeowner deductions, but low- and moderate-income people get very little of the benefit either because they don’t itemize their deductions or because their lower tax rate means they get less benefit.

- ✓ **At the federal level**, efforts to weaken these programs should be opposed and efforts to address predatory lending practices supported. New housing goals for Fannie Mae and Freddie Mac to support lending to lower income families and in areas where credit is hard to obtain are under consideration.
- ✓ **At the state and local levels**, federal block grant funds can be used for such measures as downpayment assistance and soft second mortgages as well as for rehab and to deal with major code violations. Currently, states also have a major role in regulating insurance and lending practices, including foreclosures.
- ✓ **CAAs, concerned citizens, and affordable housing providers** should both support measures to address the critical housing problems of homeowners, while balancing the cost of these measures with the critical needs of renters. Large employers of low income workers, in particular, should operate financial and technical assistance programs to help them become home owners.

⇒ **Address the barriers of housing discrimination through rigorous enforcement of fair housing laws, including standards for state and local governments receiving federal housing and community development grants.**

All too often, although there are laws and requirements in place, they are seldom central to the planning and operation of housing and community development policies. Until they are, the patterns of discrimination and segregation that mark our society cannot be overcome.

- ✓ **At the federal level**, both HUD and the Department of Justice should continue to enforce fair housing requirements aggressively. This means not just acting on complaints of discrimination but evaluating the “analyses of impediments” to fair housing that are a requirement for receiving HUD funds and monitoring progress made in identifying and addressing them.
  - ✓ **At the state and local levels**, the analysis of impediments should be well integrated into the ConPlan process, and preferably done at a regional, rather than local, level. Fair housing should be seen as a major tool to help provide access to housing near job growth centers.
  - ✓ **CAAs, concerned citizens, and affordable housing providers** should participate actively in the Analysis of Impediments process and follow-up on the recommendations made. In particular, fair housing and civil rights groups should have this on their agenda.
- ⇒ **Programs such as Low-Income Housing Tax Credits (LIHTCs), Private Activity Bonds (PABs), and HOME that have proven records for producing and preserving affordable housing must be strengthened and provided with significant additional resources.**
- Increased funding for the LIHTCs, PABs, and HOME must be maintained to match inflation.
- ⇒ **New Section 8 units are badly needed including those that are project based.**
- ⇒ **FHA must immediately improve its multi-family programs along the lines of the Multifamily Accelerated Processing (MAP) initiative.**

Further, FHA should be encouraged to re-engineer its business plan so it becomes more of a partner and facilitator to others delivering financing through such initiatives as risk sharing, reinsurance, and top loss protection. FHA’s efforts to do more business on a wholesale basis should be expanded. Any FHA excess proceeds should be made available for supporting more affordable housing.

⇒ **The power of this nation's financial institutions must be more strongly pointed toward supporting affordable housing.**

The Community Reinvestment Act must be preserved and appropriately strengthened. The Government Sponsored Enterprises (GSEs) must be encouraged to play stronger roles. The affordable housing goals for Fannie Mae and Freddie Mac currently are being revised upward. The Federal Home Loan Bank system has established grant, debt and secondary market mechanisms that support affordable housing. More of such activities should be encouraged while preserving the creativity of the regional banks. Additional participation in affordable housing by non-covered institutions also should be encouraged.

## **Conclusions**

The primary purpose of housing is to provide basic shelter, but also it fulfills the human need for privacy, stabilizes families, provides employment and volunteer work for communities, cultivates civic responsibility, and provides social stability and a better quality of life for communities.

In closing, much has been learned about what works to produce lasting, high quality affordable housing that serves the needs and aspirations of this nation's housing-needy citizens. Many proven tools have been developed at the federal level and many similar tools at the state and local levels. Numerous programs and expertise exist. What we need are more resources. The refinements on the existing system as proposed above will sharpen and enhance those tools. But currently, the greatest lack seems to be the will to meet this challenge head on. The next administration, with our help, has the opportunity to recognize how important good, affordable housing is to all those things this nation cherishes—strong families, safe neighborhoods, good education, and vital economies—and to act accordingly.

## *Housing*

- A tremendous need for decent, safe, affordable housing, both rental and ownership, exists in America today.
  - ◆ In no state is the federal minimum wage sufficient to afford rent and utilities for a modest but adequate two-bedroom unit.
  - ◆ On average, a worker earning the minimum wage would have to work the equivalent of 66 hours a week to afford the Median Fair Market Rent for a two-bedroom rental unit. The wage required to afford such housing (the “housing wage”) ranges from \$15 to \$25 an hour.
  - ◆ One out of every three American families—33 million households—has a housing problem, and one of every seven families has a critical housing need. HUD defines critical housing needs as spending more than half of a family’s income on housing and/or living in severely inadequate housing. This includes 6 million working families whose modest incomes cannot meet the cost of decent housing. More than half of these individuals and families are renters.
  
- Community Action Agencies responding to NACAA’s housing survey provide a wide spectrum of housing programs and have for more than 16 years.
  - ◆ Nearly 86 percent of responding CAAs provide housing services.
  - ◆ More than half of the CAA survey respondents are certified CHDOs (Community Housing Development Organizations). These agencies have been CHDOs for an average of 6 years. (CHDOs are recognized by HUD as preferred deliverers of housing programs.)
  - ◆ During the last year, responding CAAs with housing programs have spent an average of \$1.6 million each on such programs.
  - ◆ CAAs have accessed HUD and USDA (Rural Development Service) funds for projects that include housing and community development, homeownership, rental assistance, home repair, homeless services, and general housing support. In addition, they use these federal funds to leverage significant additional resources from state, local, private, and foundation sources. Nearly half the funds CAAs spend on housing comes from federal sources; about a quarter of the money comes from state agencies; another quarter comes from private sources including banks, foundations, corporations, and property income (rents). The remainder comes from local governments.

**OVER ⇒**

- **Community Action Agencies address the housing needs in their communities as identified by the communities themselves.**
- ◆ The average number of households receiving housing assistance from responding CAAs in a year is nearly 700.
  - ◆ More than 47 percent of responding CAAs have ongoing housing rehabilitation programs, and nearly 45 percent provide emergency home repair services.
  - ◆ Three out of four responding CAAs provide weatherization services (74 percent).
  - ◆ With rental programs, 36 percent of responding CAAs provide direct housing management services, and almost 20 percent manage their locality's Section 8 program. Responding CAAs provide a variety of housing counseling programs. Nearly 50 percent provide rental counseling, and nearly 60 percent provide housing budget counseling.
  - ◆ For homeownership, 29 percent of responding CAAs provide Down Payment Assistance; nearly 15 percent provide Homeowner Loans; and more than 24 percent operate IDA programs for homeownership. Almost half of the reporting CAAs provide pre-purchase counseling, and 32 percent provide post-purchase counseling.
  - ◆ The low-income housing needs considered most important to responding CAAs and the communities they serve are: (1) more affordable rental housing, (2) additional Section 8 certificates and/or vouchers, and (3) more Section 8 units on the market and available for rent.

## ➤ **In Conclusion:**

CAAs have a demonstrated capacity to deliver a complete range of housing programs.

CAAs could increase the housing supply through the use of mechanisms such as a National Housing Trust Fund.

The Section 8 program is easily administered by CAAs and is an effective but underfunded method of meeting housing needs.

# TALKING POINTS

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# TALKING POINTS

## *Jobs & Income Supports*

- Welfare reform has reduced the number of people on public assistance; yet many of those people, whether they are working or not, still live in poverty.
  - ◆ 32.3 million Americans do not earn enough income to lift themselves and their families out of poverty.
  - ◆ The current federal minimum wage is \$5.15 per hour. A full-time, year-round worker making minimum wage earns \$10,712 per year.
  - ◆ People who work full-time, year-round should not live in poverty.
- America needs to change existing wage and tax policies so low-income people have disposable income available to meet their basic needs and secure safe and decent housing.
  - ◆ We know what does not work. The tax cuts and increased military spending of the 1980s resulted in record-setting deficits and increased poverty.
  - ◆ The federal minimum wage of \$5.15 per hour should be raised by at least \$1.00 per hour and indexed to keep pace with inflation. This will help restore some of the value it once had.
  - ◆ Full-time workers should earn a living wage.
  - ◆ The Earned Income Tax Credit program should be expanded by raising income thresholds and including more families.
- If we do not sufficiently increase disposable income for working people, we must have programs and services to provide essential benefits to families in need.
  - ◆ Government should create public service jobs that pay a living wage and give unemployed people work experience.
  - ◆ Everyone should be able to obtain affordable health insurance directly, through an employer, or through a government-supported plan. Currently, more than 44 million Americans have no health insurance; 10 million of them are children. Every year, 1 million people lose their health insurance.
  - ◆ Financial aid, apprenticeship programs, and other educational options should be available to all who want them. Students should be encouraged to pursue education beyond the high school level to prepare them to take their place in work and society.
  - ◆ Head Start, Early Head Start, quality childcare, and youth development programs, which help children grow to their full potential, should receive full government funding.

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May 1, 2001

# TALKING POINTS

## ***Community Action & Faith-Based Organizations***

- CAAAs have a long and productive history of relationships with churches, synagogues, religiously affiliated charities, and other religious organizations. Community Action over the past 36 years has demonstrated a model for these organizations to work together to deliver services in their communities.
  - ◆ Individual churches and interfaith alliances were involved in the creation of CAAs and have continued to support them over the years.
- The CAA model is locally based and inclusive, is governed by a board of directors comprised of community volunteers, and meets local needs identified by the community.
  - ◆ The relationships between CAAs and local religious institutions have developed from a common interest in solving local problems.
  - ◆ They enable organizations representing many sects and denominations to work together to build community and at the same time carry out their own social mission.
- The CAA model has grown since 1964 to create a comprehensive program that integrates services, mobilizes resources, and fosters collaboration and coordination.
  - ◆ Individual faith-based organizations and other community partners collaborate based upon their interests, commitment, and capacity.
  - ◆ CAAs use the stability and flexibility of Community Services Block Grant funding to provide technical assistance, management structure, and accountability.
- Government policies addressing FBOs should encourage and support collaboration and community building rather than competition and divisiveness.
  - ◆ FBOs should be held to the same program guidelines and standards of accountability as secular grantees.
  - ◆ New programs should not create fragmentation and duplication of services (i.e., FBO-based services with secular alternatives).
  - ◆ Government should redirect its efforts to increase overall funding for human services programs, rather than encourage a redesign of the service delivery system, so both existing and potential service providers will have sufficient funding to meet the needs of low-income Americans.

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