

Serving Low-income Families in Poverty Neighborhoods Using Promising Programs and Practices: Building a Foundation for Redesigning Public and Nonprofit Social Services

EXECUTIVE SUMMARY

Following the passage of welfare reform, public social service agencies witnessed overall declines in welfare caseloads, yet these declines have not necessarily been accompanied by improvements in the status of low-income families and neighborhoods. In an effort to highlight the important relationships between poverty, place and family in a post-welfare reform era this report analyzes: 1) the status of low-income families, 2) the status of low-income neighborhoods, 3) promising programs to serve low-income families living in poverty neighborhoods, and 4) promising practices for meeting the multiple needs of low-income families living in poverty neighborhoods.

Chapter I:

The status of low-income families in a post-welfare reform era

The major research on low-income families includes the following:

- One-third of all workers in the U.S. earn below poverty wages and of these workers, one-third are persistent low-wage earners who are responsible for the bulk of their family's income (Carnevale & Rose, 2001).
- The primary earner in a low-income family works full-time, year round, and the average income of a single-parent working family is barely above \$15,600 (Acs et al., 2001).
- African American and female-headed households earn considerably less than White and male-headed households (Carnevale & Rose, 2001; Johnston, 2002).
- In California, the high cost of living increases the financial hardships of low-income families; more than 16 percent of households in California spend over 50 percent of their income on rent alone (Johnston, 2002).

Based on a review of the literature on the status of low-income families, four key themes emerge:

- 1) *Low-income families experience severe hardships whether they rely on cash assistance, work or a combination of both.*
 - Research suggests that over 72 percent of low-income families earning twice the poverty line (or up to \$37,320 using 2003 data for a family of four) experience a serious hardship (affordable housing and lack of childcare) within a twelve month period (Boushey et al., 2001).
 - Earnings from government assistance and low-wage labor are inadequate for providing even a minimal standard of living to low-income families and therefore many families must choose between health care and food, or between other necessary expenditures (America's Second Harvest, 2002).

- 2) *Low-income families are resilient and resourceful.*
 - Many low-income families exhibit strengths equal to non-poor families (Orthner et al., 2003) and demonstrate a remarkable capacity to employ flexible and creative coping strategies (Edin & Lein, 1997a; Zedlewski et al., 2003).
 - Low-income families are able to make use of extensive social networks such that more than 75 percent report receiving cash assistance from a friend or family member (Edin & Lein, 1997a). Low-income families also rely on side work and help from private charities when necessary.

- 3) *Low-income families face significant barriers to using public and private services and to increasing earnings from work.*
 - Many low-income families who would otherwise be eligible for government cash or in-kind assistance either do not know they are eligible, or find that the application process is an obstacle to receiving assistance (Zedlewski et al., 2003).
 - For families that do receive government assistance, there are disincentives to increasing their earnings because as earnings increase, other government assistance is reduced (Shieler, 2004).

- 4) *The quality of life for families of color and immigrant status is continuously affected by discriminatory practices in the employment and service sectors.*
 - Low-income families of color and immigrant families still face the burden of poor educational systems, random crime, gangs, high unemployment, ongoing issues with the police, job and earnings discrimination, discrimination within TANF programs, and constant fear of remaining in poverty for generations. (Gooden & Harknett, 2001; Gilens, 1999; Handler & Hasenfeld, 1997; Quadragno, 1994).

Chapter II:

The status of low-income neighborhoods in a post welfare reform era

The major research on low-income neighborhoods includes the following:

- Between 1970 and 1990, concentrated neighborhood poverty (defined as those census tracts where more than 40 percent of the residents are living in poverty), increased, especially among the urban African American population and among poor, female-headed families with children (Wilson, 1996).
- Emerging immigrant communities, especially those from Mexico, the Caribbean, Central America and Southeast Asia also tend to experience high rates of poverty (CIS, 1999).
- Geographically speaking, of the 34.6 million people in poverty in 2002, 27 million lived in metropolitan areas (78%): 13.8 million in inner cities (40%) and 13.3 million in the suburbs (38%). Among those living outside metropolitan areas, 7.5 million (22%) people were in poverty in 2002 (Jargowsky, 2003).

A review of the literature on the status of low-income neighborhoods reveals four key themes:

- 1) *Macroeconomic trends have contributed to the creation of segregated, high poverty neighborhoods.*

- A major force shaping low-income neighborhoods has been the transformation of the urban economy, which for the past fifty years and most rapidly, in the past two decades, has become more decentralized, global, and heavily reliant on finance, services, and technology rather than on its once larger and more powerful manufacturing base (Abramson, Tobin, & VanderGoot, 1995; Massey & Eggers, 1993).
 - These macroeconomic changes have fueled the concentration of poverty and joblessness in central cities where low-income minorities tend to be disproportionately located (Coulton, Chow, Wang, & Su, 1996).
- 2) *Low-income neighborhoods tend to be characterized by a variety of social problems.*
- The term “neighborhood effects” is used to describe the simultaneous presence of neighborhood socioeconomic disadvantage with other social problems, including high rates of unemployment, crime, adolescent delinquency, teenage childbearing, social and physical disorder, single-parent households, child maltreatment, high levels of mobility, poor child and adult health and mental health, and poor developmental outcomes for children and adolescents (Coulton, Korbin, Su & Chow, 1995; Policy Link, 2002; Roosa et al., 2003; Sampson, 2001, Sampson , Morenoff, & Gannon-Rowley, 2002).
- 3) *There are several possible mechanisms through which the social environments of low-income neighborhoods impact residents.*
- The environmental conditions of low-income neighborhoods may impact residents in several possible ways: 1) the level or density of social ties between neighbors, the frequency of social interaction among neighbors, and patterns of neighboring; 2) the mutual trust and shared willingness to intervene for the public good; 3) the quality, quantity, and diversity of institutions in the community that address the needs of residents; and 4) the land use patterns and the distribution of daily routine activities that affect well-being (Sampson and Morenoff, 2002).
- 4) *Neighborhood indicators for Bay Area neighborhoods can help inform social service practice and delivery.*
- In 2003, 72 Bay Area neighborhoods experienced concentrated poverty; the majority of these neighborhoods are clustered around the cities of Richmond, San Jose, Oakland, and San Francisco. These cities are located in the counties of Contra Costa (20 neighborhoods), Santa Clara (16 neighborhoods), Alameda (11 neighborhoods) and San Francisco (9 neighborhoods) and account for 77 percent of the concentrated poverty neighborhoods in the Bay Area. Additional data reveal variations in the social, health and economic status of these neighborhoods.
 - Neighborhood specific assessment techniques can assist program planners in designing the most appropriate interventions. By developing a set of indicators in the domains of well-being for which significant neighborhood effects have been demonstrated, local institutions may be able to better locate services and target strategies for neighborhood intervention.

Chapter III:

Promising programs for low-income families living in poverty neighborhoods

A review of the literature on promising programs reveals three key themes:

1) *Earnings and asset development programs are used to increase the economic self-sufficiency of low-income families.*

- Programs to increase the earnings and assets of low-income families include employment programs, including place-based strategies that target employment services to an entire neighborhood, linking low-income parents to “good jobs,” and the use of work incentives and supports; as well as asset development programs, including promoting banking and savings accounts, promoting low-income car and home ownership, and linking families to the Earned Income Tax Credit (EITC).

2) *Family strengthening programs are used to improve health and educational outcomes, as well as link families to needed support and benefit services.*

- Programs that strengthen families include the promotion of healthy child and family development through home visitation programs, parenting education programs, and programs implemented through California’s First Five; as well as early childhood educational programs to increase school readiness; and strategies to facilitate the receipt of support services including outreach efforts and strategies to streamline eligibility procedures.

3) *Neighborhood strengthening programs are used to improve community development, collaboration among service providers and promote resident involvement in neighborhood affairs.*

- Programs that strengthen neighborhoods include community development corporations (defined as neighborhood-based nonprofit business ventures) that most often focus on improving housing options in low-income neighborhoods (Blanc, Goldwasser & Brown, 2003)
- Comprehensive community initiatives are long-term strategies to increase collaboration, planning and coordination of funding among community-based organizations in low-income communities (Blanc et al., 2003)
- Community organizing strategies are used to increase resident involvement in community planning, decision-making, and advocacy in order to bring resources into a neighborhood.

Chapter IV:

Promising practices for low-income families living in poverty neighborhoods.

A review of promising practices for meeting the multiple needs of low-income families living in poverty neighborhoods reveals four main themes:

1) *The challenges facing low-income families living in poverty neighborhoods*

multifaceted.

- The parent who needs living wage work is often the same parent who needs services to promote healthy child development and resides in a neighborhood that needs more resident involvement, community collaboration and economic development. Promising practices to address the multiple and complex challenges facing poor families and poor neighborhoods are increasingly using a more holistic approach that brings together various levels of intervention.

2) Integrated family and neighborhood strengthening practices represent innovative strategies to address the multifaceted issues facing low-income families living in high-poverty neighborhoods.

- The Annie E. Casey Foundation's Making Connections (MC) Initiative and the Harlem Children's Zone (HCZ) are two programs that currently implement the following integrated approaches: a) earnings and asset development, b) family strengthening, c) neighborhood strengthening and d) an emphasis on collaboration, capacity building and producing tangible results.

3) The organizational structure, challenges and successes of the MC and HCZ provide insight into the nature of integrated family and neighborhood approaches.

- The organizational structure of MC sites tends to be characterized by a loose and flexible structure and many sites are hosted by local organizations with an emphasis on collaborative committees with strong resident participation. Challenges facing integrated approaches are related to keeping residents engaged in the process, forming and maintaining collaborations with partners, dealing with certain characteristics of the community, and handling the expectations of the funding sources. Overall, the major success reported by staff included the development of resident leaders to direct the course of programs.

4) A framework for the design of an integrated family and neighborhood program includes the following features:

- *internal processes* include reformulating service models, organizational strategies, and a responsive organizational structure,
- *neighborhood processes* include targeting the neighborhood and the scope of service, and assessing neighborhood characteristics,
- *external processes* include structured and strategic partnerships, community buy-in, community leadership development and tracking outputs and outcomes.

This framework can assist social service agencies in moving their services toward a more integrated family and neighborhood approach for all low-income families, not just Welfare-to-work participants.