REDUCING POVERTY & INEQUALITY IN WASHINGTON STATE

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Lori Pfingst, Department of Social & Health Services
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Three Main Points

- TOO MANY WASHINGTONIANS ARE UNDERWATER
- SYSTEM IS NOT DESIGNED TO PRODUCE THE RESULTS WE WANT
- A HUMAN CONCIERGE APPROACH TO SERVICES IS WHAT WE NEED
Washington State Ranks 11th Best in Nation for Economic Security of Residents

Share of people living below 200 percent of the federal poverty level, 50 states and District of Columbia 2017

Best

Connecticut = 20% (Lowest)

Washington = 26% (11th)

Worst

Mississippi = 42% (Highest)
26% of Washingtonians do not have enough resources to meet needs foundational to their well-being, such as adequate food, safe and stable housing, and reliable transportation.

TWO MANY WASHINGTONIANS ARE UNDERWATER
## Ways of Measuring Poverty

<table>
<thead>
<tr>
<th>Poverty Measure</th>
<th>Description</th>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Official Measure</strong></td>
<td>3X the cost of a minimum food diet in 1963</td>
<td>Provides historical picture; used to determine eligibility; adjusts for family size</td>
<td>Outdated; no adjustment for geography; does not account for tax and non-cash benefits</td>
</tr>
<tr>
<td><strong>Supplemental Poverty Measure</strong></td>
<td>Developed in late 1990s to address limitations of official measure</td>
<td>Adjusts for the effects of taxes and social benefits, as well as geography</td>
<td>Very recent; meant to enhance official measure not replace it</td>
</tr>
<tr>
<td><strong>Cost-of-Living Measures</strong></td>
<td>Developed recently to measure basic needs budgets</td>
<td>Defines economic hardship based on what it actually takes to make ends meet</td>
<td>Does not account for effects of social benefit programs</td>
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<tr>
<td>(e.g., Self-Sufficiency Standard, ALICE, MIT Calc)</td>
<td></td>
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</tr>
<tr>
<td><strong>Intergenerational Poverty</strong></td>
<td>Developed recently to measure poverty across generations</td>
<td>Differentiates the experience of poverty by severity</td>
<td>No standardized measure;</td>
</tr>
</tbody>
</table>
The Measure Matters
Poverty Level vs. Self-Sufficiency Standard, Family of Three, 2017

What it takes to meet basic needs in different counties in WA

Federal Poverty Level (applies to 48 contiguous states)

Self-Sufficiency Standard (select counties in WA)
Poverty Rates Look Similar to Pre-Recession Levels
Share of people living below 200 percent of the federal poverty level by degree of severity, Washington State 2007-2017

- Low Income (100-199% FPL): 27% (1,056,577)
- Poverty (50-99% FPL): 6% (433,207)
- Deep Poverty (<50% FPL): 5% (368,952)
Washingtonians in Lower, Moderate, & Higher Income Households by Race

- **Deep Poverty (0%-49% FPL)**
  - Latinx: 11%
  - American Indian/Alaska Native: 16%
  - Black: 14%
  - Multiracial: 10%
  - Chinese: 10%
  - Asian/Pacific Islander: 6%
  - White: 6%
  - Japanese: 8%

- **Poverty (50%-99% FPL)**
  - Latinx: 13%
  - American Indian/Alaska Native: 12%
  - Black: 12%
  - Multiracial: 8%
  - Chinese: 4%
  - Asian/Pacific Islander: 6%
  - White: 5%
  - Japanese: 3%

- **Low Income (100%-199% FPL)**
  - Latinx: 29%
  - American Indian/Alaska Native: 22%
  - Black: 20%
  - Multiracial: 17%
  - Chinese: 12%
  - Asian/Pacific Islander: 14%
  - White: 13%
  - Japanese: 11%

- **Moderate-to-High Income (200%-highest FPL)**
  - Latinx: 48%
  - American Indian/Alaska Native: 50%
  - Black: 54%
  - Multiracial: 65%
  - Chinese: 74%
  - Asian/Pacific Islander: 74%
  - White: 75%
  - Japanese: 78%

Source: DHSHJESA EMAPS analysis of 5-Year American Community Survey data 2013-2017; percentages may not add to 100% due to rounding
Asset-Limited, Income-Constrained, Employed Households

Percent of households living below ALICE threshold, Washington State Counties 2017

- Highest = 55%
- Lowest = 26%
- State Average = 37%

Washington’s 39 Counties

Intergenerational Poverty

Among children receiving food assistance in 2000....

46% are receiving food assistance today
Why Reduce Poverty?

- Economic stability
  - Infant mortality
  - Parental engagement
  - High school graduation
  - Family violence
  - Kindergarten readiness
  - Civic engagement
  - Volunteering
  - Positive relationships
  - Employment
  - Living wage
  - Child & family well-being
  - Literacy

- Social capital
  - Post-secondary success
  - Developmental milestones
  - Emotional health
  - Developmental
  - Physical health
  - Asset building

- Future earnings
  - Economic development

- Why Reduce Poverty?
Why Reduce Poverty?

Every $1 invested in reducing child poverty yields $7 in return due to increased economic productivity in adulthood, and decreased costs associated with health, crime, homelessness, and child maltreatment.

What’s the Story?

• A great many Washingtonians are not able to make ends meet; many are living paycheck-to-paycheck

• The majority of people experiencing poverty are working…hard

• People of color, Native Americans, rural families, women with children, and people with disabilities are more likely to experience poverty

• Many children experiencing poverty today are at elevated risk of experiencing poverty as an adult

• If we want better results, we need a better system…and it’s well worth the investment
SYSTEM IS NOT DESIGNED TO PRODUCE THE RESULTS WE WANT
PRWG is Designing a Better Way!
Addressing Root Causes of Poverty

**History & Truth**
- Failure to recognize and address history of trauma, oppression, and discrimination and how it influences present day conditions

**Values & Beliefs**
- Harmful and inaccurate stereotypes about people experiencing poverty; emphasis on and pull yourself up by your bootstraps

**Narrative**
- Poverty is discussed as a personal problem, not a systemic one; narrative reinforces values & beliefs and perpetuates existing inequality

**Power & Influence**
- Unequal power, privilege, and influence; policy and program decisions do not include people disproportionately affected

**Policy & Program Investments**
- Social and economic system that makes it hard to get by or get ahead; policies and programs siloed and insufficient to meaningfully reduce poverty or mitigate its effects

**Results**
- Cost-of-living is too high; income is too low; unequal opportunity by zip code; structural inequalities persist
Jennifer Bereskin, PRWG Steering Committee

TVW Video link to Jennifer’s presentation:
https://www.tvw.org/watch/?clientID=9375922947&eventID=2019031289&startStreamAt=880&stopStreamAt=1415&autoStartStream=true
“It should not be up to the customer to repeat information multiple times to different agencies. There should be a streamlined communication service where agencies are connected and can share data.”
The rise in cost-of-living is outpacing the rise in wages, disproportionately affecting Black and Indigenous Washingtonians.
Major Means-Tested Programs Administered Across Six Agencies (and many partners)
## Eligibility for Select Child & Family Programs

<table>
<thead>
<tr>
<th>Type of Assistance</th>
<th>To qualify, a family of three’s income must be below:</th>
</tr>
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<tbody>
<tr>
<td>TANF/WorkFirst</td>
<td>33% - 67% FPL</td>
</tr>
<tr>
<td>Head Start/ECEAP</td>
<td>110% - 130% FPL</td>
</tr>
<tr>
<td>Free/Reduced Cost Lunch</td>
<td>130% - 185% FPL</td>
</tr>
<tr>
<td>SNAP, BFET, &amp; Child Care (WCCC)</td>
<td>200% FPL</td>
</tr>
<tr>
<td>Apple Health: Adult with Dependent Child</td>
<td>47% - 138% FPL</td>
</tr>
<tr>
<td>Apple Health: Child</td>
<td>216% - 317% FPL</td>
</tr>
<tr>
<td>Independent Youth Housing Program</td>
<td>50% FPL</td>
</tr>
<tr>
<td>Young Adult Housing Program</td>
<td>30% - 50% FPL</td>
</tr>
<tr>
<td>Low Income Home Energy Assistance Program</td>
<td>125% FPL</td>
</tr>
</tbody>
</table>
Impact of Wage Adequacy on Work Supports

Increases in Rent are Outpacing Increases in Wages

Rent changes vs. job income changes - King County

71% of Extremely Low-Income Renter Households are Severely Cost Burdened

<table>
<thead>
<tr>
<th>Key Facts</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>230,395</td>
<td>Renter Households that are extremely low income</td>
</tr>
<tr>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>$24,300</td>
<td>Maximum income of 4-person extremely low income households (state level)</td>
</tr>
<tr>
<td>-163,726</td>
<td>Shortage of rental homes affordable and available for extremely low income renters</td>
</tr>
<tr>
<td>$55,886</td>
<td>Annual household income needed to afford a two-bedroom rental home at HUD’s Fair Market Rent</td>
</tr>
<tr>
<td>71%</td>
<td>Percent of extremely low income renter households with severe cost burden</td>
</tr>
</tbody>
</table>

**Housing Cost Burden by Income Group**

- **Extremely Low Income**:
  - Cost Burdened: 86%
  - Severely Cost Burdened: 71%

- **Very Low Income**:
  - Cost Burdened: 34%
  - Severely Cost Burdened: 44%

- **Low Income**:
  - Cost Burdened: 6%
  - Severely Cost Burdened: 17%

- **Middle Income**:
  - Cost Burdened: 2%
  - Severely Cost Burdened: 2%
HUMAN-CENTERED, "CONCIERGE" SERVICES ARE WHAT WE NEED
HIGHLIGHTS

• Food, housing, and tax policy offer the greatest bang for the buck

• Unconditional cash or cash-like programs have greatest impact

• Rejects assumptions that motivated 1996 welfare reform, including work requirements and marriage promotion

• Benefits far outweigh the costs
Economic Security for All
Building and testing new models

FUNDING
- $5.8 million Governor’s WIOA funds
- Competitive RFP, just released March 14
- Up to four high-poverty communities across WA
- Small scale to prove concept, then expand

CROSS-SYSTEM PARTNERSHIP
- State and local design teams include people experiencing poverty, ESD, DSHS, Commerce, Workforce Board, local Workforce Development Councils, and other stakeholders

MEASURES AND EVALUATION
- Move SNAP families above 200% FPL
- Reduce total number in poverty in community
- Independent evaluator

DESIGN
- We listened!
  People experiencing poverty help lead design
  Communities of color, tribes, rural communities experiencing poverty
  Career plans lead to income above 200% FPL
  Personal Foundation: address personal trauma, historical trauma, behavioral health, other
  Financial Foundation: access all eligible benefits to stabilize family and build foundation for Community mentors to make individual success also a community success
- Build system across multiple agencies/providers
- Quarterly progress checks and adjustment, checking projected versus actual outcomes
- Measurably reduce poverty—together.
How would we reimagine health and human service delivery through the eyes of the people we serve in the communities in which they reside?
The Share of All Income Held by the Top One Percent of Families
Washington state 1917-2015

CALL TO ACTION

ANTIQUATED STRUCTURES REPLACED BY...

CONCIERGE SERVICES....

FOR AN INCLUSIVE, THRIVING ECONOMY FOR ALL
Thank you!