



Trying to Turn the Corner: The Economy, Poverty and Philanthropy October 23, 2008

A Snapshot: Conditions Impacting Our Community

Low-Income, Working Families Face Growing Struggles, Report Finds

Philanthropy News Digest (PND), October 17, 2008
<http://foundationcenter.org/pnd/news/story.jhtml?id=230300008>

As families from all walks of life confront growing economic uncertainty, the financial struggles of low-income working families have gone from bad to worse, a new report from the Working Poor Families Project finds.

Based on U.S. Census data, the report, *Still Working Hard, Still Falling Short* (8 pages, PDF), found that between 2002 and 2006 the number of low-income (below 200 percent of the federal poverty level) working households rose from 9.2 million to nearly 9.6 million, while the earnings gap between those families and the nation's wealthier households increased by almost 10 percent. As a result, nearly one in four working families with children in the United States now qualify as low-income.

The report also found that the majority of low-income working families are in a constant struggle to meet basic needs, even though 72 percent of them have at least one employed adult, more than half are headed by married couples, and only 25 percent receive food-stamp assistance. The report's recommendations include increasing state-level investment in programs that advance the job skills of adult workers; developing state policies that strengthen wages and employment benefits; increasing the number of living-wage jobs; and conducting regular assessments of the challenges facing low-income working families.

Funded by the Annie E. Casey, Ford, Joyce, and Mott foundations, the Working Poor Families Project was launched in 2002 to help state-level nonprofits advocate for public policies that promote economic success among working families. The project operates in twenty-four states and the District of Columbia.

Charities Are Bracing for a Long, Hard Winter - excerpt

Bryan Walsh, Time in Partnership with CNN
<http://www.time.com/time/printout/0,8816,1848864,00.html>

It's too soon to say exactly how much giving will be down, but past experience suggests that a recession will hit charities hard. In a report released last month, the Giving USA Foundation found that on average during recessions (defined as two quarters of consecutive decline in the gross domestic product, which hasn't yet happened), charitable giving declines 1%. That might not sound too bad, but keep in mind that during non recessionary years, charitable giving in the U.S. has increased 4.3% — which means a recession represents a more than 5% swing in the other direction. And it's gotten even worse than that: during the relatively severe downturn of 1974, giving declined 5.4%. Given that the current crisis seems unprecedented in its scope, no one is willing to predict just how bad things might get for the nonprofit sector. "The ramifications are absolutely going to be huge," says Gordon J. Campbell, CEO and president of United Way of New York City.

Nonprofits have long sensed trouble. In its most recent Philanthropic Giving Index — sort of a Consumer Confidence Index for donations — the Center on Philanthropy reported in July that nonprofits were feeling less optimistic than they had six months ago. And that was before Lehman, before AIG, before the S&P 500 Index dove off a cliff.

Struggling to Get By

KPBS & Envision San Diego Special: Getting By
Thursday, October 23, 2008 at 8 p.m.
KPBS cable channel 11, simulcast in HD

Fewer people in San Diego are getting by financially because of the mortgage meltdown, lack of good paying jobs, rising cost of food, gas and rent. In fact, it takes people in San Diego County twice as long as the rest of the country to double their standard of living. Four percent of the people in the county make 20 percent of all the money, the bottom 20 percent make four percent of all the money.

Envision San Diego & KPBS Special Report

The Incredible Shrinking Middle Class
Aired: Thursday, September 25, 2008 at 8 p.m., KPBS cable channel 11,
To access the broadcast: <http://www.kpbs.org/tv/envision/jobmarket>

Nearly 40 percent of San Diegans don't earn enough money to live here, according to a new report. San Diego is the 11th most expensive city in the United States. The County's unemployment rate is at a 13-year high -- 6.4 per cent, and 100,000 people are looking for work. KPBS reveals why this is happening in a new documentary:

We're Not Making It: Latino workers hit hard as financial crisis slams construction industry

Hiram Soto, Union-Tribune, October 17, 2008
http://www.signonsandiego.com/uniontrib/20081017/news_1b17workers.html

The weak economy has hit Latinos disproportionately hard compared with the rest of the population, with higher unemployment rates and more lost wages nationwide, according to a recent study by the Pew Hispanic Center.

And the economic crisis has been especially difficult for construction workers, the industry in San Diego County most affected by the mortgage and credit crunch. In the county, more construction jobs have been lost than in any other industry, with more than 13,000 vanishing since mid-2006, according to state data.

Few workers have full-time jobs. The competition is so fierce to land a contract, whether a home remodel or a floor installation, that contractors are paying less for labor. Many immigrants are not just talking of going back, some have already done so. Without work to pay rent and less money to send home to their families, some immigrants have returned to Mexico, according to many workers and contractors.

The size of the illegal immigrant population seems to be smaller now than in 2007, according to the Pew Hispanic Center. And for the first time in 10 years, the number of new illegal immigrants is smaller than the number of immigrants with visas, the center's data show.

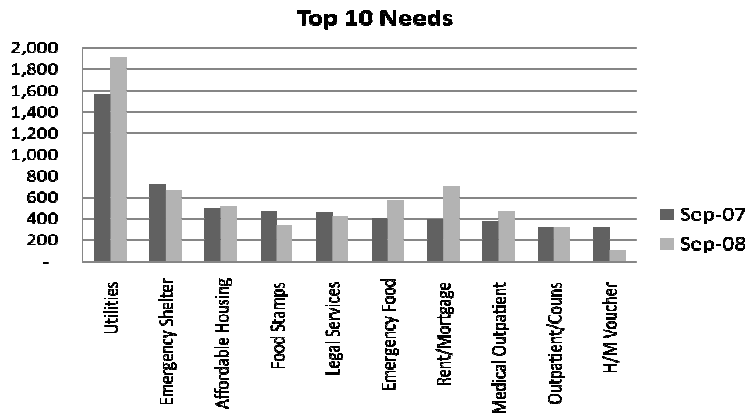
Likewise, the amount of money sent home by immigrant workers showed its biggest fall in August since Mexico's central bank began tracking the information: a 12 percent decline. That month alone, money transfers to Mexico fell by \$2 billion compared to the year before.

For those who choose to stay and keep working in construction, the outlook is grim. "We haven't hit bottom yet and we don't know when we will," said Borre Winckel, president of the Building Industry Association of San Diego, which represents builders and contractors in the county.

A Snapshot: The Impact on Peoples' Lives

From: 2-1-1 San Diego

2-1-1 is the dialing code for free, 24-hour community, health and disaster information in San Diego County. They are being impacted by the worsening economy through increased call volume.



From: Family Health Centers of San Diego

The demand for Family Health Centers of San Diego's services is increasing. Eighty-six percent of the health center's patients live at or below 200% of the Federal Poverty Level. These individuals are the most likely to be working one or more hourly wage jobs without benefits. Anecdotally, the organization is starting to see more patients who have delayed seeking care until their condition is more acute and an increase in patients without funding to pay the minimum sliding fee scale charge. Based on past recessions, Family Health Centers of San Diego also expects to see an increase in uninsured patients who recently lost their employer-based healthcare insurance.

From: Feeding America, Inc. (formerly America's Second Harvest)

According to a recent study they conducted for the period April –May 2008; 98.89% of food bank respondents experienced a 15%-20% increase in the number of clients served within the past year. Contributing factors include the rising cost of fuel; mortgage or rent issues; rising unemployment and underemployment and the inadequacy of food stamps.

From: Interfaith Community Services

The economic slowdown has had a harrowing affect on families who are already struggling to make ends meet. The rising cost of gas and food has significantly increased the everyday costs of living; additionally, jobs with a livable wage have become more difficult to find. In August 2008 (compared to August 2007) Interfaith saw a 68% increase in the amount of first-time families – those persons who have never needed our help before. Many of these clients are dual income families who do not qualify for government-funded programs, yet they cannot afford food for their children.

From: Jewish Family Service

Jewish Family Service is seeing more people devastated by an adverse economy than ever before. They are responding to increases in hunger, domestic abuse, depression, and unemployment. In the last three months, JFS has seen a 63% increase in people needing financial assistance, an 81% increase in people needing food assistance, and a 41% increase in people needing housing and shelter assistance.

From: San Diego Food Bank

According to the SD Food Bank, there is an alarming increase in its distribution figures to key cities in San Diego County from the first quarter to the second quarter 2008. They cite the lethal combination of rising prices, job layoffs, rising rents, home foreclosures and stagnant wages as the key factors that are forcing thousands of low-income working families and fixed-income seniors to turn to it for help:

| SDFB distribution increases in key cities 1st to 2nd quarters 2008 | |
|---|-------------------|
| City | % Increase |
| Chula Vista | 34% |
| National City | 2% |
| El Cajon | 7% |
| Oceanside | 26% |
| Spring Valley | 69% |
| La Mesa | 102% |
| Calexico | 16% |