



CRA AT FORTY

The Hidden Need: Serving Low-Income Individuals in Affluent Communities

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The American dream is alive in suburbia.

But for low-income families, the opportunity to achieve this dream may only exist if one can access crucial assistance with the necessary supports. And that isn't so easy. Every day, lower-income Americans fight to hold their ground in the desirable neighborhoods of affluent communities despite the challenges they face. Stability, even within these pricier communities, can be achieved, but not without strategic partnerships, particularly relationships with not-for-profit providers, government agencies and progressive private initiatives interested in promoting family stability and security.

Eastern Area Community Ministries (EACM) is one such strategic partner for families striving for stability within an affluent area. EACM provides emergency and supportive services to families in seven zip codes in the northeast quadrant of Jefferson County, Kentucky. The top three wealthiest zip codes within Jefferson County are located within EACM's service area.¹ Well-kept neighborhoods adjacent to well-maintained schools with attractive playground equipment within minutes of moderate to luxury shopping are plentiful. Within this geographic area of the city, not one, but two large YMCA facilities exist as well as the E.P. "Tom" Sawyer State Park. No one could be questioned for choosing to find residence within this area for the amenities it provides.

But how does a family that seeks the same amenities and advantages of this middle- to upper-income geographic area meet the economic responsibilities of residency with only one, or possibly two, jobs that pay just slightly better than minimum wage? The National Low-Income Housing Coalition's report, "Out of Reach, 2017," reveals an equation that just doesn't add up for lower-income families seeking to locate in upper-income communities.

¹ Allison Stines, "Louisville's Wealthiest ZIP Codes," Louisville Business First, July 20, 2017, available at <https://www.bizjournals.com/louisville/subscriber-only/2017/07/14/louisvilles-wealthiest-zip-codes.html>

This report says that the average rent in the Louisville market for a two-bedroom apartment is \$793.² This number is actually low for the seven zip codes of EACM's area. Even a cursory review of two-bedroom rental costs in northeast Jefferson County will yield no results under \$1,000. In order to afford housing at this more accurate level, the head of household must be minimally employed at a full-time pay rate of at least \$19/hour, or \$40,000 annually, while the average renter's wage is only \$11.46. That is \$10,000 higher than the annual household income of the 18,000 residents identified by the 2010 census as living at or below 200 percent of the Federal Poverty Line within EACM's zip code area. For families attempting to maintain security within these zip codes, it is imperative that they reach out to a partner to strategize increasing their household income.

Employment within this pay scale does exist in this geographic area. But one thing is for sure - a reliable automobile is a *must*. While public transit exists in Metro Louisville, including bus service within suburban corridors, it is meant primarily as a means for higher-skilled workers to access express routes to the downtown business district for first-shift employment.

In fact, these more-affluent neighborhoods are designed for maximum safety and curb appeal, so bus stops are not located within them, but rather along major arteries adjacent to the neighborhoods. This often requires a park-and-ride experience, meaning that in order to access public transportation, a car is necessary to travel to the bus stop. Adding to that difficulty, these routes are not available on weekends or holidays.

In a community meeting held by EACM in July 2016, participants voiced their concern over this issue, asserting that while plenty of East/West routes (suburbs to downtown) exist in Louisville, there are no direct North/South routes to take employees to the Bluegrass Industrial Park from the northeastern suburbs. The routes and schedules published online by Louisville's bus service, TARC, corroborate this fact as a legitimate concern.³

Car ownership relieves challenging mobility obstacles, but with it comes the added expenses of maintenance, fuel and insurance. Aside from this added economic responsibility for a household, recognizing the absolute necessity of having an automobile again means linking to a knowledgeable community partner - in this case, one that can connect individuals with programs that lead to reliable transportation (Goodwill's Cars to Work Program, for example).

After providing support for basic needs in the form of a food pantry and emergency financial assistance for utilities and housing costs for over 40 years, EACM began to question what other programming was needed to really stabilize families in our neighborhoods. Disbursing food and paying utility bills was applying "band aids" to our families' gaping wounds. The services were not adequately addressing the unique needs of families seeking to find economic stability within a more affluent setting.

And thus, Pathway to Possibilities at EACM was conceived. It provides individualized case management and goal setting services to help families reach economic stability. Coupled with our traditional services to meet acute needs, such as food insecurity and utility cut-off notices, our families are now experiencing success in gaining longer-term stability.

² National Low Income Housing Coalition, "Out of Reach 2017: Kentucky," available at <http://nlihc.org/oor/kentucky>

³ TARC.com, "Routes & Schedules," available at <https://www.ridetarc.org/maps-schedule>

For example, Susan, a single mother of two children, was tired of continually juggling act her finances and budget. Each month felt like a puzzle to manipulate payment schedules, manage late fees and utilize borrowing tactics. Before discovering EACM's Pathways to Possibilities, Susan's use of supportive services was virtually nil in eastern Jefferson County for two key reasons: (1) availability and accessibility; and (2) awareness of the resources that were available. The closest food stamp office is over 15 miles away from her home; employment services are located at an even greater distance; and child care options, while plentiful, fell well outside her price point, as their businesses were targeted to higher income clientele. Her financial life was spiraling out of control, and she was at risk of losing her job and her home. Since she lives in a neighborhood where accessing social services is not common practice, she wasn't aware of available services nearby and other services were inaccessible due to distance and schedule constraints.

Fortunately, Susan eventually found Pathways to Possibilities at EACM while obtaining assistance with a delinquent utility bill. Success and stability for Susan came once she was able to access an array of coordinated support services designed to address her particular situation. She first sat down with a Family Advocate who helped her define a path to success and set goals. She also met with a volunteer financial education counselor who helped prioritize her expenses and maximize her budget. But attitude changes and improved organization alone were not enough. For three months, the Pathways to Possibilities program invested financial assistance for housing, child care and additional job training to increase her employability factors.

In all, EACM invested approximately \$3,500 into helping Susan's situation. The breathing room created by this supportive financial investment gave Susan the space to make the necessary changes that would empower her to lead a financially viable and secure life. And on the other side, Susan had gained sound financial decision-making skills and increased household income from a new job with higher pay, as well as connecting to child care assistance that offset her monthly costs.

EACM has been engaged in family stability programming consistently for three years. The biggest takeaway for us and for our families is that short-term, individualized financial supports must be in place for success to happen. EACM's experience with families challenged in making ends meet in affluent areas, families like Susan's, is that the support systems are limited – both in number and resources provided. And even when present, traditional support for basic needs like food and utility assistance is not enough to bridge the gap from drowning in despair to successful and thrivent living.

This individualized financial support takes funding – and lots of it. The Pathways to Possibilities program is only viable with support from community partners such as local banks and other private businesses. While EACM receives municipal funding for its emergency assistance funding, EACM relies 100 percent on private contributions for Family Stability services.

This progressive investment from private sources can make a huge impact in our community. Crucial investment in families seeking stability allows the process to work. And it does work. More stories like Susan's are possible with sustained community funding for programs like Pathways to Possibilities that invest in people. With continued viability through contributions from private sources, EACM will see the day where its vision is fulfilled of a community where every person is empowered to be fed, sheltered and safe.

ABOUT THE AUTHOR

CARRIE GERARD is the Executive Director of Eastern Area Community Ministries, a role she has held since 2008. She earned her Bachelors of Arts in Religious Studies from the College of Wooster and holds a Master in Divinity in Theology from Yale Divinity School. Carrie lives in Louisville, Kentucky with her husband, Brian, and sons Ethan and Graham.

ABOUT THE BOOK

This article first appeared in **CRA at 40: Views on the Present and Future of Community Reinvestment**, published by findCRA in November 2017. The book was created in celebration of the 40th anniversary of the Community Reinvestment Act. It tells the stories of community development, from the perspective of those working in our communities who bring their knowledge and passion to bear every day in confronting the most critical problems facing communities in need. The book is about real-world experiences told in plain language by those who live them to provide a lens for readers to see CRA at work, ideas for its future and most importantly, what it means in people's lives. To access the full text or order copies of the book, please visit www.findCRA.com/CRAat40.