



Family Economic Success

*“Anyone who has struggled with poverty knows how extremely expensive it is to be poor.”
-James Baldwin*

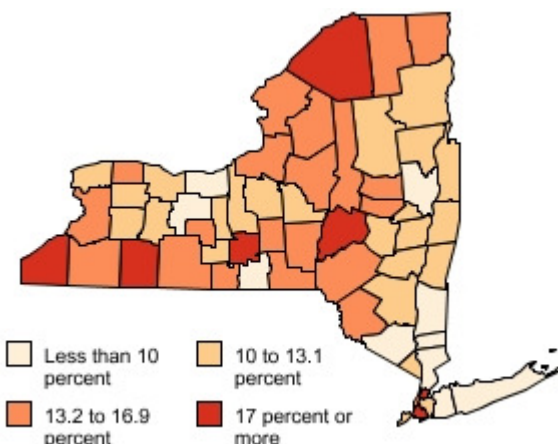
Grantmakers Forum of New York is one of eight regional associations of grantmakers in the U.S. partnering with The Annie E. Casey Foundation to develop a learning and action plan that will help funders promote family economic success. In 2010, GFNY will work with funders in Upstate New York to engage them around the opportunities for working families that raise them out of poverty.

Family Economic Success (FES) is an asset building approach to help lift families out of poverty and move them toward economic stability and opportunity. FES strategies help families to stabilize their finances, reach and sustain self-sufficiency and build assets for the future.

Building brighter futures for vulnerable children requires improving the circumstances of their parents, helping them to reach and sustain self-sufficiency and move up the economic ladder. Parents with more resources can better invest in their children’s education, development and future success.

Poverty in New York State. In the current economy, it is more important than ever to strengthen low-income families as opportunities are constricted and more families struggle to maintain a tenuous grip on financial security. New York currently ranks 49th in asset poverty with 34% of New Yorkers lacking the resources to sustain a household for three months.

Grantmakers Forum members believe that key funding strategies to alleviate poverty are a combination of economic/community development and effective supports that raise those in need out of poverty and enable them to take part in what prosperity we have.



More than 2.6 million New Yorkers live in poverty - 14% of state residents. *

Urban Upstate New York has astonishingly high child poverty rates - 40% of children living in Buffalo, Rochester, Syracuse, and Utica live in poverty-stricken households. * And 5% of them are homeless. **

Eighteen counties in our region have over 20% (1 in 5) of children living in poverty. ***

* New York State Community Action 2009 Impact Report, NYS Community Action Association, Sept. 2009.
 **America’s Youngest Outcasts, National Center on Family Homelessness, 2009.
 ***USDA Economic Research Service

Children who grow up poor too often become adults who cannot contribute effectively to our economic productivity, become a burden on the public health system, or enter the criminal justice system. Economists estimate that child poverty costs the nation \$500 billion a year. In New York that translates to over 800,000 children living in poverty with a resulting annual cost of \$33 billion.*

Strategies for Action. FES strategies are a key component for creating stronger family-supporting communities and addressing racial disparities in income, education, asset-building and homeownership. Safe neighborhoods, affordable transportation and child care, fairly priced goods and services, and affordable financial services are all vital to a family's long-term economic success. FES strategies can be applied in urban, rural, regional and neighborhood settings and are of interest to practitioners, advocates, policymakers and others who work with vulnerable families, children and communities.

FES Goals. A family has attained economic success when it has sufficient and predictable resources and the connections to:

- meet basic family needs and provide for emergencies
- qualify for, secure and keep a good job with opportunities for advancement
- make ongoing investments in lifelong learning
- effectively and confidently manage family finances
- build and keep assets such as home and retirement savings that grow over time.

These goals are supported by three objectives:

- Earn It—succeed in the workforce,
- Keep It—increase and protect income,
- Grow It—acquire, keep and increase assets.

Earn It: Jobs, Education, Work Supports

“Earn It” recognizes the crucial importance of a job and earnings, and acquiring the education and skills needed to become employed and advance in the workplace. FES recognizes that a family-supporting job with benefits—particularly healthcare benefits—is critical to a family's prospects. In New York state a living wage for one adult and one child is considered to be between \$29,000 and \$37,000 or \$14.50-17.50/hour. Current minimum wage in New York is \$7.25/hour.

“Earn It” workforce strategies focus on job training; job readiness, placement, retention and advancement; and the importance of post-secondary credentials. Earn It strategies also focus on developing career pipelines that provide trained workers to meet the needs of regional industries, creating career pathways that prepare workers for careers in fields with advancement opportunities, and fostering opportunities for self-employment.

A key goal is increasing access to work supports such as Food Stamps and other benefits, the Earned Income Tax Credit (EITC) and other tax credits, and supportive policies such as unemployment insurance, living wages, paid sick days and family leave.

*The Cost of Child Poverty State by State, Human Services Policy Center, University of Washington. 2006.

Keep It: Income Protection and Financial Management

“Keep It” strategies help workers to make ends meet, protect their earnings and stretch their dollars. Accessing mainstream banking and low-priced financial products can help a family save money and stabilize their financial situation. Financial education can provide guidance for avoiding unnecessary expenses, making sound financial decisions, and dealing with current and future financial challenges. “Keep It” also addresses issues related to the high cost of goods and services in some communities, asset protection, credit counseling and repair, and predatory lending.

Grow It: Asset and Wealth Creation

Savings and assets provide a cushion against unexpected expenses, and are the foundation for a family’s long-term financial security. “Grow It” includes strategies to foster savings and build assets to allow families to pay off debt, establish credit, secure a fair-priced mortgage, car loan or insurance, contribute to their children’s education, and save for retirement. A key component of “Grow It” is financial education and one-on-one coaching to help families learn to manage their money.

Continuum for Success. By promoting the interconnectivity of these FES strategies and the organizations that support them, funders are able to effectively bundle a continuum of programs and services that will lead families out of the cycle of poverty. Many funders in our region are already funding individual programs or suites of programs that promote family economic success through nonprofit agencies in their communities. Some funders work closely with the private sector, promoting approaches, for example, to meet the needs of employers as well as workers, and work with financial institutions as funding partners on new approaches to asset building and reducing the cost of living in low-income communities. Some are advocating for reforms in state and federal service-delivery systems to improve social and economic security for disadvantaged families and communities. And many are increasingly identifying key partners, policymakers and implementers who can promote family-supporting public policies and programs.

What will Grantmakers Forum do?

Work with funders and other stakeholders to increase funder awareness of the opportunities and possibilities for working families of family economic success program and service integration. Help them to identify where they are already supporting family economic success. Foster a dialogue to examine new ways to approach opportunities for improvement in services and programs that promote family economic success. Measure changes in attitude and behavior as a result of the activity.