

# Building Family Economic Success



(Or rising tides and leaky  
boats)



# Reminders ...

- Reducing Poverty Means Reducing the Number of People Who Are Poor, but ...
- Rising Tides Don't Lift all Boats
- Especially Leaky Ones
- Some People Need A Boat

**Avg. total post-tax income for poorest fifth of female-headed households (1993-2000) in constant 2000 dollars (Bavier, OMB, 2001, using Census data)**

<b>Sources</b>	<b>1993</b>	<b>2000</b>	<b>% Change</b>
<i>Earnings</i>	\$1377	\$3148	+129%
<i>Cash Welfare</i>	\$2179	\$1275	-41%
<i>Food Stamps</i>	\$1319	\$956	-28%
<i>Child Support</i>	\$262	\$500	+91%
<i>EITC</i>	\$216	\$888	+311%
<i>Other</i>	\$1588	\$1831	+15%
<b>TOTAL</b>	<b>\$6941</b>	<b>\$8598</b>	<b>+24</b>

# Family Economic Success

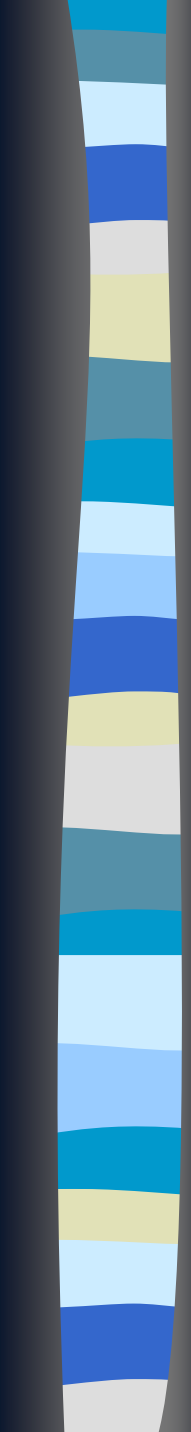


Families are confident they can meet basic needs (expected and unexpected), they can envision a strong financial future and they make continual progress towards achieving it.



# What Does It Take?

- **Earn It**  
*increased income*
- **Keep It**  
*increased assets*
- **Communities that help Grow It**  
*communities of increasing wealth and opportunity*

- 
- Delivery “system” that provides connections to all 3 strands simultaneously and over time.



# Policy Comments

- “Making work pay” is a frame that elicits broad public support
- The Tax Code is the single most important investment currently being made in low income working families (and in middle and upper income families)
- Private sector policy matters

# Family Economic Success



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# Earn It

- Outcome (e.g.): Parents and young adults have jobs that provide family-sustaining wages, benefits, and career advancement possibilities.
  - Confident, predictable, sufficient income
  - Meet expected and unexpected basic needs and be able to save for the future



# Earn It:

- Capacity to Earn
  - Education, skills training, workforce development
- Opportunities to Earn
  - High quality jobs, career advancement
- Closing the Gap
  - Entrepreneurship, EITC, public benefits



West Central Initiative  
Approaches to Helping Families  
“Earn It”

# Rural Tax Assistance Campaign

	Number of Tax Sites	2002 Federal Returns Prepared	Federal EITC Dollars Claimed	Total Federal Tax Refunds Claimed
Allegany County, MD	3	233	\$150,424	\$231,705
Carolinas	10	263	\$339,499	> \$339,499
Georgia	3	124	\$79,835	\$134,013
Maine	2	122	\$141,355	\$306,224
New Hampshire	1	11	\$17,061	\$27,282
Vermont	1	5	\$11,791	\$21,944
Totals	20	758	\$739,965	<b>&gt; \$1,060,667</b>



# Keep It

- Outcome (e.g.s) Increased access to reasonably-priced financial services; More parents and young adults engage in accurate financial planning.
  - Converting income into assets
  - Assets are the basis for financial resiliency, leverage and long-term economic growth



# Keep It:

- **Stable Financial Circumstances**
  - Credit clean-up
  - Affordable, appropriate range of financial services
- **Decreased Costs (“high cost of being poor”)**
  - Costs of working
  - Costs of basic necessities
  - Costs of getting ahead
- **Increased Assets**
  - Accumulate savings and assets; IDAs
  - Homeownership & repair opportunities



# Good Faith Fund Approaches to Helping Families “Keep It”



# Communities that Help **Grow It**

- Outcome (e.g.s) Increased number and quality of jobs within reasonable community distance; increased tax base to enable continual upgrading of public infrastructure and services.
  - Quality of life & amenities
  - Families investments increase in value



# Grow It:

- Positive Business Climate
  - Business development services, amenities and infrastructure
- Entrepreneurial Climate
  - Encourage and enable innovation, successful business start-ups
- Linkages to regional economy
  - Connect local business to regional markets
  - Cluster and network strategies



# Delivery Systems

- These strands & strategies aren't meant as stand-alones
- Delivery “systems” provide connections to all 3 strands simultaneously and over time
- Multiple access points, come in many forms



# Connect Inc Delivery System



Good Faith Fund delivery system

West Central delivery system



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# Comments from Demos

