

CITY OF LOS ANGELES ENDING POVERTY SUMMIT

Looking Back, Forging Forward to end family and child poverty

Summary Report



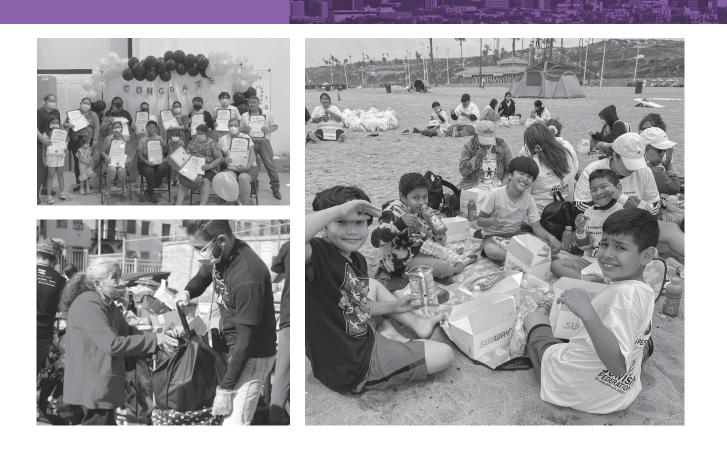


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Dear Partner,

Thank you to all who joined the 2022 Ending Poverty Summit. This report captures the key takeaways from the Summit, including new data pertinent to our collective pursuit of ending poverty, and recommendations for tangible next steps.

The Community Investment for Families Department (CIFD) was born from the recognition that many Angeleno families are struggling to meet their basic needs and missing the support and tools to build financial stability now and for the future. The Department was established in 2021 in the midst of the COVID-19 pandemic, which elevated the reality that many families are one economic shock away from housing instability and homelessness.

The 2022 Ending Poverty Summit built upon the groundwork laid by the City's inaugural 2019 Summit, which marked the first time the City engaged stakeholders from various sectors to address poverty in the City. Following the 2019 Summit, the City Council committed to ending family and child poverty by 2035 and charged CIFD with leading the effort.

The 2022 Summit took place on the heels of a racial reckoning in the City, which brought into sharp focus the intersection of poverty and racism. These issues are inextricable and must be addressed together in order to effectively reverse decades of economic and racial inequality that disproportionately impact low-income communities of color. We must effectively empower Angelenos of all backgrounds to create their own path toward economic security.

CIFD will continue to serve as an incubation hub that advances innovative programs to alleviate poverty throughout the City, with a focus on economic justice, banking access, financial education and counseling, resource development, capacity building, and partnerships.

Thank you again to everyone who made the Summit possible. Together, across sectors, departments, and jurisdictions, I believe that we can create systemic change to combat poverty and achieve greater prosperity for all.



In Partnership,

Abigail R. Marquez General Manager City of Los Angeles Community Investment for Families Department

I. Executive Summary

On October 13, 2022, the Los Angeles Community Investment for Families Department (CIFD) convened the 2022 Ending Poverty Summit at the California Endowment Center for Healthy Communities Los Angeles. The Summit expanded upon the first Poverty Summit in 2019, which sparked a citywide commitment to end child and family poverty by 2035. In the wake of the first Summit, the COVID-19 global pandemic exacerbated the economic, health, and housing crises faced by many Angelenos. In response, the City, county, state, and federal governments took action by providing emergency funds and services to families, and piloting programs to alleviate poverty in the short and long term. The City of Los Angeles, recognizing the severity of the issue, restructured its City departments to focus on the poverty plaguing the City and intensified efforts to tackle homelessness. As a result, the former Housing and Community Investment Department (HCID), which led the 2019 Summit, was split into two separate departments on August 8, 2021 through ordinance number 187122¹. Through this ordinance, the City Council established CIFD to focus on poverty reduction initiatives and services for low-income families. CIFD is the administrator for the City's social safety net, including various programs and services for families, youth and survivors of domestic violence and human trafficking. CIFD's mission is to align and augment community investments for families and neighborhoods in the City of Los Angeles and create opportunities for all Angelenos to prosper.²

The 2022 Summit aimed to re-engage stakeholders, generate meaningful ideas, solidify commitments, and contribute to the action plan to end poverty in Los Angeles by 2035. The Summit consisted of panels, keynote speeches, and breakout roundtable discussions, with participants from diverse organizations seated alongside stakeholders from different sectors to encourage collaborative partnership. Some significant findings from the Summit included:

- Providing unrestricted funding to individuals and service providers. Unrestricted funding demonstrates trust and allows them to use dollars for what they most need, such as allowing organizations to use funds for operations and provide their staff with the support they need through competitive salaries and mental health assistance.
- Poverty is rooted in racism, necessitating policies that address the systemic factors contributing to the economic struggles faced by families of color, such as housing protection, labor rights, and accessible education.
- Lack of awareness about existing poverty reduction policies and programs leads to redundancies and confusion among stakeholders and those needing support.

The report on the Summit's activities includes data on the current state of poverty in Los Angeles, an overview of existing poverty alleviation programs, and recommendations to achieve the 2035 goal. Central to each recommendation is the reminder that these programs and policies must place people experiencing poverty at the core of discussions concerning their challenges.

¹ Final Ordinance No. 187122 (No. 187122; p. 13). (2021).

² Home | Community Investment For Families Department. (2022). <u>https://communityinvestmentforfamilies.org/</u>



II. Background

Understanding Poverty in Los Angeles

"If we are genuinely committed to ending poverty, we also have to address its root causes and the intersection with systemic racism."

- Abigail R. Marquez, General Manager, CIFD

Like many cities throughout the U.S. Los Angeles faces the issue of concentrated poverty in specific neighborhoods. This geographic inequality results from historical and systemic racist policies that favored wealth-building of white families at the expense of Black, Indigenous, and other families of color. In the early 20th century, many Black households migrated to cities like Los Angeles to escape racialized violence in the South and to capitalize on expanding economies in urban areas. However, upon arrival in Los Angeles, Black households faced discriminatory housing covenants and real-estate practices that forced them into segregated neighborhoods in South and Central Los Angeles³.

Throughout the 20th century, various federal policies were introduced to reduce poverty. However, these policies perpetuated racial disparities, leading to intergenerational wealth-building for white families while pushing Black families into cycles of intergenerational poverty⁴. One such policy was, the Home Owners' Loan Corporation (HOLC), a program created during the New Deal era to expand home-buying opportunities. Unfortunately, the HOLC engaged in "redlining," a discriminatory practice that systematically excluded Black individuals from homeownership⁵. The HOLC created neighborhood rankings to show where they would and would not issue loans. Neighborhoods with large concentrations of Black households, like South Central Los Angeles, were given a "D" (red) grade to indicate that they should not receive homeownership loans and other financial services that were critical to the economic growth seen in many predominantly white communities⁶. The New Deal also created the U.S.'s Social Security system and gave workers the right to organize in trade unions and engage in collective bargaining⁷. However, the New Deal did not extend these benefits and protections to agricultural and domestic workers, many of whom were Black, Brown and female⁸.

"This did not happen by accident, it happened by design. It's called structural racism."

- Capri Maddox, Esq. Executive Director, L.A. Civil + Human Rights and Equity Department

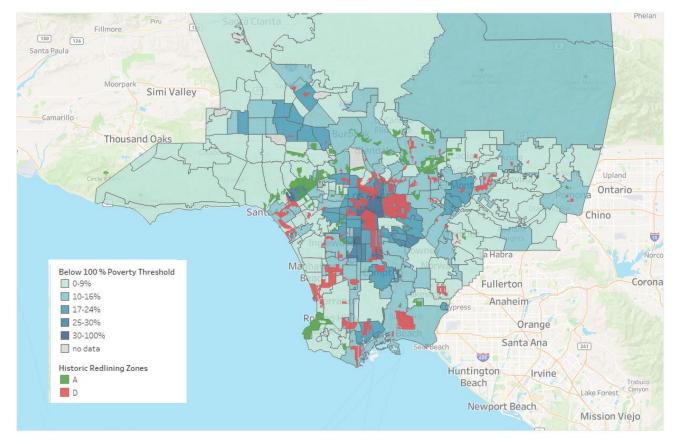
- ⁵ Ibid.
- 6 Ibid.
- ⁷ Perea, 2011.
- ⁸ Ibid.

³ Jovanna Rosen et al., 2021

⁴ Jackson, 2021.

The profound effects and lasting consequences of racially exclusionary anti-poverty policies are evident in the present-day geographic and demographic distribution of poverty in Los Angeles. The map below from the **USC Neighborhood Data for Social Change** shows a concentration of poverty in South and Central Los Angeles — the same neighborhoods redlined and excluded from accessing resources for building wealth⁹.

FIGURE 1



Note: Map displays the distribution of poverty across Los Angeles neighborhoods, with neighborhoods in deeper blue indicating higher poverty, overlaid with historic "redlining" zones. The HOLC created a grading system to reflect a neighborhood's "mortgage security". Neighborhoods receiving an "A" (colored green on the map above) were deemed minimal risks for banks and lenders. Those receiving a "D" (colored red on the map above) were neighborhoods that were considered hazardous and therefore "redlined."

The demographic groups excluded from wage and labor benefits during the New Deal era continue to face disparities in poverty rates. As of 2021, 24% of Black and 20% of Latino residents in the City lived below the Federal Poverty Level, compared to only 10% of White residents¹⁰.

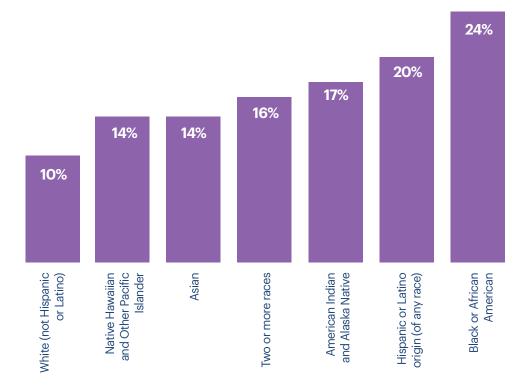
⁹ Neighborhood Data for Social Change Platform. (2022). <u>https://la.myneighborhooddata.org</u>

¹⁰ Neighborhood Data for Social Change Platform. (2022). <u>https://la.myneighborhooddata.org</u>



FIGURE 2

Share of Racial/Ethnic Groups Living in Poverty, City of Los Angeles



Note: Displaying the share of each racial/ethnic group living in poverty within the City of Los Angeles. Figure by the Neighborhood Data for Social Change, 2023.

Additionally, a greater share of women in the City live in poverty than men; notably, 36% of female-led single-parent households lived in poverty in 2021. Furthermore, 55% of all single mothers living in poverty across the City identify as Hispanic/Latina, demonstrating that economic inequalities exist simultaneously across racial and gender lines¹¹.

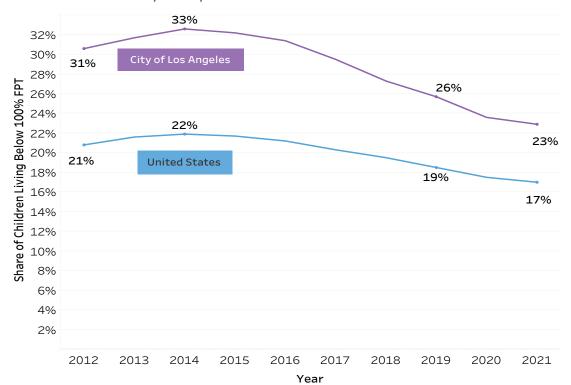
Youth in Poverty

To understand the multi-generational nature of poverty, we must also understand how it impacts youth. Nearly one in four children (23%) in Los Angeles lived below the poverty line in 2021, notably down from 33% in 2011¹². Poverty reduction for children is in line with national trends over the last decade. However, the City of Los Angeles saw a larger and faster decrease in the share of children living in poverty than the national average.

¹¹ Neighborhood Data for Social Change Platform. (2022). <u>https://la.myneighborhooddata.org</u>

¹² Neighborhood Data for Social Change Platform. (2022). <u>https://la.myneighborhooddata.org</u>

FIGURE 3



Source: American Community Survey 5-Year Estimates

Share of Children Living in Poverty, 2012 - 2021, City of Los Angeles & United States

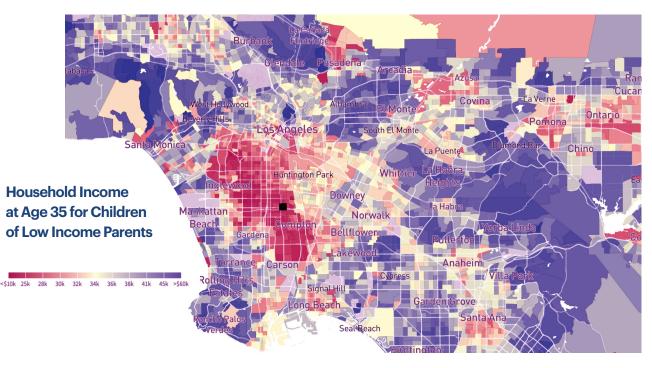
Note: Comparing child poverty rates and total poverty rates in Los Angeles to the general United States from 2010-2021. Figure by Neighborhood Data for Social Change, 2023.

Deploying policy solutions to actively combat the racist legacy of geographically concentrated and intergenerational poverty is critical for children living in South and Central Los Angeles today. Research has found that growing up in a low-income household in an area with significant poverty leads to different outcomes than growing up in a low-income household in an affluent neighborhood. As shown on the map from Opportunity Insights below, children who grew up in low-income households in South and Central Los Angeles tended to have significantly worse incomes at age 35 than children who grew up in low-income households in other neighborhoods throughout Los Angeles.

"Growing up in a poor neighborhood decreases odds of high school graduation, increases odds of teen parenthood, and reduces future earnings and health outcomes."

- Dr. Ann Owens, Professor of Sociology, Public Policy and Spatial Sciences at USC Dornsife

FIGURE 4



Note: Map displaying social mobility across generations measured by household income at age 35 with dark red indicating adults in 2010 making less than \$25,000 a year. This map was displayed during the Ending Poverty 2022 Summit in Dr. Ann Owens' presentation. It is from Opportunity Insights, a project led by economist Raj Chetty. (https://www.opportunityatlas.org/).

In response to the alarming state of poverty in Los Angeles, the former HCID, along with members of the City Council Homeless and Poverty Committee, joined together with the City of Los Angeles Commission on Community and Family Services (CCFS) and Community Action Board (CAB) to organize a day-long Summit in 2019.

The 2019 Summit featured speakers, panels, and breakout sessions focused on themes of equity and advancing economic development for Angelenos. It laid the foundation for a long-term citywide initiative with the ambitious goal of ending family and child poverty in Los Angeles by 2035. During the Summit, the existing alleviation and prevention programs were recognized for their importance. These programs included initiatives such as building rapid transit lines in low-income neighborhoods, expanding affordable housing, raising the minimum wage, providing free community college, and increasing the number of domestic violence and human trafficking survivor shelters. However, in 2020, the COVID-19 pandemic introduced new challenges, as many Angeleno families faced heightened financial burdens. As a result, planning for a follow-up Summit was temporarily put on hold.

In 2021, the City of Los Angeles took a significant step forward by establishing the Community Investment for Families Department (CIFD) through the passing of ordinance number 187122. CIFD planned the 2022 Summit, sponsored by Citi Community Investing and Development. The main objective of this Summit was to engage with stakeholders, learn from their expertise, and devise concrete next steps to end family and child poverty by 2035.



III. Summit Format

On Thursday, October 13, 2022, the Summit brought together various stakeholders, including practitioners, academic experts, policymakers, and philanthropic leaders. Throughout the event, participants were inspired by the outcomes of the inaugural Summit and actively engaged in insightful discussions through speakers, panels, and roundtable discussions.

The following section describes the format of the 2022 Ending Poverty Summit, including the makeup of invitees, key topics of discussion, and the formulation of the day's sessions and activities.

Poverty is a multi-faceted and multi-disciplinary issue to address, and accordingly, the Summit engaged stakeholders from various backgrounds and sectors. Representatives from the following sectors were invited to attend:

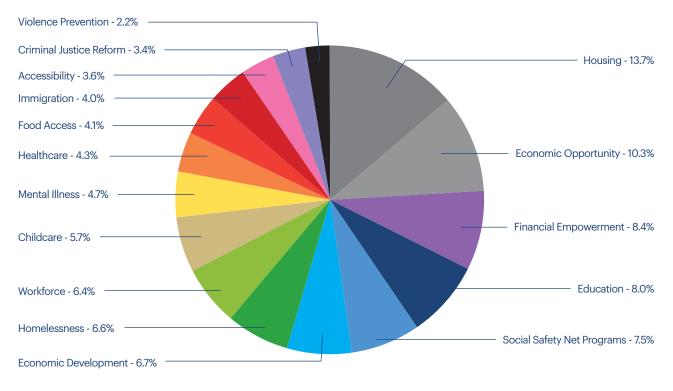
Academic Experts	Advocacy Groups	Government Employees	
Service Providers / Non-Profits	Elected Officials	Financial	
Philanthropy	Private Sector	Policy	
Technology	Healthcare	Lived-Experience	

TABLE 1

In total, 200 stakeholders registered to attend. As part of their registration, they were asked about the top five policy areas they thought were most important in the fight against poverty. The most common answer was housing, followed by economic empowerment and financial development as close seconds. The complete list of responses can be found in Appendix A and percentages are displayed on the following page.

FIGURE 5

Discussion Topics of Interest



The attendees were assigned to tables to ensure a diverse representation of sectors in each group, with each table accommodating between 6 and 10 participants.

The day began with remarks from Abigail Marquez, General Manager of CIFD, Capri Maddox, Executive Director of the LA Civil + Human Rights and Equity Department, and Councilmember Nithya Raman. Each speaker emphasized a crucial theme that resonated throughout the day - that racial discrimination must be consciously counteracted.

Dr. Ann Owens, Professor of Sociology, Public Policy, and Spatial Sciences at the University of Southern California then provided a historical grounding of poverty in Los Angeles.

The day's subsequent activities included thought-provoking keynote speeches, insightful panel discussions, and dynamic roundtable sessions facilitated by representatives from USC and CIFD, who guided the discussions and ensured meaningful exchanges at each table.

The Summit addressed a range of crucial topics through panels and discussions, with a focus on the real experiences of people. The panels covered lived experiences, social safety net programs, economic development, and breaking the cycle of family poverty. The event aimed to understand the challenges faced by individuals living in poverty, identify existing programs that alleviate poverty, and find collaborative solutions to address gaps in the system.

The first panel was *A Big Leap: Learning from Lived Experiences*, and included three participants from Basic Income Guaranteed: Los Angeles Economic Assistance Pilot (BIG:LEAP). The pilot provided 3,200 Angeleno families experiencing poverty with an unrestricted \$1,000 per month for 12 months to support them in meeting their most pressing needs. Each panelist shared their personal experiences with poverty, perspectives on the Guaranteed Income program, and their plans for the future. Starting with this panel set the tone for the entire Summit, ensuring that discussions were grounded in the real-life experiences of those affected by poverty and emphasizing the importance of involving communities in shaping poverty initiatives, policies, and programs.

Following the panel, attendees engaged in discussions facilitated by table leaders. They wrote down and discussed the fears, frustrations, and hopes they heard from the BIG:LEAP panel participants. Additionally, they were asked to identify both existing programs that alleviate poverty and gaps that could be addressed through collaboration. For further information on Guaranteed Income, please see Appendix E.

The day continued with a panel titled, *Untangling the Social Safety Net*, featuring policy leaders discussing the barriers in navigating existing social safety net systems. Each participant shared their role in social service, highlighted obstacles in implementing programs and policies, and called for collective efforts to improve the delivery of safety net services.

During lunch, special remarks were made by Councilmember Curren D. Price Jr., and Councilmember Marqueece Harris-Dawson. The keynote address was delivered by former Mayor of Stockton and founder of Mayors for a Guaranteed Income, Michael Tubbs.

The afternoon began with a panel on *Creating New Pathways to Community Wealth and Redefining Economic Opportunity,* featuring leaders from different sectors discussing economic and financial mobility, empowerment, and inclusivity for entrepreneurship and job creation opportunities. Panelists answered questions related to defining opportunity, leveling the economic playing field, and bridging divides such as language and digital access.

The following panel was *Breaking the Cycle: A Two-Generational Approach to Ending Poverty* focused on the multi-generational nature of poverty. Youth-focused leaders and a member of the L.A. City Youth Council discussed understanding and considering the needs of families, emphasized the importance of partnerships, and called Summit attendees to action to prioritize a multi-generational approach in their work.

The final afternoon roundtable session allowed attendees to reflect on the day's learnings and discuss next steps in achieving the goal of ending family and child poverty by 2035. The discussion aimed to consolidate the knowledge gained during the Summit and foster a collaborative approach to address poverty effectively.

The event concluded with closing remarks from Michelle Thornhill, Director of U.S. Community Relations, Citi Community Investing and Development. She highlighted the crucial role of public-private partnership in creating more inclusive and prosperous communities, underscoring the importance of collective efforts in combating poverty.

For a comprehensive view of the Summit's schedule and discussion topics, the complete agenda can be found in Appendix B, while the questions asked during the roundtable discussions are listed in Appendix C.

IV. Recommendations for Creating Action Plan to End Poverty

The following section summarizes the four main recommendations that emerged from the Summit:

- Create an issue-based action plan for ending family and child poverty by developing working groups that are topically organized around housing, wages and workforce development, education, mental health and trauma-informed care, and Guaranteed Income programs.
- Expand racially informed and trust-based policies and programs that include diversity training and communications campaigns that recognize the legacy of racist policies and break the stigma and stereotypes surrounding poverty.
- Increase communication and coordination across city-wide systems to help promote poverty relief programs, including developing a centralized location for families to easily navigate available benefits.
- Create metrics specific to Los Angeles for measuring poverty, which will help combat poverty in a way that considers the local high cost of living.

Recommendation 1: Create an Issue-based Action Plan

The primary recommendation from the 2022 Summit is to create an issue-based action plan for ending family and child poverty by 2035. The implementation of this plan will be overseen by CIFD, which will act as the local backbone organization. To achieve this ambitious goal, the City of Los Angeles will form issue-based working groups, addressing crucial policy areas highlighted during the Summit. These working groups will cover topics such as housing, wages and workforce development, education, mental health and trauma-informed care, and Guaranteed Income programs.

FIGURE 6 To ensure the effectiveness of these working groups, experts from various fields, including researchers, policymakers, practitioners, and individuals with lived experiences will be compensated for their time. Each working group will be responsible for devising a specific set of objectives, identifying best practices, and proposing program ideas pertaining to their respective issue areas. An essential aspect of these working groups lies in their ability to FINANCIA encourage collaboration among community leaders across different issue areas. This will lead to a comprehensive understanding of how policy goals, grant applications, and advocacy efforts can intersect and reinforce each other.

This recommendation builds on the content and recommendation of the 2019 Poverty Summit report, which extensively discussed the concept of collective impact models. During the 2022 Summit, ideas shared by Summit attendees were collected via post-it notes and analyzed to identify common themes, as represented in the Word Cloud above, with larger words indicating themes mentioned more frequently.

The discussions held during the 2022 Summit concerning poverty and potential solutions highlighted several recurring themes previously addressed in the 2019 Summit report. These included crucial topics such as wages and workforce development, housing and homelessness, educational pathways, youth services, health services, and mental health. Recognizing the intricate and diverse array of stakeholders involved in the fight to alleviate poverty, the recommendation to establish issue-based working groups was made, acknowledging the interconnected nature of the problem.

Given that many poverty alleviation programs receive funding from state and federal levels, attendees expressed their strong desire for a unified policy advocacy agenda. The aim is to increase the availability of resources and programs throughout the City, creating a more comprehensive and effective approach to combating poverty on a systematic level.

Recommendation 2: Expand Racially Informed and Trust-Based Policies & Programs:

At the 2022 Summit, participants engaged in discussions about the urgent need to address the long-lasting impact of historically racist policies in Los Angeles and to develop trust-based programs for combating poverty in the City. One key recommendation was to implement diversity training and communication campaigns that break the stigma and stereotypes surrounding poverty while also highlighting the link between historically racist policies and the ongoing issue of poverty. Additionally, the participants expressed a desire to enhance access to unrestricted funds and programs that reflect trust in individuals and non-profit organizations. The implementation and expansion of no-strings-attached Guaranteed Income programs were considered pivotal in addressing poverty adequately. There was also a call to increase opportunities for nonprofits to receive unrestricted funds, enabling them to address their programming and operational needs more effectively. Participants also highlighted the need for comprehensive mental health training for all service providers, and robust mental health support for professionals working in the field.

These recommendations were the result of a productive and enlightening 2022 Summit, where various speakers, including Mayor Tubbs and Guaranteed Income panelists elevated the dual challenges facing individuals and families in poverty - both the stigma associated with being in poverty and the complexity of applying for poverty-alleviation programs. The attendees were moved by stories of BIG:LEAP participants from diverse backgrounds, who were employed full-time or worked multiple jobs while still facing harmful cultural stereotypes and societal stigmas that unfairly labeled them as lazy or unwilling to work.

In his keynote speech, Mayor Tubbs passionately urged everyone to challenge the cultural assumptions that link wealth to intelligence or hard work. He encouraged the attendees to recognize the enduring impact of racist government policies, such as redlining, on the demographic makeup of today's impoverished population. Mayor Tubbs advocated for policy initiatives that aim to address the historical injustices caused by these policies, rather than focusing solely on modifying or controlling the behavior of individuals in poverty.



"Poverty is a policy choice. Lack of cash is not a reflection of lack of character."

- Michael Tubbs, Former Stockton Mayor

Mayor Tubbs highlighted the impact of harmful cultural stereotypes surrounding poverty, particularly the fixation on how "deserving" people are of receiving aid based on how hard they work and how they use the financial assistance they receive. This has influenced policy, leading to the creation of an overly complicated social safety net. The *Untangling the Social Safety Net* panel led by Dr. Soledad De Gregorio, Associate of Social and Economic Policy at Abt Associates, illustrated how these harmful stereotypes about poverty have shaped policy, making it difficult for those in poverty to access and navigate the support they need. Panelists with lived experience and practitioners alike noted how difficult it can be for people in poverty to access and navigate the complex application processes and comprehend the different rules for various state and federal benefit programs.

For example, some programs are provided as tax credits, which require individuals and families to navigate complex tax codes and only receive benefits after taxes are filed, causing delays in much-needed financial relief. Recent reports underscore the severity of the issue. A 2021 report by the California Policy Lab found that nearly one-half of eligible California households did not receive the state's earned income tax credit – resulting in over \$76 million in unclaimed credits¹³. Similarly, a 2018 report by the California Department of Community Services and Development, showed that over 330,000 federal earned income tax credits went unclaimed in L.A. County, resulting in a loss of nearly \$580 million in unclaimed refunds.

Many panelists also expressed frustration about the fact that the larger social safety net is not preventing people from falling into poverty, but instead catching people at the very lowest levels of income. Dr. De Gregorio's research supported this claim, revealing that only families receiving all eligible benefits could earn a living wage in Los Angeles as defined by the <u>MIT Living Wage Calculator</u>¹⁴. Furthermore, this panel discussion highlighted the lack of support for undocumented families in need¹⁵.

In addition to cumbersome application processes, restrictions on how funds can be spent add to the challenges faced by families experiencing poverty. These restrictions often fail to consider the complexities of their daily lives and further exacerbate their difficulties.

Mayor Tubbs highlighted that the complex application requirements and strict rules dictating how financial assistance can be spent reveal a fundamental lack of trust in individuals living in poverty. There is a prevalent perception that people in impoverished circumstances are incapable of making responsible decisions regarding their finances and how they allocate the resources they receive.

Practitioners working throughout the poverty alleviation system expressed that this lack of trust and unrestricted funding extended to the nonprofit world. Service providers repeatedly stated how hard it was to provide their staff with a living wage, let alone a competitive one. These restrictions are primarily due to funding opportunities that require specific programmatic outcomes but stipulate that funds be primarily spent on programmatic needs rather than operational needs.

Crucially, the need for additional mental health services and trauma-informed care was uplifted for people living in poverty and service providers working in the sector.

Poverty Alleviation Programs Work

Despite the challenges posed by the current federal social safety net, cash assistance programs are proving to be effective in alleviating poverty. Researchers at the Center on Poverty and Social Policy recently analyzed the impact of the American Rescue Plan Act on child poverty rates across the United States¹⁶. The researchers observed a clear and substantial reduction in child poverty rates when individuals and families received increased funds through tax credit programs and stimulus checks. These positive changes are depicted in the chart below prepared by the research team. In contrast, the graph also shows how child poverty rates increased just as the additional \$600 per week of unemployment funding expired¹⁷, underscoring the importance of maintaining and expanding cash assistance programs to address the persisting challenges in our social safety net.

"We were suddenly in need of financial help."

A Guaranteed Income participant panelist described how they were not always in need of financial support. They considered themselves middle class, married with two incomes, and supporting their children the best they could. When their youngest was diagnosed with autism, that all changed. To be able to bring their child to doctor appointments, the panelist had to start working part-time. The family began to slip into a financially precarious situation due to not having two full-time incomes. There was no other support available to them, and they did not want to forgo their child's treatment.

¹³ Iselin et al, 2021

¹⁴ <u>http://livingwage.mit.edu/</u>

¹⁵ De Gregorio et al. 2021

¹⁶ Rockefeller Harris, 2021

FIGURE 7

Monthly CTC Payments Drive Down Child Poverty

MONTHLY CHILD POVERTY RATES, UNITED STATES (ALL TAXES & TRANSFERS INCLUDED)



PROSPERITY WATCH

🕑 @NCBUDGETANDTAX

5

Note: This figure tracks child poverty rate by month in the United States; taking taxes and transfer programs into account. This map was displayed during the Ending Poverty 2022 Summit in Dr. Ann Owens' presentation. The data is from The Center on Poverty & Social Policy at Columbia University, and the image is from the North Carolina Justice Center, 2021 (https://www.ncjustice.org/publications/child-tax-credit-pay-ments-other-cash-benefits-lead-to-a-decrease-in-child-poverty/).

In a similar vein, throughout the day, the City's Guaranteed Income program garnered support from City staff, practitioners, elected officials, and most importantly, BIG:LEAP program participants. It was recognized as an extremely effective poverty alleviation program, addressing the cultural shifts and trust-building elements often lacking in other programs. Families shared that the funds had a profound impact on their lives, enabling them to afford essential needs like childcare, debt repayment, tuition, and food. Additionally, the program empowered them to start small businesses and create family memories by spending quality time together - something that was previously impossible due to economic constraints. BIG:LEAP aims to contribute to the growing body of literature on Guaranteed Income through comprehensive interviews and quantitative surveys. These efforts are intended to showcase the program's profound effects on communities in need.

"Sadly, the pandemic only exacerbated the racial wealth gap, and laid bare a mountain of inequities...BIG:LEAP is certainly helping to bridge that divide."

- Curren D. Price Jr., Councilmember

Following the panel, Summit attendees were asked to reflect on the testimonies shared by the panelists and encouraged to center these voices into their plans and commitments for the rest of the day. The overwhelming sentiment among Summit participants was widespread support for BIG:LEAP, with many calling for its expansion. The attendees acknowledged the transformative potential of providing unrestricted funds to those in need, recognizing how the program's foundation of trust and dignity empowered participants and challenged societal stigmas surrounding poverty.

"There's a really easy way to end poverty...you end poverty by getting folks the income that they need. We're looking to see what happens with areas like community violence and school performance when a couple people on a block don't have to worry about each meal."

- Marqueece Harris-Dawson, Councilmember

Recommendation 3: Increase Communication & Coordination Across the System

The 2022 Summit produced a third recommendation, focused on improved communication and coordination between programs, departments, levels of government and systems that work to alleviate poverty in Los Angeles. This recommendation aims to raise awareness about the impact of existing programs and educate the public on ongoing efforts to alleviate poverty. By fostering consistent convenings focused on poverty alleviation, community stakeholders can gain a deeper understanding of the specific issues affecting people living in poverty and work together to address them effectively. Furthermore, Summit attendees supported the creation of a centralized system accessible to families, which would be reputable, public, and widely advertised. This system would serve as a unified platform to easily navigate the local social safety net, drawing contrast to the current disjointed approach. For example, organizations collaborating to develop a single-entry system for individuals seeking services would streamline the application process, enabling individuals to apply only once for multiple benefits¹⁸.

These recommendations stem from the experiences and frustrations shared by participants at the 2022 Summit. Despite the success of existing poverty alleviation efforts, some attendees were surprised that they had not heard of several programs before the Summit, highlighting the need for better communication and information dissemination. Others were frustrated by the lack of coordination between city and county programs. Many expressed gratitude for the Summit as a space for participants to learn about new initiatives and network with leaders from different sectors, calling for increased coordination and communication beyond the Summit itself.

Additionally, participants emphasized the significance of communicating the successes of poverty alleviation programs to the public. The lack of communication creates a misconception that "nothing is being done" or "existing programs aren't working" — hindering efforts to ensure widespread access, garner public support, and secure future funding for these crucial initiatives.

¹⁸ Note that while there is no current central location, Imagine LA is a nonprofit based in Los Angeles currently developing a Social Benefit Navigator. More information can be found at <u>https://www.imaginela.org/sbn</u>



Recommendation 4: Create a Los Angeles Specific Metric for Measuring Need & Success

Both the 2019 and 2022 Summits elevated the importance of addressing poverty in Los Angeles not only by setting poverty alleviation goals, but also by adopting more appropriate methods to measure poverty that take into account the unique socioeconomic landscape of Los Angeles.

Many programs available to assist low-income Angelenos receive partial funding from state and federal resources. These programs often use income limits such as the Federal Poverty Level (FPL) and the Area Median Income (AMI) as criteria for eligibility. These widely-recognized thresholds have become popular for measuring poverty due to their connection with state and federal program funding, the availability of granular data, and their widespread public understanding.

However, many argue that metrics like the FPL fall short in accurately reflecting poverty in expensive regions like Los Angeles, where the cost of living is significantly higher. To address this concern, alternative measures of cost of living have emerged, including <u>MIT's Living Wage Calculator</u> and the <u>United Way's Real Cost</u> <u>Measure in California</u>²⁰. These metrics attempt to provide a more realistic assessment of poverty by considering the actual expenses required to meet basic needs in specific areas.

The following section offers an overview of poverty in the City of Los Angeles as measured by the FPL and AMI. It also demonstrates how these measures compare to other potential poverty metrics and considers how they might be adopted.

Measuring Poverty Using the Federal Poverty Level

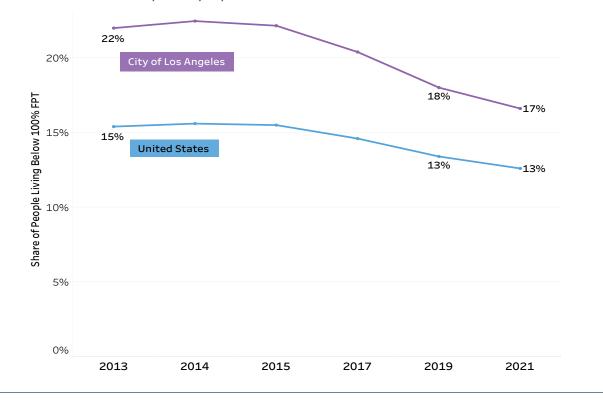
Over the last decade, the share of Los Angeles residents earning below 100% of FPL has decreased by 5 percentage points from a peak of 22% in 2014 to 17% in 2021. As shown in Figure 8, the share of people living below 100% of FPL decreased at a faster rate in the City of Los Angeles than the national average. Despite this decrease, the poverty rate in the City of Los Angeles (17%) remains higher than the poverty rate in the state of California (12%) and the U.S. as a whole (13%).

²⁰ <u>https://unitedwaysca.org/realcost/</u>

FIGURE 8

Share of People Living Below 100% FPT, 2010-2021 – City of Los Angeles & United States

Source: American Community Survey 5-year estimates



Although the share of Los Angeles residents living below 100% of FPL has decreased since 2013, data suggests that annual income for many residents places them just above the threshold, meaning they are still economically vulnerable but not captured by this measure of poverty.

Measuring Need Using Area Median Income

An alternative, more place-based measure of need is used by the U.S. Department of Housing and Urban Development (HUD) to determine eligibility for affordable housing placements. HUD measures a household's income against the Area Median Income (AMI), which was \$91,100 for a family of four in the Los Angeles metropolitan area in 2022²¹. Households making less than 80% of the AMI are considered "Low Income²²," those making less than 50% of AMI are considered "Very Low Income," and those making less than 30% of AMI are considered "Extremely Low Income." Generally, Low Income (80% AMI) households are eligible for various affordable housing programs such as federal housing choice vouchers, but many programs prioritize placements for Very or Extremely Low Income households²³.

²² In certain extremely high cost markets like Los Angeles, low income thresholds are adjusted further and may not represent exactly 80% of AMI. For additional details on HUD's methodology, visit <u>https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf</u>.

²¹ FY 2023 Income Limits Documentation System - Median Income Calculation For, n.d.

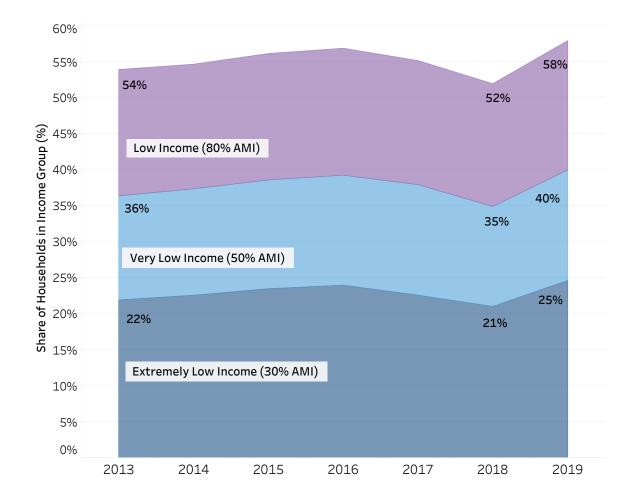
²³ Ibid



Measuring Need Using Area Median Income - cont.

As shown in Figure 9, in 2019 (the latest year of data available), 58% of Los Angeles households were considered Low Income, 40% were considered Very Low Income, and 25% considered Extremely Low Income. In contrast to poverty measured against the FPL, the share of households in each of these categories has not decreased over the last six years. In fact, as of 2019, more households are living below each of these thresholds than at any other point of available data. The following sections further discuss the discrepancy in trends across different measures of income and poverty.

FIGURE 9



Share of Los Angeles Residents with Low, Very Low & Extremely Low Incomes, 2013-2019 Source: U.S. Department of Housing & Urban Development (HUD)

Federal Assistance & Affordable Housing Units

Even though there are nearly 600,000 households in the City of Los Angeles classified as Very Low Income, making them eligible for federal programs such as Housing Choice Vouchers (commonly referred to as Section 8), only about 51,000 Housing Choice Vouchers were in use in 2021. The Center on Budget and Policy Priorities (CBPP) estimates that just one in four eligible households receive federal housing assistance, primarily due to insufficient funding for these programs²⁴. A 2021 CBPP analysis showed that families in the City of Los Angeles are forced to wait for an average of two years to receive a housing voucher, which puts them at risk of homelessness, overcrowding, and eviction during that waiting period.

In addition to challenges with underfunded federal housing assistance programs, the City and County of Los Angeles face huge shortages in affordable rental housing supply. Despite adding over 80,000 affordable rental units to the housing supply since 2014, the California Housing Partnership (CHP) estimates that Los Angeles County still needs more than 499,000 additional affordable rental housing units²⁵. While there have been increased funding efforts for housing production and preservation from both state and federal sources in 2019 and 2020, the City experienced a 19% decrease between 2020 and 2021, largely due to the need for emergency funding related to the COVID-19 pandemic²⁶. Meanwhile, rental prices across the county rose by nearly 7% over the same time period²⁷. To afford average rent in the region, CHP estimates that renters in Los Angeles need to earn over \$45 per hour, which is almost three times the City's minimum wage of \$16.78 as of July 1, 2023. This data highlights the interconnected nature of the affordable housing crisis and poverty, and the need for a multi-sector approach to ending poverty in the City.

FIGURE 10

State & Federal Funding

State and federal funding for housing production and preservation in Los Angeles County is \$2 billion, a **19% decrease** from the prior year.



Note: State and federal funding for housing production and preservation has an upward trend that has had a recent dip. <u>From Los Angeles County 2022 Affordable Housing Needs Report</u>, by the California Housing Partnership, 2022²⁸.

²⁴ Center on Budget and Policy Priorities, 2009

²⁵ California Housing Partnership, 2021

²⁶ California Housing Partnership, 2022; This data is displayed in the "State and Federal Funding" visualization, published in the 2022 report by California Housing Partnership

²⁷ Ibid.

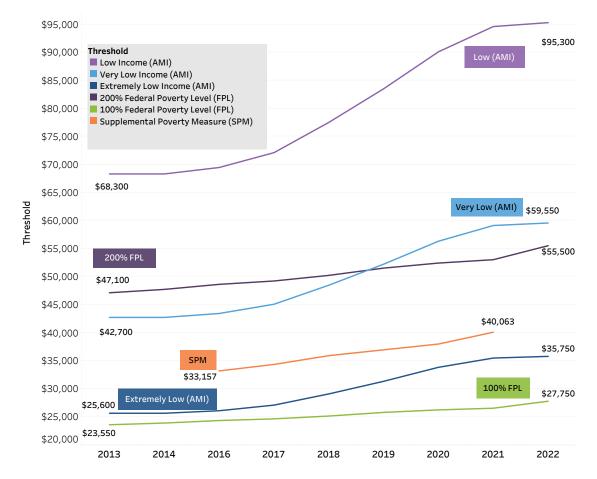
²⁸ https://chpc.wpenginepowered.com/wp-content/uploads/ 2022/05/Los-Angeles_Housing_Report_2022-AHNR-rev 1.pdf



Comparing Measures of Poverty

Figure 11 shows how the thresholds of various poverty metrics have changed over time for a family of four in Los Angeles. A household would need to make less than the dollar amounts shown to be considered under the referenced thresholds in each year of data.

FIGURE 11



Change in Various Income Thresholds (4-person Household), 2013-2022

Federal Poverty Level/Threshold

In Figure 11, the green and dark purple bars respectively represent 100% and 200% of FPL in the bottom half of figure²⁹. Over the last decade, these measures have seen only marginal increases compared to many of the other thresholds. The reason for this limited growth lies in the way the Federal Poverty Level (FPL) is updated annually. It takes into account only the cost of inflation related to food prices and overlooks the relative increases in the costs of other consumer goods. As a result, the yearly increase in FPL fails to adequately reflect the actual increase in purchasing power necessary to afford many essential goods.

²⁹ https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines

The commonly used poverty metric, 100% FPL, indicates that a family of four needed only \$27,750 in 2022 to be considered above the poverty level. However, this amount is significantly lower than various other poverty metrics. The root cause of this issue is twofold. First, the lack of dynamic adjustments for inflation in FPL, and second, the outdated intention behind setting the threshold. Originally developed in 1963, FPL was designed to measure the cost of a subsistence diet – one that would prevent starvation and/or severe malnutrition – in addition to clothing, shelter, and utilities. In addition to the fact that individuals and families deserve to have resources that protect them from more than just severe malnutrition, FPL fails to address the changing needs and budgets of families, including child care and medical expenses. While FPL remains important for federal program funding and the availability of specific data, it is crucial to acknowledge that its philosophy and design are largely outdated. Therefore, whenever presenting FPL, it should always be presented with appropriate context and caveats to better understand its limitations.

Supplemental Poverty Measure

Recognizing the outdated measure of FPL, in 2010, the U.S. Census Bureau developed an alternative measure called the Supplemental Poverty Measure (SPM), shown in orange in Figure 11. The SPM attempts to update the FPL by taking into account income after taxes, federal benefits programs, and expenses such as medical and child support. A comparison of the two metrics developed by the Census Bureau is shown in the Table below.

Poverty Measure Concepts: Official and Supplemental						
	Official Poverty Measure	Supplemental Poverty Measure				
Measurement Units	Families (indiviuals related by birth, marriage, or adoption) or unrelated individuals	Resource units (official family definition plus any coresident unrelated children, foster children, and unmarried partners and their relatives) or unrelated individuals (who are not otherwise included in the family definition)				
Poverty Threshold	Three times the cost of a minimum food diet in 1963	Based on expenditures of food, clothing, shelter, and utilities (FCSU)				
Threshold Adjustments	Vary by family size, composition, and age of householder	Vary by family size and composition, as well as geographic adjustments for differences in housing costs by tenure				
Updating Threshold	Consumer Price Index: all items	5-year moving average of expenditures on FCSU				
Resource Measure	Gross before-tax cash income	Sum of cash income, plus noncash benefits that resource units can use to meet their FCSU needs, minus work expenses, medical expenses, and child support paid to another household				

TABLE 2

Source: https://www.census.gov/content/dam/Census/library/publications/2017/demo/p60-261.pdf

³⁰ https://www.irp.wisc.edu/resources/how-is-poverty-measured/#:~:text=The%20Census%20Bureau%20determines % 20poverty,and%20 adjusted%20for%20family%20size

³¹ https://www.census.gov/topics/income-poverty/supplemental-poverty-measure.html



While the SPM represents an improvement on the FPL, it has still increased at a comparatively slow rate and remains below most of the Area Median Income-based metrics summarized below.

Low, Very Low & Extremely Low Income (Area Median Income)

The thresholds for Low, Very Low, and Extremely Low income categories for a family of four in Los Angeles are respectively in shades of purple, light blue, and dark blue in Figure 11. Over the last decade, these thresholds have seen significant increases compared to FPL and SPM. These thresholds, developed by HUD, are calculated using a combination of real incomes and fair market rent prices in counties and metro areas across the U.S. They play a crucial role in determining eligibility for various federal housing programs, particularly in high-cost housing markets like Los Angeles. To better align with the specific needs of residents, HUD further adjusts the thresholds to account for the share of income that residents are spending on housing. Given that these thresholds are developed based on concrete changes in incomes and housing prices in the Los Angeles area, they better reflect the current, real need of residents specific to this area than either FPL or SPM. However, they still fall short in accounting for the dynamic living costs beyond housing. Therefore, the following section provides two alternative measures of cost of living in Los Angeles.

Cost of Living Calculator & Real Cost Measure

Two alternative metrics that consider a broader picture of household costs are the Living Wage Calculator and the Real Cost Measure. The Living Wage Calculator, developed by MIT, considers local costs for food, childcare, healthcare, housing, transportation, civic engagement, internet, taxes, and "other necessities" while considering the number of children and working adults in a household. The Real Cost Measure, developed by the United Ways of California, also accounts for food, housing, healthcare, childcare, transportation, and other basic needs, and considers household makeup, including the age of each child.

The cost of living in Los Angeles County estimated by both of these measures is significantly higher than any of the other thresholds discussed in this section. In 2019, the latest year of data available, the average Real Cost Measure across household compositions for a family of four was just over \$98,000, equal to 134% of the Area Median Income for that household size. Similarly, utilizing 2022 data, the Living Wage Calculator estimates that on average, the living wage for a family of four in Los Angeles County is just over \$141,800, representing 156% of the Area Median Income for that household size.

The overall goal of this analysis is to demonstrate the shortcomings of existing commonly-used measures of poverty. The alternative measures highlight the need to consider the local cost of living when attempting to understand the totality of economic need in an area. Although measures like the FPL are helpful because they are utilized for federal programs and have a more complete set of available data, many Angelenos struggling to make ends meet have an annual income that places them above the threshold. These individuals and families should still be able to avail themselves of city services designed for those in poverty, but to be made aware of and meet eligibility requirements for such programs, they need to be identified as economically vulnerable in the first place. Therefore, Summit stakeholders should collaborate to decide on an existing, or create a new, poverty metric that considers the uniquely high cost of living in Los Angeles.

³² https://www.huduser.gov/portal/datasets/il/il2023/select_Geography.odn

³³ <u>https://livingwage.mit.edu/pages/methodology</u>

³⁴ <u>https://unitedwaysca.org/realcost/</u>

In Summary

The 2022 Ending Poverty Summit brought together leaders from various sectors to dedicate an entire day to working towards concrete commitments to end poverty in Los Angeles by 2035. The attendees had the privilege of listening to the firsthand experiences of Angelenos who have faced poverty, along with insights from government officials and experts in economic mobility, social safety nets, and the multigenerational nature of poverty. Throughout the summit, several common themes emerged, including prioritizing the voices of individuals experiencing poverty, establishing a shared set of metrics and terminology to assess and describe poverty, and fostering deeper connections between different levels of government and across various sectors.

CIFD is well-positioned to be the central hub for the City of Los Angeles' fight against poverty, leading with a creative, collaborative, data-driven, and equity-centered approach. The ongoing objective is to strengthen the network built by the 2022 Summit and implement the recommendations that emerged from the diverse set of stakeholders, informing CIFD's action plan to meet the goal of ending child and family poverty by 2035.

V. Case Studies

Case Study 1: Current Poverty Alleviation Programs in Los Angeles

To better understand how Los Angeles is to move forward in addressing poverty, it is vital to understand policies and programs that already exist in service of this goal. This section explores those efforts.

Community Investment for Families Department

In 2021, Los Angeles passed ordinance number 187122, creating CIFD in order to end family and child poverty for the over 650,000 Angelenos that live below the Federal Poverty Level. Since the department was officially created in 2022, CIFD has managed a portfolio of over \$300 million in federal, state, and local funds, serving over 100,000 Angelenos through the following programs:

- Basic Income Guaranteed: Los Angeles Economic Assistance Pilot (BIG:LEAP)³⁵: Extended support to over 3,200 families by providing 12 months of \$1,000 in no-strings-attached financial assistance, while actively engaging participants in research efforts to push Guaranteed Income policy forward and change the narrative around poverty.
- 2. <u>Opportunity LA Children Savings Account</u>³⁶: Establishes and invests in savings accounts earmarked for future higher education expenses for more than 75,000 LAUSD first graders, creating the country's largest universal Children Savings Account program.
- **3.** <u>Domestic Violence / Human Trafficking Shelter</u>³⁷: Annually invests \$10 million in counseling, housing assistance, employment support, and legal services for more than 3,000 victims of domestic violence and human trafficking.

³⁵ <u>https://bigleap.lacity.gov/</u>

³⁶ <u>https://communityinvestment.lacity.gov/opportunity-la-0</u>

³⁷ https://communityinvestment.lacity.gov/domestic-violence-shelters

- 4. <u>Solid Ground Homelessness Prevention Program</u>³⁸: Diverted 18,000 people from the homeless service system through housing stabilization services such as case management, budgeting/money management, public benefits navigation, and financial assistance.
- 5. <u>Neighborhood Improvement Projects</u>³⁹: Reached over 30,000 people through clientele-based programs that received CDBG capital project investments for parks and public spaces.
- 6. <u>FamilySource Centers</u>⁴⁰: Served 41,689 unique clients by offering comprehensive social, educational, work, and family support services through 16 (expanding to 20) strategically located one-stop centers across the City.
- Free Tax Prep LA⁴¹: Offers free tax preparation assistance to Angelenos making less than \$60,000 per year. During the 2022 tax season, the campaign filed nearly 15,000 tax returns and helped families claim over \$15 million in Child Tax Credits and Federal and State EITC.

In collaboration with other City departments, CIFD has become the home to many of Los Angeles' anti-poverty initiatives. However, it cannot accomplish this goal without the support of external partners, such as the County of Los Angeles. The County has many complementary programs and departments, including the **Poverty Alleviation Initiative (PAI)**⁴².

The LA County Board of Supervisors adopted a motion in May 2021 to create PAI. PAI is an initiative committed to removing the systemic barriers LA County residents face in their housing, economic, educational, criminal, health, and mental wellness stability. To do this, PAI works with partners within and beyond the county to collaboratively disrupt poverty with four newly formed departments and over 30 programs.

They collaborate closely with their partners to enhance accessibility to programs and resources aimed at improving the well-being of low income residents and offering various forms of assistance. The PAI builds upon existing infrastructure and initiatives, with a focus on expanding current programs and assets within the community.

To further their mission, PAI has created programs such as Breathe, a Guaranteed Income pilot program. This flagship program provides 1,000 eligible County residents with \$1,000 per month over three years to help achieve financial security and meet their unique economic needs.

³⁸ <u>https://communityinvestment.lacity.gov/solid-ground-homeless-prevention-program-hpp</u>

³⁹ https://communityinvestment.lacity.gov/neighborhood-improvement-projects

⁴⁰ <u>https://communityinvestment.lacity.gov/familysource-centers</u>

⁴¹ <u>https://www.freetaxprepla.org/</u>

⁴² https://ceo.lacounty.gov/pai/

⁴³ Los Angeles County Poverty Alleviation Initiative, C.E.O. (2022). Stepping Up Together: Co-Creating Paths to a Brighter Future (p. 48). <u>https://file.lacounty.gov/SDSInter/lac/1126204_PAIStrategicFramework_June2022.pd</u>f

⁴⁴ Breathe: LA County's Guaranteed Income Program. (2021, October 18). Los Angeles County. <u>https://ceo.lacounty.gov/pai/breathe/</u>

The PAI does not only strive to provide economic relief to residents, but also provides grants and resources to small businesses adversely impacted by COVID-19. They also provide a broad spectrum of other services, such as workforce training, mortgage relief, cash assistance, utility assistance, foreclosure prevention, tenant eviction education, legal resources, childcare resources, and assistance for victims of domestic violence.

The CIFD and PAI are deeply committed to aligning their programs and policies to drive their collective work forward across the Los Angeles region.

In addition to collaborating with the County, CIFD partners with various City departments such as the Economic & Workforce Development Department (EWDD), Department of Public Social Services (DPSS), Los Angeles Homeless Services Authority (LAHSA), and others to address the systemic issues that underlie poverty. A complete list of programming currently available can be found in Appendix D.

Case Study 2: Poverty Alleviation in New York City and San Francisco

The section that follows aims to assess the strategies employed by New York City and San Francisco in tackling poverty within their communities. It focuses on their local social safety nets, which play a crucial role in alleviating and preventing poverty. Additionally, the analysis compares Los Angeles to these two cities across various factors related to poverty alleviation.

New York City and San Francisco were selected for this evaluation based on their populations, geographic locations, and demographics. To better understand their approaches, the table below highlights some key demographic similarities and differences between these cities⁴⁵:

City	State	Census Population Estimates 2021	Population per square mile	Rate of Foreign-born persons, 2017-21	Rate of Persons in Poverty
Los Angeles	California	3,949,297	8,304	36.2%	16.6%
New York City	New York	8,467,513	29,303	36.3%	17%
San Francisco	California	808,437	18,629	34.1%	11.4%

TABLE 3

New York City

Prior to the COVID-19 pandemic, the poverty rate in New York City significantly dropped from 19.6% in 2015 to 17.9% in 2019⁴⁶. Not only did the locally-created NYCgov Poverty Measure decrease, but the rate of those on the verge of poverty in NYC dropped from 45.4% to 40.8% during the same time period⁴⁷. NYC credits its reorganization of poverty alleviation initiatives into one office: The Mayor's Office for Economic Opportunity, known as **NYC Opportunity**⁴⁶.

NYC Opportunity's mission is to "use evidence and innovation to reduce poverty and increase equity." Like CIFD in Los Angeles, the NYC office has a variety of programs that address immediate needs and break the cycle of poverty, including:

- <u>ACCESS NYC Portal</u>⁵⁰: An online public benefits screening tool that helps the public in applying for benefit programs. With a single application, people can check their eligibility for over 30 programs at once, and also apply for SNAP, Cash Assistance, and Medicaid.
- **EquityNYC**⁵¹: A program that monitors economic, social, environmental, and physical health equity across NYC and measures equity outcomes in the city's policies and programs, providing the public with information on the city's goals, key indicators, and data through stories and interactive maps.
- <u>GenerationNYC</u>⁵²: Serves as the official resource for teens and young adults in NYC. It offers a
 centralized platform where young people can find information on various topics. Additionally, the
 NYC Unity Project provides LGBTQ-specific resources. The platform also links to specific government
 departments and programs to support educational efforts on what NYC government offers.
- **<u>GrowingUpNYC</u>⁵³**: An initiative tailored for families, with resources for parents segmented by the age of their children. It provides milestones, proactive advice, and links to programming available to NYC residents.
- Workforce Data Portal⁵⁴: This website offers open-source data through accessible stories and maps, providing insights into the state of work in NYC.
- <u>COVID-19 Citywide Information & Updates</u>⁵⁵: Provides the latest information to the public on COVID-19 in NYC, any restrictions, where to get a test, and more.

NYC Opportunity not only manages specific programs to address poverty, but also is instrumental in changing how poverty is measured by taking into account the city's higher cost of living⁵⁶. To derive the NYC poverty threshold, the city alters the U.S. Census Bureau's Supplemental Poverty Measure (SPM) to consider local factors such as housing status and area median rent⁵⁷. Using this local data, in 2019, the city adjusted the U.S.-wide SPM threshold of \$28,472 to an NYC threshold of \$36,262.

New York State has set an ambitious goal to reduce child poverty by 50 percent by 2031. To accomplish this, the New York State Senate passed Assembly Bill A1150C, creating the New York State Child Poverty Reduction Council⁵⁸. The council is tasked with meeting annually to assess how the state is moving toward this goal and uses data analysis, benchmarking, and issue reports to determine what programs and activities should scale statewide. Considered initiatives include increasing child tax credits, expanding childcare options, healthcare coverage, and economic assistance.

⁴⁵ Note that the data in Table 3 is from the 2021 US Census estimates found at <u>https://www.census.gov/quickfacts/fact/table/US/PST045222</u>

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⁴⁶ Poverty Measure - NYC Opportunity, n.d.

- ⁴⁹ NYC Mayor's Office for Economic Opportunity, 2022
- 50 https://access.nyc.gov/

- ⁵² <u>https://growingupnyc.cityofnewyork.us/generationnyc/</u>
- 53 https://growingupnyc.cityofnewyork.us/
- ⁵⁴ <u>https://workforcedata.nyc.gov/en/</u>

- ⁵⁵ <u>https://www.nyc.gov/site/doh/covid/covid-19-main.page</u>
- ⁵⁶ Poverty Measure NYC Opportunity, n.d.
- ⁵⁷ NYC Mayor's Office for Economic Opportunity, 2021
- ⁵⁸ NY State Assembly Bill A1160C, 2021

⁴⁷ NYC Mayor's Office for Economic Opportunity, 2021

⁴⁸ <u>https://www.nyc.gov/site/opportunity/index.page</u>

⁸¹ https://equity.nyc.gov/



San Francisco

In 2019, approximately 10% of San Francisco residents were living in poverty⁵⁹. That number rose to 11.4% in 2020⁶⁰. San Francisco measures city performance, including poverty, through a **scorecard system**⁶¹. The scorecard is a public site that displays information through interactive graphs that can segment county data by population age, race & ethnicity, and sex⁶². While the San Francisco scorecard system provides a snapshot on how the city is fairing, it does not provide any information on the programs or policies affecting poverty metrics.

There are typically two standards to measure poverty: poverty thresholds and poverty guidelines. San Francisco uses the poverty threshold to report data, the same threshold as the Census and the American Community Survey. Certain programs in San Francisco determine eligibility by local income limits that are based on the area's median income (AMI) to accurately reflect the cost of living in the city⁶⁴.

AMI and poverty guidelines can create dramatically different low-income rates. For example, the U.S. Department of Housing and Urban Development (HUD) defined low-income limits in San Francisco in 2018 as \$82,000 for an individual and \$117,400 for a family of four using AMI. In comparison, the federal poverty guidelines for the same year have a limit of \$12,140 for an individual and \$25,100 for a family of four⁶⁵. Using AMI results in a 42% poverty rate, while using FPL or federal guidelines results in a 15% poverty rate⁶⁶.

In 2021, there were 361,222 households in San Francisco, including 18.6% that have a child under 18⁶⁷. In total, 10.1% of children under the age of 18 are living in poverty⁶⁸. That number rises when disaggregating the data by single mothers (16.1%) and single mothers with children under 5 years old (34.2%)⁶⁹.

Information on San Francisco's various poverty alleviation programs is present across ninety-six department web pages⁷⁰. This means that various services to help individuals facing financial constraints are offered by different departments. For instance, affordable housing is accessed through the Mayor's Office of Housing and Community Development, while workforce development opportunities are overseen by the Office of Economic and Workforce Development. Additionally, the San Francisco Human Services Agency (HSA) offers free tax help and plays a significant role in supporting economically unstable families by housing most of the poverty alleviation and prevention programs.

- ⁶⁴ Safety Net | City Performance Scorecards, n.d.
- 65 Ibid.
- 66 US Census Bureau, 2021b
- 67 Ibid.
- 68 Ibid.
- ⁶⁹ US Census Bureau, 2021a

⁵⁹ Safety Net | City Performance Scorecards, n.d.

⁶⁰ U.S. Census Bureau QuickFacts, n.d.

⁶¹ Safety Net | City Performance Scorecards, n.d. <u>https://sfgov.org/scorecards/safety-net/poverty-san-francisco</u>

⁶² Ibid.

⁶³ Institute for Research on Poverty, 2023

⁷⁰ Departments | San Francisco, 2023



Office of Financial Empowerment

Both New York City and San Francisco share a common point of overlap in the form of an Office of Financial Empowerment. While the two offices have distinct focuses, they are united in their dedication to improving the financial well-being of their respective communities. In San Francisco, the Office of Financial Empowerment places a strong emphasis on programming tailored to benefit youth and families⁷¹, whereas New York City targets anyone living in poverty⁷². Both offices conduct research on their programs and key issues facing program participants. Financial empowerment work includes banking, coaching, tax preparation, and more. The table below summarizes these practice areas:

TABLE 4

Program	New York City	San Francisco
Financial Coaching	Х	Х
Tax Preparation Assistance	Х	Х
Bank Accounts and Saving	Х	Х
Financial Literacy Education	Х	Х
Disability Support	Х	
Affordable Housing Support	Х	

It is also important to note that New York City has physical locations that people can visit to receive one-on-one counseling and assistance with their programming.

Conclusion

In comparing poverty alleviation efforts in San Francisco and New York City, we find similarities and effective strategies that can serve as models for other cities, including Los Angeles. Both cities have distinct methods for measuring poverty, which incorporate federal, state, and/or locally designed metrics. These measurements significantly impact the design and communication of poverty alleviation programs. Despite their unique approaches, both cities have managed to create complementary programs that work in synergy.

A crucial factor contributing to the success of poverty alleviation in these cities is the establishment of an Office of Financial Empowerment. This Office plays a pivotal role in enhancing the financial capabilities of the communities they serve. By providing specialized services and resources, they equip individuals with the tools to break the cycle of poverty.

⁷² New York City's Office of Empowerment website is: <u>https://www.nyc.gov/site/dca/partners/financial-empowerment.page</u>



⁷¹ To learn more about San Francisco's Office of Empowerment go to: <u>https://sfgov.org/ofe/</u>

Los Angeles can learn valuable lessons from San Francisco and New York's experiences. By developing a localized metric for measuring poverty, Los Angeles can tailor its programs to better address the specific needs of its population. Furthermore, fostering collaboration among various departments is essential for streamlining access to the social safety net. By ensuring coordination and communication between agencies, residents can more efficiently access the support they require. Finally, expanding financial empowerment services will empower individuals with financial literacy, leading to more sustainable and long-term poverty alleviation.

In conclusion, by examining the commonalities and best practices of San Francisco and New York's poverty alleviation efforts, Los Angeles can implement a more effective and tailored approach to address poverty in its own community. Emulating key elements such as a localized metric, interdepartmental collaboration, and increased financial empowerment services will pave the way for a stronger and more comprehensive anti-poverty strategy.

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- Citi Community Investing and Development
 - Marco Chavarin, Senior Vice President
 - Michelle Thornhill, Director of U.S. Community Relations

- LA County Poverty Alleviation Initiative

- Carrie Miller, Executive Director
- Neighborhood Data for Social Change, USC Lusk Center for Real Estate
 - Caroline Bhalla, Executive Director
 - Ruth McCormack, Project Manager

Moderators

- Benny Torres, President, Commission on Community and Family Services
- Dr. Soledad De Gregorio, Associate, Social and Economic Policy Division, Abt Associates
- Stephen Cheung, COO, LA County Economic Development Corporation
- Lisa Salazar, Executive Director, City of Los Angeles Youth Development Department

Panelists

- Maggie Cervantes, Executive Director, New Economics for Women
- Regina Adkins-Williams, Human Services Administrator, General Relief and Calfresh Program Division, LA County Department of Public Social Services
- Veronica McDonnell, Assistant General Manager, Community Investment for Families Department
- Carrie Miller, Executive Director, LA County Poverty Alleviation Initiative
- Rafael Carabajal, Director, LA County Department of Consumer and Business Affairs
- William Chun, Chief Operating Officer, Pace LA
- Amelia Erwitt, Managing Director, Cities for Financial Empowerment Fund
- Caroline Torosis, Senior Deputy, LA County Board of Supervisors
- David P. Anderson, Former President and CEO, LA's Best
- Saundra Bryant, Former Executive Director, All Peoples Community Center
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CITY OF LOS ANGELES

Appendices

A. 2022 Ending Poverty Summit Attendee Pre-Event Survey

Of the following topics, select the top five that you are interested in discussing:	
Housing	133
Economic Opportunity	100
Financial Empowerment	82
Education	78
Social Safety Net Programs	73
Economic Development	65
Homelessness	64
Workforce	62
Childcare	55
Mental Illness	46
Healthcare	42
Food Access	40
Immigration	39
Accessibility (Digital/Language/Physical)	35
Criminal Justice Reform	33
Violence Prevention	21
Other (Transportation, Racism, Progressive Taxation, / Living Wage, Drug Addiction)	5

Appendices

B. Summit Agenda



C. Comprehensive List of Roundtable Discussion Session Questions

Session One (35 minutes)

Introductions (7 minutes)

Before we begin our roundtable discussion, let me introduce myself *(introduce yourself and your affiliation)*. I am going to be facilitating our roundtable discussions. At some points, I may need to cut off the conversation, and I apologize if it occurs, we just have a limited amount of time together, and I want to be sure we get through all of our questions.

These first 30 minutes reflect on what we have learned so far this morning, and then in the afternoon, we will translate our knowledge into commitments to improve the situation of those living in the greater Los Angeles area. To help us think big, we have questions on poster boards on opposite sides of the room that I encourage you to visit and write responses on the pads.

We have post-its, markets, and large note paper at the table. Make sure you have a few post-its in front of you and a marker readily available. Pledge cards are also on the table. Throughout the day, I hope you are inspired to write down something you and your organization can work towards as a commitment and sign your name at the bottom.

We'll start by going around the table and introducing ourselves with your name, your organization, your title within that organization, what sector your organization is in, and finally, what you are hoping to learn today.

Have everyone go around and take notes on sectors present.

Thank you all for introducing yourselves. Before I dive into the first question, I want to state some ground rules for our roundtables:

- listen to your table mates,
- understand you may have different opinions from others at the table,
- · be respectful of those differences,
- and allow space for everyone to speak.

Reactions (7 minutes)

We just heard a panel, moderated by Benny Torres, consisting of people participating in Los Angeles' Guaranteed Income program. What are some of your reactions to the stories we heard? This could be a feeling you had, a fact that stood out to you, the way the panel related to Dr. Owens' talk, or any other reaction you had. Please write your reactions on a post-it or multiple, and I will check back in 2 minutes.

While attendees are writing, draw on a 3M post-it pad and split the page into four areas. Title the top left quadrant "Reactions."

Please put your reaction post-its in the box that has the title "Reactions." (Look over the post-its and read them out, highlight 1-2 that you find interesting, and ask for the person who wrote the reaction to elaborate.)

Goals (7 minutes)

Now, what were some of the panelists' goals? What did you hear them say they hoped to do personally, professionally, or otherwise? Write these down on a new post-it or two and place them in this top right corner.

While attendees write, title the top right quadrant of the grid "Goals." After 2 minutes, check back in with your table. Look over the post-its and read them out. Highlight 1-2 that you find interesting and ask for the person who wrote the post-it to elaborate.

Frustrations (7 minutes)

Did you hear any frustrations from the panelists? Write what you heard them say on other post-its and place them in the bottom right corner.

While attendees are writing, title the bottom right quadrant of the grid "Frustrations." After 2 minutes, check back in with your table. Look over the post-its and read them out. Highlight 1-2 that you find interesting and ask for the person who wrote the post-it to elaborate.

Achieving (7 minutes)

We have thought about some of the panelists' goals and frustrations. For this set of questions, I would like you to pretend there are no limitations; think big. Write how you believe we can help the panelists achieve their goals and remove their frustrations. Write as many things as you can think of on different post-its and place them in the bottom left corner.

While attendees are writing, title the bottom left quadrant of the grid "Achieving." After 2 minutes, check back in with your table. Look over the post-its and read them out. Highlight 1-2 that you find interesting and ask for the person who wrote the post-it to elaborate. Keep note of any overlap.

Session Two (35 minutes)

Synopsis (1 minute)

We have heard a lot today. To get us back to where we were in the morning, I just want to run through what we have heard. (Go through the day's schedule, referencing it in front of you for visual queues.) First, we heard from Dr. Ann Owens about the state of poverty in the City of Los Angeles. We then listened to a panel of people with Lived Experience. Our discussion in the morning reflected on those lived experiences and how our current systems could incorporate their goals and frustrations. We heard from panels focusing on untangling the social safety net, community wealth and economic opportunity, and breaking the cycle of poverty.





Inspiration (10 minutes)

(5 minutes) After this full day of content and discussion, did you hear anything you would like your organization or agency to try? Take a minute to think and write it on a post-it.

Pull out a new sheet of 3M paper and draw a line separating the top and bottom halves. After about 2 minutes, ask someone who looks done writing to share. Ask others to share, and then place their post-its on the top half of the 3M paper.

(5 minutes) What is needed for your organization to accomplish what you just wrote down?

Ask people to write down anything they think of on a post-it and put it on the bottom half of the 3M paper. Have people share what they wrote

Commitments (15 minutes) Pull out a new 3M sheet of paper.

(5 min) Is what you wrote something you and your organization can commit to working towards doing? Have people respond. Those who say 'Yes' ask if they can write it on a pledge card. Those who say 'No,' ask what steps are holding them back.

(4 minutes) What is a commitment that you believe those sitting at this table can all commit to doing? Write it directly on the sheet in front of you.

Give people approximately 1-2 minutes.

Now read what others have said. Circle, checkmark, underline, and annotate in any way you want to show if you agree with what others have said.

Give people another minute to complete this.

(6 minutes) Is there a shared commitment we can pledge to work towards from what you have read?

Have the table workshop this. Potential questions to push towards a shared commitment:

- Are there opportunities for your organizations to work together?
- Is there a policy or city-wide initiative that would help accomplish your goals?

If this is something you and your organization can work towards, write it on your pledge card.

D. Existing Poverty Alleviation and Prevention Programs

See this <u>spreadsheet</u> with a summary of poverty alleviation and prevention programs that exist within the City of Los Angeles.

https://docs.google.com/spreadsheets/d/1_zybVPv8MW1ioBiiosR3N5UkpTPc78JR_j0px1j4TU8/edit#gid=0

E. Literature Review: Guaranteed Income Programs and Human-Centered Design

Origins of Guaranteed Income Programs

Guaranteed Income, commonly referred to as GI or GBI, is a multi-issue intervention method that falls under the larger umbrella term Universal Basic Income (UBI). Guaranteed Income programs provide specific target populations with recurring, no-strings-attached cash assistance stipends to promote economic prosperity by alleviating social inequities including poverty, food insecurity, and economic immobility. Universal Basic Income, as a comprehensive term, removes eligibility or inclusion criteria, providing cash stipends to all members of a designated community⁷³. UBI and GBI programs are not novel concepts in American economic, social science, and political discourse. Milton Friedman, a prominent economist in the 1960s, introduced the idea of a negative income tax (NIT); citizens beneath a particular income stratum would receive cash payments from the government, as opposed to paying a tax⁷⁴. Milton theorized that a NIT would empower the disadvantaged to make economic decisions for themselves while reducing the paternalistic nature of government. The Black Panther Party and civil rights activist Martin Luther King Jr. recognized Guaranteed Income programs as a vehicle for addressing systemic racial injustices. Similarly, the grassroots Wages for Housework movement in the 1970s argued for economic compensation independent of labor, advocating for recognition and payment for all unwaged workers in the home⁷³. The root issues that early concepts of Guaranteed Income programs sought to address have only increased in scale and complexity, leading current policymakers to revisit and pilot the radical policy solution. As previously described, Los Angeles is among the cities piloting Guaranteed Income programs.

Discussing Guaranteed Income

Benefits of Guaranteed Income Programs

There are two widely accepted arguments for supporting a Guaranteed Income. It would ensure that each person is able to retain some form of economic security⁷⁶. As modern technology advances, the wealth gap is predicted to grow and income-earning opportunities for low-socioeconomic citizens and many low-wage workers will continue to decline. This is evidenced through the automation of self-checkout stations, service AI features, and the applications of big data⁷⁷. In the United States, the resultant economic stagnation is demonstrated by the small 1% increase in distribution amongst the bottom half of incomes between 1980 and 2016⁷⁸. Guaranteed Income would provide an economic floor for these individuals amid increasing economic shifts and declining demand.

Second, it is a vehicle to improve equity. The instance of cash assistance payments to all, or a select few via a Guaranteed Income, could have a significant impact on the societal advancement of women and minorities, populations historically excluded from wealth-building vehicles and lacking access to opportunities for advancement. Guaranteed Income would allow women to be compensated for unpaid work performed in the home and experience economic mobility as they invest in themselves — an effective tool for combatting gendered social norms⁷⁹. Unemployment and general instability within employment disproportionately impact people of color, and therefore Guaranteed Income has been

⁷⁷ Reed and Lansley, 2016).; Hoynes & Rothstein, 2019

⁷⁹ Bidadanure, 2019

⁷³ "Guaranteed Income", n.d.

⁷⁴ "What is UBI?", n.d.; Hamilton & Martin-West, 2019; Bidadanure, 2019

⁷⁵ "What is UBI?", n.d.; Bidadanure, 2019

⁷⁶ Reed and Lansley, 2016

⁷⁸ Hoynes & Rothstein, 2019

⁸⁰ Bidadanure, 2019; Hamilton & Martin-West 2019

theorized to provide economic advancement opportunities for people of color⁸⁰. The broad benefits of economic security, gender equity, and racial equity are clear. On a more granular scale, supporters of Guaranteed Income cite program participant improvements in mental health, physical health, educational attainment, and child development, and more⁸¹.

Examining the relationship between poverty and child development, researchers conducted a longitudinal study of residents in the Great Smoky Mountains in North Carolina. In this region, a casino on the Eastern Cherokee Reservation opened and began distributing a portion of proceeds to American Indian members of the community every six months, regardless of income⁸². This early Guaranteed Income program excluded any residents in the community who were not of American Indian descent. The researchers found that children residing in households receiving the bi-annual cash assistance payments were more likely to graduate from high school, attributing an estimated additional \$4,000 in income to each additional year of schooling. The children in these households were less likely to commit a criminal offense and exhibited increased emotional well-being and physical health⁸³. The causal link between lower socio-economic status and mental health conditions is highlighted in this study, showing that parents in the households receiving cash transfers reported seeking mental health services at a lower rate and an improvement in child/parent relationships⁸⁴.

Criticisms of Guaranteed Income Programs

Disparaging views of Guaranteed Income programs typically pertain to concerns regarding the labor force. It has been theorized that Guaranteed Income decreases an individual's incentive to work, and therefore decrease overall economic prosperity as individuals depart from the workforce⁸⁵. This is consistent with the existing disdain in this country for social services that often benefit poor and minority populations. Stereotypes often create the illusion that those receiving assistance from the state are unproductive members of the economy⁸⁶. Furthermore, critics argue that Guaranteed Income does not adequately address the causes of poverty, just the symptoms, as programs would provide cash to intervene in the near term without producing wealth equity within these communities⁸⁷. Some believe that a federally-funded Guaranteed Income program would not differ significantly from the current suite of social services that exist such as TANF, SNAP, disability, and others, therefore making the proposed intervention redundant⁸⁸.

The first assumption of a reduced labor force due to the instance of a Guaranteed Income was tested by researchers examining the impacts of the Alaska Permanent Fund. The multi-billion-dollar fund gives out a yearly dividend to Alaska residents who have lived in the state for at least one year, totaling \$3,284 as of 2022^{89 90}. The fund was created to enact checks and balances on state government spending and diversify the state's revenue portfolio. Employing synthetic controls, the study revealed an increase in part time employment by 1.8%, rather than the theorized decrease in employment. Jones and Marinescu hypothesize that this may be the result of an increase in consumption due to the additional income provided by the dividend. However, the Alaska Permanent Fund's yearly distribution is not representative of a monthly stipend, which is how most Guaranteed Income programs are structured. This prompts the discussion of both quantity and frequency of funding needed to make an impact on program participants. These questions have informed policymakers as they design various pilots.

- ⁸⁴ Hoynes & Rothstein, 2019; Akee et al., 2018
- ⁸⁵ Hoynes & Rothstein, 2019; Hamilton & Martin-West, 2019



- ⁸⁷ Iglesias & Block, 2019
- ⁸⁸ Hoynes & Rothstein, 2019
- ⁸⁹ Jones & Marinescu, 2020
- ⁹⁰ "Alaska Department of Revenue," n.d.



⁸¹ Hamilton & Martin-West, 2019

⁸² Akee et al., 2010

⁸³ Akee et al., 2018



California Guaranteed Incomel Pilot Programs

Lessons from Stockton, California

The city of Stockton, California ranks 18th in the nation for child poverty, has a median household income approximately \$15,000 less than the state median household income, and only prepare 35% of high school students for college post-graduation⁹¹. These harrowing statistics encouraged former Mayor Michael Tubbs to champion and lead the first Guaranteed Income program of its kind - The Stockton Economic Empowerment Demonstration (SEED). The program launched in February of 2019, provided \$500 monthly cash payments to 125 residents for 24 months⁹². To be eligible, Stockton residents must be at least 18 years old and reside in a neighborhood where the median income level is at or below \$46,033, the city's median household income. In their vision, the administrators of the program reiterate that this is a "hand-up, rather than a hand-out" as "the best investments we can make are in our people"⁹³.

The preliminary analysis of the program, conducted one year after its start, focused on participant income volatility, the impact on psychological health and well-being, and agency over one's future. These impacts were measured through a randomized controlled trial and evaluated through a mixed-method qualitative and quantitative approach. Their findings revealed that individuals in the program experienced less income volatility compared to the control group - 46.4% and 67.5%, respectively⁹⁴. Using the Kessler 10 psychological distress evaluation tool, researchers found that the treatment and control group began to differ in anxiety and depressive symptom levels after one year, with the treatment group exhibiting a 3-point mean reduction in psychological distress. The study evaluated individual change in agency by observing employment trends; within a year the treatment group experienced a 12% increase in full-time employment compared to the control group's 5% increase. The findings showed that the increased income enabled participants to have more autonomy in their career. Participants reported spending less time working part-time positions and investing more time pursuing internships, education, and other methods for achieving career mobility⁹⁵.

Applying Lessons Learned Widely

The success of SEED in Stockton, California led Mayor Tubbs, in partnership with the Economic Security Project, to found Mayors for a Guaranteed Income (MGI). The movement has increased to include membership of over 100 mayors as of July 2023⁹⁶. MGI tracks data for dozens of Guaranteed Income pilots across the country. The data shows that these programs range from 10 months to 3 years in length, while providing cash assistance between \$350 and \$1000 per month. Over 7,300 residents are enrolled through the various programs, with a significant portion of recipients identifying as Black, Hispanic, and women: 41%, 25%, and 77% respectively⁹⁷. The data collected also reveals the largest expenditures to be for retail (42%), food and groceries (28%), and transportation (9%) —reinforcing how this method of intervention is utilized by recipients to maintain basic aspects of life and dispelling misconceptions about so-called "irresponsible" spending.

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- 92 Ibid.
- 93 Ibid.

95 Ibid.

⁹¹ "A vision for SEED," 2019

⁹⁴ West et al., 2021

⁹⁶ "The Guaranteed Income Pilots Dashboard", n.d.

⁹⁷ https://www.mayorsforagi.org/



CITY OF LOS ANGELES ENDING POVERTY SUMMIT

Looking Back, Forging Forward to end family and child poverty

