

Poverty and Economic Insecurity: *Views from City Hall*

EXECUTIVE SUMMARY

This report offers insight into what elected municipal officials think about the issue of poverty. The State of America's Cities survey examined officials' willingness and capacity to take action on poverty by delving into attitudes about municipal responsibility to reduce poverty, current perceptions of poverty trends in cities, what poverty "looks like," as well as opinions toward a number of broad poverty reduction strategies.

This report builds upon the 1989 research report of the National League of Cities, *Poverty in Cities*; the 1994 report, *Poverty and Economic Development: Views from City Hall*, and the 1998 report, *Collaborating to Reduce Poverty: City Halls and Community-Based Organizations Working Together to Revitalize Neighborhoods*.

NLC continues to probe issues related to poverty because little progress has been made in this area. More than four decades after the United States government declared 'war' on poverty, the 'official' 2008 poverty rate is 12.3 percent, not even two percent less than the 1967 figure of 14.2 per cent. The federal poverty threshold, on which the national poverty rate is determined, however, is viewed as outdated by many, used since the 60's and based on economic data from the 50's based on food consumption being one third of one's annual expenses. Further, the annual income required to support individuals or families differs from region to region and from city to city across the country depending on the local economy. It is generally assumed by experts in the field that updating the federal poverty threshold (FPT) will result in a higher poverty rate. The FPT is meant to show significant deprivation and not an acceptable standard of living.

Poverty and Economic Insecurity: Views from City Hall is the first major analysis of the data from the survey. These views of city officials provide important insights for policy makers, in that no matter what resources are made available from the state and federal governments, local perceptions of barriers and capacities as well the severity of the problem at the local level need to be taken into account.



The Survey asked the mayors and two council members selected at random from every city with a population of 30,000 or more their opinions on many aspects of poverty, including the responsibility and potential impact of various levels of government in poverty reduction, the seriousness of poverty as an issue in their city, local poverty trends, municipal roles, strategies, and what groups in their city were most likely to be poor.

These are the findings from the survey.

Responsibility for Reducing Poverty

Eight in ten city officials believe city government has a responsibility for addressing poverty.

Eight in ten municipal officials (81%) believe taking action to reduce poverty is a responsibility of city government, and one third (35%) say it is a very important part of a city's responsibility. At the same time, city officials overwhelmingly agree that federal and state governments should take the most responsibility for reducing poverty. Seven in ten city officials (71%) say federal and state governments can have the most impact on reducing poverty. Even though only 7 percent of city officials think city government, rather than state or federal government, should have the most responsibility for reducing poverty, nearly one in five (18%), particularly those in large cities, believe local government can have the most impact.

In order to take action on poverty locally, 78% of city officials say leadership and support from elected municipal officials is either essential (45%) or very important (33%). Three in four (75%) city officials express interest in becoming a municipal leader on poverty.

Poverty as an Issue in the City

Municipal officials are not optimistic about the poverty rate in their city improving over the next decade and half report more concern in their cities now than 15 years ago.

Almost all city officials (90%) say that over the past 10 years poverty has either increased or stayed at about the same levels in their cities. Officials are five times more likely to say poverty has increased versus decreased (48% vs. 10%). About four in ten (42%) say poverty has remained at about the same levels.

More than 70% say poverty is a problem in their city (32% say severe or serious and 40% say a moderate problem). Officials in large cities are more likely than their counterparts to see poverty as a severe or serious problem (38% compared to 29% in moderately-sized cities and 28% in small cities¹).

Looking forward, three in four city officials think poverty in their city will either increase (43%) or stay the same (33%) in the next ten years. When asked to compare their city's concern with finding ways to address poverty and equity compared to 15 years ago, 49% of officials report there is more concern. Only 10% say less concern with 37% reporting no change.

The Local Picture of Poverty

Seventy-four percent say the poverty threshold in their city is higher than the federal poverty level.

In financial terms, most city officials say the poverty income threshold in their city is higher than the federal poverty threshold (\$17,170 for a family of three²). Forty-one percent say a family of three would need between \$20,000 and \$30,000 to get by, and 30% say the threshold is \$30,000 or higher. Only one in four (26%) says a family of three could make ends meet on less than \$20,000 in their city.

Demographically, city officials say the groups most likely to be in poverty in their city are single-parent families (73%), low-wage workers (62%) and senior citizens (58%). Two in three city officials (65%) say residents in poverty are concentrated in certain neighborhoods, whereas one-third (34%) says poverty is more dispersed throughout the city.

Effectiveness of Strategies and Current Municipal Efforts

Top strategies perceived by officials as both effective and within their city's capacity to implement were job creation through economic development and strengthening neighborhoods.

City officials were presented with a list of poverty reduction strategies and asked which they believed would be most effective in their city—not necessarily strategies being implemented. They were then asked how much capacity their city currently has for implementing each strategy. Two strategies were viewed as both effective and within the city's capacity to implement: 1) focusing on economic development to bring more businesses and jobs into the community (89% say effective; 89% say their city has capacity to implement) and 2) strengthening neighborhoods by making them safer, enhancing services, and improving infrastructure (86% and 88% respectively).

At the top of the list for perceived effectiveness (91%) was creating better lives for the next generation by improving schools and children's lives, but only 57% feel this is within the city's capacity. Eighty-eight percent of elected officials say improving the lives of

¹ For the purposes of this report, "large cities" refer to those with 100,000 or more residents; "moderately-sized cities" are those with 50,000 to 99,999 residents; "small cities" refer to those between 30,000 to 50,000 residents.

² 2007 Census Bureau

people through access to social services, job training, and child care would be effective, but only 61% say they have capacity to implement this strategy.

Over half of city officials (53%) say their current approach to addressing poverty is through specific programs, such as social services, housing and transportation. And 35% say it is addressed through other institutions and organizations with little city government involvement. While only three percent say the city has a comprehensive strategic, municipal plan to address poverty, a much larger proportion (28%) says this would be the most effective approach for their city.

Motivations for Leadership and Action

City officials believe their reasons for wanting to address poverty are similar to those of residents—reducing crime and helping children.

More than three in four elected officials (77%) say leadership and support from elected officials is essential (45%) or very important (33%) in order to take action to address poverty in their city. Twelve percent of officials say they are already a leader on the issue of poverty in their city and another 35% say they are very interested in taking leadership locally to address poverty.

The top personal motivators for elected officials for taking action locally to address poverty are 1) to help children (53%) and 2) to reduce crime and drug use (43%). The most persuasive reasons to residents for addressing poverty, according to elected officials, are to help children (65%) and to reduce crime and drug use (49%).

Officials think the most persuasive reasons for their elected colleagues in city hall to address poverty are its potential effects on reducing crime (88% say a 'very' or 'somewhat' persuasive reason), increasing the health of the community (81%), strengthening the overall local economy (76%), and attracting more business (75%).

Barriers to Taking Action

Economic constraints and competing priorities are biggest barriers to local action on poverty.

City officials say the largest barriers to taking action in their cities to reduce poverty are economic – insufficient city government resources (81% say large or moderate barrier) and economic factors that city government cannot affect (83%). Additionally, 68% of city officials say a barrier to taking action is that other issues are more pressing right now. Middle-tier barriers include insufficient municipal authority

(52%), the issue is too daunting and complex (49%), a lack of concern among leadership and residents (47%), and a lack of knowledge and expertise (44%). Fewer officials identify anti-immigrant feelings in the community (30%), racism and prejudice (24%), or lack of agreement on a strategy (28%) as barriers.

The top three barriers to their taking leadership locally on poverty issues are not enough time (68%), a leadership role on another issue (54%), and lack of knowledge or expertise (37%). Additionally, 68% of city officials felt that bringing about economic development was most important to their chances of re-election compared to 1% who felt that reducing poverty was most important; 28% felt that doing both equally was most important.