



Community Outlook Survey



Community Development Studies & Education Department

Third Quarter 2016

Health, Wellness, and Family Services Experts Identify Biggest Challenges and Opportunities

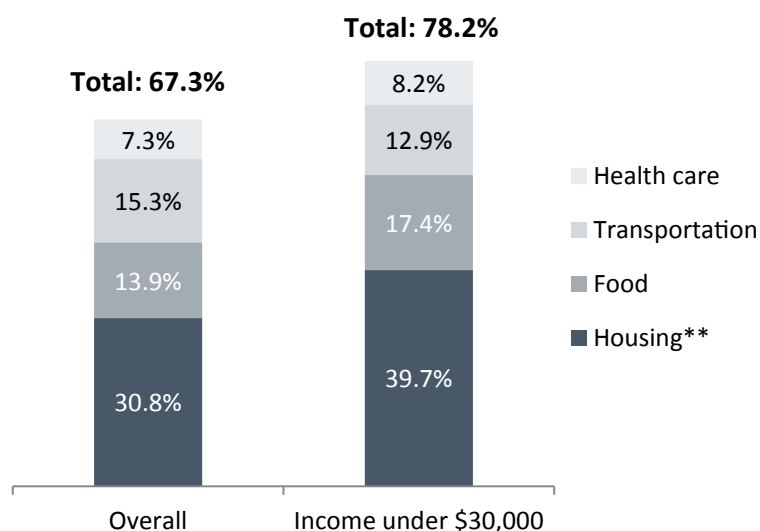
The Federal Reserve Bank of Philadelphia's *Community Outlook Survey* (COS) monitors trends affecting the well-being of low- and moderate-income (LMI) households and communities in the Third Federal Reserve District, which encompasses Delaware, southern New Jersey, and the eastern two-thirds of Pennsylvania. Beginning in 2016, each quarterly survey focuses on one of four topical areas: housing and neighborhood development; workforce and economic development; health, wellness, and family services; and household financial stability.

The 3Q2016 COS, focusing on the theme of **Health, Wellness, and Family Services**, was sent to participants in July 2016. Survey responses were welcomed from representatives of organizations serving families, youth, seniors, and individuals with disabilities or chronic health issues in LMI communities. A total of 32 organizations responded, with 84 percent servicing Pennsylvania, 13 percent servicing New Jersey, and 6 percent servicing Delaware.¹ Respondents were asked to describe the most pressing health and family services challenges in

the communities they serve in a series of open-ended questions. Qualitative research methods were used to identify key challenges and promising solutions reported by survey respondents. The findings are summarized here and include direct quotes from the respondents.

Figure 1. Share of aggregate expenditures in essential categories by household income, 2014

Households in Metropolitan Areas of the Northeast*



Source: Authors' calculations based on Bureau of Labor Statistics Consumer Expenditure Survey Microdata, 2Q2014–1Q2015.

*The Consumer Expenditure Survey reports microdata for consumer units, which are analogous to households in many cases. For more information, see www.bls.gov/cex/csxfaq.htm#q3.

** "Housing" includes payments for shelter (e.g., rent, mortgage payments) and utilities.

Pressing challenges

1. Many individuals in the communities served experience persistent financial stress, which can have long-term detrimental effects on household well-being.

Nearly every respondent cited persistent financial stress as a primary challenge for households in the communities they serve. Stagnant low wages and rising rents lead to families having to make tough financial decisions and sacrifices, taking both financial and psychological tolls on their well-being. As Figure 1 illustrates, the vast majority of lower-income households' expenditures go towards basic needs, particularly housing and food. When households are stressed over basic

¹ Some organizations surveyed serve multiple states.

needs, it is difficult to dedicate resources and energy to furthering oneself through education or training for secure employment and career advancement. Respondents explained that poverty is at the root of many of the challenges faced by their clients, including behavioral and physical health issues, addiction, limited educational attainment, and lack of necessary skills to obtain adequate employment. Persistent financial stress was identified as the primary underlying issue affecting individuals and families, including children.

Severe financial stress is a continuing problem for many of the families we serve. This is caused primarily by low-wage jobs and substandard and unaffordable housing.

Persistent financial stress truly is the underlying issue. It affects access to food, housing, health care, and child care, and triggers both mental and physical stress or trauma. That trauma is felt not only by adults, but also by children living in these households, and has lifelong impacts.

The constant tension and stress affect not only those living at and below the poverty line, but many who are above that line as well. This puts undue stress on familial structures, and social interactions suffer and deteriorate and erode away, making room for gang activity, addiction, and crime to rise among our neighbors.

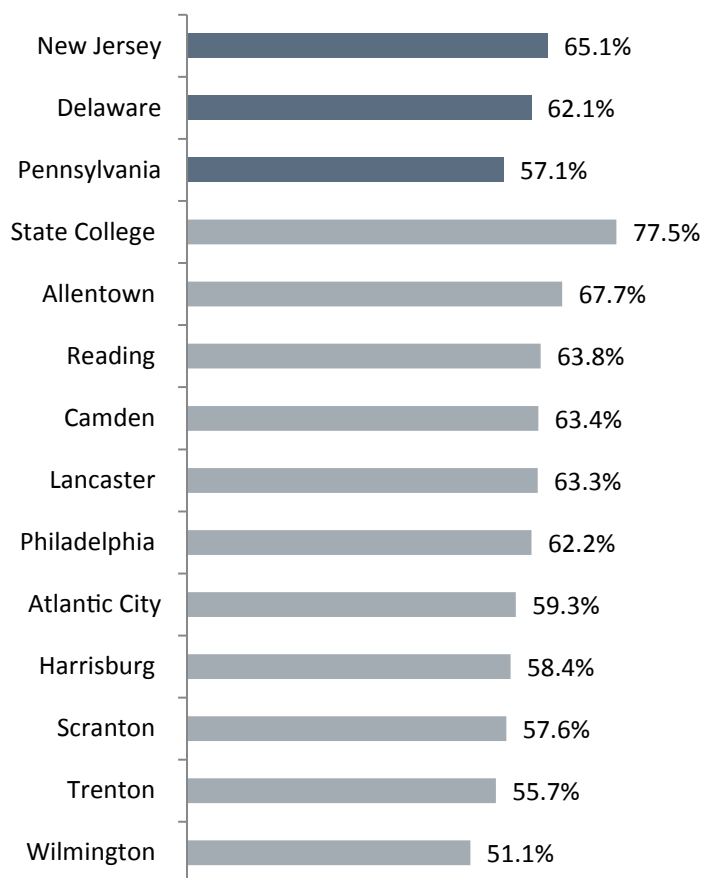
2. Lack of affordable housing often leads to housing instability and homelessness.

Many respondents noted that their clients face significant challenges finding affordable, stable housing, reflecting a broader national trend of declining affordability that has made housing cost burdens nearly universal among low-income households in the private rental market. According to the Joint Center for Housing Studies of Harvard University, nationwide 2.1 million low-income renters reported missing at least one recent rent payment in 2013, potentially exposing them to the destabilizing effects of eviction.²

² “Chapter 1: Executive Summary,” in Joint Center for Housing Studies of Harvard University, *The State of the Nation’s Housing* 2016. Cambridge, MA: Harvard University, 2016, pp. 1–6, available at www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son_2016_200dpi_ch1.pdf.

Figure 2. Share of renter households with incomes below \$20,000 for whom gross rent is 50 percent or more of their monthly income

Third District States and Selected Cities



Source: Authors’ calculations using U.S. Census Bureau 2010–2014 American Community Survey Table B25074.

Respondents identified housing insecurity as a major problem, often leading to homelessness among their clients. Low-income households with severe rent burdens — defined as gross rent accounting for 50 percent or more of a household’s monthly income — may be at an especially high risk of falling into homelessness. As shown in Figure 2, in many Third District cities, a majority of very low-income renter households faced severe housing cost burdens in 2014. Respondents noted that long wait lists for subsidized housing units are common and many resort to living with family or friends, which can result in overcrowded units and increased risk of eviction.

The lack of funding for housing for low- and very low-income people means we can only serve about one-quarter of those who qualify for housing assistance. Thus, too many people are homeless or housing-cost burdened and need additional assistance. Many of these people are part of households with working adults whose wages are not enough to cover their housing needs. They must continually make hard choices about how to budget their income.

We deal with families that have limited income and have to decide to pay the rent or eat. Many are one pay check from being homeless.

3. Service providers face organizational capacity constraints due to funding instability and uncertainty.

Respondents expressed frustration over the lack of sustainable funding that holds their organizations back from expanding and serving more communities. Several respondents mentioned that government grants often cover housing but not the supportive services needed by

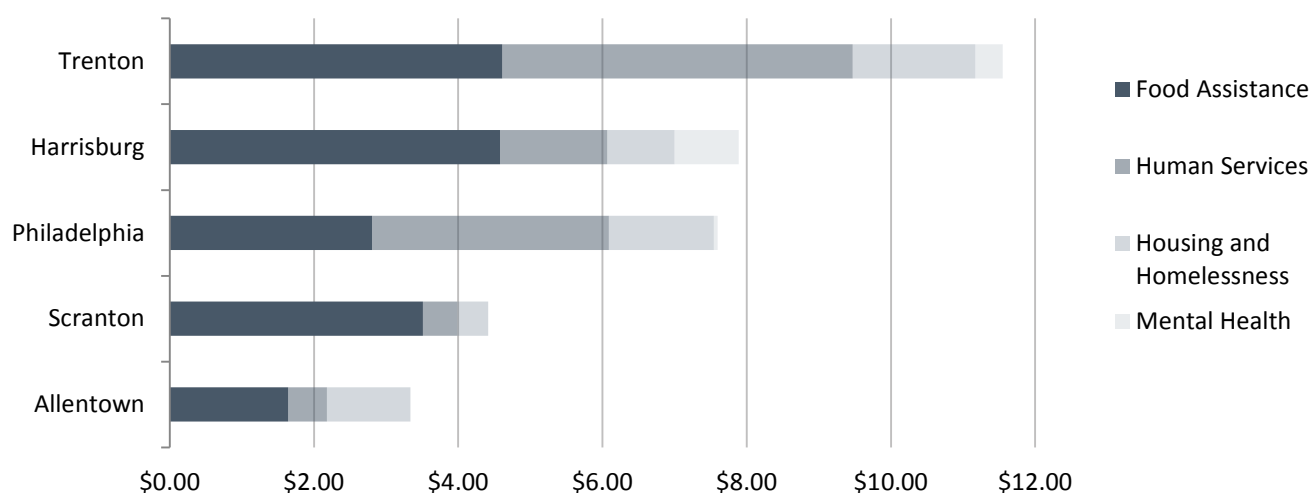
homeless individuals. One respondent noted that moving people out of transitional housing to permanent housing too soon, without the necessary services, could set them up for failure. Other respondents noted that programs leave service gaps — for example, lack of services for adults without dependent children. Additionally, the threat of changes in direction and reduction of funding for government programs was mentioned by several respondents.

The funding instability experienced by these organizations may in part stem from changes in how public funds are allocated towards social services, particularly at the federal level. Federal funds for social services typically come in the form of block grants, which can be used more flexibly than other types of government support but have seen funding levels decline over time.³ Foundations may

³ Kenneth Finegold, Laura Wherry, Stephanie Schardin, “Block Grants: Historical Overview and Lesson Learned,” Report, Urban Institute, April 2004, available at www.urban.org/research/publication/block-grants-0. For declines in specific block grant programs, see Isaac Shapiro, Bryann DaSilva, David Reich, and Richard Kogan, “Funding for Housing, Health, and Social Services Block Grants Has Fallen Markedly Over Time,” Policy Futures, Center on Budget Policies and Priorities, March 2016, available at www.cbpp.org/sites/default/files/atoms/files/11-19-15bud.pdf.

Figure 3. Per capita philanthropic funding for local social service organizations, 2008–2013

Selected Third District Metropolitan Statistical Areas

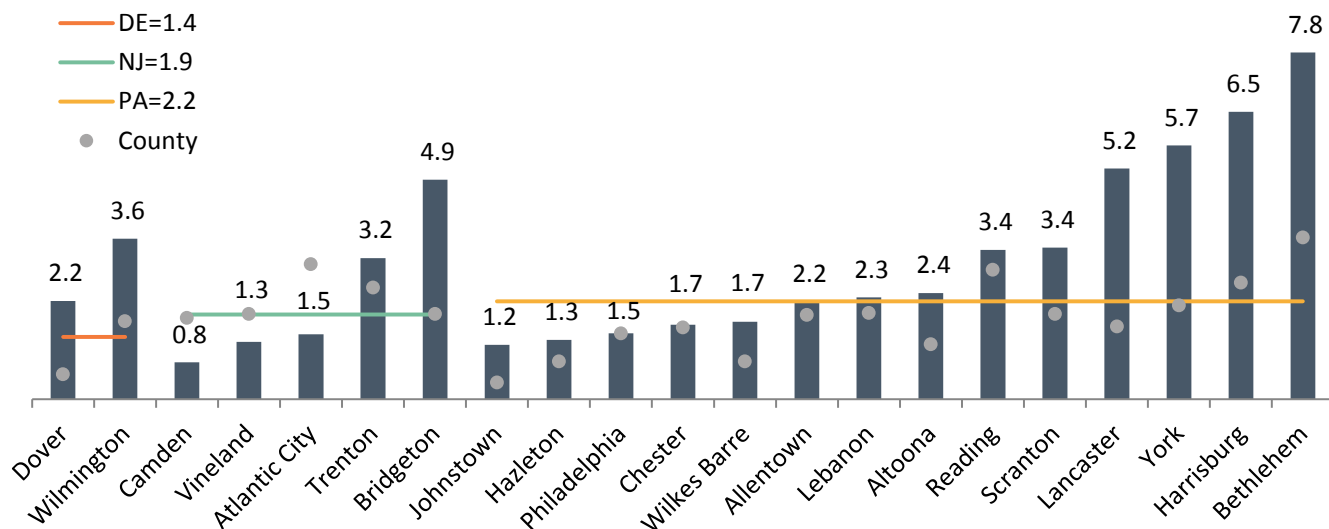


Source: Authors' calculations using Foundation Center's FC 1000 data set, using grants with activity codes corresponding to "Human Services" and "Mental Health"; U.S. Census Bureau 2009–2013 American Community Survey Table S0101.

Notes: FC 1000 includes grants from the 1,000 largest foundations in the United States and excludes grants made to national or statewide organizations. Dollar amounts are inflation-adjusted to 2013. For more information, see Keith Wardrip, Will Lambe, and Mels de Zeeuw, "Following the Money: An Analysis of Foundation Grantmaking for Community and Economic Development," *Foundation Review* (2016, forthcoming).

Figure 4. Mental health services providers accepting Medicaid per 10,000 Medicaid recipients, 2014

Selected Third District Cities



Source: Authors' calculations using Substance Abuse and Mental Health Services Administration Behavioral Health Treatment Services Locator (date accessed: 8/16/2016) and U.S. Census Bureau 2010–2014 American Community Survey Table C27007.

Note: This measure does not adjust for caseload capacity of providers.

also support the provision of community-based services, though on a much smaller scale than public funders. Figure 3 illustrates the amount of funding provided by the 1,000 largest private foundations across four social services categories in a selection of Third District metropolitan areas, illustrating wide variation in per capita funding levels and types of activities supported.

Nonprofit organizations [NPOs] are somehow expected to address each of these issues, solve them, and do so with as limited means as possible. Community expectations that NPOs are the dumping ground of all social problems and that they should be able to solve the problem simply, quickly, and with no capital investment are unrealistic and frustrating for all those internally motivated to accomplish the work.

Funding instability or uncertainty leads to diminished response to severe housing issues in our community, ranging from homelessness to mortgage foreclosures, adversely affecting our neighborhoods.

Community social service agencies are doing their best, but do not have adequate funding to make meaningful improvements.

4. Individuals and families lack access to adequate mental health services, and when services are available, there is often limited awareness of those services.

Lack of access to and limited awareness of available services are major challenges in the area of health, wellness, and family services. Specifically, respondents cited the lack of behavioral health services as a primary issue of concern. Many individuals experiencing generational poverty suffer from related issues of depression, anxiety, mental illness, and addiction. Respondents explained that trauma is prevalent in the lives of many of the clients they serve, and appropriate mental health resources are often unavailable to them. Figure 4 illustrates the wide range in the local accessibility of affordable mental health services across Third District cities. Many cities in Pennsylvania and Delaware appear to serve as hubs for these services, as suggested by

their higher concentration of providers relative to their surrounding counties. The reverse appears to be true for many cities in southern New Jersey. Many of the relatively underserved areas are smaller communities that may have fewer resources available for human services.

Our participants are often dealing with mental health challenges, for which they are unable to seek assistance. This is often due to a lack of access/entry into the mental health system, as well as a lack of knowledge about their conditions and how to use the mental health system.

The other issue that plagues every organization in our community is the lack of access to behavioral health care. This not only affects individuals with severe issues such as psychosis and bipolar disorders but those struggling with depression and anxiety as a result of living in generational poverty or experiencing domestic violence or housing instability.

5. Insufficient child care and transportation options impede individuals from obtaining work, increasing their dependence on social services.

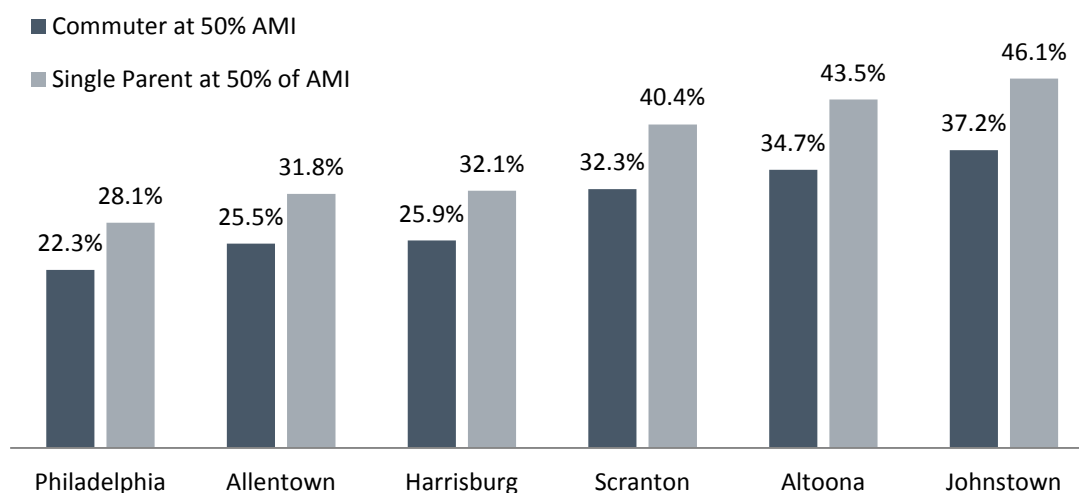
Many of the clients served by respondents struggle to find affordable child care, making it difficult to become employed and thus increasing reliance on social services. Additionally, transportation options are often costly or insufficient. As Figure 5 illustrates, transportation costs associated with commuting and everyday activities can consume a substantial portion of vulnerable households' incomes. In many locations throughout the District, individuals do not have access to public transportation and lack the capital necessary to invest in a vehicle in order to commute to the jobs that are available to them.

Lack of affordable and diverse times offered for child care prevent single-parent households from working consistently, increasing reliance on social services.

Public transportation is unreliable and inefficient as a main source for commuters. Communities are sprawled so cars are required, and biking options are not even considered in the community infrastructure improvement models.

Figure 5. Estimated transportation costs as a percentage of income by household type, 2012

Selected Third District Metropolitan Statistical Areas



AMI = Area median income in associated metropolitan statistical area.

Source: U.S. Department of Housing and Urban Development Location Affordability Index Version 2.0.

Opportunities

When asked, “Over the past year, have you seen any promising trends or changes?” the following were cited as promising opportunities for improvement by survey respondents.

1. Trauma-informed care and other thoughtful service approaches

Generational poverty, domestic violence, housing instability, substance abuse, violence, neglect, and other issues plague communities served by respondents. Understanding that trauma is prevalent in the lives of many of their clients, some organizations are adapting a trauma-informed care model that involves understanding, recognizing, and responding to the effects of trauma in a person’s life. Additionally, respondents noted that service providers now recognize that adverse childhood experiences (ACEs) are often associated with health and social problems in the lives of the adults they serve.

As we understand more about the consequences of ACEs in the population we serve, it is becoming clearer that effective strategies and resources to mitigate the impact of childhood trauma and adverse experiences are essential in addressing generational poverty and homelessness.

There has certainly been more of an acknowledgement of trauma in our field and communities, as well as an effort on the part of many nonprofits to become more trauma-informed. This is positive in terms of providing better environments for participants who are dealing with mental health challenges; however, it is not the same as providing appropriate care for these individuals.

2. Organizational collaboration and coordination

Collective impact and other collaborative approaches are becoming more common amongst nonprofit organizations, and several respondents mentioned

this increased coordination as a promising solution in their community. A few respondents noted that, by consolidating, organizations can pool resources and may be better able to efficiently meet the needs of their communities while mitigating overlaps in services.

Many funders are pushing for small nonprofit organizations to consider consolidating. While this can be painful in the short term, it can lead to an increased capacity to drive more funding to a program and increase organizational efficiency and impact.

There is a great willingness among community-based nonprofit organizations to try to find ways to work together and support each other.

Our community is forming coalitions to combat poverty and the underlying issues related to it.

3. Early childhood education

Several respondents explained the importance of education and were optimistic about new state investments in high-quality early learning programs. As public school budgets continue to tighten, the additional funding for early childhood education is seen as a helpful trend.

For Philadelphia, the public school crisis must be addressed. Investing in our children is essential to their well-being, and ultimately to ours as a sustainable society. Education is the gateway to self-sufficiency, and fundamentally, it is a matter of dollars and cents/sense.

Tightening of school budgets means fewer resources and opportunities for children. The additional funding for early child education is helpful.

Digging deeper: More resources from CDS&E

For a more in-depth look at topics discussed in this report, see the following publications from the CDS&E Department of the Federal Reserve Bank of Philadelphia:

“Affordability and Availability of Rental Housing in the Third Federal Reserve District: 2015,” available at www.philadelphiafed.org/-/media/community-development/publications/cascade-focus/cascade-focus_4.pdf?la=en.

“Following the Money: An Analysis of Foundation Grantmaking for Community and Economic Development” Interactive Data Tool, available at www.frbatlanta.org/community-development/data-and-tools/following-the-money.aspx.

“Clarifi Offers Financial Services at Health Centers, Adds Coaching and Mentoring,” available at www.philadelphiafed.org/community-development/publications/cascade/87/07_clarifi-offers-financial-services-at-health-centers-adds-coaching-mentoring.

“Corporation for Supportive Housing Integrates Housing and Supportive Services for Vulnerable Populations,” available at www.philadelphiafed.org/community-development/publications/cascade/86/08_corporation-for-supportive-housing-integrates-housing-supportive-services-for-vulnerable-populations.

Authors



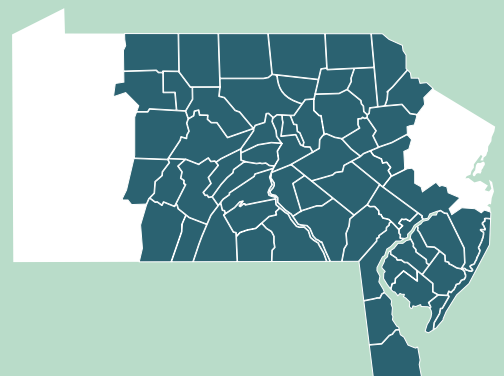
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The Third Federal Reserve District

The Federal Reserve Bank of Philadelphia serves the Third District, which covers eastern Pennsylvania, southern New Jersey, and Delaware. The Bank’s Community Development Studies & Education Department supports the Federal Reserve System’s economic growth objectives by promoting community development in low- and moderate-income communities and fair and impartial access to credit in underserved markets.





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