

COMMUNITY ACTION

The War Against Poverty in the United States

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Illinois Association of Community Action Agencies (IACAA)

Introductions

- President & CEO of a statewide NGO called IACAA
- President & CEO of 2 subsidiaries that support IACAA's work
- I come from Lilongwe, Malawi
- I have lived in Springfield for 22 years

What is IACAA?

IACAA is an umbrella organization established in 1971 that represents non-governmental and local governmental organizations that were established for the purpose of fighting poverty in their communities.



What is IACAA?

IACAA advocates for its member organizations and the poor in the Illinois General Assembly and Congress, provides training, technical assistance and capacity building to its NGOs and governmental organizations fighting poverty.



Paradox of Poverty in the United States

The USA is amongst the richest nations of the world, but in reality there are economic inequalities with large disparities in wealth distribution and income.



Poverty in the United States of America

In 2012, **46.5 million** people lived in poverty in the USA, or **15% of the population**.

In 2012, **21.8% of all children** lived in poverty - that's over **1 in every 5 children**.

According to 2012 US Census Data, the highest poverty rate by race is found among Blacks (27.2%), with Hispanics (of any race) having the second highest poverty rate (25.6%). Whites had a poverty rate of 9.7%, while Asians had the lowest poverty rate at 1.7%.

Poverty thresholds are determined by the US government, and vary according to the size of a family, and ages of the members. In 2012, the poverty threshold—known more commonly as the poverty line—for an individual was \$11,484. For four people, the weighted average threshold was \$23,021.

War on Poverty and the Great Society

President Johnson's 1964 state of the union address called for an unconditional war on poverty. Later, he outlined the Great Society – a set of programs and initiatives to eliminate poverty and racial injustice in America.

Voting Rights Act

- Banned literacy tests and other methods used to deny voting rights to blacks

Civil Rights Act

- Prohibits discrimination based on race, color, religion, sex or national origin

Medicare

- Health care for the elderly

Immigration

- Ended discriminatory quotas based on ethnic origin

Economic Opportunity Act

- Addressed poverty in America

Emergence of Community Action

Economic Opportunity Act

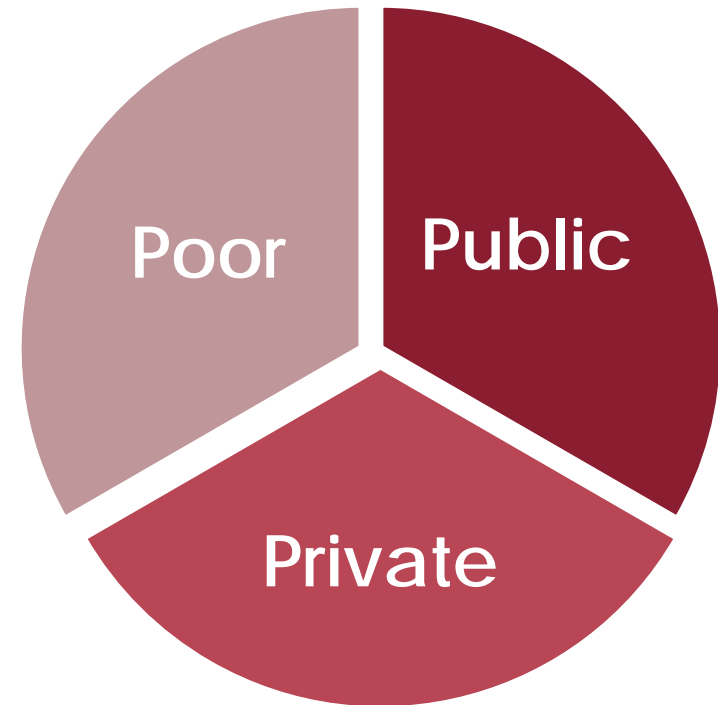
- **Head Start** Preschool for poor children that also provides support to parents
- **VISTA** (Volunteers in service to America, similar to Peace Corps)
- **Community Action Programs (CAPs)** - created to maximize participation of poor people in fighting poverty. Local agencies called Community Action Agencies were given funds directly from the federal government to address target population needs.



Structure of Community Action

Community Action Agencies are governed by a **tri-partite board**

- elected public officials
- representatives of the poor community
- appointed leaders from the private sector.



Uniqueness of Community Action

- Agencies receive federal government funds for local poverty fighting initiatives. Each agency decides what will work best in their community to fight poverty.
- In Illinois, there are 36 Community Action Agencies that serve the state's poor.
- There are 1,100 Community Action Agencies in America.

Strategies to Address Poverty

Federal Funding

- Federal government provides core funding to local organizations to:
 - reduce poverty
 - revitalize poor communities
 - empower families living in poverty to become self-sufficient
- Funding is flexible, so that each community based organization can decide how best to use it in their community.

Examples of Programs



Senior Meals



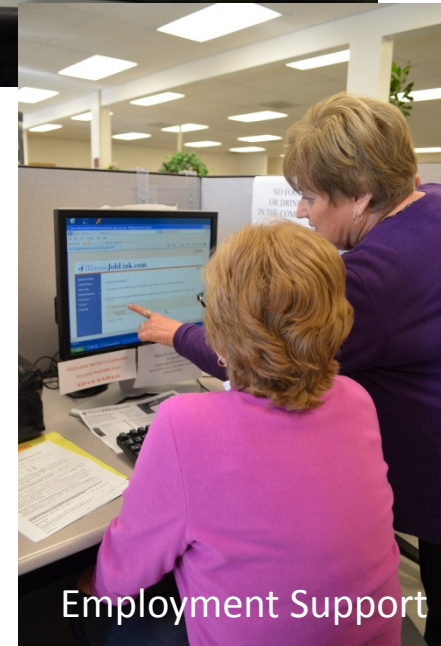
Transportation



Job Training



Small Business Loans



Employment Support

Head Start

Preschool for poor children that also provides support to parents



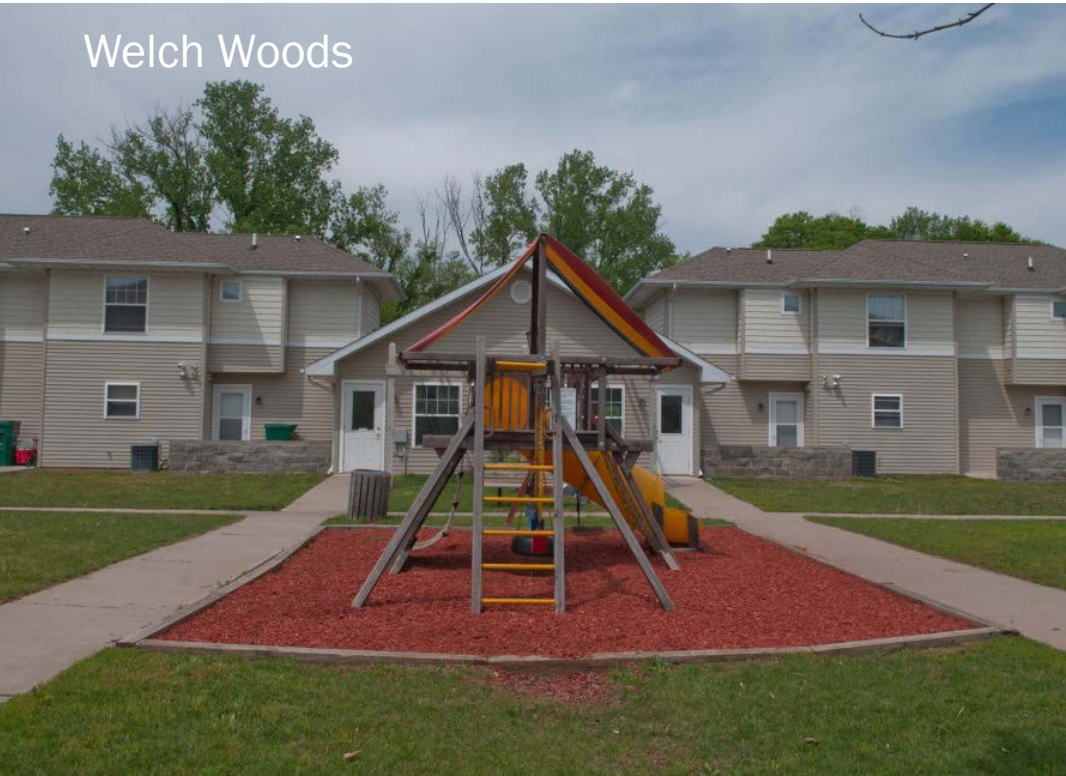
Affordable Housing Development

- IACAA through its subsidiary organization, Illinois Community Action Development Corporation (ICADC), assists Community Action Agencies in developing affordable housing to serve families in poverty and special needs populations.



Affordable Housing Development

Welch Woods



Strawberry Meadows

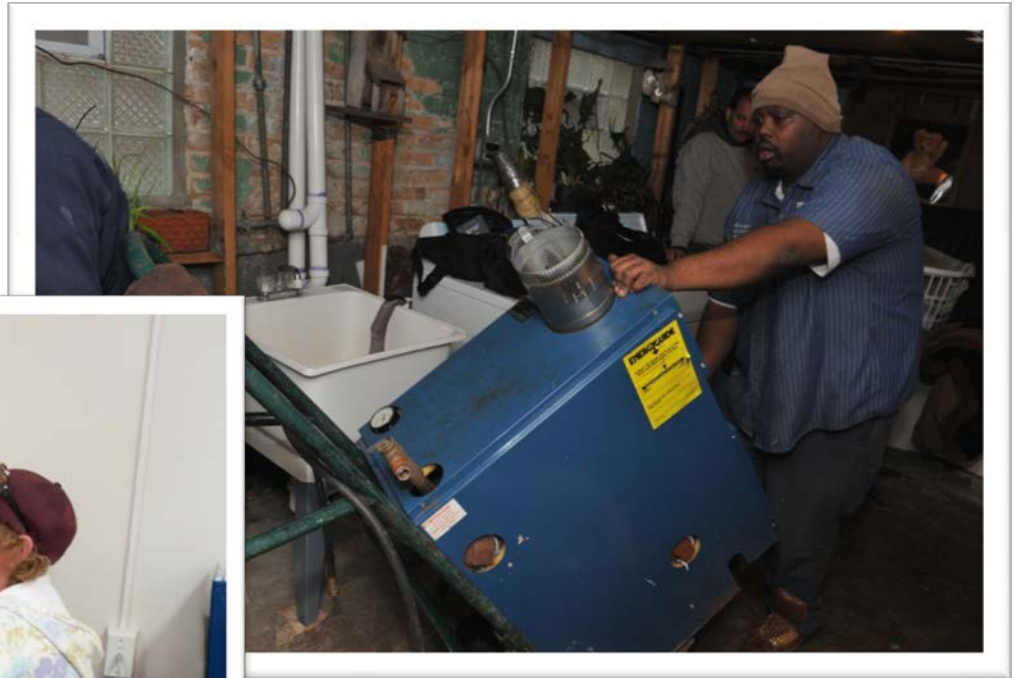
Rural Community Assistance Program (RCAP)

- Assists rural communities access safe drinking water and maintain viable wastewater
 - Technical Capacity Development
 - Through grant and loan application preparation
 - Grant administration
 - Managerial Capacity Development
 - Board training on legal responsibilities
 - Development and implementation of compliance action plans
 - Financial Capacity Development
 - Prepare rate studies
 - Budget development and financial reporting

RCAP



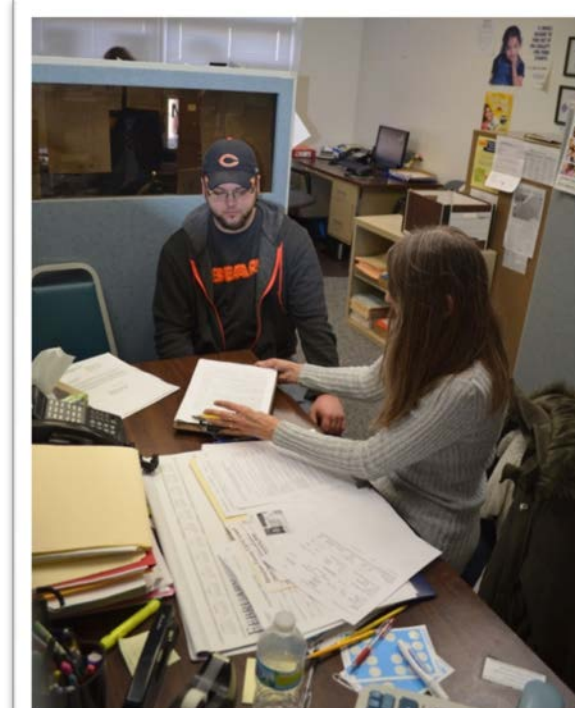
Utility/Energy Assistance



LIHEAP

Designed to help low income households with immediate utility needs

- **Utility Bills and Low Income Customers**
 - Low income customers often pay between 20-30% of their income on home energy bills; Average customer pays between 4-6%
- **Benefits of LIHEAP**
 - LIHEAP assists with a once a year benefit payment – roughly \$400-\$500
 - Reconnection Assistance offered for customers who are disconnected
 - Furnace Assistance – repair or replacement
- **Qualifications**
 - Serves customers at or below 150% of poverty (Family of 4 – \$35,325)



LIHEAP State Supplemental Fund

- Enacted in Illinois in 1997
- Funded by a rate payer meter charge
- Designated to provide additional funds for LIHEAP and Weatherization Programs
 - About \$80 million designated for LIHEAP
 - About \$9 million designated for Weatherization

Percentage of Income Payment Plan (PIPP)

- **Alternative to the Regular LIHEAP Program**
 - Customer Pay 6% of their household income – LIHEAP State benefit pay the rest (up to \$1,800 total)
- **Customer Obligations**
 - Customers must make on-time monthly bill payments or they can be removed from the program
- **Customer Benefits**
 - If the customer makes on-time payments they will receive a larger benefit than traditional program
 - If customer makes on-time payments they have portion of their arrearage paid off for them

Weatherization Assistance Program

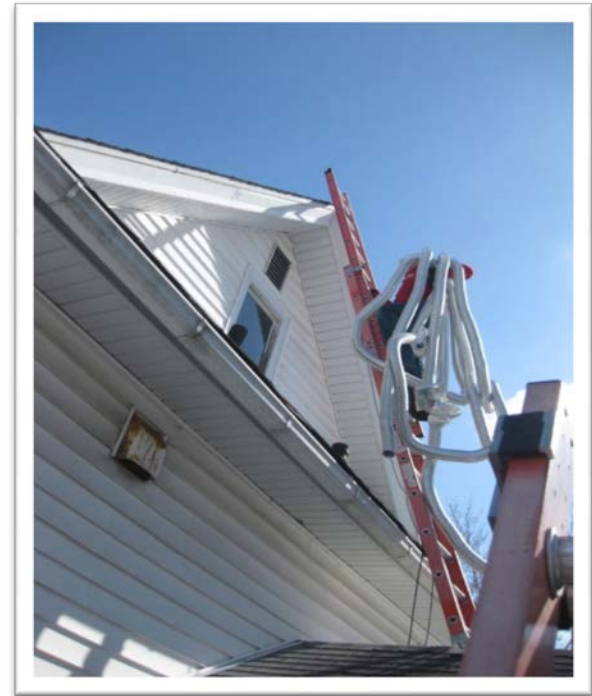
Mission: “To reduce energy costs for low-income families, particularly for the elderly, people with disabilities, and children, by improving the energy efficiency of their homes while ensuring their health and safety.”

- **Why Weatherization?**
 - Houses often poorly constructed
 - Houses often lack insulation
 - Furnaces and appliances are often inefficient
- **What Work Is Done?**
 - Attic and side-wall insulation
 - Air sealing
 - Furnace replacement
 - Light Bulb replacement – with compact fluorescent bulbs



Weatherization Program Success

- According to the US Department of Energy – Weatherizing a home save a homeowner at least \$350 a year
- 2013 Program Year – 8,000 homes were weatherized throughout Illinois (typical yearly total)
- Between 2009 – 2011 – Illinois received \$240 million from President Obama's stimulus funding and was able to weatherize an additional 43,000 homes



Rate Relief Programs

- **Background of Rate Relief Program**

- In 2007 a 10 year rate freeze was lifted on Illinois electric utilities
- This resulted in significant rate increases on electric utility customers
- Commonwealth Edison (ComEd) and Ameren Illinois approached IACAA to operate an assistance program for households in poverty

- **Program Qualifications**

- Customers at 0-400% of poverty (family of 4 - \$94,200) who could demonstrate a financial hardship were eligible for additional assistance (ComEd program is now 0-250% of poverty : Family of 4 - \$58,875)

- **IACAA's Role**

- Distribute funds to agencies and collect reports

Rate Relief Results



Operated from 2007-2010;
Distributed almost **\$14 million**
dollars to customers



An Exelon Company

2007 – present; Distributed
roughly **\$30 million** to
customers

Questions?