Introduction(s)

• The Community Services Block Grant (CSBG) provides funds to alleviate the causes and conditions of poverty in communities.

• Community Action Partnership “We work to end poverty across the country.”

• What are the benefits of getting people out of poverty?

• What do you want to get out of today’s session?
THE CONTEXT OF POVERTY AND ECONOMIC SECURITY

Live, Virtual Training
October 21 @ 2PM CT/1pm MT

Asynchronous classes available from 10/1 -12/31/20
• Working with the Context of Poverty and Economic Barriers
• A Holistic Approach to Economic Security and Well-Being
• Leveraging Assets to Cushion Economic Shocks
### Methods for Providing Learning Opportunities

#### Live (Synchronous) vs Asynchronous

- **Live (Synchronous)**
- **Asynchronous**

#### Location

- **In-person**
- **Virtual (Online) (Distance)**
- **Correspondence (Distance)**
- **Online (Distance)**

#### Blended

**Integrated Learning**: Integration of training over time to improve implementation.
What is Poverty?

Poverty can be defined as a state or condition where one’s basic needs for survival -- food, goods, clothing, shelter, or means of support -- are not being met.

A person living in poverty lives in a state of general scarcity, and lacks a certain amount of material possessions or money.
What is Poverty?

- There continues to be much debate about how to define poverty, based on ideological, political, and methodological differences of opinion.
Poverty Measures

• Inflation adjusted cost of a minimum food diet (in 1963) x 3
• Poverty rate
• Supplemental Poverty measure
• Income Thresholds (Cliff Effect)
• Above Poverty Level
• Near Poverty 100-125%
• Below 100% in poverty
• Below 50% in deep poverty
Not Quite Poverty

• ALICE = Asset Limited Income, Constrained, Employed (United Way)

• Above Poverty but not enough to live

• Federal Poverty Level does not include people who are significantly struggling.

• Asset Poverty – households without sufficient new worth (definite net worth) – to subsist at the poverty level for three months in the absence of income

• 25.4% of American households are considered to be asset poor
Cushioning the Cliff Effect

EXAMPLE: Denver County, CO: Single-Parent Family of Three Hits Cliffs as Earnings Increase

Despite steady increases in earning, the family cannot get ahead.
<table>
<thead>
<tr>
<th>Income</th>
<th>Current</th>
<th>With Pay Raise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours per week</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Hourly wage</td>
<td>$11.50</td>
<td>$12.00</td>
</tr>
<tr>
<td>Monthly gross earned income</td>
<td>$1,993.33</td>
<td>$2,080.00</td>
</tr>
<tr>
<td>Payroll deductions</td>
<td>-$199.33</td>
<td>-$208.00</td>
</tr>
<tr>
<td>Monthly net earned income</td>
<td>$1,794.00</td>
<td>$1,872.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Current</th>
<th>With Pay Raise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible for child care</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>assistance?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child care</td>
<td>$108</td>
<td>$845</td>
</tr>
<tr>
<td>Take-home after child care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>expenses</td>
<td>$1,686</td>
<td>$1,027</td>
</tr>
</tbody>
</table>
NEARLY 4 IN 10 HOUSEHOLDS ARE LIQUID ASSET POOR IN THE US

THEY DON'T HAVE ENOUGH SAVED TO PAY THEMSELVES A POVERTY LEVEL INCOME FOR THREE MONTHS IN THE EVENT OF AN EMERGENCY. (THIS LIQUID ASSET POVERTY LEVEL IS ESTIMATED AT $6,150 FOR A FAMILY OF FOUR).

PROSPERITY NOW SCORECARD

Source: Survey of Income and Program Participation
63% of Americans Don’t Have Enough Savings to Cover a $500 Emergency

Bankrate.com, 2016
1 in 3 Americans Has $0 Saved for Retirement

- No retirement savings: 33%
- Less than $10K: 23%
- $10K to $49K: 10%
- $50K to $99K: 8%
- $100K to $199K: 8%
- $200K to $299K: 5%
- $300K or more: 13%

Courtesy of GOBankingRates.com
WOW! Those are fun statistics Shawn!

Thanks for bringing so much happiness to your presentation!

Any more fun information for us?
Neoclassical economics

An approach to economics that relates supply and demand to an individual's rationality and his ability to maximize utility or profit.

Behavioral economics

A method of economic analysis that applies psychological insights into human behavior to explain economic decision-making.
<table>
<thead>
<tr>
<th>Heuristic</th>
<th>Default Bias</th>
<th>Decision Paralysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status Quo Bias</td>
<td>Availability Bias</td>
<td>Hyperbolic Discounting</td>
</tr>
<tr>
<td>Decision Fatigue</td>
<td>Planning Fallacy</td>
<td>Anchoring</td>
</tr>
<tr>
<td>Economic Shock</td>
<td>Loss Aversion</td>
<td>Herding</td>
</tr>
<tr>
<td>Confirmation Bias</td>
<td>Framing Effect</td>
<td>Inhibition</td>
</tr>
</tbody>
</table>
In classical economics, Scarcity is the gap between limited resources and the wants or needs people have for those resources. (Investopedia.com)

A very small supply: the state of being scarce, especially want of provisions for the support of life. (Merriam-Webster)
Stress and scarcity impact cognition

• Your brain is built to deal with stress that lasts about 30 seconds. The brain is not designed for long term stress when you feel like you have no control.
• Severe stress lasting weeks or months can impair cell communication in the brain’s learning and memory region.
• Stress lasting as little as a few hours can impair brain-cell communication as well.
• Stress damages virtually every kind of cognition that exists. (Memory and executive function, cognitive capacity, motor skills, ability to sleep.)

Scarcity can tax your mind enough to cause a 13 point drop in IQ.
Tunneling is the act of focusing so intently on one issue that other issues are unable to be seen or acted upon.

Juggling:
The constant move from one pressing task to the next.
<table>
<thead>
<tr>
<th>Individual Scarcity</th>
<th>Organizational Scarcity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cognitive</strong></td>
<td><strong>Planning and Directing Process</strong></td>
</tr>
<tr>
<td>• Difficulty planning ahead</td>
<td>• Spending the bulk of management meeting time on “fighting fires” (dealing with scheduling problems and complaints due to stressed, overstretched staff)</td>
</tr>
<tr>
<td>• Fighting fires instead of preventing them</td>
<td>• Projects done at the last minute or late, often not done as well as you want them</td>
</tr>
<tr>
<td>• Hard to focus</td>
<td>• Attempting various “fixes” for problems, without a coherent, systemic strategy</td>
</tr>
<tr>
<td>• Impaired Executive Functions</td>
<td>• Focus on cutting expenses and “unnecessary” activities without considering long term effects</td>
</tr>
<tr>
<td>• Asking staff to fill roles/take on functions they aren’t trained to do or aren’t a good fit for, because staff is stretched too far</td>
<td></td>
</tr>
<tr>
<td><strong>Emotional</strong></td>
<td><strong>Nurturing of Agency Culture</strong></td>
</tr>
<tr>
<td>• Anxiety</td>
<td>• Sending the message that staff need to keep their focus on “serving clients” without providing time, and permission to work through the stress of the job</td>
</tr>
<tr>
<td>• Fear of change</td>
<td>• Supervision is infrequent, unclear and/or inconsistent</td>
</tr>
<tr>
<td></td>
<td>• Restricting attendance at outside meetings and professional growth activities, cutting off contacts with other organizations or people who could be supportive</td>
</tr>
<tr>
<td></td>
<td>• Lack of fun and humor</td>
</tr>
<tr>
<td></td>
<td>• It’s easier to get information from the rumor mill than from administration</td>
</tr>
<tr>
<td></td>
<td>• Staff don’t feel valued or heard</td>
</tr>
<tr>
<td><strong>Physical</strong></td>
<td><strong>Working Environment</strong></td>
</tr>
<tr>
<td>• Difficulty sleeping</td>
<td>• Rationing of basic supplies</td>
</tr>
<tr>
<td>• Poor diet</td>
<td>• Decreased upkeep of buildings, vehicles, website, etc.</td>
</tr>
<tr>
<td>• “No time” to exercise or do other types of self-care</td>
<td>• Difficulty accessing tools staff need to accomplish their jobs smoothly</td>
</tr>
<tr>
<td></td>
<td>• No long term plans for improvement of physical environment</td>
</tr>
<tr>
<td></td>
<td>• Complaints from staff about working conditions</td>
</tr>
</tbody>
</table>

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Tunneling is the act of focusing so intently on one issue that other issues are unable to be seen or acted upon.
A Different Paradigm and Approach

What is Economic Security?
Finance and Economics

Finances = Money going in and out
            (Think income)

Economics = All Resources going in and out
            (Think assets)
Social Determinants of Health
Asset Building Continuum

Time

Energy

Shelter
• Emergency
• Renting
• Buying

Nutrition
• Prevention
• Management

Academic Education
Life Education
Civic Ed

Skills & Education

Income
• Growth
• Protection
• Retirement

Savings & Investing
• Growth
• Protection

Environment & Community
Friends & Family

ACCESSIBILITY

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About The Lab

MY Financial Health Lab

Your safe and secure space to explore and improve your Financial Health

Having a safe place to work on your Financial Health is more important than ever!

Join us for a journey to control your resources, reduce your stress and improve your health!

Virtual Training

Virtual Workshops and Seminars

Engage with a Financial Health Ally
WHAT COMES NEXT???

Watch for an email inviting you to sign in to The Leadership Academy online learning environment to take the three asynchronous courses.

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