



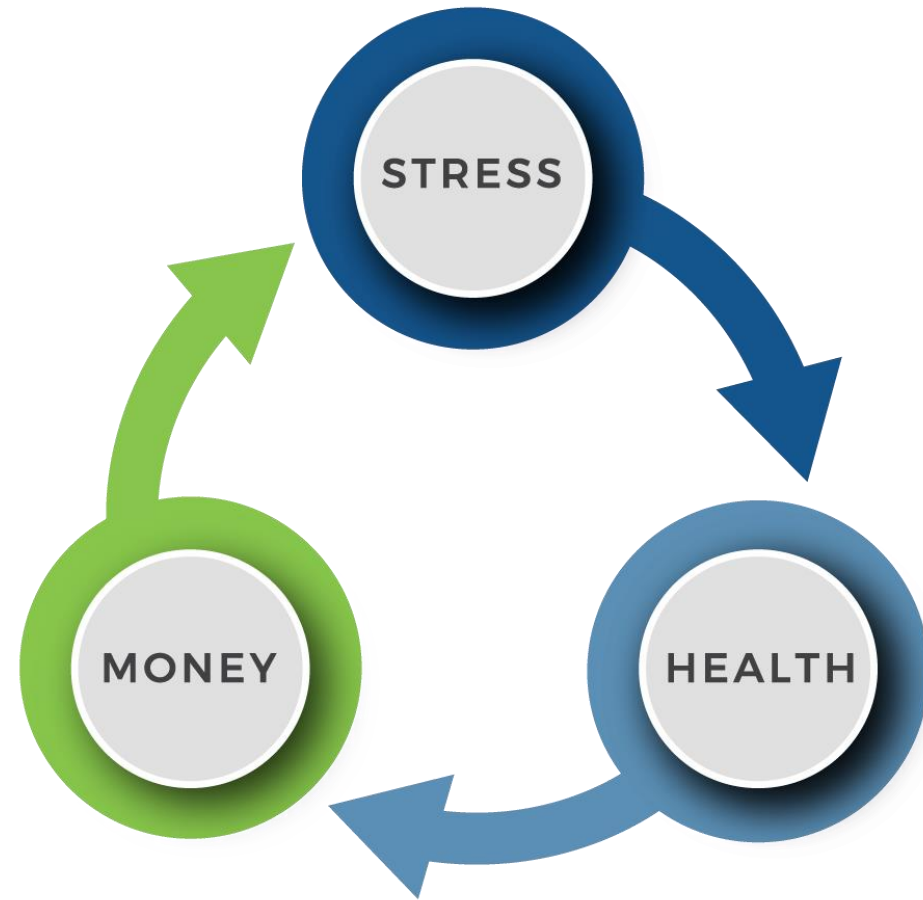
financial
HEALTH institute

and

LAB

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

Learning Methods

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

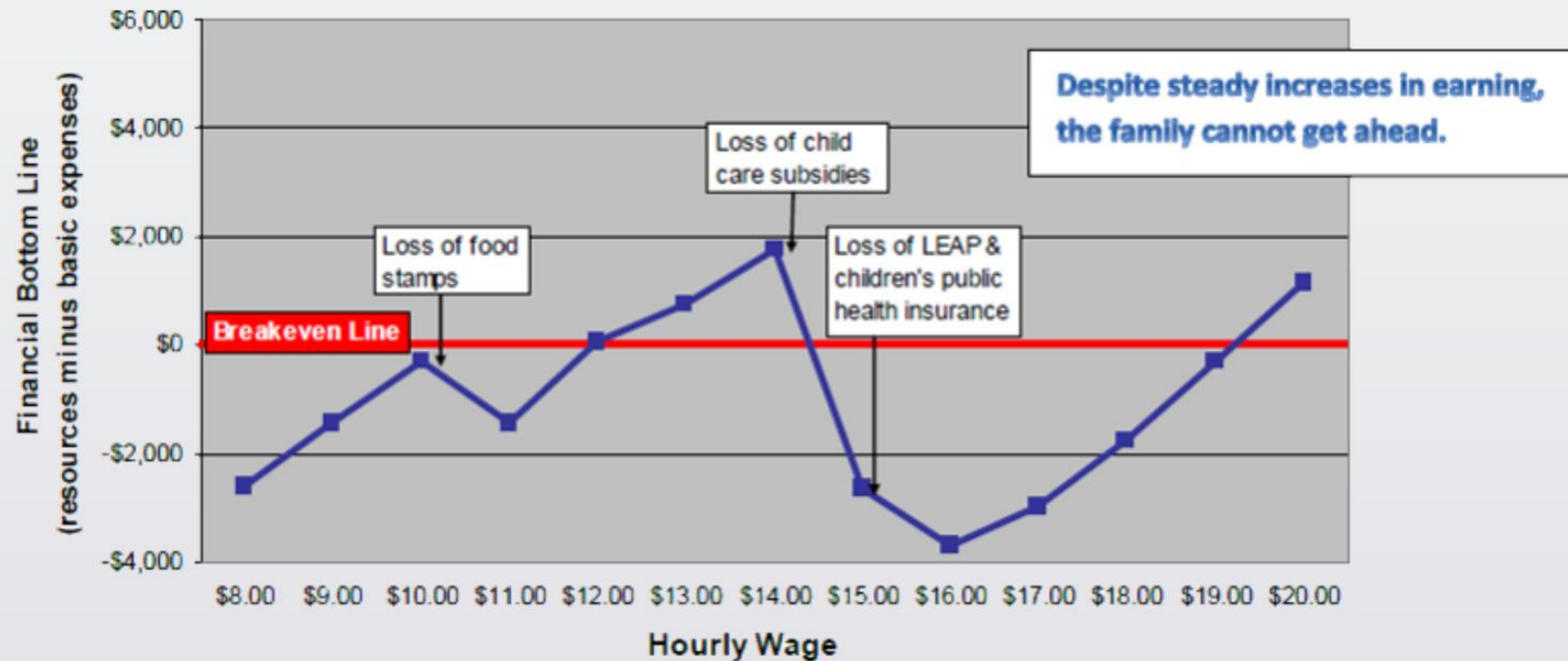
- Inflation adjusted cost of a minimum food diet (in 1963) x 3
- Poverty rate
- Supplemental Poverty measure
- Income Thresholds (Cliff Effect)
- Above Poverty Level
- Near Poverty 100-125%
- Below 100% in poverty
- Below 50% in deep poverty

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 net 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

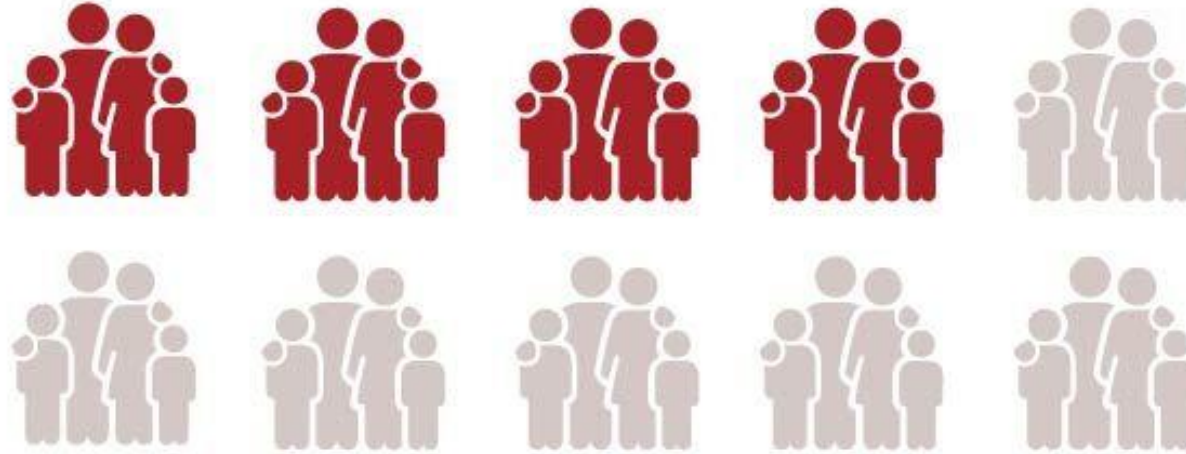
EXAMPLE: Denver County, CO: Single-Parent Family of Three Hits Cliffs as Earnings Increase



Click "Next" to continue

Income	Current	With Pay Raise
Hours per week	40	40
Hourly wage	\$11.50	\$12.00
Monthly gross earned income	\$1,993.33	\$2,080.00
Payroll deductions	-\$199.33	-\$208.00
Monthly net earned income	\$1,794.00	\$1,872.00
Expenses	Current	With Pay Raise
Eligible for child care assistance?	Yes	No
Child care	\$108	\$845
Take-home after child care expenses		
	\$1,686	\$1,027

NEARLY **4 IN 10** HOUSEHOLDS

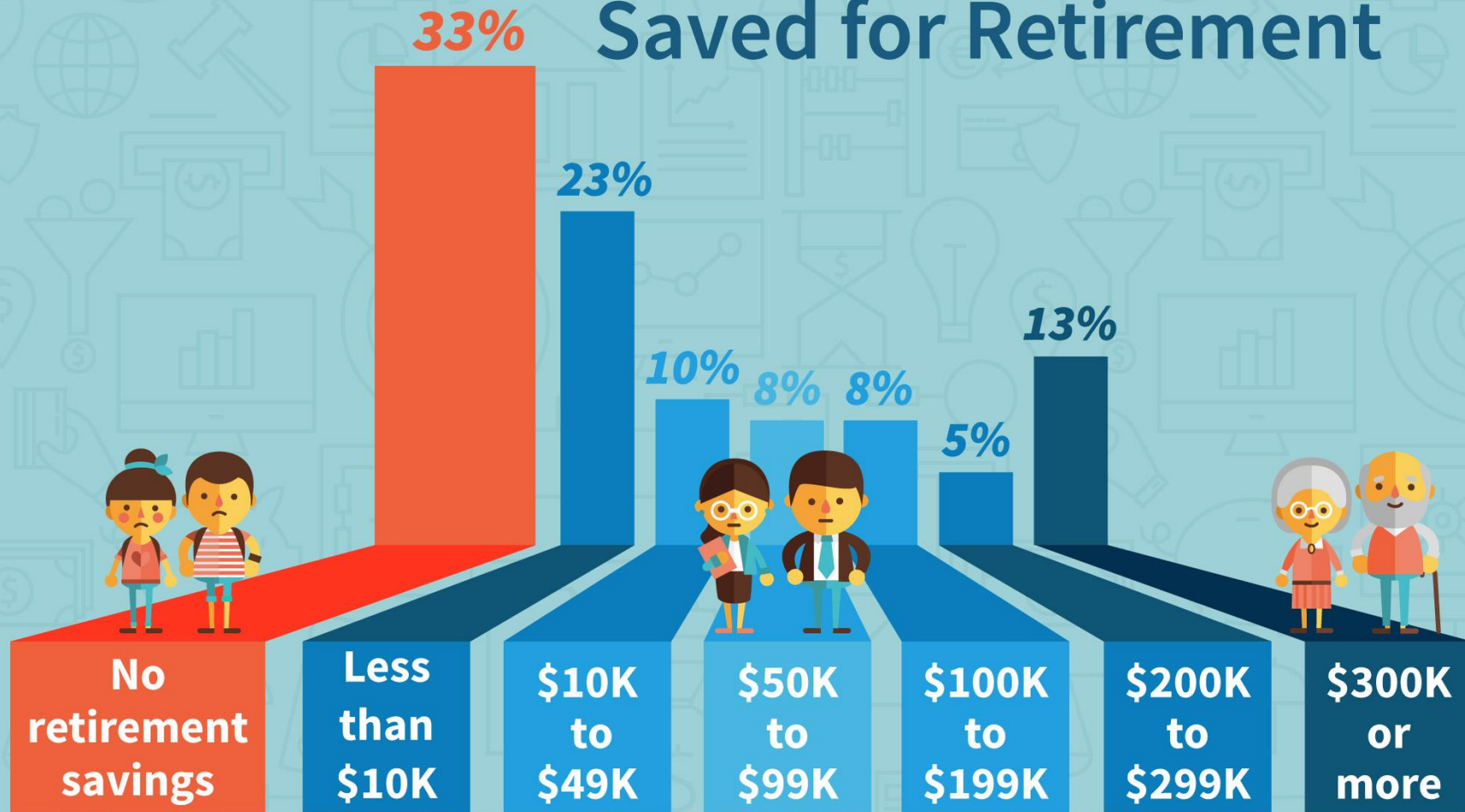


ARE **LIQUID ASSET POOR** IN THE US

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).

63% of Americans
Don't Have Enough
Savings
to Cover a
\$500 Emergency

1 in 3 Americans Has \$0 Saved for Retirement



Courtesy of GOBankingRates.com

FEDERAL SPENDING & (% Increase Since 2000)*

The Total amount of Dollars appropriated and Spent by the US Congress and Approved by the President.

Real-Time Total

Source: Congressional Budget Office

US Get the iPhone App

Debt Clock Time Machine

State Debt Clocks World Debt Clocks

US NATIONAL DEBT

\$19,952,422,075,231

DEBT PER CITIZEN: **\$61,332** DEBT PER TAXPAYER: **\$166,769**

US FEDERAL SPENDING **↑ 129%** US FEDERAL BUDGET DEFICIT: **\$591,048,009,469**

US FEDERAL TAX REVENUE **↑ 81%** REVENUE PER CITIZEN: **\$10,187** REVENUE PER TAXPAYER: **\$27,704**

\$3,313,990,343,263

INCOME TAX REVENUE: **\$1,582,868,269,875** PAYROLL TAX REVENUE: **\$1,123,170,082,856** CORPORATE TAX REVENUE: **\$305,502,049,713**

TOTAL STATE REVENUE: **\$1,987,054,304,399** LOCAL REVENUE: **\$1,352,829,479,779** REVENUE PER CITIZEN: **\$10,267** REVENUE PER TAXPAYER: **\$16,611**

STATE DEBT: **\$1,198,329,889,722** LOCAL DEBT: **\$1,913,922,337,541**

Largest Budget Items

MEDICARE/MEDICAID: **\$1,131,362,120,733** SOCIAL SECURITY: **\$918,908,080,489** DEFENSE/WAR: **\$582,406,030,775**

INCOME SECURITY: **\$302,951,990,531** NET INTEREST ON DEBT: **\$253,764,052,081** FEDERAL PENSIONS: **\$272,737,997,633**

US GROSS DOMESTIC PRODUCT **↑ 106%** TOTAL FEDERAL/STATE/LOCAL SPENDING: **\$6,732,000,327,677**

\$18,755,668,279,387

GROSS DEBT TO GDP RATIO: **106.38%** REVENUE TO GDP RATIO: **35.478%** SPENDING TO GDP RATIO: **35.893%**

US POPULATION 325,335,230	US WORK FORCE NOW 152,342,811	OFFICIAL UNEMPLOYED 7,348,848	DOLLAR SUPPLY ADDED 2017 \$963,169,774,328
US INCOME TAXPAYERS 119,640,415	US WORK FORCE 2000* 155,699,542	ACTUAL UNEMPLOYED 14,759,264	DOLLAR SUPPLY ADDED 1913 \$652,725,971
PRIVATE SECTOR JOBS 120,352,426	NOT IN LABOR FORCE NOW 95,120,893	FULL-TIME WORKERS 124,407,292	DOLLAR TO CITIZEN RATIO NOW \$2,961 PER CIT.
SELF-EMPLOYED 8,706,055	NOT IN LABOR FORCE 2000* 79,600,986	PART-TIME WORKERS 27,888,578	DOLLAR TO CITIZEN RATIO 1913 \$6.71 PER CIT.
UNION WORKERS 15,234,281	MEDIAN INCOME NOW \$30,024	MEDIAN NEW HOME NOW \$308,029	DOLLAR TO NEW CIT. RATIO NOW \$422,692 PER CIT.
GOVERNMENT EMPLOYEES 23,539,391	MEDIAN INCOME 2000* \$28,860	MEDIAN NEW HOME 2000 \$161,101	DOLLAR TO NEW CIT. RATIO 1913 \$345.64 PER CIT.

US TOTAL INTEREST PAID: **\$2,473,907,951,275** INTEREST PER CITIZEN: **\$7,605**

US TOTAL DEBT **↑ 163%** TOTAL DEBT PER CITIZEN: **\$204,974** TOTAL DEBT PER FAMILY: **\$807,009** SAVINGS PER FAMILY: **\$10,135**

\$66,683,620,516,912

TOTAL PERSONAL DEBT **↑ 134%** MORTGAGE DEBT: **\$14,347,777,954,195** STUDENT LOAN DEBT: **\$1,404,893,677,650** CREDIT CARD DEBT: **\$986,173,802,865** PERSONAL DEBT PER CIT.: **\$55,659**

\$18,108,982,669,776

WOW! Those are fun statistics Shawn!

Thanks for bringing so much happiness to your presentation!

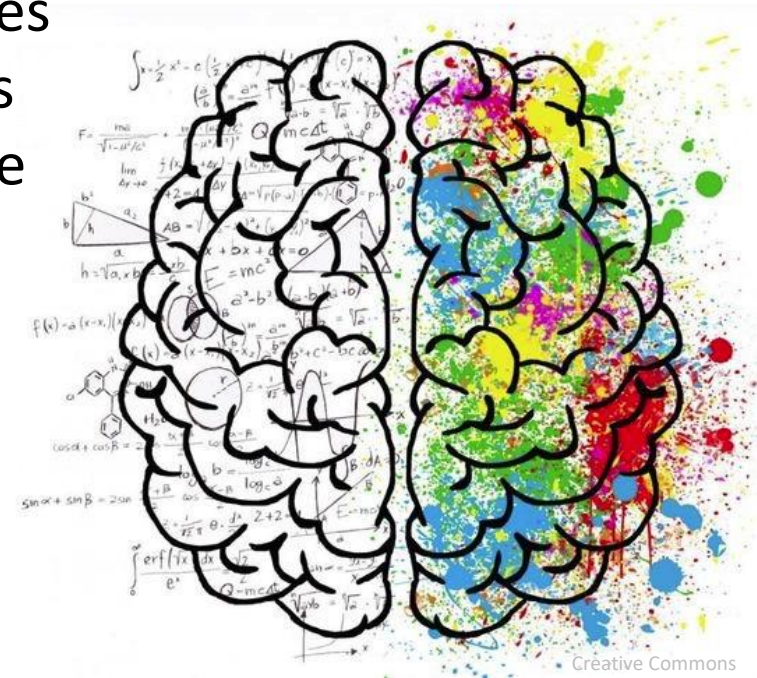
Any more fun information for us?

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.



Heuristic	Default Bias	Decision Paralysis
Status Quo Bias	Availability Bias	Hyperbolic Discounting
Decision Fatigue	Planning Fallacy	Anchoring
Economic Shock	Loss Aversion	Herding
Confirmation Bias	Framing Effect	Inhibition



Scarcity

is having less than you
feel you need.

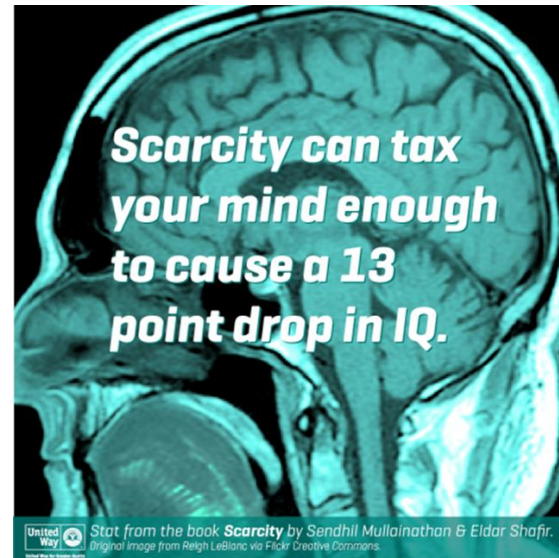
--Mullainathan & Shafir

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

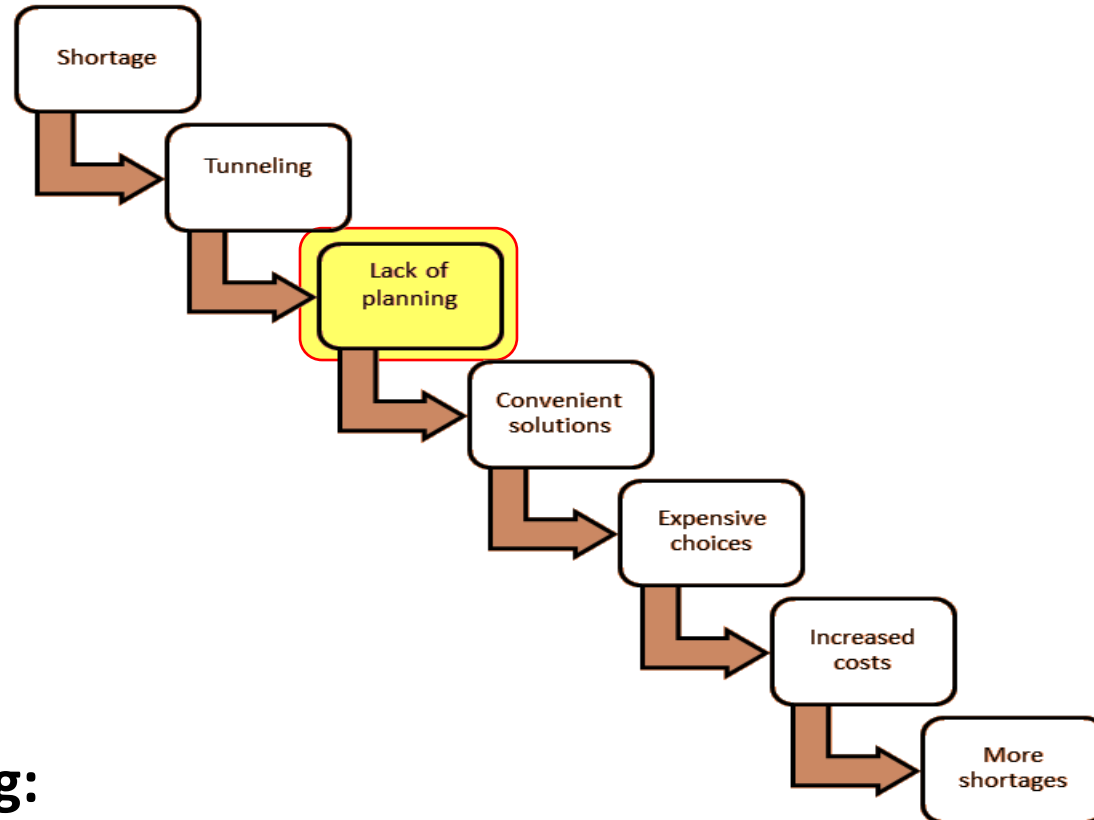
In classical economics, Scarcity is the gap between limited resources and the wants or needs people have for those resources. (Investopedia.com)

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.)

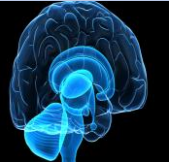




Tunneling is the act of focusing so intently on one issue that other issues are unable to be seen or acted upon.

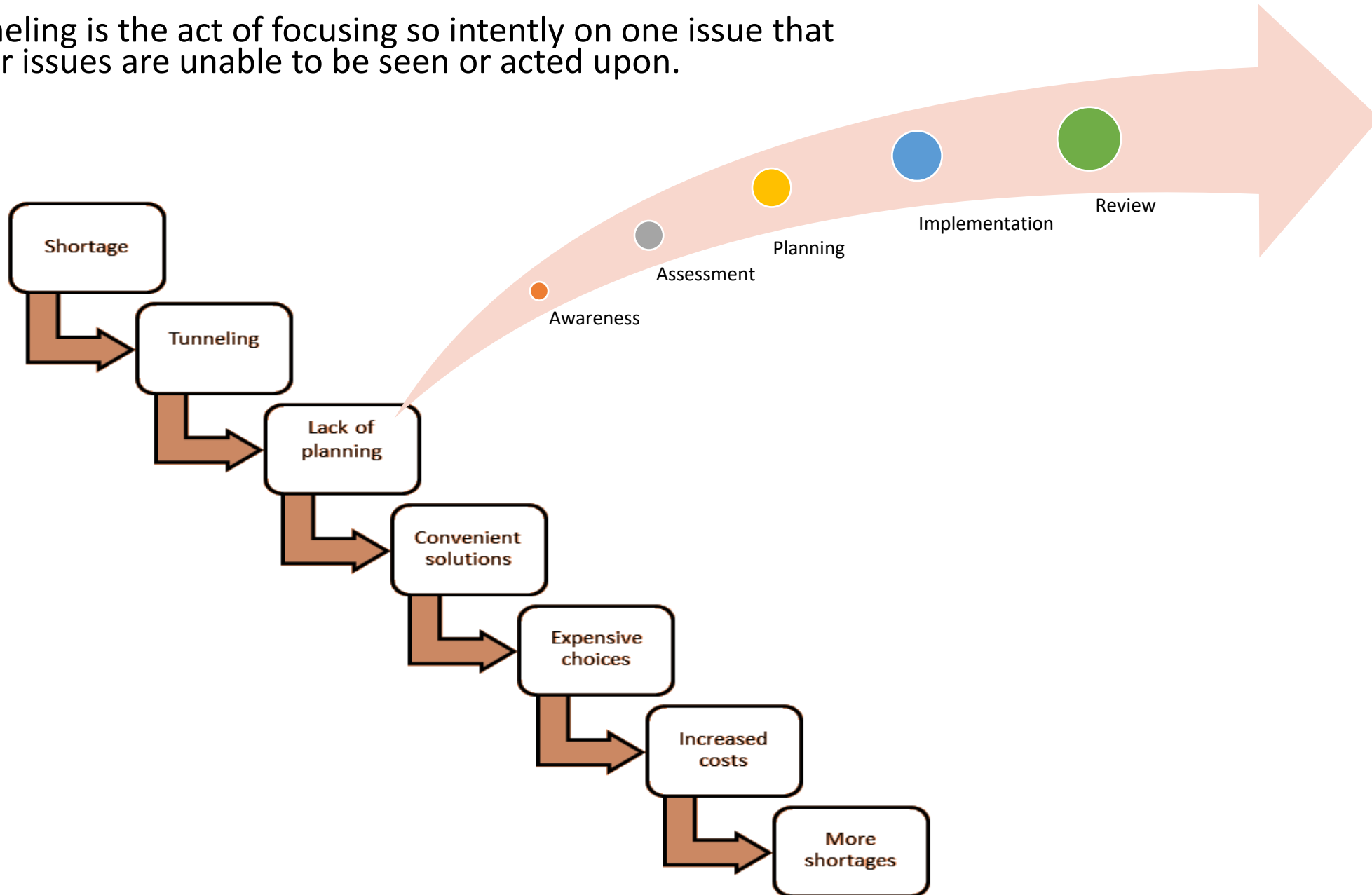


Juggling:

The constant move from one pressing task to the next.

Individual Scarcity		Organizational Scarcity
<p><u>Cognitive</u></p> <ul style="list-style-type: none"> • Difficulty planning ahead • Fighting fires instead of preventing them • Hard to focus • Impaired Executive Functions 		<p><u>Planning and Directing Process</u></p> <ul style="list-style-type: none"> • Spending the bulk of management meeting time on “fighting fires” (dealing with scheduling problems and complaints due to stressed, overstretched staff) • Projects done at the last minute or late, often not done as well as you want them • Attempting various “fixes” for problems, without a coherent, systemic strategy • Focus on cutting expenses and “unnecessary” activities without considering long term effects • 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
<p><u>Emotional</u></p> <ul style="list-style-type: none"> • Anxiety • Fear of change 		<p><u>Nurturing of Agency Culture</u></p> <ul style="list-style-type: none"> • 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 • Supervision is infrequent, unclear and/or inconsistent • Restricting attendance at outside meetings and professional growth activities, cutting off contacts with other organizations or people who could be supportive • Lack of fun and humor • It’s easier to get information from the rumor mill than from administration • Staff don’t feel valued or heard
<p><u>Physical</u></p> <ul style="list-style-type: none"> • Difficulty sleeping • Poor diet • “No time” to exercise or do other types of self-care 		<p><u>Working Environment</u></p> <ul style="list-style-type: none"> • Rationing of basic supplies • Decreased upkeep of buildings, vehicles, website, etc. • Difficulty accessing tools staff need to accomplish their jobs smoothly • No long term plans for improvement of physical environment • Complaints from staff about working conditions

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A Different Paradigm and Approach

What is Economic Security?

Finance and Economics

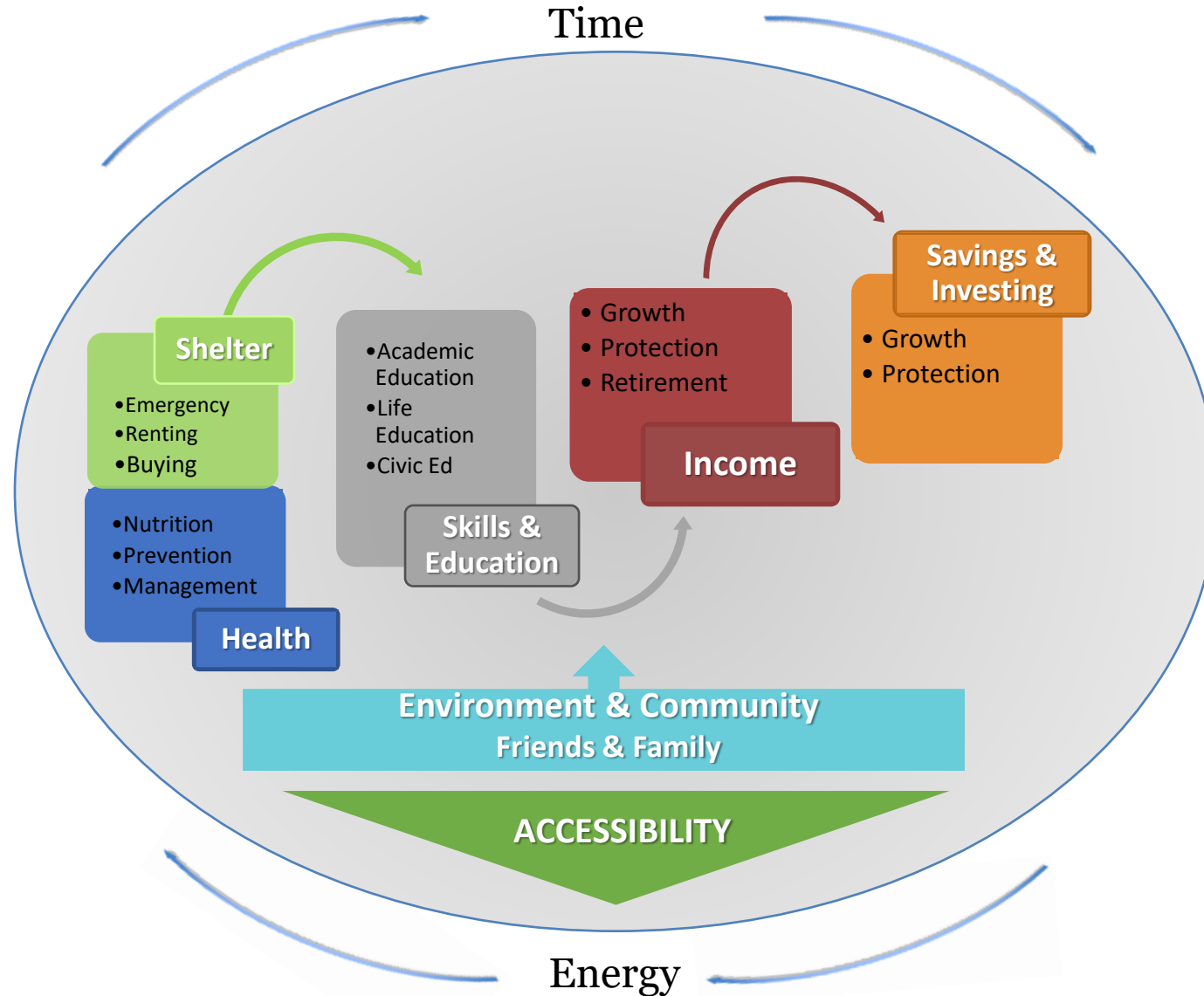
Finances = **Money** going in and out
(Think income)

Economics = All **Resources** going in and out
(Think assets)

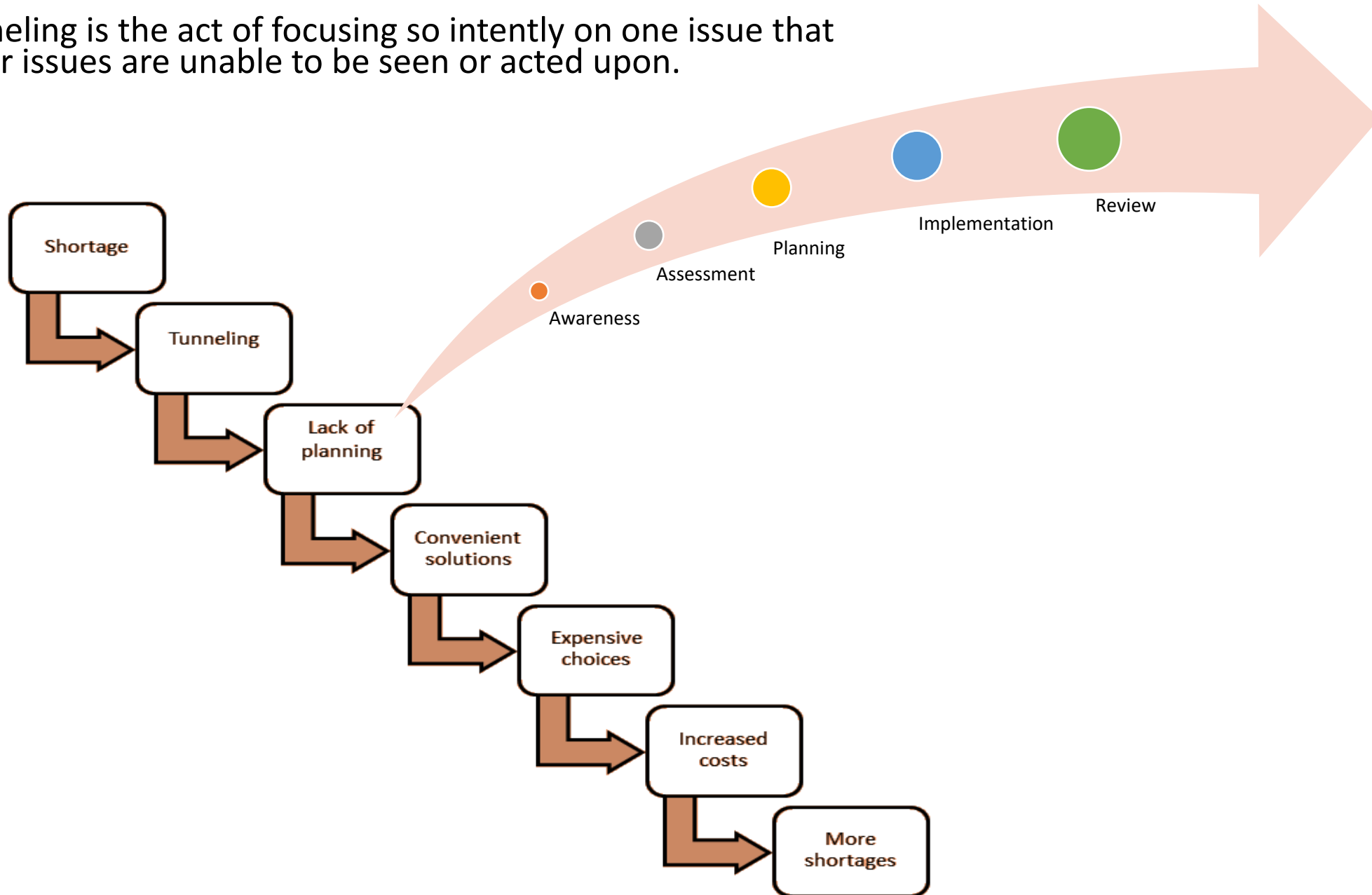
Social Determinants of Health



Asset Building Continuum



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About The Lab

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Sign Up



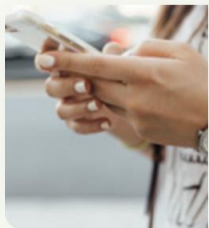
MY Financial Health Lab

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!

I'm Ready

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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