

GOVERNING

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Cities Launch Anti-Poverty Centers

With federal support for social service programs dwindling, cities are looking for new ways to combat poverty.

BY J.B. WOGAN | JULY 30, 2013

In light of federal budget cuts to discretionary domestic programs that serve the poor, city leaders are looking for new ways to alleviate poverty on their own. Perhaps the most high-profile example is New York City's Center for Economic Opportunity (CEO), which raises public and private funding to test social service programs and reinvest in ones that work. In the realm of anti-poverty work, the CEO model appears to be catching on.

This year Philadelphia Mayor Michael Nutter launched the Office of Community Empowerment and Opportunity, which goes by the same acronym as its New York sibling -- evocative of the corporate research-and-development approach that mayors hope will finally reduce urban poverty. About 28 percent of Philadelphians -- between 430,000 and 440,000 residents -- live below the federal poverty level. In July, the city released Shared Prosperity, a long-term plan for its anti-poverty office. As with New York City, Philadelphia intends to establish baseline indicators of local poverty as well as benchmarks for achieving progress. Also like New York, the office would demand better data collection and evaluation of programs' effectiveness.

Philadelphia isn't alone. Mayors from several other cities, including Hartford, Conn.; Providence, R.I.; and Richmond, Va., have launched anti-poverty campaigns that mirror New York's in the past few years. In each case, the hope is that mayors can force state and local agencies to coordinate programs, collect better data on social outcomes and raise supplementary funds from the federal government and the private sector for effective policies.

At least part of the impetus for city-led solutions is recent downward financial pressure at the federal level. Although the full impact of the sequester is still unclear, preliminary reports from think tanks and local government agencies suggest federal funding would decrease (or already has) for low-income home energy assistance, Head Start, housing choice vouchers and unemployment insurance benefits. Even without the sequester, cities would be serving a higher number of people suffering from long-term unemployment, a byproduct of the nation's slow economic recovery. One measure of the problem is the national poverty rate over time, which climbed from 11.3 percent to 15.1 percent between 2000 and 2010. "The recession led to tight fiscal conditions, but also increased need," says Sharon Parrott, vice president of the Center on Budget and Policy Priorities.

As cities create anti-poverty offices, they try to understand the extent of local poverty, its distribution across demographic groups and the root causes. Earlier this year a commission appointed by Richmond Mayor Dwight Jones outlined regional factors that have resulted in a poverty rate for Richmond that is more than twice that of Virginia. Those factors included the concentration of public housing in the city, the destruction of working class neighborhoods by freeways, white flight and the decline of the manufacturing industry. The commission also noted that the regional transit system isn't sufficient for providing access to entry-level jobs and many of the available jobs require skills that local workers don't have. The same analysis would likely apply to any American city with a high poverty rate.

The Richmond commission recommended a long to-do list for combatting poverty, such as getting the Virginia General Assembly to streamline eligibility requirements for federal public assistance programs and promoting financial literacy. Going forward, a citizen body appointed by the city council would be charged with monitoring the progress of Richmond's anti-poverty plan.

In Hartford, Conn., the problem is that local public agencies don't talk enough to one another -- an issue echoed in Philadelphia's July report. "It wasn't so much a lack of resources as a lack of people working together," says Hartford Mayor Pedro Segarra, who was elected in 2010. "We needed to have a way to join into an effort for collecting the data so we could figure out what was working and what wasn't."

Hartford Opportunities, Segarra's version of CEO, seeks to create regular communication and collaboration across the city's public school system, the state's Department of Children and Families, the local chapter of United Way, the Hartford Foundation for Public Giving, the local public library system, and more than a dozen other public and private stakeholders. Last month, the mayor's office hired a demographer to better understand the state of poverty in Hartford.

Aside from better communication, what might the anti-poverty offices actually do? After winning a federal Social Innovation Fund grant in 2010 for \$85 million over five years, several cities -- Kansas City, Mo.; Memphis; Newark, N.J.; New York City; San Antonio; Tulsa, Okla.; Cleveland; and Youngstown, Ohio -- began piloting various social policies, such as matched savings accounts for low-income tax filers and conditional-cash transfers for demonstrated improvements in health, education and employment. The grant allows for experimentation across multiple cities and the ability to test whether programs work in different contexts.

In Hartford, Segarra says he would like to mimic a project in Los Angeles called the Magnolia Place Family Center, a neighborhood resource center with prenatal care and dental hygiene services, a bank, a library, nutritional programs and an early learning center. About a dozen partners, representing a mix of city, county and nonprofit organizations, operate out of the same building. Ideally, Segarra says, several of Hartford's neediest neighborhoods would get their own Magnolia Place.

Although reductions in state and federal funding are motivating cities to try out new social programs, there's also a political upside to replicating the Center for Economic Opportunity model. Rigorous evaluation and data collection can both demonstrate effectiveness and allay taxpayer fears about fraud, says Linda Gibbs, deputy mayor for Health and Human Services in New York City. "This type of activity can really reinforce taxpayer support for programs for the poor."