

CERN: Asset Poverty and Economic Mobility in Savannah

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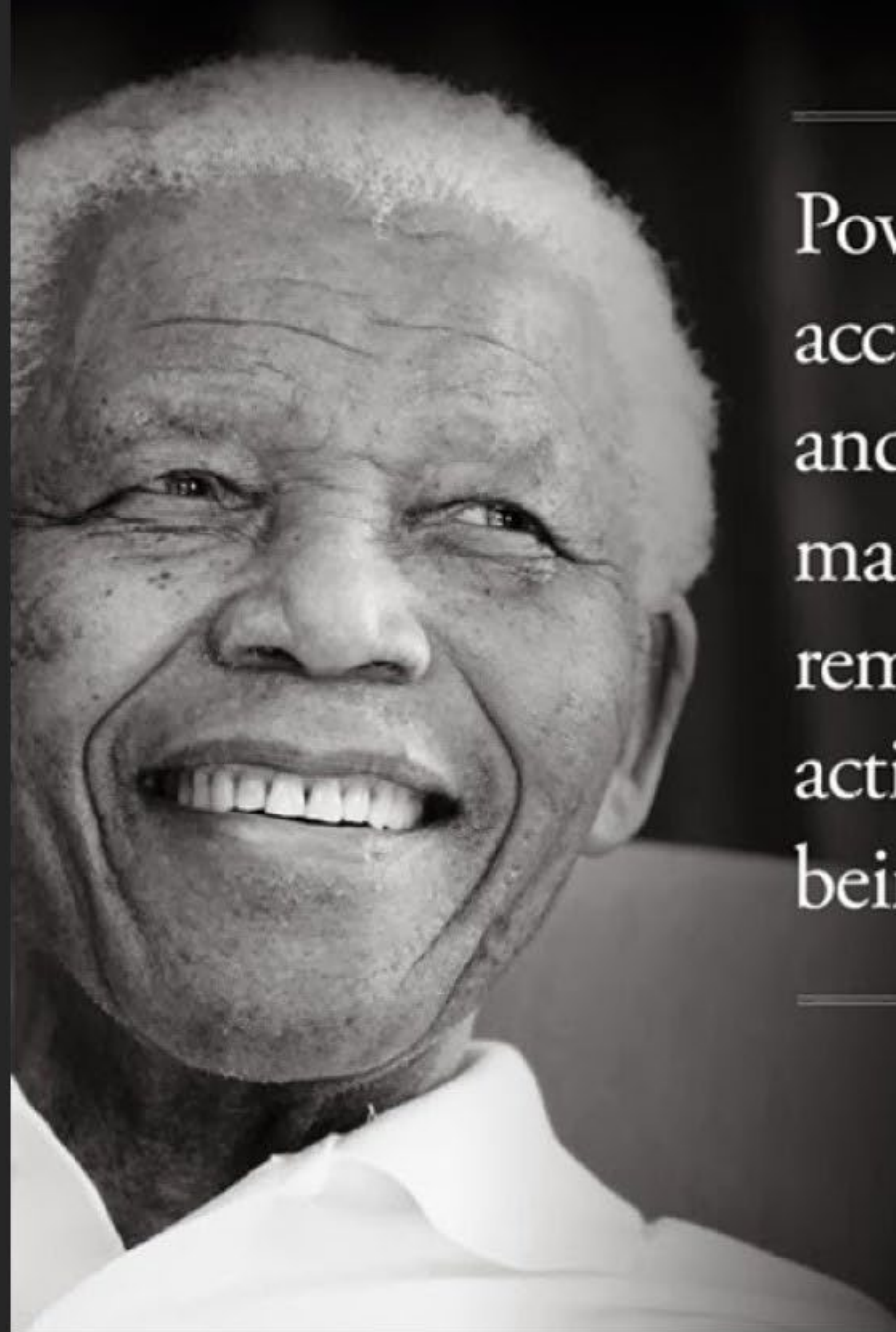
step up savannah

- Established in 2008 as a poverty reduction initiative, Step Up Savannah operates as a stand-alone nonprofit agency, that offers direct service programming, but also acts as an advocate, convener, collaborator, and capacity builder to address the complicated issues around persistent poverty in the Savannah-Chatham Community and in the SE Region.
- **Mission: Step Up Savannah promotes economic inclusion and financial security from Chatham County, GA.**
- ***Vision: Step Up Savannah believes that Savannah is a community where all people have hope and opportunity, where we challenge injustice, and where all community members step up to create a more economically inclusive community.***

Mission and Vision

How we define it will determine...

1. What we are willing to see
2. Motivation to resolve
3. Commitment to resolution
4. What we are willing to give up
5. Who we are willing to confront
6. What our personal leadership legacy will be



“
Poverty is not an accident. Like slavery and apartheid, it is man made and can be removed by the actions of human beings.
”

Nelson Mandela
1918-2013

POVERTY

Poverty is...

not only the absence of material wealth, but it is also the scarcity of access, influence, opportunity, education and justice.

Poverty is a **BIG ISSUE**...

- Poverty is a socio-economic issue with many dimensions
 - Race
 - Gender
 - Geography
 - Policy
 - Wealth Distribution



A close examination of wealth in the U.S. finds evidence of staggering racial disparities. At \$171,000, the net worth of a typical white family was nearly ten times greater than that of a Black family (\$17,150) in 2016.



Asset Poverty: Asset poverty is having insufficient net worth – this includes durable assets such as savings a home or business – to cover three months of living expenses without income.

Income Poverty: Income Poverty is when a family's total income is less than the family's federal threshold. When this happens the family and every individual in it is considered in poverty. The official poverty definition used by the US Census is the money and income before taxes and does not include capital gains or noncash benefits (such as public housing, Medicaid, and food stamps).

The Wealth Gap is Widening

- *For every dollar owned by the average white family in the United States, the average family of color has less than one dime.*
- *This wealth gap or divide is further exacerbated by growing barriers to economic mobility in the United States. The National Poverty Center reports that the 26 million people (58%) represented as America's poor are ethnic minorities. Most of those who are economically disenfranchised live in the country's southern region, where there is a traditionally high African-American population.*
- *Economic mobility and wealth indicators highlight the economic equity issues along the lines of color, with African-Americans being impacted at exponentially greater rates than any of their counterparts, creating in essence what W.E. Dubois called "a poor race in a land full of dollars."*

Percheski & Gibson-Davis, 2020

What is *economic mobility*?



- **Economic mobility** is the ability of someone to change their income or wealth over their lifetime and is usually measured in income.
 - During a person's lifetime
 - Over a Generation
- It includes the opportunity for children born into poverty to have the chance to break out of it and change the generational trajectory of a family.
- **Primary predictors**
 - Education
 - Location
 - Criminal background



Savannah's Impoverished

ALICIA M. JOHNSON, STEP UP SAVANNAH

- ❑ Savannah's asset poverty rate is 35.6%. The County's asset poverty rate is 30.5%.
- ❑ 31.3% of our population is underbanked or unbanked
- ❑ 60% of renters are spending 30% or more of their income on housing costs.
- ❑ 54.7% of those living at or below the 199% federal poverty level are uninsured.



The Problem by the Numbers

Affordability of homes in Savannah is 3.7x higher than the median income

Median household income for white households is 2X that of black households in Savannah (ACS, US Census).

Only 38.6% of the people of color in Savannah are homeowners as compared to their white counterparts of 50.8% (ACS, US Census).

Income Poverty in Savannah



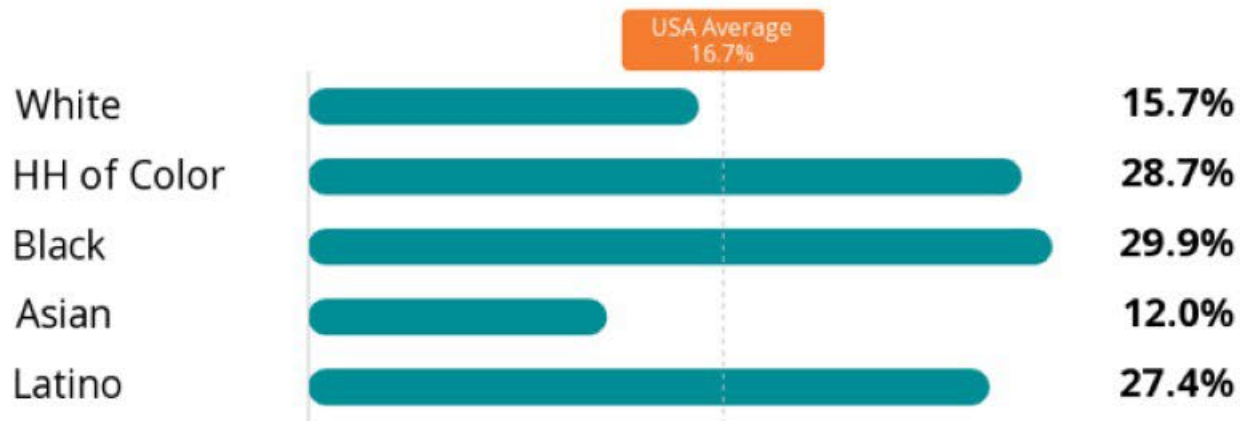
The income poverty rate for African-Americans in Savannah is 26.1% as compared to their white counterparts at 7.2%.

- Moreover, the labor market engagement and jobs proximity index indicate that African-Americans in Savannah are least successful in accessing employment. On average they live in neighborhoods with a 10-point gap in job proximity and a 17-point gap in labor market engagement as compared to their white counterparts (City of Savannah Assessment of Fair Housing, 2017).

<https://www.savannahga.gov/DocumentCenter/View/10596/City-of-Savannah-Assessment-of-Fair-Housing?bidId=>

Asset Poverty is **STILL** a real issue in Savannah-Chatham...

Households with Zero Net Worth by Race in Savannah, GA Metro



Source: Prosperity Now Estimates Using SIPP and ACS, 2014

PROSPERITY NOW
SCORECARD

Income Poverty Rate by Race in Savannah, GA



Data shows "n/a" in instances where there are too few observations to produce a reliable estimate.
Source: American Community Survey, 2013-2017

PROSPERITY NOW
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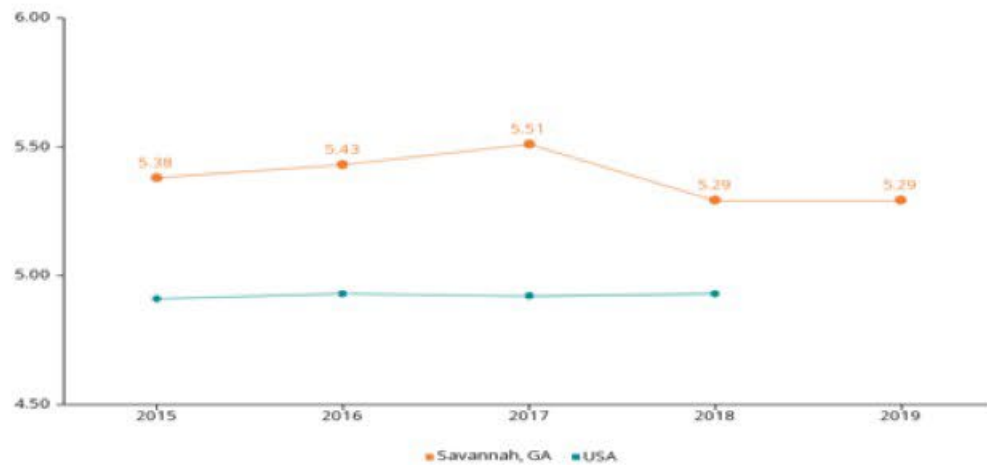
Income Inequality:

The ratio of the annual household income of households in the top income quintile to households in the bottom income quintile. Data years: 2015-2019. Source: American Community

SAVANNAH, GA:

5.5X AS HIGH FOR TOP 20%

Change in Income Inequality



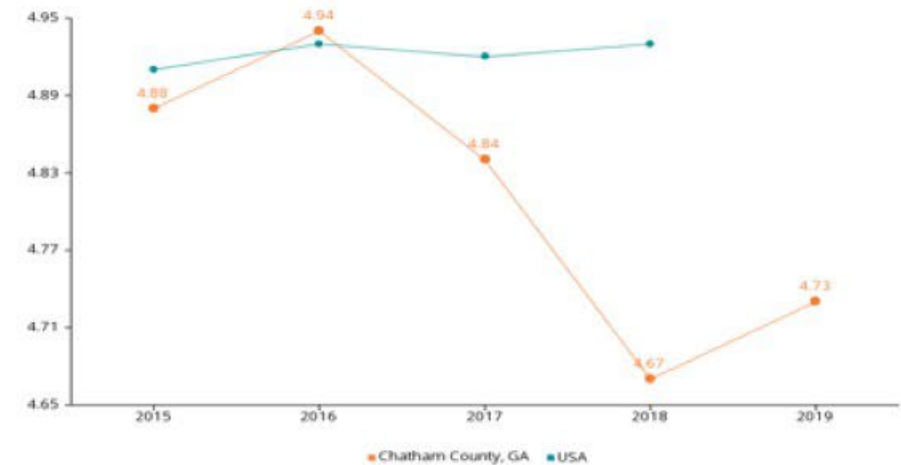
PROSPERITY NOW
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Source: American Community Survey, 2015-2019

CHATHAM, CO:

4.8X AS HIGH FOR TOP 20%

Change in Income Inequality



PROSPERITY NOW
SCORECARD

Source: American Community Survey, 2015-2019

Employment and Income Equity:

75% of the families living in poverty in Savannah are led by African-American Single Females. (ACS, US Census).

- ❑ **4 IN 5 BLACK MOTHERS ARE KEY OR PRIMARY BREADWINNERS FOR THEIR HOUSEHOLDS**
- ❑ **BLACK WOMEN ARE ONLY PAID 62 CENT FOR EVERY DOLLAR PAID TO WHITE MALE COUNTERPARTS**
- ❑ **BLACK WOMEN IN SAVANNAH EARNED A MEDIAN INCOME OF \$26,537 IN 2019**
- ❑ **MEDIAN HOUSEHOLD INCOME FOR WHITE HOUSEHOLDS IS 2X THAT OF BLACK HOUSEHOLDS IN SAVANNAH**



Expenses for One Adult Homes in Chatham County, GA

Expenses	1 Adult 0 Children	1 Adult 1 Child	1 Adult 2 Children
Food	\$3,010	\$4,446	\$6,682
Childcare	0	\$5,992	\$8,443
Medical	\$2,489	\$7,842	\$7,553
Housing	\$9,924	\$11,952	\$11,952
Transportation	\$4,332	\$8,425	\$10,689
Other	\$2,812	\$4,688	\$4,867
Required Annual Income After Taxes	\$22,557	\$43,345	\$50,187
Annual Taxes	\$4,284	\$8,430	\$9,795
Required Annual Income Before Taxes	\$26,841	\$51,774	\$59,987



Census Tract	Savannah Neighborhood	Projected Income of Children by Age 35, (\$k)
13051001100	Eastside	19
13051002100	Benjamin Van Clark Park	19
13051002700	Midtown	21-23
13051000601	Westside	21
13051000100	Yamacraw Village	19
13051001200	Kayton/Frazier	16
13051011400	Metro Savannah	19
13051010501	Tremont Park	17

Economic Mobility of Children in Poverty in Savannah

Source:

National Equity Atlas and Equality of Opportunity Project Economic Tracker

An Economy that Does Not Work for Everyone Does Not Work

1. Go for BIG CHANGE
2. Prioritize partnership and collective power
3. Lead with empathy and compassion
4. Act with integrity and earn the community trust

