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Basic needs too costly for many

Gary Pettus • gpettus@clarionledger.com • June 17, 2010

Lucy Johnson of Sharon did the math: Zero plus 1,000 equals 4,000.

Starting with nothing, she'd get \$3,000 to pay for her daughter's college education - if she saved \$1,000 on her own.

"I knew it would be hard, but I wasn't sure how else I'd get the money," said Johnson, a single parent. "I thought, 'It can't hurt to try.'"

The terms of the three-to-one match were set by Sacred Heart Family Center in Madison County under a savings program to help struggling families like Johnson's.

In a new economic report, Sacred Heart is one of nine organizations singled out for working to solve a problem that swells costs for health care, criminal justice and social services.

The report says more than 236,000 Mississippi households, about one third of the total, struggle to make ends meet.

In Hinds County, the rate is virtually identical: 32.1 percent, or 21,900 households.

"Building Economic Stability for Mississippi Families," was released last week by Oakland, Calif.-based Insight Center for Community Economic Development.

"The report says, 'We know what the problem is, now here are some examples of how folks are trying to solve this,' " said Ed Sivak, executive director of the Mississippi Economic Policy Center, which participated in the study.

In December, Sivak's organization came out with its own report, the "Self-Sufficiency Standard for Mississippi 2009."

It offered a similarly gloomy verdict: Even before the economic recession, almost a third of state

households could not pay for basic needs such as food, transportation, health care, child care and, as in Johnson's case, education.

"Education is the best way to move toward self-sufficiency," Johnson said.

"That's why I was worried about being able to afford sending my daughter to college."

But there are differences in the Insight Center report, Sivak said.

It explains in detail how a number of diverse organizations are helping people find a way to afford their needs.

For Deunta Butler, of Brandon, that need is a car.

"I had two jobs, but my hours got cut big time on one of them," said Butler, 45. "I got behind on my car note."

The loan was financed by the Enterprise Corporation of the Delta's Hope Community Credit Union, with services that include financing for low- and moderate-income people.

"We could have repossessed it," said Felicia Lyles, manager of the Hope branch in Jackson.

Butler had been able to afford payments on his car because of Hope's terms; now he had to count on

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the agency's good graces to keep his 2006 Chevy Malibu.

"We financed the loan based on what he could pay and cut the interest rate from 12 to 6 percent," Lyles said.

Butler, a security guard and delivery man, is no longer behind on his payments, he said. "They worked with me."

The Insight Center report recommends a broad list of other solutions, such as supporting working people with affordable housing, transportation vouchers and subsidies for child care; and ensuring equal pay for minorities and women.

"One thing we know: If women can't make a living wage, they can't support their families," said Carol Penick, executive director of the Women's Fund of Mississippi.

"If they don't have an education or child care or transportation, they can't do anything about making a living wage."

To boost women, particularly single moms, the Women's Fund is backing a program - Women in Construction - that trains them as painters, bricklayers and other high-end laborers. The program is run by Moore Community House in Biloxi.

"If they learn these trades, they can go from earning minimum wage to making \$18 to \$20 an hour," Penick said.

That wage, or any wage, goes further in some counties than others, as the Insight Center report points out.

For instance, in Carroll County, a family of two adults, one preschooler and one school-age child needs \$32,076; in Hinds, it's \$38,960; in more affluent Lamar County, it's \$45,261.

These numbers come from the "Self-Sufficiency Standard" the Insight Center developed and swears by.

Officials there say it is designed to give a more accurate measure of basic needs compared to the nation's official poverty scale the Federal Poverty

Thresholds.

That measure was developed four decades ago and does not take into account, for example, child-care costs.

The report, available at www.insightcced.org, even provides a "Self-Sufficiency Calculator" so families can figure how much they really need to make ends meet.

But two years ago, Lucy Johnson didn't need a calculator to tell her she had to scramble to find a way to get her daughter, Alesha, through college.

"She was finishing the 11th grade," said Lucy Johnson, a secretary in the Madison County School District's office of federal programs.

One of her four children had dropped out of college after a year because the money wasn't there.

Now, with two children still living at home, "I knew my daughter was going to college, but I wasn't sure how," Lucy Johnson said.

Alesha Johnson applied for grants and scholarships, but they would not be enough to cover most costs, Lucy Johnson said.

Then she heard about Sacred Heart's lifeline: the Individual Development Account Program.

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"Many people aren't able to afford a college education for their children," said Sister Donna Gunn, program coordinator. "They don't have assets; no rainy day fund, nothing to fall back on.

"So we developed this program, giving them an incentive to save by matching their savings three to one.

"But they must also participate in financial education programs that show them ways to save."

That's what Lucy Johnson did. Then she socked away \$1,000 over a couple of years, she said.

"That's difficult for people who can barely make ends meet," Gunn said.

Now Alesha Johnson, 19, Velma Jackson High School class of '09, is enrolled at Holmes Community College in Goodman and attends summer classes at the Ridgeland campus.

The \$4,000 won't pay for four years of college, Lucy Johnson said, but it is paying for community college tuition, books, supplies, a computer, printer and more.

"It has given her a start," she said. "To get her through senior college, we'll apply for grants, scholarships and maybe loans.

Alesha Johnson will also hold jobs every summer and probably during school.

"She knows she's going to have to work for this, too."

To comment on this story, call Gary Pettus at (601) 961-7037.



Through Sacred Heart Family Center's Individual Development

Organizations making a difference:

- Children's Defense Fund, Southern Regional Office, Jackson
- Tri-County Workforce Alliance, Clarksdale
- Moore Community House, Biloxi
- Enterprise Corporation of the Delta/Hope Community Credit Union, Jackson
- Back Bay Mission, Biloxi
- Mississippi Council on Economic Education, Jackson

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- The Mississippi Corridor Consortium, Tupelo
- Sacred Heart Family Center, Camden
- Helping Economic Growth Advancement, Hollandale

Source: Insight Center for Community Economic Development

Recommendations

- Use the Self-Sufficiency Standard to pinpoint promising job areas, and broaden qualifications for work supports.
- Earmark investments in education, skills development and support services that help low-income Mississippians attain better-paying jobs.
- Ensure equal pay for women and people of color.
- Ease access to programs that help workers stay employed and "make work pay," including the Earned Income Tax Credit, child-care subsidies, affordable housing and transportation vouchers.
- Promote programs that help families save, such as Individual Development Accounts, Family Savings Accounts and affordable loans and other financial services.
- Encourage a coalition of nonprofit organizations, foundations, policy makers, community colleges and businesses that help residents gain economic stability.

Source: Insight Center for Community Economic Development

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