

# GOVERNOR INSLEE'S POVERTY REDUCTION WORKGROUP

## Interim Progress Report

October 2018

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Department of Commerce



Employment  
Security  
Department  
WASHINGTON STATE

### **In partnership with the following Poverty Reduction Workgroup member organizations:**

Association of Washington Businesses • Bill & Melinda Gates Foundation • Catholic Community Services • Chief Seattle Club • Commission on African American Affairs • Commission on Asian Pacific American Affairs • Commission on Hispanic Affairs • Department of Children, Youth, and Families • Department of Corrections • Department of Health • Goodwill Industries of the Olympic & Rainier Region • Health Care Authority • Mentor Washington • Northwest Harvest • Office of the Insurance Commissioner • Office of Superintendent of Public Instruction • Pacific Mountain Workforce Development Council • Partners in Careers • Partners in Employment • Puget Sound Training Center • Senate Republicans & Democrats • State Board for Community & Technical Colleges • Statewide Poverty Action Network • United Way of Pierce County • United Ways of the Pacific Northwest • Vancouver Housing Authority • Washington Business Roundtable • Washington State Budget & Policy Center • Washington Coalition Against Domestic Violence • Washington State Hospitality Association • Washington Student Achievement Council • Washington State Community Action Partnership • Workforce Snohomish • Work Force Training & Education Coordinating Board

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## FOREWORD

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Come join us on a journey. We're embarking together to rethink poverty reduction from the ground up and deploy new answers. We intend to steadily accelerate poverty reduction and move people and entire communities out of poverty on a large scale. We respect the rights of people and communities' self-determination – this work must empower people to move up in ways that match their desires for their own lives as well as the history and fabric of their own communities.

This journey is critically important for communities of color, rural communities, tribes, children and youth, the LGBTQ community, and middle class families at risk of falling into poverty all across Washington. Some of our communities have lived with deep poverty for generations. Many families are one recession away from losing their jobs and falling into poverty. But all of these different communities are united in their desire to reduce poverty, escape from poverty, and never fall back into poverty. *Our opportunity is to capture that unity of purpose and turn it into a new approach—broadly supported by many different communities—that measurably accelerates poverty reduction for all communities.*

Our first steps have uncovered essential decisions, questions, and root causes. Our course takes two tracks, learning and action, and we intentionally consider data and human stories, because one without the other leaves us with partial and potentially misleading diagnostic information. Poverty reduction is a complex and consequential topic, and the team's discussions have avoided superficiality and tackled meaningful questions that will drive results-oriented decision-making, such as:

- Is escaping from poverty an individual endeavor, a family endeavor, a community endeavor, or all three?
- What are the personal stories behind the data? What do people tell us about the barriers that keep them in poverty, the interventions that help them move out of poverty, and where they now stand in their journey toward self-sufficiency?
- How are the solutions different for a person with a significant mental illness, a person with a severe addiction, a person living in a rural county with 15% unemployment, and other people whose pathway out of poverty is more complicated than we might at first think?
- How can we account for the major impacts of family trauma, historical trauma, and racism in poverty? How can we unravel generations of bias that create systemic barriers to economic mobility?
- How can poverty reduction help the economy and business community, and how might the business community support and promote poverty reduction?
- How might the complicated web of federal, state, and local programs become a streamlined, user-friendly, easy-to-understand system that accelerates poverty reduction?
- What can be done on the prevention side, to increase high school graduation rates, reduce unintended pregnancy, reduce addiction, and increase early job experience?
- How might our economic development policies result in more living wage jobs that directly help local people escape poverty, in communities all across Washington?

- How might our education and justice systems be engaged to support the goal of reducing poverty?

Come join us on this journey. It is a difficult journey, demanding time, work, and deep challenges to long-held points of view. But it's worth it, because less poverty benefits families, businesses, and local economies in every community in our state. Come join us on a journey to a more rational and more humane poverty reduction system. Together, we will steadily accelerate upward mobility out of poverty for all people and all communities in our great state.

Sincerely,



**Diane Klontz**  
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## EXECUTIVE SUMMARY

*“The work of Governor Inslee’s Poverty Reduction Workgroup is not about “social do-gooding”. We must design systems that allow every person access to their full potential SO THAT the full potential of the economy can be realized. Poverty is a major inhibitor of that potential. Local Workforce Councils, like Pacific Mountain commit to helping people find jobs and advance their careers as a way out of poverty and into prosperity. It is the essence of our work and why I wanted to contribute to broader State efforts.” ~Cheryl Fambles, Poverty Reduction Workgroup member and Chief Executive Officer, Pacific Mountain Workforce Development Council*

*“We have an economic system that keeps people at the bottom and stereotypes that demand from those affected by poverty to pull themselves up by their boot straps. Our work recognizes that most often there are no straps to pull from. Our communities want to see and feel systemic change that brings prosperity and opportunities for all. We are committed to making this happen.” ~Marisol Tapia, Poverty Reduction Workgroup member and Senior Programs Manager, Puget Sound Training Center*

### Governor Inslee’s Poverty Reduction Workgroup

In a bold step to improve the well-being of 1.9 million Washingtonians struggling to make ends meet and support our kids, families, communities, and economy in reaching their full potential, Governor Inslee issued a directive establishing an interagency work group on poverty reduction. Co-lead by three agencies – Department of Social and Health Services (DSHS), Employment Security Department (ESD), and Department of Commerce (COM) – the Governor’s Poverty Reduction Work Group (PRWG) is a constellation of state agencies, legislators, state racial and ethnic commissions, tribal and urban Indians, employers, workforce development councils, community-based organizations, and philanthropy.

PRWG has met monthly since February 2018 to work on the development of a comprehensive strategic plan to reduce poverty and inequality in Washington state. The strategic plan is due to Governor Inslee on December 1, 2019. This report is the first update on PRWG’s progress thus far.

PRWG Meeting Locations

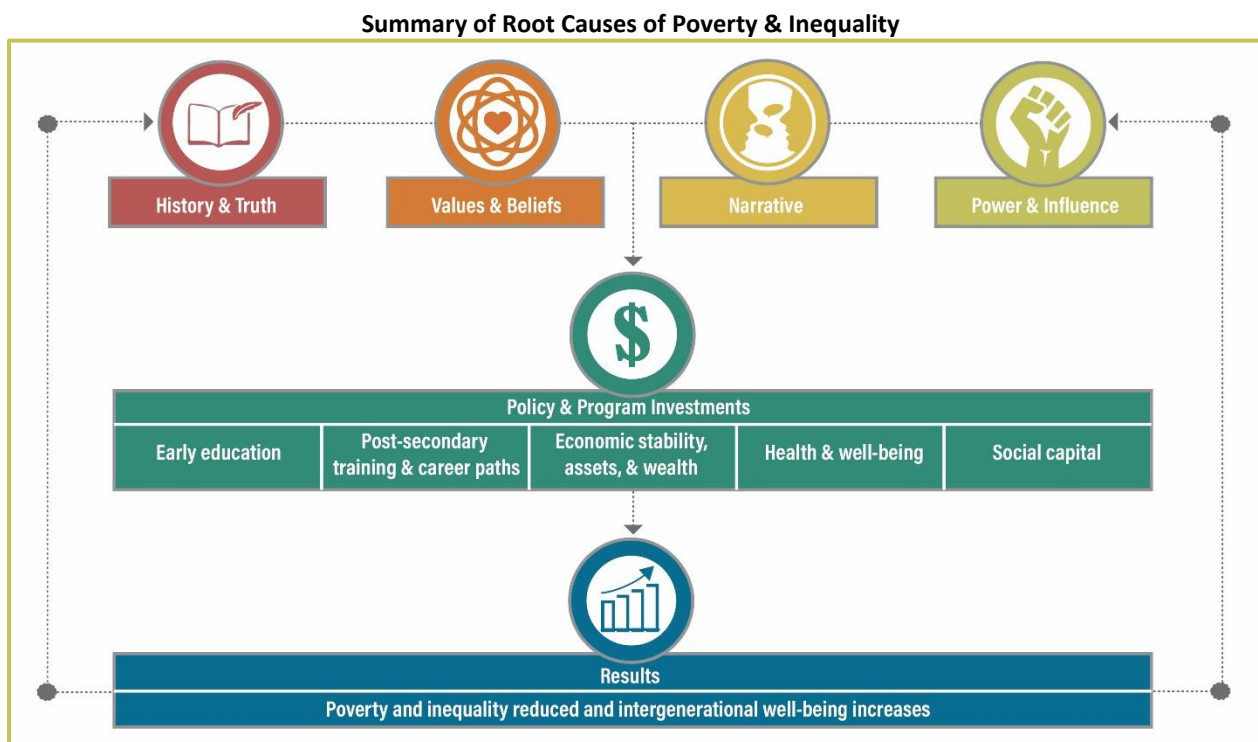


## Disrupting the Status Quo

National and state efforts to reduce poverty can and must be more effective than the status quo. To make a meaningful reduction in poverty and inequality, Washington must change the way we do our work and challenge previously held assumptions. Armed with a strong commitment to a set of guiding principles, PRWG has organized its poverty reduction efforts in the following ways:

**Equity, Influence, & Community.** PRWG has committed to reducing poverty in ways that will achieve equity for those most affected, elevating the expertise and influence of people experiencing poverty in the development of a strategic plan, and building stronger relationships with communities and stakeholders throughout the state that are essential partners for success. PRWG has received generous philanthropic funding to create and sustain an organizational structure that will keep PRWG accountable to these principles, which includes: (1) the creation of a Steering Committee made of people with low incomes to guide our work; and (2) the hiring of consultants to ensure equity is built into the DNA of a strategic plan.

**Digging Deep into Root Causes.** Much of PRWG's work has focused on a deep dive into the root causes of poverty. The root causes identified thus far – a failure to recognize the history and truth of people most affected by poverty; values and beliefs that are influenced by history and harmful stereotypes; a narrative that focuses on personal rather than systemic failure; and a lack of power and influence among people experiencing poverty – result in policy and program investments that are not as effective as they could be. These intersectional root causes support social and economic conditions that make the experience of poverty and inequality all too common, undermining well-being in many of the areas Washingtonians care about most – education, health, economic development, child welfare, juvenile and criminal justice, and more.



**\*Draft\* Framework.** In response to the analysis of root causes, a draft framework is in development. Specific, concrete recommendations will be developed over the next year as PRWG’s work evolves, but in general we seek strategies that will:

- (1) Ensure a robust, fully coordinated suite of policies and programs that are informed by people most affected by poverty, targeted toward those who need them most, and made in partnership with communities; and
- (2) Result in policy and program changes that: make the cost-of-living more affordable; invest in jobs and benefits that provide families enough income to meet basic needs; lend adequate support when people need it; and ensure communities are well-equipped to care for their own residents.

### **Next Steps: Let’s Reduce Poverty & Inequality Together**

Poverty is not an intractable problem. Examples of successful efforts to reduce poverty exist in the U.S. and throughout the world. The effort is well-worth it. Reducing poverty will yield sizable returns for the well-being of children, families, businesses, and communities, and will accelerate progress on the results Washington state is trying to achieve in every area critical to our collective social and economic well-being.

We can’t do it alone. As PRWG continues to draft a comprehensive strategic plan to reduce poverty and inequality, we will be reaching out to communities and stakeholders throughout Washington state to develop concrete policy recommendations and build momentum for this work. And to lay a strong foundation for reducing poverty and inequality moving forward, we recommend policymakers support PRWG’s work in the following ways during the 2019 legislative session:

1. **Aligning PRWG with the new Joint Legislative-Executive Poverty Reduction & WorkFirst Oversight Taskforce created under HB 1482.** HB 1482 repurposes the existing Joint Legislative-Executive WorkFirst Oversight Taskforce to broaden its scope to include poverty reduction and a focus on intergenerational poverty. With the creation of both PRWG and the new taskforce, there is strong executive and legislative accountability for reducing poverty and inequality for the first time in Washington state. We recommend the groups develop an agreement on how they will work together and leverage each other’s strengths.
2. **Provide funding to support and sustain poverty reduction work over the long-term.** PRWG members are committed to doing this work in collaboration with the many public and private stakeholders dedicated to reducing poverty, especially individuals and families most affected by poverty and communities throughout the state that are essential partners in this work. Toward that end, we are requesting funding in the 2019-21 biennial budget to sustain efforts for reducing poverty and inequality over the long-term.

**To stay connected PRWG work, visit Governor Inslee’s “Issues” webpage:**

<https://www.governor.wa.gov/issues/issues/health-care-human-services/poverty-reduction-work-group>.



## INTRODUCTION

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Children, families, and communities can reach their full potential when there is a foundation of opportunities and support beneath them. At a minimum, that foundation should allow Washingtonians to meet their most basic needs – adequate food, a safe and stable home, and strong relationships. At its best, the system of opportunities in Washington state should build off that foundation to provide the building blocks every Washingtonian needs to reach their full potential in life: high quality education and training throughout childhood into young adulthood, a well-paying job, strong social networks, and living in healthy, vibrant communities. When these resources are available the benefits ripple throughout families and communities, and build well-being across generations.

For too many Washingtonians these resources are not available, making it difficult to weather life events that can affect all of us – a layoff, the loss of a loved one, or a sudden illness. **Today, conservative estimates suggest 1.9 million<sup>1</sup> people across our state, including over 500,000 children, don't have enough resources for healthy food, a stable home, or to cover utilities, let alone what's needed to save for a rainy day or invest in their future. That is enough people to fill over 25 stadiums the size of Century Link field.**

The results Washington state is trying to achieve in every area critical to social and economic well-being – education, jobs, health, environment, economic development, child welfare, criminal justice, civic engagement, and more – will not be realized when one of every four residents (26 percent) struggles to make ends meet. Reducing poverty is vital to progress and our collective well-being, and must take its rightful place as a major priority for Washington state.

### Governor Inslee's Poverty Reduction Workgroup

*"In Washington state, more than a half million children live in families that struggle to make ends meet...this is unacceptable anywhere, but especially in a state with so much prosperity. We must do whatever we can to reduce poverty in Washington." – Governor Jay Inslee*

Governor Inslee formed the Poverty Reduction Workgroup (PRWG) via directive on November 6, 2017 recognizing the importance of improving Washingtonians' social and economic well-being for the future of our state. The primary task of the workgroup is to create a comprehensive, 10-year strategic plan to meaningfully reduce poverty.<sup>2</sup> The plan is due to Governor Inslee December 1, 2019.

This report is the first update on the progress of PRWG and is intended to provide an overview of how efforts to create a comprehensive strategic plan are being informed and conducted, as well as highlight important next steps. While PRWG has made significant progress since its inception, our efforts remain a work-in-progress. It is our intent that this report be widely shared, that stakeholders provide feedback, and that public and private momentum for poverty reduction in Washington state will continue to grow.

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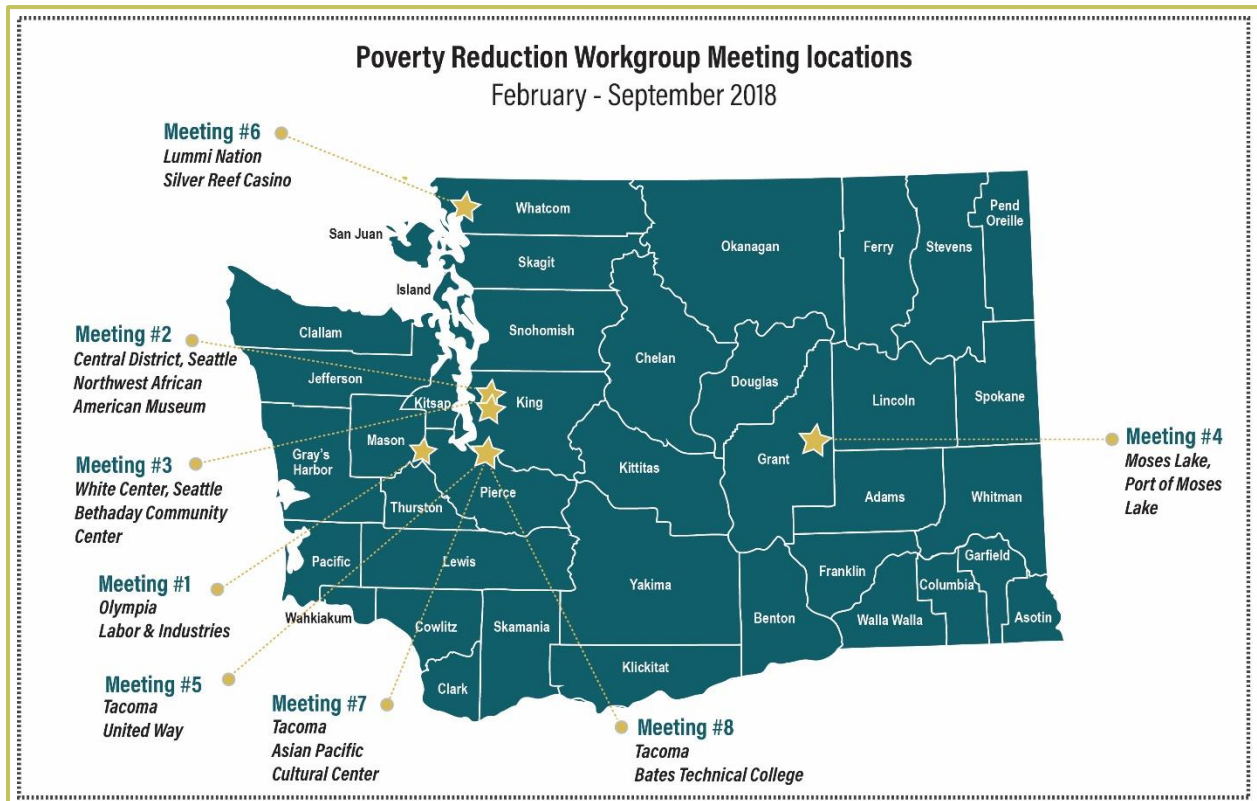
<sup>1</sup> 2016 American Community Survey; share of people living below 200 percent of the federal poverty level

<sup>2</sup> In his Directive, Governor Inslee initially requested a strategic plan by September 1, 2018. PRWG members requested a longer deadline given the complexity of the task at hand, and agreed to submit a progress report with mid-course recommendations. We agreed to a December 1, 2019 deadline for the submission of the final strategic plan.

### Membership & Meetings

The workgroup – a constellation of state agencies, legislators, state racial and ethnic commissions, tribal and urban Indians, employers, workforce development councils, community-based organizations, and philanthropy – was formed in February 2018. In the eight meetings held since, PRWG has intentionally focused on: knowledge-building about the root causes and experience of poverty in communities throughout the state; identifying research-based and community-led solutions; and the drafting of a strategic framework to guide the development of a comprehensive 10-year strategic plan that not only reduces poverty, but promotes intergenerational well-being.

Below is a summary of the meeting locations to-date.<sup>3</sup>



### Guiding Principles

PRWG members come from a range of backgrounds with diverse expertise, and all agree that national and state efforts to reduce poverty can and must be more effective than the status quo. To make a meaningful reduction in poverty, group members are committed to changing the way we do our work and challenging previously held assumptions.

We recognize the following beliefs and principles as essential to creating a strategic plan that will meaningfully reduce poverty:

<sup>3</sup> Meeting details, including minutes and handouts, can be found on Governor Inslee’s “Issues” webpage: <https://www.governor.wa.gov/issues/issues/health-care-human-services/poverty-reduction-work-group>

## GUIDING PRINCIPLES

**The current incidence and disproportionate experience of poverty is, in large part, due to social and economic conditions that make it difficult for people to reach their full potential; therefore, systemic change is necessary.**

**Obtaining a well-paying job that provides stability and peace of mind is the best protection against poverty. However, children and families experiencing poverty often face barriers that make it hard to find a job, and sometimes those barriers are large enough that stable employment is unrealistic. An effective poverty reduction system must recognize this reality.**

**No one public or private entity can reduce poverty on its own; a diverse set of aligned stakeholders is needed to make the systemic changes required for meaningful change.**

**A strategic plan must be developed and implemented in a way that achieves equity for those disproportionately experiencing poverty. This is especially true for Washingtonians of color, tribal and urban Indians, rural families, immigrants and refugees, children and youth, women, and people with disabilities.**

**The expertise and influence of people experiencing poverty is essential to the creation of successful policies and programs.**

**Better alignment is needed among the many stakeholders doing work to reduce poverty in their region.**

**There are no one-size-fits-all solutions to poverty reduction; different demographic groups and communities require customized, targeted investments and solutions.**

**Communities are essential partners in the state's poverty reduction efforts.**

**Both quantitative and qualitative data – especially stories from those most affected – must inform our recommendations.**

### What's in the Report?

The following pages begin by making a strong case for reducing poverty and inequality – it is possible to achieve and would yield sizable social and economic returns for people and businesses across the state.

Next, data and research are presented to demonstrate the prevalence of poverty and inequality among Washingtonians. To bring the data to life, stories of people that have, or are, experiencing poverty are woven throughout the report to show the diversity of experiences they face (**see Box “Listening to the Experts”**).

With the data and stories in mind, a deeper dive into the root causes of poverty and inequality are discussed. In the most basic sense, living in poverty is the result of not having enough resources to make ends meet. But the reasons for not having enough income are rooted in systemic conditions that undermine social and economic well-being. Those root causes must be addressed for a poverty reduction strategic plan to be successful.

In response to the analysis of root causes, a strategic framework to guide policy development is presented. This framework is reflective of key learnings thus far, but remains a work-in-progress and will very likely evolve as PRWG's work progresses.

Finally, we present and highlight important next steps, including practical mid-course recommendations that would lay a strong foundation for statewide poverty and inequality reduction efforts in the near future.

## **LISTENING TO THE EXPERTS**

### **Stories from People with Experience Living in Poverty**

The experience of poverty is not monolithic, nor are the ways people rise above it. People that have lived in poverty, or are currently experiencing it, come from diverse social, demographic, and geographic backgrounds, all of which influence the perceptions and opportunities they have to find solid ground.

Throughout the report, you will find stories that bring the statistics on poverty and inequality to life, capturing the systemic challenges people experiencing poverty face, as well as their humanity, expertise, diversity, and resilience. For those no longer experiencing poverty, these accounts reveal the support systems that helped them along the way – the love for their children; someone who cared and believed in them; a helping hand from a teacher, friend, family member, or person in the community; assistance overcoming barriers, like substance abuse and domestic violence; and connections to programs that helped them stabilize and find a job. For those still struggling to make ends meet, stories reveal that policies and programs – or lack thereof – are undermining their opportunity to be successful.

These stories challenge the current narrative on poverty and inequality. For too long, the “pull yourself up by your own bootstraps” mentality has dominated our response to poverty and inequality, ignoring root causes and resulting in a uniform policy response effective for some, but not others, and too often exacerbating existing inequality. If we want to meaningfully reduce poverty in Washington state, elevating the expertise of people that have, or are experiencing it, is essential.

### **EXPERT #1: NATIVE-LATINA WOMAN LIVING ON HER OWN SINCE AGE 13**

“When you are brought up in poverty, you can get to the highest on the rock, and then someone or something will come along and knock you down. I had small children and I was scared. The system should be equipped to assist us when we are scared and don’t know where to turn.”

“I’ve been on my own since I was 13. Abuse within my family led to me living on the street. When I was 20 I began a relationship and had two children. By the age of 24 I was again alone after their dad left me, and I had to go onto public assistance – Temporary Assistance for Needy Families (TANF).

Going to college was not an option at that time because the kids were little and TANF would only support one year. I attended [school] for Medical Assistant and they used all my financial aid, including all eligible loans. Afterward, I ended up with limited marketable skills and loans amounting to nearly \$10,000. I wasn’t earning enough to repay, so I fell into default. After, even if I wanted to attend college, I couldn’t, because the default made me ineligible for any further funding. Eventually they attached the debt to my income tax (EITC) and it took over ten years to repay what was owed.

In 1999, I moved into low income housing. I experienced troubles with the management...I lost our low income housing and I was homeless. I sent my children to live with their father, but I stayed outside. I was eventually referred to Solid Ground and their program allowed me to stay at Broadview...I was so happy, my kids could have a bath...we still struggled but eventually got into Highpoint, low income housing in White Center. [But] during this time, I witnessed an incident of domestic violence...the perpetrator turned his anger towards me and my children and it caused issues with the management. As a result I lost my housing again.

I began to do volunteer work with the Highpoint School and the PTA. I also did a lot of outreach with the local kids and would often provide food and shelter for them. I returned to Solid Ground and they helped me to find an apartment but I had to get a job within six months. I took any kind of job...warehouse, delivery driver, others. It was long hours. Eventually, I learned about the Statewide Poverty Action Network...I became aware of the many people living in poverty and wanted to volunteer for everything. As time progressed, I decided that working in a non-profit was my path to give back to others and do work that I felt passionate about.

I continue to struggle. I am still in poverty. I only work 15 hours a week and I have no medical. I receive sick leave. I survive on less than \$700 a month and I do other work like childcare to try to make ends meet. I have grandchildren and I have been able to share and inspire them to speak up, follow your heart, and that you can do anything you choose to do in life. I’d like to go back to school and gain additional skills for good employment.

I don’t think there’s a way out of poverty. When you are brought up in poverty, you can get to the highest on the rock, and then someone or something will come along and knock you down. I try and focus on the good things but it is overwhelming to break free and stand on your own. I’ve had lots of jobs, but none that I could live off of. I had small children and I was scared. The system should be equipped to assist us when we are scared and don’t know where to turn.”

### **EXPERT #2: BLACK MALE REFUGEE BUILDING A NEW LIFE IN THE PACIFIC NW**

“Once they had helped me learn enough English to communicate on my own I was able to find a job, which I still have today. I am able to pay all of my bills...but I still feel unstable.”

"I arrived confused and anxious from Congo. It wasn't until my case manager helped me with interpretation that I was able to find health insurance and learn how to navigate the area using public transportation. Once they helped me learn enough English to communicate on my own, I was able to find a job, which I still have today. I am able to pay all of my bills, but because of my limited English and the size of my family, I still feel unstable.

## FOUR REASONS WHY WE SHOULD REDUCE POVERTY & INEQUALITY

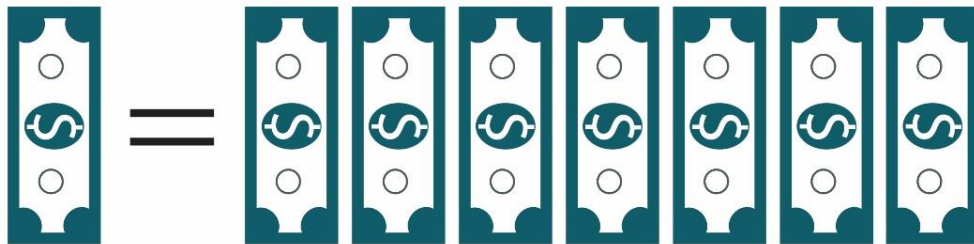
### REASON #1: It's Possible

While reducing poverty and income inequality in the current economic context may seem daunting, it is entirely possible and has been done in the United States and throughout the world. The U.S. significantly cut poverty between 1959 and 1969 through investments made during the War on Poverty.<sup>4</sup> In Western Europe, many nations sizably reduced poverty through a combination of employment programs, education, economic growth, and social benefit programs. In South America, Chile has accomplished unusually rapid poverty reduction, cutting in half over 10 years.<sup>5</sup> Around the world, over one billion people moved out of extreme poverty between 1990 to 2013.<sup>6</sup> What these efforts have in common is a commitment to a shared goal of reducing poverty and investing resources to make it happen.

### REASON #2: Large Return on Investment

Intentional efforts to reduce poverty can yield significant returns for our collective well-being. Childhood poverty costs the U.S. economy over \$1 trillion per year due to the loss of economic productivity in adulthood, increased health and crime costs, and increased costs associated with child homelessness and maltreatment.<sup>7</sup> **For every dollar spent on reducing childhood poverty, it is estimated the country would save at least seven dollars.**<sup>8</sup> Investing in equity yields considerable returns as well. In 2015, the economy in Washington state would have been nearly \$40 billion stronger if poverty were reduced and racial disparities in income were eliminated.<sup>9</sup>

Every **\$1** invested in reducing child poverty, yields **\$7** in return due to increased economic productivity, and decreased costs associated with health, crime, homelessness, and child maltreatment



Source: Michael McLaughlin and Mark R Rank (2018) Estimating the Economic Cost of Childhood Poverty in the United States. *Social Work Research*, v42(2); 73–8

<sup>4</sup> [https://www.washingtonpost.com/news/wonk/wp/2012/07/11/poverty-in-the-50-years-since-the-other-america-in-five-charts/?utm\\_term=.866db1a3d5de](https://www.washingtonpost.com/news/wonk/wp/2012/07/11/poverty-in-the-50-years-since-the-other-america-in-five-charts/?utm_term=.866db1a3d5de)

<sup>5</sup> <https://www.economist.com/briefing/2007/08/16/destitute-no-more>

<sup>6</sup> <http://www.worldbank.org/en/topic/poverty/overview>

<sup>7</sup> Michael McLaughlin and Mark R Rank (2018) Estimating the Economic Cost of Childhood Poverty in the United States. *Social Work Research*, v42(2); 73–8

<sup>8</sup> Michael McLaughlin and Mark R Rank (2018) Estimating the Economic Cost of Childhood Poverty in the United States. *Social Work Research*, v42(2); 73–8

<sup>9</sup> National Equity Atlas (2018) downloaded at <http://nationalequityatlas.org/data-summaries/Washington/>

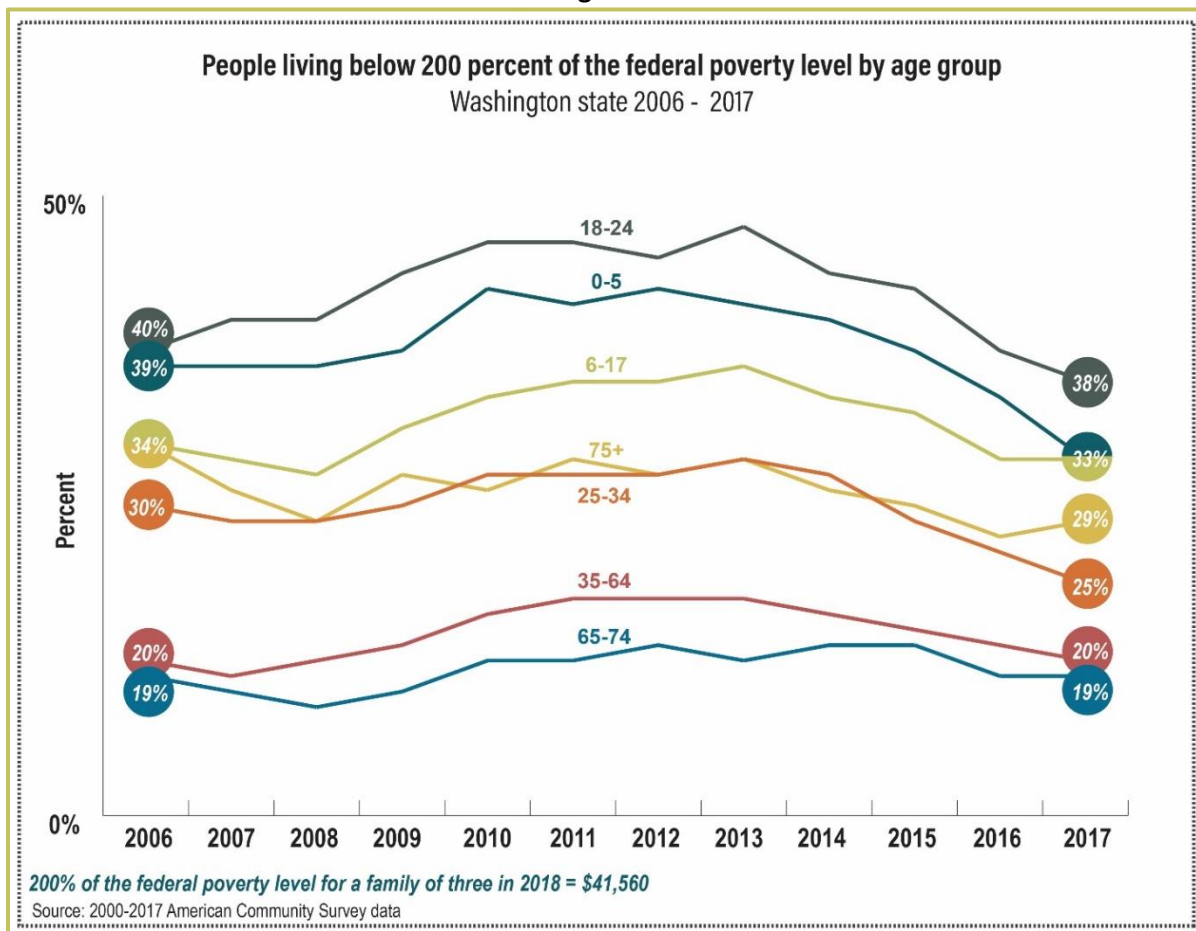


### REASON #3: It Will Improve the Well-Being of Children, Families, & Communities

In Washington state today, there are 1.9 million Washingtonians (26 percent)<sup>10</sup> that struggle to make ends meet. Rates of economic hardship remain stubbornly high, especially among children (**Figure 1**), and the experience of poverty is not equal (**Figure 2**). Children and youth, people of color, women, people with disabilities, seniors over the age of 75, single parents, immigrants, and rural residents experience the highest rates of poverty.

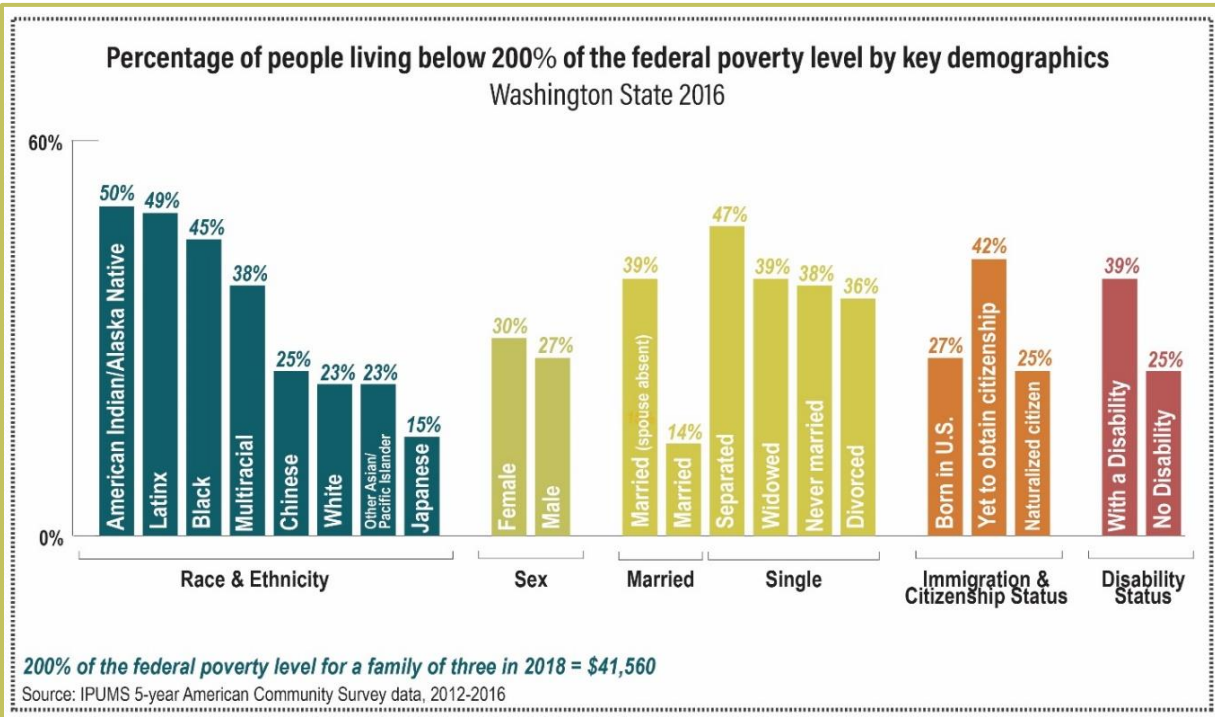
Such a critical mass of people struggling to get by undermines the ability of children, families, and communities to reach their full potential. No matter the indicator of well-being – education, health, involvement with the criminal justice or child welfare system, and more – people experiencing poverty have worse outcomes than their more financially secure peers. When compounded by our national and state history of oppression and discrimination, these social and economic conditions make for deeply unequal outcomes with intergenerational consequences for families. Reducing poverty and inequality is one of the most effective investments we can make to improve well-being for children, families, communities, and our economy.

Figure 1



<sup>10</sup> 2017 American Community Survey data; reflects the percentage of people living below 200% federal poverty line

Figure 2



#### REASON #4: It's Good for Business

A well-educated, well-trained workforce is the cornerstone of a vibrant business community and an essential economic development strategy. Many jobs today require at least some college or an advanced degree, and employers are having a hard time filling them. There is a “skills gap” for mid-level manager positions, and many of the technology and vocational jobs that require a Bachelor’s degree or higher (**Figure 3**).

Washingtonians that graduate high school and obtain some post-secondary training are less likely to experience poverty and more likely to have the skills employers need – a win-win for communities and businesses. Investments in education from early learning through apprenticeship and higher education are powerful anti-poverty strategies. High quality early learning and expanding apprenticeship are increasingly recognized as an essential workforce development strategies,<sup>11</sup> while obtaining a Bachelor’s degree drastically reduces disparities for Washingtonians experiencing deep poverty, even among single-parent households (**Figure 4**).

<sup>11</sup> The Heckman Equation available at <https://heckmanequation.org/resource/invest-in-early-childhood-development-reduce-deficits-strengthen-the-economy/>



Figure 3

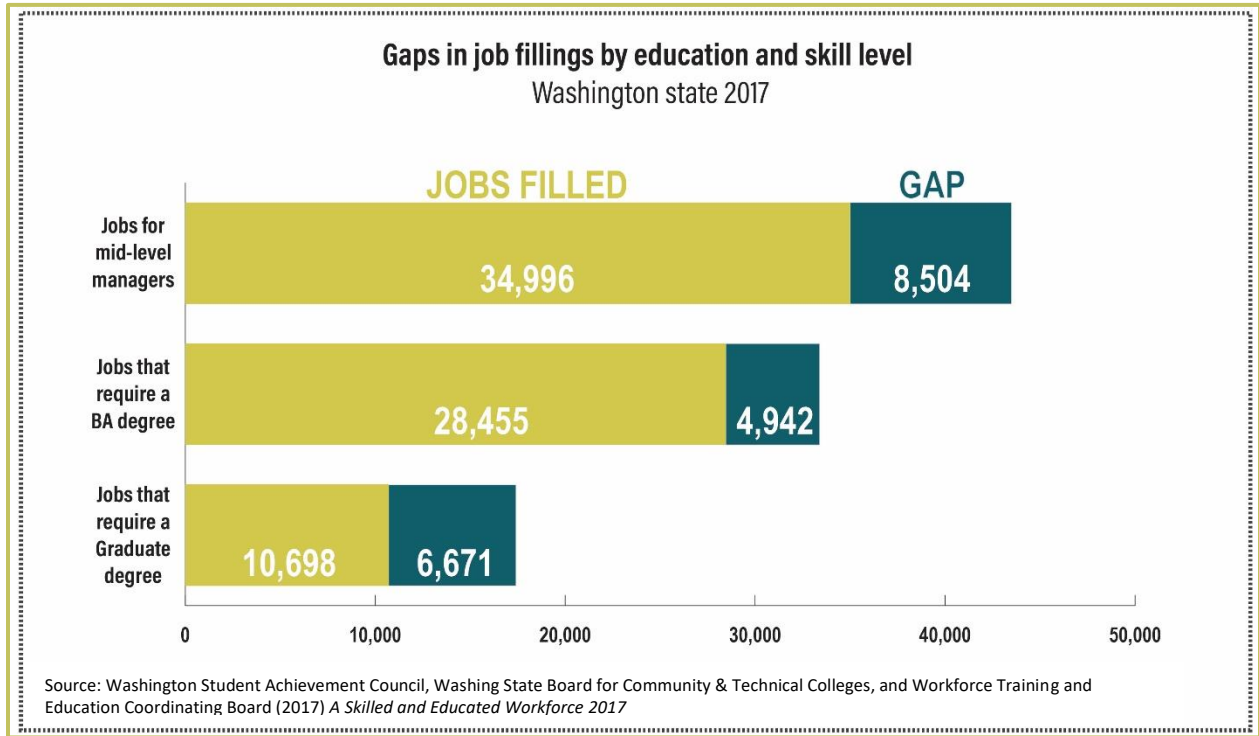
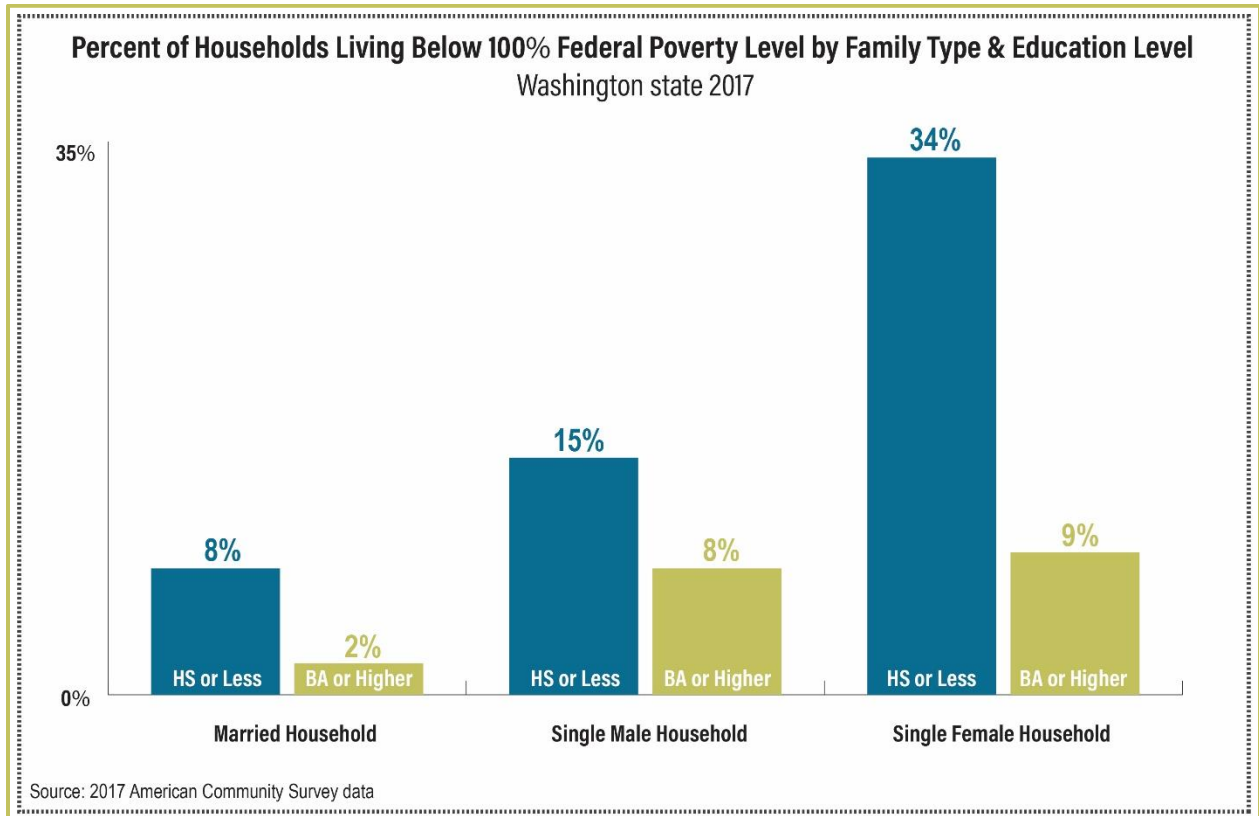


Figure 4



## WHY POVERTY & INEQUALITY ARE STUBBORNLY HIGH

In the simplest of terms, people experience poverty because they lack sufficient social and economic resources to make ends meet. But, stubbornly high rates of poverty and inequality are a symptom of deeper root causes that must be addressed if Washington state is to be successful at meaningfully reducing it.

### Root Causes

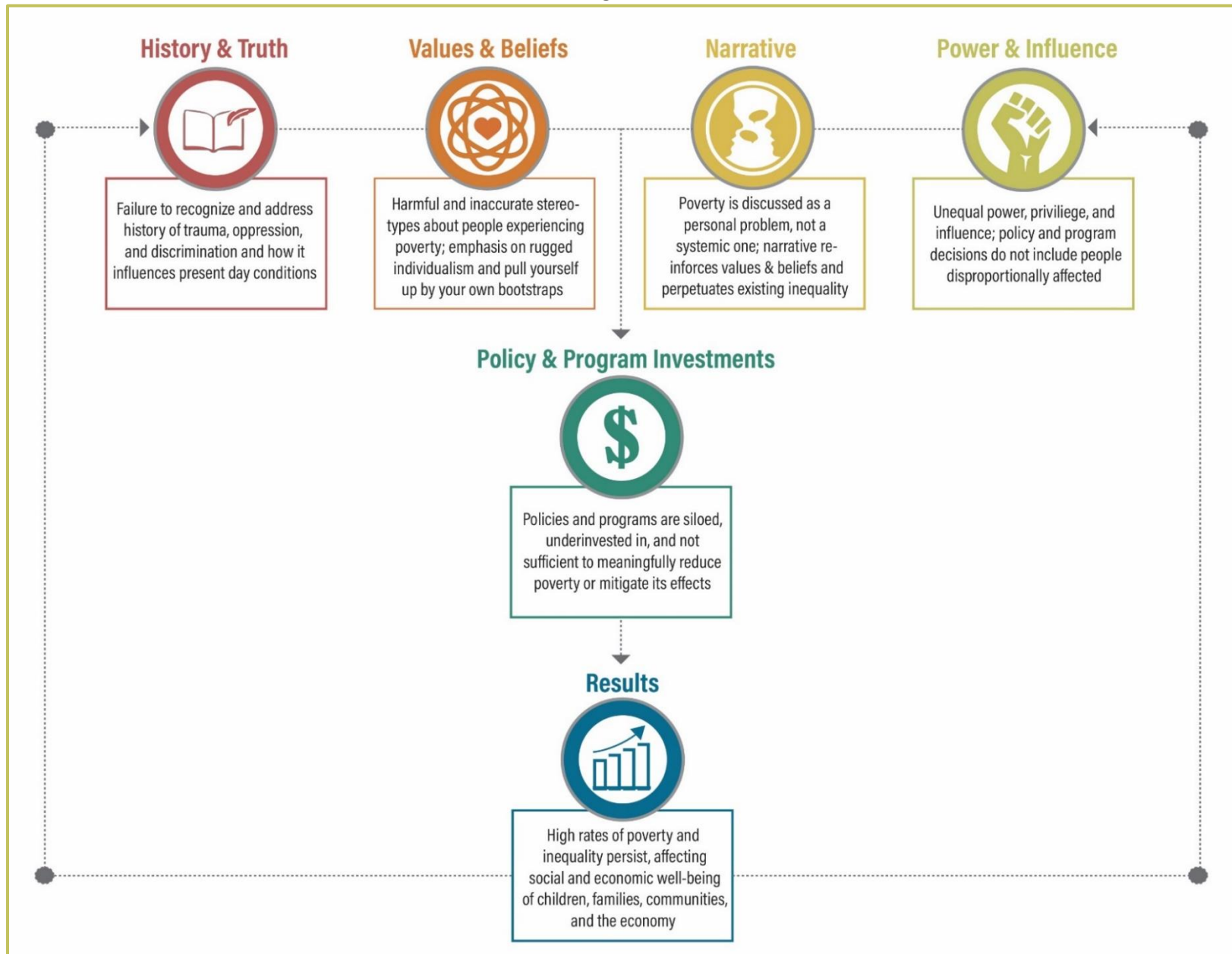
PRWG members have, thus far, collectively identified several root causes that need addressing to meaningfully reduce poverty and inequality (**Figure 5**). These root causes do not operate on a linear path. Rather, they are multi-dimensional and intersectional by nature. Together, they support social and economic conditions that make the experience of poverty and inequality all too common, undermining well-being in many of the areas we care most about – education, health, child welfare, juvenile and criminal justice, and more.

The root causes identified thus far include:

- **History & truth.** People that disproportionately experience poverty too often have experiences that don't get recognized as truth. Honoring historical experiences of oppression and discrimination and how they manifest in the present is essential for understanding disproportionately high rates of poverty among people of color, indigenous populations, women, people with disabilities, and other groups. The importance of this recognition is eloquently articulated by the Lummi people: *"The first part of any healing process is to know who you are and where you come from...and as neuroscience, epigenetics, adverse childhood experience is now showing memory is stored in our DNA. Salish people have been nearly erased from the landscape, and our resources, way of life, and ecological health are constantly in jeopardy. This has caused much adversity."*
- **Values & beliefs.** Values and beliefs about poverty are largely defined by those who have not experienced it or who benefit from the status quo. Cultural values of "rugged individualism" and "pull yourself up by your own bootstraps" dominate, ignoring the systemic, foundational opportunities all people need to thrive.
- **Narrative.** Harmful, misleading stereotypes about people experiencing poverty persist and have outsized influence on our cultural consciousness. Solutions focus on individuals, rather than social and economic conditions.
- **Power & influence.** Too often those most likely to experience poverty are left out of decision-making and lack the influence to inform policies and programs that would benefit them.
- **Policy & program investments.** These disparate forces mean Washington state policy and program investments do not work for everyone. Individuals and families that experience poverty often lack access to the foundational opportunities and adequate resources they need to thrive, such as high quality education, a good job, affordable child care and health care, or reliable transportation. Policies and programs also operate in siloes, and lack the coordinated approach reducing poverty and inequality needs.

Inadequate and unequal investment in the foundational opportunities all Washingtonians need to thrive yield social and economic conditions that result in high rates of poverty and deep inequality along demographic and geographic lines.

Figure 5



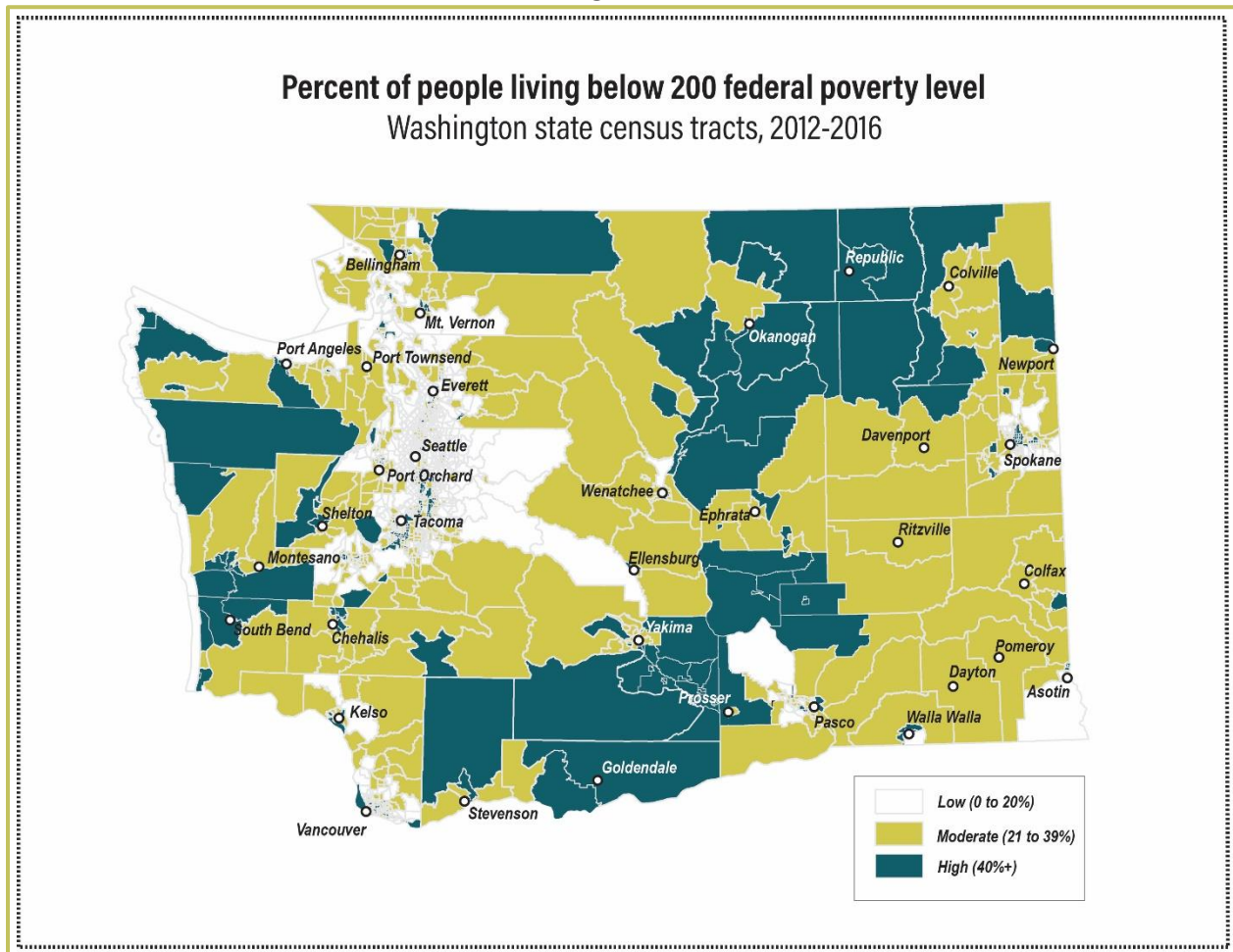
Data tell a compelling story about how these root causes play out.

### ***Unequal opportunity by zip code***

The share of people experiencing poverty varies considerably depending on the place you live in. Many rural areas of the state have an especially high percent of people struggling to get by, and urban and suburban areas have pockets of poverty concentrated in specific neighborhoods (**Figures 6 & 7**).

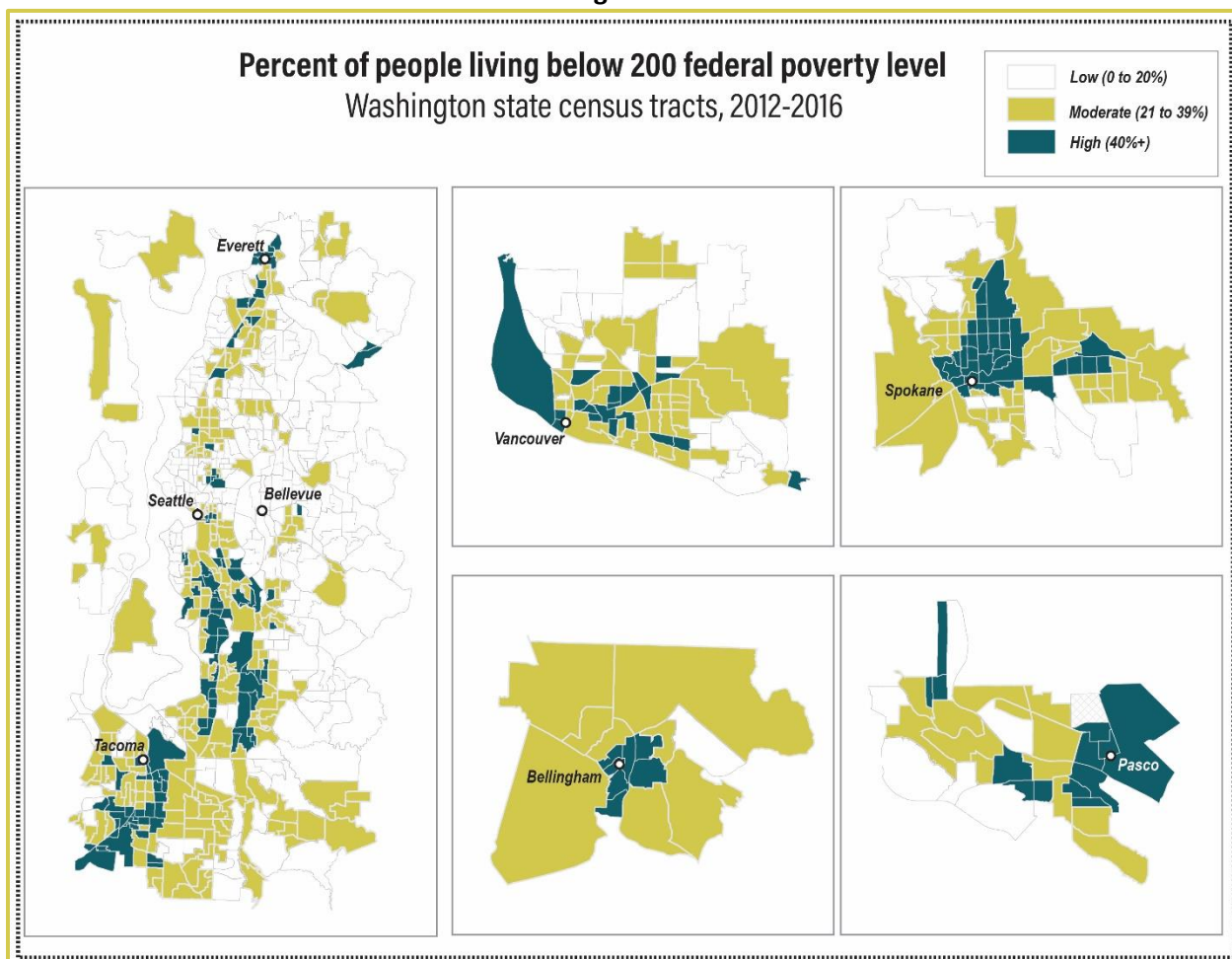
When it comes to poverty place matters considerably. The more years children spend in a good neighborhood – even when they grow up in a family experiencing poverty – the greater the benefits they receive, and what matters most is the environment within a half-mile of a child’s home.<sup>12</sup> Research has long shown that places with high rates of poverty are the least likely to have the foundational opportunities communities need to thrive – good schools, strong economic development, safe neighborhoods, reliable public transit, extracurricular activities, and more. Research released in 2018 makes an even stronger case about the role neighborhoods play for future well-being, especially for children.

**Figure 6**



<sup>12</sup> Raj Chetty et al. (2018) Opportunity Insights available at <https://opportunityinsights.org>

Figure 7



***Many Washingtonians are working, but unable to make ends meet***

Many of the Washingtonians experiencing poverty are working, but unable to afford the basics of what a family needs to get by. According to United Way’s ALICE (Asset-Limited, Income Constrained, Employed) data, one in four households statewide are employed, but do not earn enough to cover the basic necessities of life – a safe home, adequate food, quality child care, and reliable transportation. The share of ALICE families varies considerably depending on the county you live in (**Figure 8**). Counties with large rural areas have especially high rates of ALICE families.

The number of people working, but unable to meet basic needs is partly driven by a high share of low wage jobs. Nearly one in three jobs are in food service, retail sales, and office and administrative occupations, all of which pay a median annual income far below what it takes for an individual or family to get by on one paycheck in many places in Washington state (**Figure 9**).



Figure 8

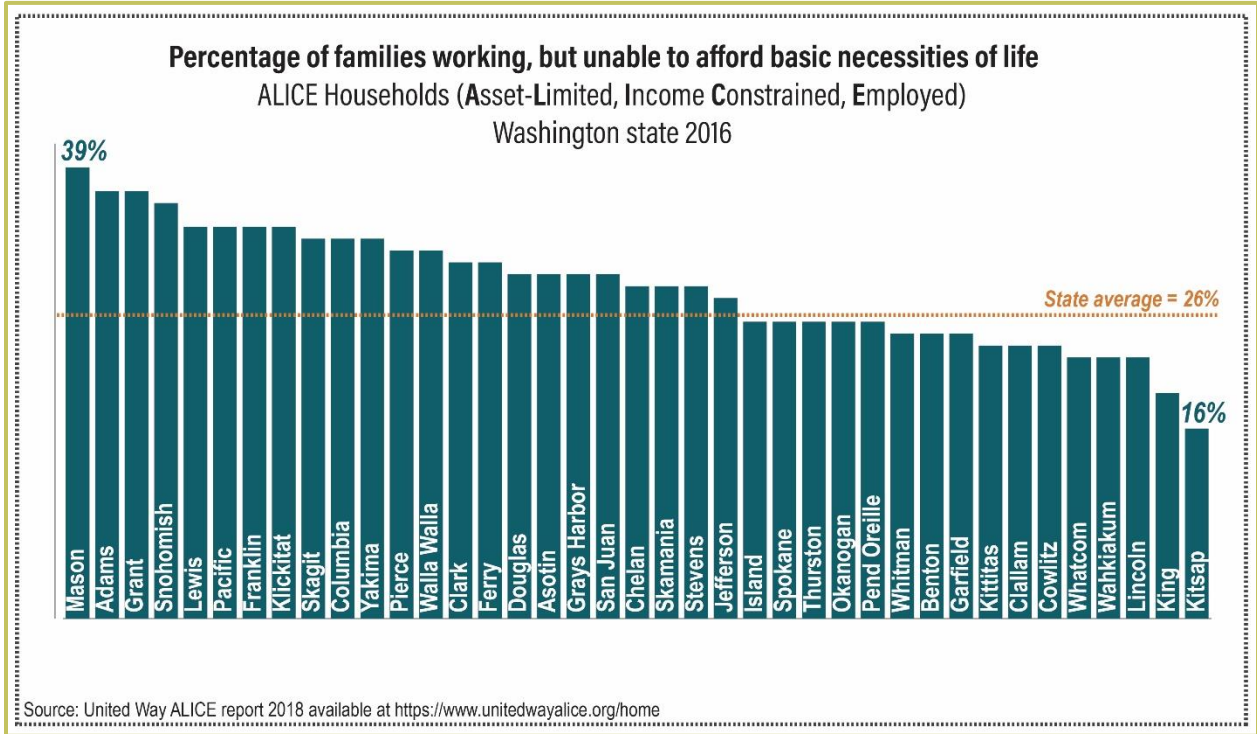
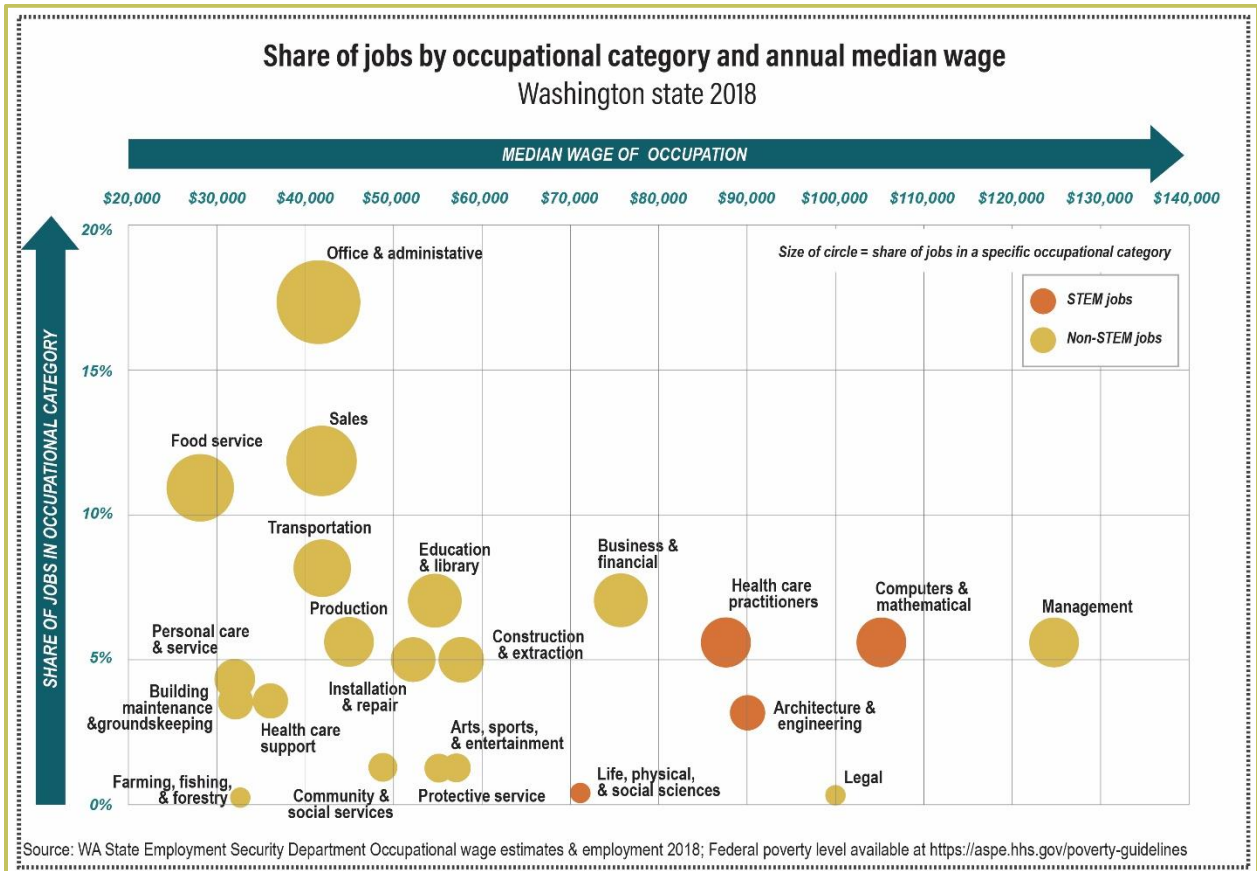


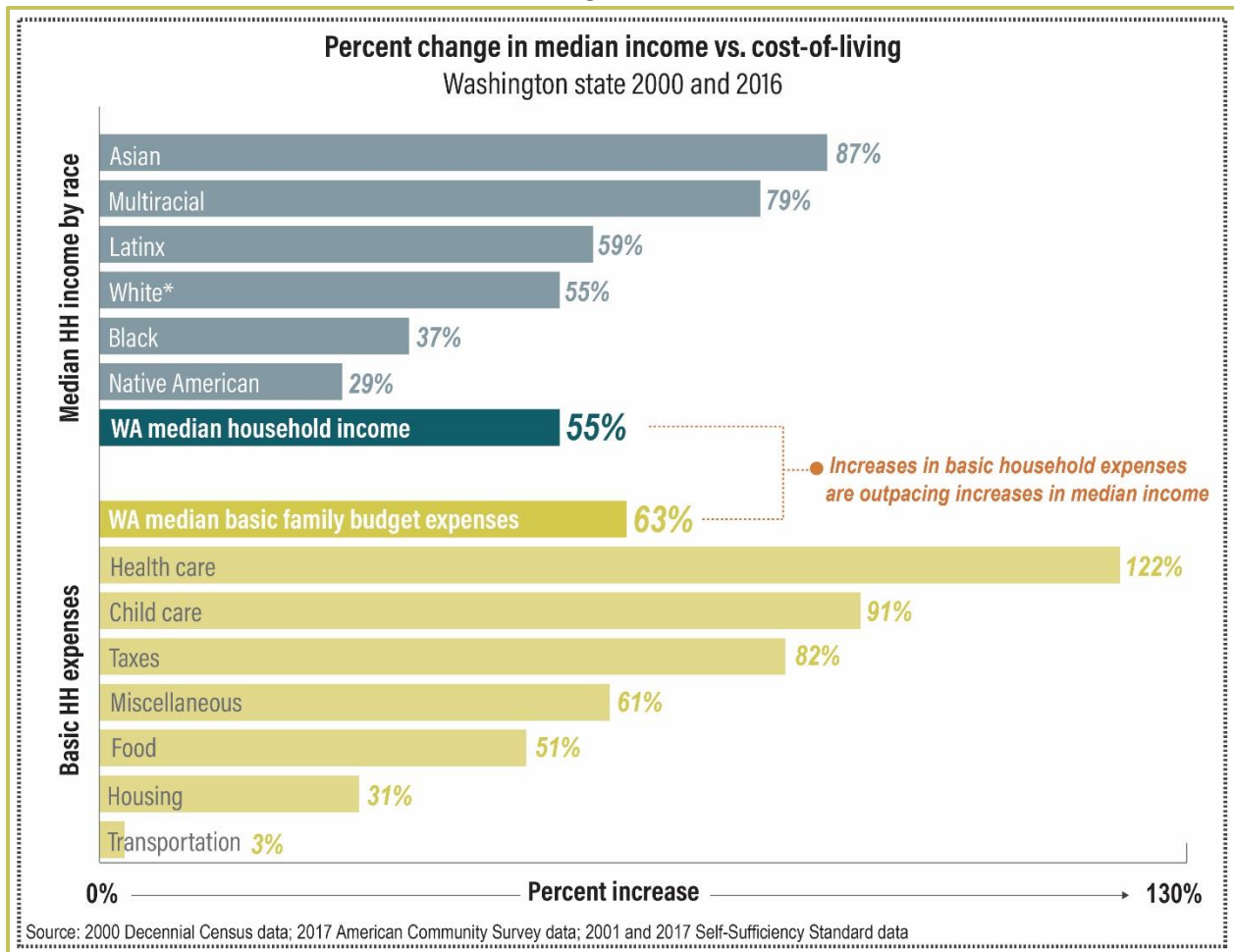
Figure 9



**Cost-of-living is outpacing gains in median income**

A high share of jobs that pay lower wages has slowed gains in median household income over time and cost-of-living continues to increase. Between 2000 and 2017, the rise in expenses foundational to family well-being – such as health care, child care, food, and housing – (Figure 10) have outpaced the rise in median household income in Washington state. For a young family of three, housing and child care can consume over half of the budget needed to cover basic needs,<sup>13</sup> far exceeding what is considered “affordable” (no more than 30 percent on housing and 10 percent on child care) and putting many families at financial risk.<sup>14</sup> Gains in median income have been especially low for Native American and Black households, making it even harder to keep up with the rise in cost-of-living.

**Figure 10**



<sup>13</sup> 2017 Self-Sufficiency Standard; University of Washington Center for Women’s Welfare

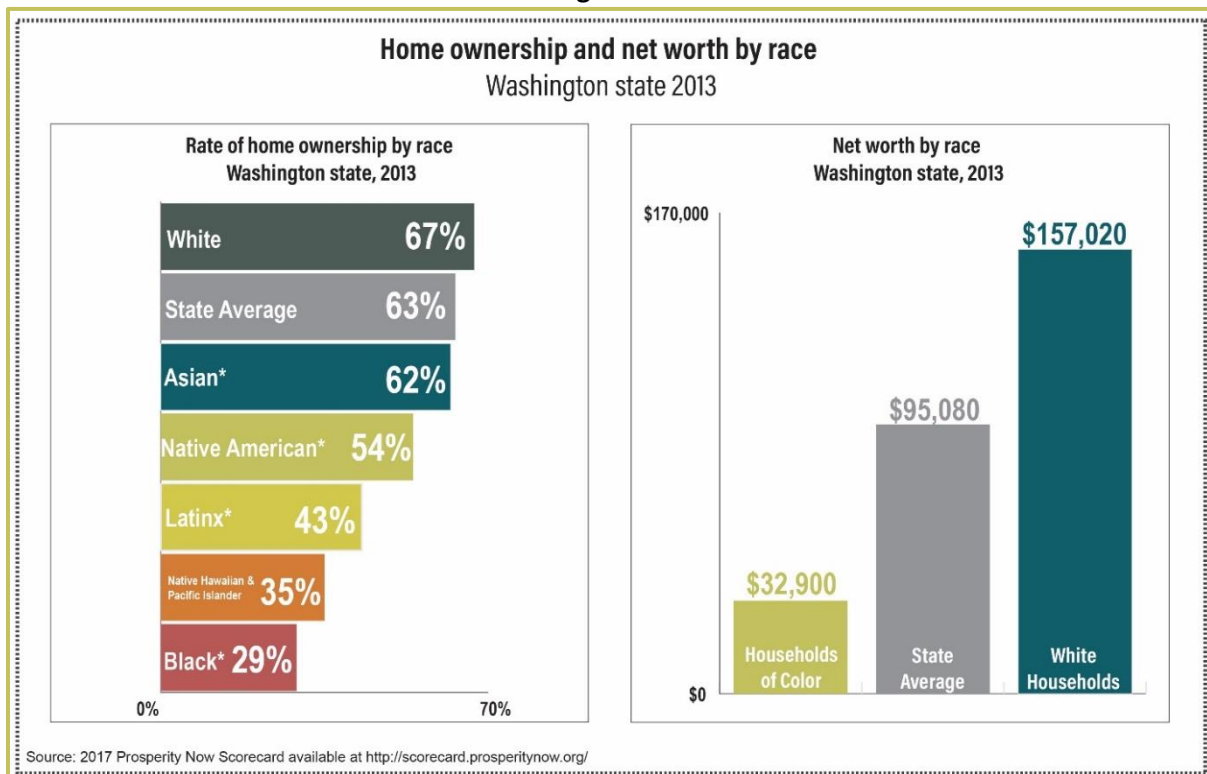
<sup>14</sup> U.S. Census Bureau *Why 30% for Housing Costs?* Available at <https://www.census.gov/hhes/www/housing/special-topics/files/who-can-afford.pdf>; and White House Council of Economic Advisors (2014) *The Economics of Early Childhood Investments*

### **Families are unable to save or invest in the future**

As the cost-of-living has outpaced gains in median incomes, Washingtonians find themselves stretched to afford basic needs, let alone save money and make investments in their future. Consider homeownership, which has historically been the foremost way in which assets and wealth are accumulated and passed down to children and grandchildren. Today, 63 percent of Washington families own a home, but Washington ranks low nationally when it comes to affordability. Home values are nearly five times more than median incomes (U.S. average is 3.6), and nearly half of renters (47 percent) and over one in four home owners (29 percent) have housing costs considered to be overly burdensome.

Moreover, the rate of home ownership for many households of color falls far below the state average (**Figure 11**) – a product of discrimination in housing policy and one of the most profound examples of how the root causes of poverty intersect to influence outcomes. For example, people of color were systematically excluded from the GI Bill, one of the most significant wealth-building policies of the post-World War II era, and through the practice of “red-lining”, which heavily restricted the neighborhoods in which people of color could live.<sup>15</sup> The effect of such discriminatory practices adds up. The average net worth of households of color (\$32,900) falls far below the state average (\$95,080) and their white peers (\$157,020) (**Figure 11**), affecting the ability of families of color to invest in their future and their children’s future.

**Figure 11**



<sup>15</sup> Taylor, Quintard (1994) *Forging of a Black Community: Seattle’s Central District from 1870 through the Civil Rights Era*. University of Washington Press: Seattle, WA; Massey, Douglas & Denton, Nancy (1993) *American Apartheid: Segregation and the Making of the Underclass*. Harvard University Press: Cambridge, MA; and See *Racial Restrictive Covenants: Enforcing Neighborhood Segregation in Seattle* ([http://depts.washington.edu/civilr/covenants\\_report.htm](http://depts.washington.edu/civilr/covenants_report.htm))



### High levels of debt

Recent research also suggests that today many low- and moderate-income families experience substantial fluctuations in their resources from month-to-month, largely due to systemic factors beyond the family's control, such as lack of reliable transportation, the emergence of unpredictable "gig" jobs, or inability to afford health insurance or child care.<sup>16</sup> To make ends meet, a high share of individuals and families take on debt, leaving them on shaky ground (**Table 1**). One in five people that borrow money have high credit card debt (22 percent), are in collections (20 percent), or owe on loans taken out to pursue education and/or advance their skillset (19 percent).<sup>17</sup> Nearly one in three (30 percent) Washingtonians lack liquid assets they can rely on should a personal crisis or economic downturn unfold.

**Table 1**

| Indicators of Financial Security/Risk   | Percent |
|---|---------|
| <i>Liquid Assets</i>                    |         |
| Liquid asset poverty rate               | 30%     |
| <i>Debt</i>                             |         |
| Borrowers over 75% of credit card limit | 22%     |
| Consumers with collections              | 20%     |
| Borrowers with student loan debt        | 19%     |

### Barriers to work and opportunity

While making ends meet and getting ahead can be difficult for working Washingtonians, those who don't work have it even harder. The most common reasons reported for not working among people experiencing poverty are mental or physical illness and disability, the need to meet caretaking responsibilities (e.g., young children and elderly parents), or being enrolled in school.<sup>18</sup> Other common barriers include substance abuse and family violence.

Some of Washington state's most visible and pressing issues are both a cause and a consequence of high rates of poverty and inequality, putting the intergenerational well-being of children and families at risk. For example, the number of homeless children has doubled over the last decade, jumping to 40,934 in 2017 from 20,780 in 2008. Homelessness is definitively linked to the inability of wages to keep up with the rise in cost-of-living; for every \$100 increase in rent, homelessness goes up six percent in urban areas and 33 percent in rural areas.<sup>19</sup> Poverty intensifies and increases the onset of mental illness,<sup>20</sup> and is a major predictor of child neglect – children in poverty experience maltreatment at more than five times the rate of their economically secure peers.<sup>21</sup> Violence – including sexual, intimate partner, and community violence – has a cyclical relationship with poverty. The immediate and long-term traumatic effects of violence directly contribute to the intergenerational experience of poverty, which, in turn,

<sup>16</sup> Jonathan Morduch of FAI and Rachel Schneider of CFSI (2017) The U.S. Financial Diaries; Spikes and Dips: How Income Uncertainty Affects Households downloaded at <https://www.usfinancialdiaries.org/issue1-spikes>.

<sup>17</sup> Prosperity Now Scorecard 2018 available at <http://scorecard.prosperitynow.org/data-by-location#state/wa>

<sup>18</sup> Congressional Research Services (2016) Demographic and social characteristics of people living in poverty available at <https://fas.org/sgp/crs/misc/R44698.pdf>

<sup>19</sup> Washington State Department of Commerce (2017) Why is Homelessness Increasing? downloaded at <http://www.commerce.wa.gov/wp-content/uploads/2017/01/hau-why-homelessness-increase-2017.pdf>

<sup>20</sup> [https://www.samhsa.gov/data/sites/default/files/report\\_2720/Spotlight-2720.html](https://www.samhsa.gov/data/sites/default/files/report_2720/Spotlight-2720.html)

<sup>21</sup> Office of Planning, Research, & Evaluation (2018) National Incidence Study of Child Abuse and Neglect (NIS-4), 2004-2009 available at [https://www.acf.hhs.gov/sites/default/files/opre/nis4\\_report\\_exec\\_summ\\_pdf\\_jan2010.pdf](https://www.acf.hhs.gov/sites/default/files/opre/nis4_report_exec_summ_pdf_jan2010.pdf)

increases exposure to violence for kids and families. There is also a well-documented relationship between poverty and involvement with the juvenile and criminal justice systems.

Once an individual or family becomes involved with the systems intended to address a crisis, the road to safety and stability can be especially challenging and costly, often trapping people in a negative cycle that is hard to reverse.

### ***Washingtonians are falling behind and we are growing increasingly unequal***

The root causes of poverty, and the social and economic conditions they create, make it hard for people to move out of poverty and many low- to moderate-income people continue to fall behind. In every county in the state, median income today covers less of what families need to get by than it did in 2001 (**Figure 12**). This is part of a larger trend – the share of children in Washington state earning more than their parents has fallen substantially over the 20<sup>th</sup> century – in 1940, for example, 92 percent of children earned more than their parents; by 1980, just 46 percent did.<sup>22</sup>

In addition to deeply unequal outcomes by race and ethnicity, current social and economic conditions are creating large divisions along class lines. Washington state has the tenth highest income inequality in the nation, with the average income of the top one percent (\$1.38 million) 24 times higher than the average income of the bottom 99 percent (\$57,100).<sup>23</sup> In 2015, the majority of income gains went to the wealthiest one percent of families, who hold 20 percent of all available income (**Figure 13**). The more income flowing to the top means less income for everyone else, which contributes to stubborn poverty rates and makes it hard for families from low- to middle-income backgrounds to get ahead.<sup>24</sup>

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<sup>22</sup> Raj Chetty, Nathaniel Hendren, Maggie R. Jones, and Sonya R. Porter (2018) Race and Economic Opportunity in the United States: An Intergenerational Perspective

<sup>23</sup> Estelle Sommeillier & Mark Price (2018) The New gilded age: Income inequality in the U.S. by state, metropolitan area, and county; Economic Policy Institute

<sup>24</sup> Danziger, Sheldon (2007) Fighting poverty revisited: What did researchers know 40 years ago? What do we know today? Focus Vol. 25, No. 1, Spring-Summer 2007 downloaded at <https://irp.wisc.edu/publications/focus/pdfs/foc251a.pdf>

Figure 12

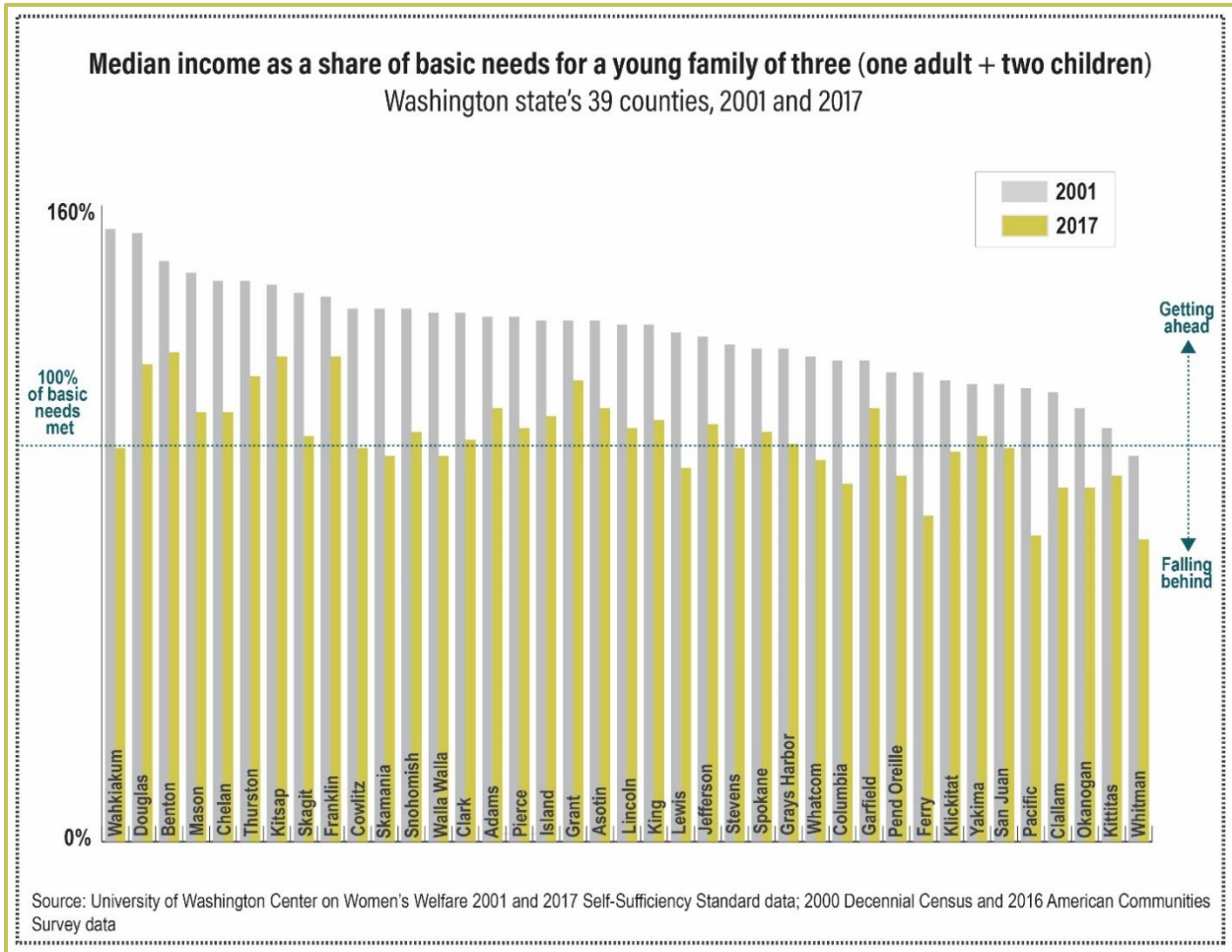
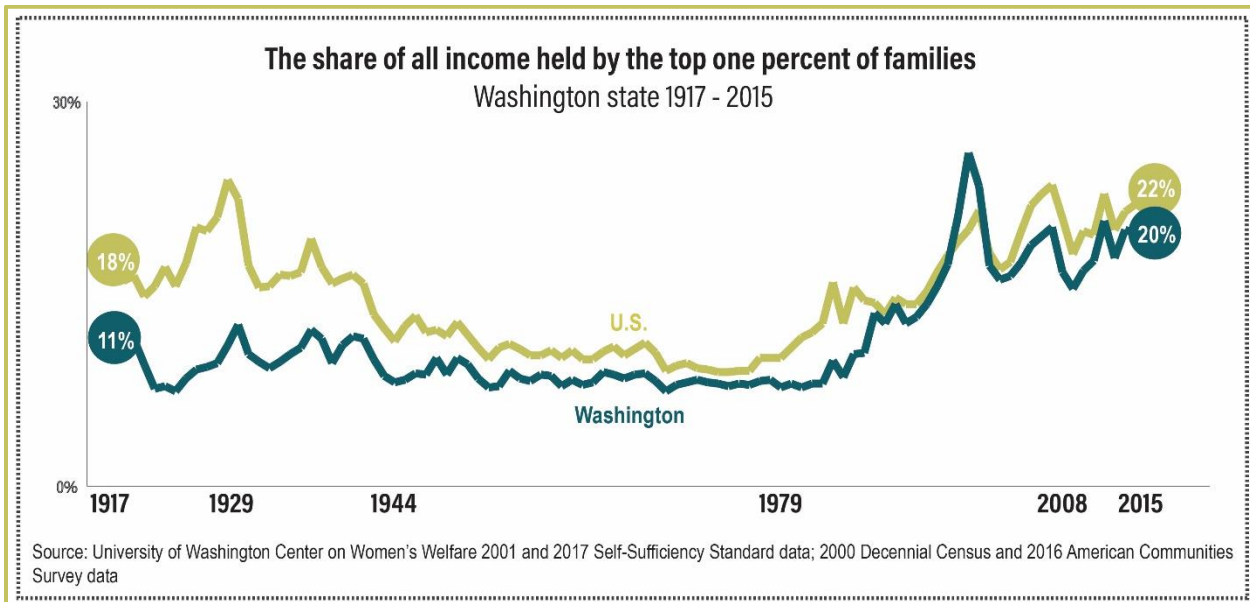


Figure 13



### **EXPERT #3: BLACK MALE, SON OF LOUISIANA SHARECROPPERS THAT SOUGHT A NEW START IN THE PACIFIC NORTHWEST**

“Red-lining nearly prevented my parents from buying a home in 1954.”

“[My father] was the oldest of eleven children [and] was born into a system where the [family’s] only economic opportunity was a vestige from slavery of sharing the crops on a farm with other families...”sharecroppers” earned something akin to a wage, but since participants relied completely on the resources from the plantation commissary for housing, food, clothing, seed, etc., rarely was there any cash remaining, and often they owed more than they earned, thus making the system virtually inescapable.

Around 1940, my father did manage to get a job as a water boy with a road paving crew. Running with a bucket of water in the hot Louisiana sun isn’t appealing to many, but to him it was a chance to escape the sharecropping system. His dream was cut short when the owner of the farm came to his job and demanded that he return to help offset the costs of his parents growing family. He did, but the desire to find something better, earn a real wage, never left him...[eventually he] boarded a bus bound for Hanford, WA, with a bag of sandwiches.

Having only a third grade education, he had little to no idea where Hanford, much less Washington state was, or how long the trip to get there. It didn’t matter. He said wherever it is, it’s got to be better than a Jim Crow south. My father initially worked as a bus driver at Camp Hanford, and later he began working in construction, where he obtained his union card. He met his wife there too, who [he remained married to] for nearly 60 years...he knew, and was told, that his union card meant little to a man of color in Tacoma. It would be nearly another 20 years before he’d have legal voting or Civil Rights in the US. [But] he was confident that his skill and work ethic would cause an employer to look beyond his color.

My father became a master craftsman skilled at cement masonry. In the fifties, he was working finishing the side of a building near McChord Air Force Base when the scaffold broke and he fell, just missing a framework of rebar. He broke both his legs and his back. The doctors said he’d most likely never walk again. After recovery, which was a feat in itself, maintaining work as a cement mason was impossible and he was forced to retire. At that time his union benefits included a state industrial benefit which provided full medical benefits and covered his salary for the remainder of his life.

Red-lining nearly prevented them from buying a new home in 1954, even though they had a 50% down payment. It was my dad’s persistence, and his eventually persuading the owner that created the opportunity...they paid off their home when I was 13. They saved enough resources to be able to support...post-secondary education for my sister and myself. My father passed away...at 96 years of age. Saying he was dedicated, consistent, and responsible is a significant understatement. However it was those skills, with unparalleled persistence, that moved both he and my mother out of poverty.”

#### **EXPERT #4: WHITE MALE, SINGLE DAD AND RECOVERING ADDICT**

“Without my kids being my drive and keeping me focused and on track, absolutely none of this would've been possible if I would've had to do it alone.”

I was in poverty because I was a meth user for at least 20 yrs. and a chef (meth cook) for least 10 years. [One morning] changed our lives...my daughter had been coming into the room for several days to pull me out of my meth coma from using too much, too often, and pulling needles out of my arm and cleaning me up and getting me presentable so I could take her to school. On this particular morning... she says, 'Dad, this has to stop, please! Or I'm taking my brother and sister and we will run away.' [Within a week] I packed up our belongings and made the trek to Moses Lake [and] decided to start my recovery from methamphetamines.

[Before you think of me as just a criminal]...I [am a] graduate of Moses Lake High School [and] the Kiamichi Technology Center. I am a member of the National Technical Honor Society. A challenge I faced was the way the public treats a drug addict, homeless person, or a person living in poverty. [When we returned to Moses Lake], we couldn't use the campgrounds because we didn't have a Discovery Pass. We couldn't sleep in our car at the time because it was full of our belongings. Most motels wouldn't allow us to stay because of our appearance. [Eventually] one motel...allowed us to stay one night...from there I contacted my uncle, who allowed us to stay on his property in a tent. My wife of 15 years decided she [didn't] want any part of this life and decided to abandon me and the kids at my uncles and took the car. I now had to provide for and raise three children on my own.

After the dust settled I decided to go to the Department of Social & Health Services (DSHS) to see what programs they could offer to us. That's when they enrolled me in TANF, SNAP, and Grant County Mental Health. I also filled out applications for low income housing, [but] waiting lists are lengthy in time...you could be on the list from six months to five years. I started my [drug] counseling [and my counselors] were very cooperative in helping me fill out applications, making a resume, giving me bus passes, giving me a ride when no bus was running, and showing me ways to cope with life. [When I was initially denied housing]...I was devastated...[but my counselors] told me not to give up and asked for a hearing. [I was approved for low income housing, took classes on how to be a good renter, received assistance from NW Justice Project for my divorce, and learned how to budget money].

[Eventually I was approved for emergency shelter for 180 days...while there]...I enrolled in the life skills class which helped me find direction, for I had none. The next step was to find employment...that's when I enrolled into SL Start, a Community Jobs placement program...after working for a year part-time at the food bank they offered me a full-time permanent position in the warehouse.

I went from being homeless living in a tent, no vehicle, no job, sleeping outside, on drugs, no way to provide, kids failing school, to a home, a car, a job, off drugs, kids with perfect attendance and decent grades, and able to provide a memorable life for my children.

## OPPORTUNITIES FOR CHANGE

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There should be no doubt – investments to reduce poverty and inequality would yield substantial benefits for Washingtonians and the economy. There is considerable opportunity to make a meaningful difference in the lives of children, families, and our communities, and increase intergenerational well-being in Washington state.

First and foremost, **people experiencing poverty have tremendous strength and fortitude.** As the stories in this report show, with the right supports, people can rise above what are incredibly challenging circumstances. Through our journey, thus far, we have learned that people experience poverty, as a circumstance, not through one issue, but more through a broad array of issues. Among those concerns remains a loud echo of personal trauma. Trauma derived through far too recent events of family separation, emotional pain, want, and lack of justice. The most significant opportunity to meaningfully reduce poverty in Washington state is to recognize that the trauma continues to be an influential and relevant condition. We must elevate the importance of listening to people experiencing poverty, be aware of the complexity of their circumstances, and contribute to building a system that provides sustained ample resources, the ability to achieve stability and, ideally, get ahead.

Second, **when intentional investments are made to achieve equity everyone benefits.** Our national and state history of oppression and discrimination against people of color, Native Americans, women, people with disabilities, and immigrants and refugees deserves attention for the influence it has on present day conditions. Targeted investment in all Washingtonians, especially those furthest away from the opportunities they need to thrive, will have large returns for children, families, communities, and the economy.

Third, **social, demographic, and regional trends are shifting, requiring bold and innovative changes to public policy** to meet the needs of Washingtonians, their communities, and employers:

- Most families today, when able, require all available parents to work to make ends meet, increasing the demand for affordable childcare and work supports.
- More than half of children are born to unmarried parents, and the rise in single-parent families is growing.
- Washington is becoming increasingly diverse racially and ethnically.
- Technology is dramatically changing the future of work and what jobs pay.
- Urban centers, while currently thriving, are experiencing growing pains and struggling with increases in rent and the consequent rise in homelessness throughout the state.
- Gentrification of urban neighborhoods is driving many people into suburban and rural areas, affecting economic development.

Fourth, **there is no shortage of great ideas.** Research is converging on what investments will meaningfully reduce poverty and improve intergenerational well-being: high quality early learning and K-12 education; ample post-secondary training and employment pathways; the ability to build assets and wealth; opportunities to live full, healthy lives; and the feeling of connectedness and belonging to

the people we love and the places we live.<sup>25</sup> When pursued with equity in mind, these are the investments that can move the needle.

Finally, **Washington state is recognized as a national leader in technology, workforce development, labor policy, health and human services, advocacy, philanthropy, and so much more.** There are leaders and coalitions across the state implementing innovative solutions to best meet the needs of their communities. There is abundant opportunity to meaningfully reduce poverty and promote an intergenerational cycle of opportunity that benefits all children, families, and communities in Washington state. We just need the will.

### **Systemic Change for Better Results**

Our current social and economic conditions make the experience of poverty all too common. We need an enterprise solution to reduce poverty and inequality. The vision of this PRWG is to provide the foundational supports that all Washingtonians need to have their basic needs met, with ample educational and career opportunities to get ahead and sit firmly within the middle class.

#### ***\*Draft\* Framework***

PRWG members have co-created a draft framework to address the root causes of poverty and inequality (**Figure 14**) and inform high-level strategies to improve the well-being of Washingtonians. The strategies correspond to the priority areas highlighted in Governor Inslee's directive:

- Building a strong foundation in high quality early learning & K-12 education.
- Increasing opportunities for high quality post-secondary training & employment pathways.
- Promoting economic stability and opportunities for people to build assets and wealth.
- Investing in strategies that optimize health and well-being.
- Supporting the social capital of people and the communities in which they reside.

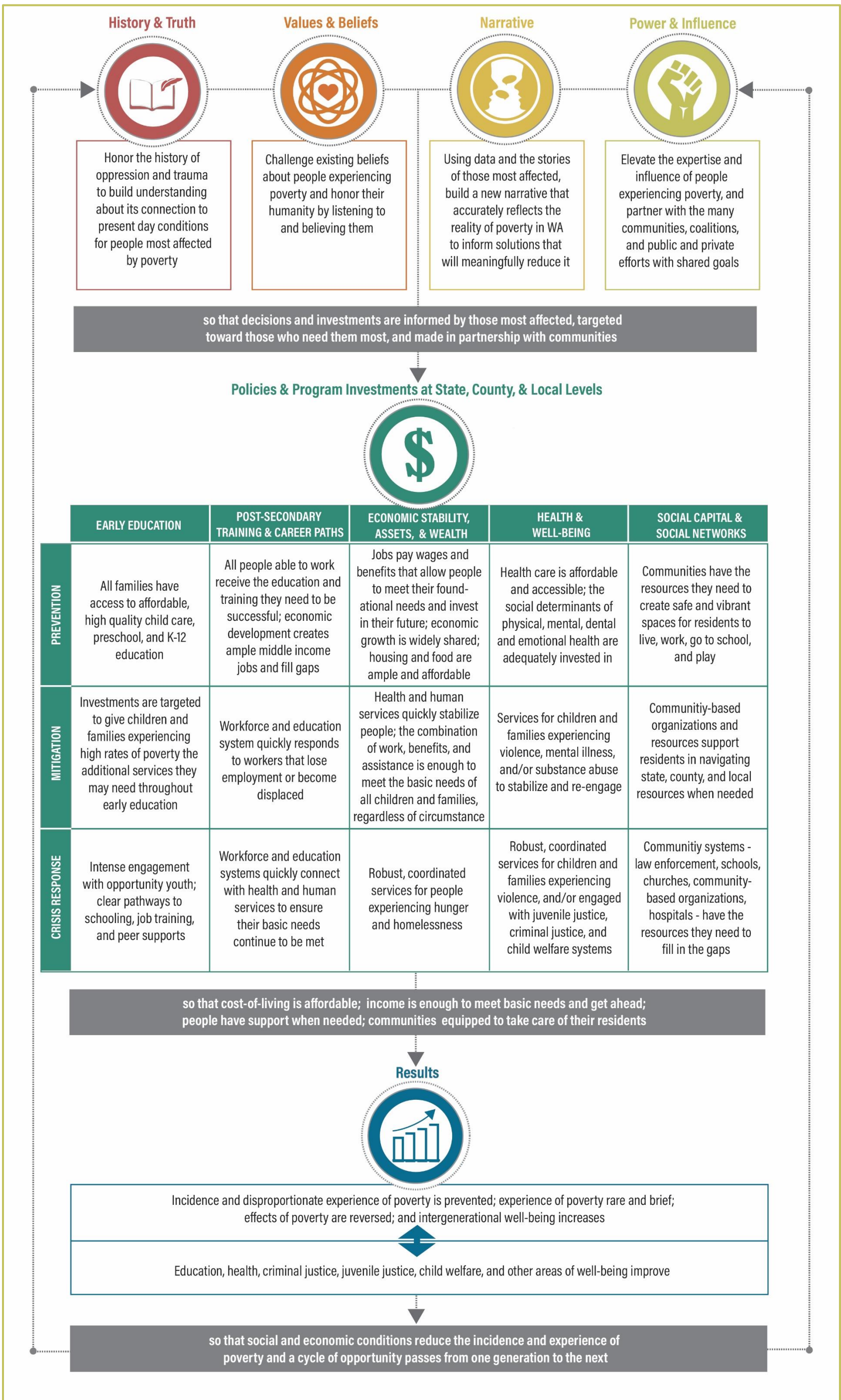
The framework also organizes strategies by whether they are most likely to prevent the incidence of poverty from occurring, mitigate the experience of poverty when it does occur, and respond to crises when they develop.

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<sup>25</sup> Ascend at The Aspen Institute



FIGURE 14: \*DRAFT\* FRAMEWORK





Workgroup members have already begun to explore innovative, bold ideas within each of these categories and will be working with stakeholders over the next year to evaluate them and generate new ones, vet their ability to reduce poverty and inequality, and make specific, concrete recommendations to develop a meaningful comprehensive plan to reduce poverty and inequality in Washington state.

Examples of bold ideas that have emerged thus far include:

- Establishing a **Truth and Reconciliation Commission** to honor the history of trauma, oppression, and discrimination of people of color and Native Americans.
- Creating a **community innovation fund** to strengthen public and private investment in local, community-driven solutions for reducing poverty and inequality.
- Adopting **human-centered design approaches** to policy and program development that addresses the needs of whole families and streamlines state service delivery.
- Creating **leadership opportunities** for people most affected by poverty and inequality across the many sectors needed to partner in these efforts.
- Advancing statewide understanding and practice of **equity, diversity, and inclusion** and its importance for poverty reduction.
- Developing **stronger interoperability and funding agreements** among state, county, and local governments, as well as community organizations.
- Increasing **access and affordability to high quality early learning opportunities and childcare** by eliminating cliffs associated with childcare assistance and increasing subsidies for providers.
- Increasing **access and affordability to higher education institutions** in Washington state by expanding existing programs such as College Bound Scholarships and Basic Food Employment & Training
- **Recognizing credentials from an immigrants country of origin** and remove any remaining barriers for refugees to access in-state tuition.
- Creating new programs that **co-locate housing and childcare for student parents** on or near college campuses.
- Developing or **expanding tax credits** for individuals and families with low- to moderate-incomes.
- Creating **individual development accounts** for children.
- Bolstering nationally recognized **programs proven to move people out of poverty** including home visiting, Early Childhood Education Assistance Program, Basic Food Employment & Training, and Integrated Basic Skills & Education Training.
- Developing **community-designed career pathways** that lead to wages that will allow families to meet their basic needs and invest in their future.
- Improving **incentives for rural job creation** with a focus on hiring local talent.
- Making **long term contraception, comprehensive sex education, and reproductive care** widely available so people are best prepared to plan for a family.
- Investing in **return-to-work and re-entry strategies** for justice-involved populations.

Our theory of change, policy framework, and specific ideas remain a work-in-progress, and it is fully expected that they will change as PRWG's work evolves over the next year.

**EXPERT #5: WHITE FEMALE, A SINGLE MOM AT AGE 18 SUPPORTING HER CHILDREN WITH HELP FROM A COMMUNITY JOBS PROGRAM**

“I didn’t know what to do. Fortunately I was able to move in with a friend. I happened to hear about a program that could help me get on my feet. They went out of their way to help me.”

“I was raised in poverty. We lived in a two bedroom mobile home. My mother and father divorced when I was in elementary school. My mom hadn’t worked before and had very limited work type skills. We utilized state assistance...[in time] my mom volunteered in schools and became a para educator. She also earned some money being an interpreter and driving a taxi. With all of this, income was still scarce, but she tried her best to take care of her family. We had a garden and grew as much food as we could. We picked fruit at local orchards. This is how we were able to make ends meet.

Looking back, I didn’t know I was in poverty. I thought it was a way of life. When I became a single mother at 18 I found myself struggling, unable to afford housing to support my child. I was on state assistance, but it wasn’t enough to make ends meet, so my only choice was to move in with my mom. I did so, but for a very short amount of time because she lived in section 8 housing, and there was a stipulation that only so many people could live in the house, and she was afraid she would be evicted if we stayed, so we had to leave.

I didn’t know what to do. Fortunately I was able to move in with a friend. I happened to hear about SL Start, a program that could help me get on my feet. They went out of their way to help me. They cared about me and motivated me to want to be out of the situation I was in. They set me up in the Community Jobs Program...this gave me the confidence that I could do better for myself. Also, I didn’t know how to set goals or work towards goals. This experience taught me how to do that, [and] made me feel like I could go forward in life without state assistance.

I am now working fulltime. I am supporting my two children on my own. My kids are doing well in school. I have a car, and happy to say that this is the first month that I have not received any assistance, and I can now say that for the first time I am supporting my family on my own!”

**EXPERT #6: BLACK MALE, GETTING A COMPUTER SCIENCE DEGREE AFTER PRISON**

“I am very grateful that I came across a program such as Passage Point. Without it, I don’t know where I would be with my kids.”

I grew up in a rough neighborhood. [I had no family support]...my mother raised three kids, while my father was a drug abuser...I was introduced to the criminal justice system at the young age of 13. I have been in and out of the incarceration system my whole life...I have never had any type of re-entry training that helps me prepare for being released back to the streets. When I had my daughters that helped me find the change I needed [to] help me want to be better.

In 2012, I was a single father taking care of two infant girls by myself...[I was arrested and] my daughters ended up in foster care. Somebody told me about a program called Passage Point...ran by the YWCA. It helped me get my kids out of foster care after I was released from prison. They gave me stability and they offered Child Protection Services [onsite]. They had a drug and alcohol treatment program and were able to [provide onsite assistance when needed].

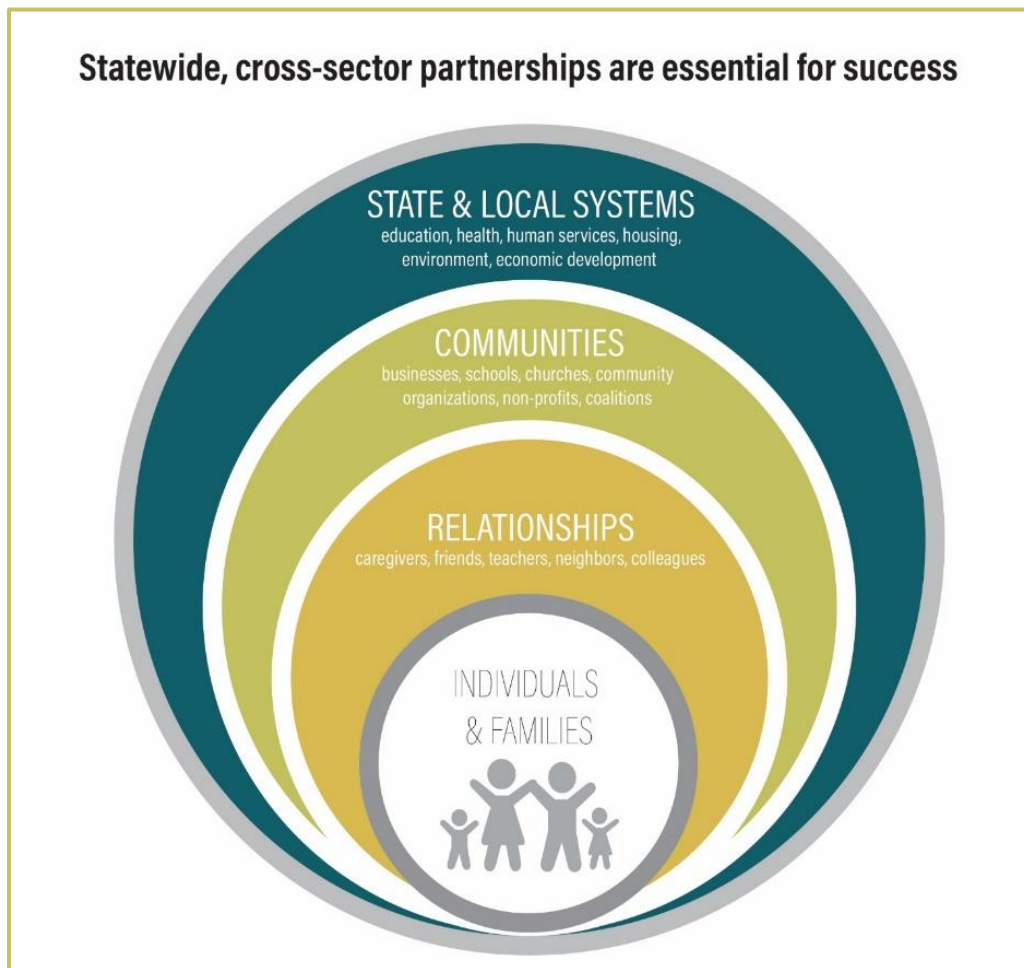
I am currently on the waiting list to move into a more permanent housing program for me and my daughters. I’m in my fourth-quarter of my computer science degree at Renton Technical College. I am very grateful that I came across a program such as Passage Point. Without it, I don’t know where I would be with my kids. I think they would still be in foster care and I might have continued the same cycle I was in when I was younger.

## Disrupting the Status Quo

Every state makes investments intended to support people experiencing poverty, and policies and programs play a significant role in mitigating the effects of poverty. In Washington state today, for example, the system of social benefits keeps one million Washingtonians above the federal poverty line annually.<sup>26</sup>

In spite of these efforts, poverty and inequality stubbornly persist. We simply cannot further reduce poverty and inequality – let alone increase intergenerational well-being for all Washingtonians – unless we change the way we do our work to disrupt the status quo.

Toward that end, and with accountability to the guiding principles of the PRWG (see page 4), we have taken the following actions to inform our work moving forward.



<sup>26</sup> Issac Shapiro (2018) The Safety Net's Impact: A State-by-State Look downloaded at <https://www.cbpp.org/blog/the-safety-nets-impact-a-state-by-state-look>; number reflects how many Washingtonians are lifted above 100% of the federal poverty line.

### ***Creation of a Steering Committee***

Recognizing that people experiencing poverty are the foremost experts on their lives, PRWG members have prioritized elevating the expertise and influence of those most affected by poverty in the development of a strategic plan. Toward that end, the group has unanimously decided to create a Steering Committee, whose role will be to provide input on the development of the strategic plan, offer feedback throughout the process, and ensure the final plan includes a racial equity analysis.

With generous support from the Annie E. Casey Foundation, the Department of Social & Health Services has passed through resources to Statewide Poverty Action Network to recruit, train, and support a Steering Committee. It is anticipated that the committee will be formed by October 2018, and will be organized as follows:

- 18 members, with a recruitment priority of people impacted by poverty
- A solid majority (at least 60 percent or 11 members) of individuals/families impacted by poverty, including broad representation of urban, suburban, rural, and tribal areas
- A minimum of 50 percent (at least 9 members) must be people of color, with an aim to include membership from other impacted communities, such as people with disabilities, LGBTQ people, immigrants, and refugees
- The two co-chairs of the Steering Committee will be people impacted by poverty, with at least one of the co-chairs a person of color
- The co-chairs of the Steering Committee should be voting members on PRWG in order to facilitate conversation between the Steering Committee and the PRWG members

### ***Hiring of Equity Consultants***

Little attention has been dedicated to addressing systemic causes of inequality and seeking input from people experiencing poverty as experts in their own lives. These deficits in knowledge, expertise, and resources undermine the efficacy of policies and programs in improving the intergenerational well-being of Washingtonians.

PRWG members have prioritized building equity into the DNA of our work and recognize that achieving it is essential to a successful strategic plan. With generous support from the Bill & Melinda Gates Foundation, the Department of Social & Health Services is currently recruiting for consultants to help PRWG members access the shared knowledge, understanding, and tools they need to advance policies and programs for poverty reduction that will achieve equity and have a higher likelihood of success than the status quo. The equity consultants are anticipated to be hired by the end of October 2018.

### ***Accountability for Real Change***

Our goal is to reduce poverty and empower individuals, families, and communities to fulfill their potential and lead rewarding and socially connected lives. One indicator of success will be reducing the number of people living under 200 percent FPL, from the current baseline level of 1.9 million. Over the next year, the work group will explore how to track that number regularly; work across systems to ensure the number goes down over time; verify that progress is being made across communities of color, rural communities, tribes, people with disabilities, and other key demographics; and collect additional data to provide a fuller picture of progress than any one number can provide on its own.

### ***Local, Community-Driven Solutions***

Communities know what is best for their members. Tribal nations, communities of color, and rural areas of the state are the best judge of what works for them. Solutions that are designed and supported by the community are more likely to have success, and individuals are more likely to succeed if they are deeply supported by their families and local residents. Communities must be empowered to design and co-create the solutions that move individuals, families, and entire communities up out of poverty. Local design, local jobs, and local pride—coupled with accountability for real results that measurably reduce poverty—should be a keystone of our work.

### ***Building Momentum: Communications & Stakeholder Outreach***

Communications and stakeholder outreach is essential to the success of this work. Having gone through the difficult work of developing a foundation of mutual trust among all the members of the PRWG as well as a common understanding and set of expectations about the work involved, we are looking for opportunities where communication and continued education on our work can be beneficial to our overall goals.

Furthermore we recognize the importance of the many work groups, non-profits, local government agencies, and organizations that are doing similar work that have mutually beneficial missions. Our plan is to learn and develop a deeper sense of their work in what can potentially begin the process for future collaboration or, at a minimum, do-no-harm to those endeavors.

The PRWG has engaged communications staff from the co-lead agencies to draft and implement a communication plan leading up to the December 2019 deadline of delivering the 10 year strategic plan to the Governor. In addition, the PRWG will develop a comprehensive stakeholder outreach plan to clearly communicate the work being considered and gather feedback and information from stakeholders to support a case for poverty reduction.

### **EXPERT #7: WHITE MALE, GROWING UP WITH A MOTHER EXPERIENCING MENTAL ILLNESS**

*“Don’t look back. You’re not going that way.”*

“I didn’t recognize that we may be on the lower scale of the economic ladder as others in the area weren’t doing much better. [I lived] in an ethnically diverse area and in hindsight was a very poor neighborhood with older homes, low income residents with factory labor skills...It is on reflection that I realize how depressed the neighborhood was economically and that 36 to 40 students in a classroom is today considered an unacceptable ratio for class sizes. However, back then, it was what we had to work with and the teachers were dedicated though I expect quite lowly paid.

They were an inspiration to me for the value of learning and commitment to their work. I was lucky in that regard as many of the friends I met during the early years didn’t do so well with those issues and some found their way into jails or worse...What was different for me was a work ethic I gained through the support of others who let me do the things I wanted to and someone who was willing to hire a teenager for responsible tasks. Working and going to school kept me out of trouble type situations.

Learned behavior developed early paid off as time went by. Others I’ve known weren’t so lucky. I keep a sign at my desk as a reminder of why looking ahead to better circumstances and creating a positive self-fulfilling prophecy is important: DON’T LOOK BACK→YOU’RE NOT GOING THAT WAY.”

## NEXT STEPS & MID-COURSE RECOMMENDATIONS

### Important Next Steps

PRWG will continue to meet monthly and will be conduct the following activities as our work continues throughout 2019:

- **October 2018: Policy development subcommittees**  
PRWG members will break into subcommittees to identify specific recommendations within each of Governor's priority areas: early education, post-secondary training and career paths; economic stability, assets, and wealth; health and well-being; and social capital and networks.
- **October – November 2018: Implementation of communications and outreach plans**  
Staff from the co-lead agencies will work with PRWG members to advertise PRWG's activities, updates, and meetings, and begin to build momentum for poverty reduction efforts statewide.
- **November – December 2018: Onboarding Steering Committee and equity consultants**  
The Steering Committee and equity consultants will both be on board by the end of October 2018. PRWG co-lead agencies and members will work with these teams to evaluate strategies, and policy and programs recommendations moving forward.
- **May 2019: First draft of comprehensive plan recommendations**  
Draft recommendations will be developed early so they can be discussed with stakeholders prior to the submission of the comprehensive strategic plan.
- **May – September 2019: Stakeholder engagement**  
Draft recommendations will be shared with stakeholders throughout the Spring, Summer, and Fall of 2019.

**December 1, 2019: Final comprehensive strategic plan due to Governor Inslee**

### Mid-Course Recommendations

1. **Align PRWG with the new Joint Legislative-Executive Poverty Reduction & WorkFirst Oversight Taskforce created under HB 1482.** HB 1482 passed during the 2018 legislative session and was signed into law by Governor Inslee on March 21, 2018. The bill repurposes the existing Joint Legislative-Executive WorkFirst Oversight Taskforce to broaden its scope to include poverty reduction and a focus on intergenerational poverty. Similar to PRWG, the taskforce is responsible for creating a comprehensive five-year strategic plan to reduce poverty by December 1, 2019.

The intent of PRWG and HB 1482 are similar enough that stakeholders have expressed a desire to coordinate their work and inform one another. We recommend that members from PRWG and the Joint Taskforce develop an agreement on how they will work together over the next year and identify roles and responsibilities so as not to duplicate efforts.

- 2. Provide funding to support poverty reduction work over the long-term.** PRWG members are committed to doing this work in collaboration with the many public and private stakeholders dedicated to reducing poverty, especially individuals and families most affected by poverty and communities throughout the state that are essential partners in this work. In addition, there will be ongoing research, communications, and outreach needs to effectively implement a strategic plan that will achieve its poverty reduction goals.

Toward that end, we are requesting funding in the 2019-21 biennial budget to support poverty reduction work over the long-term. PRWG members would work with the Governor's policy staff to determine an adequate budget, potentially seeking philanthropic support to match state efforts and lay a strong public/private foundation for the work moving forward.