

Poverty Speaks: Making Tough Choices

A report by The Center for Community Solutions



Cleveland is the second poorest large city in the United States, yet policymakers and community leaders rarely have the opportunity to hear from large numbers of people who live at or near the poverty level. The Center for Community Solutions and The Council for Economic Opportunities in Greater Cleveland (CEOGC) have collected new information directly from low-income residents of Cuyahoga County about the issues and challenges they face. This report is the second in a series that will examine the results of the survey and its implications for Cuyahoga County.

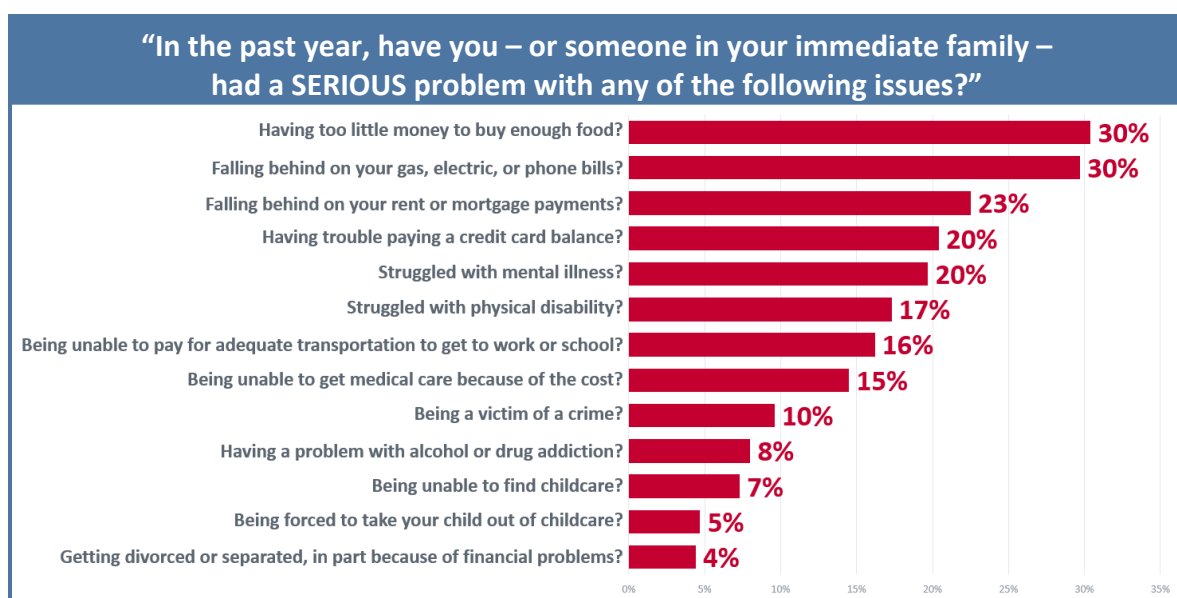
People in poverty don't have enough money.

Household income is used to determine whether someone officially lives in poverty. If a family's total income is lower than the poverty threshold, every member of the family is considered to be below poverty. So by definition, a family who lives in poverty doesn't have enough money. **Our survey targeted Cuyahoga County residents with household incomes below \$25,000, or just below the Federal Poverty Level for a family of four.**

The way the official poverty measure is determined has hardly changed for 50 years. **It is an income threshold set at three times the price of a low-cost food budget.** When the measure was developed in the 1960's, food made up about one-third of a low-income family's budget. Since then the cost of food has fallen and the cost of other necessities, especially housing, has grown, so the official threshold no longer relates to the experience of impoverished Americans. **Even the U.S. Census Bureau, which determines who is in poverty, recognizes that the poverty threshold is too low,** stating, "Although the thresholds in some sense reflect a family's needs, they are intended for use as a statistical yardstick, not as a complete description of what people and families need to live."¹ **Since families in poverty don't have sufficient financial resources to make ends meet, they have to rely on help from government, philanthropy, friends or family.**

Two-thirds of low-income Cuyahoga County residents had a serious problem with at least one necessity in the past year.

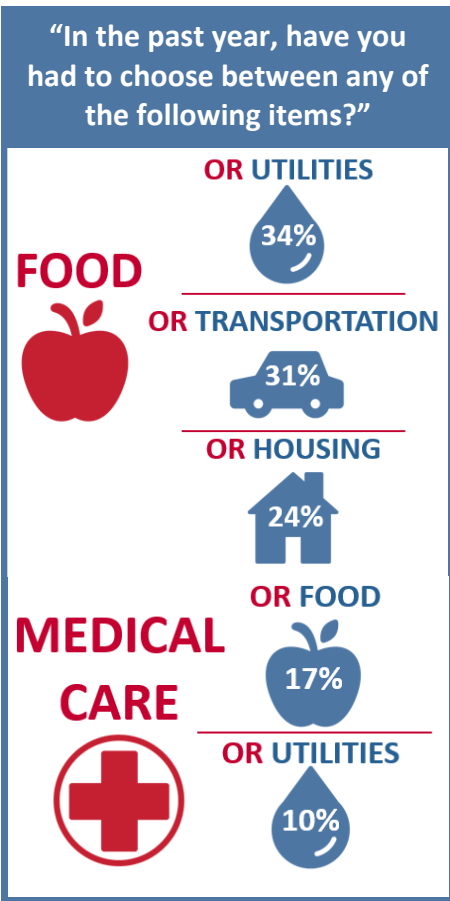
Affording the basics, like food, utilities and shelter, was particularly challenging. **Thirty percent said they had too little money to buy enough food and a similar share said that they had fallen behind on gas, electric or phone bills.**



By Emily Campbell, Associate Director & Williamson Family Fellow for Applied Research and Joseph Ahern, Research Fellow

One in 5 Cuyahoga County residents who live in or near poverty admitted that they or someone in their families had struggled with a serious mental health problem. The actual number who face these challenges could be much higher. Mental health problems are typically underreported, often due to stigma. A clinical study found that more than three times as many patients had been diagnosed with certain mental illnesses than reported their diagnoses.² The underreporting of physical ailments was much lower.

Poverty means people don't have enough to get by, which forces difficult choices.



More than half of Cuyahoga County residents with household incomes below \$25,000 per year were forced to make at least one trade-off. The most common were choosing between food and either utilities, transportation or housing. Families with children were significantly more likely than the general public to report that they had to choose between child care and food.

More than 1 in 5 Cuyahoga County children were food insecure in 2017, meaning that there were times during the year when families didn't have enough nutritious food for them to maintain an active and healthy lifestyle.³ Even though many of these families rely on food pantries and Supplemental Nutrition Assistant Program (SNAP) benefits, more than 1 out of every 3 low-income Cuyahoga County residents had to choose between paying utility bills or paying for food.

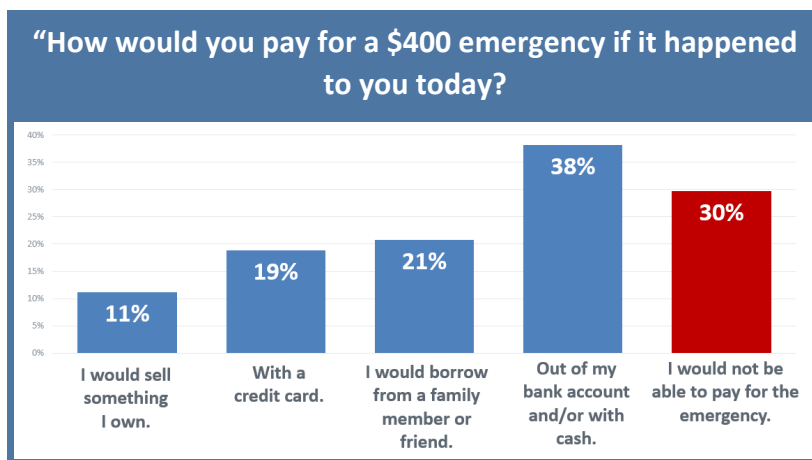
These tradeoffs happen in our community, despite the availability of government assistance that helps low-income families pay for food, and a robust network of food distribution managed by the Greater Cleveland Food Bank. Current proposals by the Trump administration to expand work requirements to more SNAP recipients threaten the ability of poor families in Cuyahoga County and across the country to receive these benefits. Those in Cuyahoga County are also experiencing long telephone wait times to apply for these benefits, and the number of SNAP applications that are denied because people were unable to navigate the red tape has risen sharply.

One in 6 people living at or near poverty in Cuyahoga County also had to choose between food and needed medical care. There is an established link between living in poverty and an increased risk of disease and premature death.⁴ Not seeking medical care when needed and putting off preventive care is just one factor that contributes to the disparities.

Even when they can afford the basics, many low-income people could not cover an unexpected expense.

Not surprisingly, low-income Cuyahoga County residents are ill equipped to manage unexpected expenses. Seventy percent either wouldn't have the money, or would have to try and borrow money or sell something they own to cover a \$400 emergency.

When faced with a financial crisis, people who live in poverty may turn to high-cost, non-traditional financial products, such as payday lending, which take advantage of their immediate need for cash. Limiting the amount of interest that can be charged on short-term loans, helping people with low incomes and low credit scores establish traditional bank accounts would help, as would providing emergency financial assistance.



These and other findings come from an online and phone poll of county residents conducted by Baldwin Wallace University for The Center for Community Solutions. The poll was targeted toward people below or just above the federal poverty line. Fifty-seven percent of the 434 respondents reported a household income of less than \$25,000. Our mixed-methods approach yielded results with a five percent margin of error at the 95 percent confidence interval.



August, 2019

¹ U.S. Census Bureau, “How the Census Bureau Measures Poverty”. <https://www.census.gov/topics/income-poverty/poverty/guidance/poverty-measures.html>.

² Takayanagi Y, et al. “Accuracy of reports of lifetime mental and physical disorders: results from the Baltimore Epidemiological Catchment Area Study.” *JAMA Psychiatry*, 2014.

³ Feeding America, “Map the Meal Gap”, 2017.

⁴ U.S. Department of Health and Human Services, Office of Disease Prevention and Health Promotion, “Poverty”, accessed at <https://www.healthypeople.gov/2020/topics-objectives/topic/social-determinants-health/interventions-resources/poverty>.