

DISCUSSION GUIDE:

COMMUNITY MEMBERS

OCTOBER 2014

Creating economic opportunity for low-to-moderate income families in St. Louis



PURPOSE

This *Discussion Guide* focuses on the recommendation to “help low-to-moderate income families create economic opportunities.” It is designed to provide you with a better understanding of the issues involved and the barriers standing in the way of this goal. We also encourage you to use the *Action Toolkit* that accompanies this *Discussion Guide* to identify ways to bring this conversation to your community and take steps to make a difference. A digital version of both the *Discussion Guide* and the *Action Toolkit*, with additional links and resources, is available at <http://forthesakeofall.org/take-action/>.

BACKGROUND

Neighborhood quality, education, and financial resources play important roles in shaping our health. While most Americans believe that all people should have the opportunity to make choices that will help them to live healthy lives, studies show that living in a neighborhood with high poverty makes being healthy much harder. Neighborhoods with high poverty are more likely to have an overabundance of fast food restaurants and convenience or liquor stores and less likely to have safe parks, grocery stores, banks or other services. Residents are also at greater risk of exposure to pollution and violent crime.¹⁻³

The deaths of hundreds of people in the City of St. Louis and St. Louis County in 2012 can be linked to poverty and low levels of education.

- > In 2012, 11,949 adults 25 and older died in St. Louis, and nearly 1 in 10 of those deaths (1,111) was due to these two factors.
- > Specifically, 556 of these deaths were due to poverty and 555 were due to low levels of education.
- > The loss of life linked to poverty and not completing high school has an estimated cost of approximately \$7.8 billion.

In 2012, 3,143 African American adults 25 and older died in St. Louis, and almost 1 in 5 of these deaths was due to these two factors.

- > Specifically, 319 deaths were due to poverty and 262 were due to low levels of education.
- > The cost of this loss of life among African Americans is estimated at \$4.1 billion.

556 DEATHS

DUE TO POVERTY

555 DEATHS

DUE TO LOW LEVELS OF EDUCATION

COMBINED THE NUMBER OF LOST LIVES COULD FILL ABOUT

15 METROLINK CARS



THE ESTIMATED COST OF THIS LOSS OF LIFE IS APPROXIMATELY

\$7.8 BILLION

In the same year, 8,618 white adults 25 and older died in St. Louis, and 1 in 16 of these deaths was due to these two factors.

- > Specifically, 246 deaths were due to poverty and 292 were due to low levels of education.
- > The loss of life associated with low levels of education and poverty among whites was estimated at \$3.8 billion.*

*The estimate of the cost of premature deaths reflects a “social value” of life approach (VSL) and not earnings or health care expenditures. VSL is commonly used in cost-benefit analyses to support regulatory analysis for the federal government.

Early deaths due to poverty and low levels of education can be prevented. Those who go to college are likely to live longer and have higher incomes. Unfortunately, not everyone in our region has the opportunity to go to college. For example, there are differences in education levels by race.

- > Among white residents in St. Louis, 74% have some college education or more.
- > Only 57% of African Americans have some college education or more.⁴

A JOB IS A HEALTH INTERVENTION

UNEMPLOYMENT IN ST. LOUIS IS ALMOST
4x
HIGHER AMONG AFRICAN AMERICANS
COMPARED WITH WHITES



Employment status also influences the economic well-being of families. Unemployment is linked to poor health and higher rates of death. Jobs are essential for bringing resources into households, but they also offer many other benefits beyond income. For example, many employers provide benefits like health insurance, wellness programs, and retirement savings.⁵

- > The rate of unemployment among white residents in St. Louis is 4.6%.
- > By comparison, the rate of unemployment among African Americans is 17.6%.⁶



STRATEGIES

A college education is a proven path to economic advancement

Helping to make college a reality for children in low-to-moderate income households is one way to help families create economic opportunities. Children who have college savings accounts in their names are three to four times more likely to attend college and to graduate.⁸

- Individuals and communities interested in starting savings accounts could explore options such as Child Development Accounts (CDAs). CDAs are savings or investment accounts that allow families to save for college. These accounts are often supplemented by both public and private matching funds.

Model programs include:

- [Beyond Housing](#) offers a \$500 MOST (Missouri Saving for Tuition) 529 college savings account, called a Promise Account, to students entering kindergarten in the Normandy School District.
- All babies born in the state of Maine automatically receive a \$500 grant for college through funding from the [Harold Alfond College Challenge](#).

A tale of two ZIP codes⁷

63105
Clayton

Life expectancy : 85 years

Racial makeup:
78% White | 9% African American | 14% Other

Unemployment: 4%

Percent below the poverty line: 7%

Median household income: \$90,000



63106
North St. Louis City

Life expectancy : 67 years

Racial makeup:
95% African American | 2% White | 3% Other

Unemployment: 24%

Percent below the poverty line: 54%

Median household income: \$15,000

Source: City of St. Louis Department of Health-Center for Health Information, Planning, and Research; Census 2010; MODHSS, Death MICA 2010

Notes: ZIP code life expectancies were derived using population counts from Census 2010 and deaths from Death MICA 2010. Total percentage for race may exceed 100% due to rounding.

- San Francisco, CA, created the first publicly-funded, universal college savings program with [Kindergarten to College](#), where every child entering kindergarten receives \$50 in a college savings account. Children from lower income households receive an additional \$50.



[SEED for Oklahoma Kids \(SEED OK\)](#) is a large-scale study developed to test the impact of CDAs. This study, developed by the Center for Social Development at Washington University in St. Louis, automatically opened and deposited \$1,000 in an Oklahoma college savings plan account for 1,358 newborns and followed an additional 1,346 newborns who did not receive an account. Results show a pattern in which scores from the treatment group (those with the automatically opened account) indicate better development than those from the control group (those with no account).⁹

Workforce development and job training are key avenues to creating economic opportunity

One of the barriers to job growth in the St. Louis region is a shortage of workers with the necessary knowledge and skills.¹⁰ Besides a four-year degree, other forms of post-secondary education and training, such as certifications, associate degrees, and apprenticeships can help retain employment. While a college degree often opens doors, employers report other gaps in knowledge and skills that demonstrate the need for additional and ongoing investment in training and development. Economists have begun to focus on what are called “soft skills” that impact success on the job above and beyond academic skills.¹¹ Young people also need pathways to careers, including apprenticeships, internships, and other opportunities to “try on” careers before they have completed their education, as well as information and resources to support the development of skills appropriate for their intended careers.

Local examples include:

- St. Louis Community College is addressing workforce development in the region. One example is the Accelerated Job Training program. In partnership with the [Workforce Solutions Group](#), the college’s campuses and local employers help adults retrain for in-demand jobs. The program also has a certificate program that is designed to provide a pathway for new and current entrepreneurs.
- The [Metropolitan Education and Training Center \(MET Center\)](#) provides many services intended to stimulate the economic self-sufficiency of residents of low-to-moderate income communities. Examples of these services include career evaluation and advising, work readiness skills assessments, and job-specific training.

Financial advice should be accessible to all families

Making financial advice and services easily accessible to families at all income levels is another important strategy. Low-to-moderate income families are more likely to lack credit or use nontraditional lenders (e.g., check cashing, payday lenders, and title loans). A 2012 report called the *St. Louis Neighborhood Market DrillDown* found that 1 in 3 households in northern St. Louis County and St. Louis City lacked a credit record. Another 2011 study by the Federal Deposit Insurance Corporation showed that 29% of African Americans in St. Louis were unbanked, one of the highest rates in the country.¹² Without a credit history and access to financial services, it can be more difficult to rent or buy a house, purchase insurance, and in some cases, find employment.

Local examples include:

- The [St. Louis Community Credit Union](#) operates mini-branches in social service agencies like Kingdom House to provide convenient one-on-one financial counseling.
- The [Office of Treasurer Tishaura Jones](#) has been working to establish an Office of Financial Empowerment. Initiatives include connecting people with banks and credit unions and integrating financial education into the summer youth employment program.¹³
- [Beyond Housing’s Home Ownership Center](#) helps those looking to buy a home by providing educational workshops, one-on-one services, and down payment and closing cost assistance to eligible families.

New York City’s [Office of Financial Empowerment](#) and the [Center for Economic Opportunity](#) were created to fight the cycle of poverty through innovative programs, such as the [Young Men’s Initiative](#). This initiative aims to help African American and Latino men achieve their professional, educational, and personal goals. It is funded through a combination of city funding and private philanthropy.



SUMMARY OF KEY POINTS

- In St. Louis, rates of unemployment among African Americans are almost four times that of whites.
- Unemployment is linked to poor health and higher rates of death.
- While education levels among African Americans have improved in recent decades, there remains a significant gap, with 57% of African Americans in St. Louis attaining some college education, compared with 74% of whites.
- The high number of deaths due to poverty and low levels of education has a large economic cost for the St. Louis region, with the impact estimated at \$7.8 billion. We all pay a price when people in our region lack economic and educational opportunities.



DISCUSSION QUESTIONS

- 1 Why do you think the connections between income, education, and health are so strong?
- 2 How should our region think about providing opportunities for all citizens to succeed financially? What are the current barriers?
- 3 What do you think accounts for the very different health and life outcomes for people of different races living in different parts of the region?
- 4 How are you and your community affected by the persistent disparities by race and socioeconomic status in the St. Louis region?
- 5 What can be done specifically in the African American community to provide economic opportunities?
- 6 Do you believe that encouraging lower income students to attend college will reduce income and health disparities in the St. Louis region?
- 7 How can we as a community help build trust between banks and citizens?
- 8 Do you believe there is enough emphasis placed on job training programs or workforce development tools? Why or why not?
- 9 Do you feel that the government adequately funds workforce development or job training programs?
- 10 What would you be willing to do in order to ensure that all children and families have the opportunity to succeed financially and in terms of health?

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ACTION TOOLKIT:

COMMUNITY MEMBERS

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Creating economic opportunity for low-to-moderate income families in St. Louis

Whether you are new to advocacy or a seasoned professional, we can all play a part in improving economic opportunity in our region. Use the information below to guide your conversations with your family, friends, neighbors, government officials, or the media. **Be a thought leader and an agent of change in your community!**



TAKE ACTION!
Be part of the solution.

There are many steps you can take to help improve economic opportunities for low-to-moderate income households.

Educate and inform:

- Read the companion [Discussion Guide](#) and learn more about strategies to improve economic opportunity.
- Watch the video “[Two Lives of Jasmine](#),” available online at <http://forthesakeofall.org>.
- Review and use the Talking Points provided on page three.
- Share what you learn with your family, friends, neighbors, and colleagues — both face-to-face and through social media.
- Host a book club or discussion session with family, friends, co-workers, or members of your religious, social, or civic organization about the *For the Sake of All* report, briefs, and *Discussion Guide*.

**Donate:**

Seek out organizations in your community that are making a difference by:

- Providing job training, mentoring, internships, apprenticeships, and other employment-related assistance
- Providing financial advising and financial resources for low-to-moderate income families
- Making higher education more accessible to low-income students
- Advocating on behalf of working families and addressing economic disparities

Learn more about these organizations and their work, and make a donation to support their efforts. A list of sample organizations is available at <http://forthesakeofall.org/take-action/>.



Volunteer:

Give your time to programs and organizations that are helping and empowering low-to-moderate income families. Examples include:

- Volunteer Income Tax Assistance (VITA)
In 2014, 774 trained volunteers prepared 18,834 federal tax returns at free tax preparation sites located throughout the St. Louis Metro Area. With the help of these IRS trained volunteers, over \$21 million in tax refunds were returned to low and moderate income families in the St. Louis Metro region. To volunteer, go to the Volunteer Center by the United Way of Greater St. Louis at: <http://www.stlvolunteer.org/VITA>.
- Volunteer your time with programs that focus on mentoring, after school activities, and tutoring. By helping students from low-to-moderate income families succeed at school and graduate, you are helping these students and their families to create economic opportunities for their future.
 - › Big Brothers Big Sisters of Eastern Missouri fosters an environment that encourages and supports the success of children and youth. They serve children in St. Louis County and the City of St. Louis. To volunteer, visit: <http://www.bbbsemo.org/volunteer>.
 - › Wyman's Teen Leadership Program supports healthy teen development, leadership, and college access. Wyman needs volunteers to help prepare youth to live successful lives. To volunteer, go to: <http://wymancenter.org/volunteer/>.
 - › North Campus provides in-school and after-school tutoring to children in their service area. You can serve as a tutor or "student advocate" and help students practice math and science skills. To learn more, go to: <http://www.thenorthcampus.org/help/>.



Organize and advocate:

- Write a letter to the editor or op-ed in support of Child Development Accounts, job creation and training, or access to financial advising. Use the provided talking points and media tips.
- Contact your elected officials to ask them to support economic opportunities for low-to-moderate income families. Find out who your state legislators are at <http://www.house.mo.gov/legislatorlookup.aspx> and schedule a meeting or give them a call. You could also write them a letter or send them an email. Your state legislators are there to represent you, and the only way they know what is important to you is for you to communicate with them!
 - › Use the provided talking points and let them know your thoughts on economic disparities in our region and what can be done to decrease these disparities.
- Host a community forum, discussion, or roundtable on the topic. Reach out to your networks, such as your school board or PTO, civic or service organizations, or religious groups. Bring in a speaker/moderator on the topic, or use the following format to guide your discussion:
 - › Introductions
 - › Topic summary
 - › The business, health, and common sense case for improving economic opportunity
 - › Discussion questions
 - › Action steps
 - › Wrap up





RESOURCES

Talking points:

- The high number of deaths due to poverty and low levels of education takes a large economic toll on the St. Louis region, with the impact estimated at \$7.8 billion. We all pay a price when people in our region lack economic and educational opportunities.
- In our region, areas with higher rates of poverty also have higher rates of death from chronic diseases like cancer and heart disease.
- Although poverty rates are disproportionately higher among African Americans, the health effects of poverty affect other races as well.
- In St. Louis, rates of unemployment among African Americans are almost four times that of whites.
- Good health and education often go hand-in-hand. Individuals with post-secondary education are more likely to live longer and stay in better health than those who do not go beyond high school — in part because well-educated individuals generally have higher incomes and can afford better health care.
- While education levels among African Americans have improved in recent decades, there remains a significant gap, with 57% of African Americans in St. Louis attaining some college education, compared with 74% for whites.

Use these talking points when informing others about creating economic opportunities.

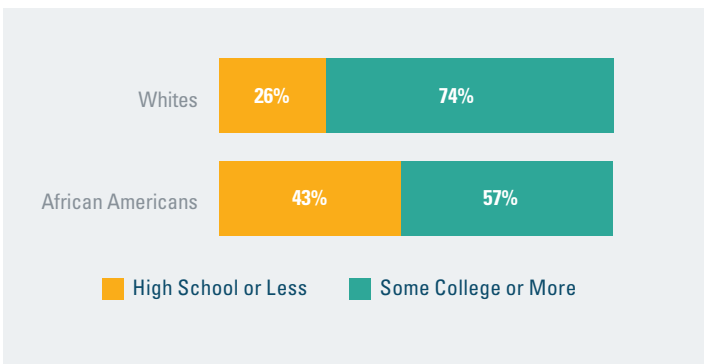
TALKING POINTS



Sample social media posts:

When using these sample posts, make sure to include a short link to the product.

- In 2012, the loss of life due to poverty & low education cost the STL community \$7.8 billion.
- By 2018, 60% of all jobs in America will require a college education. Learn what you can do to improve access for all.
- Don't think where you're born makes a difference in your lifelong health? Watch the Two Lives of Jasmine.





Media Tips:

Writing an effective letter to the editor or op-ed

- **Keep it short.**

A brief, well-written letter (200 words or less) or op-ed (700 words or less) is more likely to be published.

- **Make it relevant and timely.**

Your letter, op-ed, or blog post should be in response to something that was recently featured in the news or a recent event and offer a unique perspective on the topic.

- **Respond quickly.**

Ideally, you want to respond within hours so your letter or commentary is published online that day and possibly in the paper the next day.

- **Include your contact information.**

News organizations often want to verify your full name, title, organization, address, phone number, and email. They may also have follow up questions for style or editing purposes.

- **Take advantage of the comments section.**

Most people get their news online these days. Many are likely to express their views online as well. Posting your comments online is another vehicle for letting your voice be heard.

- **Use these resources to help.**

Go to <http://forthesakeofall.org/take-action/> to find sample letters to the editor and guidelines from local media.

Personal Commitment Statement

What action will you take to create economic opportunities for all families in our region?
