

Leaders announce new numbers, plans to reduce poverty in Sacramento

From the back of the room at a packed press conference Thursday morning at Sacramento City Hall, three women quietly listened to community leaders talk about the vast numbers of people living on the financial brink in the region.

“We are those people,” the women piped up as Mayor Kevin Johnson stood at the dais. One of them, Carolyn Lee, wiped tears from her eyes as she listened to sobering numbers that reflected her life and struggles.

Lee later told a reporter that she lost everything after quitting her job as a flight attendant to care for her husband, who has since died. She has applied for Social Security benefits, she said, but in the meantime relies on food stamps and the kindness of friends to survive.

Lee, 58, is the face of “financial insecurity” in the Sacramento area, as described at Thursday’s news conference.

According to data released by a national nonprofit group, 12 percent of households in the Sacramento region live below the poverty line and about 40 percent are one job interruption or medical crisis away from it because they lack a financial cushion to sustain them for three months. The organization, the Corporation for Enterprise Development, plans to work with business, political and nonprofit leaders in the Sacramento region and nine other cities across the country on an initiative to improve financial stability for residents who are financially stressed.

CFED’s study found, among other things, that:

- Thirty-nine percent of households in the capital region live in “liquid asset poverty,” meaning that they lack enough savings to live above the federal poverty line of \$23,850 for three months.
- Sixty-six percent of African American and Hispanic households in Sacramento are “liquid asset poor.”
- Sixty-three percent of people without college degrees fall into that category, compared to 50 percent of those with some college education and 24 percent of those with a bachelor’s degree.

Mutual Housing California develops housing that is affordable to a diversity of households. Our housing builds strong and stable communities through resident participation and leadership development. For more information, call (916) 453-8400 or visit our website at mutualhousing.com.

continued...



- Fourteen percent of Sacramento households have no checking or savings accounts, nearly twice the national rate.

The newly launched California Capital Region Assets & Opportunity Network will bring together financial institutions, elected officials and social service providers to work with people to improve their financial positions, Thursday's speakers said. Financially stable residents, they emphasized, make for a stronger overall community.

The local United Way will lead the effort, which will include more than two dozen other organizations, including Golden 1 Credit Union, Wells Fargo, Citi, Mutual Housing California and Legal Services of Northern California.

Stephanie Bray, president and chief executive officer of United Way California Capital Region, said the organization will use a \$175,000 grant from Citi Community Development to help connect people to banks and manage checking and savings accounts. Other programs will teach "positive financial habits" to children and adults who have very limited incomes, and work to ensure that eligible families claim their income tax credits and take advantage of free tax-preparation services.

The goal is to "help families save for emergencies, so they don't have to go into debt" when a crisis strikes, Bray said. The network will work with elected leaders, including city council members

and state legislators, to pass laws and ordinances that help people "learn, earn and save," she said.

Boston, Chicago, Houston, Miami and Sacramento are the first cities to participate in the project, which will continue for two years. Solana Rice, a CFED project director, said the organization chose to work with Sacramento because of a long-standing relationship with organizations in the area and Johnson's leadership in the U.S. Conference of Mayors.

Lee and Gina Webster, both clients of the local nonprofit Women's Empowerment, said they would welcome help in getting them back on their feet, financially and otherwise.

"There are so many people right here in Sacramento who are in need," said Gina Webster, 53. "I'm glad someone is talking about it."