

June 2015

# Multi-disciplinary Commentaries on a Blueprint for Prosperity



## Foreword

The City of Memphis' Blue Print for Prosperity is a city initiated effort to partner with other local initiatives, organizations and agencies to increase the wealth among low income citizens, increase their resiliency to meet daily financial exigencies and reduce poverty. A number of factors contribute to those challenges. Thus any successful effort to address them requires a multidisciplinary approach.

In June 2014, a set of researchers at the University of Memphis across a range of academic colleges and departments was invited to discuss approaches to wealth creation and poverty reduction for the various perspectives of their various disciplines. Based on that conversation, they were asked to submit policy briefs from those perspectives with recommendations to contribute to a community process to produce a plan for action. The following report summarizes and provides those briefs.

Participants in the report and their contributions include:

David Cox, Ph.D., Department of Public and Nonprofit Administration, School of Urban Affairs and Public Policy, College of Arts and Sciences. Project Director

Debra Bartelli, DrPH., Division of Epidemiology, Biostatistics, and Environmental Health, School of Public Health. Health Care/Mental Health and Wellness Strand

Cyril Chang, Ph.D., Department of Economics, Fogelman School of Business and Economics. Health Care/Mental Health and Wellness Strand

Beverly Cross, Ph.D., Department of Instruction and Curriculum Leadership, College of Education, Health and Human Sciences. Education and Early Development Strand

Elena Delevega, Ph.D., Department of Social Work, School of Urban Affairs and Public Policy, College of Arts and Sciences. Human Services/Case Management Strategy Strand

John Gnuschke, Ph.D., Department of Economics, Fogelman School of Business and Economics. Job Creation/Business Development/Economic Development Strand

Michael Hagge, MArch, MCRP, MPA, Department of Architecture, College of Communications and Fine Arts. Energy Cost Reduction Strand

Stanley Hyland, Ph.D., School of Urban Affairs and Public Policy, Department of Anthropology, College of Arts and Sciences. Housing/Community/Neighborhood Development Strand

Paige Powell, Ph.D., Division of Health Systems Management and Policy, School of Public Health. Health Care/Mental Health and Wellness Strand

Charles Santo, Ph.D., Department of City and Regional Planning, School of Urban Affairs and Public Policy, College of Arts and Sciences. Transportation Strand

Steven Soifer, Ph.D., Department of Social Work, School of Urban Affairs and Public Policy, College of Arts and Sciences. Human Services/Case Management Strategy Strand

Elena Strange, Ph.D., Department of Computer Sciences, College of Arts and Sciences. Job Creation/Business Development/Economic Development Strand

Jenna Thompson, MArch, BArch, BIA, Department of Architecture, College of Communications and Fine Arts. Energy Cost Reduction Strand

KB Turner, Ph.D., Department of Criminology and Criminal Justice, School of Urban Affairs and Public Policy, College of Arts and Sciences. Housing/Community/Neighborhood Development Strand

## Introduction

Context	1
Process	2

## Summary Draft of Blueprint for Prosperity Strategy Policy Briefs

Human Services/Case Management Strategy	3
Job Creation/Business Development/Economic Development	4
Education and Early Development	6
Health Care/Mental Health and Wellness	7
Job Training and Placement	10
Transportation	11
Energy Cost Reduction	12
Housing/Community/Neighborhood Development	13
Metrics	15

## Appendix A: Policy Briefs

Brief 1 Human Services/Case Management/Financial Management <i>Elena Delevega, Steve Soifer</i>	17
Brief 2 Job Creation/Business Development/Economic Development <i>John Gnuschke</i>	24
Brief 3 Education and Early Development <i>Beverly Cross</i>	29
Brief 4 Health/Wellness and Mental Health <i>Paige Powell, Debra Bartelli</i>	36
Brief 5 Health/Wellness and Mental Health <i>Cyril F. Chang</i>	47
Brief 6 Transportation <i>Charles Santo</i>	54
Brief 7 Energy Cost Reduction/Clean and Green <i>Jenna Thompson, Michael Hagge</i>	65
Brief 8 Housing/Community and Neighborhood Redevelopment <i>Stanley Hyland</i>	71
Brief 9 Job Training, Economic Development, Financial Services <i>Elena Strange</i>	79
Brief 10 Housing/Community and Neighborhood Redevelopment <i>K.B. Turner</i>	87

# Introduction

## Context

The title of the 2013 City of Memphis Blueprint for Prosperity sets its task in clear terms. It is to increase prosperity in the community by reducing the number of persons or families in the city who lack the financial resources and essentials to enjoy a minimum standard of life considered acceptable in society. There are two ways to do so, by increasing their income and/or by reducing their costs. The result is an increase in their wealth, providing the financial resiliency to meet daily needs and exigencies.

As stated by Mayor A.C. Wharton, the city is particularly positioned to do so. The scale of residents who lack those resources creates a special need for the city. And, should it do so, it provides an opportunity for Memphis to inform other cities nationally and globally on how to improve their citizens' lives.

Many initiatives have already arisen in the City to address this challenge. In the late 1980's Shelby County launched an effort called Free the Children aimed at increasing the financial resources and reducing poverty among residents in a targeted area in North Memphis. More recently, an association of CEO's called Memphis Tomorrow provides an example of a comprehensive effort to do so. Formed in 2001, Memphis Tomorrow has partnered with community initiatives in education and workforce development, economic development, public safety and efficient and effective government aimed at fostering community prosperity. Another comprehensive attempt is a Memphis and Shelby County partnership with the Brookings Institute in 2011 to create a metropolitan business plan aimed at job growth and the reduction of poverty. Recently, the Greater Memphis Chamber of Commerce created the "Chairman's Circle," a think tank group of over 100 business executives aimed at encouraging economic growth that would expand community-wide wealth and financial resiliency..

Other efforts have focused on one or a set of policy issues addressing financial resiliency and the reduction of poverty. The City of Memphis partnered with Bloomberg Philanthropies to create a Mayor's Innovation Delivery Team targeting blight removal, urban gardening, and entrepreneurialism in poor neighborhoods. Initiatives like Operation: Safe Community, HOPE VI, Health Memphis Common Table, and the Economic Development Growth Engine (EDGE) focus attention on issues related to crime, housing, obesity and diet, and economic development. External consultants such as the Center for Neighborhood Technology (CNT) have been sought for advice on achieving energy and special efficiencies toward reducing poverty and increasing financial resiliency.

All of this is to provide the context for the Blueprint for Prosperity and the accompanying report. One strain of thought in poverty and urban research is that there are limits to how much a city, acting on its own, can do to address poverty. In the larger national and global

economy, every state and locality uses similar taxing and spending options to compete for businesses and population to generate wealth. As a consequence, they tend to neutralize their efforts. Policies and programs addressing poverty in one city may involve costs leading to higher taxes and lower competitiveness. And, a locally based program increasing wealth and reducing poverty for its citizens may simply end up attracting even more low income citizens, perversely increasing the problem for the community that it was intended address. As a result, this view says that only the national level can meaningfully address wealth creation, reduce poverty and increase financial resiliency.

The neoliberalism direction in national and state economic policies toward fiscal austerity and privatization, however, has reduced public efforts at those levels specifically directed toward financial resiliency and reduction of poverty. As a result, American cities are beginning to explore possible actions at the local level. As an example of the more widely known efforts, New York City has announced a OneNYC plan as a local effort to reduce poverty for 800,000 New Yorkers over the next 10 years. Other cities are beginning efforts at their level. As noted, there are several similar initiatives in Memphis. The Memphis Blueprint for Prosperity joins those attempts, a city generated initiative designed to partner, support and enhance local efforts to increase financial resilience among the population and reduce poverty.

## **Process**

As a local initiative, the Blueprint for Prosperity is designed to provide a Memphis perspective followed by a national expert review leading to a framework of strategies and tactics for increasing financial resiliency and reducing poverty. The result will lead to action, implementation and accountability through assessment. Trust Marking, a Memphis based multi-disciplined marketing and public relations firm, has been selected to manage the process. As a start, Trust Marking met with residents in poverty and representatives of agencies, organizations and foundations seeking to address wealth creation and the reduction of poverty in the Memphis area. Many factors were identified as barriers to achieving that result. They included a shortage of well-paying jobs, a need for education and training to perform jobs, access to health care and human services, and limits on safe, thriving affordable neighborhoods. That led to the development of eight strategies for addressing poverty. They were:

- Human Services/Case Management
- Job Creation/Business Development/Economic Development
- Education and Early Development
- Health Care/Mental Health and Wellness
- Job Training and Placement
- Transportation
- Energy Cost Reduction
- Housing/Community/Neighborhood Development

Based on those strategies, researchers at the University of Memphis have then been asked to provide a draft document to serve as a “sounding board” for further development of the Blueprint’s action plan. Fourteen faculty researchers from eleven departments and divisions and four colleges at the University of Memphis participated in the process. Each provided a policy brief for a strategy matching their disciplinary specialty. The briefs describe current conditions within the strategy, identify current local supports for and barriers to wealth creation and poverty reduction, and end with recommendations for local action. Metrics for tracking progress are also recommended. A summary of the policy briefs follows. The policy briefs may be found in Appendix A of this report.

The draft is just that, an outline to help frame and document further community discussion. Led by Trust Marketing, community residents and stakeholders will use the draft to complete a Memphis Blueprint for Prosperity work plan. A set of national experts will be invited to critique the resulting plan and present their review at an open community symposium. Based on the results from the symposium, the Blueprint will move to implementation.

## **Summary Draft of Blueprint for Prosperity Strategy Policy Briefs**

### **Human Services/Case Management Strategy**

Human services are important to addressing wealth creation and reducing poverty through the provision of critical economic, social, and other personal supports. A beginning point for Human Services/Case Management recommendations are the premises underlying the design and delivery of those services. Past practices have used a “needs-based” approach to persons in and areas of poverty. Deficiencies of the people and neighborhoods were identified. Then agencies and organizations would design services and programs to address those deficiencies. While acknowledging those needs, a different approach is to identify the resources in the form of skills, gifts, knowledge and build programming based on those capacities. That should be the approach for the Human Services/Case Management Strategy.

Three recommendations are offered to do so. One begins with the structure of the delivery systems. Current systems in place involve multiple providers and overlapping services with differing eligibility rules but with gaps. The recommendation is to improve integration of the delivery of services ranging from basic needs interventions for food, housing, clothing, and physical and mental health care to job skills, placement, and after-employment support services. A CNT Prosperity + Empowerment report for the City of Memphis recommends a coordinating council including foundations, United Way, RISE, Bank on Memphis, the TN Financial Literacy Commission and others for this purpose.

National programs labeled Transition to Success initiatives provide other models for structured integrated service delivery.

Another recommendation centers on means to connect residents with those systems. Research has shown that neighborhoods have networks and enclaves working independently to affect change addressing wealth and poverty. The challenge is to link residents and those networks with service systems. Community activists now play those roles as informal brokers as “navigators.” The proposal is to provide support and training to increase the capacity for community service navigators to serve that role.

The third recommendation directly addresses financial capacity toward building wealth and reducing poverty. The Federal government offers a program called the Earned Income Tax Credit (EITC). EITC provides income tax refunds for low to moderate income working individuals or couples. It particularly assists those with children. The problem in Memphis is that many households that are eligible do not claim the refunds. Among neighborhoods with poverty rates greater than 40%, the non-claim rate is greater than 30%. A conservative estimate is that the failure to make those claims amount to a \$30 to \$70 million dollar loss in Memphis annually. The recommendation is to use local agencies to provide financial counseling to recapture those funds.

Two, a high portion of poorer residents in Memphis do not have a bank account. As a result, they turn to check cashing services that charge fees from 2.5% to 5%. According to one report, people making about \$20,000 per year can spend up to 6% or \$1,200 in annual fees. Likewise, title loan companies located in low income neighborhoods charge high fees for short term loans. To address the problem, banks and credit unions are participating in an effort called Bank On Memphis to offer no or low-fee accounts to low-income customers. The recommendation is to expand that initiative.

## **Job Creation/Business Development/Economic Development Strategy**

Job creation, business development and economic development refer to the efforts by communities to improve the standard of living of their residents through the creation of jobs and wealth. Government plays a large role in such development through policies, the provision of infrastructure and incentives. However, other entities such as community collaboratives for development and Chambers of Commerce can play important roles. The financial resiliency and level of poverty in a community can be linked to the overall level of community wealth. Thus, the importance of this strategy for the Blueprint for Prosperity.

Three factors are related to this strategy, the number of jobs, the match between jobs and community skills, and the level of wages and benefits.



In the first case, fewer jobs in a community means fewer opportunities to generate wealth. Accordingly, there are a range of efforts in Memphis to expand the number of jobs. In 2011, Memphis and Shelby County created the Economic Development Growth Engine (EDGE) to streamline and expand economic development programs in the city and county. Based on the Brookings Metropolitan Plan's Focus: A Roadmap for Transforming the Metro Memphis Economy, building from the area's strengths in logistics and transportation, EDGE is seeking to diversify the economy into sectors such as biotechnology, biolistics, medical devices and diagnostics. Consistent with the Greater Memphis Chamber of Commerce's Chairman's Circle's goal of producing 1,000 entrepreneurs in 7 years, EDGE seeks to nurture innovation and startups. Other groups including Memphis Tomorrow's Memphis Fast Forward initiative and CNT are offering ideas and assistance for the creation of new jobs.

The Blueprint for Prosperity will offer support for these efforts. The policy briefs add a set of recommendations to these efforts. One is the direction for development. The recommendation is include technology and in particular smaller technology start-ups for development. That sector offers higher-paying jobs improving wealth creation opportunities. As evidence for potential, though Memphis currently has a smaller number of technology-industry workers, it has been cited as one of the fastest growing cities for technology jobs.

Tactics to support that direction in development include providing high-speed Internet access as a freely available utility. That access would open opportunities for residents to obtain skills necessary to participate in the industry. Incentivizing technology companies to locate in economically distressed areas and neighborhoods would increase the employment opportunity for residents of those areas.

A third tactic would involve taking advantage of vacant properties within the city's core. One of the consequences of the de-concentration of population within the city has been the creation of a number of vacant properties. They produce blight and fail to contribute to the city's tax rolls. Using the property tax assessor's vacant property listing, large tracts of land could be assembled for development including business and manufacturing development. Placing job development back in the city would reduce transportation problems by putting jobs where poor people live.

The second factor, matching jobs with worker skills is a challenge. As one example, a 2012 Brookings Institution study found that though 40% of the jobs in metro Memphis required a bachelor's degree, only 26% of adults had that level of education. Similar gaps appear for other education levels. A number of local efforts are underway to address these gaps. The Talent Dividend initiative is working to increase post-secondary access and attainment. The State of Tennessee's Tennessee Promise program provides supplemental scholarship funding and mentoring enabling Tennessee residents to attend community college tuition-free. The Greater Memphis Chamber of Commerce's Chairman's Circle's Center of

Excellence for Training in Advanced Manufacturing is addressing manufacturing skills. Recommendations from the policy briefs for this factor may be found in the Education/Early Development and the Job Training and Placement Strategies discussions.

The third factor, the level of wages and benefits is a significant issue in the Memphis economy. Logistics, transportation, and the service sector are prominent components of the structure of the economy. Traditionally, those sectors do not provide high-wage and high-benefit employment. That contributes to why, with 34.9% of its households earning under \$25,000 in 2013, Memphis ranked as the fourth poorest of 34 American cities with population over 500,000.

Certainly the local efforts to diversify and expand the economy into higher paying business and occupational sectors will be important to increasing the level of income and benefits toward creating wealth and reducing poverty. However, the policy briefs provide one other recommendation for treating this issue. The recommendation is to raise the City's minimum wage to \$12 per hour. Doing so would raise a significant number of households about the Federal level of poverty.

## **Education and Early Childhood Strategy**

Education is seen as the great equalizer to lift people out of poverty. Thus it becomes another key for the success of the Blueprint for Prosperity. Although education in Memphis is demonstrating improvements, currently only 33% of children enter kindergarten with basic literacy skills. Only 11% of students are college or career ready upon completion of high school. And, only 23% of Memphis residents have a Bachelor's degree or higher compared to the United States average of 29%.

Fortunately for the Blueprint's aims, Memphis is already the focus of a number of national, state and local initiatives at improving the education outcomes with special attention for persons in poverty. National initiatives include the Federal Race To The Top and the Gates Teacher Effectiveness Initiative which aim at overall school improved performance. Together, they are attempting reforms involving standards and assessments preparing students for college and entry into the workplace, recruiting, training and retaining effective teachers and principals, turning around low-achieving schools and tracking progress for improvement. As a component of those efforts, the State of Tennessee's Achievement School District was created to move the bottom 5% of schools in the state to the top 25%. The majority of those schools are in low income neighborhoods in Memphis. In accord with these efforts, a number of organizations are active locally seeking to improve education access and outcomes.

Two recommendations are offered for the Blueprint for Prosperity's Education and Early Childhood Strategy. One is the obvious pairing of Blueprint efforts to support the already

ongoing education improvement initiatives underway in Memphis. The Race to the Top and Gates Teacher Effectiveness Initiative's focus on low-achieving schools fits the Blueprint's purpose of financial resiliency and reduction of poverty. Actions to do so include:

#### Recommendations to Increase Access to Affordable and Effective Education Programs

- Increase the number of child care and early childhood programs to increase school readiness (with particular attention to neighborhood accessibility)
- Increase job training programs that connect with the current and promising job markets
- Increase literacy programs to prepare for educational success and career success
- Increase entrepreneurship training programs to enhance economic growth individually and through small business

#### Recommendations: To Increase Supports for Education Attainment

- Increase the social supports to enable residents to access and complete education and training programs
- Increase and coordinate transportation to assure access to child care, early childhood, and job training programs

The other recommendation is to improve collaboration among the numerous systems and organizations currently at work at improving Memphis education from pre-school through college and job readiness. The Education and Early Childhood policy brief lists ten separate local organizations and initiatives engaged in supporting and improving education. Together, they represent an extensive array of talent and resources. However, amongst those groups and others there are redundancies and critical gaps in services. Improved collaboration would help to address those problems and increase the efficiency and effectiveness of their educational efforts.

## **Health Care/Mental Health and Wellness Strategy**

As with education, the links between health and wealth and poverty are clear. Health itself is value for personal well-being and satisfaction. But health is also necessary for productive work and life-styles in support of the development of wealth. A person's ability to remain healthy enough to work continuously can be a barrier to wealth and financial resiliency. The challenges of health increase with a person's age.

Both poverty and poor health can be attributed to many environmental and social determinants. Financial hardship throughout the course of one's life leads to poorer health as an older adult. Similarly, poor health can lead to missing work and being less productive while at work, which may influence job stability and financial resilience.

Memphis and Shelby County rank low in health status and have a heavy concentration of poverty in many low-income neighborhoods. In 2014, for example, Shelby County ranked 39th among the 95 counties in Tennessee in overall health outcomes, while the other three urban centers of Davidson County, Knox County, and Hamilton County ranked 6th, 15th, and 29th, respectively. In addition, about 35.0 percent of the children in Shelby County are in poverty. Recommendations for the Blueprint take two forms, improve public health and increase access to treatment.

Shelby County residents have high mortality rates from chronic diseases that are potentially preventable. That is the role of public health. Public health priorities are addressing obesity, reducing smoking, improving diets, increasing immunizations and reducing teen pregnancy.

A leading cause of death and disability in Memphis and Shelby County is Diabetes Mellitus, which is also related to lifestyle factors, particularly obesity. A large percentage of the county is overweight (40.0%) or obese (36.6%). Obesity can lead to problems with heart disease, diabetes, hypertension, and disability. Improved diet and exercise are important to reducing obesity. A number of programs are in place in the community to support both needs. The Common Table Health Alliance with over 37 organization members provides a range of education programs on diet and exercise. Urban gardens are expanding in the city and the Green Machine Mobile Food Market provides fresh vegetables in economically distressed neighborhoods. Other initiatives include web-based fitness programming with Get Fit Tennessee, a state program, and FitKids from the University of Memphis and expanded Memphis Park Services options and bicycling programming.

While there has been progress in reducing infant mortality rates, a contributor, teen pregnancy remains a challenge. In 2013 the birth rate for teens aged 15-19 in Shelby County was 43.1 live births per 1,000 females compared to a nation rate of 26.5. Teenage mothers and fathers are less likely to graduate from high school than their non-parenting peers and are more likely to have health problems, face incarceration, and end up in low paying jobs. Teen mothers are also more likely to give birth to premature or low birthweight babies. Recommendations for addressing teen pregnancy include:

- Improve access to comprehensive sexuality and reproductive health education beginning in middle school.
- Remove barriers for teens to access contraceptive services by providing condoms and other contraceptives at school-based health clinics.
- Advocate for more state funding for teen pregnancy prevention and parenting education programs.

The 2014-2015 flu season was one of the most virulent seasons in the last decade. The CDC estimates that 38 million school days and 111 million workdays are lost each year throughout the U.S. because of the flu. Vaccinations are important in terms of preventing diseases that could lead to a loss of work productivity or to missing work altogether.

Increasing the level of vaccinations will help children stay in school and parents to continue working, leading to more productivity and less of chance of wage or job loss due to illness. Recommendations for reducing days of work missed and lost productivity due to illness include:

Increase vaccinations for children and adults:

- Adding Saturday or Monday evening clinic hours at more locations Galloway and Cawthon may help those in lower income areas to receive the free flu vaccinations and to be advised about other vaccinations that may be needed for children or adults.
- Encourage the Shelby County Health Department to offer a sliding-scale copayment structure based on the household income for those seeking vaccination.

Increased access health care recommendations focused on two factors, the ability to pay for care and transportation. Out-of-pocket costs play a large role in financial resiliency and health. Seventeen percent of Shelby County's population lacks health insurance compared to 11% nationwide. Charity care accounts for over a quarter of all hospital care in Shelby County. People who lack health insurance often forego medical care or fail to fill medical prescriptions, which, in turn leads to worse health outcomes and more medical bills. Medical debt contributes to a large percentage of bankruptcies, especially in poorer families whose incomes are already strained.

Addressing this factor in the current economic and political environment is a challenge. Recently, the State of Tennessee declined to participate in the Federal Affordable Care Act reducing potential funding to address the health care funding needs of poorer residents. Within that context, several local programs are in place to assist people who lack health insurance and other resources to pay for medical care. The Memphis Safety Net Collaborative, a consortium of eight charitable organizations, provides emergency financial assistance. Other "safety net" providers offering affordable or free health care assistance include the Church Health Center, Christ Community Health Services, the Memphis Health Center, Resurrection Health, and Regional OneHealth's Health Loop. In sum, the recommendations for improving the ability to pay for health care come to leveraging local health and healthcare needs for federal and state dollars by:

- Enacting the Insure Tennessee plan developed by Governor Haslam.
- Increase patient-friendly billings practices such as financial advising, establishing payment plans, and allowing patients to pay bills online and with mobile devices through platforms such as PayMyBill.
- Encourage providers to sign up with consumer-friendly loan programs such as ClearBalance and CarePayment.

Finally, the link between transportation and access to health care is often overlooked. Low income individuals, children, the elderly, and disabled are all disadvantaged in car-dependent communities such as Memphis. Many of these individuals either cannot drive or do not have access to reliable automobiles. They must either use public transportation or depend on others to get them to work, medical appointments, or other destinations. Many studies have found a relationship between transportation and healthcare utilization including medication access. People without reliable transportation were more likely to miss medical appointments and less likely to visit the pharmacy to fill prescriptions following medical discharge. Recommendations to address access to transportation including changes in the structure and funding for public transportation and adopting innovations in ride sharing and car access. Those recommendations are offered in the Transportation Strategy section.

## **Job Training and Placement**

As with the other Strategies, there are numerous efforts already underway in Memphis to address job training and placement. The role of the Blueprint for Prosperity is to support and add where necessary to these other efforts. As examples, the 2014 Brookings Focus: A Roadmap for Transforming the Metro Memphis Economy plan included “Lever 5: Deploy Human Capital Aligned with Job Pools” with recommendations projections for future job opportunities by sector and a call for expanded and improved coordination between business and education and training institutions. Education and Workforce Development are one of four priority initiatives of Memphis Tomorrow. Consultants for the city with the Center for Neighborhood Technology have recently recommended training and job opportunities for residents in economically distressed neighborhoods in the environmental sustainability sector.

The University of Memphis policy briefs echo those recommendations. Education and job training are a beginning component. Recommendations include:

- Increase job training programs connecting with current and promising job markets
- Increase entrepreneurship training programs for individual economic growth and for small businesses
- Increase support systems for completion of education and job training programs including:
- Remove monthly fees for Internet access providing access to education, training and job searches through high-speed Internet access.
- Expand adult literacy education.

Other recommendations address access to education, job training and jobs. They include:

- Develop and implement affordable reliable transportation plans to enable people to get to training and jobs.
- Offer housing and utility assistance to meet immediate household budget needs.

- Create turnover reduction plans. Currently if an employee is late for work, misses work because of child or family illnesses, have to appear in court or other complexities of daily life, many may lose their job. Working with employers to provide job-sharing or flexible working arrangements can increase employee stability, reduce turnover costs, and improve productivity.
- Enact laws to clear the record for some criminal offenders. Most offenders have records that present no harm or danger to an employer. Yet with instant background checks, many Memphis are prevented from being hired for jobs for which they are qualified. Work with employers to develop model hiring practices for employing prior offenders.

The final recommendation that appears throughout many of the policy briefs involves wage levels. Many of the persons for whom the Blueprint seeks to produce wealth start at the low level of the employment ladder. This recommendation is to raise the minimum wage. Increasing the minimum wage to \$12 an hour for a year-round, full-time worker would produce an income of \$24,960, above the poverty threshold for a family of four in 2015. Thirty-eight percent of Memphis households now have incomes below the federal poverty threshold. Increasing the minimum raise would significantly reduce that number.

## **Transportation**

Social mobility is the term applied to the movement of people within the social strata of a society. The creation of wealth and reduction of poverty is a form of social mobility. Recent research suggests that access to transportation may have even more effect on social mobility than factors like crime, education, and family structure. Access to transportation affect how one gets to a job, to a grocery store, to health care, and the whole panoply of resources needed for the creation of prosperity. Transportation therefore becomes an important part of the Blueprint for Prosperity.

In that regard, the Memphis metropolitan area offers a special challenge. Though the City of Memphis has expanded its geographic boundaries over the past few decades, its population has remained the same. Many residents moved outside those boundaries adding to the metropolitan sprawl. The result has been a hollowing of the region's core leaving residents disconnected from jobs and with increased ethnic and wealth disparities. According to the Brookings Institute, only 12% of the metropolitan area's jobs are within 3 miles of the central business district while nearly half are located more than 10 miles from downtown. That sprawl is a barrier between connecting people and jobs. Accordingly, that sprawl places an enormous burden on transportation access in the region. .

In terms of public transportation, the Memphis Area Transit Authority (MATA) is the only provider. However, it is a local transit authority rather than a regional transit authority. That means that all funding for public transit comes from the City of Memphis with no

capacity to provide service to suburban areas where jobs continue to locate. As a consequence access to a car is important for economic opportunity

Two transportation recommendations for the Blueprint therefore go beyond programming to strategic. One is to make transportation planning central to the city and region's economic development planning. Current planning is driven by moving goods and packages, not people. Future planning should be focus on connecting households to jobs.

The other strategic recommendation is to develop regional transit planning and funding. Jobs are outside of the city. Poverty is concentrated within the city. Wealth creation and the reduction of poverty can only meaningfully occur when transportation links connect city residents with those opportunities. A regional public transportation system would help to do so.

Programmatic recommendations include reducing the number of people who drive alone and expanding access to cars for low income persons. In the first case, employee shuttles, employer subsidized transit passes and pay incentives to not drive used in other cities could be adopted. In the second, tactics such as combing rental housing vouchers with subsidies for automobile purchases, excluding the value of a vehicle in determining eligibility for safety net programs, and waiving some court debts leading to a suspended driver's license could assist access to a car.

## **Energy Cost Reduction**

Housing and transportation represent significant portions of the low income household budgets, often exceeding 50% of expenditures. Improved neighborhood design coupled with reduced energy demands and increased efficiency can reduce those costs providing opportunity for wealth creation and reducing poverty. Agencies such as the Memphis and Shelby County Office of Sustainability, Coalition for Livable Communities, the Community Development Council of Greater Memphis, and the Memphis-Shelby County Office of Planning and Development (OPD) are already engaged in these efforts.

Neighborhood design refers to the form and use of space within a community. Low income neighborhoods in Memphis are characterized by low-density commercial blocks, cheap building materials, ineffective water-catchment systems and poor sidewalk and street design. Not only do they signal that residents are less valued, they lower housing values and are harbingers for crime. Recommendations to address these issues are found in the Sustainable Shelby Implementation Plan. Included are design changes to increase density, improve walkability, and increase access to employment centers, and businesses. Actions include construction pollution prevention, reduction of size of building footprints, maximizing open/green space, and using native and adapted plant species. The recommendation is to implement those plans.



Energy conservation offers significant opportunities for reducing housing and transportation costs. Steps to do so including water efficiency. The EPA through its WaterSense program provides tips and education on savings which can reduce water consumption from 20% to 50%. The Sustainable Shelby Implementation Plan has a process by which low-income homeowners can receive free on-site home energy audits. Reusing buildings that have already been built can reduce renovation and new construction costs. And selecting construction materials with a low to no Volatile Organic Compound (VOC) limit can reduce medical bills for toxicity.

Implementation of current policies and programs is the core recommendation for the Energy Cost Reduction Strategy. The agency with principal responsibility for enforcement of those policies is OPD. Funding support for OPD, however, has been reduced by 50% in the past five years. The recommendation is to restore funds to give OPD the capacity to do that task.

## **Housing/Community/Neighborhood Development**

Residents of Memphis neighborhoods with concentrated poverty face a number of barriers to realizing their potential and achieving financial resiliency. Separated from suburban job opportunities, they routinely face shortages of capital, stores, and institutional resources. Those barriers contribute to crime, health and education problems that further limit their opportunities.

One approach in understanding these problems is to focus on financial net-worth in defining individuals' wealth or capital. Since they are in poverty, by definition they are seen as having little capital. Since they lack capital they have a need. The solution is to meet that need, often in the form of education and training for human capital. The presumption is that by meeting that need, they will earn more income and move out of poverty. One problem is that as they do so, they also move to safer, more stable neighborhoods leaving behind continued impoverished neighborhoods.

Another strategy is to see residents of those neighborhoods as people with multiple forms of wealth or capital. That capital includes financial and human capital. But it also includes many other forms including personal gifts, skills, environmental capital (land and natural resources), physical capital (the built environment), social capital (relationships and networks), and cultural capital (culture and heritage). Not only do residents of impoverished neighborhoods have varying control over these forms of capital in their neighborhoods, every resident has some control of some.

The key then to building wealth is to collectively engage that capital forming neighborhood wealth that can be applied to enriching everyone. An example is using neighborhood social capital to build collective action to use abandoned land as environmental capital to create

housing stock and business opportunities. The result is not only an improvement in quality of life, but the creation of a healthier and sustainable neighborhood.

To do so requires identifying and activating that neighborhood capital. That capital can then be connected internally and externally to accomplish neighborhood aims. To do so requires leadership. Memphis neighborhoods have community activists and neighborhood association presidents who informally play many of those roles. In effect, they serve as navigators with knowledge about the networks and resources within the neighborhood. The recommendation is to provide training to build capacity to assist these neighborhood navigators to expand the use of social media and mapping, develop neighborhood plans, and build connections with resources external to the neighborhood to bring about neighborhood development and change.

## Metrics

Metrics are important for accountability and improvement. Without metrics you can't be sure you are doing what you proposed to do. Without metrics to judge your performance, you don't know if you've succeeded or how or where to improve if you are not.

Two types of metrics are proposed for the Blueprint for Prosperity initiative, outputs and outcomes. Outputs refer to what is being produced. Outcomes refer to the results of those outputs. As an example within the Blue Print for Prosperity policy brief recommendations, one recommendation is to increase the number of low income residents completing job training and advanced education programs. Those are outputs. The expected result is that those outputs will lead to more secure higher paying employment producing wealth and reducing poverty. That would be the outcome.

The ultimate outcome for the Blueprint for Prosperity is the creation of wealth and reduction of poverty. The Blueprint uses U.S. Census data to set out the expectations for the poverty outcome, to reduce it in Memphis from 27% to 17% within 10 years.

Wealth for financial resiliency refers to a household having enough money to sustain itself or recover from an unanticipated event like a car breakdown or illness without severe disruption to its usual activities. Estimates for the amount of money required to meet that need range from a few hundred dollars to three months of income. The Personal Resiliency Assessment Quiz developed by Rutgers University researchers provides an on-line survey using three months of income criterion (<http://njaes.rutgers.edu/money/resiliency/>). An initial sample could provide a Memphis financial resiliency base-line. A Blueprint financial resiliency outcome goal could then be established from those results.

Since the ultimate outcomes for the Blueprint are wealth creation for low income citizens and the reduction of poverty, all actions within the various strategies take the form of outputs toward those goals. However, there are output recommendations within each strategy leading to outcomes for that strategy. Following are key metrics for output and outcomes within each strategy.

### Human Services/Case Management Strategy

- Number of linkages, partnerships and collaborations between existing organizations
- Increase social supports to enable low income access to and complete education training programs
- Increase in the percentage of residents receiving EITC credits and the amount of credits received
- Increase in the percentage of low-income residents using banking services

### Job Creation/Business Development/Economic Development Strategy

- Increase in the number of low income residents receiving job training and advanced education
- Increase in the number of jobs matching low income residents' training and education
- Increase in City of Memphis minimum wage to \$12 per hour
- Increase in access to high-speed internet for low income residents
- Adoption of policies and programs to foster technology recruitment and entrepreneurship

#### Education and Early Childhood Strategy

- Increase the number of child care and early childhood programs
- Increase literacy program enrollments

#### Health Care/Mental Health and Wellness Strategy

- Increase in the number of residents in Shelby County with health insurance
- Decrease in the obesity rate for children and adults
- Increase in vaccinations provided
- Decrease in number and percentage of teen pregnancies

#### Transportation Strategy

- Creation of a regional transportation agency and services
- Decrease in number of people traveling alone to employment
- Increase in car access programs for low income residents

#### Energy Cost Reduction Strategy

- Increase implementation of Sustainable Shelby Implementation Plan
- Increase in on-site home energy audits in low-income neighborhoods

#### Housing/Community/Neighborhood Development

- Move to assets based community and neighborhood development strategies
- Increase number and training for neighborhood navigators
- Increase in engaging youths into community functions

# Appendix A: Policy Briefs

## Policy Brief 1: Human Services, Case management, Financial Counseling

Elena Delavega, Ph.D., Department of Social Work

Steven Soifer, Ph.D., Department of Social Work

### Executive Summary

For the second year in a row, Memphis has earned the dubious honor of having the highest poverty rate for a large metropolitan area (over 1,000,000 in population). The alarming poverty rate in Memphis has a particularly deleterious impact on families, with almost half of our children living in poverty (Delavega, 2014a). The basic problem of poverty is inadequate resources: not having the necessary funds to pay for life's necessities. Financial capability has been defined as "making ends meet and keeping track" (Atkinson, McKay, Kempson, & Collard, 2006). Simply put, poverty means lacking the income; income management is foundational elements in escaping poverty. The city of Memphis can help working families escape poverty through promoting full employment at adequate wages, full participation in the Earned Income Tax Credit (EITC), and access to financial literacy and mainstream banking services.

### Introduction

This paper directly addresses the way in which the city of Memphis can promote increased income acquisition and management (financial capacity) among low income families: Employment and wages, the Earned Income Tax Credit (EITC), and financial literacy and access to banking.

In this paper, the authors make five recommendations to strengthen the financial capacity of Memphians:

#### Recommendations to Increase Income

- Full Employment. Promote full employment through tax credits and utilizing the local government as the employer of last resort.
- Adequate Wages. Implement a city ordinance increasing the minimum wage to \$12 an hour.
- The Earned Income Tax Credit (EITC). Create partnerships with local employers and agencies to increase the participation of low-income residents in the EITC.

#### Recommendations to Promote Financial Capacity

- Financial Literacy. Partner with local agencies and banks to provide financial literacy training at the most basic levels for low-income Memphians.
- Banking Access. Partner with local banks to increase access to mainstream banks and banking services for low-income residents and the unbanked.

The authors of this brief paper first define the issues and address the existing barriers to solving these issues; secondly, we provide solutions that the city of Memphis can implement to immediately address each locally.

## Section 1: Low Income and Lack of Financial Capacity

Employment and wages have a direct impact on poverty rates. Without employment at adequate wages, people do not have access to the most basic financial resources without governmental assistance.

Section 1a: Employment. Memphians' participation in the labor force remains weak after the financial crisis of 2008. Memphis has had a particularly slow recovery and still suffers an unemployment rate of 9.2%, much higher than the national average of around 5% (Delavega, 2014b). Given the social costs of unemployment (i.e., crime, poverty) (Burtl, 2010; Wheelock, Uggen, & Hlavka, 2011), promoting full employment will lead to shared prosperity in Memphis.

According to the U.S. Department of Health and Human Services (2015) a family of four needs \$24,250 a year to be above poverty. However a full-time worker making the minimum wage only earns \$15,080 a year. It is not surprising that over 27% of Memphians live under poverty; given that in Memphis 22% of the households have earnings below \$15,000, an income far below poverty.

## Section 1c: Failure to Claim the Earned Income Tax Credit

In Memphis, 20% of the lowest-income households in the poorest neighborhoods are not claiming the Earned Income Tax Credit (EITC), a refundable tax credit American citizens or permanent residents can receive if they have earned any income in a fiscal year. Among neighborhoods with poverty rates greater than 40%, the non-claim rate is greater than 30%. The Vance Avenue area has a non-claim rate of 67% among those earning less than \$10,000 (Delavega, 2014c).

Very conservative estimates suggest that the city of Memphis (Delavega, 2014c) potentially loses anywhere from \$30,000,000 to \$70,000,000. The money lost to Memphis in unclaimed EITC would be an important contribution to our local prosperity. When we have up to seventy million dollars possibly lost to Memphis; it is easy to imagine that could do a lot with that money.

## Section 1d: Lack of Financial Capability

As defined here is capacity to function well in financial matters both from the existence of resources standpoint, and from the optimal management of said resources standpoint (Leskinen & Raijas, 2006). Essentially, it means having the resources to meet financial responsibilities (i.e., living expenses) and the knowledge to manage said resources effectively and efficiently over the long term (Atkinson et al., 2006). If Memphians do not have the means to manage efficiently and competently the resources they do have, these resources are very likely to be squandered and mismanaged. It is important then to insure people have the knowledge of how to protect their resources and have resources to protect. There is an enormous body of research documenting the positive impacts of financial literacy (Sherraden, Johnson, Guo, & Elliott; 2011), particularly in promoting increased income. Promoting living wages, the Earned Income Tax Credit, affordable interest rates, and access to banking as well as financial education will work together to increase the financial capability of our region.

### Section 1e: The Unbanked

According to the Corporation for Enterprise Development (CFED), Memphis is the 5th most unbanked city in the U.S. with more than 100,000 households in this category (CFED, 2009). While nationally 7.7 percent of the population is “unbanked” (have no bank accounts) and 17.9 percent are “underbanked” (have an account, but rely on high interest alternative financial services), in Memphis the numbers are 16.7 percent and 28.1 percent respectively. Shelby County is also the 7th most unbanked county with populations over 100,000 in the U.S., with 14 percent unbanked and 25.8 percent underbanked (data from 2009).

The Federal Reserve Bank of St. Louis states the “the most common groups of unbanked persons include those who are less-educated, households headed by women, young adults and immigrants.” (Beard, 2010). Fees can range from 2.5 to 5 percent for check cashing services on government and payroll checks. (Beard, 2010), which creates high costs for those who can least afford them.

Part of the problem is that the state of Tennessee “has one of the highest concentrations of payday lenders per capita” (Cox, 2015). Thus, according to the Bank On Memphis (2015), people making about \$20,000 per year can end up spending about 6 percent or \$1200 in fees each year that they can ill afford. Moreover, in states like Tennessee, title loan companies are to be found on almost every street and corner in low-income neighborhoods. People often get only about 25% of the value of their car as a loan, which carries exorbitant interest rates on it (Cox, 2015).

### Section 2: Proposed Local Solutions

In this section, we explore the actions that the city of Memphis can take to address issues of employment and wages, failure to claim the Earned Income Tax Credit, and financial management and stewardship through banking the unbanked.

## 2a: Promote full employment

Unemployment, of course, is a big barrier to earnings. The city of Memphis should become the employer of last resort. It costs over 4\$0,000 a year to incarcerate a person. Offering employment opportunities would prevent crime, incarceration, and would be more economical than incarceration. The city can hire workers to rebuild the infrastructure of the city and to provide maintenance such as park cleanup or street sweeping. In addition to hiring workers, the city can provide tax incentives to companies that employ large numbers of low-skill workers or people with criminal records. The tax benefits, reduction in incarceration costs, and multiplier effects on the local economy would more than make up for the tax breaks provided to employers.

## 2b: Enact a city ordinance increasing minimum wages to \$12 an hour

Employment, of course, is not enough without adequate wages. Increasing the minimum wage to \$12 an hour would be sufficient to bring a family of four out of poverty. A wage of \$12 an hour for a year-round, full-time worker represents earning of \$24, 960, above the poverty threshold for a family of four in 2015. This action by the city of Memphis would help the 38% of Memphis households with incomes below the federal poverty threshold and would reduce the poverty rate significantly when used in conjunction with increased employment opportunities for all Memphians.

Section 2c: Promote full-participation in the EITC through local partnerships. Create partnerships with local employers and agencies to increase the participation of low-income residents in the EITC. From January to May 2015, the Department of Social Work at the University of Memphis had 48 students trained to provide Volunteer Income Tax Assistance (VITA) to low income Memphians. This service can be increased by engaging agencies and local businesses. The Department of Social Work can serve as a training partner, and the local agencies and businesses can provide volunteers and spaces to assist Memphis' families with incomes below \$50,000. If the city maximizes every federal penny owed to Memphis, the economic impact on the city can be as great as \$350,000,000 due to multiplicative effects.

Section 2d: Financial Literacy. Partner with local agencies and banks to provide financial literacy training at the most basic levels for low-income Memphians. The University of Memphis can provide the curriculum and training, and local banks and agencies can provide space and volunteers, as well as assist with the sharing of information. Volunteers can help people receiving their EITC develop budgets and with savings and investments plans to leverage the EITC for the future.

## 2e: Increase access to mainstream banking among the unbanked

The Federal Reserve Bank is working with the city of Memphis and the RISE (Responsibility, Initiative, Solutions, Empowerment) Foundation to reduce the rate of unbanking and underbanking in the city. In addition, a number of banks and credit unions



are taking part in an effort called Bank On Memphis to offer no or low-fee accounts to low-income customers). The goal is a modest 5-7,000 new household accounts. Similar efforts in San Francisco have led to the banking of 50,000 new people

(<http://www.memphisdailynews.com/editorial/ArticleEmail.aspx?id=51547>).

Unfortunately, the program has gotten off to a slow start, leading Mayor Wharton of Memphis to restart the initiative in late 2012

(<http://www.memphisdailynews.com/news/2013/feb/4/mayor-banks-revive-program-targeting-citys-unbanked/>). Expanding access to mainstream banking services will allow low-income Memphians to avoid high-cost check cashing and payday loan services, and will promote budgeting and savings.

### An Additional Concern: Food Deserts

According to the United States Department of Agriculture (USDA), “food deserts are defined as urban neighborhoods and rural towns without ready access to fresh, healthy, and affordable food” (2015). According to research by Ken Reardon, Professor in the City and Regional Planning Department at the University of Memphis (UoM), “only seven out of 77 census tracts in urban Memphis have access to a full-service supermarket,” while neighborhood grocery stores and fast food outlets are common, but more expensive and offer less healthy food options

(<http://www.memphisdailynews.com/news/2013/jul/8/food-desert-oasis/>).

Memphis is considered America’s fourth worst urban food desert. Moreover, the city is considered #1 in the country for hunger, since ¼ of the population reported not being able to feed its family sometime during 2010. Finally, over 80 percent had to choose at some point to buy food rather than paying their utility bill, and almost 1/3 had to make the choice of food or rent/mortgage at some point in 2010 as well (NewsOne, 2011).

One solution to this problem is “the Green Machine,” a joint effort of St. Patrick’s church, VAC (the Vance Avenue Collaborative), and the City and Regional Planning Dept. at UofM. This bus offers a “mobile food market” that offers fresh and healthy produce at reasonable prices in 15 different parts of Memphis. Another solution was the opening of the South Memphis Farmers Market in 2010, organized by city residents, The Works, a local community development corporation, and the UofM

(<http://www.memphisdailynews.com/news/2013/jul/8/food-desert-oasis/>). Other solutions might include Seattle’s “pop-up” grocery stores (not unlike Memphis’s Green Machine), or New Orleans and other cities experiments in urban farming (Business Insider, 2015).

### Conclusion

Increasing income through employment, adequate wages, and full participation in the EITC will contribute very directly to the elimination of poverty. However, without the capacity to adequately manage household finances, increased resources may be squandered. It is thus important to increase the financial literacy of Memphians and access to mainstream

banking services. The solutions presented here will increase the financial capacity of our city in two main ways: Increased resources, and improved resource management. The solutions proposed here can be immediately and directly implemented by the city without waiting for the state or federal governments to act.

#### Citations:

Atkinson, A., McKay, S., Kempson, E., & Collard, S. (2006). Levels of financial capability in the U.K.: Results of a baseline survey. Financial Services Authority, University of Bristol. Retrieved from <http://www.esds.ac.uk/doc/5697%5Cmrdoc%5Cpdf%5C5697results.pdf>

Bank On Memphis. (2015). Why bank? Retrieved from <http://www.bankonmemphis.org/bank-account-savings.html>

Beard, M. P. (2010). In-depth: Reaching the unbanked and underbanked. Central Bank: A Publication of the The Federal Reserve Bank of St. Louis. Retrieved from <https://www.stlouisfed.org/Publications/Central-Banker/Winter-2010/Reaching-the-Unbanked-and-Underbanked>

Burtl, R. M. (2010). More than a second chance: An alternative employment approach to reduce recidivism among criminal ex-offenders. Tennessee Journal of Law and Policy 6(1), 9-45.

Business Insider. (2015). 10 American food deserts where it is impossible to eat healthily. <http://newsone.com/1540235/americas-worst-9-urban-food-deserts/>

Cox, N. (2015). Unbanked and overcharged. Memphis OTL. Retrieved from <http://www.memphisotl.com/living/unbanked-and-over-charged/>

Corporation for Enterprise Development [CFED]. (2009). The most unbanked places in America. Retrieved from <http://cfed.org/assets/pdfs/Most Unbanked Places in America.pdf>

Delavega, E. (2014a). 2014 Memphis poverty [Fact Sheet]. University of Memphis' Department of Social Work. Retrieved from <http://www.memphis.edu/socialwork/2014povertyfactsheet.pdf>

Delavega, E. (2014b). 2014 Memphis unemployment [Fact Sheet]. University of Memphis' Department of Social Work. Retrieved from <http://www.memphis.edu/socialwork/2014memphisunemployment.pdf>

Delavega, E. (2014c). The missing piece in Memphis' economy. [EITC Fact Sheet]. University of Memphis' Department of Social Work. Retrieved from <https://www.memphis.edu/socialwork/pdfs/Non-Claim%20Rates%20in%202011%20Released%20in%202014.pdf>

Leskinen, J., & Raijas, A. (2006). Consumer financial capability – a life cycle approach (pp. 8-23). In The European Credit Research Institute's Consumer Financial Capability:

Empowering European Consumers . Brussels: The European Credit Research Institute (ECRI).

NewsOne. (2011). America's Worst 9 urban food deserts. Retrieved from <http://newsone.com/1540235/americas-worst-9-urban-food-deserts/>

Sherraden, M., Johnson, L., Guo, B., & Elliott, W. III. (2011). Financial capability in children: Effects of participation in a school-based financial education and savings program. *Journal of Family Economic Issues*, 32, 385-399.

Wheelock, D., Uggen, C., & Hlavka, H. (2011). Employment restrictions for individuals with felons status and racial inequality in the labor market. In I. Ekunwe and R. S. Jones (Eds.), *Global Perspectives on Re-entry* (pp. 278-310). Tampere, Finland: Tampere University Press.

U.S. Department of Agriculture. (2015). Food Deserts. Retrieved from <http://apps.ams.usda.gov/fooddeserts/fooddeserts.aspx>

<http://www.memphisdailynews.com/editorial/ArticleEmail.aspx?id=51547>

<http://www.memphisdailynews.com/news/2013/feb/4/mayor-banks-revive-program-targeting-citys-unbanked/>

<http://www.memphisdailynews.com/news/2013/jul/8/food-desert-oasis/>

<http://www.memphisdailynews.com/news/2013/jul/8/food-desert-oasis/>

## **Policy Brief 2: Job Creation/ Job Training/Business Development/Economic Development**

John Gnusche, Ph.D., Department of Economics

Economic Resilience:

Short- and Long-term Differences

Day-to-day versus long-term differences in resilience are driving factors for most Mid-South families. The fabric of an individual's economic future has holes in it. Job turnover, irregular employment patterns, erratic housing arrangements, and hour-to-hour concerns for balancing a budget keep a family's focus on short-run issues. Few families can be concerned with accumulating long-term wealth from investments in either housing or retirement programs. So, the issues of how to make a family more resilient in the short run address the issues that impact the family every day. Identifying how people spend their money will help us understand what kind of policies and programs could be put in place to support, supplement, and stabilize employment, income, and housing issues.

This is not the first attempt to make families more resilient. Federal Food Stamps, CHIP, Unemployment Insurance, Medicaid, Medicare, and other programs provide assistance to families and children in need. State programs like TennCare provide health care for hundreds of thousands of people in Tennessee who would otherwise be without medical care. So, an extensive array of public assistance programs has been developed at the federal and state levels to make low-income families more resilient. To date, the burden of assisting families in need has primarily occurred at the federal and state levels of government.

This is not to say that local governments have not played a role, but it is to show that most assistance programs to date have not been local. It is also to note that public assistance programs have primarily addressed issues that are short-run in nature. Building a focus on the long-run economic stability of families is a more difficult issue. Long-run stability depends upon investments in education and training for existing jobs that provide a stable platform for increasing productivity, income, and the accumulation of long-term wealth. Addressing short-run issues that impact the family is a basic and necessary first step toward stabilizing the family structure.

Just because the link between investments in education, training, employment, and income has been made in the academic literature does not mean that the lesson has been absorbed by either children or adults. The link between employer screens on education, drug usage, and criminal records makes the path less clear for many people. Education alone will not resolve the employment and income problem if employers screen job applicants on the

basis of other criteria. The links between employment and income become more complex in the real world where simple answers are rarely the right ones.

Opportunities to address these issues, however, can be developed locally. Building a new labor market initiative that addresses the multiple barriers to employment has some real potential for impacting the future of families and the city. Just think about the tens of thousands of local residents locked into a low-wage, temporary, and irregular secondary labor market because they made a decision as a young adult that forever keeps them out of the primary labor market. More education will not erase a criminal record of any kind unless some public initiative exists to reduce or remove the stigma of poor decisions in the past. Not unlike the failure to learn while in school, individual actions can make the future difficult for the long run. Some children live in environments that are so difficult they face uncertainty about the family structure: Where are they going to live? Where are they going to school? Will they have food to eat and clothes to wear?

Compensatory Education for All Ages. Three factors impact the success of children in school: early successes in birth to death schooling, quality teachers in the classroom, and small class sizes. In poor schools with poor children, Shelby County Schools should develop a new program that provides supplemental educational services for birth to pre-k and fully support pre-k. Pushing the educational process into earlier and earlier ages is one key to modifying the long-term educational pathway for thousands of children with little or no hope of doing well in the traditional educational system. Providing incentives to attract high-quality teachers into poorer schools and using small class sizes work to change the future of children in those areas.

Clearing Criminal Records. Pass new laws that would wipe the record clean for some criminal offenders. The presence of a criminal record in the age of instant background checks prevents many Memphians from getting hired even if they are otherwise qualified. Only when labor markets are really tight will employers reach down in the labor queue and hire workers with criminal records. Yet most offenders have records that present no harm or danger to an employer. With instant background checks, even getting a date may be difficult. Simple laws could be passed which would eliminate the lifelong stigma of having been convicted of a crime. This would open up the primary labor market for thousands of Memphians. Working with employers to develop model hiring practices that eliminate or reexamine hiring practices is especially attractive when unemployment rates are falling and the labor market is getting tighter. This is a perfect time to make some meaningful changes to employer practices that limit access to jobs for many Memphians.

Minimum Wage Increases. Follow the lead of other communities and raise the minimum wage for workers who must start at the bottom of the employment ladder. Ample evidence exists that minimum wage increases are an important way to improve the wellbeing of low-income families and individuals. Starting salaries set the bar for future wage increases. With little harm to overall employment and little harm to the bottom line of employers, minimum wage increases can aid workers. This is one fix for short-term wage increases

that can occur with little impact on overall employment. In fact, employers seeking higher quality workers currently pay more than minimum wage, and even those who do pay the minimum quickly increase wages to insure the stability and quality of their labor force. So, it is not a big stretch to provide a higher starting wage for entry-level employees.

**Turnover Reduction Programs.** If you are late for work, miss work because of sick kids, or have to appear in court, you may lose your job. Few families can do without work, yet the complexities of daily life frequently cost them their jobs and generate pressure to change employers and housing arrangements and generate patterns of temporary employment that limit future job opportunities. Working with employers to provide job sharing and less than full-time work arrangements with more flexible work hours can generate opportunities that provide a better match between family and employment responsibilities. Providing more flexible working arrangements can increase employee stability, reduce turnover costs, and improve overall productivity. It seems only logical that some employers who face an increasingly constrained labor market would be interested in developing innovative practices that would pay dividends and open up employment opportunities for many Memphians with blemished work records associated with previously unmanageable family issues. Work-sharing arrangements, along with employer-designed and provided child-care and health-care alternatives, would eliminate many of the employment-related problems that generate instability in the workplace.

**Providing Increased Housing and Utility Assistance.** Housing and public utilities are major expenditures for many low-income families. Unstable work records make meeting the monthly bills a challenge. When jobs are lost, frequently at no fault of the worker, the family faces the difficult decision of spending money on food or children and moving. School instability for children is a result. Clearly, designing a local public/private initiative to help families in need of public utilities and to help provide temporary housing assistance is essential to increasing the stability of families in Memphis. Families forced to move from place to place generate public costs and do little to promote the resilience of families in Memphis. Providing Uber-based, work-related transportation options could also generate increased employment stability. Providing tax assistance for families seeking tax returns or who don't bother to get the tax benefits they are allowed would be an important public service. Finally, assisting all families and people eligible for ACA healthcare should be a must. People seeking any kind of public assistance, including license renewals, should be signed up for ACA. The absence of a state exchange should not keep otherwise eligible people from seeking insurance from the federal exchange. In the absence of state assistance for expanding health insurance, local government should focus on providing signup assistance for all families and individuals who are eligible for insurance under the federal exchanges.

**Focus on Global Economic Development.** Job creation is the key to making families and individuals more resilient. Without an adequate number of new jobs, only publicly-provided subsidies will be useful for addressing the short-term employment issues facing most Memphians. Job creation takes a global perspective on economic development. The aerotropolis was one step in the right direction, but it lacked support and positive

momentum. Combining new initiatives to attract global businesses to Memphis and the airport assets into a package that sells the community's many assets in a global economic marketplace is an essential step toward changing the economic future of the community. The potential gains are tremendous if we recognize that local financial shortcomings can be overcome in the global financial markets. Finding money for economic development requires making Memphis an attractive place to live and do business. No amount of transportation infrastructure will be sufficient to make Memphis an attractive location for global businesses without a world-class marketing effort. Building on the global connections that currently exist to form a network of global ambassadors is step one that could be followed up with major business tourism focused on companies and individuals that want to have a central location in the world's best marketplace.

**Property Accumulation.** One of the barriers to economic expansion of the city is the absence of large tracts of property for development. The city's most recent gains in manufacturing have been located far from the people who need jobs the most. The absence of transportation and the location of the facilities limit the ability of poor families to benefit from the limited job creation that has occurred. Using the property tax assessor's vacant property listing to compile large tracts of property close to the heart of the city is possible and an essential step toward revitalizing the core of the city. The reason the city was once vibrant was that jobs and people were clustered together in the core of the city. The same formula could be developed by making it easy for developers to tackle large and attractive, centrally-located properties once they are accumulated. But, private developers are going to take the path of least resistance, and the accumulation of large tracts of core city property is difficult. Only the city can make that happen, and it can change the face of the city by changing how it views vacant property. Property is an asset that if accumulated in large tracts could be an economic engine for the city.

**Job/Skills Mismatch.** A lot of questions exist about how well the skills of local job applicants match the demands of employers. It is frequently speculated that the lack of skills in the labor force prevents employers from coming to or expanding in Memphis. Yet, most job creation occurs in small numbers by a large number of employers already in the Memphis labor market. Only on the rare occasion when a major employer relocates to Memphis does the creation of a large number of job openings for one employer create a short-run challenge for the local labor market.

Currently, nearly any public announcement of job openings will attract hundreds, if not thousands, of job applicants. While not all job applicants will have the necessary skills, some will and will be willing to work for the wages and benefits that Memphis employers are trying to offer. Frequently, what appears to be a mismatch in skills is simply a mismatch between what employers are willing to pay and what job applicants are willing to accept. Job applicants with the relevant skills are available if employers are willing to compete for their services in the labor market. Fixed wage and benefit packages limit competition in the job market and work against employers. Job training can be provided for workers who lack general job skills, but not all of the responsibility for unfilled jobs

rests with the workers available in the Memphis labor market. Competition in the labor market goes two ways, and employers and workers are both participants.

Employers can readily modify jobs to match the available work force and the skill sets presented by applicants. If there were a real mismatch, unfilled job listings would identify the imbalances. If unfilled job openings exist in the local labor market, employers have multiple ways to address the problem. For example, employers can and do change the benefit packages and wages offered, expand the search to areas outside Memphis, or change the basic job requirements. Employers always want workers who are over-trained and under-paid. Employers make money off of every worker until the marginal cost and revenue calculation is in balance. That is when they stop hiring. Until then, they try to get the best possible workers to fill each job because they make more money from employing the most productive workers. The risk of high employee turnover exists, but a weak labor market, like that which exists in Memphis, limits the risk and the associated cost.

Job training is both general and specific. The public and individual workers invest in general skills that are not employer-specific. A college education is one example of investing in general training. Specific skills training is designed to be used in one workplace and is typically paid for by an employer. In tight labor markets, employers are more willing to pay for training employees, even to the extent of providing general skills training and supporting educational expenditures. But, in loose labor markets like those that exist in Memphis, employers try to shift the cost of both general and specific training to the public or the worker. Reducing the cost of job training and the cost of searching for workers allows employers to simply make more money. It is in the best interest of employers to complain about the absence of qualified job applicants. Communities frequently respond to employer complaints by paying for training.

So, does a skills mismatch exist in Memphis? Thousands of Memphis workers have few job skills, and few job opportunities exist for those workers. Upgrading skills will open up a wider range of job opportunities for the least skilled workers in the labor market. But, crowding more workers into a loose labor market will do little to increase wages or benefits or even increase employment. The key to improving economic resilience in Memphis is job creation. Without job creation, increasing worker skills will increase competition for existing and a few new jobs. Added competition for jobs will have a negative impact on already low wages and benefits. A tighter labor market with a better match between the supply and demand for workers is the only answer for improving the economic resilience of Memphians.



## **Policy Brief 3: Education and Early Development**

Beverly Cross, Ph.D., Department of Instruction and Curriculum Leadership

### **Executive Summary**

The Kettering Foundation (2011) asserts that Great Communities Need Great Schools and Great Schools Need Great Communities. While this is true for communities worldwide, it is particularly true for Memphis because of the current education landscape in the City. Not only is education historically a key driver in Memphis, but the last few years have positioned education as the key “business” of Memphis, and the Country is watching. This is evident in the growing presence of stories about Memphis education in national media (e.g., merger, demerger, charter schools, Achievement School District, IZone Schools). But the next big story might well be what locally happens next based on the interrelated and inextricable link between Memphis and education as a strategy for shaping the city’s future. The fates of education and the city are coterminous and fateful. The Brookings Institution asserts that metropolitan areas in the U.S. drive prosperity and economic recovery. Memphis is not only the economic center of the immediate metropolitan area but the entire MidSouth (Green, 2007).

A Brookings Institution (2009) report concluded that the future for cities like Memphis resides in education and health care as the key industries for both vibrant human capital and economic development. The Mayor’s Blueprint for Prosperity clearly identifies human capital development and education as a key strategy because it represents the connection between workforce training and the job market. With this reality in mind, this policy brief recommends several specific actions the City of Memphis along with local systems and organizations can pursue to both increase education opportunities and attainment for low-income residents. It is not hyperbolic to claim that the fate of Memphis is knitted to education for all its citizens—children, youth and adults.

### **Introduction**

The link between education and poverty has been studied and examined often with the conclusion that education is the great equalizer to elevate people out of poverty. Educating children, youth, and adults predominately living in poverty is a key characteristic of urban communities like Memphis. Education in Memphis, however, is considered to be one to watch. Because of national partnerships with Race to the Top and The Gates Teacher Effectiveness Initiative, Memphis is considered Ground Zero in education reform (Education Week, 2014). The reform efforts are producing some important outcomes that are being noticed and monitored (e.g., increase in effective teachers and some gains in mathematics achievement). Even so, education beyond the PreK-14 context is extremely critical and in need of urgent strategies to implement the Blueprint for Prosperity.

An important education infrastructure is important to understand in Memphis. The administration of education resides with Shelby County not the City of Memphis. Therefore, it is important to make the distinction between education and schooling in terms of the role of the City. While schooling is about teaching and learning inside school systems, education is broader and represents “citizens working together, taking the resources they have and teaching children what the community believes they need to know” (Kettering, 2011). Education in this sense certainly includes support for the academic instruction in schools, but also includes key roles that communities can provide. It also opens up space to include not only children and youth in improving education, but adults as well. Therefore, the education recommendations for Memphis focuses on the roles that the citizens of Memphis can play in meeting the Blueprint’s goals of increasing incomes, decreasing poverty by 10%, and increasing the disposable incomes of families through support for education beyond the classroom.

The Blueprint for Prosperity specifically includes increasing the rate of employment, increasing wages, and increasing savings among its recommendations. Each of these outcomes is predicted to increase when education levels increase. In addition, they translate seamlessly into the following recommendations to improve education as an economic driver for Memphis and an approach to prosperity for the residents living in poverty:

#### Recommendations: To Increase Access to Affordable and Effective Education Programs

- Increase the number of child care and early childhood programs to increase school readiness (with particular attention to neighborhood accessibility)
- Increase job training programs that connect with the current and promising job markets
- Increase literacy programs to prepare for educational success and career success
- Increase entrepreneurship training programs to enhance economic growth individually and through small business

#### Recommendations: To Increase Supports for Education Attainment

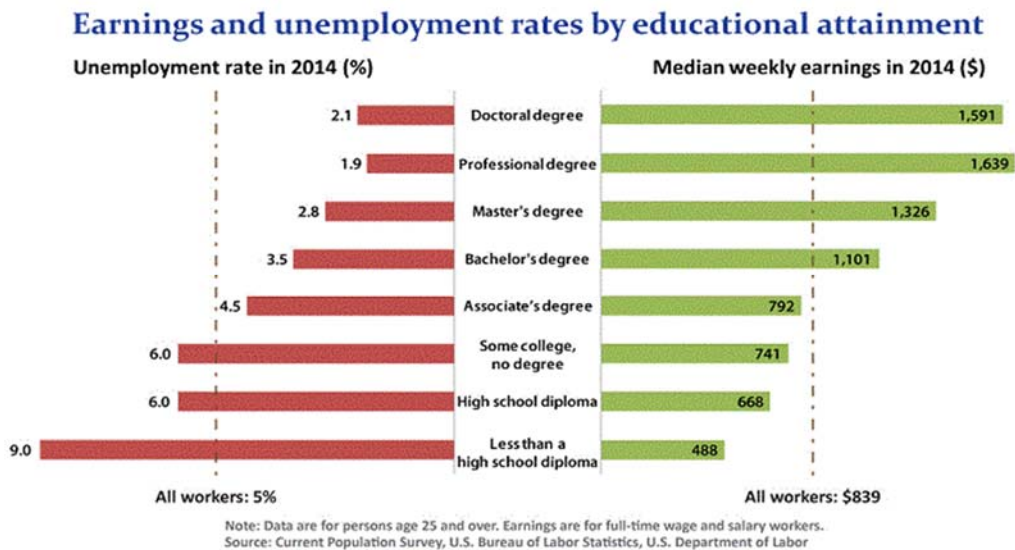
- Increase the social supports to enable residents to access and complete education and training programs
- Increase and coordinate transportation to assure access to child care, early childhood, and job training programs
- Increase Access to Affordable and Effective Education Programs. The recommendations to increase access to education represent a form of a pipeline to assure that citizens living in poverty have affordable, accessible, and effective programs that equip them to engage in the economy in sustainable ways. Measures need to be in place to assess the quality of the programs to assure they do not further marginalize those citizens attempting to prepare themselves to engage effectively in the economy, improve their wages, and increase savings. The role of

the City in monitoring the continuous improvement of such programs is necessary for long-term success.

- **Increase Supports for Education Attainment:** The recommendations to increase the supports for education attainment are important to assure that citizens entering the job markets have what is necessary to stay employed which is a predicate to advancing in jobs in order to improve wages and increase savings. It is important that the supports for family, transportation and additional training are made available to them in ways that are accessible, affordable, and reliable. The City can use its considerable influence and resources to assure that these supports are available to reduce and eliminate the gaps that cause citizens to lose their jobs due to critical lack of support for work.

### Conditions that Impede Low-Income Citizens from Education Attainment

Although education in Memphis is demonstrating some educational improvements, currently only 33% of children enter kindergarten with basic literacy skills, only 11% of students complete high school college or career ready and only 36% of Memphis residents have an associate degree or higher (Seeding Success, 2015). Thus, quality education is still a huge impediment to prosperity for too many Memphis residents. For example, the U.S. Department of Labor Bureau of Labor Statistics (2015) indicates that the median weekly earnings vary by education attainment in the following ways:



The statistics for Memphis incomes and education attainment presented in the Blueprint for Prosperity indicate the dire need for improvement. Therefore, improving access and support for educational attainment through high quality child care, early childhood

programs, and job training are the key routes to reducing impediments to education attainment that impede low-income Memphis residents from taking their place in the economy and reducing economic marginalization.

### Existing Locally-Based Support Systems or Organizations to Improve Education

Because Memphis is ground zero for urban education reform in the United States, numerous existing systems and organizations in the City are already involved to contribute to improving access and outcomes. What is significant about this work is that it is largely conducted within partnerships rather than exclusively through individual efforts. Although the individual efforts are important, many organizations are involved in collaborations or partnerships to increase outcomes, improve scalability, and make a collective impact. Through collective impact they are guided by a shared community vision, evidence based decision making, collaborative action, and investment and sustainability (StriveTogether). The following are a few of the collaborations directly involved in improving education and who currently have relationships with the city government through the Office of Human Talent and Capital, which provides an essential infrastructure necessary to maintaining vital partnerships.

Collaborative/Partnership	Education Focus
Memphis' My Brother's Keeper Action Plan: Inspiring Young Men of Color	A set of partners including government, philanthropy, universities, and the private sector working to identify barriers and goals to improve opportunities for young men of color.
Seeding Success	A partnership of K-12 institutions, not-for-profits, business, civic, faith and philanthropy organizations committed to improving educational outcomes for children.
City of Colleges	A collaboration of local colleges and universities dedicated to higher education engagement in the City and college attainment.
People First	A collaboration of business, public education, government, philanthropy and non-profit leaders dedicated to improving education outcomes and growing talent in Memphis.
Urban Child Institute	A non-profit organization dedicated to the health and well-being of children from conception to age three in Memphis and Shelby County, Tennessee.
Talent Dividend	Focuses on post-secondary education advocacy, communication, and coordination through community partnerships, networks, and resources to increase post-secondary access and attainment.
Early Success Coalition	A broad-based collaborative to improve the lives of families with young children in Shelby County (including Memphis).

Workforce Investment Network	A community resource dedicated to improving employment opportunities for job seekers and creating and sourcing a qualified workforce for employers in Memphis, Shelby County, and Fayette County.
Literacy MidSouth	Focuses on improving the quality of life in our community through education by providing literacy programs for adults and children as well as a network of collaborative projects with some of the Mid-South's finest educational organizations.

These collaborations/partnerships represent a wide array of organizations that have chosen to work together and to utilize their talents and resources to have a positive impact on Memphis. In addition, each of these collaboratives work together to eliminate redundancies in services and efforts, to identify crucial gaps, and to align and systematize the approach to a pipeline of support for education for citizens from birth through career.

Barriers that Can Be Removed or Addressed Through Local Action

Although traditional PreK-12 education is not directly under the City’s administration as stated earlier, its involvement is essential at multiple levels particularly around education beyond the classroom. The City can use its convening power and its resource mobilization power to directly attack such education impediments as:

- The high cost of day care and early childhood education
- The limited day care and early childhood seats available in numerous neighborhoods, including Vance
- The supports necessary to orchestrate work, child care, and transportation
- Adverse environmental experiences that disrupt childhood, growth, and development
- A sense of apathy regarding the city’s youth and residents living in poverty
- Policies that impede full implementation of the recommendations

Eliminating these impediments is essential to reducing marginalization that too frequently excludes Memphis residents from the labor market. Marginalization is referred to as the most dangerous form of oppression since it results in material deprivation (Young, 2014) and must therefore be challenged and reduces.

## Conclusion

Education is vital to the growth and health of Memphis. Because of the massive education reforms occurring inside of schools, the engagement of city government and local citizens is imperative to further support educational attainment of everyone, particularly children, youth and adults living in poverty.

The recommendations presented in this policy brief—Increase Access to Education and Increase Supports for Education Attainment--represent critical approaches to education that are relevant to essential to a proper and sustainable Blueprint for Prosperity. City government can advocate for, convene, and mobilize the community around these education recommendations, particularly since education as defined here is as what occurs beyond the classrooms and schools. It is the responsibility of the community.

## Citations

Brookings Institution. (2009). *Blueprint for American prosperity: Unleashing the potential of a metropolitan nation*.

Washington, DC: Brookings Institution.

Zubrzycki, J. (2013, October 9). *Remaking Memphis: Charters, choice and experimentation*. Education Week.

Green, L. B. (2007). *Battling the plantation mentality: Memphis and the Black freedom struggle*. Chapel Hill: The

University of North Carolina Press.

Katz, B. (2010, April 14). *Revitalizing America's Metro Areas*. The Economist Interview: Tea with The Economist.

<http://www.brookings.edu/research/interviews/2010/04/14-metro-economy-katz>

Lee, A. (2011). *Community as an educational institution*. Connections. Dayton, OH: The Kettering Foundation.

*Memphis' My Brother's Keeper Action Plan: Inspiring Young Men of Color*. (2015). Memphis: City of Memphis

Government.

2015 GradNation Report. (2015). Memphis: Seeding Success.

StriveTogether. Theory of Change. Cincinnati: Strive Network.

Young, I. M. (2014). The five faces of oppression. Albany, NY: State University of New York Press

## **Policy Brief 4: Health, Wellness and Mental Health**

M. Paige Powell, Ph.D, Division of Health Systems Management and Policy  
Debra Bartelli, DrPH, Division of Epidemiology, Biostatistics, and Environmental Health

### **Executive Summary**

Public Health has long played a role in improving the health of communities. The traditional tasks of public health are collecting and summarizing vital statistics, controlling communicable diseases, providing sanitation, conducting laboratory services, especially for communicable diseases, and overseeing maternal and child health programs. Some victories for public health are the eradication of polio and other communicable diseases, decrease in cavities in children due to water fluoridation, elimination of vector-borne illnesses such as malaria, and programs such as Women, Infants, and Children (WIC) which benefit lower-income mothers and children by providing them with nutritious food and nutrition education.

We have identified four major problems related to public health and financial resilience and offered recommendations and metrics for each of these areas. Section 1 describes the problems in detail. Section 2 identifies existing resources that may impact health and financial resilience. Section 3 provides detailed recommendations and metrics for understanding if the proposed solutions have had an impact on the community.

#### **Problems**

Missed work and lost productivity due to illness

Lack of financial resilience due to medical debt and/or inability to pay for care

Teen pregnancy and parenting

Lack of affordable, reliable transportation

#### **Recommendations**

Reduce days of work missed and lost productivity due to illness

Increase vaccinations for children and adults

Decreasing obesity rates and associated chronic conditions

Decrease medical debt and/or inability to pay for care

Reduce teen pregnancy

Improve transportation



## Introduction

Public health departments are responsible for addressing environmental and social factors that influence the health of communities. In more recent years, larger health departments have also provided some primary care and family planning services to poorer members of the community. However, public health researchers and practitioners have long recognized that health care contributes only a small part to our overall health. Medical care and heredity both play a role, but the largest impact on people's health is from social determinants, defined as economic, environmental, political and social conditions "in which people are born, grow up, live, work, and age" 1. These factors include how much money people make, how much education they have, the quality of schools, the safety of their neighborhoods, access to healthy food, the quality of their housing, transportation options, and social conditions, such as blight or social isolation that results from high crime. These factors influence both health and financial resiliency.

Financial resiliency throughout a person's life also has a large impact on a person's health status in later years. Multiple sustained periods of financial hardship in early life lead to poorer self-rated health status as people age, a greater number of serious health conditions, and higher values on general illness symptoms, functional impairment, and depressive symptom scales. Many health disparities were the result of financial insecurity and not race or other demographic factors 2. Increasing the ability of our citizens to become resilient financially may ultimately improve health outcomes.

Section 1: Local public health problems that impede low-income citizens from developing financial resilience

Missed work and lost productivity due to illness

A person's ability to remain healthy enough to work continuously may be a barrier to achieving financial resilience. Poverty and poor health are highly correlated and have a symbiotic relationship. Those in poorer health may have difficulty working in positions that would allow them to become financially resilient. Lower income neighborhoods and those without financial resilience have higher mortality, morbidity, and poorer quality of life. Health risks are associated with both missing days of work and loss of productivity at work, both of which may impact a person's earnings and therefore impact financial resilience 3. Missing work and poor work performance are associated with both acute and chronic preventable diseases including influenza, diabetes/high blood glucose, stress, and heart disease, the last three of which are associated with obesity.

The 2014-2015 flu season was one of the most virulent seasons in the last decade. The CDC estimates that 38 million school days and 111 million workdays are lost each year throughout the U.S. because of the flu 4. Vaccinations are important in terms of preventing diseases that could lead to a loss of work productivity or to missing work altogether. Increasing the level of vaccinations will help children stay in school and parents continue working, leading to more productivity and less of chance of wage or job loss due to illness.

Shelby County residents have high mortality rates from chronic diseases that are potentially preventable. Heart disease, cancer, and stroke are the leading causes of death

for residents of Shelby County (2006-2009). Another leading cause of death is Diabetes Mellitus (7th), which is also related to lifestyle factors, particularly obesity. A large percentage of the county is overweight (40.0%) or obese (36.6%). Obesity can lead to problems with heart disease, diabetes, hypertension, and disability. Black residents of Shelby County have higher hospitalization rates from heart disease, stroke, and diabetes than white residents, which can have an impact on the ability of a person to work and accumulate savings 5. Additionally, the level of childhood obesity is extremely high. It is estimated that 17% of children in Shelby County are obese. Research has shown that 70% of students in Memphis do not have to take a daily physical education class 6. The popularity of more sedentary activities, such as playing video games and watching television, coupled with safety issues, has led to less physical activity outside of school as well. Children who are obese in childhood are more likely to be obese as adults and have more severe cases of cardiovascular diseases and other related conditions (Division of Nutrition, Physical Activity, and Obesity, 2012). Being poor and having financial strain in the house are also related to obesity in children 8,9.

### 1.2 Lack of financial resilience due to medical debt or inability to pay for care

Out-of-pocket costs play another large role in financial resiliency and health. Seventeen percent of Shelby County's population lacks health insurance compared to 11% nationwide 10. People who lack health insurance often forego medical care or fail to fill medical prescriptions, which, in turn leads to worse health outcomes and more medical bills. Medical debt contributes to a large percentage of bankruptcies, especially in poorer families whose incomes are already strained. Even if medical debt is not the primary cause of bankruptcy, it can keep people from being financially resilient when, added to other debt; it pushes them over the edge. Charity care accounts for over a quarter of all hospital care in Shelby County 11. If Tennessee does not expand Medicaid, the federal government will decrease allocations for charity care and the amount of medical debt will likely increase.

### 1.3. Teen pregnancy and parenting

Children born to teen mothers are often at more of a disadvantage than those who were born to adult mothers. African American and Latino teens are twice as likely to experience a pregnancy as white teens 12. Local teen birth statistics bear this out. In 2013 the birth rate for teens aged 15-19 in Shelby County was 43.1 live births per 1,000 females. The birth rate for White teens of the same age was 11.4 while the rate for Black teens was 56.9 and the rate for Hispanics was 71.9 (National Vital Statistics System-Nativity, NVSS-N 2013). Pregnancy and parenting at a young age can have a lasting impact on one's financial resilience. Teenage mothers and fathers are less likely to graduate from high school than their non-parenting peers and they are more likely to have health problems, face incarceration, and end up in low paying jobs 13. Teen moms are also more likely to give birth to premature or low birthweight babies. According to a study by Johnson and Schoeni (2011) poor health at birth, coupled with parental low income and lack of insurance, can impair a child's cognitive development 14. This in turn often leads to reduced educational attainment and poor economic and health outcomes later in life, perpetuating the cycle of poverty and teen pregnancy.

#### 1.4. Lack of affordable, reliable transportation

Low income individuals, children, the elderly, and disabled are all disadvantaged in car-dependent communities such as Memphis. Many of these individuals either cannot drive or do not have access to reliable automobiles. They must either use public transportation or depend on others to get them to work, medical appointments, or other destinations. Many studies have found a relationship between transportation and healthcare utilization including medication access 15–17. People without reliable transportation were more likely to miss medical appointments and less likely to visit the pharmacy to fill prescriptions following medical discharge.

Convenient, affordable public transportation can support both improved health and financial resilience by reducing traffic accidents, improving access to health care and healthy food, as well as by providing a reliable means of commuting to work, thereby decreasing missing days or loss of productivity.

## Section 2. Public Health and Financial Resiliency: Resources

### 2.1 Resources to improve days of work missed and lost productivity due to illness

**Immunization Clinics:** There are eight immunization clinics operated by the Shelby County Health Department (SCHD) and vaccinations at these clinics cost from \$13 to \$35 per visit, unless the child is covered by TennCare. Flu shots were offered at the peak of flu season this past year (January 2015) at no cost while supplies lasted. Most of the clinics have regular business hours, except for one Saturday per month at Hickory Hill and a Monday evening and two Saturdays per month at Southland Mall. Vaccinations are available for both children and adults.

Programs geared to decrease obesity rates:

**Let's CHANGE Initiative:** Let's CHANGE stands for Let's Commit to Healthy Activity and Nutrition Goals Every day! This program is a partnership between the SCHD and Healthy Memphis Common Table, now Common Table Health Alliance. Over 37 organizations have joined the Initiative. Members pledge to commit to the ABCs of Change:

“Ensure Access to healthy foods, snacks and increased physical activity;

Motivate and incentive for Behaviors that promote proper nutrition and increased physical activity;

Championing policies and environmental changes that “make the healthy Choice the easy choice”;

Modifying Systems to support healthy activity and nutrition 18.”

**Get Fit Tennessee!:** [www.getfit.tn.gov](http://www.getfit.tn.gov) provides education about type 2 diabetes and tools for children and adults to improve lifestyle factors that influence obesity and type 2 diabetes. They offer free health and fitness trackers, health and fitness calculators, and tools and programs geared toward children and teenagers and teachers 19.

FitKids: “The University of Memphis School of Public Health has worked with several community partners to develop an electronic tool to help parents understand their children’s risk of obesity and provide recommendations for healthy living. FitKids is a web-based application to assess behavioral risk factors for obesity, provide lifestyle change recommendations, and link parents to community health resources 20.”

Urban Gardens and other initiatives: Urban Gardens and other healthy food initiatives have become common in Memphis. Food Tank, a nonprofit organization committed to “building a global community for safe, healthy, nourished eaters,” listed 10 Innovative Urban Agriculture projects in Memphis, TN. These include:

American Heart Association Teaching Garden – 40 school gardens in East Memphis;

Green Leaf Learning Farm in South Memphis;

Green Machine Mobile Food Market in South Memphis;

Grow Memphis – an independent nonprofit that maintains over 30 community gardens;

Memphis Locally Grown – a neighborhood cooperative that serves small growers and other small craftsmen;

Pick Tennessee Products – connects people to Tennessee farms and local products;

Project Green Fork – certifies restaurants that are homegrown and practice sustainability;

Roots Memphis – an urban farm in Whitehaven;

Uptown Community Gardens in Binghampton; and

Urban Farms – a three-acre farm maintained by the Binghampton Development Corporation that sells produce to residents at the Urban Farms Market 21.

List of parks and other activities: Memphis Park Services is responsible for maintaining 167 parks and 106 playgrounds within the Memphis City Limits. However, some parks are not well used due to maintenance, crime and gang activity, or other issues. There are also bike lanes and several bike tours around Memphis for those who want to bike for recreation or commuting, and the Greater Memphis Greenline, a multi-use trail network. The Memphis Zoo and Memphis Botanic Gardens are both places where people can walk while enjoying the attractions 22.

## 2.2 Resources for decreasing medical debt or improving a family or individual’s ability to pay for care

Several local programs assist people who lack health insurance and other vital resources to pay for medical care. RISE Foundation, a local Memphis organization dedicated to improving the lives of low-income citizens, offers courses in financial literacy to groups including seniors and workers in low- to medium-wage jobs. The Memphis Safety Net Collaborative (SNC) is a consortium of eight organizations that provide emergency assistance for individuals and families when private and public resources, including health insurance, are unavailable. SNC members include healthcare and social service organizations (Catholic Charities, Church Health Center, Christ Community Health Services,

the Food Bank, Memphis Union Mission, MIFA, the Salvation Army and YWCA). In addition to Church Health Center and Christ Community Health Services, other local “safety net” healthcare providers include Memphis Health Center (a federally qualified health center), Resurrection Health, and Regional One Health’s Health Loop clinics. These clinics offer affordable or free access to medical and dental care and prescription drug assistance.

### 2.3. Resources for reducing teen pregnancy

A number of local organizations are addressing the cycle of poverty related to unplanned teen parenting. A Step Ahead Foundation focuses on reducing poverty and economic stress by providing free access to long acting reversible contraceptives (LARCS). The Early Success Coalition based at Le Bonheur Children’s Hospital is a broad-based collaborative intended to improve the lives of families with young children by improving birth outcomes, decreasing child abuse and neglect and by improving school readiness (Shelby County Health Dept website). The Teen + program, funded by the US Dept. Health and Human Services Office of Adolescent Health (OAH) focuses on reducing teen pregnancy and parenting rates in Shelby County. Another recipient of OAH funding, Le Bonheur provides abstinence-based education to 3,000 high school students per year in an effort to reduce the incidence of teen pregnancy.

For teens who are already parents organizations including Exchange Club of Memphis, Southwest TN Community College, Jewish Family Service and Universal Parenting Places provide parenting education and family support services.

### 2.4 Resources for improved transportation

The Memphis MPO (Metropolitan Planning Organization) has advanced both short-term (four-year) and long-range (25 year) regional transportation plans The City of Memphis Complete Streets and the Regional Bicycle and Pedestrian Plans are also focused on improving access to safe, affordable transportation in Memphis. The recently completed Memphis Greenprint 2015/2040 advances a range of objectives and action steps for expanding transportation choices for the region.

## Section 3. Barriers that can be removed or addressed through local action

### 3.1. Solution for reducing days of work missed and lost productivity due to illness

Increase vaccinations for children and adults:

Adding Saturday or Monday evening clinic hours at more locations Galloway and Cawthon may help those in lower income areas to receive the free flu vaccinations and to be advised about other vaccinations that may be needed for children or adults. F

Encourage the SCHED to offer a sliding-scale copayment structure based on the household income for those seeking vaccination.

Measurement:

Number of vaccinations provided at SCHD before and after expansion of hours and/or days of service.

Number of days missed of work due to influenza or other vaccine preventable illnesses.

Number of days missed of school due to influenza or other vaccine preventable illnesses

Decreasing obesity rates and associated chronic conditions:

Promote better coordination of services and less duplication of resources and programs

Facilitate partnerships between these existing programs.

Continue to use non-profits such as Grow Memphis to provide education to communities that want to begin or restart urban gardens

Neighborhood associations search for external grant funding to support gardens.

Properly maintain parks and playgrounds and have police frequently patrol these areas to decrease crime and gang violence.

Measurement:

Short-term Measures

Number of linkages or partnerships between existing organizations

Number of new programs implemented within the community

Number of children participating in programs such as FitKids and Get Fit Tennessee!

Number of adults participating in programs such as Get Fit Tennessee!

Number of new urban gardens

Number of improved playgrounds or parks

Long-term Measures

Decrease in obesity rate over time for children and adults

Decrease in type 2 diabetes for children and adults

Decrease in the mortality rates for heart disease, cancer, and stroke

Decrease in disparities in mortality rates between blacks and whites.

3.2. Solutions for decreasing medical debt and/or inability to pay for care

Enact the Insure Tennessee plan developed by Governor Haslam.

Increase patient-friendly billings practices such as financial advising, establishing payment plans, and allowing patients to pay bills online and with mobile devices through platforms such as PayMyBill.

Encourage providers to sign up with consumer-friendly loan programs such as ClearBalance and CarePayment.

Measurement

Increase in the number of uninsured residents in Shelby County.

Decrease in the number of bankruptcies with medical debt reported.

Decrease in the amount of charity care dollars and uncollected debt by local providers.

### 3.3. Solutions for reducing teen pregnancy

Improve access to comprehensive sexuality and reproductive health education beginning in middle school.

Remove barriers for teens to access contraceptive services by providing condoms and other contraceptives at school-based health clinics.

Advocate for more state funding for teen pregnancy prevention and parenting education programs.

Measurement

Short-term Measures:

Number/% of schools offering comprehensive sexuality and reproductive health education

Changes in policies related to dispensing of contraceptives in school based health clinics

Long-term Measures

Decrease in teen pregnancy rate

Decrease in teen birth rate

Decrease in low-birthweight births to teens

Increase in high school graduation /GED acquisition rate among pregnant/parenting teens

### 3.4. Solutions for improved transportation

Make public transportation planning a priority. The Public Transportation Partnership for Tomorrow recommends including public transportation services in the planning process whenever new public facilities or commercial projects are being considered.

Incorporate the use of Health Impact Assessments as a tool for improving transportation-related decision-making.

Designate “free transit” zones within business districts as do cities like Portland and Seattle or providing free bus service that links underserved neighborhoods to bus routes or medical centers.

Improve public transit service quality, service frequency and speed, and safety and security.

Provide bicycle access for on city buses.

Fully implement the Memphis Regional Greenprint and Sustainability Plan recommendations for increasing transportation options.

## Measurement

### Short-term Measures:

Increased funding for public transportation infrastructure

Reduced number of traffic accidents

Reduced greenhouse emissions

Improved access to health care

### Long-term Measures

Increased physical activity and fitness

Reduced roadway costs

## Conclusion

Both poverty and poor health can be attributed to many environmental and social determinants. Financial hardship throughout the course of one's life leads to poorer health as an older adult. Similarly, poor health can lead to missing work and being less productive while at work, which may influence job stability and financial resilience. The recommendations set in this series of papers should all help to improve financial resilience in the community as well as the overall health status of Memphians.

## References

1. World Health Organization. Social determinants of health: key concepts. 2015. [http://www.who.int/social\\_determinants/thecommission/finalreport/key\\_concepts/en/](http://www.who.int/social_determinants/thecommission/finalreport/key_concepts/en/). Accessed May 19, 2015.
2. Kahn JR, Pearlin LI. Financial strain over the life course and health among older adults. *J Health Soc Behav.* 2006;47(1):17-31. doi:10.1177/002214650604700102.
3. Boles M, Pelletier B, Lynch W. The Relationship Between Health Risks and Work Productivity. *J Occup Environ Med.* 2004;46(7):737-745. doi:10.1097/01.jom.0000131830.45744.97.



4. Molinari N a M, Ortega-Sanchez IR, Messonnier ML, et al. The annual impact of seasonal influenza in the US: Measuring disease burden and costs. *Vaccine*. 2007;25(27):5086-5096. doi:10.1016/j.vaccine.2007.03.046.
5. Tennessee Department of Health. Chronic Disease Health Profile Regions and Counties: Tennessee: Metropolitan Counties. Nashville, TN; 2011.
6. The Urban Child Institute. The State of Children in Memphis & Shelby County: Data Book. Memphis, TN; 2013.
7. Division of Nutrition Physical Activity and Obesity. Basics about childhood obesity. Centers Dis Control Prev. 2012. <http://www.cdc.gov/obesity/childhood/basics.html>. Accessed May 19, 2015.
8. Garasky S, Stewart SD, Gundersen C, Lohman BJ, Eisenmann JC. Family stressors and child obesity. *Soc Sci Res*. 2009;38(4):755-766. doi:10.1016/j.ssresearch.2009.06.002.
9. Greves Grow HM, Cook AJ, Arterburn DE, Saelens BE, Drewnowski A, Lozano P. Child obesity associated with social disadvantage of children's neighborhoods. *Soc Sci Med*. 2010;71(3):584-591. doi:10.1016/j.socscimed.2010.04.018.
10. University of Wisconsin Population Health Institute. County Health Rankings, Tennessee. 2015. <http://www.countyhealthrankings.org/app/tennessee/2015/rankings/outcomes/overall>. Accessed May 21, 2015.
11. Tennessee Advisory Commission on Intergovernmental Relations. Shelby County, TN Selected Statistical Information. [http://www.state.tn.us/tacir/County\\_Profile/shelby\\_profile.htm](http://www.state.tn.us/tacir/County_Profile/shelby_profile.htm). Accessed May 21, 2015.
12. Ventura SJ, Curtin SC, Abma JC, Ph D. Estimated Pregnancy Rates and Rates of Pregnancy Outcomes for the United States , 1990 – 2008. *Natl Vital Stat Reports*. 2012;60(7):1-22.
13. The National Campaign to Prevent Teen and Unplanned Pregnancy. *Why It Matters: Teen Childbearing, Education, and Economic Wellbeing*; 2012.
14. Johnson RC, Schoeni RF. The Influence of Early-Life Events on Human Capital, Health Status, and Labor Market Outcomes Over the Life Course. *B E J Econom Anal Policy*. 2011;11(3). doi:10.2202/1935-1682.2521.
15. Tierney WM, Harris LE, Gaskins DL, et al. Restricting Medicaid payments for transportation: Effects on inner-city patients' health care. *Am J Med Sci*. 2000;319(5):326-333.
16. Kripalani S, Henderson LE, Jacobson TA, Vaccarino V. Medication use among inner-city patients after hospital discharge: patient-reported barriers and solutions. *Mayo Clin Proc*. 2008;83(5):529-535. doi:10.4065/83.5.529.

17. Musey VC, Lee JK, Crawford R, Klatka MA, McAdams D, Phillips LS. Diabetes in urban African-Americans. I. cessation of insulin therapy is the major precipitating cause of diabetic ketoacidosis. *Diabetes Care*. 1995;18(4):483-489.
18. Common Table Health Alliance. Let's CHANGE Initiative. 2015. <http://commontablehealth.org/lets-change.php>. Accessed May 19, 2015.
19. Get Fit Tennessee. Get Fit Tennessee! 2013. <https://www.getfit.tn.gov/index.aspx>. Accessed May 19, 2015.
20. Memphis FitKids. Memphis FitKids Home. 2013. <http://binf1.memphis.edu/fitkids/>. Accessed May 19, 2015.
21. Food Tank. 10 Innovative Urban Agriculture Enterprises in Memphis. 2014. <http://foodtank.com/news/2014/08/ten-notable-urban-agriculture-projects-in-memphis>. Accessed May 19, 2015.
22. Centers for Disease Control and Prevention. Shelby County, TN National Healthy Worksite Program. 2014. <http://www.cdc.gov/nationalhealthyworksite/communities/shelby-county.html>. Accessed May 19, 2015.

## **Policy Brief 5: Health, Wellness and Mental Health**

Cyril F. Chang, Ph.D., Department of Economics

### **The Issue**

Memphis and Shelby County are in urgent need of solutions to its twin problems of poverty and poor health. Our community, with a concentration of poverty in many low-income neighborhoods and shortages of both good-paying jobs and skilled workers, faces many formidable social and economic challenges that require external funding and support from Washington, D.C., and Nashville. But, the reality is that there is little likelihood of the availability of large-scale initiatives and financial resources at the federal and state levels in today's post-recession economic and political environments. We must rely on ourselves locally to help our low-income and disadvantaged residents become healthier, more productive, and more financially resilient. To succeed in this endeavor, we need sustained local efforts and realistic solutions tailored to the needs of our community in order to break out of the current vicious cycle of poverty and poor health.

### Background and current condition

Memphis and Shelby County rank low in health status and have a heavy concentration of poverty in many low-income neighborhoods. In 2014, for example, Shelby County ranked 39th among the 95 counties in Tennessee in overall health outcomes, while the other three urban centers of Davidson County, Knox County, and Hamilton County ranked 6th, 15th, and 29th, respectively. In addition, about 35.0 percent of the children in Shelby County are in poverty. Memphis and Shelby County have also been plagued by persistent inequality in income distribution and disparities in health status.<sup>2</sup> According to the latest income disparity data reported by the County Health Ranking and Roadmaps Program of the University of Minnesota, for example, the Income Ratio (the ratio of household income at the 80th percentile to income at the 20th percentile) for Shelby County is 5.3, and that is 1.68 worse than the state average.<sup>2</sup>

Recently, many in the research and public policy arena have come to the realization that health and poverty are intertwined and may share the same roots. , Thus effective policies targeting one problem may be able to solve the other as well. On the other hand, if the two problems are left untreated in a community, they can feed into each other, creating a downward spiral for both vulnerable individuals and the community as a whole. The time has come to try new approaches and new ideas, and we will discuss how our community can succeed by improving low-income residents' health status and financial resiliency.

What is financial resiliency?

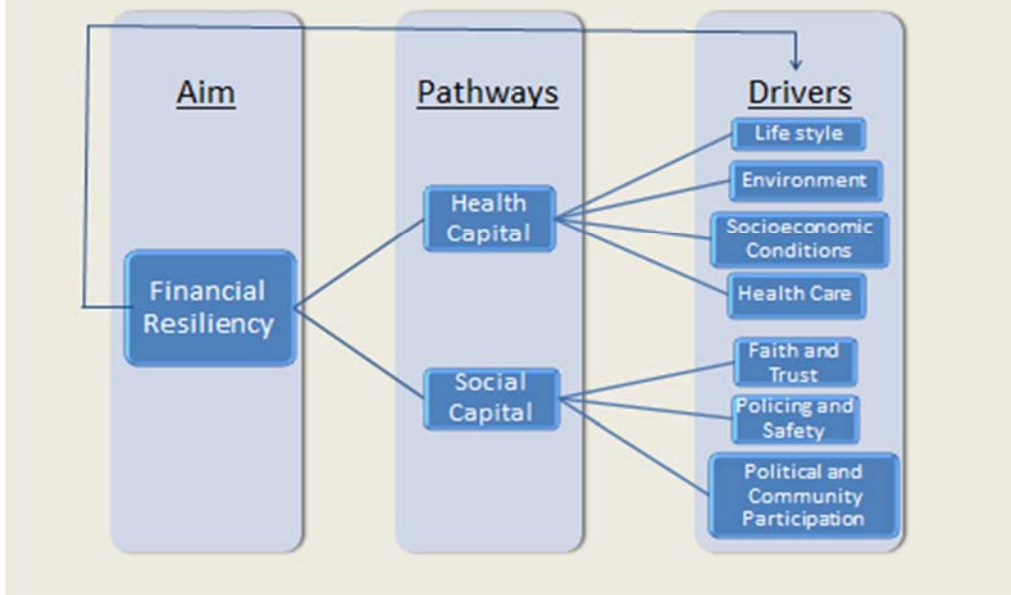
Financial resiliency refers to a community's or an individual's ability to cope with difficult times and to recover from both positive and negative major life events, such as the birth of an additional child, unemployment, divorce, or incurring a large medical debt after a bout of illness that required an expensive hospital stay. Financially-resilient individuals are those who know how to take advantage of available opportunities as they appear and to tap into the resources and help that are available from family members, friends, and the broader social networks of which the individuals are a part. These are the individuals who can "roll with life's punches" and "weather the storm" when encountering hard times as a result of adverse events in life and circumstances beyond their control. Similarly, financially-resilient communities are those that have the financial resources and social capital to build public infrastructure, such as banks, charitable organizations and foundations, and government agencies, and to support social cohesion and entrepreneurship in the community. People living in financially-resilient communities have more resources and opportunities to help them when the need arises and, as a result, better odds of personal, job market, and economic successes.

What drives financial resiliency?

Economists and sociologists have long recognized the roles of two types of capital, health capital and social capital, in influencing an individual's financial resiliency and in shaping his/her personal character and general outlook on life. , According to noted health economist Michael Grossman, for example, the health of an individual can be viewed as a capital (a reservoir of human resources) that generates and delivers direct benefits such as healthy days and higher productivity to that individual. Health capital diminishes over an individual's lifetime but can be replenished and augmented by a combination of personal and environmental factors, including healthier lifestyle, better nutrition, living in a safe and enriching environment, and access to high-quality health care. Social capital, on the other hand, refers to the collective and individual benefits derived from the association of individuals with social groups, such as places of worship, professional associations, and mutual friendship groups, and the formal and informal social networks to which an individual belongs. Social capital does not merely suggest warm and fuzzy feelings one gets from belonging to a social group; it suggests very specific benefits members of a group receive from the trust, information, collaboration, and reciprocity that are associated with being part of a social group.

The following diagram illustrates the causal relationship between financial resiliency and the two types of capital that function as the pathways or channels through which the financial resiliency of individuals and their community can be influenced by a set of specific and identifiable drivers or determinants.

## Drivers and Pathways of Financial Resiliency



In the above diagram in which the causal relationship runs from right to left, health capital and social capital (the middle column) are not the direct drivers that drive financial resiliency; their roles are that of pathways through which a number of specific underlying and identifiable drivers (shown in the right column) can influence the financial resiliency of individuals and the community in which they live. In other words, they are the mechanisms or channels for a set of specific drivers to “drive” or influence an individual’s financial resiliency. These drivers are:

Drivers that can build individual health capital:

**Lifestyle** – How an individual lives his/her life and makes health-enhancing choices such as not smoking, eating a healthy and balanced diet, and remaining active and exercising regularly have been shown to be vitally important factors in determining individual health.

**Social and physical environments** – The social and physical environments in which people live are equally critical in determining individual health. Social environments include family value, structure, and the broader social support networks that are important to the quality of life and health of individuals and their families. Physical environments, on the other hand, refer to the environmental conditions in which people live, and these include air, water, food, and soil quality and the conditions of the house or apartment and the neighborhood in which people live.

**Socioeconomic conditions** – These include both economic factors, such as income,

employment, and wealth accumulation, and social factors, such as education, violence, and crime, that contribute to the perpetuation of conditions either helpful or detrimental to the health of individuals and their families.

Health care – Medical services, particularly those designed to promote health and prevent disease, play a vital role in the health of both the individual and the population. The health services continuum of care includes both treatment of diseases and illnesses and secondary prevention practices such as immunization and proven health screening such as mammography for at-risk women. Health experts emphasize the importance of both appropriate and timely access to these needed health services in how health care affects individual health.

Drivers that build social capital of a community:

Faith and trust – People of faith and those who share the same or similar religious beliefs frequently draw strength from a group association and provide support to one another. Those who trust each other also tend to watch out for each other and come to each other's aid when the need arises. Faith, religious values, and the prevalence of trust among groups of people with similar values and backgrounds are the basic building blocks of a community's social capital.

Policing and safety – People must feel safe and be protected from crime and violence that can harm them. Adequate and effective policing is an integral part of the safety network that prevents crime and violence and assures safety for the residents of a community. The community and its residents must work with their elected officials and civic organizations to keep their neighborhood and community safe.

Political and community participation – Social capital tends to be strong in neighborhoods and communities where people participate in political activities and community events. Social capital can also be found in religious organizations, friendship networks such as local social clubs, community organizations, and civic organizations. These organizations and their activities foster social and neighborhood cohesion and improve the breadth and depth of the social capital available to members of a community.

Finally, it is important to note that while the causal relationship depicted in the driver diagram above runs from right to left, the aim of financial resiliency is not the end in itself; it generates a feedback effect that loops back to amplify the initial impacts of the drivers of health and social capital. The causal relationship from drivers to the final aim is, therefore, not linear and one-directional; it is a dynamic process that, once started, has the potential of helping a community in breaking out of its vicious cycle of poverty and poor health.

Barriers and Opportunities

Many barriers exist in Memphis and Shelby County that have made past efforts difficult, and these include the following:

There is a lack of trust and reluctance to come together to help each other across different socioeconomic and racial and ethnic lines.

Closely related to the barrier of a lack of trust is the economic and social segregation that has traditionally divided our community.

Disparities in wealth and income and the widening social and financial gaps they create have made it difficult to build social cohesion and racial harmony.

Disparities in health and healthcare access make the already challenging situation even more difficult to manage and overcome.

Many opportunities also exist to help our community, and these include:

Long-term opportunities:

More people have obtained health insurance coverage through new channels such as the federal insurance marketplace created under the Patient Protection and Affordable Care Act (PPACA) signed into law by President Barak Obama in 2013. Health insurance is associated with better health outcomes which, overtime, improve personal health and strengthen health capital.

Infant mortality rates have improved significantly in Memphis and Shelby County after reaching a peak in the early 2000s. Lower and declining infant mortality rates suggest both improvements in the local health system's capability in keeping residents healthy and more cohesive and organized social networks working together to solve our shared community problems.

The gradual recovery of the local economy from the severe economic recession triggered by the financial crisis of 2008 has stabilized the local economy and improved the outlooks of the local and regional labor markets.

Short-term opportunities:

Leveraging local health and healthcare needs for federal and state healthcare dollars to improve access to health care.

Target high ROI public health projects and initiatives such as those targeting smoking cessation, neonatal care for better birthing outcomes, obesity prevention, and lifestyle improvements.

Improve primary care and the delivery of preventive services.

Encourage and strengthen chronic disease control and management, population health, and faith-based interventions.

Engage in health system transformation through payment reforms, care coordination, and the development of new and more effective forms of primary care delivery such as the adoption and integration of electronic medical records (EMR) systems and the development of patient-centered medical homes.

#### Metrics for Tracking Progress

For tracing health improvements:

Major population health indicators such as infant mortality rates, poor physical health days, rates of premature death, and avoidable hospital days used by the County Health Ranking and Roadmaps Project for tracing and ranking the population health of individual counties. Data are available online at: <http://www.countyhealthrankings.org/>.

Major health and well-being indicators reported by the KIDS COUNT Report by the Annie E. Casey Foundation. The report is available online at: <http://datacenter.kidscount.org/>.

For tracing economic improvements:

Major economic indicators such as employment, per capital income, sales, and payrolls for local business establishments. Data are downloadable from the U.S. Census Bureau Website for Local Economic Data for Counties at: <https://www.census.gov/econ/geo-county.html>.

Additional economic data such as median housing value and home ownership rate for tracking social well-being and living conditions can be downloaded from the State and County Quick Facts Website of the U.S. Census Bureau at: <http://quickfacts.census.gov/qfd/index.html>.

#### References:

University of Wisconsin Population Health Institute. County Health Rankings 2014: Tennessee. Madison, Wisconsin: The University of Wisconsin – Madison, School of Medicine and Public Health. Online accessible at: <http://www.countyhealthrankings.org/rankings/data>.

Detailed county health ranking for Tennessee and its individual counties can be accessed at: <http://www.countyhealthrankings.org/rankings/data>.

Bee, A. "Household Income Inequality within U.S. Counties: 2006 – 2010." American Community Survey Briefs, U.S. Bureau of the Census, February 2012.



Torpy, J. M., C. Lynn, and R. M. Glass. "Poverty and Health." JAMA 2007, 298(16):1968.

The World Bank. "Poverty and Health." Brief, August 2014. Online accessible at:  
<http://www.worldbank.org/en/topic/health/brief/poverty-health>.

Grossman, Michael. "On the Concept of Health Capital and the Demand for Health." Journal of Political Economy 1972, 80(2): 223–255.

Coleman, James S. Foundation of Social Theory. Cambridge, MA: Harvard University Press, 1990.

## **Policy Brief 6: Transportation**

Charles Santo, Ph.D., Department of City and Regional Planning

“Transportation Emerges as Key to Escaping Poverty”

- New York Times, May 5, 2015

This recent New York Times headline summarizes a common theme among current academic research – and confirms a common sense understanding of urban issues (Bouchard, 2015). The article refers to a Harvard study that concludes that transportation access has a more significant effect on social mobility than factors like crime, education, and family structure (Chetty & Hendren, 2015). In cities like Memphis – both poor and geographically sprawling – this connection between poverty and transportation is magnified.

### **Introduction**

In Memphis, low-income neighborhoods are anywhere and everywhere – they are not necessarily proximate to downtown or in high-density areas like they are in older mono-centric cities. Residents in these communities are disconnected from entry-level jobs both by distance and by inadequate transportation systems. In fact, this distance makes an adequate transit system more difficult to achieve, and a cyclical problem emerges: Limited municipal investment in transportation options exacerbates household underemployment and degrades quality of life, while continuing poverty and underemployment erodes the ability of local government to make adequate investment in transportation options.

Transportation, as a factor that affects financial resiliency, encompasses both mobility and accessibility. Mobility refers simply to one’s ability to move around (i.e., can I get there?). Accessibility refers to the ease with which one can reach desired destinations – and therefore considers proximity of destinations to one another and to home (Litman, 2010). For example, a person who has a job close to her home and a grocery store along the way to the job does not have better mobility, but does have better accessibility. Accessibility is a product of urban form and land use patterns.

In Memphis, the story of the transportation-poverty relationship is the story of urban form, geographic stratification and spatial inefficiency. And it is conditioned by the geographic size of the city, historical patterns of population and wealth decentralizations, and the industrial structure of the local economy.

### **Current Local Conditions**

The Memphis Area Transit Authority (MATA) is the region's only provider of public transit. The vast majority of its users are transit dependent. Recent census data show that 13 percent of Memphis households do not own a vehicle, which exceeds the national figure of 9 percent. According to the Memphis Bus Riders Union, 90 percent of Memphis bus riders are black and 60 percent have incomes of \$18,000 or less. MATA buses and trolleys serve an area of 311 square miles located almost entirely in the City of Memphis with almost no access to suburban jobs or amenities.

Memphis' current transit system is inadequate to meet the needs of low-income residents. A 2011 analysis by the Brookings Institution (Tomer, Kneebone, Puentes, & Berube) explored how well public transit systems connect residents to jobs across the top 100 metropolitan areas; Memphis ranked 69th. The study found that for the typical Memphis commuter, only 26 percent of jobs are reachable by transit in less than 90 minutes, and only 5 percent are reachable in less than 45 minutes. But these findings are not simply a reflection of a poorly designed transit system – they are also a function of the area's urban form and industrial makeup.

Over the last forty years, Memphis has experienced an unhealthy transformation of its urban form, with expansion of the built environment that has outpaced population growth. This has contributed to increasing fiscal burdens and inefficiency and has driven a growing inequality between parts of the region. Since 1970 the City of Memphis has annexed over 100 square miles of land, but its total population remains essentially the same, as households have shifted outward beyond the boundaries of a city that now covers over 300 square miles. Memphis now has twice the land area of Detroit, but only half the population density (approximately 2,050 persons per square mile). Shifting population and physical growth patterns have contributed to a hollowing out of the region's core, left residents disconnected from jobs, and contributed to a crippling intraregional inequity. Dot-density maps of Shelby County's shifting population over time appear as if a string around the central city was loosened allowing marbles to spill out. The resulting lack of density makes efficient (in terms of both time and costs) transit difficult. Without a critical mass of potential riders (people) or destinations (e.g., jobs) along a corridor, it is difficult to provide service that is frequent enough to be convenient.

This deconcentration of population, as is typical, has been mirrored by a decentralization of wealth. Recent data show that the Memphis metropolitan area has the second highest level of income segregation among large metro areas (Florida, 2014). In 2010, the poverty rate of Memphis (27%) was nearly four times as high as that of the rest of Shelby County (7%) Table 1 illustrates the vast differences in median household income that exist between Memphis and Shelby County's suburban municipalities. The typical household in Germantown, the county's wealthiest suburb, lives on an income three times that of the typical Memphis household.

The sprawling, low-density spatial arrangement of the Memphis metropolitan area – an effect of a suburbanizing population – has contributed to the area's wealth and social disparities. Memphis is an auto-centric metropolitan area with a high degree of job sprawl.

According to the Brookings Institution, only 12 percent of the metro area's jobs are located within 3 miles of the central business district, and nearly half are located more than 10 miles from downtown (Kneebone, 2013). Simply put – a decentralized population means decentralized jobs and decentralized travel demand patterns. The Urbanized Memphis Metropolitan Planning Organization's travel demand model indicates travel demand for areas not served by MATA, including Germantown and DeSoto County, as well as cross-town travel demand for trips not served well by transit (including trips between Hickory Hill and the airport, for example.)

The main driver of the greater Memphis economy is distribution and logistics. Memphis is home to FedEx and claims the world's second busiest cargo airport and one the country's largest inland ports. Since 1980, 20 percent of the metro area's job growth has been in logistics. Related jobs tend to be low-wage and difficult to access, with many located in warehouses that cluster near an intermodal freight transfer facility in the southeast corner of Memphis that is not well served by transit. The most common Bureau of Labor Statistics occupational category in Memphis is "material mover or hand laborer." These jobs also require "off-peak hour" shift times and tend to be coordinated through temp agencies – factors that make it difficult for potential workers to coordinate transportation.

The sprawl of the Memphis area has contributed to another kind of job growth because it has required new retail and service industry employment. These local-serving industries (which don't bring new money into an economy or drive economic growth) have represented 47 percent of Memphis job growth since 1980. Two-thirds of those jobs have been in suburban localities. These patterns have contributed to a spatial mismatch between where low-income residents live and where jobs are available. (The table in Appendix A shows the top ten block groups for employment in the Memphis MSA.)

Part and parcel with sprawl and the current industrial structure, transportation investments in Memphis have been primarily made to facilitate the movement of goods or cars, with little consideration of pedestrian infrastructure. An inadequate pedestrian environment makes it difficult for transit user to get to stops or to get from stops to final destinations. The warehouse jobs that are prevalent in Memphis exacerbate this problem because such facilities are large, located far from the street, and by their nature create low-density environments.

A final impediment to successful transit provision in the context of decentralized jobs is the fact that while MATA is the region's only transit provider, it remains a local transit authority as opposed to a regional transit authority. This means that all of the local funding for transit operation comes from the City of Memphis, and MATA has no capacity to provide service to suburban areas despite the continuing decentralization of jobs.

What all of this means for the relationship between transportation and financial resilience can be summarized in one statistic: the median income for transit users versus that of drivers. National trends show only slight differences in median income for workers who commute via public transportation versus those who drive to work. (The national median income for driving commuters is about \$35,000 compared to \$31,000 for transit users.) But in Memphis, a low density, sprawling city, with a heavy reliance on logistics jobs, the earnings gap between transit riders and drivers is vast. Census data from 2012 shows that in the Memphis metro area, the median income of those who relied on public transportation was \$16,450 – less than half the median income of those who drove to work (\$34,200).

### Existing Organizations in the Mix

In addition to MATA, there are three other local organizations to pay attention to in terms of addressing the poverty-transportation connection.

#### 1. Memphis Bus Riders Union

The Memphis Bus Riders Union (MRBU) was founded in 2012 as a volunteer advocacy organization focused on promoting equity in transit, with recognition that current bus riders are overwhelmingly minority. The MBRU pushes for better service for current users and promotes policies that focus on the “transit dependent,” rather than the pursuit of “choice riders.” For example, the MBRU recently developed a [report](#) recommending improvements to the Hudson Transit Center (north end terminal). The organization is also urging MATA and the City to deprioritize spending on downtown trolleys in favor of a focus on expenditures that serve everyday users, like transit center improvements and repairing or adding bus shelters.

#### 2. Memphis-Shelby County Office of Sustainability / Mid-South Regional Greenprint

The Memphis-Shelby County Office of Sustainability coordinated the development of the multi-jurisdictional Mid-South Regional Greenprint, a plan to create a network of green infrastructure and improve regional sustainability. The planning process included a [Bus Transit to Workplace Study](#), which was prepared by Nelson\Nygaard Consulting Associates. This study includes recommendations for transit improvements based on employer and commuters surveys. A few key findings of the survey (Nelson/Nygaard Consulting Associates, 2013) are:

About 1 in 3 employers reported transportation challenges for its employees.

The majority of employees reported driving to work.

A few employers report offering alternative transportation support programs such as a ride matching program, but most prioritized providing free parking for their employees.

Most employees reported traditional shift times (i.e., weekdays between 8:00 AM and 5:00 PM), but many employment centers have round the clock or overnight shifts.

Recommendations from the survey focus on the use of “Transportation Demand Management,” approaches, which will be discussed in the final section of this brief.

### 3. The Mayor’s Institute for Excellence in Government / Transportation and Mobility Project Manager

The City recently hired Transportation and Mobility Project Manager, through the Mayor’s Institute for Excellence in Government (MIEG), to explore affordable, sustainable transportation choices in Memphis. As a first step, MIEG asked Nelson\Nygaard to prepare a Memphis Mobility Action Plan with “31 small steps” and has convened a Transportation and Mobility Advisory Council. Like the Greenprint Transit to Workplace study, the working recommendations are largely based on Transportation Demand Management.

### Things to Consider in Moving Toward Solutions

The final section of this brief offers some general level recommendations. These should be considered as starting points for more detailed exploration and/or as referrals to relevant work that is currently underway in this area.

#### 1. Make Transportation Central to Economic Development Planning and Policy

Currently, when we think of transportation as it relates to economic development in Memphis, we think of the logistics industry and the Aerotropolis concept – transportation as a means of moving packages. But transportation is also what links households to jobs; therefore, improving inadequate mobility and accessibility should be considered essential and central to economic development policy. In fact, the city’s economic dependence on logistics contributes to spatial inefficiency and transit-to-work challenges: large warehouses limit density and make it difficult for transit to get users anywhere near the front door, and temp agency work placements and odd shift hours make it difficult for potential workers to plan for transit use.

This recommendation requires a mindset change, since transportation planning is typically considered a separate activity from economic development and since Memphis continues to focus economic development policy and actions on the pursuit of low-wage logistics jobs. There is evidence of a growing awareness of the importance of accessibility in terms of economic development. The current plan of the city-county economic development agency, Economic Development Growth Engine (EDGE), considers spatial efficiency and states that, “In its current form, Metro Memphis is better designed to move products than to move people, and to foster outward growth and development rather than nurture the proximity and connectivity that is the hallmark of the innovation economy.” However the EDGE plan

continues to emphasize logistics and has limited recommendations regarding spatial efficiency, with no recommendations regarding transit. A first step would be to include accessibility as a factor in making decisions regarding PILOTs and other incentives.

## 2. Pursue Regional Transit Funding

As noted above, MATA is a local as opposed to regional transit authority. This means that all of the local funding for transit operation comes from the City of Memphis, and MATA has no capacity to provide service to suburban areas despite the continuing decentralization of jobs. In addition, even within the city, there is no specifically dedicated local funding source for MATA. This is a paralyzing problem. While politically challenging, the creation of a regional, multi-jurisdictional, dedicated funding source for MATA would improve the reach of transit in the Memphis area and open new employment opportunities for transit dependent residents.

Sales taxes are typically used to create such regional dedicated funding sources, but a campaign could be built around other alternatives as well, including gas taxes, “sin” taxes, etc. A state law created by Tennessee Senate Bill 1471 in 2009 allows for the creation of regional transportation authorities and for the development of dedicated revenue streams, subject to voter approval.

## 3. Review and Pilot Select Transportation Demand Management (TDM) Approaches

Nelson/Nygaard Consulting Associates developed a number of TDM recommendations in their work for the Mid-South Regional Greenprint and for the Transportation and Mobility Project of the Mayor’s Institute for Excellence in Government. As described in the Greenprint Document, “Introduction to Transportation Demand Management,” TDM actions are designed to reduce (or manage) the number of people who commute by driving alone, and to do so without large infrastructure investments. Implementation of TDM approaches can occur at the local area level, or at the employer level – making area businesses a partner in addressing transportation needs.

Examples of employer-level TDM approaches include: employer shuttles, employer-subsidized transit passes, and parking cash-outs (e.g., instead of providing “free parking” to employees, employers can provide a pay incentive to employees who do not require a parking space.”

The Transportation and Mobility Project Manager of the Mayor’s Institute for Excellence in Government has convened an Advisory Council to pursue implementation of TDM approaches. These efforts should be supported and institutionalized for the long-term.

(For more information on the TDM recommendations already developed for Memphis see the Memphis Mobility Action Plan and the Bus Transit to Workplace Study).

#### 4. Look Beyond the Bus and Fixed-Route Transit

There is a tendency to think that addressing transportation needs for those in poverty means providing better bus service, but the implied notion that the car is for the middle-class and the bus is for the poor is regressive and limits the realm of imagined solutions.

Nationally, about 8 percent of metropolitan area workers use transit to get to work. The figure of low-income workers is not much higher than, at about 10 percent. Poor workers tend to rely on automobiles for the same reasons that middle class workers do – transit is less convenient. This is especially true in cities like Memphis where a lack of density limits transit frequency and traffic congestion is minimal (i.e., below the threshold at which driver would consider transit more convenient).

Substantial research indicates that cars are an important piece of the link between transportation and household financial resiliency. Research by the Brookings Institution provides the following summary:

Numerous scholars find that reliable transportation leads to increased access to employment, higher earnings, and greater employment stability among the poor. The most compelling evidence centers on the positive relationship between access to automobiles and employment rates, hours worked, and mean monthly earnings. Low-income households are without cars are also more likely to experience unmet food and housing needs and have greater difficulty traveling for medical care (Blumenberg & Waller, 2003, pg. 6).

The most robust recent research on mobility and poverty was conducted by the Urban Institute for Driving to Opportunity (2014). The study examined outcomes among participants who received housing choice vouchers as part of the Moving to Opportunity Fair Housing program or the Welfare to Work Voucher Program. The findings indicate important differences in residential location and employment outcomes between participants who had access to automobiles and those who were transit dependent. Some key points are summarized below:

Families with access to cars found housing in neighborhoods where environmental and social quality consistently and significantly exceeded that of the neighborhoods of households without cars. Especially noteworthy, families with car access felt safer in their neighborhoods and were less likely to live in neighborhoods with high crime rates than those without car access.

Over time, households with automobiles experience less exposure to poverty and are less likely to return to high-poverty neighborhoods than those without car access.

Among those relocating from their baseline neighborhoods, program participants with access to automobiles moved to areas with lower concentrations of poverty, higher



concentrations of employed adults, higher median rents, more owner-occupied housing, lower vacancy rates, greater access to open space, and lower levels of cancer risk.

Participants with access to automobiles move to neighborhoods with higher levels of school performance by the time of the final survey.

Keeping or gaining access to automobiles is positively related to the likelihood of employment.

Improved access to public transit is positively associated with maintaining employment but not with transitions to employment.

On earnings, both cars and transit access have a positive effect, though the effect for auto ownership is considerably greater. (Pendall, Hayes, George, McDade, Dawkins, Jeon, et al., 2014, p. ii)

Suggesting strategies that could put more cars on the road is somewhat antithetical to sound planning ideology. However, past planning practices and development patterns have created a system that privileges those with automobiles. It would be inequitable to suggest that the poor carry the burden of planning principles and work their way out of poverty without the same opportunities available to the middle and upper class.

Strategies that fit this approach would include both car sharing programs and programs designed to put ownership of reliable personal vehicles within reach. Car sharing or short-term rental services such as ZipCar could provide expanded opportunities for low income residents because they require users to pay only for the transportation that they use.

Suggestions regarding expanding access to personal vehicle ownership will require policy change beyond the local level.

Researchers with the Urban Institute suggest combining rental housing vouchers with subsidies for automobile purchases as a possible approach to expanding options for low income households.

Current state “vehicle asset limitation” policies related to safety net programs raise the cost of car ownership for the poor, and must also be addressed. In Tennessee, the vehicle asset limit for SNAP and TANF benefits is \$4,650. If a household owns a vehicle worth more than that, the value about the limit is counted as a liquid financial asset and eligibility for benefits. Many states have done away with vehicle asset limitation rules after federal policy changes in 1996 allowed more flexibility.

The state’s current policy of suspending driver’s licenses for unpaid criminal court debts creates an impassible barrier for many Memphians.

Finally, programs geared toward supporting personal vehicle ownership, such as must consider issues like reliability, insurance costs, lending practices. Low-income car buyers might become subject to predatory lending or face subprime rates.

## Measuring Change

In order to determine the extent of any progress in addressing the link between transportation and financial resilience, certain indicators can be tracked. The example indicators described below are designed to reflect the problems identified in this policy brief. Some of these will require the creation of baseline data.

### 1. The Income Gap Between Transit Commuters and Drivers

In the Memphis metro area, the median income of those who rely on public transportation is currently less than half the median income of those who drive to work. Any improvements to the current fixed-route transit system should be reflected in a closing of this gap.

### 2. Transit Access

Recent analysis by the Brookings Institution found that for the typical Memphis commuter, only 26 percent of metro jobs are reachable by transit in less than 90 minutes, and only 5 percent are reachable in less than 45 minutes. These access figures can serve as benchmarks for future calculations made using the same methodology. Because these metrics include jobs in the entire metro area, improvement here will likely require expansion of the MATA service area and transition from local funding (Memphis-only) to a dedicated regional funding source.

### 3. Percent of Employers and Commuters Who Say Transportation is an Obstacle

The Bus Transit to Workplace study conducted as part of the Mid-South Regional Greenprint planning process asked employer and commuter survey respondents “Is transportation a challenge,” and “Is transportation an obstacle to work?” As a baseline, 31 percent of employers and 16 percent of commuters said yes. Future surveys can track whether these figures have improved. (Of note: the survey only captured commuters and therefore did not include residents who are not working due to transportation challenges. Future surveys could seek to incorporate this demographic.)

### 4. Percent of Time Devoted to Commute Among those in Poverty

Many transit dependent workers currently face long commute times (including multiple transfers) due to spatial mismatch between jobs and housing. Improvements in the fixed-route transit, success of TDM strategies, and an increase in access to car ownership would all be reflected in reduced figures here.

## 5. Percent of Transit-Dependent Bus Riders

If TDM strategies are successful, it will be reflected by an increase in bus ridership among commuters who have the option of driving (and a decrease in the percentage of riders who have no other option.)

## 6. Transit Deserts

Using the methodology devised by Jiao and Dillivan (2013), baseline data can be calculated to benchmark the current extent of “transit deserts” – areas with a high number of transit dependent residents coupled with poor transit service – within Memphis.

## 7. Percent of Households without a Car

If cars are an important piece of the link between transportation and household financial resiliency, programs designed to help low-income households increase access to vehicle ownership might be necessary to create equity. This can be easily tracked with American Community Survey data.

Litman’s (2015) Evaluating Transportation Equity offers a more thorough summary of approaches to measure transit equity and change.

## **Conclusion**

This assessment of current conditions and general list of ideas to consider in moving toward solutions is based on an external perspective of the problem at hand. Confirming the understanding described here and uncovering more creative solutions will require direct input from Memphis residents who face transportation challenges. This would help reveal any alternative, informal, “organic” approaches to getting around that might be in use, and whether such approaches could be more effective/efficient at improving mobility in low income neighborhoods with the proper support.

Participating households could share their daily travel routines, through focus groups, face-to-face interviews, and daily journals and address questions such as:

Do residents take the bus to work? What happens when they do? Does it get them there efficiently? Do they have to make multiple transfers? Does the bus stop a reasonable distance from their actual origin or destination? Do they feel secure?

What about residents who own a car? Are reliability issues and maintenance expenses an issue? What about the cost of gas and insurance?

Can residents bike or walk to where they need to be?

What are the informal alternatives? A neighbor with a car? A car shared by multiple family members? Etc. What policy solutions can be implemented to support these approaches?

A traditional data-only approach to policy tends to lead to a one-size fits all set of solutions and misses important nuances. These community conversations would help avoid such an outcome. Mobility and accessibility challenges faced by low income residents are not the same everywhere. Letting residents tell their own stories can reveal appropriate solutions.

#### Works Cited

Blumenberg, E., & Waller, M. (2003). *The long journey to work: A federal transportation policy for working families*. Brookings Institution.

Bouchard, M. (2015, May 15). *Transportation Emerges as Key to Escaping Poverty*. *The New York Times*, p. A3.

Florida, R. (2014, March 18). *The U.S. cities with the highest levels of income segregation*. Retrieved May 3, 2014, from Atlantic CITYLAB:  
<http://www.citylab.com/work/2014/03/us-cities-highest-levels-income-segregation/8632/>

Jiao, J., & Dillivan, M. (2013). *Transit deserts: The gap between demand and supply*. *Journal of Public Transportation*, 16 (3), 23-39.

Kneebone, E. (2013). *Job sprawl stall: The great recession and metropolitan employment location*. Metropolitan Opportunity Series, Brookings Institution.

Litman, T. (2015). *Evaluating transportation equity*. *World Transport Policy & Practice*, 8 (2), 50-65.

Litman, T. (2010). *Measuring transportation: Traffic, mobility, and accessibility*. *ITE Journal*, 73 (10), 28-32.

Nelson/Nygaard Consulting Associates. (2013). *Bus Transit to Workplace*.

Pendall, R., Hayes, C., George, A., McDade, Z., Dawkins, C., Jeon, J., et al. (2014). *Driving to opportunity: Understanding the links among transportation access, residential outcomes, and economic opportunity for housing voucher recipients*. Urban Institute.

Tomer, A., & Kane, J. (2014). *Car remains kings and barrier to economic opportunity*. Brookings Institution.

## **Policy Brief 7: Energy Cost Reduction/Clean and Green**

Jenna Thompson, March, BArch, BIA, Department of Architecture  
Michael Hagge, MArch, MCRP, MPA, Department of Architecture

### **Introduction**

The United States Green Building Council (USGBC) has set a precedent for sustainable design principles worldwide. Established in 1993, the non-profit organization has developed and tested sustainable design strategies that support holistic, community-minded approaches to development. These principles will play an instrumental role in providing low-income neighborhoods the resources needed for prosperity. Neighborhood design strategies should not be limited to energy efficiency and indoor air quality, but instead neighborhood design should mitigate environmental impacts through proper project siting and orientation; provide pedestrian-friendly access to multiple modes of transportation and amenities, and promote smart growth through density and resistance to sprawl.

As indicated in the 2013 BluePrint for Prosperity document, Memphis is plagued by poverty that is yet to be diminished despite multiple federal and local government programs and grass-root efforts. The following document will outline best practices set forth by the USGBC as a guide to implementing our own well-designed programs to help low-income neighborhoods and districts improve the quality of life for residences. Also included will be recommendations to steer future development opportunities in the direction of established sustainable design plans created by the Memphis-Shelby County Office of Sustainability and other organizations that support the plan. Important to note is that Memphis already has a comprehensive sustainable design implementation plan that is currently being enacted as policy and design guidelines for our great City.

This paper will identify strategies to reduce daily costs and/or increase income for low-income Memphians within three contexts. In Section I, we express local conditions that inhibit financial resiliency and provide recommendations to address these local conditions. Section II identifies local organizations that have the capacity to improve financial resiliency. Section III will address barriers that must be removed or addressed through locally based action. These sections will be followed by a brief conclusion. Under Section I, a set of recommendations will be discussed related to the two categories outlined below.

#### **Recommendations to Reduce Daily Costs and Increase Income Potential**

**Develop/Revitalize Smart Growth Neighborhoods (Eco-Districts).** Selecting the site location for a development and building project is the most important step in establishing or revitalizing a neighborhood and supporting commercial district. By enacting this crucial first step, low-income neighborhoods will experience reduced transportation, energy and

medical costs, while benefiting from increased access to multiple modes of transportation, food options, and job opportunities.

Develop Green Building Practices. The resources required to create communities and the buildings within them have significant impacts on human health and the environment. By developing policies and design guidelines that conserve our water, energy, and material resources, we can promote healthy life-cycles of our buildings and communities.

Section I: Local conditions that impede low-income citizens from developing financial resiliency

Develop/Revitalize Smart Growth Neighborhoods (Eco-Districts)

Currently, low-income neighborhoods in Memphis consist of low-density commercial blocks that do not provide basic amenities such as walkability, healthy food options, thriving education systems, and well-paying job options. These conditions create great distances that separate families in low-income neighborhoods from gainful employment and increase strain on families and their lifestyles.

Harder, J & Buttermann, E. (2015). The Affordable Green Neighborhoods Grant Program aids low-income housing projects in the pursuit of LEED certification. USGC+, March/April, 41-47.

Recommendations:

The following recommendations are specific to this document but not exhaustive of the opportunities that should be captured. A full review of the Sustainable Shelby Implementation Plan should be conducted in order to enact comprehensive strategies for change. These recommendations are also not specific to low-income neighborhoods, but can be modified on a case-by-case basis.

Implement strategies 2.1.1-.5 of the Sustainable Shelby Implementation Plan under the Great Neighborhoods Sub Category. The plan declares Memphis and Shelby county a “Community of Great Neighborhoods” and creates the “Great Neighborhood Score.” This is a standard of high-performing and successful neighborhoods used to measure and evaluate all development proposals and applications. In order to have success with the Great Neighborhoods plan, a reorganization of the Shelby County Division of Planning and Development (DPD) around Neighborhood Planners who are experts of specific geographic regions is necessary. This reorganization will enable the DPD to work with neighborhood planners and community members to create a guidebook with best practices and case studies. By demonstrating to community members that neighborhood revitalization projects that increase density, walkability, and other civic and economic opportunities,

have been successful, motivation to act on neighborhood revitalization projects will be increased.

Implement strategies 2.2.1, 2.2.3 of the Sustainable Shelby Implementation Plan under Smart Planning Sub Category. Develop a Comprehensive Plan for the City of Memphis, unincorporated Shelby County,

Harder, J & Butterman, E. (2015). The Affordable Green Neighborhoods Grant Program aids low-income housing projects in the pursuit of LEED certification. USGC+, March/April, 41-47.

Memphis-Shelby County Office of Sustainability, Sustainable Shelby Implementation Plan was developed in 2008 by 130 people participating in seven committees and a team of professional urban planners from the Memphis and Shelby County Division of Planning and Development (DPD).

Memphis-Shelby County Office of Sustainability, Sustainable Shelby Implementation Plan, Chapter 2, Great Neighborhoods for a Great Community, Checklist. Retrieved from <http://www.sustainablesbelby.com/plan>

Memphis-Shelby County Office of Sustainability, Sustainable Shelby Implementation Plan, p.19

and other municipalities based upon the principles of Sustainable Urbanism. The Comprehensive Plan will map the location of existing and future neighborhoods, employment centers and business districts with transit-ready density levels in conjunction with the adopted Long-Range Transportation Plan and Regional Transit Master Plan.

#### Develop Green Building Practices

Within Smart Growth development, there are specific green building practices that are typically overlooked in low-income neighborhoods. Current building practices in low-income developments consist of: cheap building construction, clear-cutting landscape elements, non-existent water catchment systems, and poor sidewalk and street design. These practices send a signal to the occupants that they are less important and thus pride in ownership of homes and/or rentals is diminished.

#### Recommendations:

Sustainable Sites. The concept of sustainable sites is to reduce environmental impacts of developing a building site and maintaining it for the life of the building. Strategies include: construction pollution prevention, protection and restoration of habitat, reducing the size of building footprints, increasing density, maximizing open/green space, planting native and adapted plant species, and developing a site management plan. The Sustainable Shelby Implementation Plan emphasizes Low-Impact Development design for new and existing sites.

Energy and Atmosphere. According to the National Low Income Housing Coalition, more than 6.5 million low-income families spend more than half of their incomes on the cost of housing and utilities. By reducing energy demand, increasing energy efficiency, beginning to phase out fossil fuel use with renewable energy, and monitoring the performance of housing and commercial developments, residence and business owners will see reductions in their operating costs and see increased capital. Employing these goals also has the potential to create new job sectors thereby increasing income potential. The Sustainable Shelby Implementation Plan has completed a process whereby homeowners can receive free on-site home energy audits with priority given to low and moderate-income residents. This was part of a public awareness campaign and is considered completed in the plan; however, it is suggested that this service become permanent for low-income neighborhoods.

Memphis-Shelby County Office of Sustainability, Sustainable Shelby Implementation Plan, Chapter 2, Great Neighborhoods for a Great Community, Checklist. Retrieved from <http://www.sustainablesbelby.com/plan>

McCombs, H. C. (2015). LEED Green Associate exam preparation guide, LEED v4 edition. Orland Park, IL: American Technical Publishers.

Low Impact Development (LID) is a way to treat stormwater runoff in a way that mimics the natural hydrology of the site instead of the traditional method of piping the water directly off the site. <http://www.sustainablesbelby.com/LidGreenInfrastructure>

Harder, J & Butterman, E. (2015). The Affordable Green Neighborhoods Grant Program aids low-income housing projects in the pursuit of LEED certification. USGC+, March/April, 41-47.

McCombs, H. C. (2015). LEED Green Associate exam preparation guide, LEED v4 edition. Orland Park, IL: American Technical Publishers.

Memphis-Shelby County Office of Sustainability, Sustainable Shelby Implementation Plan, Chapter 3, Protecting and Improving Our Environment, Checklist. Retrieved from <http://www.sustainablesbelby.com/plan>

Water Efficiency. Homeowners can benefit financially by reducing the amount of potable water used for non-potable water functions. By educating homeowners about the process for implementing graywater catchment systems, they can reduce their water consumptions from 20% up to 50%. The EPA, through multiple partnerships, created the WaterSense label. WaterSense brings water-saving product and tips to the marketplace and should be used in new low-income developments and in education efforts for existing homeowners. Furthermore, if homeowners are capturing natural rainfall on-site, they can use the graywater to manage their lawn care needs. This strategy has synergies to both sustainable site and energy and atmosphere strategies.

Materials and Resources. Material conservation can begin to improve low-income



residence and business owners on multiple levels. Reusing buildings that have already been built is the most effective approach to material conservation. This can lower construction costs and financial and environmental impacts incurred to transport new materials to the site. However, if this is not possible, sourcing new materials from existing infrastructure and local economies can have positive impacts. It is also important to understand the health and environmental impacts of materials used during construction.

**Indoor Environmental Quality.** The importance of the environmental quality of buildings and their surroundings can be linked to improving the health, indoor air quality, and financial sustainability of occupants and organizations. Beginning with renovations or new construction, materials and finishes selected should maintain a low to no Volatile Organic Compound (VOC) limit. By limiting these toxic chemicals, the increased medical bills from sickness will be diminished greatly.

Section II: Existing locally- and non-locally-based support systems or organizations within that domain to improve financial resiliency of low-income citizens

Memphis is fortunate in that there are many organizations that support sustainable design. The first and foremost resource to help improve financial resiliency of low-income citizens is the Memphis and Shelby County Office of Sustainability. Referenced multiple times in this brief, the Office has developed a comprehensive sustainability plan that addresses Memphis holistically thereby including improvements to the quality of life for low-income citizens. Secondly, as part of the Office implementation plan, various community organizations such as the Coalition for Livable Communities (CLC), Community Development Council of Greater Memphis, Shelby County Division of Planning and Development, and community development corporations, all contributed to the Neighborhood Rebirth section of the plan. These organizations should be called upon to reignite the initiatives started in 2008 and reinforce those that are ongoing. The possibilities created by these local organizations have been outlined in the preceding sections.

Although this section request locally based support systems, there are a couple other outside sources that might help mitigate our poverty issues in Memphis. EcoDistricts is a non-profit organization that

McCombs, H. C. (2015). LEED Green Associate exam preparation guide, LEED v4 edition. Orland Park, IL: American Technical Publishers.

VOCs are harmful substances that vaporize at room temperature, off-gassing from many new materials such as adhesives, sealants, paints, coatings, carpets, furniture, and particleboard.

“provides support and leadership for urban change makers and innovators to accelerate sustainable district- and neighborhood-scale regeneration.” One important aspect of EcoDistricts is their Target City program. Target Cities is a two-year partnership with

development projects across eight North American cities to amplify and accelerate district-scale community regeneration and create replicable models for next-generation urban revitalization. As Memphis continues to move in the direction of urban revitalization, especially in low-income neighborhoods, this organization could provide viable resources.

Finally, the Department of Treasury CDFI Fund was created in 1994 to promote community development and investment in low-income or distressed communities through monetary grants and tax credits. This organization is referenced by the USGBC as part of their LEED certification program. Most low-income sites are considered high-priority redevelopment areas and could benefit financially from this program.

### Section III: Barriers that can be removed or addressed through local action

One barrier to moving forward with the aforementioned recommendations is the continuous budget cuts to the Shelby County Division of Planning and Development (DPD). In 2009, during the recession, the DPD was essentially cut by 50% to save money. This cut effectively ended initiatives headed by the DPD. If the city of Memphis is serious about reducing poverty, these positions need to be refilled with knowledgeable, committed and passionate community members.

While there are other barriers not mentioned, another consideration is the apathy developed by some low-income residents. After years of absentee landlords, low-income jobs, deficient transit options, and lack of basic services within their communities, individuals become suppressed and resentful of and by their conditions perpetuating indifference. Therefore, the greatest barrier might be creating a cultural and mind-set shift. For this, a recommendation of hope is suggested and to keep trying despite this barrier.

### **Conclusion**

All members of the community – government officials, neighborhood development organizations, developers, business owners, designers, homeowners, contractors, and everyday citizens alike – should call upon our existing resources to enact change in our communities. While low-income housing is the focus of this brief, it is but one small part of a larger system in need of repair. The recommendations and strategies outlined in this brief represent a microcosm of the overall and holistic approaches needed to address this global issue.

<http://ecodistricts.org/about/vision-values/>

<http://ecodistricts.org/target-cities/>

The Department of Treasury CDFI Fund  
([http://www.cdfifund.gov/who we are/about us.asp](http://www.cdfifund.gov/who_we_are/about_us.asp))

## **Policy Brief 8: Housing/Community and Neighborhood Redevelopment**

Stanley Hyland, Ph.D., Department of Anthropology

In the United States, poverty has long been one of our most intractable social problems. This is especially the case in the city of Memphis, where the poverty rate continues to hover around 27% and where the city and surrounding area are persistently ranked among the poorest large metros in the country (Delavega 2014, Commercial Appeal 2013). Such frustrating and tragic statistics beg the questions:

What can we do to effectively reduce poverty in Memphis?

How can we sustain such a reduction?

In this white paper, we turn to neighborhoods and “communities of place” as a key to the success of our anti-poverty efforts in Memphis. In particular, we challenge the predominant conceptualization of “wealth” as simply the net-worth of individuals or individual families, arguing instead that neighborhoods and communities of place possess an abundance of resources and assets that often go unacknowledged and remain underutilized in our efforts to address poverty (Green and Haines 2008, Kretzmann and McKnight 1993). We argue that by broadening our conceptualization of “wealth” to include these resources and assets, we will see numerous new possibilities and strategic opportunities to support neighborhood residents and other stakeholders to reduce poverty, build wealth, and achieve shared prosperity. We suggest that an approach that focuses on strengthening communities of place by networking neighborhood residents and stakeholders and mobilizing their readily available resources and assets will have a substantial and sustainable impact within Memphis and throughout the region.

It is no secret that Memphis’ poverty is concentrated in certain neighborhoods. Memphis mayor AC Wharton’s Blueprint for Prosperity plan highlights the city’s “C of poverty” – the ring of peripheral urban core neighborhoods where poverty rates are some of the highest in the region (City of Memphis 2014). Within this “C of poverty,” there are five census tracts where the poverty rate exceeds 60% (Smart City Memphis 2014). In considering what to do to address poverty in these neighborhoods, our tendency is to follow a “needs-based” approach – first identifying the deficiencies of these neighborhoods and their residents, then employing government agencies, nonprofits, and others to provide targeted services and programs designed to address those deficiencies. We have been using this approach, in various forms and with various emphases, for decades, but poverty rates have largely remained the same.

Kretzmann and McKnight (1993) of the Asset Based Community Development Institute have long advocated for an alternative approach that acknowledges the needs of poor neighborhoods and their residents, but encourages us to shift our attention away from those deficiencies and towards the resources and assets present in the neighborhoods and available to neighborhood stakeholders. In their critique of needs-based approaches, they write,

Public, private and nonprofit human service systems, often supported by university research and foundation funding, translate [needs-based] programs into local activities that teach people the nature and extent of their problems, and the value of services as the answer to their problems. As a result, many lower income urban neighborhoods are now environments of service where behaviors are affected because residents come to believe that their well-being depends upon being a client. They begin to see themselves as people with special needs that can only be met by outsiders.

Kretzmann and McKnight (1993, 4) and Green and Haines (2008) continue their critique by arguing that any approach that relies entirely on outside inputs of money and “expertise” cannot be sustained. Instead, they challenge us to move from needs-based approaches to asset-based approaches. Recognizing that even within the poorest urban neighborhoods there are abundant resources and assets – including, in particular, the gifts, skills, and capacities of individual residents and stakeholders – Kretzmann and McKnight established the ABCD Institute to catalogue asset-based success stories and nurture their proposed paradigm shift. In the two decades since Kretzmann and McKnight introduced ABCD, we have seen a rapid promulgation of government agencies, nonprofits, and, most importantly, grassroots neighborhood organizations implementing asset-based approaches in neighborhoods and communities across the United States.

This brings our discussion to wealth. When we think about reducing poverty, we are also thinking about building its opposite, wealth. Wealth is, by definition, anything that is useable or exchangeable, but often we tend towards a narrow conceptualization of wealth as simply the monetary net-worth of individuals or individual families. This tendency, in conjunction with our tendency towards needs-based approaches to poverty, has resulted in placing most of the emphasis of our anti-poverty efforts on human capital development – with a particular emphasis on education and job training. Human capital development is essential to increasing the net-worth of individuals and their families, but it does little to alter the landscape of poverty in Memphis neighborhoods once those individuals that benefit from our human capital development programs can afford to move their families to safer, more stable neighborhoods. This has been the general pattern in Memphis for decades, a pattern which we can assume is at least partially to blame for the geographic concentration of poverty made apparent by the mayor’s Blueprint plan (City of Memphis 2014). Absolutely, human capital development is an important part of reducing poverty in Memphis, but, from a neighborhood perspective, it cannot be our only approach. There must be complementary approaches that build neighborhood wealth.

There is a growing literature that draws on the work of Kretzmann and McKnight (1993) and helps illustrate the significance of building neighborhood wealth. Following from Kretzmann and McKnight (1993), the central premise of this literature is that residents and other neighborhood stakeholders have skills, gifts, and capacities – in addition to their access to physical resources – that are difficult to quantify but nonetheless constitute an important part of their individual wealth, the wealth of their families, and the wealth of their neighborhoods (Green and Haines 2008, Putnam 2000). Green and Haines (2008) provide a concise summary of this literature in their text *Asset Building and Community Development*. Using the language of capital, they enumerate in detail the various forms of capital that we might identify in neighborhoods and locate under our broader

conceptualization of wealth. These include financial capital and human capital. They also include environmental capital (land and natural resources), physical capital (the built environment), social capital (relationships and networks), and cultural capital (culture and heritage) (Green and Haines 2008).

Individuals have varying degrees of control over these forms of capital in their neighborhoods, but a key insight within this literature is that every individual has some control. Each individual resident or stakeholder in a neighborhood is the key to unlocking piece of the full potential of the collective capital of the neighborhood – of the neighborhood’s wealth. We tend to think of the residents of impoverished neighborhoods as passive, resource less recipients of our charity and social programs. Our needs-based, agency-driven approaches reinforce this notion. But this way of thinking doesn’t represent the whole truth. We have only to look at the numerous examples of impactful and sustainable, resident-led grassroots neighborhood initiatives to see that those in impoverished neighborhoods can be (and, in most cases, already are) resourceful, active participants in working to improve their individual quality of life and contributing to the well-being of others around them.

#### A National Model – Neighborhood Builds Neighborhood Wealth – The Dudley Street Neighborhood Initiative

The Dudley Street Neighborhood Initiative (DSNI) is one widely-celebrated example. Three decades ago, the Dudley Street area of Roxbury, MA was inundated with abandoned land, vacant commercial properties, and poor housing stock after years of disinvestment. The residents of Dudley Street responded by creating DSNI, gaining access to the abandoned land, and forming a community land trust that leveraged the neighborhood’s vast environmental capital – the abandoned land – to build physical capital – quality, affordable housing stock and a viable business district. Through these investments, DSNI was successfully able to build the Dudley neighborhood’s wealth from the bottom-up, improving residents’ quality of life while also building residents’ sense of power and pride in their neighborhood. DSNI continues to be completely controlled by neighborhood residents, more than thirty years later (DSNI 2015).

#### National Model - Financial Resiliency at the Neighborhood Level

The Dudley Street Neighborhood Initiative (DSNI) is one widely-celebrated example. Two decades ago, the Dudley Street area of Roxbury, MA was inundated with abandoned land, vacant commercial properties, and poor housing stock after years of disinvestment. The residents of Dudley Street responded by creating DSNI, gaining access to the abandoned land, and forming a community land trust that leveraged the neighborhood’s vast environmental capital – the abandoned land – to build physical capital – quality, affordable housing stock and a viable business district. Through these investments, DSNI was successfully able to build the Dudley neighborhood’s wealth from the bottom-up, improving residents’ quality of life while also building residents’ sense of power and pride in their neighborhood. DSNI continues to be completely controlled by neighborhood residents, more than twenty years later (DSNI 2015).

## Memphis' Challenges to Community Building and Wealth

There is a growing literature on asset building and neighborhood development that builds upon the Dudley Street Initiative and it reflective of the challenges facing Memphis. At the core of the literature are a set of realization:

Residents have a variety of skills and gifts that are disconnected from agency and local government efforts;

Residents have networks in multiple organizations that are not reflected in a singular organization i.e., neighborhood association, block club, community development corporation;

Most approaches to neighborhood revitalization focus on addressing problems and not opportunities;

Many neighborhood located institutions/agencies are not connected to neighborhood networks but rather formal organizations.

Many Memphis agencies and organizations often articulate principles such as “empowerment” and “asset-based,” while continuing to begin initiatives with agency driven requirements, language and resources. Green and Haines (2008) emphasize “communities of place” where we recognize that there are multiple informal networks within a neighborhood that are disconnected from each other and from the agencies and organizations that seeks to improve services within the neighborhood.

How to Activate Financial Resiliency/Wealth through social capital and neighborhood assets (residents gifts, talents through a bottom-up driven approach)

In Memphis there are a number of asset-based community building approaches that agencies and organizations have adopted. While this is not an exhaustive list, it establishes that they are multiple efforts occurring today that are seeking new ways to build wealth in the broadest use of the term in inner-city neighborhoods.

## Other Local Approaches to Building Neighborhood Wealth

In addition to the work being done by CTC and its neighborhood partners, there are a number of other local organizations and initiatives that share this new emphasis on connecting and collaboration. Many of the key players in these organizations and initiatives recognize that there are multiple informal networks within neighborhoods that are disconnected from each other and from the agencies and organizations providing services in their neighborhoods. While this is not an exhaustive list, it helps establish that there are multiple complementary approaches to building neighborhood wealth working throughout Memphis and the Memphis region:

Memphis HOPE – coordinated case management for relocated public housing residents by the Memphis Housing Authority in collaboration with the Women’s Foundation of Greater Memphis and Urban Strategies;

Methodist Health Assets – professionally trained-health navigators in inner-city neighborhoods working through churches to address better access to health care;

Neighborhood Christian Center- a multi-church faith-based approach that locates outreach members in apartment complexes and links them to services and training at their central office on Jackson Ave. “The House” is a new initiative in Orange Mound that is a self-help center for women.

Agape – social workers living in apartment complexes to work with residents and connect them to schools, churches, and other non-profits as well as provides financial counseling and referrals to social agencies; Agape strives to be a network of resources;

LeBonheur – nurse practitioners making home visits to the new born and their mothers with ongoing visitations;

GrowMemphis – connecting neighborhood residents and other stakeholders through empowering them to transform vacant land into community gardens; also organizes gardeners and others around important food security and food system issues;

Christ Community Center – started house churches in neighborhood to create greater trust and access for health care;

Victorian Village – trained public housing residents to serve as neighborhood docents, helping visitors and other residents navigate this neighborhoods;

BRIDGES – connecting youth from diverse neighborhoods and empowering them to be agents of change in the Memphis community;

Caritas Village – the village uses art, music, hospitality, theatre, classes and connections to creatively join people together in common goals from many different ethnic, racial and socioeconomic backgrounds. The Village interfaces directly with the surrounding community to create jobs and access to health care.

The Community Development Council – an association of community development corporations and other community organizations that meet to share ideas and resources on a regular basis.

While each of these organizations or initiatives is unique in its approach to building wealth, they all appear to share three basic principles:

They value listening and connecting to residents, either to uncover their needs or their assets;

They seek to develop direct relationships with residents through professional connectors i.e., social workers, ministers, health professionals, youth, etc;

They seek a better way to link residents to social, housing, financial, health resources, services, and opportunities.

Obstacles / Challenges for local approaches to asset building and neighborhood development Cost – staff and operational costs of the organization to sustain financial stability;

Client mentality - to see residents as problems to be treated or solved;

Professional approach – the tendency to use technical knowledge to overwhelm neighborhood residents and to throw resources to residents rather than develop sustainable relationships;

Link to overall strategy – a silo approach that overemphasizes the development of individuals rather than neighborhoods

What Missing?? – The Development of New Approach – How can neighborhood residents become the primary navigators that drive the agencies/organizations – (See Assisi Report 2011, Sadler and Hyland)

There are several national examples in cities such as San Antonio where neighborhood residents have become neighborhood networkers/navigators/connectors without external support. In Memphis Sadler and Hyland (2011) conducted discussion circles and individual interviews in three inner-city Memphis neighborhood to develop a framework for developing neighborhood wealth/opportunities that was resident-driven. The report documented that there are numerous neighborhood networks/enclaves within each neighborhood who are working independently to effect neighborhood change. They are also in most cases disconnected from the agencies and organizations that seek to connect to them.

In Memphis' Westwood Neighborhood a neighborhood resident through his social networks with elderly and veterans identified homes that were in need of repair. Partnering with a local institution ( Chucalissa Museum), AmeriCorps volunteers, and a business in the neighborhood he was able to secure volunteer assistance in the form of human resources and minimum fiscal resources to fix-up houses at no cost to residents. This effort is currently working to partner with a neighborhood charter school, the city of Memphis and other nonprofits to expand this grassroots effort. The network described is but one of many social networks within the neighborhood.

A second example in the South Memphis neighborhood involves the collaboration of a neighborhood navigator who lives in the neighborhood (funded through an eighteen month grant to the local intermediary LIFT), a neighborhood connector working with the Shalom Community (faith-based organization and funded through the Center for Transforming Communities) working with neighborhood residents to identify local network of individuals working on neighborhood projects. The navigator and connector are actively working to establish linkages with local organizations and agencies to bring additional resources to achieve their locally determined goals. This effort builds upon the continuing efforts of many long-term networks of residents. The effort also has plans for a Town Hall meeting to share their efforts and discuss the development of a common vision that could bring these diverse networks together.



## Recommendations

Human Capital + Social Capital + Financial Resources + Other Types of Capital = Wealth + Sustained Neighborhood Revitalization

In July 2011, the White House released a Neighborhood Revitalization Initiative as a new approach to help neighborhoods in distress transform themselves into neighborhoods of opportunities. Key elements of the initiative include resident engagement and community leadership, strategic and accountable partnerships, building organizational capacity, a results-focused framework for achieving goals, and aligning resources for maximum results.

**NEIGHBORHOOD NAVIGATORS.** Community activists, resident association presidents and others in the neighborhood who currently act as informal information brokers can be utilized as Navigators to facilitate the linkage between resident needs and existing services. Using existing structures to offer targeted workshops for navigators.

**SOCIAL MEDIA.** To strengthen the existing networks within each neighborhood, we recommend the use of social media as a resident-driven, place-based strategy that incorporates an interactive website for neighborhood change. In addition to providing opportunities for residents to create on-going conversations, the website ensures the use of indigenous knowledge and expertise. Further, residents in each neighborhood can share information, resources and best practices. In theory and practice, social media can reduce geographical boundaries that hinder civic engagement and neighborhood action.

The 10-Point Plan.

**CONVENE NEIGHBORHOOD NAVIGATORS** to develop a 10-point plan to improve their respective neighborhoods. These individuals can serve as the foundation for disseminating information and the core for implementing sustained neighborhood change. The plan becomes their blueprint for building civic infrastructure, increasing social and human capital, and restructuring of existing resources.

Engage Anchor Institutions such as higher education, neighborhood schools and museums through teachers and students from the neighborhood.

**Mapping .** Establishing a social network mapping system provides residents and other stakeholders with pertinent information regarding existing neighborhood resources.

Develop a Community of Practice (a network of networkers) to share and inform others of opportunities to create wealth.

Link the Network of networkers to S. Bernstein's job creation recommendations – transportation, housing rehabilitation and greening (landscaping) jobs.

How to Measure and Identify Ways to Connect – Social Mapping

A Local Approach to Building Neighborhood Wealth through Strengthening Communities of Place

In Memphis, Center for Transforming Communities (CTC) is currently piloting an innovative approach to strengthening communities of place in urban neighborhoods through social mapping. CTC has elected to provide additional support to its grassroots partner coalitions in three neighborhoods – South Memphis, Highland Heights, and Hickory Hill/Southeast Memphis – by employing one individual from each neighborhood as a full-time “Neighborhood Connector.” These individuals have been trained in the principles of ABCD and are tasked with forming relationships between diverse residents and other stakeholders in their neighborhoods. They do this primarily through conducting in-depth one-on-one interviews that generate a wealth of data about the gifts, skills, passions, dreams, and aspirations of residents and stakeholders, then using that data to guide them in making strategic introductions and forming new relationships that may lead to transformative change. In the few months since CTC initiated its Neighborhood Connectors program, they have already observed remarkable changes in the networks of their grassroots partners and are seeing new facets of neighborhood wealth identified, connected and mobilized to improve well-being.

CTC is observing these changes by adapting processes from the emerging science of network mapping and network analysis. Network Mapping and network analysis are frequently applied by researchers from a variety of disciplines – anthropology, sociology, public health, chemistry, economics, history, organizational development, even literary analysis – and used to visualize and study patterns of connections between “nodes.” Depending on the field of study, “nodes” can refer to many different things, for example people, molecules, businesses, concepts, literary characters, or historical movements. Social network mapping and social network analysis are particularly concerned with the relationships among people. CTC is using social network mapping and social network analysis to visualize the networks of its grassroots partners and monitor patterns of growth in those networks as a result of the work of its three Neighborhood Connectors. The ability to produce dynamic social network maps – which CTC is using in concert with more traditional qualitative data collection and analysis tools – has become a powerful new evaluation tool that has the potential to radically change the way we design, implement, and evaluate community organizing initiatives. This is particularly the case with initiatives aimed at strengthening communities of place and building neighborhood wealth.

## **Priority Brief 9: Job Training, Economic Development, Financial Services**

The Role of Technology in Memphis

Elena Strange, Ph.D., Department of Computer Sciences

### **Executive Summary**

Poverty in Memphis has remained stubbornly entrenched over the last 50 years, despite many federal and statewide policy efforts to combat it. The financial gap between low-income residents and their financially resilient counterparts has endured and even widened, despite Johnson's War on Poverty, Obama's Affordable Care Act, and innumerable acts of legislation in between.

Today, technology can be a force to promote financial resiliency. Communications and information technology are the drivers of the 2015 economy and workforce, and we can harness innovations for financial impact like never before.

This paper recommends four specific actions the City of Memphis and local organizations can undertake to both decrease costs and increase incomes for low-income residents. Technology is at the heart of these recommended efforts.

### **Introduction**

This paper offers four recommendations that are designed to reduce daily costs or increase income for low-income Memphians. We explore each of the recommendations, through a variety of contexts, in the sections below.

#### **Recommendations to Reduce Daily Costs**

**Internet Access.** Provide free, high-speed Internet access throughout the city with a Municipal Wireless Network.

**Banking Access.** Promote the use of banks with no-fee, digitally-accessed checking accounts while discouraging the use of fee-based check cashing services and payday lenders.

**EBT Transparency.** Provide a mobile app to point government-assistance recipients to the widest selection and most affordable purchases they are eligible for.

#### **Recommendations to Increase Income**

**Technology Jobs.** Provide incentives for technology companies large and small to open offices in blighted neighborhoods. Jobs at technology companies, even low-skilled positions, tend to pay more than their counterparts at retail and restaurant establishments.

The remainder of this paper explores the specifics of each recommendation within three contexts. In Section 1, we examine local conditions that inhibit financial resiliency. Section 2 identifies local organizations that have the capacity to improve financial resiliency. We enumerate barriers that must be removed or addressed through locally based action in Section 3. Finally, the last two sections offer proposals on analysis and concluding remarks.

## Section 1: Local conditions that impede low-income citizens from developing financial resiliency

Through the lens of technology, the factors impacting financial resiliency are many and varied. In this section, we identify four key conditions that hinder low-income Memphians from improving their financial station: the cost of reliable, high-speed internet access, the scarcity of high-paying low-skilled jobs, the prevalence of fee-based check-cashing services, and the limitations of government-assistance technologies.

### 1a: The cost of reliable, high-speed Internet access

In 2015, high-speed Internet access and mobile phone data-service are everyday utilities, yet they continue to demand a monthly cost that is high -- or completely unaffordable -- for many Memphians.

Reliable home internet access is no longer the luxury it once was. Today, “[i]t is nearly impossible to even apply for entry-level employment without having basic digital skills and Internet access” (Tapia and Ortiz 2011). Yet, high-speed Internet access at home comes at an unreasonably high cost for low-income residents. In Memphis, cable or DSL broadband will cost a consumer up to \$75 per month. A fee of this size represents a significant percentage of take-home income for a family in poverty. Many households forego the service altogether: 56% of low-income Tennesseans do not have broadband Internet access at all (Connected Tennessee 2014), severely limiting their options for both work and education.

Even for those who are able to budget for Internet, they may not be able to get reliable access at home. The two major options for fixed-line broadband — AT&T and Comcast -- do not service all local areas. Both are known to be “less than 100% reliable, are expensive and remain at the top of lists for worst customer satisfaction in the ISP industry” (Mufti 2015).

### 1b: Scarcity of higher-paying jobs

Low-income Memphians often live below the poverty line despite holding down regular jobs. A typical low-skilled worker at a Memphis restaurant might wash dishes for \$7.25 per hour and, due to the limitations of scheduling and priorities of the business, might work only 30 hours per week. This worker, earning a gross \$11,310 per year, would not clear the 2015 poverty level (Department of Health and Human Services 2015).

Increasing the availability and average wage of low-skilled jobs can increase a low-income Memphian's standard of living, and technology companies can bring these jobs to our city. Technology companies' typically higher-paying jobs are not limited to the highly skilled, extensively trained programmers and IT specialists. These companies also hire call center associates, cashiers, childcare teachers, restaurant staff for on-site kitchens, security guards, and more -- typically at a higher wage than a low-skilled worker could find in the existing job market

#### 1c: Prevalence of check-cashing services and fee-based bill paying

Rather than using a traditional bank, many low-income Memphians rely on fee-based centers to cash their paychecks and pay bills. In fact, over 96,000 households in Memphis use banks rarely or not at all (Evanoff 2012).

These centers can end up costing a customer substantially per month than they would pay for the similar services of a basic checking account. A typical center will charge 4% to cash a computer-generated check such as a paycheck or a government-assistance check, and \$2 per bill paid through their office (Hu 2012). Depending on the number and type of financial transactions they engage in, a low-income family can end up paying far more to these one-off services than they would pay to maintain a traditional checking account.

These and similar establishments are prominent in Memphis, making them an attractive option for low-income residents despite the cost. With today's technology, however, it needn't be an issue that a traditional bank lacks branches or ATM locations in low-income neighborhoods; customers can accomplish nearly everything with their phones and bypass the customary in-person banking practices altogether.

#### 1d: Limitations of government-assistance technologies

Many low-income Memphians rely on government subsidies to make ends meet. Government assistance such as the Supplemental Nutrition Assistance program (SNAP, commonly known as food stamps) makes funds available via an Electronic Benefit Transfer (EBT) debit card that beneficiaries can use at grocery and convenience stores.

As they are with banks, convenience and transparency are fundamental issues at play in this context. A low-income resident with an EBT card will naturally go the store or market that is closest to them and purchase the items they are familiar and comfortable with. Those who venture outside their comfort zone face a “potentially embarrassing, negative experience” that occurs on an attempt to buy an unapproved item, causing “shoppers on public assistance to feel ... unfavorably judged for being poor” (Barnes 2005).

As a result, residents avoid other retail and grocery options where they might get more for their money, simply because they retreat to what is known.

Section 2: Existing locally-based support systems or organizations within that domain to improve financial resiliency of low income citizens

In this section, we consider the existing systems and organizations within Memphis that already have a positive influence on financial resiliency. There are three categories of these existing systems, and we describe each in turn: available high-paying, low-skilled jobs; free banking services; and existing government-assistance apps.

2a: Available High-Paying, Low-Skilled jobs

Although an influx of technology companies would have a significant positive effect on the number of high-paying, low-skilled job opportunities, Memphis has already made meaningful progress in this area.

FedEx, St. Jude Research Center, International Paper, and a host of smaller technology start-ups already offer some of these higher-paying jobs. Moreover, our capacity to sustain these operations is growing. Forbes magazine recently cited Memphis as one of the fastest-growing cities for technology jobs, noting that our city’s “35% tech growth since 2012 is due mostly to significant recent growth in engineering services” (Katkin and Schill 2015).

Although the examples noted above contribute many jobs to our city, Memphis still has fewer than 8,000 technology-industry workers (Katkin and Schill 2015), clearly insufficient to impact financial resiliency citywide. Attractive incentives for technology companies to do business and hire position in Memphis, particularly in blighted neighborhoods, would bring these jobs to many workers for whom they are currently out of reach.

2b: Free banking services

Several local, federally-insured banks offer no-fee checking accounts that come with online and mobile banking options. These banks offer a free alternative to the over 800 high-cost check-cashing centers that dot the Memphis landscape.

Magna Bank, Paragon Bank, and First Alliance Bank all have a no-fee, no-frills checking option with no minimum balance required. Customers can make deposits, pay bills, and transfer money with their accompanying online and mobile services.

## 2c: Apps to navigate government assistance

EBT Shopper (WIC Smartphone Application 2015) is a freely available app that enables Women with Infant Children (WIC) recipients to discover WIC-approved stores and items. It is not limited to the Memphis area -- in fact, the app is available nationwide -- but can be useful to many low-income Memphis residents.

This app serves as a model for an ideal EBT phone app, one that would help Memphians on government assistance find stores and items that are SNAP-approved. It would point them to stores with wider selections, helping them to spend their limited government-assistance funds in the most advantageous way.

## Section 3: Barriers that can be removed or addressed through local action

In this section, we explore the barriers that can be removed or addressed through local action. We discuss two specific barriers: the monthly fee for Internet access, and the disincentives for technology companies to operate in Memphis.

### 3a: Remove the monthly fee for Internet access

Residential broadband access in Memphis can cost over \$75 per month. This barrier can be removed completely with a city-supported Municipal Wireless Network.

This sweeping project would provide the entire city with high-speed Internet access as a freely available utility. We can follow the model of over 400 U.S. cities, many much larger than Memphis, who have successfully developed and deployed similar networks (Tapia and Ortiz 2011).

Like other major U.S. cities, Memphis can defray costs by crafting an agreement with a local provider who would offer and maintain the wireless service. We can also leverage Memphis's existing infrastructure -- light poles, fiber, freight tunnels, sewers and building

rooftops -- to reduce capital costs. Ultimately, we can remove the significant monthly barrier of broadband Internet fees entirely.

### 3b: Remove barriers preventing technology companies from establishing in Memphis

With a high poverty rate and a sprawling, decentralized city, many companies balk at the idea of operating in Memphis. We have a few landmark, large technology companies and the city is beginning to appeal to more (Katkin and Schill 2015), but there is a long way to go before the jobs and industry offered by these companies are numerous enough to impact the poverty rate.

Memphis can incentivize technology companies to open offices or branches in the city. As a model, consider the Mid-Market redevelopment effort in San Francisco, California (Swan 2015). Twitter rented a large office space in the blighted Mid-Market neighborhood, home to entrenched poverty and homelessness, and far from the affluent, “five-dollar-latte” neighborhoods the city is known for. Audio company Dolby shortly followed Twitter’s lead, and now the urban neighborhood is home to several successful technology companies.

Although the San Francisco effort was greeted with a mixed reception, the potential impact of a similar program in Memphis could be tremendous. First, it can bring both high-skilled and low-skilled job opportunities to neighborhoods where employment opportunities are scarce. Second, it can offer better, higher-paying jobs to low-income Memphians. A typical low-skilled position at a company like Google pays far more than a minimum-wage position at a neighborhood restaurant.

### Analysis

The policy initiatives proposed in this document are effective only insofar as they are measurable. We recommend that the following metrics be used as guideposts to measure progress against the paramount goal of improving financial resiliency.

Number of positions at technology companies. Memphis has approximately 7,800 technology-industry workers (Forbes 2014). If Memphis successfully attracts more technology companies to the city, we would expect to see access to higher-paying technology-company jobs increase across the board.

Percentage of low-income residents with Internet access. Currently, this number stands at 44% statewide (Connected Tennessee 2014). This metric is an indicator of the ability of low-income Memphians to purchase and maintain a basic utility.



Number of residents who use fee-based banking services regularly. A person who pays for check-cashing or bill-paying more than twice a month is paying far more than necessary for these basic banking services. A financially resilient city would see these numbers decrease.

## **Conclusion**

Technology is an invaluable, unavoidable creature in today's economy. Memphis is uniquely positioned in 2015 to leverage the benefits of technology to reduce financial insecurity in our city.

The four recommendations presented in this document -- provide free Internet access, promote the use of no-fee banks, provide a mobile EBT app, and incentivize technology companies to open here -- are part of a larger toolkit that would, over time create sustainable financial resiliency among our citizens.

### Citations:

Barnes S.L. The cost of being poor: A comparative study of life in poor urban neighborhoods in Gary, Indiana. SUNY Press, July 2005.

Connected Tennessee: The Trail to Connection. 2014. Residential Technology Assessment. [Accessed April 27, 2015.] <http://www.connectedtn.org/survey-results/residential>

Department of Health and Human Services. 2015 Poverty Guidelines: U.S. federal poverty guidelines used to determine financial eligibility for certain federal programs. [Accessed April 27, 2015.] <http://aspe.hhs.gov/poverty/15poverty.cfm>

Evanoff T. Poverty industry drives Memphis economy. Memphis Commercial Appeal. December 30, 2012.

Hu W. Criticism grows as check-cashing stores expand in poorer areas. The New York Times. August 5, 2012.

Katkin J. and Schill M. The valley and the upstarts: The cities creating the most technology jobs. Forbes Magazine. April 14, 2015.

Lim Y., Bickham T., Dinecola C.M., Broussard J., Weber B.E., and Gregory A. Payday loan use and consumer well-being: What consumers and social workers need to know about payday loans. *Journal of Poverty*. Volume 18, Issue 4, pp. 379-398. November 2014.

Mufti S. Bring Google fiber to Memphis, TN. Change.org petition to Google Co-Founders. August 2014. [Accessed April 27, 2015.] <https://www.change.org/p/bring-google-fiber-to-memphis-tn>

Servon L.J. The high cost, for the poor, of using a bank. *The New York Times*. October 9, 2013.

Swan R. The show must go on: Will Mid-Market's dramatic development attract an audience? *SF Weekly*. October 9, 2013.

Tapia A., Kvansky L., and Ortiz J. A critical discourse analysis of three U.S. municipal wireless network initiatives for enhancing social inclusion. *Telematics and Informatics*. Volume 28, Issue 3, pp. 215–226. August 2011.

WIC Smartphone Application. [Accessed 27 April, 2015.] <http://www.ebtshopper.com/>.

## **Priority Brief 10: The Impact of Public Safety Threats on the Financial Resiliency of Memphis**

K.B. Turner, Ph.D., Department of Criminology & Criminal Justice

National public opinion polls consistently show that Americans view crime as one of the most serious problems plaguing society. Moreover, many citizens are fearful of walking at night near their own homes. A poll conducted in 2012 found that two-thirds of Americans believe that crime rates will increase (Newport 2013). Memphis, Tennessee is not exempted from this observation as the city consistently experiences high rates of crimes, both property and person. While this does not bode well for the city, it does mean there is a greater need for a comprehensive approach as well as a more focused call to action to address the various social, institutional and criminogenic factors that lead to high rates of crime and delinquency.

There is no single approach to decrease crime, but rather there must be a multi-faceted approach involving criminologists, other social scientists, practitioners, policy makers, legislators as well as the community at large. This is not an easy task. The efforts must be coordinated, objective and involve best practices grounded and supported by research.

All responsible elected officials, policymakers and citizens are concerned about the economic health of their city. Crime is intricately related to the overall economic health of Memphis. Unpleasant crime news affects the decision of potential and current business owners on whether to set up shop in Memphis. Additionally, potential and current homeowners consider issues of crime when entertaining their decision to locate to Memphis or to find a home elsewhere. Individuals suffer a tremendous price as a result of crime. In short, there are significant costs associated with crime and public safety threats that essentially affect all Memphians, ultimately affecting the financial resiliency of the city.

This paper will discuss four issues related to criminal justice in Memphis that are interrelated in affecting the financial resiliency of the city:

- The cost of crime
- Substance abuse and crime
- Race, perpetual poverty and the eternal underclass
- Juvenile delinquency

### The cost of crime

In its purest sense, the cost of crime to any society, including Memphis, can be placed into at least four categories:

### Victim costs

Direct economic losses suffered by crime victims, including medical care costs, lost earnings, and property loss/damage.

### Criminal justice system costs

Local, state, and federal government funds spent on police protection, legal and adjudication services, and corrections programs, including incarceration.

### Crime career costs

Opportunity costs associated with the criminal's choice to engage in illegal rather than legal and productive activities.

### Intangible costs

Indirect losses suffered by crime victims, including pain and suffering, decreased quality of life, and psychological distress.

Crime victimization touches not just the individual, but society as a whole. Crime generates significant costs to the community resulting in millions of dollars in economic losses that affect government expenditures on police protection, judicial and legal activities, and corrections (U.S. Department of Justice 2008). The most violent crimes, including murders, rapes, assaults, and robberies, are extremely costly. Violent crime victims experience direct financial injury in many ways including the loss of earnings, physical and emotional distress and despair. Violent crimes also impose significant costs on communities through lower property values, higher insurance premiums, and reduced investment in high-crime areas. In addition, and collectively, violent crimes impose substantial costs on taxpayers, who bear the financial burden of maintaining the criminal justice system that include police, courts, jails, and prisons.

### Estimating actual cost of crime

There are numerous analysts who have attempted to place a monetary value on the cost of crime for a community. Using a small sample of large cities, and focusing on the violent crimes of murder, rape, assault, and robbery, Shapiro and Hassett (2012) determined the estimated savings for municipal budgets from a 25 percent reduction in violent crime range from \$6 million per year in Seattle to \$12 million per year in Boston and Milwaukee, to \$42 million per year in Philadelphia and \$59 million for Chicago. In terms of real dollars, the researchers found that direct annual costs range from \$90 million per year in Seattle to around \$200 million per year in Boston, Jacksonville, and Milwaukee, to more than \$700 million in Philadelphia and nearly \$1.1 billion for Chicago. These findings are impressive by any measure. Finally, the researchers estimated the value of other benefits associated with reduced rates of violent crime, included lower out-of-pocket medical costs for those who otherwise would have been victims as well as their averted pain and suffering (Shapiro and Hassett 2012).

It behooves communities to continually explore ways to reduce crime. The next section of this paper will discuss some areas Memphis should consider in its crime reduction strategies, which will play a direct role in stabilizing the financial resiliency for the city of Memphis.

### Substance abuse and crime

Often we are inundated with reports on the relationship between drugs and crime. McCollister et al (2010) report that national studies consistently demonstrate a strong correlation between drug use and crime, and although causality between the two has not been conclusively established, U.S. statistics show that more than 50 percent of state and federal inmates used drugs in the month prior to committing the offense for which they were incarcerated and that more than a quarter of all offenders were using drugs at the time of their offense (U.S. Department of Justice, Bureau of Justice Statistics, 2006; Miller et al., 2006).

The city of Memphis (and Shelby County) should continue to invest and support drug treatment initiatives and expand the use of the Shelby County Drug Court. There are several drug treatment centers in Memphis with respectable track records for success. For addicts in need of a more structured program supported by the criminal justice center, the Shelby County Drug Court is an attractive alternative. Under the auspices of Division 8, Judge Tim Dwyer, of Shelby County Drug Court authorizes drug treatment as an alternative to jail time for non-violent offenders. Judge Dwyer keeps individuals in treatment, while supervising them closely. The program is a minimum term of one year. Participants are provided with intensive treatment and other services they require to get and stay clean and sober. Judge Dwyer holds them accountable for meeting their obligations to the court, society, themselves, and their families. Participants are regularly and randomly tested for drug use. They are required to appear in court frequently for Judge Dwyer to review their progress and are rewarded for doing well or sanctioned when not fulfilling their obligations. The Drug Court has graduated over 2,000 participants since its inception in 1997. Upon successful completion of the program, if eligible, the defendant can have the case dismissed and expunged from their record.

The research is clear and consistent regarding the correlation between substance abuse and crime. This is an issue that Memphis must continue to confront if the reduction of crime is to become a reality. Continued use of substance abuse treatment centers and the significant expanded use of the Shelby County Drug Court should be given immediate and serious consideration.

### Race, perpetual poverty and the eternal underclass

There is no denying that race enters into daily discourse when discussing Memphis issues. Memphians, like citizens in other areas, live in a stratified society. Social strata are created by the unequal distribution of wealth, power, and prestige. Social class is related to social strata. Those who live in lower-class areas are likely to reside in inadequate housing, have

limited or no health care, disrupted family lives, underemployment, and despair. Additionally members of the lower class are prone to depression, less likely to be motivated, and less likely to delay immediate gratification for future gain. For instance, they are less willing to stay in school because the rewards for educational achievement are in the distant future. Moreover, for some members of the lower class, due to their inability to achieve success comparable to those in the upper classes, may turn to unconventional means to realize their dreams. More poignantly, they may turn to illegal solutions to their economic plight including selling drugs for profit, stealing cars or committing armed robberies for financial reward. Furthermore, they may experience depression and indulge in alcohol and drugs use as a means to escape their reality.

Unfortunately, minority group members are all too often represented in the underclass that experiences numerous social problems. In some jurisdictions, up to half of all minority males are under the control of the juvenile or criminal justice system. Writing over two decades ago, Greenberg and West (1991) observed that states with a substantial minority population have a much higher imprisonment rate than those with predominately white populations. The researchers conclude that black males are considered a threat by the white majority disproportionate to the amount of crime they actually commit. Once again, the costs of crime rears its head, that is, paying for lawyers and court cost perpetuate poverty by absorbing what money there is and depriving families and children of these funds.

Prominent African American Sociologist William Julius Wilson has written extensively about what he refers to as the truly disadvantaged. Representatives of this group are African Americans who are socially isolated and reside in urban inner cities, occupy the bottom rung of the social ladder, and are victims of discrimination. They live in areas where the basic institutions of society including family, schools, and housing have long since declined. This triggers similar breakdowns in the strengths of inner city area, including loss of community cohesion and an inability of people living in the area to control the flow of drugs and criminal activity (Wilson 1987). Since the truly disadvantage rarely come into contact with the actual sources of their oppression, they direct their anger and aggression at those with whom they are in class and intimate contact, such as neighbors, businesspeople, and landlords. African Americans, straddled with the issues previously mentioned, tend to live in areas in close proximity with other African Americans with similar hardships. With nowhere to turn to release frustration, the phenomenon of so called, "black-on-black" crime, which is rather prevalent in Memphis, occurs.

For many in the African American community, poverty in Memphis appears to be inescapable and maybe worsening as residents are further isolated from the economic mainstream. This issue of poverty is related to crime and importantly to the financial resiliency for the city of Memphis.

### Juvenile delinquency

Juvenile delinquent behavior is another critical issue confronting the city of Memphis. Drug and alcohol abuse, the illegal drug enterprise, violent aggression and gun crimes committed

by juveniles have exceeded epidemic proportions. Many are calling for stiffer penalties for juvenile who commit serious crimes. Much has been discussed in Memphis on how to address anti-social juvenile behavior. These discussions must continue. The search for solutions to this epidemic cannot be placed solely on the criminal or juvenile system. A more holistic approach must be utilized. To better understanding how to best address juvenile delinquency, one must begin with an examination of one of the root causes of delinquency; a breakdown of the institution of family.

The family is correlated with forces that determine delinquency. For instance, the family determines a child's class, structure, and development, and the socialization process is vital to a child's development. The family exerts the most influence on a person. A major disturbance in one or both parents can produce a devastating negative impact on a juvenile.

A family can also contribute to delinquent behavior of a minor. Consider conflicting parenting messages. When parents express or send mixed and confusing messages, children also become confused as well as frustrated. This can also lead to anti-social behavior and is a factor that may cause delinquency.

Outside the family and home, children are exposed to neighborhood modeling influences, oftentimes favorable to criminal attitudes and behaviors. At early impressionable ages, juveniles lacking a strong family support system may turn to anti-social behavior, including delinquency.

Parenting a child is a most challenging task. It is a full-time job requiring a great deal of attention and adequate resources. Even with these necessities, there is no guarantee that the child will mature into a productive adult or become a menace to society. Young people do have the ability to understand that lying, stealing, cheating, and hurting others are inappropriate behaviors. Children sometimes learn to reason by observing the behavior of the people most important to them. However, as mentioned previously, there is no guarantee. Unfortunately, and oftentimes, children follow their own dictates.

Memphis leaders must remember that the community, the family, the government and the parents need to work together to better understand the needs of the children. In an African proverb often voiced by the likely democratic presidential candidate, Hillary Clinton, "it takes a whole village to raise a child." This is a very true statement.

For Memphis to make progress in reducing juvenile delinquency and to improve the opportunity for children to become productive law abiding adults, it may be instructive to consider the following pronouncements:

*Communities must strive to incorporate youths into community functions*

*More positive role models need to come forward*

*The police must continue to play a more active role in communities, i.e., speaking at schools and participating in local functions*

*Schools and parents should continue to discuss the elements of delinquency and crime*

*Authorities and community groups must acquire a broader knowledge and understanding of juvenile gangs*

*More resources must be allocated to the prevention of youthful drug and alcohol abuse*

*The criminal justice system should concentrate more resources on discerning the causes of juvenile crime*

## **Conclusion**

In this new millennium, the sad reality for Memphis is that real significant and sustained reduction in crime will be a very slow and protracted process. However, it is not all doom and gloom as there are numerous initiatives currently underway in Memphis that have yielded promising results. The city must continue to work together with community members, clergy, politicians, policy makers, and others to make a difference in the lives of all Memphians. The city's social and economic survival depends on the cooperation of all parties. The resolve of all concerned to effectuate positive change must be stronger than those who engage in activities that seek to destroy the beauty and potential of the city. Those concerned with making a positive change must not ignore the issues raised in this paper. Instead, there must be courageous individuals willing and prepared to tackle these issues head on.

The costs of public safety threats to Memphis are undeniably high. Moreover, the costs of pain and suffering borne by the victims of violent crimes are several times greater than the more direct costs of those crimes. Thus, successful efforts to reduce violent crime can produce substantial economic benefits for individuals, communities, and taxpayers. In today's fiscal constraints and economic environment, the Memphis mayor and city council, along with state and the federal governments must continue searching for ways to reduce their spending and expand their revenues. A shared goal and challenge is to achieve sustainable fiscal conditions without hobbling government's ability to provide the vital goods and services that most Memphians expect. However, this must be accomplished without burdening businesses and families with onerous new taxes. Successful efforts to reduce violent crime can generate significant savings for the city of Memphis and personally, greater benefits for residents as well.

Memphis, as mentioned previously, is currently involved in many impressive crime control initiatives. This should not be underestimated. The city has reached out to many organizations outside of the criminal justice system, including the business community, clergy, schools, social service agencies, and others to create partnerships in its efforts to curb crime. The city should continue to utilize its current resources to reduce crime and delinquency.



## Citations

Greenberg, D., and V. West. 2001. State prison populations and their growth, 1971-1991, "Criminology 39, 536-54.

McCollister, K.E., M.T. Frenchand, and H. Fang. 2010. The cost of crime to society: new crime-specific estimates for policy and program evaluation. *Drug Alcohol Depend.* 108 (1-2): 98-109.

Miller TR, Levy DT, Cohen MA, Cox KLC. 2006. Costs of alcohol and drug-involved crime. *Prev Sci* 7:333-342. [PubMed: 16845591]

Newport, F. 2013. "Americans unsure if best times are past or to come." Gallup Poll, January 2. [www.gallup.com](http://www.gallup.com) Accessed May 17, 2015.

Shapiro, R.J., and K. A. Hassett. 2012. The economic benefits of reducing violent crime: a case study of 8 American cities. Center for American Progress. [https://cdn.americanprogress.org/wp-content/uploads/issues/2012/06/pdf/violent\\_crime.pdf](https://cdn.americanprogress.org/wp-content/uploads/issues/2012/06/pdf/violent_crime.pdf). Accessed May 22, 2015.

U.S. Department of Justice, Federal Bureau of Investigation. Crime in the United States. Uniform Crime Reports, 2007.

Wilson, Julius. 1987. *The Truly Disadvantaged*. Chicago: University of Chicago Press.