

# Homeless Alliance Poverty Challenge

*Learn what poverty means, demand that it ends!*



Participant Guide and Reflection Journal  
**Minimum Wage Budget**

Sponsored by the Homeless Alliance of Western New York

# **2013 Buffalo Poverty Challenge**

## **What is it?**

The Poverty Challenge is a 3-day consciousness-raising event about poverty in the greater Buffalo region. Those involved will attempt to keep to a poverty budget, making choices each day about food, personal care, transportation, and related costs on a limited budget to show solidarity with those in poverty who struggle with these choices every day.

## **What is to be gained from doing this Poverty Challenge?**

**First of all, this is not a way of “playing poor” for a few days.** The experience of poverty can be frightening, particularly when one doesn’t know when it will end. It is the hope of those organizing the Poverty Challenge that this effort will raise awareness about how poverty affects the day-to-day life of many in our community, help those of us who are not in poverty begin to realize the resources and networks we have as a result of having a higher income, and inspire us all to take a stand against the persistence of poverty in Western New York.

## **In Buffalo, 36% of families with children under the age of 18 live in poverty.<sup>1</sup>**

And this may be a gross underestimate of the number of families who are struggling to make ends meet. Research indicates that an updated “basic needs budget” (at \$49,314 for a family of four) may actually be more than double the federal poverty line<sup>2</sup> (\$22,050 for that same family)<sup>3</sup>, which would make the number of families struggling to get by much higher. Approximately 1,800 men, women, and children in Erie County experience poverty that is so extreme that they cannot even afford their own shelter, and the situation is worsening.<sup>4</sup> Unemployment in Buffalo remains over 9%.<sup>5</sup> Additionally, the United States Census Bureau named Buffalo the third poorest large city in the United States, with approximately one-third of its adult population living below the poverty line (about twice the national average).<sup>6</sup> The already dire situation in Buffalo is deteriorating every day, making the task of understanding and ending poverty extremely critical.

## **Poverty is not a new phenomenon in Buffalo.**

The current level of poverty is shamefully high and as we continue to feel the impacts from the economic crisis, we can only expect the number of people living in poverty to increase. Now more than ever urgent action is needed to address the poverty that pervades our community; yet, action cannot begin until dialogue about the issue of poverty comes to the forefront among community leaders and policy makers. With that in mind, the Homeless Alliance is coordinating the forth-annual Poverty Challenge.

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<sup>1</sup>US Census, American Factfinder

<sup>2</sup><http://www.buffalonews.com/cityregion/buffaloerie/story/489287.html>

<sup>3</sup> <http://liheap.ncat.org/profiles/povertytables/FY2010/popstate.htm>

<sup>4</sup>Homeless Alliance of Western New York, Annual Homelessness Profile

<sup>5</sup><http://www.allbusiness.com/population-demographics/demographic-trends/14052499-1.html>

<sup>6</sup>US Census, American Factfinder

### **Why is the Homeless Alliance coordinating this event?**

“What does homelessness have to do with poverty?” you may ask. It is not uncommon for many to think that homelessness and poverty are not immediately related. Often, homelessness gets attributed to the individual, boiled down to a person’s choices such as “drug addiction,” “laziness,” “mental illness,” or mismanagement of money. But...

### **People become homeless because of poverty.**

We may all know someone who has suffered from drug addiction. We may know someone who is lazy or is not careful with his or her money. Yet, not all of them are homeless. In the end, the difference between someone who is homeless and someone who is housed is poverty. Someone who is homeless no longer has the resources or support networks of friends or family to sustain them in stable housing. The difference, then, is poverty.

*If you are pregnant or have any health concerns, please seek medical guidance prior to participating in the Poverty Challenge.*

# **Buffalo Poverty Challenge: Five Rules for Participants**

**1. Be Conscious of the Purchases You Make. Record These Purchases in the Journal.**

The point of the Poverty Challenge is to be aware of the choices we make that we may take for granted, not necessarily to live within the budget each day (though, you are encouraged to try to live within the budget and record that experience if you feel you can).

**2. Your Goal is to Fall into as Little Debt as Possible.**

Most housed people living in poverty are just one or two steps away from becoming homeless because they are unable to meet all the expenses they have. You, as well, will most likely be unable to stay within the budget. That is fine, but you should try to avoid debt as much as possible by reducing your expenses in any way you can.

**3. You Should Give Up *Something*.**

Whether it is cable TV, using the internet at home, your car, or even just coffee drinks that you buy during the day, it is important to show solidarity with those who can't make the choice of purchasing such luxuries.

**4. Reflect on Your Experience.**

Each day, guiding questions are provided for you to think about. If you choose to do so, please write down some of your thoughts. If you would like to have your thoughts about the Poverty Challenge available for the community, e-mail them to [info@wnyhomeless.org](mailto:info@wnyhomeless.org)

**5. Talk to Others about Your Experience.**

Let them know you are taking part in this experience. Talk to them about what you are learning from it.

# Frequently Asked Questions

1. Why only a single individual? Why not include families?

When discussing the Buffalo Poverty Challenge with some participants in the early planning stages, many asked if they *had* to include their families/children in the Poverty Challenge. Many were hesitant about wanting to do so. This only underscores how powerful and frightening the experience of poverty can be, not only for an individual, but for an entire family. Of course, you can include your family if you so choose but it is not a requirement for participation. However, even if your family does not participate, this is a great time to have family discussions!

2. Why are there separate budgets for each day?

You are given the option of changing your budget on either of the days that you live on the poverty budget. For example, you could choose to give up cable TV for the first day, and then have it the second day but give up using your cell phone.

3. Do I have to do the Poverty Budget for both days?

The Poverty Challenge is meant to be a consciousness-raising effort. If for any reason you do not feel that you can live on the poverty budget for two days, you can participate for one day. You should, however, be mindful of what you do spend for those days and reflect on the things you may take for granted that others may not be able to spend. You can still feel free to write in the journal provided.

4. I went through the budget for today and I have a negative number. Does this mean I can't eat or spend anything?

It is very possible that you can end up with a negative number after going through the budget. If that's the case, then you should remember the rules of the Poverty Challenge: You should give up something, and you should try to fall into as little debt as possible. The point is that it is virtually impossible to live on this amount of money yet many in our community are forced to do so. If you fall into debt after living on the budget for the first day (Day 2), just record the amount and begin Day 3 at the given starting level.

5. I have to buy food, put gas in my car, pay a bill, etc., during the Poverty Challenge and this will put me over budget today. What should I do?

You may have to go to the grocery store to get food for the Challenge. If so, the total bill should not count for the budget. What you *should* count, however, is the approximate cost of the meals you eat. Likewise, if you put gas in your car during the Poverty Challenge, the total expenditure does not count against your budget. Rather, if you choose to drive during the Poverty Challenge, just incorporate the pre-determined amount into your daily budget. The same goes with paying bills. What you are keeping track of is the cost of your meals and the "extras" that you spend money on every day without thinking much about them.

6. How do I determine the approximate cost of a meal?

First of all, don't worry if your math is not exact. The best way to determine the cost of your meals is by dividing the cost of each item you use by the amount of the item you use. For example, a loaf of bread may have cost you \$2.50, and let's say there are 10 pieces of bread in the loaf. If you use two pieces of bread for a sandwich, then the cost of your bread that day is 50 cents ( $2.50/10 = .25 \times 2 = .50$ ).

7. I bought food last week/yesterday that I am using for meals during the Poverty Challenge today. Do I count that food in my budget?

If you use any of that food for your meals during the Poverty Challenge, then yes, count the cost of that food. Calculate the cost of the meal and record it in your budget.

# Day 1

Today, you can eat regularly and spend regularly, but record what you eat and what “extras” you spend money on below. Please note, there is an interactive budget at [wnyhomeless.org/povertychallenge](http://wnyhomeless.org/povertychallenge)

Breakfast	_____	_____
Lunch	_____	_____
Dinner	_____	_____
Extras	_____	_____
	_____	_____

Total Expenses for Day 1: \_\_\_\_\_

## Think about it...

Tomorrow you will begin living on a minimum wage budget. What do you think will be the most difficult thing to give up? What daily routines may change?

## Remember:

**Tomorrow you will start the first day of your budget.  
Good luck and be conscious of what you spend!**

## Day 2

An individual in New York State working full time at minimum wage has a monthly income of **\$1256.67**  
After state and federal taxes, total monthly income comes to **\$1,078.81**

The Fair Market Rent for a 1-bedroom apartment in the greater Buffalo region is **\$605** per month. This covers the cost of rent, utilities, and repairs.

This leaves you with **\$473.23** per month. When divided by 30 days, this leaves you with **\$15.79** per day. The average cost of apparel, which amounts to **\$4.93** a day is also taken out.

**This leaves you with a starting daily allotment of: \$10.86<sup>7</sup>**

### Standard Expenses:

If you choose to use Private Transportation, subtract <b>\$23.28</b>	_____
If you choose to use Public Transportation, subtract <b>\$2.10</b>	_____
If you choose to get Single Health Care Coverage, subtract <b>\$17.78</b>	_____
If you choose to take three classes at Erie Community College, subtract <b>\$7.48</b>	_____
If you choose to watch Cable TV and use the Internet at home, subtract <b>\$2.46</b>	_____
If you choose to use a Cell Phone, subtract <b>\$1.65</b>	_____
If you choose to have a Dog, subtract <b>\$1.59</b>	_____
If you choose to have a Cat, subtract <b>\$1.84</b>	_____

### Income Supports:

If you choose to access the Home Energy Assistance Program, add **\$1.43** \_\_\_\_\_

\*A single individual working at minimum wage full time does not qualify for Food Stamps or the Earned Income Tax Credit

***Remaining Budget:*** \_\_\_\_\_

### Food Expenses:

### Approximate Cost:

Breakfast \_\_\_\_\_

Lunch \_\_\_\_\_

Dinner \_\_\_\_\_

### Other Expenses

\_\_\_\_\_

**Total Balance for Day 2:** \_\_\_\_\_

<sup>7</sup> For information on how we calculated the budget and the standard expenses, please go to page 24 of this packet

## Day 2—Think About It...

Talk about something that was challenging today for you because you didn't have money. What was difficult about it? How did you feel because you didn't have the money to address this?

### Did You Know?

The Self-Sufficiency Standard for Western New York states that a single parent with a child must earn a wage of \$18.91/hour to be considered self sufficient.<sup>8</sup> Yet, in Buffalo and Erie County, the average wage earner makes \$9.91/hour<sup>9</sup> and minimum wage is \$7.25. It is not uncommon for low-income single parents in WNY to have to make choices about paying for food and paying for shelter, leaving many on the brink of homelessness. Food Stamps provide added income support to those making insufficient wages, making the choices somewhat easier, however many people earning minimum wage make too much money to qualify for supports.

### **Imagine...**

What would happen if you had to budget for health care emergencies? If your car broke down? If you were sick and missed some days of work (leaving you with less money because few minimum wage jobs give paid sick time)? How do you think these kinds of situations could erode your ability to meet your basic needs?

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<sup>8</sup> Self Sufficiency Standard for New York State in 2010:

<http://www.selfsufficiencystandard.org/docs/New%20York%20State%202010.pdf>

<sup>9</sup> National Low Income Housing Coalition "Out of Reach: New York State."

<http://www.nlihc.org/oor/oor2008/data.cfm?getstate=on&getmsa=on&msa=789&state=NY> Published 2008

## Day 3

An individual in New York State working full time at minimum wage has a monthly income of **\$1256.67**  
After state and federal taxes, total monthly income comes to **\$1,078.81**

The Fair Market Rent for a 1-bedroom apartment in the greater Buffalo region is **\$605** per month. This covers the cost of rent, utilities, and repairs.

This leaves you with **\$473.23** per month. When divided by 30 days, this leaves you with **\$15.79** per day. The average cost of apparel, which amounts to **\$4.93** a day is also taken out.

**This leaves you with a starting daily allotment of: \$10.86<sup>10</sup>**

### Standard Expenses:

If you choose to use Private Transportation, subtract <b>\$23.28</b>	_____
If you choose to use Public Transportation, subtract <b>\$2.10</b>	_____
If you choose to get Single Health Care Coverage, subtract <b>\$17.78</b>	_____
If you choose to take three classes at Erie Community College, subtract <b>\$7.48</b>	_____
If you choose to watch Cable TV and use the Internet at home, subtract <b>\$2.46</b>	_____
If you choose to use a Cell Phone, subtract <b>\$1.65</b>	_____
If you choose to have a Dog, subtract <b>\$1.59</b>	_____
If you choose to have a Cat, subtract <b>\$1.84</b>	_____

### Income Supports:

If you choose to access the Home Energy Assistance Program, add **\$1.45** \_\_\_\_\_

\*A single individual working at minimum wage full time does not qualify for Food Stamps or the Earned

Income Tax Credit

### ***Remaining Budget:***

\_\_\_\_\_

### Food Expenses:

### Approximate Cost:

Breakfast \_\_\_\_\_

\_\_\_\_\_

Lunch \_\_\_\_\_

\_\_\_\_\_

Dinner \_\_\_\_\_

\_\_\_\_\_

### Other Expenses

\_\_\_\_\_

\_\_\_\_\_

## Total Balance for Day 3:

\_\_\_\_\_

<sup>10</sup> For information on how we calculated the budget and the standard expenses, please go to page 24 of this packet

## Think About It...

Think about some of the perceptions you have heard about those who are poor. Write them down. Now, think about these stereotypes. After going through this experience, do you think those perceptions are fair (read “Being Poor Means” on page 17 of this packet)? From where do these perceptions come? How can we (as a society and as individuals) change them?

## Did You Know?

**The Food Stamps program is not public assistance.** It is a nutrition program intended to help low-income individuals and families access nutritious food. As you can already tell, without much money it is difficult for many to find good food to eat. Food Stamps are intended to help those who are having difficulty making choices between paying for housing and transportation expenses or paying for nutritious food. Moreover, Food Stamps help the local economy by putting money into the hands of low-income families to spend in local corner stores and grocery stores.

**Most Food Stamp Recipients are children and the elderly.** 49% of Food Stamps recipients are children and 9% are over the age of 60. Less than a quarter are working-age men (14%) and less than a third are working-age women (33%).

**1.8 million New Yorkers access Food Stamps.** However, enrollment rates for New York State are low, with 61% of all eligible Food Stamp households actually accessing benefits. Participation is particularly low among working-class households (48%). Reasons for not accessing Food Stamps could include misinformation about the program (“it’s welfare”), lack of knowledge about how to access the program, not realizing that one is eligible, lack of time to apply, or feeling ashamed to ask for assistance. Yet, as you are experiencing, this assistance is vital to those living near the poverty line.

## Imagine...

Recently, Buffalo was named the 3<sup>rd</sup> poorest big city by the US Census Bureau. There is a rising instance of homelessness among families in Buffalo. 36% of families with children under the age of 18 live in poverty. What do you think should be done to address this poverty in our community?

## Now where are you?

After living on this budget for two days, how much money do you have to put into savings? \_\_\_\_\_  
Multiply by 182.5 and this is about how much you will have saved in a year: \_\_\_\_\_

After living on this budget for two days, how far into debt have you gone? \_\_\_\_\_  
Multiply by 182.5 and this is about how far you will have gone into debt after one year of living on this budget: \_\_\_\_\_

***What happens if there's an emergency? If you lose your job? Leave your partner? Have a child? Get sick? A family member gets sick? Given your budget what can you do?***

One reason we are asking you these questions is to try and show you how stressful it is to live in poverty. Even if you access the income enhancements offered by DSS and the federal government, you have probably gone into debt or you are very close to doing so. It is also probably clear that it is going to be impossible to save up a substantial amount of money with a minimum wage budget. With little if any money saved up, all it would take is one emergency to send you into severe debt. When you have a minimum wage budget, pulling yourself out of a huge debt without any outside assistance is going to take superhuman abilities. And if most of your family is just as poor as you are, then they will probably not be able to offer the financial resources you may need to get out of debt.

To live at this income level for more than a couple days you are going to have to figure out how to buy things *as cheaply as possible, all the time*, which might not always be the cheapest option in the long run (think about the so-called “poverty industry”—rent-to-own stores, check cashing groups, etc.). You are also not going to be able to have any kind of unexpected emergency or partake in any vice/recreation. You will have to be an amazing human being that escapes any kind of bad luck. We all know that this is almost always impossible.

Another reason we are asking you these questions is to get you thinking about the resources and networks you have available to you in case of an emergency. With a higher income you may be able to put money into savings. With some saving you would be able to ride out an extended period of unemployment or cover an unexpected cost without going into debt. You could maintain your credit rating and be able to take out a loan to cover the costs for a car, house, or education. Even if you personally haven't saved very much, your family may have financial resources to help you out. With a higher income you have resources and networks available to you which will keep you from becoming poorer. You will be able to get through life's rough patches much easier than someone who does not have the same set of advantages that you have. To get a better idea the advantages a higher income affords you, let's...

## **Explore Our Own Assets...**

In our 2008 Street Survey, we found that the top reasons for homelessness included: job loss, family problems, substance abuse, and mental health issues (the last two were oftentimes co-occurring). By asking ourselves what options we have available in the face of crisis, we can begin to explore our own privileges.<sup>11</sup>

**In case of job loss I have these resources and/or networks available to me:**

**In case of a major family problem, like domestic abuse, I have these resources and/or networks available to me:**

**In case I experience substance abuse issues I have these resources and/or networks available to me:**

**In case I experience mental health issues I have these resources and/or networks available to me:**

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<sup>11</sup> For a more in depth discussion of privileged assets see Peggy McIntosh's article "White Privilege: Unpacking the Invisible Knapsack", which was the inspiration for this exercise. <http://www.nymbp.org/reference/WhitePrivilege.pdf>

## Moving Forward

By participating in the Poverty Challenge we hope that you have gotten a taste of how difficult it is to live on a minimum wage budget. With only \$10.86 a day to cover all your expenses plus eating, you are always on the brink of falling into enormous levels of debt and it's extremely difficult, if not all but impossible, to save money to prepare for any emergency. We also hope that you have begun to realize that with a higher income you have the ability to get through the bad luck that hits all of us at some point. Even just having family members that have higher incomes can be a huge help when you are trying to "pull yourself up by your boot straps" as the saying goes.

*"If you judge people, you have no time to love them."*

*-Mother Teresa*

To end poverty and homelessness we are going to have to concentrate on the parts of our economy and society that keep people from breaking free of poverty. This means that we need to focus on increasing the number of jobs that pay livable wages, increasing the supply of affordable housing, increasing quality education that is accessible to all, decreasing transportation costs, decreasing health care costs, offering financial support to keep people out of debt, etc. Our focus needs to be on these kinds of structural changes in our society and not solely on the people in poverty. We hope that the Poverty Challenge has helped show you that people working at the minimum wage level are often one step away from complete financial ruin and being locked into poverty. They cannot be blamed for this. Instead we must move our critical energy towards the structural inequalities in our community that keep people in poverty.

*"True compassion is more than flinging a coin at a beggar; it comes to see that an edifice which produces beggars needs restructuring."*

*- Martin Luther King Jr.*

## Being Poor Means...

Taken from the blog of novelist John Scalzi (<http://scalzi.com/whatever/003704.html>)

Being poor is knowing exactly how much everything costs.

Being poor is having to keep buying \$800 cars because they're what you can afford, and then having the cars break down on you, because there's not an \$800 car in America that's worth a damn.

Being poor is hoping the toothache goes away.

Being poor is knowing your kid goes to friends' houses but never has friends over to yours.

Being poor is going to the restroom before you get in the school lunch line so your friends will be ahead of you and won't hear you say "I get free lunch" when you get to the cashier.

Being poor is coming back to the car with your children in the back seat, clutching that box of Raisin Bran you just bought and trying to think of a way to make the kids understand that the box has to last.

Being poor is wondering if your well-off sibling is lying when he says he doesn't mind when you ask for help.

Being poor is off-brand toys.

Being poor is a heater in only one room of the house.

Being poor is hoping your kids don't have a growth spurt.

Being poor is Goodwill underwear.

Being poor is not enough space for everyone who lives with you.

Being poor is feeling the glued soles tear off your supermarket shoes when you run around the playground.

Being poor is your kid's school being the one with the 15-year-old textbooks and no air conditioning.

Being poor is thinking \$8 an hour is a really good deal.

Being poor is an overnight shift under florescent lights.

Being poor is a bathtub you have to empty into the toilet.

Being poor is stopping the car to take a lamp from a stranger's trash.

Being poor is people angry at you just for walking around in the mall.

Being poor is not taking the job because you can't find someone you trust to watch your kids.

Being poor is not talking to that girl because she'll probably just laugh at your clothes.

Being poor is hoping you'll be invited for dinner.

Being poor is a sidewalk with lots of brown glass on it.

Being poor is people thinking they know something about you by the way you talk.

Being poor is needing that 35-cent raise.

Being poor is your kid's teacher assuming you don't have any books in your home.

Being poor is crying when you drop the mac and cheese on the floor.

Being poor is knowing you work as hard as anyone, anywhere.

Being poor is people surprised to discover you're not actually stupid.

Being poor is people surprised to discover you're not actually lazy.

Being poor is a six-hour wait in an emergency room with a sick child asleep on your lap.

Being poor is never buying anything someone else hasn't bought first.

Being poor is picking the 10 cent ramen instead of the 12 cent ramen because that's two extra packages for every dollar.

Being poor is getting tired of people wanting you to be grateful.

Being poor is knowing you're being judged.

Being poor is a box of crayons and a \$1 coloring book from a community center Santa.

Being poor is checking the coin return slot of every soda machine you go by.

Being poor is deciding that it's all right to base a relationship on shelter.

Being poor is knowing you really shouldn't spend that buck on a Lotto ticket.

Being poor is a cough that doesn't go away.

Being poor is making sure you don't spill on the couch, just in case you have to give it back before the lease is up.

Being poor is a \$200 paycheck advance from a company that takes \$250 when the paycheck comes in.

Being poor is knowing where the shelter is.

Being poor is people who have never been poor wondering why you choose to be so.

Being poor is knowing how hard it is to stop being poor.

Being poor is seeing how few options you have.

Being poor is running in place.

Being poor is people wondering why you didn't leave.

## For Further Reflection...

- The starting daily allotment for a person working full-time at minimum wage (\$7.25/hour) would be \$16.76. Below is a table of common occupations, median annual wages, and what their starting daily allotments would be:

Occupation	Median Annual Wage*	Starting Daily Allotment
Worker at Min. Wage	\$15,080	\$16.76
Cashier	\$16,320	\$20.20
Fast Food Cook	\$17,270	\$22.84
Child Care Worker	\$18,330	\$25.79
Home Health Aide	\$21,730	\$35.23
Teacher Assistant	\$22,180	\$36.48
Bus Drivers	\$24,040	\$41.65
Medical Assistant	\$29,080	\$55.65
Median Annual Wage in WNY	\$31,810	\$63.23

\* <http://www.labor.ny.gov/stats/lswage2.asp#35-0000>

Increasingly, low-wage occupations such as these are the only kind of jobs many Western New Yorkers are able to find. The UB Regional Institute's report [Playing an Insecure Hand: Low-Wage Workers in the New Economy](#) details this shift in the job market.

- The [Penn State Living Wage Calculator](#) estimates that for Erie County a living wage would be **\$8.80** for one adult.

However most of the income support programs for the disabled and elderly have effective hourly incomes far below that.

[The average SSDI payment for an individual is roughly \\$1000 a month](#) which would result in an effective hourly income of **\$6.25**.

[The average Social Security payment for an individual is also roughly \\$1100 a month](#) which would result in an effective hourly income of **\$6.88**.

[The average Supplemental Security Income \(SSI\) payment is roughly \\$500 a month](#) with an effective hourly wage of **\$3.13**.

Also take into account that according to the Social Security Administration, [a 20-year-old worker has a 3-in-10 chance of becoming disabled before reaching retirement age](#).

- The [Penn State Living Wage Calculator](#) estimates that for Erie County a living wage would be \$17.39 for one adult & one child, \$22.39 for two adults & one child, and \$29.35 for two adults and two children.

Yet in the [Buffalo – Niagara Falls Metropolitan area the median wage is \\$15.57](#).

- According to the US Census Bureau's American FactFinder, [58.4% of renters in Buffalo spend over 30% of their household income on rent](#).

HUD states that the "generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing."

- The maximum welfare grant (cash grant and shelter allowance) in Erie County for a single individual is \$360, well below the Federal Poverty Guideline for one person (\$867).
- According to the Homeless Alliance's [Left Behind: How Difficulties with Transportation are a Roadblock to Self-Sufficiency](#), 42% of homeless and very low-income individuals surveyed stated that they had to turn down a job in the previous 6 months because there was not a transportation route (metro rail, bus line, etc.) to get there.
- Shelter allowances provided by the Department of Social Services (\$214 per month for a single parent with children) fell far short of the Fair Market Rent for a two-bedroom apartment in the greater Buffalo-Niagara Falls Metropolitan Area (\$728), often leaving safe, adequate, and affordable housing out of reach.
- A recent study by the [Dept. of Housing and Urban Development](#) (HUD), [Costs Associated With First-Time Homelessness for Families and Individuals](#), found that placing homeless individuals and especially homeless families in apartments was generally much cheaper than placing them in emergency, transitional, or permanent supportive housing.

Exhibit 3.7: Average Cost Per Family Per Month for Each Homeless Program Type for Families and FY2006 Two-Bedroom Fair Market Rents <sup>a</sup>				
	Emergency Shelter	Transitional Housing	Permanent Supportive Housing	2006 Fair Market Rent for Two-bedroom Unit <sup>b</sup>
District of Columbia	\$2,496 - \$3,698	\$2,146 - \$2,188	\$1,251	\$1,225
Houston	\$1,391	\$1,940 – \$4,482	\$799	\$743
Kalamazoo	\$1,614	\$813	\$881	\$612
Upstate South Carolina	\$2,269	\$1,209	\$661	\$599 (Greenville MSA)

<sup>a</sup> Costs shown reflect weighted averages by program type. Ranges represent the averages for different programs within a program type.

<sup>b</sup> FMR Source: HUD, 2005. The FMR does not include the monthly fee paid to a public housing agency for administering the voucher program, which ranged from \$50 to \$90 per unit per month in these four communities. (HUD, 2007)

Exhibit 3.2: Average Cost Per Person Per Month for each Homeless Program Type for Individuals and FY2006 One-Bedroom Fair Market Rents <sup>a</sup>				
	Emergency Shelter	Transitional Housing	Permanent Supportive Housing	2006 Fair Market Rent for One-bedroom Unit <sup>b</sup>
Des Moines	\$581	\$1,018 – \$1,492	\$537	\$549
Houston	\$853 - \$1,817	\$1,654	\$664 – \$1,757	\$612
Jacksonville	\$408 - \$962	\$870	\$882	\$643

<sup>a</sup> Costs shown reflect weighted averages by program type. Ranges represent the averages of different housing models within a program type, also shown as daily costs in Exhibit 3.1.

<sup>b</sup> FMR Source: HUD, 2005. The FMR does not include the monthly fee paid to a public housing agency for administering the voucher program, which was approximately \$58 per unit per month in these three communities. (HUD, 2007)

This strategy of placing homeless individuals directly into permanent housing first and then offering supportive services is called the [Housing First](#) model.

What implications could this data have on homeless/housing policy?

- Low-income households are not the only recipients of tax-payer money.

According to [The Effects of the Federal Budget Squeeze on Low-Income Housing Assistance](#), a report from the [Center on Budget and Policy Priorities](#), the government spends three times as much on tax breaks for homeowners as it does on low-income housing.

[A report from the National Resources Defense Council](#) found that if drivers paid all expenses related to driving, they would pay an extra \$380-660 billion per year.

What does this say about our public policy and perceptions on welfare and government spending?

- Intergenerational Economic Mobility measures the likelihood of staying poor if one's parents were poor or staying rich if one's parents were rich or transcending one's social class background. The studies below (to access the links hit "control" and click on the link) point to a United States where upward economic mobility (or achieving the American dream, in other words) is unlikely.

### National

[Child Poverty and Intergenerational Mobility](#)

[Understanding Mobility in America](#) (also international)

[Upward Intergenerational Mobility in the United States](#)

[Economic Mobility Project](#)

### International

[Intergenerational Mobility in Europe and North America](#)

[A Family Affair: Intergenerational Social Mobility across OECD Countries](#)

What do these studies say about inequality and equity in the US? Should poor children have less opportunity than their more affluent peers simply because they were born into poverty?

# **Explaining the Poverty Budget Expenses and Income Supports**

## **Expenses:**

### **Taxes:**

State and Federal Taxes were calculated using the Salary Paycheck Calculator at

<http://www.paycheckcity.com/netpaycalc/netpaycalculator.asp>

### **Housing:**

The United States Department of Housing and Urban Development (HUD) estimates the “Fair Market Rent” for regions around the country. Fair Market Rent is HUD’s way of determining the average rent and utilities combined in Buffalo.

*In 2010 Fair Market Rent for a one-bedroom in the Buffalo-Niagara Falls metropolitan area was **\$605** a month.*

[http://www.huduser.org/portal/datasets/fmr/fmr2010f/FY2010\\_SCHEDULE%20B\\_Final.pdf](http://www.huduser.org/portal/datasets/fmr/fmr2010f/FY2010_SCHEDULE%20B_Final.pdf)

### **Apparel:**

According to the Bureau of Labor Statistics, in 2008 consumers spent on average \$1801 a year on apparel.

*Divide \$1801 by 365 days = **\$4.93** a day*

<http://www.bls.gov/news.release/pdf/cesan.pdf>

### **Private Transportation:**

According to the Bureau of Transportation Statistics, in 2010 the average cost of owning and operating an automobile (including fuel, maintenance, tires, insurance, license, registration and taxes, depreciation, and finance and assuming 15,000 vehicle-miles per year) was \$8,497 a year.

*Divide \$8,095 by 365 days = **\$23.28** a day*

[http://www.bts.gov/publications/national\\_transportation\\_statistics/html/table\\_03\\_14.html](http://www.bts.gov/publications/national_transportation_statistics/html/table_03_14.html)

### **Public Transportation:**

An one month Metro Pass from the Niagara-Frontier Transportation Authority costs \$64.

*Divide \$64 by 30.42 days = **\$2.10** a day*

<http://www.nfta.com/metro/Fares.asp>

## Health Care

For a non-smoking individual above the age of 18 living in Buffalo, eHealthInsurance.com found one single coverage plan with monthly costs of \$541.

*Divide \$541 by 30.42 days = **\$17.78** a day*

<http://www.ehealthinsurance.com/ehi/individual-family-health-insurance.fs>

## Education

Tuition for two semesters of three classes (9 credit hours) at Erie Community College, plus fees, is \$2734.

*Divide \$2734 by 365 days = **\$7.49** a day*

<http://www.ecc.edu/admissions/accountservices/tuition.aspx>

## Cable TV & Internet:

Time Warner Cable offers a Cable TV & Internet package for \$74.90 per month.

*Divide \$70 by 30 days = **\$2.33** a day*

<https://order.timewarnercable.com/OfferList.aspx>

## Cell Phone:

According to CTIA-The Wireless Association, the cell phone industry's trade group, in 2009 the average cell phone bill was \$49.57 per month.

*Divide \$49.57 by 30 days = **\$1.65** a day*

[http://files.ctia.org/pdf/CTIA\\_Survey\\_Midyear\\_2009\\_Graphics.pdf](http://files.ctia.org/pdf/CTIA_Survey_Midyear_2009_Graphics.pdf)

## Pets:

According to the American Society for the Prevention of Cruelty to Animals, the average cost of supplies for a small dog was \$580 a year and \$670 a year for a cat.

Small Dog:

*Divide \$580 by 365 days = **\$1.59** a day*

Cat:

*Divide \$670 by 365 days = **\$1.84** a day*

<http://www.asPCA.org/adoption/pet-care-costs.html>

## **Income Supports:**

### **Food Stamps:**

According to the Food and Nutrition Service of the Federal Government, the average Food Stamp benefit for an individual was \$150.63 a month.

*Divide \$150.63 by 30.42 days = **\$4.95** a day*

[http://www.fns.usda.gov/pd/18SNAPavg\\$PP.htm](http://www.fns.usda.gov/pd/18SNAPavg$PP.htm)

### **Home Energy Assistance Program:**

According to the US Dept. of Health and Human Services, the average HEAP benefit in New York was \$531 a year.

*Divide \$596 by 365 days = **\$1.45** a day*

<http://liheap.ncat.org/profiles/NY.htm#state>

### **Earned Income Tax Credit:**

Based on the Internal Revenue Service and New York State Tax Code, the combined Federal and New York State EITC for an individual would be \$190.

*Divide \$190 by 365 = **\$.52** a day*

<http://apps.irs.gov/app/eitc2010/CalculateAgiExpense.do>