



Center for Urban Child Policy

Advancing Public Policy to Improve the Well-Being of Children

DUE TO THE CURRENT RECESSION, AN ADDITIONAL 1,190 ADULTS AND CHILDREN IN SHELBY COUNTY ARE LIKELY TO FALL INTO DIRE POVERTY AND ARE AT INCREASED RISK OF BECOMING HOMELESS.

This report details the increase in extreme poverty and homelessness related to the recession and housing market crisis. When families struggle to make ends meet and are unable to maintain safe and stable homes, the social, emotional and cognitive development of their children is threatened.



LEVELS OF FAMILY INCOME ARE STRONG PREDICTORS OF CHILD DEVELOPMENT AND WELL-BEING (Brooks-Gunn & Duncan, 1997).

When children grow up in extremely poor families, they are more likely to struggle in school and in life. Children and families in dire poverty are more likely to:

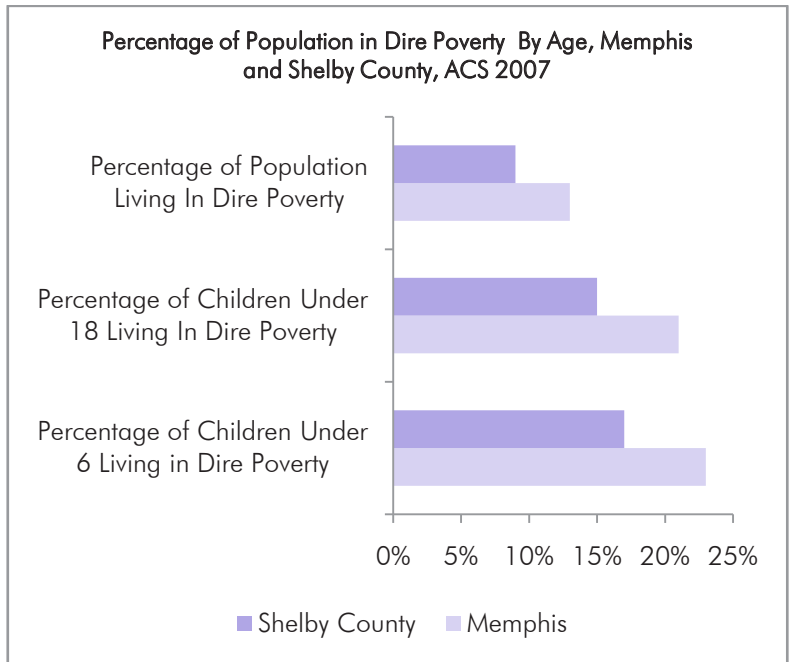
- » Go hungry, live in over-crowded households, are forced to move more frequently, and experience chronic stress (Zedlewski, Giannarelli, Morton, & Wheaton, 2002).
- » Children in these families are more likely to do poorly in school and on IQ, verbal ability and achievement tests (Smith, Brooks-Gunn, & Klebanov, 1997).

WHAT WILL THE CURRENT RECESSION MEAN FOR THE NUMBER OF EXTREMELY POOR CHILDREN IN SHELBY COUNTY?

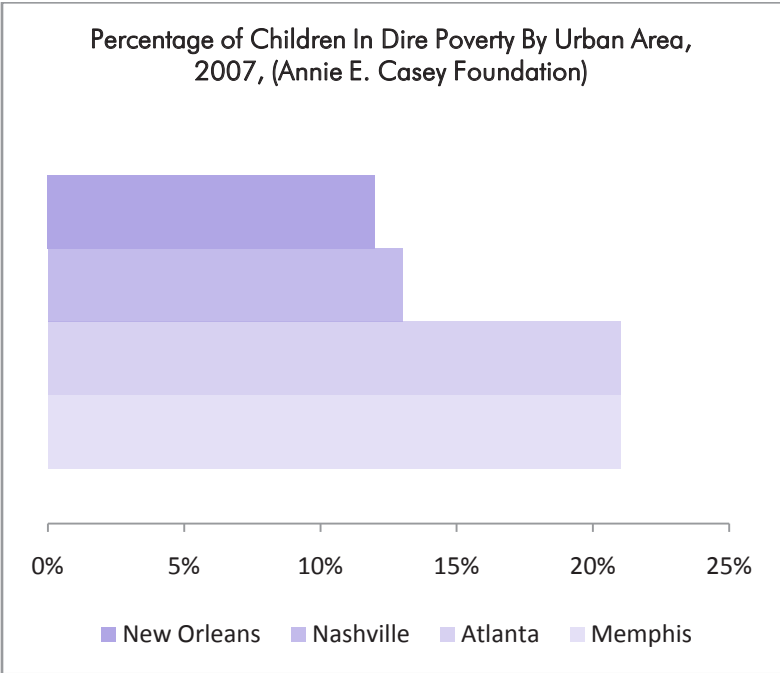
In 2007, 15% of all children (0-17) in Shelby County were living in “dire poverty” (American Community Survey, 2007).

- » Dire poverty is defined as a family whose annual after-tax income is less than half of the federal poverty line- in 2008, \$10,325 or less for a family of four. These families struggle to gain access to basic developmental resources (like nutritious food, clothing, toys and books) needed develop a secure foundation for lifetime learning in young children.
- » Families in dire poverty in Shelby County are heavily concentrated in the city of Memphis.
- » 1 in 5 children in Memphis (21%) live in dire poverty.
- » Dire poverty is especially prevalent in our youngest families. In Memphis, almost one in four preschool age children (23%) live in dire poverty (Annie E. Casey Foundation, 2007).
- » This percentage is:
 - 61% higher than Nashville-Davidson, Tennessee’s second largest urban area (13%).
 - 75% higher than New Orleans, LA (12%).





When compared to other urban areas in the Southern U.S., Memphis has one of the highest percentages of children living in dire poverty.



AS UNEMPLOYMENT RISES, POVERTY RISES AS WELL. THE UNEMPLOYMENT RATE IN SHELBY COUNTY IS PROJECTED TO REACH 9 PERCENT IN 2009 AND CONTINUE RISING INTO 2010

+ (Sard, 2009).

Historical trends suggest the current recession will drive an additional 1,190 people in Shelby County into dire poverty-forced to live below half the federal poverty line.

- » The average ratio of rate changes in unemployment and dire poverty from the last 3 recessions allows us to create an estimate of the additional number of people who will be in dire poverty in Shelby County as a result of the current recession (Parrott, 2008).
- » The lowest recorded unemployment rate for Shelby County since the recession started in December 2007 was 5.3% (Tennessee Department of Labor, 2008).
- » If dire poverty rates move with the unemployment rates in a pattern similar to that observed in the past, we project that the dire poverty rate in Shelby County will increase by at least 1.45%.
- » This increase will mean an additional 1,190 people will have incomes at or below half the federal poverty line, and will be at increased risk of homelessness (Khadduri, 2008).

+Dr. John Gnuschke, Director of the Sparks Bureau of Business Economic Research, estimates that the unemployment rate in Shelby County could exceed 10% before the end of the recession; therefore, these may be underestimates of local dire poverty/homelessness increases.

Distress in the Housing Sector Makes it More Likely that Families Will Become Homeless

More people are pushed into the rental market as a rising number of homeowners fall into foreclosure. Although property costs are decreasing, rental rates are rising in many areas due to an escalated need for rental dwellings.

- » As cities face a combination of soaring budget shortages due to the economic downturn and a growing demand for services, homelessness prevention measures are under siege (Johnson, Hudgins, & Koulish, 2008).



Families in dire poverty face higher risks of homelessness than in previous recessions because the safeguards against privation are less robust than in the past (Sard, 2009).

- » When unemployment insurance runs out, the primary monetary safety net for poor families is Temporary Assistance for Needy Families (TANF). In Shelby County, only 74% of families that qualify for monetary relief under TANF actually receive cash aid (CUCP, 2006).
- » Part-time employees, who comprise a growing share of the workforce, are not eligible for unemployment compensation.

Families in dire poverty are particularly susceptible to becoming homeless.

- » A family of four with an income below half of the federal poverty line has a monthly income of less than \$833.00.
- » The fair market monthly rent for a two-bedroom apartment in Shelby County is \$806.00 (97% of monthly income for a family in dire poverty) (U.S. HUD 2008).

Estimates of the size of the homeless population in Memphis/ Shelby County ranges from a low of 1822* (Sermons & Henry, 2009; U.S. Dept. of Housing and Urban Development, 2006) to a high of 7000 people (Memphis and Shelby County Mayor’s Task Force to End Homelessness, 2002) +.**

At any given time, approximately 38% to 39% of the nation’s homeless population are children (National Coalition for the Homeless, 2008).

The estimated number of children in Shelby County who will become homeless as a result of the recession ranges from 420 to 1,613 (Homelessness Methodology Information Courtesy of The National Alliance to End Homelessness, 2009).

+Reasons for large variances in estimating the homeless population: defining “homeless”, counting a highly transient and “hidden” population, as well as cost and timing issues.

The current recession is likely to mean more housing instability for families with children. Rising rates of homelessness among families with children will lead to other lasting problems.



The uncertainty and disruption associated with homelessness leads to higher levels of toxic stress in childhood, harming early brain development. When our youngest children experience high levels of family instability and a critical lack of access to vital developmental opportunities and resources such as secure housing, a crucial opportunity for cognitive and emotional growth is lost.

Careful research shows that:

- » Homeless infants are more likely to have low birth weights; one third of homeless infants lack primary immunizations (Hart-Shegos, 1999).
- » 3 in 4 homeless children under the age of five have at least one substantial developmental delay; nearly half (44 percent) have two or more serious developmental problems (Hart-Shegos, 1999).
- » More than 1 in 3 homeless preschoolers exhibit emotional and behavioral problems (Eddins, 1993).
- » Homeless children have reduced academic skills and educational attainment rates; they are underserved by special education services and are suspended twice as often as other children (National Center on Family Homelessness, 2009).
- » Homeless children are twice as likely to repeat a grade compared to nonhomeless children (Bassuk & Friedman, 2005).

The implications of the recession extend far beyond the need for job creation. Housing insecurity leads to transience, separating families from neighborhood resources and supports, and threatening the developmental well-being of our youngest children.

Public Policy Implications:

1. Recognize the implications of housing decisions on child well-being.
2. Link supportive services (i.e. mental health counseling) and permanent housing.
3. Provide effective mediation in housing courts.
4. Provide cash assistance for rent or mortgage deficits.
5. Ensure that families quickly leave transition shelters and stay housed afterwards.



Local Resources for Homeless Families

Memphis Union Mission is a religious organization that provides short-term transitional housing for homeless families through the Intact Homeless Family Program. Married families are provided housing for up to six months as they work to regain self-sufficiency. Furthermore, the Union Mission Moriah House also provides a residential recovery program for women and their children. The families learn practical skills like managing finances and seeking education. For more information, please visit www.memphisunionmission.org.

The Emergency Family Shelter program at Salvation Army Purdue Center of Hope provides housing, three meals a day and case management for homeless mothers and their children, ages 12 and under. The shelter has the capacity to house 57 women and children each night. For more information, contact Ms. Joyce Waters, Emergency Family Shelter Director at 901.260.9136.

Memphis Family Shelter is a non-profit charitable organization that provides transitional housing and support services to homeless mothers and children while they work to achieve independent living. Mothers reach their goals through participation in a carefully structured educational program. For more information, visit <http://www.memphis-familyshelter.org> or call 901.272.2728.

The Urban Child Institute provides data support for assessments of homeless families in Memphis in order to gain a better understanding of health needs in this population. The purpose of the evaluation is to address the need for trauma-related therapy for very low-income women and children in our community. For a full directory of agencies providing direct services to homeless people, as well as local and federal funding sources, please visit <http://www.partnersforthehomeless.org>.

*Low Range Estimate Methodology:

2005 homeless population estimate: 1876 people (Sermons & Henry, 2009)

2006 homeless population estimate: 1776 people (HUD, 2006)

2007 homeless population estimate: 1814 (Sermons & Henry, 2009)

Three year average (homeless population): 1822

**High Range Estimate Methodology: "During 2001, no fewer than 7,000 unduplicated people were literally homeless for some period of time, receiving shelter, housing, and/or services from the local network of service providers..." (Morgan, 2002).



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For more information on the well-being on children in Memphis and Shelby County, visit The Urban Child Institute at: <http://www.theurbanchildinstitute.org/Home>; and The State of Children in Memphis & Shelby County, available at: <http://www.theurbanchildinstitute.org/Databook.php>

Demographic Data included in this policy brief are independent estimates created by Katie Devlin and Frances Breland at the Center for Urban Child Policy utilizing the Annie E. Casey Foundation's Kids Count and Right Start Census Data Online, 2007 American Community Survey data, the Tennessee Department of Labor statistics, the Center for Budget and Policy Priorities methodology, or the National Alliance to End Homelessness methodology unless otherwise specified. The Annie E Casey Foundation's Kids Count Data Book can be found at <http://www.kidscount.org/datacenter> or <http://www.kidscount.org/cgi-bin/cliiks.cgi>. American Community Survey data can be found at factfinder.census.gov.

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