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Safety Net Failing to Assist Those in Need during Recession

A recent study, *Battered by the Storm: How the Safety Net is Failing Americans and How to Fix It*, from the Institute for Policy Studies, the Center for Community Change, Jobs with Justice, and Legal Momentum documents the ways in which the current recession is worsening for many Americans. According to the study:

- The Congressional Budget Office (CBO) expects that the unemployment rate will remain in the double-digits through 2010, and will drop slightly, to 9.1 percent, in 2011. Long-term unemployment, however, has increased at a far more dramatic rate, up 110 percent since December 2008. Nearly 36 percent of jobless workers have been out of work for six months or more.
- Among young workers, 41.3 percent of African Americans are unemployed, compared to 25.3 percent of white workers in the same age group.
- Millions of unemployed workers are unable to receive unemployment benefits, because eligibility criteria are overly strict and coverage periods inadequate.
- According to recent Census Bureau data, 13.2 percent of the population was living in poverty (below \$22,050 in annual income for a family of four) in 2008, the highest level in a decade. For African Americans, the poverty rate was 24.7 percent, and for Latinos it was 23.2 percent. By the end of 2009, the poverty rate for African American children is expected to reach 50 percent.
- The Center for Responsible Lending estimates that by 2012, over ten percent of the country's owner-occupied homes will have fallen into foreclosure. The National Low Income Housing Coalition estimates that 40 percent of families facing eviction because of foreclosure are renters.
- Many of the programs that constitute the "safety net" and are meant to protect the growing number of families affected by the recession are not currently capable of meeting their needs. TANF provides inadequate levels of assistance, and does so for a minority of eligible families. In July 2008, TANF benefit levels were below the poverty level in every state. The median benefit rate was just 29 percent of the official poverty rate. TANF ties benefits to strict work requirements do not provide a realistic opportunity for parents unable to find work in this economy.
- The food stamp program has been better able to meet the growing need for food assistance, because the program is open to anyone with income that is below the official poverty level. In August 2009, 36.5 million individuals (16.5 million households) received benefits, a one-third increase in participation since December 2007.

The report recommends an emergency relief package that would expand existing programs to provide needed relief to struggling families, and proposes tax policies to fund the package. It is available at <http://www.ips-dc.org/reports>.

Michigan to Consider Eliminating Burdensome Child Support Surcharges

With state unemployment at around 15 percent, and a rate of uncollected child support that is the third highest in the country, officials in the state of Michigan are acknowledging that state automatic surcharges on child support debt are creating a disincentive for parents to pay their child support. The surcharge compounds child support debt by adding interest to overdue child support payments. For many parents, it has the effect of inflating their debt beyond their capacity to pay it off, making the parent less likely to make any payments, and thereby compounding the problem of uncollected child support in the state.

Interest is added to child support debt in almost half of the states, but Michigan is now considering eliminating the charges in order to reduce child support arrearages. Ohio, a state with similar demographics, eliminated its surcharge and has seen its arrearages fall to \$4.1 billion, less than half of the \$9.2 billion in child support arrearages in Michigan.

The legislation being considered would lead to a policy similar to Ohio's surcharge policy, requiring judges to decide when to apply a surcharge based on an individual's circumstances.

For more information, see

<http://www.detnews.com/article/20091207/METRO/912070348/Michigan-rules-derail-child-support-payments>.

More Evidence of Increasing Hardship for Unemployed Americans

A New York Times/CBS News poll of 708 unemployed adults provides yet more evidence of the growing level of hardship for Americans as the recession continues and long-term unemployment persists. The poll found that:

- As a result of being unemployed, 60 percent had taken money out of savings, including retirement accounts, in order to make ends meet. Fifty-three percent had borrowed money from family or friends.
- Forty-eight percent have experienced emotional or mental health issues such as anxiety or depression that they attribute to being unemployed. Fifty-five percent report having trouble sleeping.
- Regarding medical care, 54 percent have cut back on doctor's visits or medical treatments, and 47 percent are without any form of health care coverage.
- One quarter reported that they had either lost their home or had been threatened with foreclosure or eviction for not paying either their mortgage or rent.
- More than half received unemployment benefits, but for 61 percent of them the amount was not enough to meet basic needs.
- Approximately 4 in 10 have noticed behavioral changes in their children that they attribute to their unemployment.

Legislation Would Reverse Drug Arrest Disparities Between Cocaine and Crack

Bills introduced in both the House and the Senate seek to reverse a racial disparity in drug arrests that has developed as a result of the Anti-Drug Abuse Act of 1986 and 1988. The Act calls for mandatory minimum penalties that require an individual to be convicted of possession of 100 times the amount of powdered cocaine as crack cocaine before they are triggered. Senate Majority Whip Richard Durbin (D-IL) introduced the *Fair Sentencing Act of 2009* (S.1789) in October, and the House Judiciary Committee approved the *Fairness in Cocaine Sentencing Act* (H.R. 3245) in July. The House bill is concise, providing simply for the “elimination of increased penalties for cocaine offenses where the cocaine involved is cocaine base.” The Senate bill would also:

- eliminate the five-year mandatory minimum for simple possession of crack cocaine;
- call for increased penalties for drug offenses involving vulnerable victims, violence and other aggravating factors; and
- require a report on the effectiveness of federally funded drug courts.

In a statement, Senator Durbin said, "The sentencing disparity between crack and powder cocaine has contributed to the imprisonment of African Americans at six times the rate of whites and to the United States' position as the world's leader in incarcerations. It's time for us to act."

According to the Sentencing Project, the bill would:

- eliminate disparities in arrests that have resulted in low-level participants in the drug trade comprising 60% of federal crack defendants;
- reduce the prison population by over 13,000 in 10 years, saving \$25,895 per prisoner per year;
- counter the perception of race-based unfairness in the criminal justice system; and
- treat two forms of the same drug in the same way.

Advocates for the bills point out that they represent the best chance to address the disparity since the 1986 law was passed 23 years ago. Supporters should contact their congressional representatives to encourage them to co-sponsor and support the bills. For more information, see <http://www.sentencingproject.org>

Data on Racial and Economic Disparities in Bachelor Degree Attainment

A recent report from The Access to Success (A2S) initiative is the first of its kind to document the experience of different groups of students as they move through colleges and universities. A2S is comprised of 24 public higher education systems, representing 378 two- and four-year colleges and universities and more than 3 million students. The initiative was formed in order to increase the number of college graduates in each member state, and to increase the number of graduates from low-income and minority families. The systems included in the initiative enroll almost 40 percent of undergraduates at 4-year institutions nationwide. The data are unique because they track transfer students and part-time students, and can specifically track low-income students. These students represent approximately two-thirds of students in higher

education nationwide. The data are also able to compare the performance and progress of each system to its state population of high school graduates. Among the findings:

- Although 41 percent of high school graduates in the study states were from low-income families, only 30 percent of freshmen enrolled in the state's higher education systems came from low-income families.
- African-American, Hispanic and American-Indian students accounted for 36 percent of high school graduates, but just 29 percent of freshmen in the study states.
- Within six years of entering college, 53 percent of all freshmen (including part-time students) across all of the study states attained bachelor's degrees. Among low-income students, 45 percent completed a bachelor's degree in this time frame, and among minority students, 44 percent earned a bachelor's degree in six years or less.
- Only 22 percent of students who earned a bachelor's degree in six years or less were underrepresented minorities, but 35 percent of high school graduates were underrepresented minorities.
- Although two-year colleges are often viewed as an important gateway to a bachelor's degree for low-income and minority students, only 12 percent of minority students transfer from two-year colleges to bachelor degree programs within four years of initial enrollment. The rate is just 16 percent for white and Asian students.
- Pell grant recipients transferred into bachelor's programs at a higher rate (17 percent) than students who did not receive Pell grant assistance (14 percent).
- Just 7 percent of minority students who enter two-year colleges in the study states earn bachelor's degrees from system institutions within ten years of first entering higher education.
- Among students who completed a bachelor's degree and who started at a two-year college, 16 percent were underrepresented minorities, compared to 27 percent for all high school graduates.
- For students from low-income families, the gap was smaller; 40 percent of those completing were from low-income families, and 43 percent of high school graduates were from low-income families.

The report, *Charting a Necessary Path: The Baseline Report of Public Higher Education Systems in the Access to Success Initiative*, is available at <http://www.edtrust.org/sites/edtrust.org/files/publications/files/NASH-EdTrust.BaselineReport.pdf>

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