



Ending Poverty and Building Common Wealth

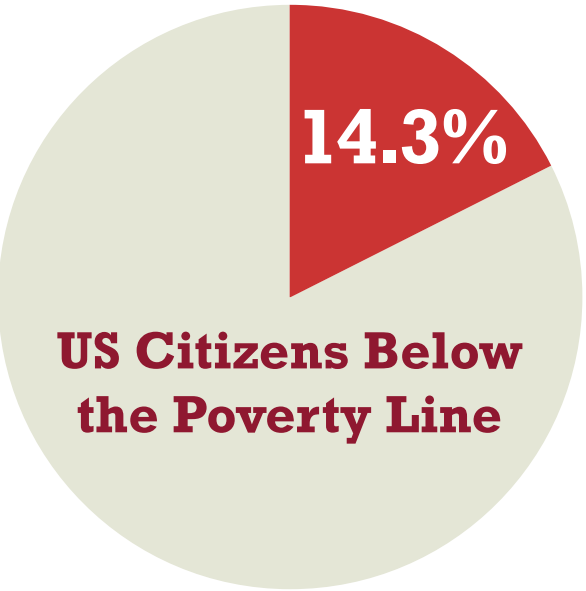
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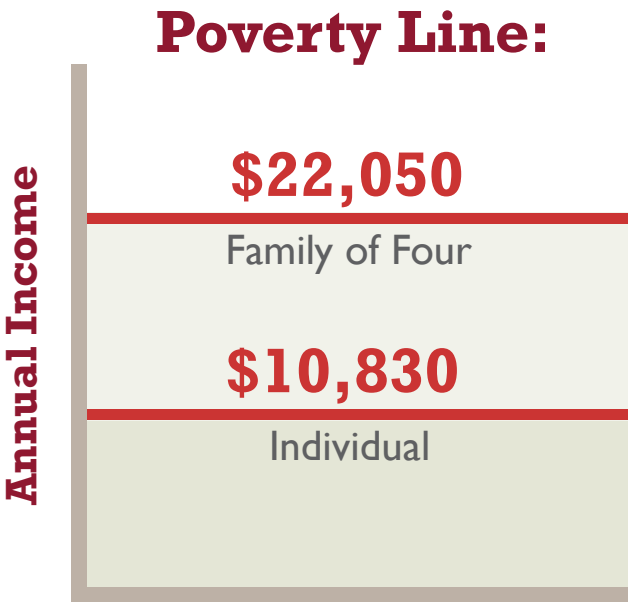
14.3% of the US population, **44 million people**, have incomes below the federal poverty line.

4 points

Amount the poverty rate fell during the Clinton administration, proving progress is possible.

12 million

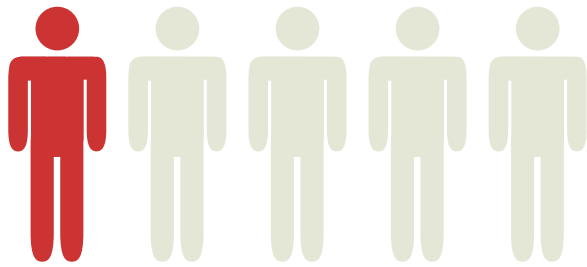
Number of people that would be brought out of poverty by a 4 point reduction today.



Poverty Line:

14.5 million

Number of children in poverty in America



1 in 5

Of all kids in America.

\$22,000

Amount one full-time worker could earn per year if minimum wage were raised 50%.

50%

Amount child poverty was cut in the UK during the '90s by providing tax breaks for families.

At some point during the year, **1.6 million impoverished people will also be homeless.**

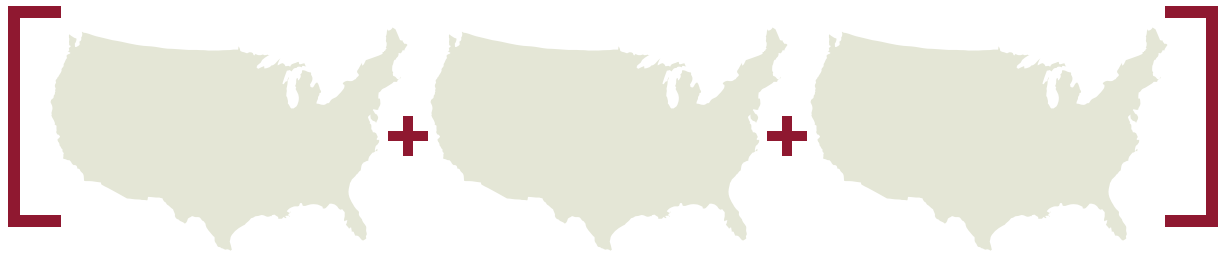
\$3,500

Amount per individual per year that a community as a whole could save by providing housing for the homeless, avoiding costs in other areas.

\$1.4 billion

Amount that could be saved in the economy each year if just one-quarter of the homeless population had housing available.

Worldwide 880 million people (**3 times the US population**) are living on less than \$1 a day.



0.2%

Percentage of GDP the US gives to help alleviate extreme global poverty.

0.7%

Percentage of GDP many developed nations have pledged to provide.

33,000

Number of Millennium Villages that would be funded by every 0.1% increase in aid.

750 million people

Number of people the United States could provide Millennium Village services for if we met the .7% of GDP commitment.

150 million people

Number of people 33,000 Millenium Villages could provide education, food, water and basic healthcare for.



Poverty is complex, but the solutions to ending it are not.

Nearly 44 million people are living in poverty in the US—over 14 percent of our population. Despite past successes in our country that have moved millions out of poverty, it remains. Empowering people to lift themselves out of poverty requires an investment in each other. It ultimately requires shining a light on what our priorities are and looking at how well we take care of those that are most vulnerable.

On a global scale there are over a billion people living in extreme poverty. Just like in our country, the solutions lie in supporting people to support themselves and for as little as 0.7 percent of wealth it is possible to eradicate extreme poverty in this generation.

In both cases, given the will, the way is clear.

Ending Poverty and Homelessness in the US

Living wages

**Job training
for at-risk youth
and others**

Affordable housing

More access
and affordability
**for all levels
of education**

Microfinance

Changing the approach
(from food aid) to
**empowering
communities**
with the tools
and resources
for self-reliance

Replicating what works
(like the Millennium Villages)

Empowering women



Ending Poverty in America

Nearly 44 million people are living in poverty in the US, over 14 percent of our population.¹ With governments at all levels struggling to balance budgets, it may seem impossible to fully address the growing need given available resources, but the Center for American Progress and many others are convinced it is possible.

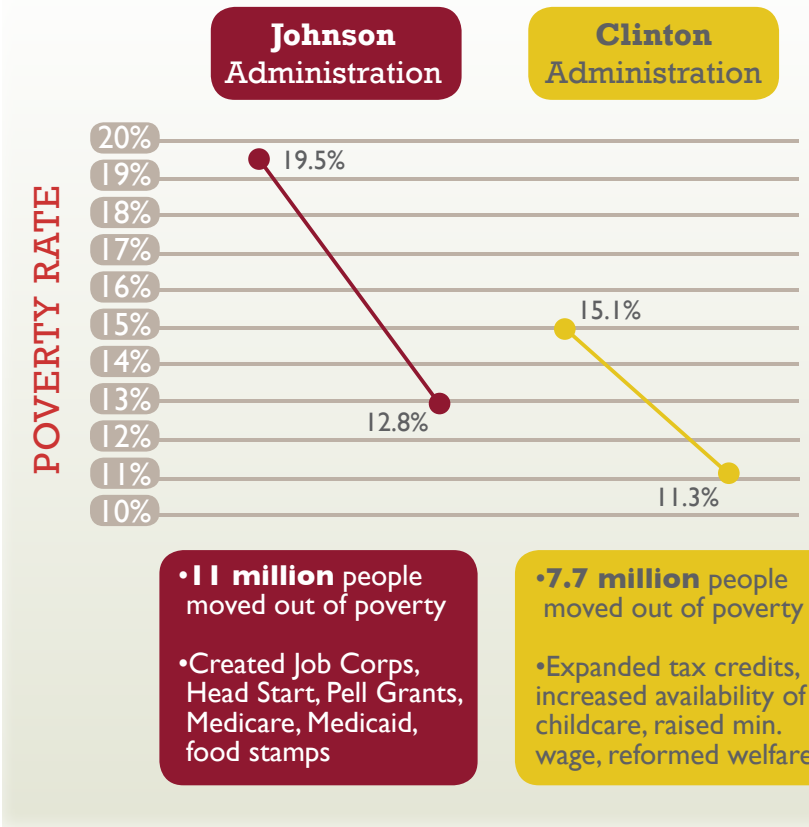
Ending Poverty Is Possible

By way of example, three young men from the impoverished neighborhoods of Newark, New Jersey—Sampson Davis, Rameck Hunt and George Jenkins—mutually supported one another through high school and, given where they were raised, achieved the statistical improbable heights of completing college and medical school. During their junior year, a university recruiter visited their school to talk about a program that groomed underprivileged students for medical careers. After the seminar, Sampson, Rameck and George made a pact to stick together, go to college, graduate and become doctors. These students not only escaped poverty but all three also went on to become doctors. They have since founded the Three Doctors Foundation, which aims “to inspire and motivate youth through education, to achieve leadership and career success



The Three Doctors, from left: Sampson Davis, Rameck Hunt, and George Jenkins, escaped poverty and formed the Three Doctors Foundation.

⋮ Joy Moses
⋮ Center for American Progress



- 11 million people moved out of poverty
- Created Job Corps, Head Start, Pell Grants, Medicare, Medicaid, food stamps
- 7.7 million people moved out of poverty
- Expanded tax credits, increased availability of childcare, raised min. wage, reformed welfare

in their community through the formation of positive peer and mentor relationships.”²

The Center for American Progress is a part of a larger movement of advocates, faith-based organizations, policy-makers, academics, think tanks and others who believe more stories like that of the three doctors are possible and that we can drastically reduce, and eventually end poverty in America. These groups believe that no problem is too big once the collective will of our nation is behind solving it. That attitude is also based on past successes with drastically reducing poverty here in America and internationally, for example:

• **LBJ’s Great Society and the War on Poverty.** Within his very first State of the Union address, President Lyndon Baines Johnson declared a war on poverty. The subsequent joint efforts of Congress and LBJ were comprehensive and multi-faceted, encompassing employment, education, housing, basic needs assistance and national service.³ Multiple programs were created that still exist today, including Job Corps, Head Start, Pell Grants and federal student loans, Medicare, Medicaid, food stamps and Volunteers in Service to America. During the Johnson administration, the poverty rate

dropped from 19.5 to 12.8 percent, moving 11 million out of poverty. As the programs continued to flourish after Johnson left office, the poverty rate dropped even lower.

• **Clinton-era Reductions in Poverty.** During the 1990s, the economy was strong, and President Clinton and Congress created various government policies that promoted and supported workers. For example, they expanded tax credits for low-income workers, increased the availability of childcare and raised the minimum wage.⁴ Significantly, the Clinton years were also defined by large-scale welfare reform that produced some mixed results—many women successfully moved from welfare to work while a significant number (15 to 19 percent) still faced employment barriers coupled with a lack of accesses to federal welfare

programs in 2000, leaving them in poverty and possibly worse off.⁵ Ultimately, the national poverty rate dropped from 15.1 to 11.3 percent between 1993 and 2000, which equated to 7.7 million people being lifted out of poverty.⁶

• **UK Child Poverty Target.** In 1999, Prime Minister Tony Blair announced a goal to end child poverty within a generation. The country decided to tackle the problem via policies that increased benefits and tax credits for families with children, established a minimum wage and expanded childcare and employment services.⁷ Statistics show that child poverty was cut in half within eight years—with 1.7 million fewer children living in poverty.

A Game Plan

Any new movement must be based on an awareness of poverty in America. In 2009, over 43 million people

It is possible to drastically reduce, and eventually end, poverty in America.

In the US, the poverty threshold for a single person under 65 was \$10,830, and the threshold for a family group of four, including two children, was \$22,050.

lived below the poverty line, representing 14.3 percent of the population. That year the US Census poverty threshold for a single person under 65 was an annual income of \$10,830; the threshold for a family group of four, including two children, was \$22,050.⁸

Alleviating and eventually ending poverty requires a thoughtful, comprehensive and multi-faceted strategy. A taskforce of well-respected poverty experts from the worlds of academia and advocacy developed an encompassing plan: From Poverty to Prosperity: A National Strategy to Cut Poverty in Half. The plan includes a series of recommendations, such as:

1) **Work Opportunities and Supports.** Work is definitely a key antidote to poverty. However, individuals with limited skills and opportunities may find it difficult to obtain and maintain employment. This is particularly true of the estimated 1.4 to 5 million disconnected

youth in their late teens and early twenties who are neither involved in school or work.⁹ Thus, the taskforce recommended greater investments in job training, job placement and service programs that help provide such supports, including YouthBuild, AmeriCorps, Service and Conservation Corps and Youth Opportunity Grants.

Additionally, approximately 41 percent of the 2.3 million people incarcerated in the nation’s prisons and jails¹⁰ have not completed high school.¹¹ Once released from prison, they frequently face job discrimination due to their criminal backgrounds.¹² Solutions focused on job training as well as preventing crime and incarceration must be developed at all levels of government.

Finally, childcare improvements and expansions are needed. Parents cannot work at all, or work effectively, if they don’t have a safe and nurturing place to leave

their children during those hours when they are on the job. However, for many low-wage workers, childcare costs are impossibly unaffordable. Forty percent of poor, single working mothers who paid for childcare in 2001 spent at least half of their cash income on childcare.¹³ Federal and state governments offer childcare assistance to low-income workers, but current structures and resources are insufficient to truly address the need. It is estimated that only 17 percent of federally eligible children received assistance in 2008.¹⁴ Thus, some restructuring of the system and increased investments are in order.

2) **Improving Incomes.** Unfortunately, there are many people in this country who work but are still struggling to get by. In the Department of Labor’s most recent study, 10.4 million people were considered a part of the working poor, meaning that they worked for a significant portion of the year, but still fell under the federal poverty line.¹⁵ Thus, the Center for American Progress’s Poverty

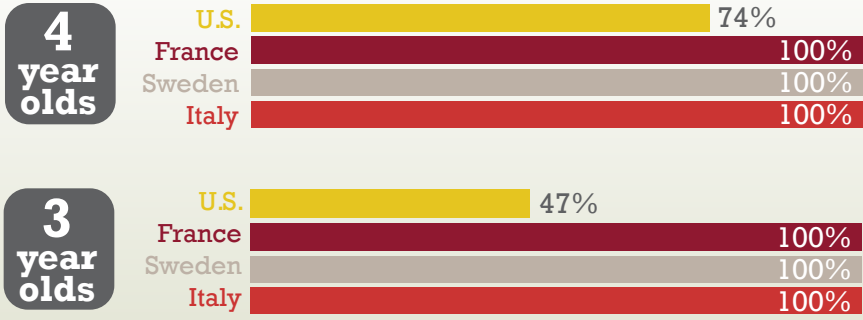
Taskforce recommends that the federal minimum wage be re-established at 50 percent of the average wage (allowing it to automatically increase over time). Fourteen states and the District of Columbia have enacted minimum wage laws that exceed federal requirements,¹⁶ and more states should consider following suit. Income improvements could be further achieved through expanded tax credits for working families and a greater freedom to unionize and collectively bargain for improved wages and benefits.

3) **Education.** Education truly opens doors to new opportunities and forms a solid pathway into the middle class. However, in order to be successful, it must work at every level. Thus, children require access to quality early childhood education. Only 74 percent of four-year-olds and 47 percent of three-year-olds par-



Participation in preschool and early childhood education programs, such as Head Start, is vital to a child’s education and future chances for success.

Participation in Pre-School Activities



ticipate in preschool services,¹⁷ reflecting the need to expand preschool programs such as Head Start, while in Sweden, France and Italy have universal enrollment in preschool.¹⁸

The Obama administration agrees that continued effort should be placed into improving pre-K–12 education through measures designed to expand learning time, promote high expectations and accountability, improve teacher quality and increase access to valuable programs and services. For example, the Obama administration’s Early Learning Challenge Grant proposal challenges states to develop effective, innovative models that promote high standards of quality and a focus on outcomes across early learning settings, and would dedicate \$10 billion over ten years toward this effort.¹⁹ “For every \$1 we invest in these programs, we get \$10 back in

AmeriCorps volunteers participate in Habitat for Humanity’s 2011 Build-a-Thon, a national event that provides opportunities for youth to share ideas and meet others who are committed to eliminating poverty housing.



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“Chronic unemployment is not a condition anyone chooses, nor does it have to be a fact of life.”

Cincinnati Works is Finding Answers to Unemployment

“Why don’t they just get a job?” It’s easy to ask that question when driving through a rundown, inner-city neighborhood. Too often “poor” is associated with “lazy,” “dependent” or “unskilled.”

When searching for inspiration to enter non-profit work, Dave and Liane Phillips understood that chronic unemployment is not a condition anyone chooses, nor does it have to be a fact of life. There are thousands of skilled and driven people who are unemployed in every major city, and there are also thousands of entry-level positions opening up every year. Dave and Liane realized that the solution to urban poverty is removing the barriers between these two groups.

The couple founded Cincinnati Works to provide anyone who voluntarily comes to their non-profit with the services needed to remove these barriers. Their approach is systematic. All applicants must agree to commit to the Cincinnati Works program with the goal in mind of working towards economic self sufficiency. The next week they must enroll in an individually tailored, 30-hour workshop to improve their job readiness. Within the next year, they must start developing skills to move beyond entry-level work.

What differentiates Cincinnati Works from other jobs programs is that applicants are not merely referred to a variety of other specialized agencies. Research shows that many individuals raised and living in poverty are depressed or lack confidence, so Cincinnati Works keeps a full-time mental health expert on staff, ready to work with applicants on their first day. Applicants with legal issues work directly with the legal coordinator. Applicants with poor computer skills for example begin to work with staff or a volunteer. The list of quality, free services goes on and on.

Even with all their faith in people, Dave and Liane couldn’t have expected their results. New employees from Cincinnati Works have an 80 percent rate of one year, continuous employment retention, compared to a 25 percent average around the nation. Over 90 major employers throughout the city now look to the organization first when filling a job opening. And, most importantly, every year over 400 people are getting employment in jobs that will lead to more stable financial sufficiency.¹

from the editor

A nation that has a sense of purpose, people to accomplish the tasks ahead and policy blueprints that have been proven and refined is able to win the battle against poverty and win for good.

reduced welfare rolls, fewer healthcare costs and less crime,” President Obama said in a 2007 speech in Manchester, New Hampshire.²⁰

Finally, higher education should be made more accessible to the poor. The Health Care and Education Reconciliation Act of 2010 made important changes to the Pell Grant program (which provides federal grants or scholarships to low-income students). However, more work lies ahead, including further raising the maximum grant to 70 percent of the average costs of attending a four-year public institution, simplifying the application process and incentivizing institutions to increase completion rates. This would go a long way toward making higher education more accessible.

Additionally states should develop strategies to make post-secondary education affordable for all residents. Georgia, for example, guarantees tuition and fees at any public college for students who graduate with a 3.0 GPA or better. In an effort to revitalize its urban center, the Kalamazoo Promise is a scholarship program that covers the cost of tuition and fees to public universities and community colleges in Michigan for students who graduate from the city’s public school system. Many other cities around the nation are looking to adapt the concept.²¹

4) **Fixing the Broken Pieces.** There are certain elements of our national life, such as housing and the safety net, that have been noticeably broken for a very long time, impacting families of varying income levels—they must be fixed. Many low- and middle-income families

pay far too much for housing and/or have been impacted by the recent foreclosure crisis. Appropriately capitalizing the National Housing Trust Fund, which is designed to create affordable housing, and multiplying investments in other programs such as rental subsidies or Housing Choice Vouchers would help in addressing this problem.

Unfortunately, regardless of work and education opportunities, there will be those who experience temporary hardships such as job losses, injuries or health problems that impact their ability to meet their basic needs. For these groups, effective safety net programs such as unemployment insurance, food stamps and energy assistance are a necessity. Yet, these programs need improvement because typically there’s only enough funding to serve a small fraction of the people who qualify for services. Many such programs have a host of other problems including burdensome application procedures, bureaucracies and a lack of outreach to potential participants. Congress and administrative officials must continue to address these barriers.

There is definitely much work ahead but there are some signs of hope. A nation that has a sense of purpose, people to accomplish the tasks ahead and policy blueprints that have been proven and refined by its best minds is able to win the battle against poverty and win for good.

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Joy Moses is a senior policy analyst at the Center for American Progress (www.americanprogress.org). She produces reports and analyses focused on alleviating, preventing and ending poverty. Her work has covered a broad spectrum of issues including federal safety net programs, access to justice and tax credits. She was previously a staff attorney at the National Law Center on Homelessness & Poverty and the NAACP Legal Defense Fund. Moses currently serves on ABA Commission on Homelessness and Poverty and the board of the Washington Council of Lawyers. She received her JD from Georgetown University Law Center and a BA from Stanford University.



Ending Homelessness: A Dream with a Plan

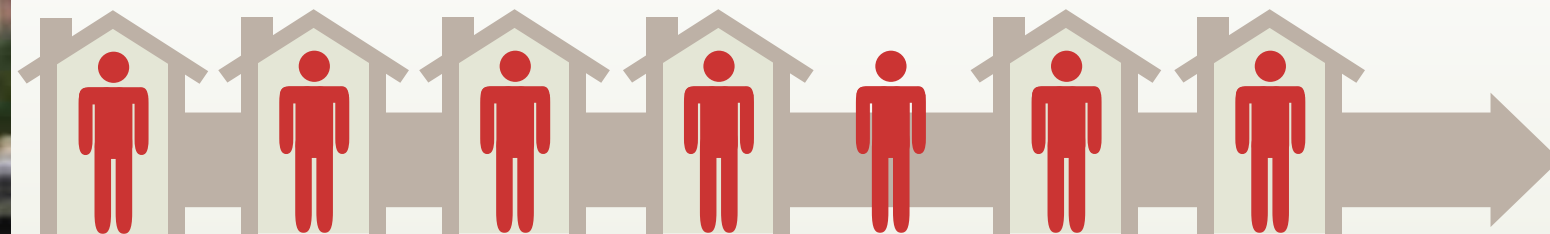
In our nation tonight, at least 650,000 people will be homeless. Over a third of them will have no shelter at all. While most will be single individuals, 37 percent will be people living in families with children. Nearly a fifth will have serious disabilities and have been homeless for years, even. But for the remaining 80 percent, homelessness will be a relatively brief, one-time-only experience—the result of the nation’s chronic shortage of housing that is affordable to low-income people.¹

Ask a 20-year-old today how homelessness can be ended and chances are you will get a puzzled look in return. In their experience, homelessness has always existed and probably always will. Ending homelessness is a dream.

Except that it is not. Many people are surprised to learn that widespread homelessness is a relatively new phenomenon in the United States. Thirty years ago, we did not have it, and we should not have it now. We should all dream of a nation in which homelessness does not exist. But that dream can be accompanied by a pragmatic, actionable plan for ending it, because ending homelessness is entirely within our grasp.

... Nan Roman
... Irene Mabry Moses
... National Alliance to End Homelessness

Of all the people who are homeless—
650,000 a night; 1,590,000 each year:



The majority will be homeless for only a brief time and never be homeless again.



Only 17% will be homeless for long periods of time
and these are people whose chronic illnesses (mental illness, chronic addictions, and physical ailments) prevent them from getting back on their feet.

Affordable Housing is the Solution

In the course of a year, nearly half of people who become homeless live in families with children; the rest are youth, veterans and single men and women. Most people are homeless because they are poor and cannot afford housing. Of all the people who are homeless—1,590,000 each year—the majority will be homeless for only a brief time and never be homeless again.² Only 17 percent will be homeless for long periods of time, and these are people whose chronic illnesses (mental illness, chronic addictions, and physical ailments) prevent them from getting back on their feet.³

The major cause of the homelessness crisis is the fact that low-income people can no longer afford housing. Thirty years ago, there were more inexpensive

apartments and houses than there were low-income people who needed them. People may have had mental illness, addiction and disabilities—they may have been very poor and living on the edge—but they could afford a place to live. Today, the cost of housing has risen much faster than people’s incomes, and there are fewer and fewer inexpensive places to live. The combination of more demand and less supply has led to homelessness. It is like a game of musical chairs: when the music stops, someone is left standing.

Of course, housing is not the only problem. People who are poor have difficulty finding jobs or accessing benefits. They lack medical care and often have untreated illnesses or disabilities. Certainly people who are homeless have unmet service and treatment needs and require more income. But the bottom line is, whatever other problems people may have, if they are housed they are not homeless.

Many people are surprised to learn that widespread homelessness is a relatively new phenomenon in the United States. Thirty years ago, we did not have it, and we should not have it now.



Often it is less expensive to help someone stay in their existing apartment than to let them become homeless and then find them a new place to live.

Costs of Serving Homeless Individuals

(Cost per day per person)

HOSPITAL INPATIENT	\$ \$1,940	
EMERGENCY ROOM	\$\$\$\$\$\$\$\$\$\$ \$905	
PSYCHIATRIC HOSPITAL	\$\$\$\$\$\$\$ \$604	
AMBULANCE	\$\$\$\$\$\$ \$527	
DETOX	\$\$\$ \$256	
JAIL	\$ \$87	
AFFORDABLE & SUPPORTIVE HOUSING	\$ \$31	For only \$31, we can avoid some of the more costly, both monetary and emotional, side effects that come with homelessness.
SHELTER	\$ \$28	

(Source: www.usich.gov/PDF/OpeningDoors_2010_FSPPreventEndHomeless.pdf -see p.10)

In 2010, the Department of Veterans Affairs estimated that there are approximately 76,000 homeless veterans, accounting for 9 percent of the entire homeless population.

Plan to End Homelessness

Research has shown us that if people can be helped to quickly return to housing, most are able to get back on their feet, re-establish their lives and move forward: they do not become homeless again. Re-housing ends homelessness and may even cost less than band-aid approaches like shelter. To be sure, people may still be poor, pay too much for housing and lack services. But they are not still homeless.

To help shift our approach to homelessness from shelter to housing, the National Alliance to End Homelessness released *A Plan, Not a Dream: How to End Homelessness in Ten Years*⁴ that gives communities a road map to solutions. The step-by-step process begins with a plan and a commitment to ending homelessness completely and implementation of the following programs:

Prevention. After committing to a plan, preventing people from becoming homeless is the first step. Often it is less expensive to help someone stay in their existing apartment than to let them become homeless and then find them a new place to live. It is also the right thing to do: Why put a domestic violence survivor and her children in a shelter when an apartment would be safer and more nurturing?

Besides losing their housing because of poverty or a crisis, many people become homeless after being discharged

from public institutions like foster care, hospitals, mental health facilities, jails or prisons. A more effective, and less costly, approach is to create a support system that helps people transition quickly into housing—the necessary platform for their future employment and stability.

Housing. To get homeless people rapidly back into housing, a whole new set of strategies is being used. More affordable housing must be produced. Communities need a toolbox of housing resources, including rental subsidies, housing locators and landlord negotiators. To house the most vulnerable and challenged street people, permanent supportive housing (housing with services) is necessary. Tens of thousands of such units have been created over the past decade, and they are slowly but surely reducing chronic homelessness.⁵

Big Picture. The final strategy is to make progress on the housing crisis, low incomes and holes in the safety net. This is a huge challenge, especially during difficult economic times. However, a new initiative could help unlock some federal resources in the service of ending homelessness. Released in June 2010, *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*⁶

Communities need a toolbox of housing resources including rental subsidies, housing locators, and landlord negotiators and more.

sets ambitious five- and ten-year goals. It mobilizes mainstream programs such as housing, veterans' assistance, youth programs, welfare and child welfare to do their parts on the homelessness front. While it will not solve the housing crisis or end poverty, using these federal mainstream resources more strategically can have a major impact on homelessness.

Ending Homelessness is Achievable

More than 240 cities, towns and rural areas across the nation, Congress, several administrations, mayors, governors and legislators have adopted plans to end homelessness and are reducing homelessness nationwide.⁷

Organizations like National Alliance to End Homelessness, EveryOne Home and BOSS are successfully working for solutions to homelessness locally, statewide and nationally.



Janny (yellow shirt) is now a star staff member of the organization that helped her get back on her feet.

“I have survived abuse, addiction and homelessness. My younger years were rough, relationships were hard and I often made decisions that were bad versus what was good for me.

During a 9 year bout with homelessness BOSS gave me the support and time I needed to find subsidized housing and finally to create a stable healthy environment for my children.”

EveryOne Home, a project in Alameda County (Oakland, CA), is working to permanently house the 15,000 homeless individuals and families in the county by 2020.⁸ To meet this ambitious goal, a hotline has been set up to help prevent homelessness. For those who do become homeless, a centralized intake and screening process assesses needs, and one of eight housing resources centers helps them get back into housing with access to the necessary services. To ensure that there is an adequate supply of affordable and permanent supportive housing, EveryOne Home has adopted housing production goals. To keep everything on track, there is a rigorous evaluation of outcomes and a strong component focused on the development of long-term leadership and political will. EveryOne Home is well on the way to meeting its goal: the county has already reduced family homelessness by 37 percent since 2004.⁹

Photo courtesy National Alliance to End Homelessness

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As long as it's been since I was homeless, the pain is still buried deep inside. When I see a person in that place, I recall that pain.

When my ex-husband returned from Vietnam with a heroin addiction, I made the decision to leave. Even working, I found it hard to maintain my previous lifestyle and ended up homeless, walking the streets of DC with my two young daughters.

I was soon in a shelter where I stayed for six months. The situation may seem inconceivable to most but I've seen so many people who are just one paycheck away from homelessness.

And the reality of being homeless—without a permanent place of residence—is just one part of the issue. The embarrassment, the self-pity, the stares, the taunting, the rejection—it all compounds the situation. I felt the terror my children did that their schoolmates would find out about us. I felt I couldn't call my parents or friends because I was afraid of what they would think. I know too well the stigma our society assigns to people experiencing homelessness; if you're homeless, people seem to think it must mean you're an addict, disturbed or just lazy.

In my time living in shelter, I met people insincere in their efforts and unable to understand my situation.

But today, that's changed. Today there are more programs, more strategies and more people who are dedicated to helping others move forward. I've seen programs that emphasize rapid re-housing, supportive housing, job opportunities, healthcare and other social services critical to helping vulnerable people move forward with their lives.

As a woman with intimate knowledge of the issue, I am truly blessed to serve on the Board of Directors of the National Alliance to End Homelessness. In this work, and in my personal life as a realtor helping people access housing, I feel that I am returning the blessings that helped me out of homelessness. Words can never express the joy of someone who's experienced homelessness, stabilized and turned around to lend a helping hand to another in need. It is a joy that I know and embrace wholeheartedly.

an author's story

Go to dreamofanation.org
to get the book!



It's move-in day for a family because of the help of EveryOne Home. The family had been dealing with chronic homelessness for over a year.

Photo courtesy National Alliance to End Homelessness

Ending homelessness may be a dream for our nation; but with a good plan, it is a dream that we can achieve.

Other cities are also experiencing impressive results as they implement plans to end homelessness. Quincy, Massachusetts cut chronic homelessness by over half. Chicago, Illinois and Fort Worth, Texas reduced overall homelessness by ten percent in just a few years.

Nationally, between the time that homelessness first emerged and the onset of plans to end homelessness, the number of homeless people annually had been increasing, from 550,000 (1987) to 800,000 (1997). Since then, the number has been decreasing (at least until the recession, when it flattened out). Because of a federal focus on ending chronic homelessness with permanent supportive housing, we have done even better in that area: Chronic homelessness has been reduced over 30 percent.¹¹

A similar approach has been implemented in Wichita, Kansas. New permanent housing units and services worked to reduce homelessness by 50 percent. An evaluation of the first 12 women housed revealed a 50 percent reduction in emergency room visits and a 90 percent reduction in in-patient hospital stays. These, along with other reductions in public service utilization, have saved the community roughly \$41,000 annually for those 12 women alone.¹⁰

Ending homelessness may be a dream for our nation, but with a good plan, it is a dream that we can achieve. We are not there yet, but we are beginning to see what ending homelessness might look like. While today's 20-year-olds may believe homelessness is inevitable, their children may have to use their imaginations to think of a world where homelessness exists.

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Nan Roman, president and CEO of the National Alliance to End Homelessness (endhomelessness.org), is a leading national voice on the issue of homelessness. She developed a pragmatic plan to end homelessness in ten years. To implement this plan, Roman works closely with members of Congress and the administration, as well as with cities and states across the nation. She collaborates with Alliance partners to educate the public about the real nature of homelessness and successful solutions.



Irene Mabry Moses is the founder and CEO of Faith Realty LLC and has served as a board member for the National Alliance to End Homelessness since 2008. The realtor, who once experienced homelessness herself, is an active member of her community, her church and charitable organizations focused on housing and poverty.

(See left for Moses' picture and story.)

Solving the World's Water Supply Crisis

Around the world, nearly 1 billion people lack access to safe drinking water and 3.6 million people die from water-related illnesses each year. Unsafe water and poor sanitation is one of the world's greatest humanitarian crises. And it affects the most vulnerable populations—the world's poor.

Actor Matt Damon co-founded Water.org, a nonprofit that seeks to end the global water supply crisis. Damon is more than the organization's spokesman. He has immersed himself in the issue and is directly involved with the organization's activities.

"I think what resonates with me most is when you see people living without clean water and they're forced to scavenge for water and basically use up all of their time just doing that," said Damon. "You realize that they're in such a crippling cycle of poverty; it's just a death spin that they can't possibly get out of."¹

Water.org helps communities in Africa, Asia and Central America gain access to safe water and sanitation. The organization helps negotiate loans between microfinance institutions and communities that will be used to building systems to tap into a well. The community helps raise the money, participates in construction and maintenance and as a result is engaged and empowered.² "Our vision is clean water and sanitation for everyone, in our lifetime," said Damon.³

Since its inception in 1990, the organization has helped hundreds of communities and tens of thousand of individuals gain access to safe water and sanitation. Water.org has been successful in raising money and attracting institutional funders because many believe that its approach and solutions are scalable. Rather than a top-down charity, Water.org's approach is bottom-up sustainability.⁴



“Every
20 seconds,
a child dies from
a water-related
disease.”

0.7% of Wealth: A Small Price to End Global Extreme Poverty

• Alison Gemgnani
• United Nations Millennium Campaign

With five years to go to the MDGs [Millennium Development Goals] target date of 2015, the prospect of falling short of the Goals due to lack of commitment is very real. This would be an unacceptable failure, moral and practical. If we fail, the dangers in the world—instability, violence, epidemic diseases, environmental degradation, runaway population growth—will all be multiplied.

⇒ United Nations Secretary, General Ban Ki-moon, Keeping the Promise, February 2010

In the world of development and poverty reduction, statistics are at times the most valuable snapshot for telling us where we are and where we need to be. According to the 2010 UN Millennium Development Goals report, tremendous progress has been made in the fight against poverty. Enrollment in primary school reached 89 percent in the developing world, the under-five mortality rate dropped by 28 percent and rural drinking water coverage increased to 76 percent.¹

Nevertheless, significant gaps remain, and the road ahead may be more difficult than the one already traveled. Eleven percent of children—a staggering 72 million—are still denied access to primary education. Every year, 8.8 million children die from preventable diseases such as diarrhea and pneumonia. Ensuring that the remaining 24



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THE 8 Millennium Development Goals aim to:

- 1 Eradicate extreme poverty and hunger
- 2 Achieve universal primary education
- 3 Promote gender equality and women's empowerment
- 4 Reduce child mortality
- 5 Improve maternal health
- 6 Combat HIV/AIDS, malaria, tuberculosis, and other diseases
- 7 Ensure environmental sustainability and better access to water and sanitation
- 8 Create a global partnership for development

percent of rural households gain access to drinking water will require overcoming the current technical, logistical and financial constraints.

When nations gathered at the United Nations Millennium Summit in 2000, they entered an extraordinary promise to work together to rid the world of extreme poverty and its root causes by the year 2015. For the first time, nations recognized that they share an equal

responsibility to create a better world. This historic agreement become known as the Millennium Development Goals, more often referred to as the MDGs.

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Achieving the Millennium Development Goals

The Goals are achievable; they have timelines and deadlines and are locally defined and measurable. The MDGs have helped transform entire countries and the results are staggering:

- Through a national input subsidy program, Malawi went from a 43 percent national food deficit in 2005 to a 53 percent food surplus in just two years.
- Kenya eliminated school fees and, as a result, enrolled an additional two million children in primary school.
- Due to the government's successful health insurance program, Rwanda is likely to meet—and even surpass—the child and maternal mortality targets by 2015.
- Cambodia has managed to halt and reverse the spread of HIV.
- With an increased investment in water and sanitation resources, Guatemala increased access to improved drinking water for 96 percent of the population and improved sanitation for 84 percent.

When it comes to the MDGs, in addition to the number of children enrolled in primary school, the number of children dying every year from preventable diseases, or the number of rural households that have gained access to drinking water, one of the most important statistics to achieve the MDGs is the responsibility of rich governments: 0.7 percent.



0.7% represents the percentage of Gross National Income donor countries have committed in Official Development Assistance.

It is believed that 0.7% is vital in achieving the MDGs and ensuring the end to extreme poverty within a generation.

5 countries not only reached but surpassed the 0.7% target in 2009:

Sweden (1.12%) Norway (1.06%) Luxembourg (1.01%) Denmark (0.88%) The Netherlands (0.82%)

Australia, Canada, Japan, Switzerland and the United States have yet to commit to the 0.7% target.

The United States pales in comparison to many other countries with only a 0.2% contribution.

United States (0.2%)

According to development experts, 0.7 percent represents the percentage of Gross National Income (GNI) that donor countries have committed in Official Development Assistance.² It is believed that 0.7 percent is vital in achieving the MDGs and ensuring the end to extreme poverty within a generation. First pledged 40 years ago in a 1970 UN General Assembly Resolution, the 0.7 percent target has been reaffirmed in many international agreements over the years.

Even so, the 0.7 aid target alone will not achieve the MDGs. Donor and recipient governments must work in partnership to ensure that aid is used effectively, resources are delivered and allocated properly through transparent channels and countries must practice good governance.

Living Up to Commitments

Five countries not only reached but surpassed the 0.7 percent target in 2009: Sweden (1.12%), Norway (1.06%), Luxembourg (1.01%), Denmark (0.88%) and the Netherlands (0.82%).³ As of 2005, 16 of the 22 donor countries either have met or agreed to reach the 0.7 percent target by 2015. While reasons may vary among countries for their commitment to the 0.7 percent target, these countries see the value in investment in development and have the political will to ensure that they provide the expected contribution to the MDGs.

Australia, Canada, Japan, Switzerland and the United States have yet to commit to the 0.7 percent target.

Together, we can hold our leaders accountable to the promises made to the most vulnerable members in our global community and provide hope for a better future for all.

The current shortfall is \$18 billion (in 2004 dollars) against the 2005 commitments. Despite being the largest donor in terms of volume (\$28.7 billion), the United States pales in comparison to many other countries with only a 0.2 percent contribution. If the United States met the targeted 0.7 percent in 2009, the contribution would have been approximately \$99.6 billion dollars—a difference of \$70.9 billion.

To provide a sense of US Government spending, the Department of Defense's 2010 budget totaled \$690 billion, including funding for the wars in Iraq and Afghanistan, whereas the Department of State's 2010 budget, which includes the United States Agency for International Development (USAID), was \$54 billion.⁴ The State Department and USAID are the lead agencies in charge of US diplomacy and development. Although diplomacy and development spending may never reach the levels of defense spending, leadership within the US government has recognized the need for civilian power to promote stability and economic growth.

President Obama's 2010 National Security Strategy calls development a strategic, economic imperative, and during a September 2010 Conference in Washington, DC, Secretary of Defense Robert Gates argued that "development is a lot cheaper than sending soldiers." Not only is development cheaper, but it also promotes good governance, leads to stability and can help create conditions that no longer require soldiers. Helping others escape poverty is necessary to create a just and stable world. When foreign states malfunction, their societies are likely to experience steeply escalating problems that spill over to the rest of the world, including the United States. Failed states are seedbeds of violence, terrorism, international criminality, mass migration and refugee movements, drug trafficking and disease.

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The United States and the Millennium Development Goals: From Rhetoric to Reality

We will support the Millennium Development Goals, and approach next year's summit with a global plan to make them a reality. And we will set our sights on the eradication of extreme poverty in our time.

➤ President Barack Obama, September 2009

In his first appearance before the United Nations General Assembly in New York, President Barack Obama declared that the MDGs are "America's Goals." This declaration set a tone for how the United States would re-engage with the MDGs in the final years before the 2015 deadline. A year later, Obama followed through by pledging to double US foreign assistance to \$50 billion by 2012; invested nearly \$100 billion dollars in major development initiatives to address the most pressing development issues (global health, food security and climate change;) and announced a Presidential Policy Directive on Global Development—the first of its kind from any administration—demonstrating continued US leadership in global development.

In the US, the Millennium Campaign works with partner organizations and individuals like you to closely monitor US contributions to the MDGs. Together, we can hold our leaders accountable to the promises made to the most vulnerable members in our global community and provide hope for a better future for all.

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from the editor

Ensuring Effective Aid

Author, economist and native Zambian, Dambisa Moyo has a different and emerging view about foreign aid. She is calling for the world to taper off financial assistance to African governments, putting an end to all of it. In her 2009 book, *Dead Aid*, Moyo blames Africa's poverty and corruption on foreign economic assistance. In response to the arguments by defenders of aid, Moyo points out the undisputed facts. Dysfunctional regimes have received billions in aid from Europe and the US. Corrupt leaders are the ones that benefit financially, not the impoverished citizens and the continent is saddled inflation and an unsustainable debt burden from huge loans. The final clincher is that most of Africa is poorer now than it was before aid dollars began to increase, a few decades ago.¹

Moyo does not condemn all aid, only aid to governments—large sums of money transferred from government to government. Humanitarian aid, emergency aid and aid given to specific organizations and people on the ground is still necessary. Moyo is advocating for the solutions that have worked in China and India. For Africa, she recommends paths to independence: higher-interest and less lenient, capital market bonds; partnerships with the Chinese who have already done more for Africa's infrastructure and economic growth in the last five years than the US has done the last 50; and more microfinance, efficient banking of savings and remittances. Not everyone is opposed to Moyo's ideas, African government ministers and major charities are listening.² Ultimately, Moyo wants what most everyone else wants for Africa: long-term growth and jobs not band-aid responses and temporary solutions.

“Most of Africa is poorer now than it was before aid dollars began to increase, a few decades ago.”



Photo courtesy David Grundy



Building Prosperity From the Ground Up

Today, more than 925 million people—one-sixth of the world’s population—suffer from undernourishment.¹ We have all seen the harrowing images of desperate, grinding poverty in the developing world. We want to take action, but the vastness and depth of global hunger and poverty can make it feel overwhelming and inevitable. It is not inevitable. We can end hunger and poverty, but it will take a groundswell of people to achieve it. With strategic interventions, the women and men of the developing world can end their own hunger and poverty.

Mobilizing People at the Grassroots Level to Build Self-Reliance

When people are chronically hungry, they do not simply lack food. Chronic hunger is often coupled with marginalization, subjugation, disempowerment and resignation. Many impoverished communities in the developing world have watched development initiatives sweep in with abundant goods and services and then depart, leaving the community no better than it started once the goods and services are no longer available. They feel powerless and have little hope for change. They become resigned to thinking that poverty is their fate.



⋮ The Hunger Project Staff

Community members help build Zakpota Epicenter in Benin (2007).

A mother’s social and economic status is one of the best indicators of whether her children will escape poverty and be healthy.

Simply addressing physiological hunger is not a sustainable solution—it actually perpetuates the cycle. The key is empowering impoverished communities to take action to meet their basic needs. By building capacities, leadership, confidence and sense of community, people living in the conditions of hunger and poverty can be self-reliant, which will ultimately lead to lasting improvement. Using this approach, the cycle of poverty can be broken by the people who are living it every day.

Empowering Women as Key Change Agents

Studies show that when women are supported and empowered, all of society benefits. Their families are healthier, more children go to school, agricultural productivity improves and incomes increase. In short, communities become more resilient. Empowering women to be change agents is an essential element in ending global hunger and poverty. Not only do women comprise almost 60 percent of the world’s hungry people;² they also bear almost all responsibility for meeting basic needs of the family. They cook and serve food; collect water and fuel; and care for the children, elderly and sick in the community. Women also produce more than 50 percent of all food grown worldwide.³ Despite their critical role, women are systematically



Rural Bank Manager at Vowogdo Epicenter in Burkina Faso with her child (2010).

denied the resources, information and freedom of action they need to effectively fulfill this responsibility.

Investing in women pays off. Research shows that women are far more likely than men to financially invest in their children’s health, education and household needs. For example, when women farmers receive the same inputs as male farmers, output can increase up to 22 percent.⁴ A mother’s social and economic status is one of the best indicators of whether her children will escape poverty and be healthy.⁵

There are a number of successful microfinance programs that are specifically focused on the economic

Research shows that women are far more likely than men to financially invest in their children’s health, education and household needs.

A recent study* showed that



*Chris Fortson, “Women’s Rights Vital for Developing World,” Yale News Daily 2003.



Communities in Malawi have seen great success using the Epicenter Strategy. These two teachers changed their lives by getting the education needed to become teachers and are now changing the lives of the next generation. (2009)

All photos courtesy The Hunger Project

and Action Workshop. They create a common vision and commit to take actions, both individually and collectively, to end hunger and poverty in their villages. It is with these collective commitments that a sense of community and accomplishment develops among the villagers.

Another central component of the Epicenter Strategy is the construction of the Epicenter building. Through their own labor, the villagers construct a building that houses a training center, meeting hall, food-processing center, health clinic, library and

classrooms. Nurses' quarters, a food bank and demonstration farm, where farmers learn new techniques to improve their crops, are also constructed nearby.

After the Epicenter building is in place and the support programs are up and running, the community continues working toward meeting the following goals:

- The empowerment of women
- Increased adult and child literacy
- Improvement in maternal and child health
- Increased food security
- Reduction of diseases such as malaria and HIV/AIDS
- Increased access to credit and creation of income-generating activities
- Environmentally sustainable and appropriate farming practices

As these goals are accomplished, the community's confidence and influence increase, and they are able to successfully make demands of the local government for services and personnel, such as teachers and health professionals. Simply put, the community begins to emerge from the stranglehold of chronic hunger and poverty.

If we want to end world hunger and abject poverty, it is imperative that we invest in women.

empowerment of women in developing countries. Through access to microfinance, women engage in income-generating activities, increase their incomes and are better able to meet their families' basic needs. Furthermore, women develop self-confidence and assertiveness, and thus gain elevated status in their households and communities. Such programs create a new future where women and men are equal partners in the well being of their families and their community. If we want to end world hunger and abject poverty, it is imperative that we invest in women.

An On-the-Ground Strategy for Success

Fighting hunger and poverty on a global scale hinges on community-led development. In Africa, The Hunger Project (THP) developed an approach called the Epicenter Strategy, which has been successfully used to mobilize clusters of rural villages to create and run programs to achieve sustainable progress in health, food security, education, agriculture and income generation. Through the Epicenter Strategy, communities that were once impoverished become self-reliant in approximately five to eight years.

Initially, people from around 10 to 15 villages voluntarily come together to participate in a Vision, Commitment



Photo courtesy The Hunger Project/Paul Voorthuis 2006

“Power can be taken, but not given. The process of the taking is empowerment in itself.” ➤ Gloria Steinem



Photo courtesy The Hunger Project/Paul Voorthuis 2006

In addition to its work in Africa, THP has other programs around the world to build prosperity from the ground up. In India, THP works with women who have been elected to their village councils. Federation meetings of elected women (top—Jaipur, India) and Women's Leadership Workshops (bottom—Bikaner, India), empower the women to be effective change agents for the end of hunger in their villages (2006).



The Epicenter Strategy has been implemented in eight countries, reaching an estimated 1.8 million people, who are proving through their actions that an end to hunger and poverty is possible.

As the community continues to make progress, a Microfinance Program targeted toward rural women provides a crucial missing link for ending poverty—the economic empowerment of women. With the Microfinance Program, women can expand or start businesses and with their income, improve their farms, purchase food, send their children to school and save for the future. For example, with an initial loan of about \$75, Elizabeth Kalimbuka of Malawi started a cattle business. Not only has she since made a profit and repaid her loan, she also has accumulated enough food for her family until the next harvest season (about four months), renovated her home and is able to pay school tuition for her niece and nephew.

The ultimate goal of the program is to gain government recognition and operate as a licensed Rural Bank. Once this is achieved, the Rural Bank provides the entire Epicenter community with sustainable access to savings and credit facilities. Since the inception of the Microfinance Program in 1999, THP has grown the loan portfolio to approximately US\$2.4 million across Benin, Burkina Faso, Ethiopia, Ghana, Malawi, Mozambique, Senegal and Uganda.

The Epicenter Strategy is an integrated model of development that can be applied anywhere in the world. It has been implemented in eight countries in Africa, reaching an estimated 1.8 million⁶ people, who are proving through their actions that an end to hunger and poverty is possible. To date, 21 Epicenters are deemed self-reliant, meaning they are able to fund their own activities and require little or no financial investment from The Hunger Project. The communities have consistent and reliable access to healthcare, education, food, clean water, safe sanitation, savings and credit.⁷ Dozens more communities are well on their way to achieving the same reality.

Our Role as a Developed Nation

The best way for us—as individuals or as a nation—is to partner with and invest our financial resources in the women and men in the developing world.

Both through our government and through charitable non-governmental organizations, Americans spend billions of dollars on aid to the developing world. It is critical that these significant resources constitute more than just a band-aid but a sustainable solution. An example of a band-aid or of intervention that does not promote sustainability or self-reliance is food aid. The United States, in recent years, has provided much of its aid in the form of food, but three-quarters of that food is grown in the US.⁸ This US-grown food, when imported to developing countries, leads to destabilization and reduced local market prices, threatening the livelihoods of local producers and traders upon whom long-term food security depends.⁹ However, given recent commitments by world leaders, it seems as though the United States and the world is at



**of US foreign aid
food is grown
in the US.**

Imported food leads to destabilization and reduced local market prices, threatening the livelihoods of local producers upon whom long-term food security depends.



This woman was able to greatly improve her and her family's living conditions because of a small loan that allowed her to start her own business selling rice. (2005)

the threshold of an extraordinary sea change in how we spend foreign aid and that the focus is shifting to empowering people to become self-reliant. For example, in July 2009, world leaders made an unparalleled financial commitment to end world hunger at the G8 summit. They announced a commitment of \$20 billion over three years for a Food Security Initiative that will support rural development in developing countries. This commitment is not only financially significant, but it also represents a shift in how the world is seeking to address the issues of hunger and poverty. Rather than providing short-term food aid, the focus is shifting

Ultimately, the key to ending hunger and poverty will only be found in the women and men who live that life each and every day.

toward building the capacity of rural farmers, particularly women, in the developing world to increase their food production.

In the developed world, in addition to governments, individuals also have an important role to play in the fight against hunger and poverty. A small financial contribution to a non-profit or via a microfinance program that focuses on empowering people, particularly women, at the grassroots level can have a remarkable impact on a family's life. For example, \$60 could provide a loan to a rural woman, who in turn starts a small business that will generate income that she uses to send her children to school and provide them with nourishing food.

Ultimately, the key to ending hunger and poverty will only be found in the women and men who live that life each and every day. As governments and individuals in the developed world, it is our responsibility to partner with people and invest in them so they too can lead lives of self-reliance, meet their own basic needs and build better futures for their children. Together—governments and individuals in the developing and developed world—must work to ensure that every woman, man and child has the opportunity to live a dignified life.

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The Hunger Project (www.thp.org) is a global, non-profit, strategic organization committed to the sustainable end of world hunger. In Africa, South Asia and Latin America, The Hunger Project seeks to end hunger and poverty by empowering people to lead lives of self-reliance, meet their own basic needs and build better futures for their children.



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