Focusing on Prosperity

Presentation by Barbara Garcia
Focus on the Economy
October 8, 2015
As US Median Household Income Falls, SD and US Converge
Poverty Rates Have Risen in US and South Dakota

![Graph showing poverty rates over time for South Dakota and the U.S. from 1999 to 2014. The line for South Dakota is consistently above the line for the U.S., indicating higher poverty rates in South Dakota.](image-url)
How Are We Doing Now?

Median Household Income

- Sioux Falls $71,000
- Rapid City $64,800
- Sioux City $58,800
- Dewey Co. $43,900 Eagle Butte
- Ziebach Co. $34,400 Cheyenne River
- Todd Co. $33,600 Rosebud
- Oglala Lakota
- Co. $28,300 Pine Ridge
Four Types of Poverty

<table>
<thead>
<tr>
<th>Situational</th>
<th>Working Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immigrant</td>
<td>Generational</td>
</tr>
</tbody>
</table>
poverty

illiteracy human trafficking
disease war racism
inflation homelessness
corruption genocide child labor
africa hiv/aids
oppression orphans crime
crowding hunger debt death slums
disasters drought inequality
neglect hopeless rebellion
spiritual deprivation
Poverty Realities in America

• The Numbers
  – More than 15% of the population live in poverty (43.2 million people)
  – *South Dakota – 14.1% (98,227 people)
  – *Rapid City – 16% (11,200)

(*2009-2013)
Poverty Realities in America

• Housing
  – 1 in 4 working households spend more than 50% of their pre-tax income on house
  – Need 2.1 minimum wage jobs in S.D. to afford 2 bedroom apartment
Poverty Realities in America

• Welfare
  – Average check for 1 adult and 2 children is $478
  – In 20 years amount increased only $70
  – Average increase for a baby born is $60
  – Average disability check is $600
  – Less than 2% of Federal Budget is allocated to welfare.
Poverty Realities in America

• Food
  – Rates of hunger continue to climb
  – 44.6 million people suffer food insecurity
  – Almost 1/3 chronic hunger
  – SNAP (Food stamps) allocates only $4.40 per day, per person
Poverty Realities in America

• Education

Youth living in poverty least likely to become educated
Poverty Realities in America

- Working Hard
  - 2/3 of people in poverty work 1.7 jobs
  - 86% of counties in U.S. - person earning twice the minimum wage can’t pay rent & other basic needs
  - Rapid City median hourly wage $14.25
The Big Income Gap is Between Natives and Non-Natives
Age and Gender of Head of Household Also Important

Households below the poverty level by type
South Dakota, 2014
## Wage Calculation - Rapid City, SD

<table>
<thead>
<tr>
<th>Hourly Wage</th>
<th>1 Adult</th>
<th>1 Adult 1 Child</th>
<th>1 Adult 2 Children</th>
<th>1 Adult 3 Children</th>
<th>2 Adults</th>
<th>2 Adults 1 Child</th>
<th>2 Adults 2 Children</th>
<th>2 Adults 3 Children</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Living Wage</strong></td>
<td>$9.57</td>
<td>$20.22</td>
<td>$24.13</td>
<td>$30.36</td>
<td>$8.08</td>
<td>$11.16</td>
<td>$13.35</td>
<td>$15.48</td>
</tr>
<tr>
<td><strong>Minimum Wage</strong></td>
<td>$8.50</td>
<td>$8.50</td>
<td>$8.50</td>
<td>$8.50</td>
<td>$8.50</td>
<td>$8.50</td>
<td>$8.50</td>
<td>$8.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual Wage</th>
<th>1 Adult</th>
<th>1 Adult 1 Child</th>
<th>1 Adult 2 Children</th>
<th>1 Adult 3 Children</th>
<th>2 Adults</th>
<th>2 Adults 1 Child</th>
<th>2 Adults 2 Children</th>
<th>2 Adults 3 Children</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Living Wage</strong></td>
<td>$19,906</td>
<td>$42,058</td>
<td>$50,190</td>
<td>$63,149</td>
<td>$16,806</td>
<td>$23,213</td>
<td>$27,768</td>
<td>$32,198</td>
</tr>
<tr>
<td><strong>Poverty Wage</strong></td>
<td>$11,770</td>
<td>$15,930</td>
<td>$20,090</td>
<td>$24,250</td>
<td>$15,930</td>
<td>$20,090</td>
<td>$24,250</td>
<td>$28,410</td>
</tr>
<tr>
<td><strong>Minimum Wage</strong></td>
<td>$17,680</td>
<td>$17,680</td>
<td>$17,680</td>
<td>$17,680</td>
<td>$17,680</td>
<td>$17,680</td>
<td>$17,680</td>
<td>$17,680</td>
</tr>
</tbody>
</table>

*Living wage based on 2014.*
<table>
<thead>
<tr>
<th>Annual Expense</th>
<th>1 Adult</th>
<th>1 Adult 1 Child</th>
<th>1 Adult 2 Children</th>
<th>1 Adult 3 Children</th>
<th>2 Adults</th>
<th>2 Adults 1 Child</th>
<th>2 Adults 2 Children</th>
<th>2 Adults 3 Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>$491</td>
<td>$776</td>
<td>$776</td>
<td>$1,048</td>
<td>$581</td>
<td>$776</td>
<td>$776</td>
<td>$1,048</td>
</tr>
<tr>
<td>2015</td>
<td>$503</td>
<td>$594</td>
<td>$794</td>
<td>$1,072</td>
<td>$594</td>
<td>$794</td>
<td>$794</td>
<td>$1,072</td>
</tr>
<tr>
<td><strong>2012 costs except where noted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td>$242</td>
<td>$357</td>
<td>$536</td>
<td>$749</td>
<td>$444</td>
<td>$553</td>
<td>$713</td>
<td>$904</td>
</tr>
<tr>
<td>Child Care *2015</td>
<td>$0</td>
<td>$480</td>
<td>$960</td>
<td>$1,440</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Medical</td>
<td>$120</td>
<td>$404</td>
<td>$425</td>
<td>$406</td>
<td>$309</td>
<td>$400</td>
<td>$377</td>
<td>$387</td>
</tr>
<tr>
<td>Housing *2015</td>
<td>$503</td>
<td>$594</td>
<td>$794</td>
<td>$1,072</td>
<td>$594</td>
<td>$794</td>
<td>$794</td>
<td>$1,072</td>
</tr>
<tr>
<td>Transportation</td>
<td>$306</td>
<td>$595</td>
<td>$686</td>
<td>$736</td>
<td>$595</td>
<td>$686</td>
<td>$736</td>
<td>$748</td>
</tr>
<tr>
<td>Other</td>
<td>$65</td>
<td>$155</td>
<td>$200</td>
<td>$262</td>
<td>$120</td>
<td>$155</td>
<td>$176</td>
<td>$204</td>
</tr>
<tr>
<td>Required monthly income after taxes</td>
<td>$1,236</td>
<td>$2,585</td>
<td>$3,601</td>
<td>$4,665</td>
<td>$2,062</td>
<td>$2,588</td>
<td>$2,796</td>
<td>$3,315</td>
</tr>
<tr>
<td>Required Annual Income after taxes</td>
<td>$14,832</td>
<td>$33,420</td>
<td>$43,212</td>
<td>$55,980</td>
<td>$24,744</td>
<td>$31,056</td>
<td>$33,552</td>
<td>$39,780</td>
</tr>
<tr>
<td>Annual taxes</td>
<td>$1,779</td>
<td>$3,841</td>
<td>$4,705</td>
<td>$5,891</td>
<td>$2,969</td>
<td>$3,657</td>
<td>$3,946</td>
<td>$4,641</td>
</tr>
<tr>
<td>Required Annual income before taxes</td>
<td>$16,611</td>
<td>$37,061</td>
<td>$47,917</td>
<td>$61,871</td>
<td>$27,713</td>
<td>$34,713</td>
<td>$37,498</td>
<td>$44,421</td>
</tr>
</tbody>
</table>
Living Wages by Employment

Wage by Employees.pptx
The Effects Of Poverty in America

- Feelings of personal deficiency
- Shorter life span
- Lack of education
- Low, non-livable wage
- Incarceration
- Domestic Violence
- Mental burden equivalent to losing 13 IQ points
Moving from Poverty to Prosperity
What is Prosperity?

• Webster – *The condition of being successful or thriving; especially economic well-being; advance or gain in anything good or desirable.*

Business dictionary – *Condition where people’s basic needs for food, clothing, and shelter are met*
Prosperity Indicators

“Quality of Life”

• Education
• Income/Job Security
• Wealth
• Health
• Family Life
• Community Life
Prosperity Initiative:
The John T. Vucurevich Foundation seeks to invest in community programs and partners that align collaborative approaches to move people through a continuum of success from cradle to career in an effort to promote independence and prosperity to break the cycle of poverty.
Rapid City’s 7 “Core Values”

- Balanced Pattern of Growth
- Vibrant Livable Community
- Safe, Healthy, Inclusive, Skilled Community
- Efficient transportation & Infrastructure
- Economic Stability and Growth
- Outstanding Recreational & Cultural Opportunities
- Responsive, Accessible & Effective Governance
PROSPERITY SOLUTIONS

• Education
  – Early education for youth
  – Reduce drop-out rates
  – Promote college savings plans

• Job Training
  – Vocational education
  – Advanced job skills training

• Micro-enterprise loans for business start-up
PROSPERITY SOLUTIONS

• Community Education about supportive services for referrals

• Asset Building
  – Individual Deposit Accounts (matching funds)
  – Micro-loans for credit building and debt reduction
  – Homebuyers education for purchasing a home
  – Financial management education
  – Mentors to help build social capital and support networks
Thank You for Attending

Barbara Garcia
Manager
Community Development
City of Rapid City
333 6th St., Rapid City, SD 57701
(605) 394-4181
Barbara.Garcia@rcgov.org