

PHILADELPHIA

POVERTY ACTION PLAN



LETTER FROM THE PHILADELPHIA CITY COUNCIL

By City Council President Darrell L. Clarke

Two months ago, we gathered at The Met Philadelphia, a beautiful, restored concert hall on North Broad Street, to celebrate the inauguration of the Mayor and investiture of a new City Council. It was a day to dream of new possibilities for Philadelphia and all its citizens.

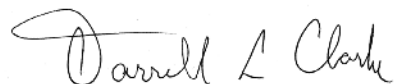
Positive momentum is taking hold throughout Philadelphia. Our skyline is growing and our economy is booming. World-class academic institutions are producing thousands of college graduates, who are staying here, drawn to affordable neighborhoods and a vibrant arts and culture scene.

This is not, however, Philadelphia's only story. We are also home to 400,000 people living in poverty – one of every four Philadelphians. That is unacceptable! City Council, working with the Kenney administration, non-profit leaders, the business community, and universities and colleges, is absolutely committed to changing that story.

Our actions are already underway. First, Council released a report last year, *Narrowing the Gap*, a set of strategies aimed at alleviating poverty in Philadelphia based on national best practices. Next, Council created a Special Committee on Poverty Reduction and Prevention, led by Councilmember Maria Quiñones Sánchez, Councilmember Allan Domb, Eva Gladstein of the Philadelphia Managing Director's Office, Sharmain Matlock Turner of the Urban Affairs Coalition, and Mel Wells of One Day At A Time. The Special Committee met last fall, at City Hall and in neighborhoods around Philadelphia, listening as citizens and stakeholders offered their best ideas to create jobs and lift people out of poverty.

The result of that intense effort is the **Philadelphia Poverty Action Plan**, a public-private collaborative that stakes out clear action steps with a defined mission: Lift 100,000 Philadelphians out of poverty over the next four years.

As I like to remind people, in the 1960s, our country rallied together to send a man to the moon. Academics, scientists, political leaders, citizens – everyone – worked together and America achieved its "moonshot." **This is our city's Moonshot moment.** We are calling on everyone – business leaders, philanthropies, universities and colleges, non-profit organizations, every level of government, and all our citizens, to work together to achieve this goal. That is truly an effort worthy of a world-class city.



Darrell L. Clarke

Council President, 5th District

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**Additional information and detail
is available at:**

www.phlcouncil.com/poverty

LETTER FROM THE PHILADELPHIA HOUSE DELEGATION

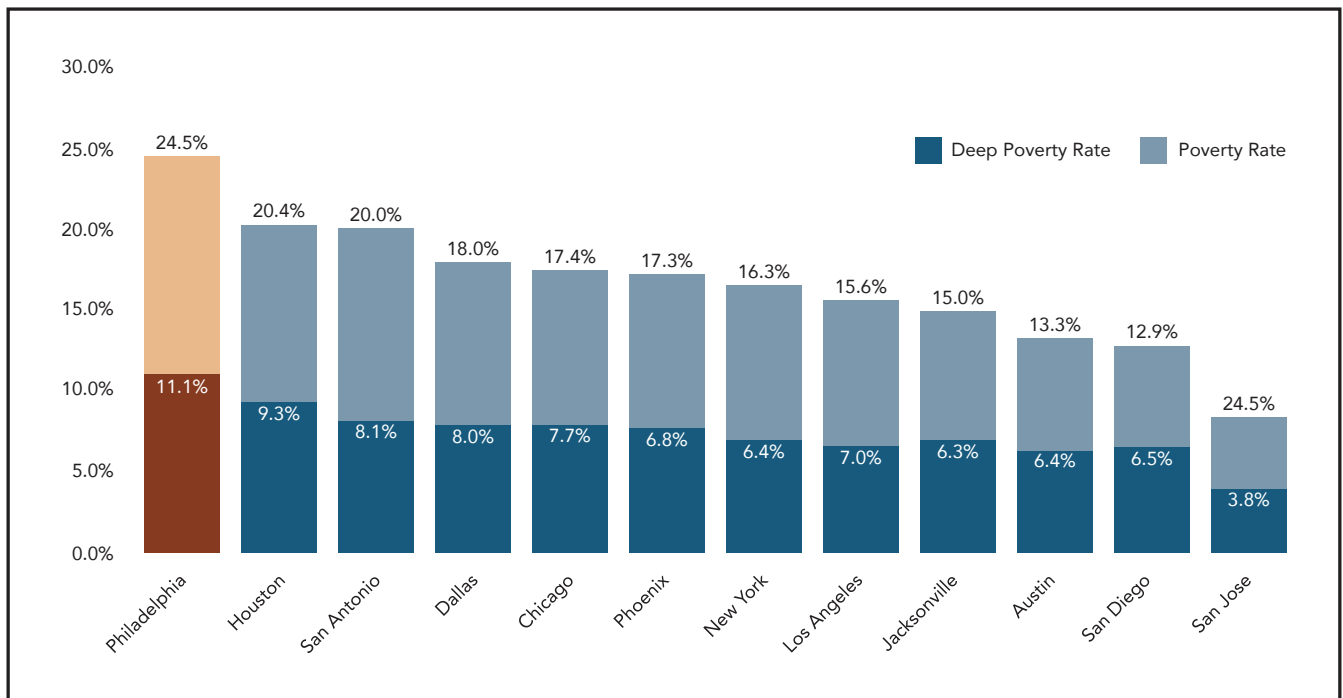
By State Representatives Donna Bullock, Jason Dawkins, Jordan Harris, and Joanna McClinton

The Philadelphia House Delegation is proud to partner with the Philadelphia City Council and the Kenney administration towards lifting 100,000 Philadelphians out of poverty by 2024. We recognize that Philadelphia and Harrisburg can only reduce and prevent intractable poverty if we work together to raise the minimum wage, to restore and expand public benefits, and to finance modern affordable housing across the City of Philadelphia. Everyone should share in Philadelphia's prosperity.

EXECUTIVE SUMMARY

In recent years, Philadelphia has seen new office towers rising along our skyline, median household income levels increasing faster than inflation, and overall population growing for the first time in generations. Yet despite these positive trends at the surface, Philadelphia’s poverty rates remain intractably high. As of the most recent 2018 Census estimates:

- Nearly a quarter (24.5%) of Philadelphians – 377,116 of us – live in poverty. While marginally improved from 26.7% at the start of that decade, this remains the highest overall poverty rate among the nation’s ten largest cities.
- Among these top ten cities, Philadelphia also has the highest percentage of residents living in deep poverty, with 11.1% of us with incomes below 50% of the overall poverty rate.

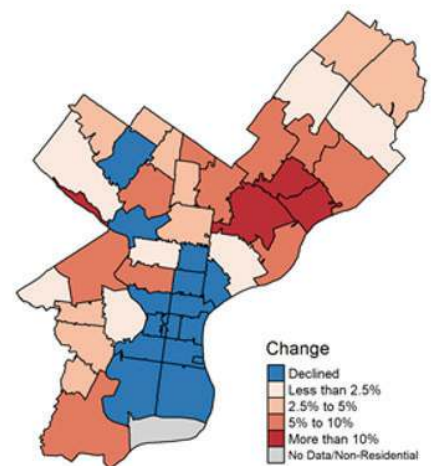


- This total in poverty includes 116,205 Philadelphia children under the age of 18, resulting in a child poverty rate of 34.6% that also ranks highest among the ten largest cities.

Further, while some neighborhoods have seen growth and new investment in recent years, such change has often dislocated other longtime residents – leading to increasing inequality across the city as a whole. From 2000 to 2018, Census data indicates that poverty rates decreased in 15 Philadelphia zip codes, predominately Center City and surrounding areas (such as Point Breeze, Fishtown, Northern Liberties, Fairmount, and Graduate Hospital), but actually increased in 31 zip codes – with 12 areas above a 30% poverty rate, including five above 40%.

These troubling trends beneath the surface run counter to our vision that all Philadelphians enjoy the right to live affordably with access to good schools, good transit, and good jobs. Not only do such disparities erode hope and opportunity for the hundreds of thousands of low and middle-income Philadelphians not yet participating in our city’s recent economic growth, these gaps also impact all Philadelphians, weaken the quality of life in every neighborhood, and threaten the trajectory of the city as a whole.

Change in Poverty Rate 2000 to 2018



CALL FOR ACTION

To shape a stronger, more equitable future for Philadelphia, now is time for bold and aggressive change. Now is time to invest in a vision of inclusive urban growth. Now is time for action.

Given this imperative, City Council’s **Special Committee on Poverty Reduction and Prevention** met throughout the fall of 2019, to translate past analysis into concrete actions that move Philadelphia forward. To inform the specific initiatives that constitute this plan, the Special Committee listened to broad community input and heard expert evaluations of initiatives with demonstrated success.

The result is a **Poverty Action Plan** focused on people, not programs, through transformative initiatives that increase income, access, and opportunity, to improve quality of life for diverse Philadelphians experiencing poverty, including children, working adults, non-working adults, and seniors. Initiatives are organized across three strategic themes: the social safety net; housing; and jobs and education.

A public-private partnership is critical to the success of these initiatives. The **Philadelphia Poverty Commission** has the power to drive these bold investments and guide implementation through a community-driven accountability framework and with the partnership of City Council’s senior leadership, the Kenney administration, and community, civic, academic, and philanthropic organizations.

Poverty Action Plan initiatives reach broadly across diverse populations to address multiple factors that drive poverty, but each of these innovative strategies share a common theme: invest directly in people. Although these approaches may require programmatic supports, services, and systems, each increases income and/or offsets costs to elevate Philadelphians from poverty – all with life-changing impact.

STRATEGY	IMPACT	INCREASE INCOME	REDUCE COST
BASIC INCOME	Increased earnings and decreased reliance on subsidies.	✓	
WAGE TAX REFUNDS	Credit between \$360 and \$1,706 for 60,000 low-income working families.	✓	
BENEFITS ACCESS	\$450 million each year in unclaimed federal and state benefits.	✓	✓
RENT SUBSIDY	Housing and economic security for cost-burdened renters.		✓
PROPERTY TAX RELIEF	Tax relief for low-income homeowners can exceed \$150 million annually.		✓
ADULT EDUCATION	Short-term pathways from poverty-wage jobs to family-sustaining careers.		✓
JOB TRAINING STIPENDS	Affordable life-changing opportunities for working families.	✓	

The Poverty Action Plan features game-changing innovations that invest in people, not programs. They include Philadelphia’s first basic income and local housing subsidy programs, expanded benefit access tools for untapped state and federal dollars, and a robust partnership between the School District of Philadelphia and the Community College of Philadelphia to invest in community schools and programs that close the skills gap through transitions from poverty-wage jobs to family-sustaining careers.

PEOPLE NOT PROGRAMS

SOCIAL SAFETY NET	HOUSING	JOBS AND EDUCATION
<p>Philadelphia Basic Income Direct cash transfers that help families transition from poverty, including individuals aging out of government systems such as prisons and foster care.</p> <p>Wage Tax Refunds Tax credits that return up to \$43 million a year for 60,000 low-income working families.</p> <p>Benefits Access A single application for all city, state, and federal benefits, accessible at new enrollment centers across the city, with a targeted outreach plan to unlock \$450 million a year in unclaimed benefits.</p>	<p>Philadelphia Rent Subsidies Monthly rental payments that help tenants and owners bridge the widening gap between actual and affordable rent.</p> <p>Automatic Property Tax Relief A one-stop shop for property tax relief programs, including the Homestead Exemption, the Senior Citizen Tax Freeze, Owner Occupied Payment Agreements, and the Longtime Owner Occupants Program.</p>	<p>Adult Education in Every Neighborhood A partnership between our school district, community college, and universities, to expand community schools and programs focused on skills and credentialing for high priority, family-sustaining jobs.</p> <p>Job Training Stipends Financial support for childcare, transportation, and other essentials that make career education affordable for individuals seeking the opportunity to transition from poverty-wage jobs to family-sustaining careers.</p>

STATE PARTNERSHIP AGENDA

In tandem with unprecedented local investments, broad partnerships beyond the city’s direct capacity are also critical to transformative change. The Special Committee greatly appreciates the commitment of the Philadelphia House Delegation toward actions requiring Commonwealth support:

- **Statewide Minimum Wage Update:** A \$15 per hour living wage for all workers in the state.
- **State Low Income Housing Tax Credit:** New resource to leverage affordable preservation and production, and to align with basis cap and building standard modifications for existing credits.
- **Increased Temporary Assistance to Needy Families:** A statewide increase in the monthly benefit, to raise the primary income source for 50,000 Philadelphians for the first time in 30 years.
- **Restored Pennsylvania General Assistance:** A restored statewide program with greater stipends over a longer period, to support economic independence for 5,600 Philadelphians.
- **Expanded State Earned Income Tax Credit:** An increased state credit against income tax, to complement the existing federal tax credit and a new city wage tax refund.
- **Expanded Clean Slate Legislation:** Automation and expansion of record sealing for non-violent offenses.

The Poverty Action Plan also recognizes that even modest setbacks for families and individuals living near or below the poverty line – from an unexpected home repair to a utility shutoff notice – can severely disrupt household stability. As a result, the Plan includes broad-based initiatives that plug the many leaks, big and small, that sink progress. These initiatives both expand proven approaches and explore new approaches.

SOCIAL SAFETY NET

- **Clean Slate for Returning Citizens:** An expanded and automated criminal record sealing system, that reduces economic barriers related to non-violent offenses.
- **Water Bill Debt Forgiveness:** An expansion of the nation’s first income-based water bill program, that allows 20,000 customers to erase debts over 24 months of timely payments.
- **Government Fee Waivers:** Impact study on low-income waivers, exemptions, and means tests for government fees and taxes, including payments for supervision, probate, and property transfer.

HOUSING

- **Dedicated Local Resources for the Philadelphia Housing Trust Fund:** A recurring commitment to the fund for affordable housing and homelessness prevention, which leverages state recording fees, Mixed Income Housing Program proceeds, and an unprecedented city appropriation of \$100 million.
- **Tax Credits and Repairs for Affordable Rentals:** Property owner incentives for the preservation and production of affordable rental units, including business tax credits and rental repairs.
- **Safe & Healthy Home Repairs:** Expanded critical repairs, weatherization, and adaptive modifications, through the Phila. Housing Development Corporation and the Targeted Housing Preservation Program.
- **Homelessness and Eviction Prevention:** Financial and legal assistance to reduce at-risk tenants' risk of disruptive displacement, including a new pre-filing mediation program.
- **Pathways to Permanent Supportive Housing:** Navigable entry into emergency housing with linkages to a supportive housing network that provides rent subsidy and tailored wraparound services.
- **Modernized Subsidized Housing:** New policies and financing to generate more affordable units within limited public resources, including an accelerator fund, pooled capital, renter equity models, and product modifications.
- **Modernized Naturally Occurring Affordable Housing:** New policies and financing to generate affordable market units, including zoning and building code reform and an expanded Mixed Income Housing Program.
- **Affordable Housing Labor Rate:** A distinct wage rate for the construction of affordable housing.
- **Vacant Land Reclamation:** An expansion of the Philadelphia Land Bank to buy back tax liens, and to repurpose blighted land in low-income neighborhoods for productive community use.
- **Fair Housing for All:** Access to justice reforms that provide stability for renters and homeowners.

JOBS AND EDUCATION

- **Family-Sustaining Jobs Plan:** The alignment of city, state, and private sector commitments to grow the number of family-sustaining jobs.
- **Same Day Work and Pay:** No-barrier job opportunities with wraparound services for homeless, unemployed and underemployed individuals.
- **Entrepreneur Supports:** Enterprise supports that help low-income individuals launch, grow, and stabilize businesses.
- **Dual Enrollment and Career and Technical Education:** High school programs for Associate Degrees and vocational education aligned with high priority jobs.
- **Summer Youth Employment:** Job placements for youth, who experience poverty at a rate of 38%.
- **Short-Term Credentialing:** Continuing education that accelerates transitions from training to work.
- **Vital Records Access:** Free, electronic government records for older youth, who often lack documents necessary for employment.
- **Building Trades Access:** Alignment of credit hours for individuals enrolled in high school, community college, university, and vocational skills programs.
- **Career and College Exposure:** Early childhood programs that provide college tours, career workshops, and financial aid preparation for students and their families.
- **Accessible Childcare and Transportation:** Study of daily barriers related to childcare and transit.

STRATEGY DETAIL: SOCIAL SAFETY NET

Being poor is a full-time job. It is difficult, if not impossible, to focus on getting a job if you do not know how you are going to feed your kids at night, where they are going to sleep, or whether your basic utilities will still be on in the morning. Moving up from poverty requires pushing through a daunting web of new obstacles and challenges while working from an unsteady base. Public benefits lifted nearly 37 million Americans above the poverty line in 2018, improving family outcomes related to health, employment, earnings, and educational achievement. In Philadelphia, federal, state, and proposed city income tax refunds are enough to lift a single parent with a single child from 97% to 127% of the federal poverty line. Each year, however, residents leave on the table \$450 million in state and federal benefits alone. The Poverty Action Plan provides the following actions and investments to grow basic income, expand access to existing benefits, and reduce barriers to economic mobility for children, seniors, and working-age Philadelphians.

- **Launch Philadelphia Basic Income**, by directing cash transfers to provide stability and economic independence for households experiencing poverty, including those aging out of foster care, returning from incarceration, experiencing addiction and medical fragility, and fleeing domestic violence. National studies demonstrate that \$1 in basic income yields up to \$8 in economic return through increased earning potential and decreased reliance on subsidies.
- **Refund the City Wage Tax**, by legislating a credit against the full city portion of the wage tax, worth up to \$43 million, with returns between \$360 and \$1,706 for 60,000 low-income working families. A robust education campaign will maximize enrollment in the new tax credit, and the alignment of city and state revenue offices will streamline the way taxpayers claim the refund.
- **Grow Benefits Access**, by investing in a single benefits application, more enrollment sites, and a targeted outreach campaign, so that Philadelphians can tap into \$450 million in unclaimed annual benefits. A single application will allow Philadelphians to simultaneously access federal, state, and city benefit programs, many of which maintain not only separate forms, but also separate income definitions and eligibility thresholds. New benefit access sites, providing quick screening and training-free software, will further yield a demonstrated return of \$10 in untapped benefits for every \$1 investment. The return doubles, to \$20:1 investment, when these programs leverage community partnerships to meet Philadelphians where they live, work, and engage, through door-to-door touches, utility bill stuffers, human relations managers at local businesses, and civic partners, including Neighborhood Advisory Councils, Neighborhood Energy Centers, and Housing Counseling Agencies.
- **Advance Clean Slate for Returning Philadelphians**, by reducing criminal record barriers to jobs, housing, and education for an estimated 400,000 Philadelphians, through court funds for data entry necessary to automate record sealing, and through legislation that seals records of certain non-violent felonies and misdemeanors with non-restitution bills. A Michigan study found that record clearing enhances earnings by 25%. A Villanova study found that the poverty rate would have dropped by 20% from 1980 to 2004 but for mass incarceration and the criminal records it produced.
- **Forgive Water Bill Debt**, by erasing water debt over 24 months of timely bill payments, for more than 20,000 low-income customers of TAP, the nation's first income-based water bill program. Earned forgiveness helps low-income households earn equity through compliance, reverse intergenerational debt transfer, and avert foreclosure, and helps the city recoup timely payments on otherwise uncollectible old debts. Per Economist Roger Colton, earned forgiveness projects to increase the Philadelphia Water Department's cash flow by more than \$1 million annually.
- **Explore Fee Waivers for Low-Income Households**, including an income-based threshold for the \$450 probate fee; exemption of the 3.278% tax on assessed values for transfers among aunts, uncles, nieces, nephews, cousins, and heirs or others indicated by the decedent; and study how other federal, state, and local fines – particularly within the criminal justice system – disproportionately impact low-income households. Probate and transfer tax exemptions empower low-income families to transfer intergenerational equity and prevent tangled title issues that currently make it difficult for more than 18,000 Philadelphians to access mortgages, refinancing, and even city programs for home repairs and property tax relief. Because these fees currently act as barriers to transfer activity, their removal does not significantly impact revenue.

- **Increase Temporary Assistance to Needy Families (TANF)**, by using the state’s estimated \$400 million balance in federal appropriation, to increase the monthly benefit amount for the first time since 1990, and to expand program eligibility. TANF currently serves as the primary income for almost 50,000 adults and children in Philadelphia, at \$403 per month for a family of three.
- **Restore the General Assistance (GA) Program**, with higher monthly stipends over a longer period of time, during which individuals experiencing poverty can obtain approval for Supplemental Security Income (SSI), can serve as a caretaker for unrelated children, or can get back on their feet after fleeing domestic violence. Before GA was eliminated in 2019, the program provided stability and self-sufficiency to 5,600 Philadelphians without dependent minors, through modest payments of \$205 per month.
- **Expand the State Earned Income Tax Credit**, by amending the Pennsylvania Tax Reform Code of 1971 to increase the credited percentage of a tax filer’s income relative to household size. This investment yields family-sustaining tax relief that complements the existing federal Earned Income Tax Credit and the proposed City Wage Tax Refund, and that offsets a state tax structure in which low-income families pay proportionally more than families in higher income brackets.



STRATEGY DETAIL: HOUSING

The power of a permanent address can improve a child's health, increase a parent's job opportunities, unlock a student's education, and revitalize a struggling neighborhood. From 2000 to 2018, rising prices, stagnant wages, and federal divestment cost the city more than 53,000 affordable units across almost every neighborhood, such that 90% of census tracts experienced a net loss in low-cost units during that period. Today, about half of Philadelphians are housing cost-burdened, in that they spend more than one-third of their monthly income on housing, and one-third are severely cost-burdened, spending half of their monthly income on housing. To secure all Philadelphians' right to live in affordable housing, near good schools, good transit, and good jobs, the Poverty Action Plan provides the following actions and investments to grow income, expand access, and unlock barriers for cost-burdened renters and homeowners.

- **Grow Rent Subsidies**, through rental supports that bridge the gap between actual and affordable rent, to support cost-burdened tenants and owners, and to create and preserve mixed-income communities across the city. Comprehensive shallow rent subsidy programs increase household income stability and economic security for underserved populations by pairing direct rental assistance with targeted outreach, counseling, & wraparound supportive services.
- **Automate Property Tax Relief Programs**, by investing in technology and data sharing, so that eligible Philadelphians automatically receive benefits through City Council's tax relief programs, including the Homestead Exemption, the Senior Citizen Tax Freeze, Owner Occupied Payment Agreements, and the Longtime Owner Occupant Program. The City can further improve access to the programs by allowing taxpayers to make monthly payments through automatic bank withdrawals; by providing accurate balance information to mortgage services to prevent overpayment; and by not automatically removing homeowners from programs when a new deed is recorded.



- **Dedicate Local Resources to the Philadelphia Housing Trust Fund**, for preservation, production, and homelessness prevention, including rent subsidies, down payment assistance, home repairs, and utility relief. In order to achieve the 10-year affordable housing production goals outlined in the Charter mandated Housing Action Plan produced by the Department of Planning and Development, a dedicated local funding stream is required as current resources cannot achieve the goal of producing 10,000 new units. The Fund currently leverages state recording fees, proceeds from the Mixed Income Housing Program, and a recent city investment of \$100 million.
- **Build a Safe and Healthy Homes Toolkit**, by expanding the scope of critical home repairs that keep families in their homes, based on safe and healthy home evaluations, through the coordinated work of the city's Basic Systems Repair Program, the Adaptive Modifications Program, the Weatherization Assistance Program, and the city's partnerships with the Philadelphia Energy Authority, Rebuilding Together, Habitat for Humanity, and the Energy Coordinating Authority, and the Philadelphia Energy Authority. The city's targeted annual investment in critical repairs for 3,000 low-income households leverages the city's recent \$100 million home repair bond and \$100 million Philadelphia Housing Trust Fund appropriation, to prevent homelessness and generate intergenerational equity.

- **Prevent Homelessness and Eviction through Financial and Legal Aid**, by investing in direct assistance for tenants at risk of disruptive displacement. First, a standardized financial assistance program, scaled beyond its current capacity to serve just 25% of at-risk tenants, yields a \$3 to \$1 return on reduced shelter costs alone, and precludes substantial legal expenses underlying the 90% of evictions triggered by non-payment. Second, strategic Legal Defense Fund investments in unbundled legal support – including mediation before an eviction filing; an informative help desk, hotline, and courtroom navigator program at Municipal Court; and a cadre of full-time legal aid attorneys for complex matters – can reduce disruptive displacement outcomes from 78% to 5%.
- **Support Pathways to Permanent Supportive Housing**, by investing in transitions from a navigable emergency housing system into a supportive housing network with rent subsidies, landlord recruitment and retention services, and round-the-clock wraparound care, tailored differently for individuals and families. This network of emergency and supportive housing should include shared housing, low-demand recovery homes, and emergency safe shelters, and incorporate best practice programs from current providers such as matched savings, vocational skills training, and advanced nursing care.
- **Modernize Subsidized Housing**, to generate more quality affordable units from limited public resources, by growing an accelerator fund with patient capital for production and preservation; by pooling public and private capital to bridge financing gaps and to scale already viable projects; by developing a renter equity program; by cross-subsidizing the acquisition, development, and purchase of affordable housing; by leveraging the state’s proposed Low Income Housing Tax Credit; and by convening industry focus groups to recommend market-driven changes to existing federal, state, and local subsidy programs, such as removing the \$250,000 per unit cap on 4% Low Income Housing Tax Credit allocations, adding state or local low-income housing tax credits, and altering specifications of scale, design, maintenance, affordability, and use of funds.
- **Modernize Naturally Occurring Affordable Housing**, to generate more quality affordable units without public subsidy, particularly for tenants unable to afford upfront costs and unable to access fair chance housing, by piloting zoning and building code opportunities for accessory and smaller dwelling units, modular development, a group living designation, and transit-oriented development incentives; by considering affordable housing waivers for stormwater and private paving; by commissioning a Shared Housing Working Group to recommend a safe and stable program that helps existing owners achieve compliance; and by expanding the Mixed Income Housing Program, expected to far exceed budget projections by yielding \$10 million over its first two years, to cover new zoning districts, geographic overlays, and federally designated Qualified Opportunity Zones.
- **Establish an Affordable Housing Labor Rate**, by executing an agreement, upon a distinct wage rate for the construction or reconstruction of income-restricted residential units, between the Philadelphia Building and Construction Trades Council and the Greater Building Contractors Association, to extend the city’s utilization of limited resources for affordable housing development.
- **Incentivize Rental Affordability**, by establishing a credit against the Business Income and Receipts Tax for affordable rental owners; by scaling an initial state investment in a Small Landlord Repair Program available to private landlords who collectively maintain an estimated 100,000 affordable units in need of \$10 million in repairs; and by exploring additional property owner incentives such as damage reimbursement and permit fee waivers for repair activities.
- **Reclaim Vacant Land**, by legislating the Philadelphia Land Bank’s authority to manage vacant property tax liens – and to buy back liens sold to a private bank in 1997 – so that the city can exercise powers already held by peer municipal land banks to prioritize revitalization over speculation when it comes to sheriff sales of our 40,000 blighted, vacant lots. The city’s investment in cleaning, greening, and revitalizing lots yields redevelopment proceeds, saves the city \$20 million in health, safety, and police efforts to remediate blight, and generates \$3.6 billion in property value.
- **Secure Fair Housing for All**, by adopting a package of access to justice reforms designed to keep cost-burdened families in their homes, including but not limited to: court procedures for eviction record sealing; expanded tenant access to utility customer status; public investigation of predatory debt collection liens; and utility meter data sharing to help the city monitor rental licensure.

STRATEGY DETAIL: JOBS AND EDUCATION

Long-term income stability and security depends on strong education and skills development, effective linkages to bring every community into the workforce, and the availability of good jobs at family-sustaining wages. Applying these approaches to combat poverty in Philadelphia requires both fresh approaches and a rededication to fundamental, proven strategies. The Poverty Action Plan provides for adult education, training stipends, and other stepping stone opportunities that help families afford short-term investments in job training and education that yield long-term household stability.

- **Provide Adult Education in Every Neighborhood**, by expanding the campus footprint of the Community College of Philadelphia to increase application, enrollment, and retention; and by adapting community schools with university and community college programs that prepare adults for high priority, family-sustaining jobs, including but not limited to: ESL, literacy and GED training; proficiency certificates and Associate Degrees; post-secondary credential and workforce training for jobs requiring skilled training but no degree; articulation agreements with schools offering four-year degrees; and wraparound services for marginalized populations.
- **Provide Job Training Stipends**, that offset costs of transportation, childcare, medicine, and other daily essentials so that individuals can afford to transition from poverty-wage jobs to living-wage careers, through short-term education, training, and other life-changing stepping stone opportunities.

- **Create a Family-Sustaining Jobs Public-Private Partnership**, a program that will align: a city commitment to mandate a wage rate to all employees and contractors; a state commitment to update the minimum wage; and private sector commitments to ensure that all jobs are family-sustaining. A family-sustaining rate is based upon economic analysis of households who are working, yet still experiencing poverty.
- **Same Day Work and Pay Programs**, by investing in no-barrier work opportunities, coupled with resources and services for homeless, unemployed, and underemployed individuals. The Mural Arts and CLIP currently administer work opportunities through the program, while the Office of Homeless Services provides peer specialists trained to connect individuals with complex behavioral needs to necessary services, housing, and future work opportunities.
- **Support Entrepreneurship**, by investing in enterprise programs that help entrepreneurs and microbusinesses launch, stabilize, and grow, such as Power Up Your Business and Goldman Sachs 10,000 Small Businesses Program, and in procurement prep programs that help emerging businesses compete within the supply chain process. An Aspen Institute study found that, during a five-year period, 72% of low-income entrepreneurs increased household income by more than \$15,000, and more than half of low-income entrepreneurs moved out of poverty.
- **Add Slots for Dual Enrollment and Career and Technical Education (CTE)**, so that more high school students are fast-tracked for high priority jobs, either through dual enrollment programs that allow them to earn an Associate Degree, or through CTE courses that teach students professional skills. The School District of Philadelphia should also offer entrepreneurship courses that encourage students to become future employers, not just future workers, by learning to solve real world problems while sharpening critical skills in advanced manufacturing, networking, and communications.
- **Boost Summer Employment**, by adding new job placements over the next five years. WorkReady currently places about half of its 18,000 youth applicants aged 12 to 24. Summer jobs reduce our youth poverty rate, currently at 38%, by helping young people develop workforce skills, by infusing wages back into the economy, and by generating a network to help students climb career ladders.
- **Support Short-Term and Stackable Credentialing**, focused on high-demand skills to accelerate the transition from training to work. Successful models nationally provide “stackable” certificates that build career pathways, for instance, beginning with specialty training for Inventory Production Control and then adding skills toward an associate degree in Supply Chain Management.

- **Increase Access to Building Trades**, through a Memorandum of Understanding for the admittance of Career and Technical Education students from the School District of Philadelphia and the Community College of Philadelphia, based on an interagency alignment of credit hours for students, and a 120-day training program for returning citizens to build professional skills.
- **Increase Access to Vital Records**, by developing a free, accessible, and ultimately electronic system for older youth, including those engaged in our child welfare or juvenile justice system, to access government records that they need to obtain a birth certificate, social security, or driver's license, in order to get a job, apply for college, open a bank account, or rent an apartment.
- **Promote Early College and Career Exposure**, through college tours and career workshops for elementary and middle school students, and through financial aid resources for their families.
- **Explore Access to Childcare and Transportation**, by studying barriers to flexible childcare for children of all ages, with wraparound services for adults seeking jobs and education; and by studying barriers to accessible transportation to secure and sustain jobs and education. Access to childcare and transportation particularly yields stability for 40,000 single heads of households.



APPROACH OF THE SPECIAL COMMITTEE

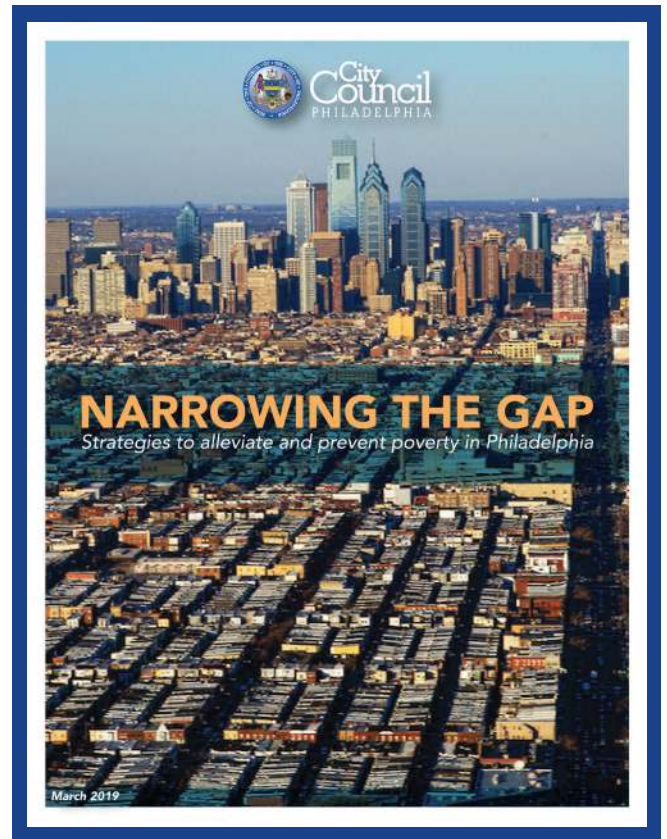


In March 2019, City Council released *Narrowing the Gap*, a report that outlined best practices for preventing and alleviating poverty that have been successful in other cities or at a smaller scale.

Following the release of the report, City Council passed a resolution to establish a Special Committee on Poverty Reduction and Prevention, tasked with developing actionable policies and programs. Using the *Narrowing the Gap* report as a basis, City Council identified three subcommittees of the larger full committee: Housing, Jobs and Education, and Social Safety Net. The Special Committee consisted of diverse representatives of policy experts, practitioners, providers, and thought leaders.

The Special Committee defined a measurable objective of moving 100,000 Philadelphians out of poverty by 2024 and identified cohorts of individuals experiencing poverty, including children, seniors, working adults, and non-working adults, such as individuals transitioning from foster care and criminal justice systems.

The Special Committee implemented the following quick-moving timeline to achieve City Council's call for extensive public engagement, consultation with a diverse array of subject matter experts, and the release of a living Poverty Action Plan by March 2020.



- The full Special Committee held an initial public hearing on October 10, 2019. Subcommittees, comprised of leading subject matter experts, met internally at least once a month beginning in the middle of September 2019 to produce policy recommendations by the end of the year. Members of the subcommittees and staff worked on an ongoing basis between meetings.
- Each subcommittee hosted a neighborhood public hearing to further engage subject matter experts and solicit input from the general public, with emphasis on hearing from Philadelphians with lived experience. The Social Safety Net Subcommittee held a hearing at the Philadelphia Corporation for Aging on November 18, 2019. The Housing Subcommittee held a hearing at the Lewis Katz School of Medicine at Temple University on November 25, 2019. The Jobs and Education Subcommittee held a hearing at Dobbins Technical High School on December 5, 2019.

- The Special Committee tasked the PFM Group (pro bono), The Reinvestment Fund, and staff from participating organizations to support the development of the Poverty Action Plan and the underlying research. A living appendix, available at phlcouncil.com/poverty, includes additional committee details regarding goals and timelines for actionable strategies and initiatives, which will be updated on a continuous basis as implementation of this Plan advances.
- Implementation is intended to begin immediately alongside key partners. Next steps include launching the public-private **Philadelphia Poverty Commission** to advance successful implementation and finalizing the first full budget for the Poverty Action Plan in Fiscal Year 2021.



THE PHILADELPHIA POVERTY COMMISSION

Expanding and reallocating resources to reduce and prevent poverty is first and foremost about helping our neighbors facing difficult times. At the same time, this Poverty Action Plan also represents an investment for all Philadelphians that will generate enduring returns through stronger neighborhoods and families across our city, a more competitive workforce for our local economy, and growth in our municipal tax base.

The **Philadelphia Poverty Commission** is a public-private partnership designed to drive investments and implementation strategy pursuant to a vision of equitable communities shared by City Council's senior leadership, the Kenney administration, partners in state government, and leaders from philanthropies, universities, communities, and civic institutions.

This unprecedented collaborative will carry forward this equitable vision through an **Accountability Framework** that is deeply rooted in community-driven leadership, independent program evaluation with high-quality metrics and evaluation, and alignment with a city budget process that provides a public forum for annual reporting.

The Philadelphia Poverty Commission will drive investments in poverty reduction and prevention through a **Philadelphia Poverty Fund**, which both leverages initial down payments from the city and its partners and scales long-term investments with demonstrated success. This is not a one-time investment, but a living commitment, to secure economic stability for hundreds of thousands of Philadelphians.

A **Poverty Action Dashboard**, built by independent program evaluation experts, will evaluate the Commission's progress towards its mission and guiding principles as outlined above. The Dashboard will track outcomes and return on investment, with reference to not only the official Census Bureau poverty rate, but also to the Supplemental Poverty Measure, which better accounts for tax credits, childcare, medical supports, and non-cash government assistance programs, such as food stamps, rent subsidy, and energy assistance. To ensure that outcomes measurements are thoughtful, reliable, and independent, this Plan commits to regular and transparent reporting, and to independent program evaluation to develop and refine dashboard metrics.

Mission

- Lift 100,000 Philadelphians out of poverty by 2024.

Guiding Principles

- Philadelphia's intractable poverty rate demands bold action by investing directly in people, not programs.
- This is a call for collaborative action; the public and private sectors cannot do this alone.



PHILADELPHIA CITY COUNCIL

SPECIAL COMMITTEE ON POVERTY REDUCTION AND PREVENTION

The City Council of Philadelphia extends utmost appreciation and admiration for the extraordinary time, energy, and expertise of more than one hundred stakeholders who shared thousands of hours to this living initiative. We are grateful for your continued collaboration and partnership.

Together, we will succeed.

Co-Chairs

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Sharmain Matlock-Turner, Urban Affairs Coalition

Mel Wells, One Day At A Time, Inc.

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Sarina Rose, *Building Industry Association*
Nilda Ruiz, *Asociación Puertorriqueños en Marcha*
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City Council PHILADELPHIA



[PHLCouncil.com/Poverty](https://www.phila.gov/city-council/poverty)

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