

# Jews In Economic Distress\*

STEVEN HUBERMAN, PH.D.\*\*

*Co-Director, Planning & Budgeting Department*

*Jewish Federation Council of Greater Los Angeles*

*The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.*

President Franklin D. Roosevelt

October 5, 1937

PRESIDENT ROOSEVELT'S words were the underpinning for President Lyndon B. Johnson's drive for the Great Society. Twenty years ago, America needed a reshaping.

- Fifty percent of Americans over the age of 65 had no medical insurance.
- One-third of the elderly lived in poverty.
- Merely a third of children aged 3 to 5 went to nursery school or kindergarten.

In reaction to these types of social problems, President Johnson declared on June 26, 1964: "This nation, this people, this generation, has man's first chance to create a Great Society—a society of success without squalor, beauty without barrenness, works of genius without the wretchedness of poverty. We can open the doors of learning. We can open the doors of fruitful labor and rewarding leisure, of open opportunity and close community—not just to the privileged few, but to everyone."

Milestones quickly became law: Medicare—health insurance for the elderly through payroll taxes; Medi-

caid—health coverage for the indigent; rent supplements for the poor.<sup>1</sup>

Today, most Americans live well. Despite the good economic times, how do we handle the eight million who are unemployed in the United States? Is seven percent unemployment unavoidable to keep prices stable?<sup>2</sup> In addition to our serious unemployment problem, poverty is still with us. Today, 35.3 million people are poor. A family of 4 is poor if its annual income is below \$10,610. An elderly couple is poor if its annual cash income is below \$6,280.<sup>3</sup>

It is hard to believe there are so many poor in the United States because of suburbanization. The poor tend to be out of sight and mind. The marginal live in the central urban core, away from our everyday consciousness.<sup>4</sup>

<sup>1</sup> "20 Years Later, the Great Society Flourishes," *New York Times*, April 17, 1985, pp. 1, 9.

<sup>2</sup> "Best Idea Since Keynes," *New York Times*, March 28, 1985, p. 24.

<sup>3</sup> There are many Americans on the verge of poverty. For example, a recent Administration proposal would have limited Social Security increases to 2 points less than the Consumer Price Index. As a result, there would have been 600,000 additional poor people. "600,000 More People Predicted in Benefit Cuts," *New York Times*, April 11, 1985, p. 10.

<sup>4</sup> Michael Harrington, *The New American Poverty*. New York: Holt, Rinehart, and Winston, 1984, p. 4. Harrington's best seller, *The Other America*, published in 1963, awakened America to the paradox of millions of poor people in the richest country in the world. In his new book, he writes that in the winter of 1983–84 there were more unemployed than at any time in almost 50 years. Whereas in the 1960's there seemed to be hope even for the poor, today in many ways there is hopelessness.

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In this article, we will look at the economic problems which beset all Americans and then deal with the particular implications for the Jewish community. Specifically, this article addresses the following topics:

- Who Are the Poor Today
- The New Jewish Poverty
- The Public Assistance System in the United States
- Recent Legislation and its Impact on the Jews
- What Needs to be Done:
  - Government Responses
  - Jewish Private Sector Responses

### Who Are the Poor Today?

The official measure of poverty of the Federal government uses income cutoffs based on household size, the number of children under age 18, and the age of the household head. This income concept focuses on current income received during the calendar year. Current income does not include in-kind benefits such as food stamps, Medicare, or health insurance. When the Bureau of Census includes in-kind benefits, the poverty figure drops by about one-half.<sup>5</sup>

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The income concept is defined as the sum of wages and salaries, net income from self-employment, Social Security income and cash transfers from other government programs, property income, private pensions, alimony, etc. Sheldon Danzinger and Peter Gottschalk, "The Measurement of Poverty: Implications for Antipoverty Policy," *American Behavioral Scientist*. Vol. 26, Number 6 (July/August, 1983), pp. 739-756.

<sup>5</sup> Peter Gottschalk and Sheldon Danzinger, "Macroeconomic Conditions, Income Transfers and the Trend in Poverty" in D. Lee Bawden, *The Social Contract Revisited—Aims and Outcomes of President Reagan's Social Welfare Policy*. Washington, D.C.: Urban Institute Press, 1984, pp. 185-215. The text is part of the Changing Domestic Priorities Series. This project monitors significant shifts in economic and social policy and explores alternatives for future public action. Data on income, expenditures, and wealth are in Bureau of

In recent years, there has been a steady increase in poverty. The 1983 poverty rate of 15.2% is the highest since 1965. In 1983 alone, 868,000 Americans dropped below the poverty line. Female-headed families were hard hit—123,000 dropped into poverty in 1983 alone. Only one in 13 two-parent families is poor; one in 3 female-headed families is poor. We now find that 22% of children under age 18 are poor.<sup>6</sup>

For America as a whole the poor in the 1980's are families headed by women due to divorce, separation, or who never married. This is the *feminization of poverty*. The majority of these indigent are white.<sup>7</sup>

Some qualifications are important. "Only" 14% of the elderly are poor—3,863,000 persons. Another 25% are just above the poverty line. You can go to Miami Beach, where so many of the aging live on Social Security, watch them sitting in front of cheap restaurants waiting for the daily special, or sitting in front of shabby hotels. Most are technically not poor, but close to it.<sup>8</sup>

Americans believe that if you work hard, you will escape poverty. This is not true for many. In 1982, over nine million persons worked some part of the year, and yet were poor. Three million of these persons worked full-time but

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the Census, *Statistical Abstract of the United States 1984*, Washington, D.C.: Department of Commerce, December, 1983, pp. 444, 445, 470-475.

<sup>6</sup> Committee on Ways and Means of the U.S. House of Representatives, *Families in Poverty: Changes in the Safety Net*. Washington, D.C.: U.S. Government Printing Office, September 20, 1984, and Bureau of the Census, *Money Income and Poverty Status of Families and Persons in the United States*, 1982, Series P-60, No. 140, p. 4. Over the last ten years, poverty among children has grown. In 1983, about 13.8 million children were defined as poor. "Increase Found in Child Poverty In Study by U.S.," *New York Times*, May 23, 1985, pp. 1, 14.

<sup>7</sup> Blanche Bernstein, "Welfare Dependency," in Bawden, *op. cit.*, pp. 125-152.

<sup>8</sup> Harrington, *op. cit.*, p. 225.

did not earn enough to escape indigence.<sup>9</sup>

Recent economic conditions in the United States have worsened the plight of the poor. In order to stop runaway inflation in 1981, monetary and fiscal policies were tightened. The demand for output and labor was reduced. The result was a recession, which caused massive unemployment and income losses. From an unemployment rate of 5.7% in 1978, the rate jumped to 10.8% in December, 1982. At the peak of the recession, 12 million Americans were unemployed; 6.6 million had to be satisfied with parttime jobs; and 1.8 million were so discouraged that they dropped out of the labor market. The recession was not in vain—inflation dropped to 2.7% by June, 1983 and today stands at 3.7%.<sup>10</sup>

When unemployment goes up, poverty goes up. During recessions, high income people, too, become unemployed. The income losses for the poor are much greater. Inflation hurts the poor; unemployment hurts them much more.

Growth in the Gross National Product does add jobs, but it has not created enough jobs since the 1970's to accommodate the high numbers of women and young people (children of the baby boom) seeking work—many for the first time. Further, only about one-third of the poor can work. The remaining two-thirds consist of the aged, female-headed households with young chil-

dren, and the disabled. Economic growth and the creation of more jobs are a necessary but not sufficient solution to the poverty crisis.<sup>11</sup>

### The New Jewish Poverty

Samuel Johnson once said that "a decent provision for the poor is the true test of civilization."<sup>12</sup> It is also a litmus test in the Jewish community. The Jewish poor are still there. Projecting ahead to the year 1990, clusters of Jewish poverty will persist. The hardest hit will be the elderly, female-headed households with children, and Jews in occupations which may become depressed.

Since there is no question on religion in the Federal Census, we rely on community population surveys to profile Jewish households. Depending on the city, anywhere from 10% to 20% report annual incomes under \$10,000.<sup>13</sup> (See Table 1).

In the United States, there are 5,728,000 Jews. To better understand the new Jewish poverty, we turn to New York City and Chicago, communities which have mounted comprehensive anti-poverty projects.

#### New York City

Out of the total Jewish population of 1.1 million, 144,000 are poor—13%. Poor Jews, unlike other poor folks, are scattered throughout the city. They live in much the same areas as non-poor Jews.

—49% of low income Jewish households consist of the elderly.

—64% of poor Jewish households are headed by a single person.

<sup>9</sup> Bureau of the Census, *op. cit.*

<sup>10</sup> Sar A. Levitan and Clifford M. Johnson, *Beyond the Safety Net—Reviving the Promise of Opportunity in America*. Cambridge: Ballinger Publishing Company, 1984, p. 40. The inflation rate in January, 1981 for the preceding 12 months was 12.4%. Edward Gramlick and Deborah S. Laren, "How Widespread Are Income Losses In A Recession?" in Bawden, *op. cit.*, pp. 157–180. The current inflation rate is based on the Bureau of Labor Statistics March 1984–March 1985 computation.

<sup>11</sup> Danziger and Gottschalk, *op. cit.*

<sup>12</sup> Levitan, *op. cit.*, p. 19.

<sup>13</sup> Council of Jewish Federations, *Jewish Environmental Scan to 1990*. New York: CJF, October, 1984.

**Table. 1.**  
**Annual Household Income of Selected Jewish Communities\***

|                  | 0-\$9,999             | \$10,000-\$19,999 | \$20,000-\$29,999 | \$30,000-\$39,000 | \$40,000+ |
|------------------|-----------------------|-------------------|-------------------|-------------------|-----------|
| Chicago 1982     | 13                    | 19                | 25                | 14                | 29        |
| Denver 1981      | 16                    | 21                | 16                | 19                | 28        |
| Los Angeles 1979 | 21                    | 21                | 20                | 12                | 27        |
| Miami 1982       | ← 36 → 19 → 15 → 31 ← |                   |                   |                   |           |
| Minneapolis 1981 | 13                    | 20                | 23                | 13                | 31        |
| Nashville 1982   | 10                    | 16                | 20                | ← 54 →            |           |
| New York 1981    | 12                    | 16                | 21                | 18                | 33        |
| Rochester 1980   | 14                    | 26                | 22                | 13                | 25        |
| St. Louis 1982   | 13                    | 16                | 13                | 15                | 43        |
| St. Paul 1981    | 20                    | 18                | 23                | 14                | 25        |
| NJPS 1971        | 33                    | 35                | ← 32 →            |                   |           |

\* Refusals excluded from figures.

Data are not truly comparable, because of changes in cost of living over the time period and because of variance in cost of living between metropolitan areas.

Source: S. Cohen J. Woocher, B. Phillips, editors, *Perspectives in Jewish Population Research*. Boulder and London: Westview Press, 1984, p. 156.

—27% of poor Jewish homes are headed by an elderly woman.

—62% of poor Jews do not report contact with Jewish agencies.

About 1 in 4 poor Jews report contact with a non-Jewish agency or official to get help, usually Medicaid, home care, or food stamps. Although most Jewish elderly receive Medicare, less than 30% attend senior centers, receive housing subsidies, or use feeding programs.<sup>14</sup>

#### Chicago

248,000 Jews reside in metropolitan Chicago; 37,000 of them—15%—are economically disadvantaged or vulnerable. Similar to New York, 48% of the poor are aged; 60% are women. Especially striking though is the fact that

30% of poor individuals are young adults aged 18–29. Many are beginning careers or are facing a temporary setback. Overall, about 10% of Jewish children under age 18 are in deprivation.

The vulnerable have a median education level of 14 years and over one-half work full-time. Both the poor and non-poor report identical rates of use of Jewish Federation service (30%).<sup>15</sup>

Elsewhere in the United States, similar trends are emerging. Jewish unemployment and underemployment are growing. Nationwide, it was recently estimated that between 250,000–300,000 Jews are unemployed.<sup>16</sup> Jewish vocational services are increasingly seeing more and different types of clients. Their clients include more professionals and managers; females entering or returning to employment; elderly trying

<sup>14</sup> *The Low Income Jewish Population of New York City—A Report Prepared for the Metropolitan New York Coordinating Council on Jewish Poverty*. New York: Nova Institute, October, 1984. Because of the high cost of living in New York City, poverty is defined as 150% of the Federal standard. For an overview of the population, refer to Paul Ritterband and Steven M. Cohen, "The Social Characteristics of the New York Area Jewish Community, 1981" in *American Jewish Year Book 1984*. Philadelphia: Jewish Publication Society, 1983, pp. 128–161.

<sup>15</sup> In Chicago, the economically disadvantaged earn under \$12,300 for a family of four; households of 3 or more persons with an income between \$10,000–20,000 are economically vulnerable. *Planning Project on Services to the Economically Disadvantaged*. Report of the Jewish Federation of Metropolitan Chicago, April, 1983 and the *Reports of the Project Ezra Implementation Task Force*, February 25, 1985 and June 21, 1984.

<sup>16</sup> *Ibid.*, p. 68.

to supplement their Social Security; college graduates with liberal arts credentials; small businessmen who are bankrupt; and Russian emigres who have lost their jobs.

Jews over the age of 50 who have only some college education and who have worked for many years in one profession or business are vulnerable. Job areas to which Jews have traditionally been drawn are being cut. There are currently fewer positions in social service and university teaching, coupled with an increase in the number of business failures.<sup>17</sup>

### The Public Assistance System in the United States

Since colonial times, the alleviation of poverty has been seen as an essential government responsibility. The Great Depression of the 1930's caused so much unemployment and hardship that the Federal government had to take over the major welfare responsibility. The 1935 Social Security Act set up our current social policy framework.

There are currently over 30 separate programs that constitute our income support system for the needy. Most of the funds in fiscal year 1983 went to 4 programs: two provide cash—Aid to Families with Dependent Children (AFDC), and Supplementary Security Income (SSI); and two provide in-kind benefits—Medicaid and Food Stamps.<sup>18</sup>

AFDC is the major program which aids the destitute. It is the basic means of support for large portions of the popu-

lation in major cities and costs over \$15 billion per year. It is directed toward broken families. One parent must have died, be constantly absent, or incapacitated. Because of this provision, many contend that our welfare system is anti-family. In fact, there are 29 states in which a two-parent family, no matter how poverty-stricken, cannot get public assistance or medical benefits. Furthermore, because the states control AFDC, there are 51 different levels of eligibility and assistance. In many states, you must have nothing of value to get aid, you cannot have more than \$1,000 in family resources, and your car must not be worth more than \$1,500.<sup>19</sup>

SSI is the other major cash assistance program. It is for the aged, blind, and disabled poor. In order to qualify you must also exhaust your assets.

AFDC and SSI recipients automatically can get food stamps to obtain a better diet. By far the largest program is Medicaid, our medical assistance program.

According to the Census Bureau, 19% of all households in the United States receive benefits for which there was a test of need. There are 83.6 million households in the country.

- 9% receive Medicaid
- 8% receive food stamps
- 5% receive AFDC
- 4% live in subsidized rental housing.<sup>20</sup>

These federal initiatives have reduced deprivation in our country. Due to the anti-poverty programs started in the 1960's, poverty fell from 22% in 1960 to

<sup>17</sup> Evan M. Bayer, "The Impact of Reaganomics on the Jewish Middle Class," *Jewish Frontier* (October, 1984), pp. 9-11, 28.

<sup>18</sup> Public assistance programs today are explained in Leonard Beeghley, *Living Poorly in America*. New York: Praeger Scientific, 1983, and Irwin Garfinkel and Robert Haveman, "Income Transfer Policy in the United States," *Handbook of Social Intervention* edited by Edward Seidman. Sage Publications, 1983, pp. 479-498.

<sup>19</sup> Harrington, *op. cit.*, pp. 198-199.

<sup>20</sup> "47% of Households Receive Federal Benefits, Census Bureau Says," *New York Times*, April 17, 1985, p. 9. In reviewing the data in this article, it is important to note some basic features of the United States (1983 base year): resident population, 234 million; civilian labor force 16 years and over, 111.6 million; Jewish population, 5.7 million, 2.4 percent of total U.S. population.

11% in 1978. However, since 1978, poverty has increased due to cuts in government aid, inflation, and high unemployment. Despite this, federal support has helped millions secure their basic needs.

When social program benefits go up, poverty drops. Take the elderly, the group which has experienced the largest drop in poverty. Social security benefits and SSI were expanded during the 1960's and 1970's. As a result, the poverty rate for the elderly has been cut in half since 1966.

AFDC follows the same principle. In the 1960's when AFDC benefits rose in real terms, single-parent poverty declined. Starting in 1969, states failed to keep pace with inflation. Such benefit reductions, along with inadequate employment opportunities, have contributed to losing the war against poverty.<sup>21</sup>

#### Recent Legislation and its Impact on the Jews

Programs for low income Americans are today being cut. Spending on social programs is going down. The total 1984 Federal budget outlay was \$853.8 billion.

From 1981-83 social welfare was cut. Federal expenditures for the disadvantaged have been slashed very deeply—28% cuts in child nutrition funds; 13% cuts in food stamps; 17% cuts in expenditures for compensatory education; and 60% cuts in funds for employment and training programs. Between 1982 and 1985, families earning under \$10,000 annual income will have lost \$20 billion in benefits.

<sup>21</sup> Robert Greenstein, "Losing Faith in Losing Ground," *The New Republic*. Vol. 192, Number 12 (March 25, 1985), pp. 12-17. The Greenstein essay demonstrates that federal poverty programs have done a great deal of good. Also refer to "Welfare in America—Is It a Flop?" *U.S. News and World Report*, December 24, 1984, pp. 38-43.

The truly needy have not been spared. From 1982 to 1985, 80% of the reductions in food stamps benefits—\$7 billion—will come from families in poverty. The working poor have been undermined. They will lose 30-40% of their benefits. Due to cuts, 493,000 families, including one million children, have lost AFDC and Medicaid benefits even though their income then fell below the poverty line. Over a ten year period, AFDC median payments have dropped by 34%. *Table 2* demonstrates that from 1982 to 1984, human resource programs will have been reduced by \$55.5 billion.<sup>22</sup>

Non-profit organizations, such as those within the Jewish community, have also suffered considerably. Government support has been reduced for private organizations engaged in employment and training, legal services, and social services.<sup>23</sup> From 1982 to 1985, Federal support for non-profit organizations declined \$17 billion.

In 1984, Americans contributed more than \$74 billion to nonprofit social welfare causes. They gave more partially because of the reductions in government assistance. But this increase did not compensate for the losses. It did not even come close. To replace Federal cutbacks, philanthropy would have had to increase 40% annually just to keep pace. It has not. Contributions last year rose by only 11%.<sup>24</sup>

Benefit reductions and a sluggish

<sup>22</sup> Levitan and Johnson, *op. cit.*, pp. 152-154; Committee on Ways and Means, *op. cit.*; Timothy Smeeding, "Is the Safety Net Still Intact?" in Bawden, *op. cit.*, pp. 69-120. My own view is that equity should guide budget reduction planning to ease the Federal deficit. There needs to be a broad-based sharing of pain.

<sup>23</sup> Lester M. Salamon and Alan J. Abramson, *The Federal Budget and the Nonprofit Sector*. Washington, D.C.: The Urban Institute Nonprofit Sector Project, Distributed April 20, 1985.

<sup>24</sup> "\$74 Billion Given to Charity in '84," *New York Times*, May 17, 1985, p. 13.

Table 2.

**Congressional Budget Office Estimates of Changes in Human Resource Programs Other Than Social Security from Legislation Enacted January 1981-July 1983**

|                                        | FY 1982                   | FY 1983          | FY 1984          | 3 YEAR<br>TOTAL   |
|----------------------------------------|---------------------------|------------------|------------------|-------------------|
|                                        | (all dollars in millions) |                  |                  |                   |
| <b>Retirement and Disability</b>       |                           |                  |                  |                   |
| Civil Service Retirement               | -440                      | -576             | -683             | -1,699            |
| Veterans' Pensions<br>and Compensation | -2                        | -159             | -199             | -360              |
| SSI                                    | +32                       | +73              | +582             | +687              |
| <b>Other Income Security</b>           |                           |                  |                  |                   |
| Unemployment Insurance                 | -1,000                    | +3,000           | -4,500           | -2,500            |
| AFDC                                   | -875                      | -1,222           | -1,288           | -3,385            |
| Food Stamps                            | -1,535                    | -1,343           | -2,031           | -4,904            |
| Child Nutrition                        | -1,026                    | -1,305           | -1,392           | -3,723            |
| WIC                                    | -48                       | +113             | +77              | +142              |
| Housing Assistance                     | 0                         | +107             | -452             | -345              |
| Low Income Energy Assistance           | -127                      | -160             | -194             | -481              |
| <b>Health</b>                          |                           |                  |                  |                   |
| Medicare                               | -550                      | -2,900           | -4,150           | -7,600            |
| Medicaid                               | -866                      | -1,026           | -1,336           | -3,228            |
| Other Health Services                  | -77                       | -238             | -467             | -782              |
| <b>Education and Social Services</b>   |                           |                  |                  |                   |
| Compensatory Education                 | -370                      | -701             | -799             | -1,870            |
| Head Start                             | +14                       | -5               | -10              | -1                |
| Vocational Education                   | -102                      | -172             | -161             | -435              |
| GSLs                                   | -275                      | -787             | -1,170           | -2,232            |
| Student Fin. Assistance                | -320                      | -430             | -664             | -1,414            |
| Comm. Services Block Grant             | -216                      | -247             | -261             | -724              |
| Social Services Block Grant            | -699                      | -642             | -699             | -2,040            |
| Veterans' Readjustment Ben.            | -225                      | -175             | -150             | -550              |
| <b>Employment and Training</b>         |                           |                  |                  |                   |
| Gen. Employment & Training             | -1,260                    | -1,956           | -2,011           | -5,227            |
| Job Corps                              | -13                       | -21              | -51              | -85               |
| Public Service Employment              | -3,760                    | -4,142           | -4,458           | -12,360           |
| Work Incentive Program                 | -100                      | -142             | -153             | -395              |
| <b>TOTALS</b>                          | <b>-\$13,840</b>          | <b>-\$15,056</b> | <b>-\$26,620</b> | <b>-\$55,516*</b> |

\* In the OMB documents in the new budget proposals, the Legal Service Corporation is grouped with the community services block grant. If cuts from FY 1982 through FY 1984 in legal services are added, the reductions shown here grow by \$300 million over the three-year period, bringing the total reductions to \$55.8 billion.

SOURCE: Congressional Budget Office, *Major Legislative Changes in Human Resources Programs Since January 1981*, August 1983.

Prepared by: Center on Budget and Policy Priorities

236 Massachusetts Ave., N.W., Washington, D.C. 20002

economy hurt all Americans, including Jews. Jewish elderly have less income for food, clothing, and shelter. Jews over the age of 50 in management or small businesses are hurt during high unemployment periods. They get laid off and need special community help if they are to regain their previous income and job status.

Jewish life itself also feels the impact. The "peel-off effect" occurs. In times of economic misfortune, people do everything possible to continue paying for such items as their mortgage, automobile, and insurance. What Jews "peel off" are things which appear expendable, namely, the Jewish dimensions of life. Those Jews who are marginal in their

Jewishness cut back their expenses by reducing or eliminating "Yiddishkeit" costs. They drop their synagogue membership or take their children out of a Jewish day school. Of course, those who are deeply committed to Judaism are not willing to make such compromises.

A recent Council of Jewish Federations study sheds light on this theory. It focuses on the cost of living Jewishly—the funds necessary for such expenses as synagogue membership, Jewish community center participation, and donations to Jewish causes. Those basic Judaic commitments are a serious problem for Jewish families earning \$30,000 a year or less, and having children. Many American Jews fall into this income category. To provide your children with a college education now competes for the family dollar with giving to Jewish causes and the cost of affiliation. Many Jews cannot do both.<sup>25</sup>

Jewish social service agencies are feeling these client problems more today than in the past. Since it is considered by many Jews a stigma to be unemployed or not have enough money to take care of your family, many Jews come late to our agencies, or embarrassment causes them not to come at all. Nonetheless, Jewish Family Services in most metropolitan cities report that almost every day they receive requests for help in eviction from homes, termination of utilities and telephone service, inability to find work, inadequate food, or loss of health care coverage. All this is money-related.

<sup>25</sup> Jerry A. Winter and Lester I. Levin, *The Cost of Jewish Affiliation and Participation: Implications for Federations, Agencies, and Communal Organizations*. New York: Council of Jewish Federations, January, 1985. To understand how government programs can affect the Jewish community, note Ellen G. Witman, *President Reagan's Proposed Federal Budget for Fiscal Year 1986*. Washington, D.C.: Council of Jewish Federations, Distributed April 20, 1985.

Two case studies illustrate the new Jewish poverty.

### Case Number One

Dr. Sam Aronson is a 52 year old single parent of two sons, ages 16 and 14. He has had sole custody of the boys since 1972, when his wife left the family. Dr. Aronson is an academician whose area of specialization is simply not in demand at the present time. Despite the notable contributions he has made in his field, he has been unable to find employment for the past two years. His depression over the circumstances of his life are manifested as either anger or moroseness. He is a poor candidate for securing employment in another field.

Recently Dr. Aronson's father, whose social security had been supporting the family, died. Dr. Aronson applied for AFDC, but was denied because he owns an automobile valued at over \$1,500. He refuses to sell it since it is in good condition and provides reliable transportation. There are no other assets owned by the family. Except for owning the car, they would be eligible for welfare. The only recourse they saw to this dilemma was for both of the children to go to work.

The oldest boy dropped out of school and was working full time in a nursing home at the minimum wage. He quit his job when the cook in the facility aimed a knife at him. He was able to find another minimum wage job within a few weeks.

The younger boy works part time after school. Both youngsters are very angry with their father. The family unit is coping poorly with its multiple burdens.

Treatment at the Jewish Family Service, and the efforts of Jewish Vocational Service to assist Dr. Aronson in finding employment are undermined by the very real desperation caused by the lack of an economic floor under this family. The fact that they are denied access to AFDC because of ownership of a reliable means of transportation, is a "Catch 22" situation. For this family, it would appear there is no "safety net."

### Case Number Two

Mrs. Gayle Cohen, 42 years old, called Jewish Family Service requesting food and housing. She and her husband had come to the Los Angeles area from San Francisco a few weeks earlier to find jobs and reestablish themselves. They had enough money to stay in a motel temporarily, but, in addition to daily expenses, had some unexpected car repairs and their funds were now exhausted.

Mr. Cohen, who has a chronic psychiatric problem, had experienced a recurrence in response to all of the stress. He was hospitalized at the time of Mrs. Cohen's call to Jewish Family Service. Fortunately, he did have Medi-Cal coverage which would pay for his hospitalization. Mrs. Cohen was working at a temporary job and looked forward to receiving a paycheck, but had no funds and no place to stay in the interim. This situation was resolved temporarily by providing two nights lodging in a motel and money for food and transportation until payday. Counseling at Jewish Family Service was offered, but not accepted.<sup>26</sup>

### What Needs to Be Done?

To revive the promise of opportunity in America, to deal with the economic distress I have described, will require government and Jewish private sector responses.

Jews and non-Jews in America are indivisible and one people. The health of the Jewish community depends on the health of the overall American community. Jews have historically been "moral hemophiliacs"—willing to shed their blood to eliminate injustice.

Despite this Talmudic orientation, Jewish lay and professional leadership have turned inward. We have moved away from a concern with broad social

issues and have given greater attention to Jewish survival imperatives, such as Israel, anti-Semitism, and Jewish education.

Such Jewish community issues must be our highest priority, but we must intensify our concern for general social welfare issues, such as poverty in the United States.<sup>27</sup> When government policies improve the quality of life, the benefits invariably trickle down to Jews. But it is more than that. Jews are thirsty for social justice.

We care. We care when central cities decay. We care if children are malnourished. We care when people are sleeping on grates. It's our tradition.<sup>28</sup>

Jewish community leadership should consider advocating for some of the following actions: Support programs that work, such as child nutrition, compensatory education, youth employment, skill training, and work experience.<sup>29</sup> Consideration should also be

<sup>27</sup> The movement away from broad social policy concerns is treated in Robert Forman, *Federation Relations to the Broader American Social Welfare Establishment*. Unpublished paper delivered at the February 1, 1985 Meeting of the Large City Federation Executives.

<sup>28</sup> Senator Carl Levin, "Small World Public Policy," *Moment*. Vol. 10, Number 5 (May, 1985), pp. 34-35. Levin argues that the Jewish community must participate more fully in universal causes because of self-interest. We need the help of others in Jewish causes. Our involvement in the concerns of others builds coalition and Congressional support for issues which are on the Jewish agenda.

<sup>29</sup> "Save the Job Corps," *New York Times*, April 11, 1985, p. 22. The details for the four policy areas are set forth in Levitan and Johnson, *op. cit.* See also Garfinkel and Haveman, *op. cit.* In addition, there is a national consensus in support of income transfers and in-kind assistance to the elderly.

Michael Harrington suggests other ideas including restoring food stamp and Medicaid coverage to the working poor; raising minimum wages and support programs so that no one who works full time should be poor; extending food stamps to anyone threatened by hunger; and providing Medicaid to all poor families with children.

<sup>26</sup> J. Carole Atkin, Case studies prepared for the Jewish Family Service of Los Angeles and the Southern California Conference of Jewish Communal Service. April 17, 1985. The case names are fictitious, the situations actual. The conventional view is that poverty is transferred from generation to generation. This does not seem to be the situation among Jews. Jews tend to have characteristics which enable them to escape being poor—self discipline; the capacity to take direction; intellectual, in contrast to emotional behavior; and hard work. Beeghley, *op. cit.*, pp. 131-163. The classic study on this topic is Nathan Glazer, "The American Jew and the Attainment of Middle Class Rank," in *The Jews—Social Patterns of An American Group*, ed. Marshall Sklare. New York: Free Press, 1958, pp. 138-146. Indeed, a current Hebrew University study substantiates that "disadvantaged" children in Israel do not grow up to be disadvantaged adults. "Outgrowing Poverty," *Jerusalem Post*, November 17, 1984, p. 16.

given to developing a national policy for children.<sup>30</sup> As Senator Edward Kennedy reminds us: "Government programs have made a very real difference in the lives of millions of our citizens. This is a timely reminder to those of us in public service. Even if we don't always succeed, we have an obligation to try."<sup>31</sup>

### Jewish Private Sector Responses

To supplement the aforementioned government efforts, expanded Jewish social services are essential. In particular, the Jewish community must fix the safety net and increase assistance to the Jewish near-poor and homeless.

#### I Fix the Jewish Safety Net

To respond to Jewish poverty was one of the fundamental reasons for organizing the Jewish Federation system. Relief for the sick and needy, especially Jewish immigrants, consumed most early charitable dollars. After 1932, society's effort to help the poor shifted to the government. It handled poverty "damage control."

As we have documented, between 1980 and 1985 a weak economy and public budget cuts have hurt Jews. Private Jewish philanthropy must therefore revert to an earlier philosophy and provide more tangible services. Jewish communities must now introduce or ex-

pand such services as interest free loans; information and referral hotlines; shelters; after school and all day child care; outreach to isolated elderly; job counseling and placement; legal services; direct cash grants; and food banks. In some cities, non-Federation agencies, such as Chabad, and the United Way, through its Federal Emergency Management Administration (FEMA) Grants, are also significant.

Substantial energy must be devoted to connecting the Jewish poor to services and entitlements available in the public sector. However, many Jews do not see themselves as service recipients, but as donors. Due to pride or lack of knowledge, many in need do not come to the Jewish service delivery network. Innovative outreach strategies will be required to help the Jewish indigent help themselves. Neighborhood multi-service centers, with professionals and volunteers, are one model. They reach out into the neighborhood and into the homes of Jews.<sup>32</sup>

#### II Focus On the Jewish Near Poor

The number of Jewish "near poor" is growing. In New York City alone, 82,700 households are "near poor," having incomes up to \$10,000 above their official poverty line. They may have lost their jobs in small businesses or manufacturing, despite years of work experience. Some were in trades now obsolete or in professions such as school teaching, with declining opportunities. They have trouble meeting mortgage payments and paying for their children's education.<sup>33</sup>

<sup>30</sup> "Senator Moynihan and the Children," *New York Times*, April 9, 1985, p. 26. Some states have neither the will nor the resources to alleviate disadvantage. In 1982, only about 25% of federal cuts in human resource programs were made up by states and localities. These cuts particularly hurt children.

<sup>31</sup> Levitan and Johnson, *op. cit.*, back cover. Government anti-poverty measures have brought progress, but do have costs. For example, unemployment insurance does provide help during forced idleness, but in some cases delays the job search. Major social interventions have benefits and, in many instances, unintended consequences.

<sup>32</sup> Jacob B. Ukeles, *Jewish Communal Policy and the Jewish Poor*. Paper delivered at the February 21, 1985 Conference on Jewish Poverty, New York City.

<sup>33</sup> Note Nova, *op. cit.* Financing a college education for one's children is very difficult for many near poor. Today, a single year's tuition, room

Few public programs aid the Jewish "near poor." They are ineligible for most forms of relief due to the stringent means test—allowable resources of \$1,000 excluding a home, and a \$1500 car. They usually cannot get food stamps. If unemployed, they quickly lose their employer-provided health insurance. It is a "Catch 22" situation. To get Medicaid, you must be very poor. But because you were a working person and managed to acquire some equity, you are not officially poor. If you were formerly in a middle-income family and are now among the "new poor," you must liquidate most assets.

To fill these gaps, more Jewish communal funds will need to be allocated to the "near-poor." Scholarships for camping and Jewish community centers and reduced fee schedules for services, such as counseling, will require greater allocations. Many near poor who want to belong to a synagogue, give more than one child an intensive Jewish education, and eat kosher food, face impoverishment. Substantially higher levels of assistance need to be forthcoming for them.

### III Reach Out to the Jewish Homeless

On any given night in the United States, there are as many as 350,000 homeless. They have no place to sleep, must be on the street, or go to a temporary shelter. Emergency shelters can only provide 110,000 beds. Social services are completely inadequate, especially for homeless Jews.

Los Angeles is a case in point. It has the largest homeless population in the United States—33,800. It has no public

shelters. There are between 700 to 1,000 homeless Jews. Some Jews are forced to go to non-Jewish missions where attendance at church services is required for admission.

People become homeless for a variety of reasons. They are not just alcoholics and "bag-ladies." They may have become unemployed and have no family support network. Others have been unable to cope with a rent increase, or have been evicted and are unable to find low-cost housing. Over the last 20 years, over 400,000 mental patients have been deinstitutionalized. Other homeless people include battered women and youth fleeing domestic violence. It is hard to deal with them. As the former president of Haverford College put it when he went underground:

Watching people come and go at the Volvo Tennis Tournament at Madison Square Garden, I sensed how uncomfortable they were at the presence of the homeless. Easy to love in the abstract, not so easy to love face to face.<sup>34</sup>

For communities where Jewish homelessness is a problem, steps can be taken to reduce their number. One city recently formulated a comprehensive plan which included funding a coordinator of services to homeless Jews. Among her responsibilities will be to identify landlords willing to waive security/rent deposits; expand feeding programs; and secure in-kind donations from Federation apparel, furniture, and campaign leadership.

That same city is moving to set up a major Homeless Emergency Fund to provide food, rent, clothing, and furnishings. Poor Jews will be moved into apartments. Others in danger of evic-

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and board at a 4-year public college is an average of \$4,881, and \$9,022 for a private institution. "Can You Cope With College Costs?" *Consumer Reports*, Vol. 50, No. 6 (June, 1985), pp. 345-348.

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<sup>34</sup> Mark J. Stern, "The Emergence of the Homeless As a Public Problem," *Social Service Review* (June, 1984), p. 295. Also, Nancy K. Kaufman, "Homelessness: A Comprehensive Policy Approach," *The Urban and Social Change Review*. Vol. 17, Number 1 (Winter, 1984), pp. 21-26.

tion will get rent money and be linked to entitlement or relief programs.<sup>35</sup>

### In Conclusion . . .

In this paper, we have identified who are the poor today; explained the new Jewish poverty; pinpointed some of the

holes in the government's safety net; and presented a plan for government and Jewish communal action.

Judaism calls upon us to help the less fortunate of the world. When we help them, we demonstrate that "being a Jew is the least difficult way of being truly human."<sup>36</sup>

<sup>35</sup> *Report of the Task Force on Homeless Jews*. Los Angeles: Jewish Federation Council, May 1, 1985. Estimates of the number of Jewish homeless were made by contacting Jewish organizations and synagogues in Greater Los Angeles.

<sup>36</sup> Robert Gordis, *The Broken Vase or Our Jewish Parents and Our Jewish Grandchildren*. Delivered at the General Assembly of the Council of Jewish Federations; Philadelphia; November 11, 1976.

### *Twenty-five Years Ago in this Journal*

The second approach can best be understood in terms of the reality principle that fees are charged to help meet cost of service, that is, fees are seen primarily as a source of agency income. Such a view accepts as valid all the psychological insights about fee and its impact on clients just mentioned, but it stresses that these are considerations which should be related mainly to the treatment process. They may or may not—usually not—be permitted to affect the financial necessity of charging each family a fee it can afford.

Clearly, such a view of fees in a social agency could only occur when financial need is no longer the main problem for many clients. Related to this is the fact that services now being offered by agencies are broader in application so that clients from all income groups seek them out. At the same time it should be noted that fee income is increasingly important to

agencies as the cost of treatment increases due to our greater knowledge and wider use of professional resources.

The principles of this reality-oriented fee philosophy are the following:

1. Fee payments provide a substantial source of agency support with which to maintain the quality and extend the quantity of service.
2. Treatment services of agencies are needed and utilized by many clients who can afford to pay some of its costs.
3. Casework implications of a fee system are secondary to its main purposes; they should be handled as casework problems and usually should not be permitted to affect fee policy.
4. Ability to pay, when clients are not paying full cost, is not related to how much service is given, but is a relatively stable factor. A family's ability to pay remains the same, for instance, when there are broken appointments.

HERMAN LEON  
Spring, 1961