

EMBARGOED UNTIL March 7, 2006

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Americans are Realistic – and Optimistic – About Prospects for Their Communities

Northwest Area Foundation Study Reveals

- ***It takes at least \$40,000 annually to care for a family of four, say Americans***
- ***Half know people who work two jobs and still struggle to get by***
- ***Healthcare and good-paying jobs should be priorities for elected officials***

ST. PAUL, Minn. (March 7, 2006) – A nationwide survey released today by the Northwest Area Foundation reveals an America acutely aware of people's financial struggles, yet optimistic that the number of people struggling can be reduced.

The survey found that Americans are willing to personally take action on this issue, and that they strongly believe their locally elected officials have an important role to play in reducing poverty.

The survey asked peoples' perceptions of, and priorities for, their own communities. Half of the respondents said "a lot" of people in their communities struggle to get by, and half said they personally know someone who works more than one job yet still struggles to make ends meet.

Yet, the survey revealed a penchant for optimism mixed with realism: 76 percent say they believe the number of people struggling in their communities can be reduced.

"We were impressed by both the reality and hope in the responses," says Karl Stauber, president and CEO of Northwest Area Foundation. "In our work, we're seeing that communities can make great strides when they're willing to look at their current situation, identify their strengths, and then work together – community members, elected officials, business leaders, educators and faith leaders – to plan and implement strategies that attack poverty at its roots."

"These findings also tell us that people are hungry for solutions. The good news is that there are bold communities and innovative locally-elected officials who are taking action, and making important improvements, right now," stresses Stauber. "Every month, we are discovering that communities – all across the country – are developing goals, implementing strategic plans, and recording real successes," he says. "We also are conversing with local elected leaders who are aware that there are people in their communities who are struggling, who understand the linkages between policy and poverty reduction, and who are striving to make lasting change."

According to the survey, nearly two-thirds of Americans believe a family of four needs at least \$40,000 per year to make ends meet – far exceeding the federal government's poverty designation of \$19,806 annually.

Americans also are clear about priorities for their local elected officials: Nine of 10 Americans say it's important for local elected officials to help people who struggle to make ends meet, and almost 70 percent say they would be likely to pay more in taxes if they knew the funds would help people in their communities. Three-quarters of Americans say keeping and attracting businesses with good-paying jobs, and improving access and reducing costs related to healthcare, should be high – or top – priorities for local elected officials.

Hard Work Doesn't Abate Tough Times

Hard work does not exempt people from financial struggles. According to the study, half (51 percent) of Americans say “a lot” of people in their local communities struggle to make ends meet, and half personally know someone who works two jobs yet still struggles to get by.

The perception that a lot of people struggle dominates all geographic areas – rural, urban, small city, towns – except for suburbs. Women, people of color, people with less education and people making less than \$50,000 per year are among the most likely to say “a lot” of people struggle in their communities. These same demographic groups also are among the most likely to say there are a lot of people in their communities who work full-time jobs but still struggle.

While the federal poverty threshold declares a family of four is impoverished if they make less than \$19,806 per year, the survey found that most Americans believe it takes at least \$40,000 annually to make ends meet. When asked how much a family of four needs each year, people across the U.S. said:

How much income would you say a family of four needs to earn in a year in order to make ends meet in your community?

| | | |
|---------------------------|-------------|--|
| At least \$10,000 | 1 % | |
| At least \$20,000 | 8 % | |
| At least \$30,000 | 23 % | (NOTE: U.S. federal poverty threshold for a family of four is \$19,806 per year.) |
| At least \$40,000 | 25 % | |
| More than \$40,000 | 39 % | |

People also overwhelmingly feel an individual needs more than the federal government’s definition of poverty to make ends meet. Nearly nine out of 10 people (86 percent) say a single adult needs more than \$10,000 annually to make it in their communities (the federal poverty threshold is \$10,160 for an individual).

Clear Priorities, Higher Expectations for Local Elected Officials

While most Americans are at least somewhat satisfied with the way things are going in their communities, clear priorities for improvement emerged in the survey. In addition to healthcare concerns and the need for good-paying jobs, more than half (55 percent) of Americans cited affordable housing, and four in 10 cited better public transportation, as high, or top, priorities.

The vast majority of Americans feel that local elected officials should help people who are struggling (61 percent say it’s very important, 30 percent say it’s somewhat important). And seven of 10 respondents say that when they vote, they think about how well a candidate would help those who are struggling.

Local elected officials get high marks for being knowledgeable: seven in 10 people say their local elected officials are very or somewhat knowledgeable about people’s struggles to make ends meet. Similarly, 66 percent say local officials would be willing to meet with them to talk about ideas for helping people.

However, only half (56 percent) of Americans say local officials work somewhat (47 percent) or very (9 percent) hard to help people who are struggling. Only 38 percent say they can trust their local government most (34 percent) or all (5 percent) of the time.

Meanwhile, 90 percent of Americans say local officials have responsibility for making improvements: According to the survey, people say elected officials have a great deal or some responsibility for making healthcare more accessible and affordable, providing better social services, creating more affordable housing, keeping and attracting good-paying jobs, getting people involved to help others who are struggling, and getting churches and other groups to work together to help others.

Optimism and Generosity Prevail

Contrary to some views of an apathetic citizenry, Americans say they are willing to do more, and pay more, to help people in their own communities. Indeed, the survey found that most Americans say they would be likely to pay \$50 more in taxes per year if they knew it would help people in their communities who are struggling.

Half of Americans already have taken such action, with 49 percent saying they have joined with others to improve something in their communities during the past 12 months. Seven out of 10 said they would be “very likely” to do at least one of the following items in the future:

| How likely would you be to: | Likely | Not Likely |
|---|--------|------------|
| Join with others in your community to discuss ways to help those struggling to make ends meet: | 76 % | 23 % |
| Take part in a church project to help people struggling to make ends meet: | 78 % | 21 % |
| Adopt a family in need to help them from time to time: | 64 % | 34 % |
| Pay \$50 more a year in taxes if it would go to programs in your own community that help people struggling to make ends meet: | 68 % | 29 % |
| Talk to elected officials in your community about people’s struggle to make ends meet: | 70 % | 29 % |

Further, Americans are optimistic about the ability of people in their communities to reduce poverty. Half (51 percent) of respondents say their community effectively deals with local problems (always or most of the time). Almost all respondents (92 percent) said it would be a good idea to get together with people in their communities to discuss ways to help people who are struggling.

For additional information about this survey, and for downloadable graphics and charts generated by survey findings, see www.nwaf.org or call.

The Northwest Area Foundation is dedicated to helping communities reduce poverty for the long term. The Foundation works on strategic efforts with a small number of rural, urban, and American Indian reservation communities, and the organizations supporting these efforts, in its eight-state region: Minnesota, Iowa, North Dakota, South Dakota, Montana, Idaho, Oregon and Washington. These states were served by the Great Northern Railway, founded by James J. Hill. In 1934, Hill’s son, Louis W. Hill established the foundation. Foundation assets were approximately \$452.5 million as of March 31, 2005. The Foundation does not accept unsolicited grant requests. For additional information, visit www.nwaf.org, or call 651-224-9635.

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Lake Research Partners conducted the telephone survey among 2,400 Americans age 18 and older from Dec. 14-22, 2005. A total of 800 interviews were conducted nationwide, and oversamples of 200 each were conducted in eight states (reported separately). For the national data, oversamples were weighted down to reflect their true proportion in the country. The data were weighted slightly by gender, race, ethnicity, age and region. The margin of sampling error for the survey is +/- 3.5 percent.