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Washington Office
OF NORTH AMERICA

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EMERGENCY FOOD AND SHELTER PROGRAM FY2017

June 2, 2016

Request: The Emergency Food & Shelter Program is a valuable federal safety-net to millions of households that are economically vulnerable. Unfortunately Congress is considering cutting the program's next appropriation by \$20 million. Please call on your Representatives to urge the Homeland Security Appropriations Subcommittees to fund the Emergency Food and Shelter Program at no less than the current funding level of \$120 million in fiscal year 2017.

Program Overview:

After a significant economic downturn in 1982, Congress established the EFSP program with the strong support of The Jewish Federations. It is the first federal response to assist the newly unemployed and working poor from falling into chronic homelessness and food insecurity. The program funds nonprofit and public shelters and other service organizations for items such as food, consumable supplies for shelters, and rental and utility assistance to households.

EFSP has served over 14,000 human service agencies in more than 2,500 communities across the country, through a collaborative effort between the private and public sectors. FEMA works with representatives of the American Red Cross, Catholic Charities USA, **The Jewish Federations of North America**, National Council of the Churches of Christ in the USA, The Salvation Army and United Way Worldwide, in administering the program, nationally, with a similar structure operating in local jurisdictions to ensure that those most in need are served. The program supplements approximately 100 Jewish human services agencies.

Legislative Status:

Beginning in FY 2011, Congress cut the EFSP annual appropriation by 40% (from \$200 million to \$120 million). For FY 2017, the President proposed an additional \$20 million cut to the program. Last week, the Senate Appropriations Committee adopted the President's recommendation within its draft Homeland Security Appropriations bill for FY 2017. **Soon, the House Homeland Security Appropriations Subcommittee will take up its draft version of the bill. It is, therefore, timely for Representatives to urge the Subcommittee to fund the Emergency Food and Shelter Program at no less than \$120 million in FY 2017.**

Justification:

“Working Families are Livening Paycheck-to-Paycheck”

Present economic and employment conditions support Congress maintaining EFSP funding at no less than the current level of \$120 million:

- According to the most recent US Census bureau data, almost a third of US working families are low-income (10.6 million out of 32.6 million), living under 200 percent of the official poverty level. **(Source: Working Poor Families Project (2014-2015))** They face two significant challenges: low-wages and under-employment (involuntary part-time employment). These factors have been particularly acute in the post-Great Recession period.

- According to the Bureau of Labor Statistics, from 2007 to 2014, the bottom 88 percent of all civilian workers had stagnant or declining wages. **(Source: BLS, Compensation inequality: evidence from the National Compensation Survey (July 2015))**

- According to the Bureau of Labor Statistics, the share of workers who want to work more but can't find full-time jobs may remain elevated even as the economy improves. **(Source, BLS, Monthly Labor Review (November 2015))** In “Involuntary part-time work: here to stay?”, economists wrote that the number of involuntary part-timers rose sharply after the Great Recession, and in the years since has stayed relatively large even as the unemployment rate itself has dropped. **(Source: Federal Reserve Bank of San Francisco, Economic Letter, 2015-19 (June 8, 2015))** As of April, 2016, there were 6.0 million involuntary part-time workers; a figure that has shown little movement since November 2015. **(Source: BLS, Monthly Employment Situation (April 2016))**

- Years of stagnant wages and underemployment have led millions of working families to live paycheck-to-paycheck. Since 2013, the Federal Reserve Board has conducted a survey to “monitor the financial and economic status of American consumers.” In the latest survey, when respondents were asked how they would pay for a \$400 emergency, nearly one-half (47 %) said that either they would cover the expense by borrowing or selling something, or they would not be able to come up with the \$400 at all. **(Source: Board of Governors of the Federal Reserve System, Report on the Economic Well-Being of U.S. Households in 2014 (May 2015))**

- According to U.S. News & World Report, last year ended up being one of the worst years for layoffs since the Great Recession, and 2016 looks troubling. **(Source: U.S. News & World Report, “January Hiring Lowest in More than a Year” (March 17, 2016))** Per the Bureau of Labor Statistics, there were 1.7 million layoffs and discharges (involuntary separations initiated by the employer) in March. **(Source: BLS, Labor Turnover (May 10, 2016))**

- The EFSP program provides a backstop for economically vulnerable populations, in particular the elderly, families with children, Native Americans, veterans, and individuals with mental and physical disabilities and illness. At current spending levels, the program supports nearly 40 million meals served, nearly 54 thousands rental or mortgage assistance payments made, nearly 4.4 million nights of shelter provided, and over 100 thousand utility bills paid.

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