

# The State of the Poor

In the Roanoke Valley-Alleghany Region

*October, 2007*



Total Action Against Poverty  
Roanoke, Virginia

*A Community Action/ Economic Development Agency*

## About This Report

TAP has prepared this report to highlight the challenges faced by low income residents of the Roanoke Valley-Alleghany region, TAP's impact area. The area includes the counties of Roanoke, Botetourt, Craig, Alleghany, and Rockbridge. It includes the cities of Roanoke, Buena Vista, Salem, Covington, Lexington, and Clifton Forge, and there are 285,000 residents.

In all of our communities, thousands of families—including those who are employed but make less than a living wage—still struggle to pay for basic needs, including food, shelter, and health care while living in the most affluent country on the globe.

We have compiled data from many sources to provide a summary and a snapshot of the difficulties many residents face today, and will continue to face tomorrow.

This information will be updated periodically, and we hope that it will serve as an inspiration and catalyst for policymakers and concerned citizens interested in assuring that everyone's basic needs are met, and that opportunity exists for all.

*(Data sources are listed in parentheses following each entry.)*

## In Our Impact Area

### How Many Residents are Poor?

Locality	Individuals under 100% of the federal poverty guidelines	Percent of individuals under the poverty guidelines compared to the total population
Alleghany County	905	7.14%
Botetourt County	1559	5.19%
Craig County	520	10.26%
Roanoke County	3732	4.46%
Clifton Forge	786	19.42%
Covington	806	12.89%
City of Roanoke	14,793	15.95%
Salem	1545	6.71%

### How Many Residents Are Disabled?

Locality	Number of individuals with a disability	Percent of individuals with a disability compared to the total population
Alleghany County	2573	21.3%
Botetourt County	5167	18.2%
Craig County	1025	21.3%
Roanoke County	13,425	16.8%
Clifton Forge	1058	27.5%
Covington	1651	28%
City of Roanoke	22,161	25.5%
Salem	4375	19%

(from the Roanoke Valley-Alleghany Regional Commission Demographic Profile Report, 2004 2005)

In our area there are over 4700 individuals with disabilities who are 5 to 20 years old;

There are over 26,000 individuals with disabilities who are between 21 and 64 years old;

There are over 14,000 individuals with disabilities who are over 65 years old.

### How Many Are Homeless?

According to the January 2006 survey of the Roanoke Regional Task Force on Homelessness... 381 homeless people resided in emergency shelters, transitional housing facilities, treatment centers, and in other areas not designed for sleeping in the Roanoke Valley each night.

More than one hundred-fifty children were reported to be living in Roanoke Valley homeless shelters during the 2005-2006 school year. Approximately 75% of those children were in kindergarten to 5th grade.

Who was homeless on the night of the homeless survey?

Number of families with children	32
Number of single individuals	293
Number of individuals with mental illness	15
Number of individuals with chronic substance abuse	108
Victims of domestic violence	18
United States Armed Forces veterans	9

### When Work Isn't Enough

Twenty-one percent of 2006 Homeless Survey respondents reported a poverty-related inability to find and/or retain housing. A review of Roanoke Valley area cost of living data illustrates how easily people can slip into poverty and lose housing when unemployed or with a low or minimum wage job.

(from *A Place to Call Home*, the Council of Community Services, Roanoke)

Here's what it really costs to live in Roanoke, Virginia. This listing excludes any family savings or other non-basic expenses, for instance, a child's further education.

<i>Monthly Expenses</i>	<i>One parent with one child</i>	<i>Two parents with two children</i>
Housing	\$586	\$586
Food	\$265	\$587
Child Care	\$597	\$904
Transportation	\$275	\$374
Healthcare	\$289	\$401
Other necessities	\$230	\$317
Taxes	\$306	\$259
Monthly total	\$2548	\$3429
Annual total	\$30,576	\$41,148

(The Economic Policy Institute [2004] Basic Family Budget – Roanoke, VA)

Compare this to the conventional  
United States Government 2006 poverty guidelines

<i>Size of the family</i>	<i>100% poverty guide</i>
A family with two individuals, one adult and one child	\$13,200
A family with four individuals, two adults and two children	\$20,000

(US Department of Health and Human Services)

For all of our impact area, the total average percent of families making below poverty level income was 10.8%; for children under 18, 12.6% were impoverished.

The median earnings per year for males in our area are \$30,035; while earning for females in our area is \$21,930.

The number of families on public assistance of any sort in our area was 3275.

(United States Census Bureau, 2000)

The average weekly wage in our area is \$632.

Total number of people employed in our area is 170,716.

Total number of unemployed individuals who are still registered with the Virginia Employment Commission is 5222.

(Electronic Labor Market Access, Virginia Employment Commission)

## How About Education in Our Area?

During the school year, 2005-2006, 425 students dropped out of school in Alleghany, Botetourt, Buchanan, Craig, Roanoke County, Rockbridge, Buena Vista, Covington, Salem, and the City of Roanoke, almost 2% of all students.

(Virginia Department of Education)

The adult illiteracy rate in the City of Roanoke is 25%; in the City of Salem and Botetourt County it is 14%; and the rate in Roanoke County is 13%.

(as reported by the National Adult Literacy Survey (NALS) in 1993  
(provided by Literacy Volunteers of Roanoke County)

The number of children eligible for free or reduced cost lunch in our area, a conventionally-accepted metric of the need in a community, was 10,967 children.

8.5% of all residents in our impact area have less than a ninth grade education.

Education and linguistic isolation: in our area more than 10,000 residents speak a language at home other than English, and 3700 residents judge they speak English “less than well.” Over 800 individuals have little or no English.

(United States Census Bureau, 2000)

## The Cost of Home

Many families spend over 30% of their income on housing that is frequently substandard. Foreclosures have skyrocketed nationally and in Virginia. Virginia foreclosures were up 300% in July, 2007 and up 900% in August from the same months of 2006.

(RealtyTrac, an Irvine, Calif., foreclosure-tracking company)

The homeownership rate in Roanoke City in 2000 was 56.3%; well below the Commonwealth rate of 68.1%.

The homeownership rate in Lexington in 2000 was only 54.9%.

(<http://www.infoplease.com/us/census/data/virginia/roanoke/>).

The U.S. Census Bureau uses the term “housing cost burden” to describe a situation where 30% or more of the household income is used to pay for housing. A “severe housing cost burden” is a situation where 50% or more is used. 38.4% of residents in the city of Clifton Forge have a housing cost burden; 18.9% have a severe burden. Roanoke County shows a rate of 43.5% and 19.9% respectively; the numbers were only slightly lower in the City of Roanoke. Lexington showed 57.8% and 37.8%. Rockbridge showed 39.7% and 20.6%.

14.3% of the conventional mortgage loans and 19.4% of the refinancing loans are made by sub-prime lenders in Alleghany County. Roanoke County shows levels of 22.9% and 26.4%.

(<http://www.dataplace.org/>).

## What About Our Health?

One million (13.3 percent) Virginians lack health coverage. National trends show that the share of Americans—including children—who are uninsured has increased 2.2 million in 2006.

For the second year in a row the number of uninsured children has increased – rising by more than 600,000 in 2006.

(The Commonwealth Institute)

“There are nearly 44 million Americans living without health coverage—a million right here in Virginia; nearly 20% of those—or 8.5 million—are children.”

(Extracted from Governor Warner’s press release, “Governor Warner Sets a Goal of 100,000 Children Insured by His Administration”, May 10, 2004.)

Within TAP’s service area, there were 26,993 people without health insurance in 2000.

(U.S. Census)

According to 2005 statistics from the Virginia Center for Healthy Communities, an independent, nonprofit organization, 13% of residents in Botetourt County, or nearly 4,100 people, didn't have health insurance in 2005. That percentage is a little higher than the number of uninsured in Roanoke County, but lower than in the City of Roanoke.

(<http://www.roanoke.com/news/>).

The City of Roanoke registers a 14.4% uninsured rate; higher than the 12.2% uninsured rate for the state of Virginia.

(U.S. Census)

## Childcare

A minimum-wage job would yield about \$286 a week. In our area, child care costs for children between birth and nine years of age average \$93 a week, with a monthly average cost of \$465 and an average yearly cost of \$5,580 or about 32% of minimum wage income.

(Costs courtesy Council of Community Services, Roanoke)

70% of the children under 18 in the Roanoke Metro area have both parents in the workforce.

([www.KidsCount.org](http://www.KidsCount.org))

## Criminal Justice

3,214 of every 100,000 Virginians are incarcerated. Of those numbers, 396 are white, 2331 are black, and 487 are Hispanic.

Felony disenfranchisement: in our state serving *and* released inmates may not vote if they have been convicted of a felony. In the Commonwealth, 377,847 individuals have lost the privilege to vote; 297,901 are ex-offenders, who had been released from incarceration; 208,343 of these offenders are African-American, and 5158 individuals are on parole.

([www.SentencingProject.org](http://www.SentencingProject.org))

Disenfranchised ex-offenders living in our area include:

733 City of Roanoke residents (per the staff at the City of Roanoke Registrar);

39 in Salem (per the staff at the City of Salem Registrar);

32 individuals living in Botetourt County (per the staff at Botetourt County Registrar)

## Domestic Violence

### From the year 2005 in Virginia...

- 67.2% of all adult female homicide victims and 32.8% of all adult male homicide victims were killed by an intimate partner.
- 69 people were murdered in intimate partner homicides.
- 79.3% of the victims were killed in homicide/suicide events. All of these victims were female.
- A firearm was used in 59.7% of intimate partner homicides.
- 10 of these homicide victims had previously ended an abusive relationship.
- 45.6% of all intimate partner homicide victims were killed by an intimate partner over 18 years of age.
- 41.8% of all adult intimate partner homicide victims were killed by a spouse.

(Virginia Office of the Chief Medical Examiner)

## Hunger in Our Area

Total food stamp recipients for one month (August 2007) in Alleghany/Covington, Roanoke County/Salem, Rockbridge/ Buena Vista/Lexington area were 7408 individuals with a total value of \$755,750.

(Virginia Department of Social Services)

In 2006 The Southwestern Virginia Second Harvest Food Bank distributed 9.3 million pounds of food and related products from its three facilities in Roanoke Valley, Alleghany Highlands, and Appalachia. They serve a 26-county area in Southwestern Virginia and the food distributed had a wholesale value of \$1.3 million.

(Southwestern Virginia Second Harvest Food Bank website)

## Predatory Lending

A March 2004 report estimated that payday loan volume totaled \$40 billion in 2003. The Center for Responsible Lending estimates that predatory lending, including payday loans, strips \$16 billion in wealth from low-income consumers and communities in the U.S. each year.

(The Ford Foundation)

The Center for Responsible Lending reports that 99% of payday borrowers are “chronic users” and that the average amount paid back on a \$325 loan is \$800.

The Bureau of Financial Institutions reports that in 2005, more than 3.3 million payday loans were made to more than 445,000 borrowers from 756 payday loan locations in Virginia. In that year, the dollar amount extended to payday borrowers crested well above the \$1 billion mark in Virginia.

The Virginia General Assembly passed the Payday Lending Act of 2002, exempting payday lenders from the 36 percent interest rate cap that applies to most loans. In essence, that legalized loan sharking. Today, critics charge, the annual rate reaches nearly 400%.

(The Roanoke Times)

Maryland and West Virginia have never allowed payday lending. Georgia and North Carolina once allowed payday lending but have now eliminated it.

Predatory Lending is not only limited to payday loans. The majority of predatory lending practices are associated with the mortgage industry; practices such as equity stripping in the form of financed credit insurance, excessive up-front fees, subprime prepayment penalties, and excessive interest rate charges.



## TAP Main Program Components

Families in Transition W Head Start W Housing & Community  
Development W TAP Financial Services W This Valley Works

## TAP's Mission

Our mission is to encourage self-reliance and self-determination by strengthening and empowering individuals, families and communities. Our work mobilizes the community's good will and resources, expands access to existing opportunities and creates new opportunities.

## TAP's Vision

Our vision is to help create a Commonwealth and a community that achieve their highest economic and social potential by enabling our residents to reach the full extent of *their* capacities, and to participate fully in the American way of life.

To help create.... “a society in which everyone has the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity.”

*-Preamble to the Economic Opportunity Act of 1964*

## Total Action Against Poverty

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