Purpose Built Communities

Revitalizing Neighborhoods to Break the Cycle of Poverty

Tuesday, August 19, 2014
Poverty continues to undermine the American Dream

48.8 million Americans live in poverty

48.8 million > the entire populations of Canada, Denmark, and Ireland combined

42% of children born to parents in the bottom fifth of the economic distribution remain in the bottom as adults

23% rise only to the second fifth

That is more than 1 in 10 Americans

1 U.S. Census Bureau, American Community Survey Briefs: Household income – 2012, 2 National Center for Children in Poverty “Child Poverty and Intergenerational Mobility”
Children experience poverty at even higher rates

16.1 million children live in poverty

That is 1 in 4 American children

50%

Of poor children live in **concentrated poverty**

Concentrated poverty: >30% lives below the poverty line
Living in concentrated poverty often has dire implications for children.

88% of 3rd graders living in concentrated poverty read below grade level.

That is more than 6 out of 7 children.

- 2x as many adults living in areas of concentrated poverty lack a high school diploma.
- Residents of areas of concentrated poverty can experience 12 times higher homicide rates.
The human and economic costs of childhood poverty affect everyone.

It is estimated that childhood poverty...

- Raises health expenditures by $150 billion
- Raises the cost of crime by $160 billion
- Reduces productivity and economic output by $160 billion

The total costs to the United States associated with childhood poverty equals $500 billion per year.
The economic imperative – Social Security Crisis

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio of SSI Recipients To Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940</td>
<td>159.4</td>
</tr>
<tr>
<td>1950</td>
<td>16.5</td>
</tr>
<tr>
<td>1960</td>
<td>5.1</td>
</tr>
<tr>
<td>1970</td>
<td>3.7</td>
</tr>
<tr>
<td>1980</td>
<td>3.2</td>
</tr>
<tr>
<td>1990</td>
<td>3.4</td>
</tr>
<tr>
<td>2000</td>
<td>3.4</td>
</tr>
<tr>
<td>2010</td>
<td>2.9</td>
</tr>
</tbody>
</table>

We need everyone in America prepared to be successful in a knowledge based economy
Purpose Built Communities is working to break the cycle of poverty.

Our holistic approach uses East Lake as a basis for a model that has proven results.

Neighborhood Transformation that is both physical and human.
East Lake Meadows - 1995
East Lake Meadows - 1995

**Safety**
- 18x national crime rate
- 90% of families victims of a felony each year
- $35 million a year drug trade

**Housing**
- 100% public housing
- 1400 residents in 650 apartments
- 40% of units unlivable

**Employment**
- 13% employment
- 59% of adults on welfare
- Median income of ~$4,500

**Education**
- One of lowest performing schools in Georgia
- 5% of 5th graders meet state math standards
- 30% graduation rate
## Villages of East Lake - Present

<table>
<thead>
<tr>
<th>Safety</th>
<th>Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 73% reduction in crime</td>
<td>• High-quality, privately managed housing</td>
</tr>
<tr>
<td>• 90% lower violent crime</td>
<td>• Mixed-income (50% public housing, 50% market rate)</td>
</tr>
<tr>
<td>• 50% lower crime than city</td>
<td>• 1400 residents in 542 apartments</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment</th>
<th>Education</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 75% employment in public housing, remainder in job training, elderly or disabled</td>
<td>• ~1500 in Pre-K through 10th</td>
</tr>
<tr>
<td>• Median income of ~ $15k in public housing households</td>
<td>• 98% meet or exceed state standards</td>
</tr>
<tr>
<td></td>
<td>• A top performing school in Atlanta and the state</td>
</tr>
</tbody>
</table>
The East Lake transformation gave rise to a replicable model

- Strong Lead Organization
- Defined Neighborhood
- Mixed Income Housing
- Community Wellness
- Cradle-to-College Education Pipeline

Defined Neighborhood
Develop a strong lead organization to serve as the community quarterback

• Newly formed non-profit with a single focus
• Ensures that all programs are high quality, coordinated and seamlessly connected
• Ensures people in the target neighborhood are the ones served
• Braids a sustainable funding stream
• Serves as a single point of accountability

This is the Purpose Built difference
Students in the East Lake pipeline are performing on par with the highest performing Atlanta schools

**Percentage of 3rd graders who met or exceeded standards on the 2013 Reading CRCT**

<table>
<thead>
<tr>
<th>School</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drew</td>
<td>100%</td>
</tr>
<tr>
<td>Brandon</td>
<td>95%</td>
</tr>
<tr>
<td>Jackson</td>
<td>90%</td>
</tr>
<tr>
<td>Morningside</td>
<td>85%</td>
</tr>
<tr>
<td>Sarah Smith</td>
<td>85%</td>
</tr>
<tr>
<td>Mary Lin</td>
<td>85%</td>
</tr>
</tbody>
</table>

This is significant as the educational gap widens across America between the poor and the wealthy. (New York Times, February 9, 2012)
Thank you
Contact us

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