



FLOODING IN IOWA: A Responsible Response

Fourth in a series

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Low-Income Challenges After Iowa's Floods

Disaster Poses New Risks to Families Struggling in Already Soft Economy

Flooding has created an unprecedented economic disaster at a time when Iowa's economy was already struggling. Across the state, thousands of people have lost their jobs and homes. Those who were already living at the economic margins are digging themselves deeper into debt in an effort to recover or facing crises simply in seeking to restabilize their lives. It is critical to recognize the challenges low-income families face in the wake of a flood and to be focused in including their needs in Iowa's recovery planning.

Experience shows that, in the best of circumstances, it is a long road to recovery for families with the fewest economic resources. The experiences of Grand Forks and New Orleans residents demonstrate that families who are not in a good place before disaster strikes can be devastated for years to follow if their needs go unaddressed. In both locations, vulnerable populations struggled to recover and many low-income individuals did not return to the communities they called home. The consequences were measured not only in terms of economics, but also in terms of identification and social stability.

Experience also tells us that more affluent and moderate-income residents, while often facing major disruptions and crises as a result of disasters, generally are able to return to work and rebuild homes. Affluent and moderate-income residents often are in the best position to take advantage of transitional assistance, having enough resources for planning and action. Caught in a reactive mode, low-income families are delayed in beginning to think about recovery and rebuilding. Flood recovery is more problematic for low-income residents, who face a much more difficult path to stabilization. This is particularly true in the areas of affordable housing, child care and employment. In addition, low-income elderly and single mothers are especially vulnerable to the floods' effects.

In Iowa, communities have done an effective job of evacuation and emergency response for most people, including those with low incomes. Leaders from neighboring flood-recovered Grand Forks say that low-income families' long-term success depends on careful planning and resource allocation focused specifically on their circumstances.

Here are some particular challenges that low-income families disproportionately face in our state:

■ **Loss of child care.** An estimated 2,500 children may have been affected through the closing and relocation of 113 licensed preschools, child-care centers, Head Start sites and registered child-care homes. While all families feel the strain of rearranging child care, low-income families are more limited in their options because of cost, nontraditional work schedules, and the need to take public transportation to and from child care and work locations. In addition, child-care providers themselves

The Iowa Policy Project

120 N. Dubuque St. #208
Iowa City, IA 52245

(319) 338-0773 • www.iowapolicyproject.org

CHILD & FAMILY POLICY CENTER

1021 Fleming Building • 218 Sixth Ave.
Des Moines, IA 50309

(515) 280-9027 • www.cfpciowa.org

are generally lower-wage workers seeking to provide economic support for their own children and flooding has had an immediate impact upon their own livelihood and financial stability. In the case of family child development homes, the loss of a home or materials and equipment inside often means the loss of business, and finding alternative housing that can meet child-care registration standards can be a significant challenge. Additionally, family child-care businesses may have lost children they previously cared for whose families also moved as a result of the flooding.

■ **Loss of affordable housing.** A post-flood housing shortage drives up rent at the same time displaced families are searching for a place to live. Flooded communities throughout Iowa face increased housing costs and a loss of rental units. When low-income families are flooded out of rental units, the landlord receives money to rebuild the property. In Grand Forks, low-income housing stock for rental disappeared in the flood when the new rental units went to middle-income families. Early reports indicate that in Cedar Rapids alone more than 3,900 homes were damaged by flood waters and at least one-quarter of its affordable housing was lost. Families are doing what they can to survive, including multiple families living together. A teacher from Cedar Rapids' Metro High School reported that, in conducting home visits, she found one-third of her students were doubled up and living with other families. An opportunity to "rebuild better than before," should not be at the expense of affordability. This means attention to maintaining the level of affordable housing, both rental and owner-occupied, is needed for all whose lives have been displaced.

■ **Increased transportation difficulties and costs.** Road closures and damaged bridges have forced many people to find alternate routes to work, increasing travel times and cost. Individuals and families often must relocate outside of city centers to less expensive settings because of the lack of affordable housing. As a result, they have greater transportation costs in getting work, if they have personal vehicles available to make the commute. In some cases, transportation barriers cause people to be

GUIDING PRINCIPLES DISASTER RESPONSES MUST BE:

TIMELY

- Focused relief efforts need to occur when people are experiencing the disruptions and have immediate need for relief (recognizing the phases that families are likely to experience in dealing with loss)
- Rebuilding opportunities need to be presented when there is a readiness and capacity to take advantage of the opportunity to rebuild

TARGETED

- Rebuilding efforts need to be focused upon those impacted by the disaster, with a particular emphasis upon those for whom rebuilding will be most problematic (low-income and limited resource families)
- Rebuilding efforts need to involve those impacted in the planning and, to the extent possible, make use of their own skills and talents in rebuilding
- Rebuilding efforts need to pay attention to 21st century demands and pay particular attention to "green" strategies and to inclusion in responding to an increasingly diverse Iowa population

TRANSITIONAL

- Although rebuilding efforts will take years, most policies should be designed as temporary and not permanent ones
- Accountability for results requires that clear, time-specific goals and objectives be established for investments

unable to keep their jobs once they leave the community. While housing costs drop as the distance from urban centers increases, transportation costs rise and can offset any savings. Individuals who lack private transportation and previously worked at locations to which they could take public transit or walk face double jeopardy if their employers were flooded. This also applies to their access to child care and recreational or community programs that provide families with their sense of place and community. For reasons of mental health alone, additional efforts need to be made to sustain community ties that otherwise will be disrupted due to flooding, which requires specific attention to transportation issues.

■ **Loss of Work.** More than 10,000 Iowans have lost work due to the floods. Through the end of July, disaster-related unemployment benefits were awarded to 9,580 individuals, and these claims likely do not account for everyone whose employment has been impacted by the floods. Workers whose jobs were not directly affected by water damage may still suffer job loss because of disruptions in child care, housing or transportation. For example, an employee of a regional business who is offered work at a branch in another town but cannot make the commute due to lack of reliable transportation does not receive unemployment insurance, yet is still without a job.

■ **Strained Food Budgets.** Even before the flooding, many communities throughout Iowa had growing demands on their local food banks due to the rising cost of food. The strains of rising food costs on a family's budget are further magnified during and after a crisis of this scale. In communities where grocery stores have been damaged or closed, the cost of food rises even more. For example, Aldi's – a grocer with a high percentage of Food Stamp sales and low-cost food in Iowa City – has been closed since the flood in June, adding even greater strain to low-income families' economic security.

Accessing Resources

State and federal programs can provide an initial safety net, but accessing these programs can be difficult and time-consuming for applicants. Recipients must possess the information, counsel and – most importantly – time to successfully navigate bureaucratic channels to obtain help. In most cases, families are required to survive using their own personal safety nets in the form of savings and other assets to keep them afloat until federal resources are administered. Low-income families do not have the same personal assets and networks at their disposal to carry them through such a disaster and to support them in making long-term decisions regarding housing and employment.

It is important to recognize that some families may be in need of individual economic assistance for food, child care or transportation, but do not qualify for these programs because they are above established income thresholds. In these instances, such thresholds do not accurately reflect the urgency of daily needs. Adjusting income eligibility levels to better reflect the current cost of living in Iowa would be extremely effective in getting resources to families who need it.

Recommendations for Recovery Planning

Challenges faced by low-income people in the wake of a flood highlight how child care, housing, transportation, job loss and food costs intersect to create substantial and in some cases insurmountable difficulties for families. If we do not intentionally address their needs in recovery efforts, the result will be more economically insecure families in our state. The following policies, many taken directly from Grand Forks, will lessen the burdens experienced by low-income people in the relief and recovery stage.

- Use existing public assistance programs (e.g. TANF, Section 8 housing assistance) to follow up with low-income families who have left the community and provide them with information about available post-disaster programs and services. Such follow-up can enable these families to make informed decisions about whether, when and how to return.

- Earmark funds to help vulnerable people make informed decisions in areas that affect major aspects of their lives — not only in the immediate aftermath of a crisis, but over an extended period.
- Be aware that the loss of low-cost housing and commercial space will affect the availability of crucial resources and services that low-income families depend on, such as rental housing and child care, and seek to rebuild housing options that meet the affordability needs of those displaced.
- Look to the needs of the child-care community in getting back into business as a specific policy focus, including suitable safe space for providing care and the replacement of lost equipment, materials and resources.
- Identify opportunities for residents affected by the flood to be part of the cleanup and recovery actions. Some cleanup and rebuilding activities lend themselves to small-scale businesses or micro-enterprises that can be operated by individuals who have been affected by the flood. As there are jobs created specifically for cleanup and recovery activities, concerted actions should be taken to enlist lower-income individuals who may have lost other employment as a result of the flood as part of the cleanup and recovery workforce.
- When designing post-disaster recovery, ensure that plans for rebuilding and resource allocation take into account the circumstances of low-income families. The involvement of low-income people themselves, or at a minimum their representatives, in the planning process can increase the likelihood that relevant, quality plans are produced. Expand community-based planning to include agencies representing the needs of victims of domestic abuse, the homeless, immigrants and refugees, single mothers, low-income families and migrants as well as the elderly and disabled.
- Recognize that the crises low-income people face after a disaster are magnifications of the challenges they grapple with on a daily basis; what can be inconveniences and setbacks for more resourced and affluent families can become crises that, without timely, targeted and effective response, result in instability that will take years to remediate with long-term consequences to family and child well-being and development.

Iowa Fiscal Partnership

The Iowa Fiscal Partnership is a joint initiative of the Iowa Policy Project and the Child & Family Policy Center, two nonprofit, nonpartisan Iowa-based organizations that cooperate in analysis of tax policy and budget issues facing Iowans. IFP reports are available on the web at <http://www.iowafiscal.org>.

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