

MOTHERS
RISING

GUARANTEED
4 BASIC
INCOME



The Price of Motherhood in South LA

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The growing racial wealth divide in the United States is a troublesome sign that millions of families lack the resources necessary to secure a more stable financial future. These include the resources that would provide a financial reserve in periods of uncertainty (e.g, job loss, illness, etc.), assure quality secondary education for children, and insure retirement income. Moreover, the COVID-19 pandemic has made more visible an inequitable, inadequate, and fragile economy, where primarily Black and Brown families do not have sufficient income to afford basic needs like housing, food, transportation, and medical care. Historically Black and Brown communities are always the first to be hardest hit and the last ones to recover in times of economic crisis.



81

Mothers in South LA

In addition to the significant racial and ethnic wage gaps that exist, studies continue to reveal that significant wage gaps between men and women persist, despite women earning a higher education and participating in the labor force in greater numbers. This gender wealth gap is especially acute for Black and Latina women who own pennies on the dollar compared to both white men and white women.

Most studies use income as a measure of economic well-being, and fail to capture inherited assets, debt, or other wealth-stripping factors. Wealth is a better indicator of holistic financial security, as it shows the extent to which an individual, family, or household can handle an emergency and plan for the future. The more wealth that is passed down from generation to generation, the more assets are accumulated over time, resulting in greater financial security and stability for families.

This report fills a significant gap in the literature and it is the first to examine what types of challenges and opportunities Black and Brown mothers in South Los Angeles have when building wealth and financial security. The report also provides recommendations for developing programs and services that increase economic resiliency in communities of color.

WHO PARTICIPATED IN THIS SURVEY?

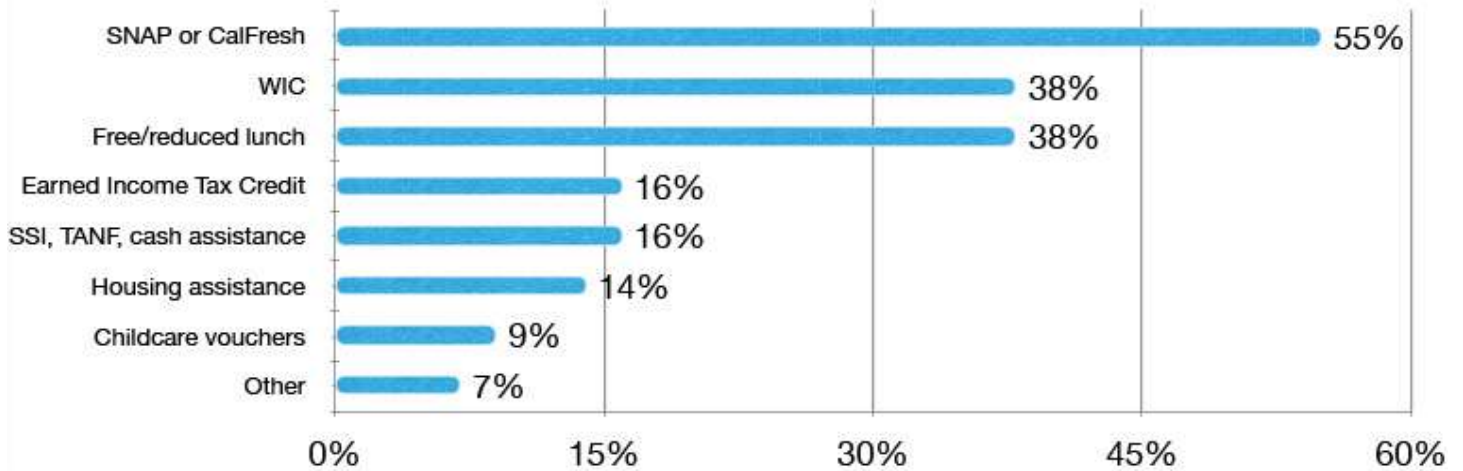
81 mothers participated in our survey. On average, mothers lived in South LA for about 10 years. Mothers who completed this survey were 68% Latinx and 33% Black. Most mothers (91%) had children living in their household, and 14% of mothers lived in multigenerational households. Mothers who completed this survey ranged in age from 16 to 71, with an average age of 35 years old.

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More than half of the mothers were born in the U.S. (62%), while another 38% were immigrants and 22% of participants were undocumented.

When asked about their highest education earned, 60% of mothers said they had a high school diploma, while only 16% of mothers said they had a Bachelor's degree or higher.

In the past 12 months, did you access or use any of the following government programs to help you financially (n= 74, 96%)



WHAT KINDS OF INCOME AND SUPPORTS DO MOTHERS RELY ON?

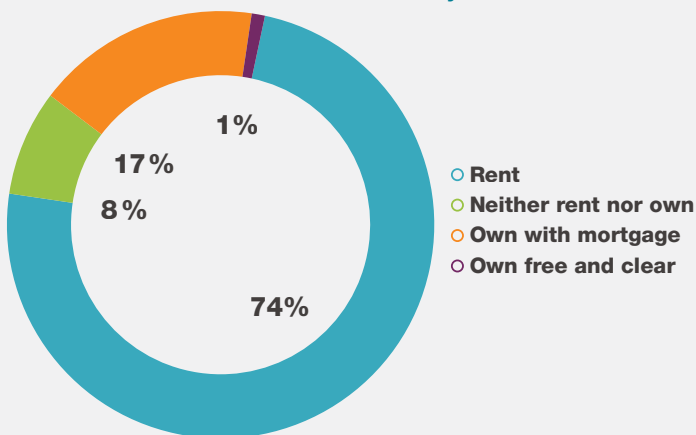
The primary source of income for most mothers (64%) was wages and salaries. Following this, 16% of mothers stated government cash assistance was their primary source of income. In addition to wages and salaries, most mothers rely on government programs to supplement their income - the greatest reliance was on food programs (SNAP, CalFresh, WIC, free/reduced lunch).

WHAT CONTRIBUTES TO WEALTH STRIPPING AND DEBT BURDEN FOR MOTHERS?

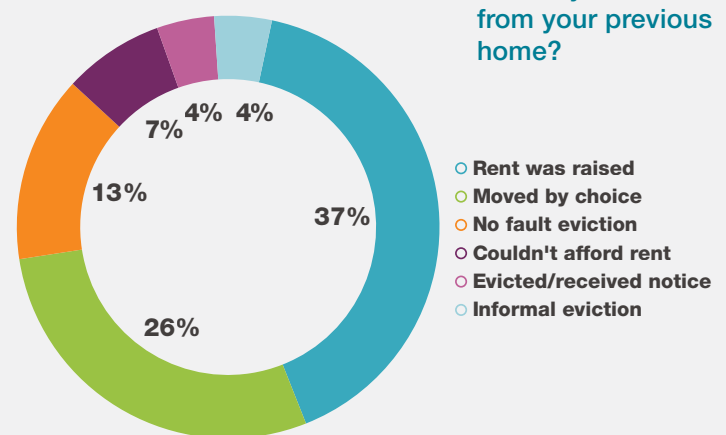
Wealth stripping is the exploitative high cost of corporate and alternative financial lenders (e.g. payday lenders, rent-to-own stores, predatory mortgage loans, etc.) services and products that strips away the financial resources of poor and disadvantaged communities. Our study found several factors contributing to wealth stripping. Most mothers rent a home (74%), while those who own their homes tend to have a mortgage (17%). While one quarter (26%) of mothers moved from their previous homes by choice, more (44%) moved due to affordability issues.

Home ownership stats for the mothers of south LA.

Do you own or rent your home?

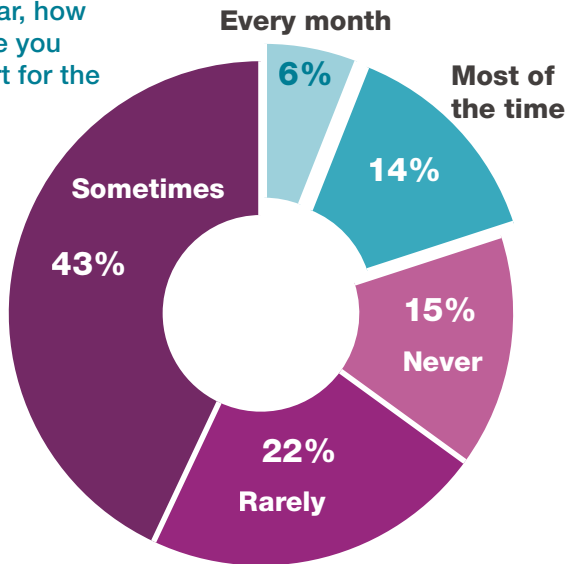


What was the reason you moved from your previous home?



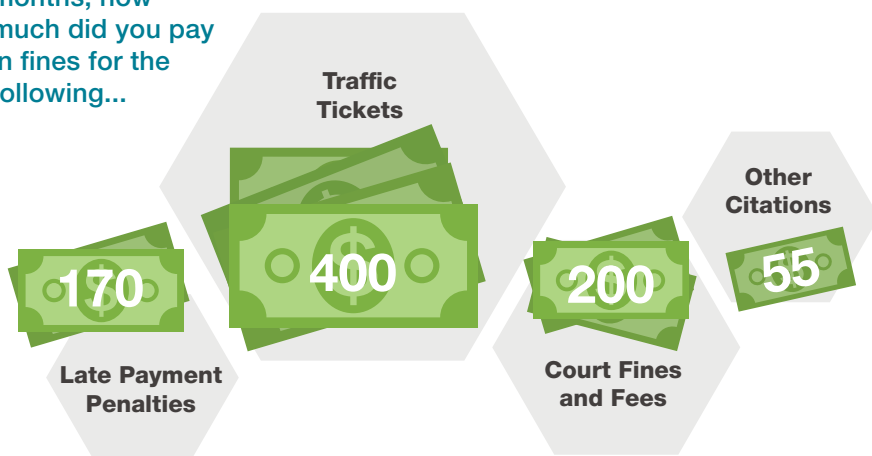
A significant majority of mothers (85%) find themselves short for the month at some point in the year – 20% on a regular basis. The median reported monthly shortage was \$443; the range of shortages was from \$50 to \$2,000 (n = 55, 68%).

Pre-Covid, in a typical year, how often have you been short for the month?



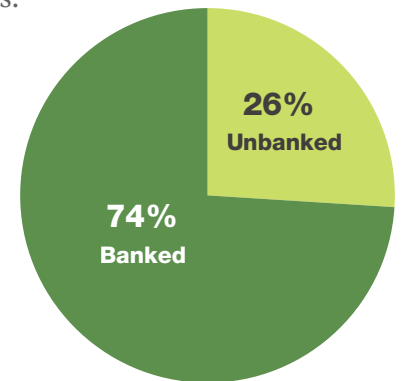
When it comes to wealth stripping not related to housing, parking tickets are the most prevalent fines faced by the mothers surveyed (66%), followed by late payment penalties (34%) and traffic tickets (31%). Most mothers (84%) don't have an emergency or rainy-day fund and tend to accrue debt in the form of bank loans (35%) and credit card debt (20%). More than half of mothers (64%) said they have at least one credit card, and 77% said they have unpaid credit card debt. Related, 45% of mothers said they were carrying more debt this year than last year, while 55% had less debt or about the same as last year.

In the past 12 months, how much did you pay in fines for the following...



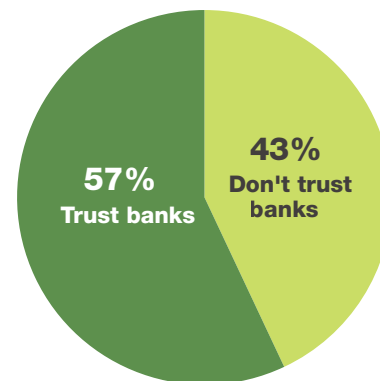
Most mothers (74%) said they had a savings or checking account, but only 57% of mothers surveyed said they trusted banks to safeguard their money. Just more than a quarter of mothers rely on payday loans or advances, pawn shop loans, or auto title loans to cover expenses.

Do you own a checking or savings account?



Mothers used a variety of methods to cover and pay for unexpected expenses, including bank loans (35%) and accruing credit card debt (20%). Only 14% of mothers were able to use funds in their bank account to pay unexpected expenses. Some mothers also resorted to using pawn shops, auto title loans, and payday loans to cover their expenses. These types of loans are very expensive and difficult to recover from.

Do you trust banks to safeguard your money?

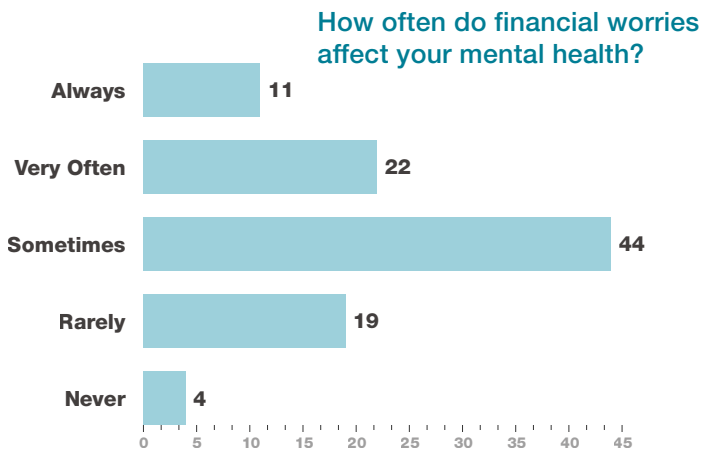


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HOW DOES WEALTH STRIPPING IMPACT QUALITY OF LIFE IN THE SENSE OF MENTAL HEALTH AND HOPEFULNESS FOR CHILDREN'S FUTURES?

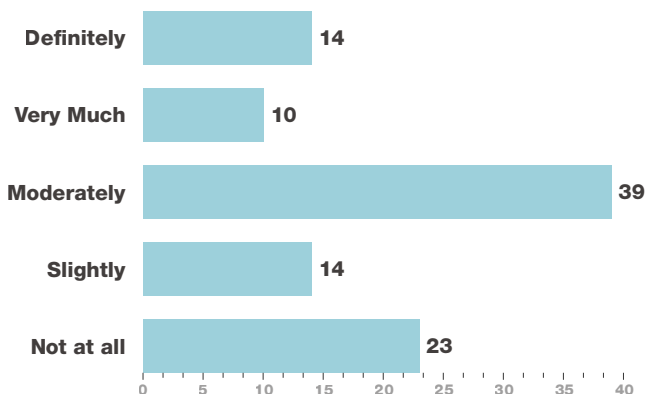
Mothers experiencing wealth stripping make many sacrifices. Almost half of mothers surveyed (45%) said they had to make sacrifices, including: renting out rooms in their home, picking up extra jobs, borrowing money from family and friends, and reaching out to estranged family or ex-partners.

Importantly, most mothers' (77%) mental health is impacted by financial stress at least some of the time. This is a significant sacrifice. Most mothers said they worried about bills, unexpected expenses, debt, COVID, job losses, the well-being of their children, the threats of homelessness, and not seeing an end to their financial struggles.



Despite these sacrifices, many mothers (70%) said they were hopeful about their children's future. Though most mothers at least moderately felt they had the resources to help their children, about a quarter felt that was "not at all" the case.

Do you feel you have the resources you need right now to help your child be financially secure and successful in the future?



Mothers had aspirational goals for their families: to buy their own home, start a business, further their education, pursue specific careers (such as doctor, nurse, chef/restauranteur), pay for their children's education, buy a car, and set up their children financially.

Having affordable loans and interest rates was the most helpful for mothers that own their homes, followed by down payment assistance and help from family and friends.

HOW DOES WEALTH STRIPPING AFFECT MOTHERS IN SOUTH LA?

85% of mothers find themselves short for the month – 20% on regular basis. The median reported monthly shortage was \$443.

84% of mothers don't have an emergency or rainy-day fund.

74% of mothers rent their home. 37% moved from their previous home because of raised rents and 13% from no-fault evictions.

77% of mothers have unpaid credit card debt.

From those who rely on alternative lenders, 45% of mothers used payday loans or advances and 68% used pawn shop loans, or auto title loans to cover expenses.

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PATHWAYS TO WEALTH AND FINANCIAL SECURITY

Vulnerable women need protections and economic relief from job loss, raised rents, and overall higher costs of living due to the COVID/pandemic. Policies such as stimulus payments and rent moratoriums can have meaningful positive impacts on mothers and their families. There are several guaranteed basic income programs being piloted across the country, including in Stockton, Long Beach, and Compton CA, however mothers need access to guaranteed income above and beyond what is currently available. Women also need affordable and reliable financial products and services, such as micro-loan lending programs, and access to trustworthy banking institutions.

WHAT ARE WE DOING ABOUT THIS?

Rising Communities is launching a guaranteed basic income study, Mothers Rising for Guaranteed Basic Income, which will provide 100 mothers in South Los Angeles with \$500 unrestricted cash monthly for two years. In addition to the cash, mothers will be offered financial literacy and professional development courses, as well as access to banking resources.

Mothers Rising for Guaranteed Basic Income is specifically targeting mothers in South LA who have been systemically excluded from wealth creation strategies. A guaranteed income provides mothers with financial stability allowing them to better plan for their family's needs. It empowers mothers by giving them financial autonomy, reduces stress and uncertainty, and helps them cover essential expenses like food, education, and healthcare.



WANT TO GET INVOLVED?

To learn more, participate, and/or support Mothers Rising for Guaranteed Basic Income visit: bit.ly/mothers_rising.

