

“We Never Thought This Would Happen to Us”

The U.S. economy is in the midst of the worst crisis since the Great Depression. Many families are in situations they never thought they would face – plant closings, layoffs, job losses, fewer job opportunities, less income, rising debt, food insecurity, foreclosures, and even homelessness. More and more families living in the U.S., in Wisconsin, and in the Coulee Region are saying, “We never thought this would happen to us.”

On September 10, 2009, the U.S. Census Bureau released a report showing that the number of Americans living in poverty increased by nearly 2.6 million to 13.2 percent in 2008. This is a stark reminder of the toll the recession was already taking on families even before the economic picture worsened this year. Last year's 39.8 million poor people comprise the highest number of Americans living in poverty since 1960. As bad as that number is, the overall poverty rate is almost certainly worse today than it was in 2008 when the recession was first getting underway -- the period reflected by the Census data.

Rising Unemployment Rates

Rising unemployment in today's economic recession has put many families at serious risk for financial ruin. In June 2009, the unemployment rate for the United States was 9.5%; however just one year ago, in June 2008, the unemployment rate was 5.6%. The following table lists the U.S. Bureau of Labor Statistics unemployment rates for Crawford, La Crosse, Monroe, and Vernon counties and the State of Wisconsin for June 2008 and June 2009.

| | Crawford | La Crosse | Monroe | Vernon | Wisconsin |
|------------------------------|-----------------|------------------|---------------|---------------|------------------|
| Unemployment Rate, June 2008 | 5.4% | 4.1% | 4.3% | 4.5% | 4.4% |
| Unemployment Rate, June 2009 | 9.5% | 7.3% | 7.8% | 7.7% | 9.0% |

The Economic Policy Institute estimates that assuming an average unemployment rate of 9.3 percent for 2009, poverty would increase to 14.7 percent. Higher unemployment will hit children disproportionately hard. Their poverty is expected to rise from 19 percent in 2008 to 25 percent this year, which translates into one in four children living in poverty. The huge increase in poverty clearly points out the need for continuing aid to help the unemployed and states struggling to maintain vital services in the face of growing need.

Increasing Medical Debt

The amount of medical debt afflicting Americans is also on the rise as the number of job losses mount and the recession worsens. Many people are using credit cards to pay for the uncovered or uninsured portions of the medical bills, further compounding their debt problems with excessive interest payments. To get some relief, many Americans facing mounting medical debt are filing for bankruptcy. The American Journal of Medicine conducted a national study regarding bankruptcies in 2007. Results released from this study in April 2009 showed that more than 60% of all personal bankruptcies in the U.S. were related to medical problems.

Many Without Health Insurance

Continuing a long-term trend, the number of people without health insurance grew to 46.3 million, according to the U.S. Census Bureau report. From 2000 to 2008, the proportion of people without insurance rose from 13.7 to 15.4 percent. The numbers of uninsured working age adults (18-64 years old) increased from 19.6 percent to 20.3 percent between 2007 and 2008, an increase of more than 1.5 million people.

Demand for Food Doubles

Food insecurity continues to be an issue both nationally and locally. As the economy falters and people face job cuts, families are making difficult choices about which bills to pay. Starting in the fall of 2008, Couleecap has seen food pantry family numbers double. More families in our area are turning to food pantries to help feed their families.

Facing Foreclosure Crisis

Throughout the United States, foreclosure filings of all kinds, including notices of defaults, notices of auctions, and bank repossessions continue to rise. From the first quarter in 2006 to the third quarter of 2008, the percentage of mortgages in foreclosures tripled, from 1% to 3%, and the percentage of mortgages in foreclosure or at least 30 days delinquent more than doubled, from 4.5% to 10%. These foreclosure and delinquency rates are the highest since the Great Depression; the previous peak for the delinquency rate was 6.8% in 1984 and 2002. It is predicted that 6.5 million Americans will lose their homes to foreclosure in the next five years. The American dream of owning your own home is turning into an American nightmare for millions of families across the nation.

Locally, there was an alarming increase in foreclosure rates from 2007 to 2008, especially in Vernon County:

| | Crawford | La Crosse | Monroe | Vernon |
|--------------------------------|-----------------|------------------|---------------|---------------|
| Number of Foreclosures in 2007 | 32 | 228 | 120 | 41 |
| Number of Foreclosures in 2008 | 33 | 291 | 171 | 72 |
| Percent Increase | 3.1% | 27.6% | 42.5% | 75.6% |

The foreclosure rate and the shortage of affordable housing in our area means more people are at risk of losing their homes and becoming homeless. The wave of foreclosures has had a devastating effect on many local families in the Coulee Region. With limited affordable housing available, families often must relocate, leaving cherished communities and support systems behind. At Couleecap, we've seen middle class families who are now facing foreclosure and severe financial issues. These families thought they would never be in this situation. As a result, we are seeing families that we have not helped before.

Couleecap Is Helping

Couleecap, Inc. is a private non-profit 501(c)3 charitable organization created in 1966. Our mission is to fight poverty and promote self-sufficiency for people in Crawford, La Crosse, Monroe, and Vernon counties in Wisconsin. We currently implement more than 50 contracts in the areas of housing, emergency assistance, child and family development, business development, employment, transportation, and health. Each year, Couleecap helps more than 15,000 families work towards self-sufficiency.

Couleecap has received additional funds through the American Recovery and Reinvestment Act (ARRA) to help more low-income families in the Coulee Region meet their needs during this economic crisis. Through these additional funds, more families will receive:

- weatherization services
- foreclosure assistance
- homeless prevention services
- emergency assistance, such as help with rent, mortgage payments, utility bills, transportation costs, and food costs
- education, employment, and training assistance
- healthcare assistance

We also implemented a Summer Youth employment program that helped low-income youth in our area find summer jobs. Most of these youth would not have been employed this summer without this program.

You Can Help, Too

- Make a donation to Couleecap's People Helping People Initiative. Your donation will be used to help low-income families buy: gas to get to work, books and supplies for school, as well as food and household necessities. For more information about our People Helping People Initiative or to make a donation, contact Kadie Brueggen, Development Coordinator, at 608-634-7363 or Kadie.Brueggen@couleecap.org.
- Increase affordable housing by joining a local housing coalition.
- Support and vote for local elected officials who care about improving the economy and poverty issues.
- Educate yourself about the current economic crisis and poverty issues. Visit your local library or websites on the Internet. Some informative websites include: Recession Info Center – www.recessioninfocenter.com; Wisconsin Community Action Program (WISCAP) – www.wiscap.org; and Couleecap – www.couleecap.org.
- Advocate for a higher minimum wage, healthcare reform, more assistance for child care, and more assistance with transportation costs, so working families can get out of poverty.
- Support your local food pantries year round.

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