United Way seeks funding changes

Nonprofit invests in 18 agencies, 38 programs in county; plan’s local impact remains unclear

By Jamie Swinnerton
STAFF WRITER

Over the next several years, United Way of Greater Houston will be making changes to its funding as it has decided to focus on organizations and causes that address the barriers that keep people in poverty even as they are employed.

Earlier this year the results of a national study by the United Way were released documenting the conditions and struggles of asset limited, income constrained, employed (ALICE) families across the country. Based on these findings, the United Way of Greater Houston created Second Century Vision, a plan to more intentionally fund organizations that will bring the most help to ALICE families.

As of right now, it is unclear what this change will mean for local organizations in Montgomery County that have been receiving annual funding from United Way. Currently, United Way invests in 18 agencies and 38 programs in Montgomery County including the Montgomery County Youth Services, Meals on Wheels of Montgomery County, and New Caney New Horizons, among others.

The results of the study break down the financial hardships in each county, documenting what it costs for basic needs, the number of struggling households over time, how many families with children are struggling, differences in ALICE households by age, race and ethnicity of ALICE households, the impact of firm size on employment, and what jobs are paying across the state.

The ALICE numbers for Montgomery County, using 2016 point-in-time data, show that 22 percent of county households fall under ALICE with 10 percent of county households living in poverty.

In 2016, costs for household necessities far outpaced the Federal Poverty Level. As calculated in the ALICE study for Montgomery County, in 2016 the annual household survival budget for a single adult was around $22,680, while the Federal Poverty Level was $18,880, and for a four-person family, the annual budget was $60,404, while the FPL was $24,300.

“There will be organizations — and the United Way has been very up-front about communicating this,” said Breitmeyer Jones.

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about this — that in our next strategic vision may not exactly fit the model, but we don’t know exactly what that’s going to look like yet,” said Melissa Young, chair of the Montgomery County Regional Council and board member for the United Way. “There’s a lot of work being done in committees to decide what this whole roll-out looks like, but it’s more of a big-picture approach right now, where we’re looking at the overall community and where we can make the biggest impact.”

United Way is not looking for local organizations to change their mission to fit into United Way’s Second Century Vision, Young said, but are asking them to look strategically at what they are doing because many of them are already doing the work that United Way is looking for.

“Once we, through this data, understood what the profile of these people looked like, we believe that we have a model that really could help move people out of that situation which would be generational change,” Young said.

Meals on Wheels of Montgomery County receives a little less than five percent of its annual budget from United Way funding. The average age of Meals on Wheels clients is 80 years old and lives on a fixed income and would fall under the asset limited part of ALICE, said Summer Day, the organization’s executive director.

“We’re more of the safety net program, so I’m hopeful that our funding will continue and we will be able to serve the population that we serve because they are vulnerable and don’t have the ability to go out and get a second job,” Day said.

Emergency and safety-net funding will not change, Young said. Annual funding is what will be under the microscope.

Angel Reach is a Montgomery County organization that works with people aging out of the foster care system and are homeless, as well as families in the area that will take in young relatives who otherwise would have been put into the foster care system.

Jean Radach, Angel Reach’s Executive Director, said the populations the organization works with fit into the ALICE demographics so she does not foresee that the organization will be hindered by the coming funding changes.

“I really admire what United Way is doing, because they are trying to identify a population that is struggling and that is really ready to make changes, but they just need a little bit more assistance,” said Jean Radach, executive director of Angel Reach.

About 20 percent of the funding for Angel Reach’s programming comes from United Way.

When all is said and done as Second Century Vision becomes fully realized over the next several years some organizations may see less funding and some may see more. At this stage, it is unknown how the numbers will fall.

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