Too many families living on edge of financial ruin

United Way THRIVE has helped thousands in Houston since '08

By Lynne Liberato

Despite Houston’s healthy economy, too many hardworking families here live on the fragile financial edge, where a broken water heater or bad case of the flu can spell economic disaster.

One in three families lives on an annual income of $40,000 or less, while three buses annually is considered the minimum needed to cover basic expenses for a family of four. Adding to the problem is the alarming number of unbanked families.

According to the Federal Deposit Insurance Corp., Houston ranks as the nation’s sixth-most unbanked major metropolitan city, with 11.9 percent of households lacking access to a bank account.

Imagine how hard it is to build savings and accrue assets without a bank account.

Currently, financial literacy is not part of the required curriculum in Texas high schools.

Without any formal education in managing finances, most low-income adults fall prey to living paycheck to paycheck and, lacking a banking relationship, rely on high-interest payday loans in times of crisis, which plunges them further into debt.

Helping low-income families achieve greater financial stability is a complex challenge, which, in addition to addressing financial education, must focus on helping wage earners acquire the job skills and knowledge they need to participate in Houston’s growth of higher-wage jobs.

A recent Houston Chronicle article “A long trek in quest to move up” (Page B1, Feb. 13), illustrated this reality with the story of Army veteran Jerome Edmond. Unable to afford a car, Edmond rides three buses and walks a mile daily to attend the technical training courses he needs to land a better job.

Recognizing the need in our community to help hard-working, low-income families create a better future for their children and themselves, United Way of Greater Houston created THRIVE.

A collaborative initiative, THRIVE provides a network of services that, bundled together, give families the tools they need to increase income, build savings and acquire assets.

THRIVE helps families increase income through education, workforce development, career counseling and free tax preparation.

THRIVE families build savings by opening a savings account and enrolling in financial education classes to improve their credit and better manage expenses.

Finally, they acquire assets, such as a home, a small business or a car through low-interest and credit-building loans, small business development and homeownership assistance, peer group meetings and matched-savings programs.

These strategies have proved successful.

Since launching in 2006, United Way THRIVE has established a path to financial stability for more than 5,000 Houston-area families.

And THRIVE families who engaged in building both workforce and financial skills increased their income 20 percent.

In my many years as a United Way volunteer, I have come to believe that THRIVE is an initiative that only United Way could have begun. The nonprofit organization, which helps to fund many charitable efforts in the Greater Houston area, brought together 21 nonprofit partners, along with community colleges, financial institutions, employers and local government agencies, to provide comprehensive financial services to hard-working families.

As THRIVE has grown, more partners have joined, and the initiative has built a solid record of creating real change for lower-income families.

But for THRIVE to reach its potential, it must continue to grow.

THRIVE’s increasing reach will not only help individual families succeed; it will help Houston meet its workforce challenges.

This “hands up” approach creates hope and opportunity for all — and that’s what Houston is all about.

Liberato, a partner at the law firm of Haynes and Boone, is chair of this year’s United Way of Greater Houston’s Community Campaign, which is set to end Monday. She has been the chair of the United Way THRIVE Initiative since it began in 2008.