

Improving Access to Affordable, Reliable Cars for Working Families

Every day at the Federal Reserve Bank branch in Baltimore – an unassuming building buttressed by security cameras and patrolling guards – accomplished economists hash out the nation’s most taxing financial problems, including the Wall Street collapse, the real estate crash and the credit card crunch.

But recently at The Fed, in a sun-filled room above the maximum-security vaults, an informal coalition of about 100 groups, agencies and organizations gathered to try to dissect another pressing issue adversely affecting the U.S. economy: the myriad, inter-connected and far-reaching problems surrounding working families and cars.

“Cars and Working Families: Expanding Opportunities in a Changing Economic Environment,” took place on September 3rd, in an effort to mobilize a practice and policy network that will focus in the coming years on improving access to affordable and reliable cars for low-income families.

The thought-leaders in the room – advocates from car ownership programs, and experts in the fields of car finance, policy, and consumer protection – toil individually on behalf of low-income families, day in and day out. But this was the first time such a collective had intentionally gathered, specifically to tackle the nation’s growing car problem, together.

“We’re all here because we understand the importance of car ownership,” John Van Alst, an attorney with the National Consumer Law Center, and one of the meeting’s organizers, told the group at the day’s onset. “And while we each have our different goals and missions, a lot of what we want to see happen is the same.”

And that is: To form a “cohesive and coordinated effort” to ensure that working families get, keep and are able to use a reliable and affordable car.

And for good reason.

In order to work in the United States – where many jobs are located in suburban neighborhoods or areas that lack adequate public transportation – car ownership is all but a requirement. This is evident in the fact that more than 88-percent of workers drive to their jobs. And yet across the country, households with incomes below \$25,000 are, for many reasons, nine times more likely to be without a car than those making more.

Individuals without a car find it tremendously difficult to accomplish tasks that most of us do without a second thought. Studies indicate that a car provides opportunities to expand a job search, earn higher wages, and spend more time with family.

It is a vexing problem. But not an unsolvable one.

Decades ago, similar groups of advocates and experts distressed about usury, discrimination and inequities in the housing market got together and formed a “housing field.” Their combined work resulted in legislative and regulatory changes that ultimately helped enforce fair lending practices for poor people and minorities, and likely moved many families up the economic ladder.

Historically and currently, car issues have not received the same kind of attention.

But instead of seeing that as an obstacle, the conveners of “Cars and Working Families” – Opportunity Cars, National Consumer Law Center, The Aspen Institute, The Annie E. Casey Foundation, and The Federal Reserve Bank of Richmond – all see the void as an opportunity.

“There are not a lot of people working on this, maybe 100 groups across the country. There’s not a lot of public recognition and not a lot of money,” Van Alst said. This means we have more of an opportunity to have a unified voice. We aren’t shouting over each other.”

In fact, the separate groups hunkered down on September 3rd, in harmony, and got to work.

They shared information, perspectives and concerns. They took notes, drew charts and un-Earthed math skills long ago forgotten. They split up into three subgroups, looking carefully at:

- Creating a new financing model for increasing scale
- Research and data collection to support practice and policy
- Creating a policy agenda

Each subgroup emerged at the end of the afternoon with a set of top priorities and corresponding plans for action. Many came up with deadlines for tangible deliverables.

When the day was over, Beadsie Woo, senior associate in the Family Economic Success division of The Annie E. Casey Foundation, and one of the meeting’s conveners, said the groundwork was being laid for an integrated and solidified action group that will now work to advance the best ideas of the newly-forming “car field.”

“This meeting is a great step forward,” Woo said.

Those in attendance agreed that the meeting was an impressive beginning and would pay dividends for those in the car field, as well as for the country as a whole.

“I think it’s important that all of these agencies who are trying to help low-income families get transportation have access to each other and each other’s information, so we

can best assess what those families' needs are and how to help them," said Dawn Washington, director of Ways to Work in Allentown, Pa. "Each of us has a niche and, as a group, maybe we can assist the economy by helping the people who need help the most."