Homelessness frustrates educational attainment

In 2011, more than 13,000 Ohioans were homeless, an increase of 4.8 percent from 2010, according to the Coalition on Homelessness and Housing in Ohio. Among them were more than 5,000 families with children, an 8.4 percent increase from the previous year’s count.

Homelessness used to be thought of mainly as a housing problem. But the growing number of homeless children is prompting a wider range of community institutions and policymakers to take notice. The Federal Reserve Bank of Cleveland recently hosted an event to discuss how homelessness relates to a range of issues, including housing, employment, health, social welfare, and education. One of the leading voices to emerge in this discussion has been neither an advocate for low-income housing nor an antipoverty expert, but rather an educator— Eric Gordon, CEO of the Cleveland Metropolitan School District (CMSD).

Speaking at the event, Gordon said he believes that now is the time to address poverty and homelessness as education issues. Almost every one of CMSD’s 41,000 students is living at or near the poverty level. During the school year, more than one-third of them will shuttle from homeless shelters to sleeping in cars to doubling up with friends and relatives. These children are living a “bag and go” existence, Gordon says, which results in high attrition rates and frequent interruptions in the learning process.

A recent audit of CMSD students counted just above 57,000. On an average day, almost one-quarter of them missed school because of mobility; that is, they moved frequently, calling no place (and, by extension, no school) “home.” This makes it difficult for students to take advantage of what is offered—good teachers, flexible teaching methods, and mentor–mentee relationships.

Efforts to address this problem are underway. The Education for Homeless Children and Youth program provides school districts around the country, including CMSD, with federal funding to ensure a free and appropriate public education for homeless students. In addition, CMSD forms strategic partnerships with other schools and social service organizations to leverage services and maximize limited resources. One such partnership, with the Cleveland Foodbank, serves a free breakfast and lunch to students, many of whom also receive food-filled backpacks to take home for the weekend.

Project ACT (Action for Children in Transition), one of the district’s most successful programs, standardizes the curriculum throughout the district and streamlines the re-enrollment process to help stabilize homeless students’ education. The program aims to decrease, or even eliminate, some of the barriers these children face in obtaining a steady education, including failure to meet residency requirement and the lack of adequate school records.

But even with professionals and government officials dedicated to help, the problem of homeless students is only getting worse. Schools need volunteers in the cafeteria and in the classroom. Students need mentors in the business world. And supplies are always welcome. Check with your local school district to discover how you can help.

—Joan Curran Darkortey

Faster payments! Pay! Pay!

Have you ever paid a bill late? Did you pay a penalty? If so, you’re not alone. A recent study found that 58 million Americans admit to not paying all of their bills on time, and in 2009 alone, US consumers spent about $20 billion in late fees on their credit card bills.

But take heart: The number of late payments and associated fees could be reduced if there were a reliable way for consumers to pay bills through banking sites on the day before a bill is due, or on the due date itself.

Such a system exists—in the United Kingdom. The UK’s Faster Payments Service, now four years old, allows Britons to initiate payments to businesses and have those payments received, acknowledged, and posted on the very same day; in fact, within an hour or two. These same-day
payments can be used for many purposes, only one of which is making a payment on the day it is due and avoiding a late penalty. Faster Payments Service now carries payments traffic equivalent to 13 percent of all Automated Clearing House (ACH) traffic in the UK.

Wouldn’t it be nice if you could make such payments on the same day, here in the United States?

You already can, in a way. US banks offer some services similar to Faster Payments, but not identical. Expedited payment services mainly through banks and card-not-present transactions (paying billers over the phone directly with a credit card) allow some consumers to make same-day payments. Caveats, however, include considerable fees, biller participation, and credit availability—things that can hinder customer use.

The United States has taken a somewhat different path with its payments system than the UK, often to its benefit. But why not an easy-to-use, customer-friendly Faster Payments Service like the UK’s system, the US one would also encompass business-to-business payments. The Fed aims to be part of the process, with the ultimate goal of ensuring not only a more efficient payments system, but a more secure one.

How long it will take for the US to implement a faster payments model is not clear. What is clear is that it’s not a question of whether, but when. For some of us, it can’t happen soon enough.

—Dan Littman

Beware the coaching carousel

On November 4, 2012, the University of Kentucky joined what has become something of an annual tradition in college sports: It fired its football coach.

Just a week earlier, a trio of researchers weighed in on this trend; their results may not hearten Kentucky gridiron fans: “The relatively common decision to fire head college football coaches for poor team performance may be ill-advised,” the authors conclude.

A growing body of research suggests that reflexive scapegoating can be ineffective. That’s especially true in industries where the gestation period for projects is years in the making, whether it’s the development of a championship football team or a blockbuster-generating movie studio.

Moreover, as much as we’d like to assign cause-and-effect relationships to everything, outcomes are often determined by simple chance. (That was the premise of physicist Leonard Mlodinow’s 2009 book, The Drunkard’s Walk: How Randomness Rules Our Lives.)

The latest contribution to the issue of firing the coach comes from professors at the University of Colorado and Loyola University Chicago. They looked at data from 1997 to 2010, comparing football programs that replaced their top coaches because of poor team performance with those who kept theirs. Over the study period, about 10 percent of all football schools fired their head coach each year because of disappointing results. It turns out that replacing the coaches of really bad teams has very little effect on performance. And teams with “middling” records, which you might think would give new coaches a good opportunity to improve decent programs, performed worse than those that kept their coaches.

The authors are careful to note that some teams may advance in the standings under new leadership, but, on average, that’s not what the data show.

—Doug Campbell

Resources

Go to clevelandfed.org/forefront for links to the full paper on firing the coach as well as the ever-interesting blog, The Sports Economist, which tipped us to the story. http://thesportseconomist.com