Editorial Teaching financial know-how needs to be a part of L.A. County's social safety net

By The Times Editorial Board

Los Angeles County provides the “safety net” for millions of residents who have fallen off the financial cliff due to personal catastrophes such as job loss, illness, accidents or just oppressive, persistent poverty. It’s a net that must be constantly mended and reinforced because so many other nets — those provided by the federal government, by private philanthropy and by an economy with plentiful manufacturing jobs — have been dropped or have unraveled.

About a third of county residents worry about being pushed to the brink of hunger or homelessness, according to a survey conducted earlier this year by UCLA’s Luskin School of Public Affairs. Nearly half lack sufficient savings or assets to stay above poverty for even three months after losing a job.

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That means a proportion of their earnings that ought to help build their savings goes instead to just financing their payments. And that, in turn, means more people falling off the cliff and into the net.

What if the county, in addition to keeping its net in good repair, worked to keep so many people from approaching the edge of that financial cliff in the first place? Governments in other counties, including San Francisco, and in places such as Seattle and New York have created financial empowerment offices that connect people living on the brink with services to help them build savings and develop economic savvy.

Earlier this year, the L.A. County Board of Supervisors began studying a similar program here, to be coordinated by the county but funded in part by a grant from Citi Community Development and in part by the existing county Department of Consumer and Business Affairs budget. It’s a good idea, and the board should move forward with its plan and approve a two-year pilot Center for Financial Empowerment project on Tuesday.

This is wealth building, not wealth transfer. In some cases, it’s as simple as making people aware that they can keep thousands of dollars in their pockets by using the federal Earned Income Tax Credit and the new analogous state credit. In others, it’s a matter of connecting people with the coaching they need to create college funds or start and sustain small businesses. The county is uniquely positioned to coordinate services already available but not currently sufficiently known or accessible to people who need them.

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