

**PRO BONO MATTERS**

**The City of Brotherly Love Is Plagued with Poverty**

By Francine J. Lipman\*

“Oh brother are you gonna leave me wastin’ away on the Streets of Philadelphia?”

—Bruce Springsteen, *Streets of Philadelphia* (1993)

Despite the obvious irony, Philadelphia, the City of Brotherly Love, has the highest poverty rate of any of America’s biggest cities. It also has the highest rate of deep poverty (defined as income levels at or below one-half of the poverty level) of any of the nation’s ten most populous cities. Philly’s deep-poverty rate is 12.9%, or around 200,000 residents. Nationwide, more than 20 million people live in deep poverty. The annual household income for a single person in deep poverty is \$5,700 or less; for a family of four, the annual household income amount is \$11,700 or less.

Seniors are particularly vulnerable to deep poverty because of their limited income prospects and the high cost of health care. In America in 2012, 442,000 elderly men and 733,000 elderly women were living in deep poverty. Older Philadelphians experience poverty at almost twice the rate of senior citizens elsewhere in Pennsylvania and in the nation. Among Philadelphia residents age 60 and older, 43% are living below 200% of the poverty level and are unlikely to be able to pay for food, shelter, and medication.

For the last 35 years, SeniorLAW Center in Philadelphia has provided a wide range of services to protect the legal rights and interests of the elderly. Beginning in February 2013, with the financial resources of the Tax Section’s Christine A. Brunswick Public Service Fellowship award, SeniorLAW Center hired Susanna Ratner to launch a new program providing property and inheritance tax assistance for elders. This program provides seniors with free legal representation and counsel to address property tax, inheritance tax, and title issues affecting homeownership and occupancy. Because of the Tax Fellowship, Susanna is able to provide broad community tax outreach, education, and one-on-one support. As a result, struggling seniors who call the City of Brotherly Love home no longer have to face these tax issues alone.

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“City of brotherly love  
Place I call home  
Don’t turn your back on me  
I don’t want to be alone”

Neil Young, *Philadelphia* (1993)

**In Susanna’s own words...**

**NQ** Can you describe your background and your work experience in and outside of tax?

**SR** I have been interested in pursuing a career in public service law for many years. Throughout law school I assisted low-income clients through a variety of internships and clinics at legal services organizations such as Brooklyn Legal Services and Philadelphia Legal Assistance. At my internships, I helped clients whose homes were being foreclosed, I aided clients who were being evicted from their apartments, and I helped clients resolve their divorces amicably through mediation. My experiences were incredibly rewarding.

I first discovered my love for tax law in my Federal Income Tax course in law school. To my utter surprise, I was fascinated by all of the intricacies and regulations involved in tax law and I quickly became a tax nerd. I then took other tax courses, and I participated in Cardozo Law School’s Tax Clinic, where I provided legal services to low-income taxpayers with income tax controversies. In that clinic, I learned that tax law is an area where clients are particularly in need of assistance because the field is often so complex. Many of our clients could not understand how to decipher letters from the Service or why they were even facing legal troubles, and their enormous need for legal assistance was evident.

**NQ** What made you first apply for the fellowship, and why did you choose SeniorLAW Center as your host organization?

**SR** I am most passionate about working in two areas—public interest work and tax law. When I first read the description of the ABA fellowship, I honestly felt like the fellowship had been created with me in mind. The idea of incorporating tax law into a public interest career sounded like the perfect blend of my interests.

At the time, I was already working at SeniorLAW Center, where I had a three-month fellowship through my law school. While there, I noticed that many low-income senior citizens were encountering enormous tax obstacles, particularly when facing mounting property tax debt. The need for tax-related legal services in Philadelphia is tremendous, and SeniorLAW Center simply did not have the resources to fully address all of the tax issues that arose on a daily basis.

I also felt very drawn to helping SeniorLAW Center’s clients, senior citizens. Seniors are so vulnerable, with many needs that often go ignored. The fellowship seemed like the perfect opportunity to help seniors with these daunting challenges.

**NQ** Can you give examples of the types of tax issues you deal with in providing tax assistance to low-income clients?

**SR** Many low-income seniors in Philadelphia who have lived in their homes for their entire lives are at



Susanna Ratner

risk of losing their homes in real estate tax foreclosure actions brought by or on behalf of the City of Philadelphia. I work with those seniors and help them avoid foreclosure. Often this involves negotiating payment plans that will allow the seniors to pay delinquent taxes while also paying current year taxes and their ongoing living expenses. By entering into these agreements, our clients do not have to make choices like whether to buy their food and medicine or whether to pay their taxes. Other foreclosure actions are brought by reverse mortgage lenders. Seniors thinking they can get quick cash from the equity in their homes do not realize the ramifications of reverse mortgages and frequently find themselves not only in trouble with their lenders, but more importantly, at risk of losing their homes.

Many senior homeowners are counted among the occupants of the 14,000 “tangled title” properties in Philadelphia—properties where the record owner is deceased and the occupant is an heir of the deceased owner. Although they may have lived in a home all their lives, they may not have legal title. Without having legal title, a homeowner will not qualify for crucial city programs and could face greater challenges resolving a real estate

tax foreclosure. At SeniorLAW Center, I help low-income seniors probate the estates of the record owners so they can obtain title to their homes. This complex process always involves sorting out Pennsylvania inheritance tax claims as well as other tax complications.

I have also conducted outreach programs throughout Philadelphia. At the outreach programs I have taught hundreds of seniors about important property tax issues, so they know their rights and how to maintain their homes. Educated eligible seniors are able to take advantage of special tax programs designed to take into account their long time occupancies, fixed income parameters, and the effects of neighborhood gentrification. A few months ago I had the privilege of being interviewed on ABC News about one of these tax programs, which was a very cool way to spread the word to eligible taxpayers (and being on TV was pretty fun, too).

### **NQ** What has been your most rewarding experience as a fellow?

**SR** I have had so many incredible experiences at SeniorLAW Center, but one client in particular really made an impact on me. She was 70 years old and disabled, and she had been living in her home for 33 years. Like so many of our clients, her only income was Social Security. The client had inherited her home from her grandmother, who died more than 24 years ago. However, the client couldn't afford to go through the probate process and as a result her grandmother's name was still on the deed. When she first contacted us, she had been sued by the City in a real estate tax foreclosure action and a Sheriff's Sale was scheduled for only a few days later. At the time she did not qualify for a repayment plan for the real estate taxes because her name was not on the deed. The client was absolutely terrified that she was going to lose her home. In fact, she had just

had a heart attack due to stress, and she was still recovering. SeniorLAW Center jumped in and I was able to get the Sheriff's Sale postponed. I then helped the client probate her grandmother's estate and become record owner of the property. Because her grandmother died so long ago, the client also owed quite a large sum in Pennsylvania inheritance tax interest and penalties. I helped her get those waived. Finally, I helped the senior enter into a repayment plan with the City for her real estate taxes so that she could avoid foreclosure and stay in her home.

The feeling of untangling a title and helping a client become the record owner of her home is amazing. The feeling of actually helping to save a client's home is indescribable.

### **NQ** What has been your biggest challenge in the position?

**SR** Unfortunately the need in Philadelphia for tax-related services outweighs our capacity, which can be very challenging. The amount of poverty in Philadelphia is daunting—in Philadelphia, one out of five seniors lives in poverty. Philadelphia is also home to the largest percentage of seniors of the ten largest cities in the nation and most are homeowners, struggling on limited fixed incomes.

At SeniorLAW Center we help so many low-income seniors with crucial tax issues, and we certainly accomplish a great deal, but we still do not have the resources to fully meet the need. That is why the outreach portion of my project is so important—even if we cannot directly represent every single low-income senior in Philadelphia, at least we can educate them and empower them with the information that they need to protect their legal rights.

### **NQ** After the fellowship, do you plan on staying at SeniorLAW Center, and if not, will the position you have created exist after you leave?

**SR** I would love to stay at SeniorLAW Center—the work is so important and it should not end just because my fellowship period ends. However, funding is always a concern, and I do not know if SeniorLAW Center will have the financial ability to maintain this project. As you are no doubt aware, funding for legal services and funding for aging services has been cut dramatically, from government, foundation, IOLTA and other resources, while demand is increasing. I know SeniorLAW Center is always looking at and exploring new and innovative ways to fund the work that is so critical to the lives of seniors and their families and communities. ■



*Philadelphia skyline*