

United Way Says 35 Percent of Connecticut's Households Are Struggling

by Christine Stuart | Nov 17, 2014 5:30am

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A new [report](#) from the United Way found that about 35 percent of Connecticut households struggle to afford the basic necessities.

About 141,628 households live in poverty and another 332,817 are what the United Way is calling "Asset Limited Income Constrained, Employed" or ALICE households.

ALICE households survive on a budget that's above the federal poverty level, but still not enough to thrive. The annual household survival budget for the average family of four in Connecticut is \$64,689 and \$21,944 for a single adult. The report found that a family budget that enables not just survival, but self-sufficiency is almost double the household survival budget or \$111,632 for a family of four and \$30,118 for a single adult.

"We are seeing pressure on the middle class," Richard Porth, president and CEO of the United Way of Connecticut, said. "People who are working very hard and still struggling to get by and so we wanted to try and understand better what's underneath that."

These are households who are one emergency away from a financial crisis, he said.

"One significant illness could send a family into a tailspin," Porth said.

It could be a mother who has to leave their jobs to take care of a sick child or a father who has a dental emergency or someone whose car breaks down and they can't get to work on a regular schedule.

"How do you choose between getting your mouth taken care of and putting food on the table for your family?" Porth said. "There are a lot of things many of us would never think of that could create big issues in ALICE households, even though folks are working really hard, sometimes two jobs to make ends meet."

The United Way, which has done similar studies in other states, is trying to redefine financial hardship because the federal poverty rate "is outdated," Porth said.

The U.S. poverty rate is around \$23,050 for a family and \$11,170 for a single adult.

Connecticut ranks fourth in the nation for highest median hourly wage, but because of changes in the job market over the last three decades 51 percent of all jobs in the state still pay less than \$20 per hour. A \$20-per-hour job at 40 hours per week comes out to a gross income of \$41,600 per year.

"The scale of hardship in Connecticut is much higher when you consider that 25 percent of our households are above the poverty line, but below the cost of living for basic necessities as defined in the ALICE report," Susan Dunn, president and CEO of the United Way of Central and Northeastern Connecticut, said.

She said the high cost of living and the need for more jobs that pay well is a large part of the problem.

“ALICE is a systemic problem that will not be solved with one simple solution,” Dunn said. “No one organization or government body can solve it.”

Nicole McWilliams, of Plymouth, knows exactly what the United Way is talking about.

The mother of three children knows how hard it is to get by on just her husband’s salary, which just doesn’t seem to go as far as it once did.

During an interview at the Terryville Library, McWilliams declined to give too many details about her personal situation, but believes there is an “imbalance” in the system.

McWilliams has been out of the workforce for 10 years raising her children — ages 9, 6, and 4 — but says she is ready to return and uncertain of what she will find. With only a high school diploma, McWilliams said she knows it won’t be easy, but she wants to start contributing to her family income.

However, like many ALICE households, McWilliams has been contributing to her community over the past decade, including running for local office three times and serving on the library board of trustees and as president of the Parent Teacher Association.

But as hard as her husband works (she declined to offer details about what her husband does for the living), the money just doesn’t seem to go as far as it used to. She said she just wants others in similar situations to know they’re not alone.

HOUSEHOLD STABILITY BUDGET

Average Household Stability Budget, Connecticut, 2012

Monthly Costs – Connecticut Average – 2012		
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Housing	\$982	\$1,566
Child care	\$0	\$1,893
Food	\$365	\$1,126
Transportation	\$310	\$1,026
Health care	\$227	\$829
Miscellaneous	\$188	\$644
Savings	\$188	\$644
Taxes	\$249	\$1,575
Monthly Total	\$2,510	\$9,303
ANNUAL TOTAL	\$30,118	\$111,632
Hourly Wage	\$15.06/hour	\$55.81/hour

Line items are rounded to dollars; monthly and annual totals are calculated including cents. As a result, line items may not add up precisely to the totals.

There are ALICE families in every part of the state, according to the report.

“It feels like I can never get ahead of the game,” said Rosemarie Mastroianni-Lopez, another woman whose household falls into the ALICE category. “I think I can put a little extra away and then there are car problems or a doctor’s bill.”

As an administrative assistant at a private college, Mastroianni-Lopez has taken a part-time job teaching at night just to help make ends meet.

“The teaching job will mean grocery money. I have two kids, 11 and 13, and they never stop eating. If we didn’t eat, we’d have a lot of extra money,” she joked.

Porth said the report highlights the number of hardworking people who fit into this category.

The goal of the report is to get people thinking that “this is a bigger problem than may first meet the eye.”

As far as solutions go, Porth said there will need to be short-, medium-, and long-term solutions to the problem.

In the short-term, nonprofits and the government will need to make sure these families get the assistance they need in order to remain in their homes and their communities. For some that means food stamps, utility assistance, or child care subsidies.

In the long-term, state and private employers need to look at improving access to medium and high-skilled jobs.

“Such a shift would require an influx of new businesses and possibly new industries, as well as education and training,” according to the report.

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