

United Way's ALICE report: Just getting by in Connecticut

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Trish Kallman and her two younger children, Jesse, 13 and three-year-old Julie in their Milford home. Kallman and her husband Bill also have a 15-year-old daughter, Jennifer and are struggling to make ends meet. (Catherine Avalone — New Haven Register)

Trish Kallman of Milford helps out at the United Way of Milford's kids' closet whenever she can.

"When you're there, you're amazed," said Kallman, who "never realized how many people are in need until I walked into there."

Kallman, 40, knows the need well, because her family has benefited from the kids' closet too.

Her family of five just about gets by. In order to buy food, she may hold off on paying the water bill. "We have to come up with almost \$5,000 by the 20th of this month or the bank is going to foreclose on our home," she said.

Kallman's husband, Bill, an office manager, makes \$40,000 and Trish can't work or the family will lose Husky medical benefits. They can't afford the \$140 a week the company charges for health benefits. They have a 2006 minivan that needs work.

"We were doing OK, but then they took our food stamps away, saying we make too much," Trish Kallman said.

The Kallmans are among a growing part of the Connecticut population whose income places them above the poverty line but who make too little to really get by, according to a report by the United Way.

The official U.S. poverty line is \$11,170 for a single adult and \$23,050 for a family of four, 10 percent of Connecticut families. But far more people are below even what United Way calls a basic survival budget of \$21,944 for a single person and \$64,689 for a family in this state. So the charity has defined a new threshold to include those people: ALICE, for "Asset-Limited, Income-Constrained, Employed."

"In our work on the front lines ... we are seeing pressure on the middle class, people who are working very hard and still struggling to get by," said Richard Porth, president and CEO of United Way of Connecticut.

When ALICE families are included, the report says, "these numbers are eye-opening: in total, 474,445 households in Connecticut — fully 35 percent — are struggling to support themselves." The new definition "helps us to redefine what it really costs in Connecticut to make ends meet," Porth said.

They may not have money for decent child care, and so leave their children with relatives or friends. They may drive an old car that threatens to drive them into poverty if it breaks down. They may be one serious health issue away from financial disaster.



“One significant illness can send a family into a tailspin,” said Porth. “What happens when you have a problem with your teeth and you can’t afford to take care of that? There are a lot of things that most of us would never think of that create a lot of problems in ALICE households.

“Here at 2-1-1, United Way of Connecticut, we take hundreds of calls every day from ALICE families,” Porth said.

The Kallmans fit the ALICE profile all too well. Two of their children, Jennifer, 15, and Jesse, 13, have medical issues. Julie, 3, accompanies Trish Kallman when she volunteers at the kids’ closet.

“I have found her to be just a very genuine person,” Kathlene Gerrity, director of marketing and development for Milford’s United Way, said of Kallman. “She speaks her mind; she doesn’t hold anything back.”

Gerrity called Kallman “really admirable” for keeping her children free of the worry that hangs over their parents, “to keep them in the innocent stage.”

From Kallman’s point of view, “If it wasn’t for Kathlene and the kids’ closet, my baby would be naked.”

The ALICE threshold has no room for even some basics people have grown used to, said Susan Dunn, president and CEO of United Way of Central and Northeastern Connecticut. “We do not include a cell phone in that survival budget,” she said. It does not include school tuition, a down payment on a house or the cost of training programs.

The problem even affects how many children people have, according to the report. From 2007 to 2012 the number of families with children in the state fell 10 percent, resulting from people moving or delaying having children, as well as an aging population.

The issue exists in every town in Connecticut, among every age group and in every race.

“ALICE lives in every city and town in our state,” Porth said. “They’re people we know,” such as administrative aides, retail clerks, food-preparation workers and teachers’ aides.

‘A whole paycheck short’

Judi Ambruso of Branford is a single mother of a 20-year-old son, Matt, and is working as a temp in New Haven after being unemployed for a year. Her basic expenses — mortgage, car tax, insurance, utilities and food — cost more than the \$2,050 a month she earns. “I ran the numbers. I was a whole paycheck short,” she said.

“If you look at that picture and realize ... there’s no other place to go, that’s where the scariness comes in; that’s where the emotion comes in,” she said.

But Ambruso also knows she has to put herself out in the community, working a job that will keep her off welfare and volunteering for her church, Christ and the Epiphany Episcopal in East Haven, if she’s ever going to get a better job.

And she wants to help others in her situation, to tell them that it’s better to go back to school for a bachelor’s degree, as she did, and to give back as much as possible.

What keeps her going? “My faith, my attitude. ... I’m just too stubborn to give up,” she said.

The Ambrusos hang out at Starbucks to hook up to the WiFi service, which means she feels compelled to buy a cup of coffee she can’t really afford. While she spends time on the Internet looking for work, Ambruso also knows that that’s not the best place to find a job. Networking and being active in the community are the ways she’ll climb out of her state of near poverty, she believes. That’s why she’s willing to volunteer with United Way of Greater New Haven to help others in her situation.

“We’re not looking at human beings that are having trouble,” Ambruoso said. “If we don’t help these people to sustain themselves, it’s only going to get worse.

“We’ve got to reach out to each other.”

Erin Ricker of Middletown works at a bookstore, at a hotel serving banquets and as a hairdresser, but still can’t make ends meet without assistance. A single mother with two children, she was embarrassed and in tears when applying for welfare. But her younger son was born prematurely with medical issues, and she was laid off from her job as a medical technician at a nursing home.

“It left me with no job, two kids and trying to find a job as quick as possible,” Ricker said.

“I’m very determined and strong-minded so I know what I have to do,” she said, but she was unable to finish her degree. “Financially, it was very hard for two years and it still is,” she said.

The family doesn’t spend money on any extras, including cable TV. Her son had to give up football and BMX racing.

“It’s very, very stressful. Some days are harder than others. Every day I wake up, I try to remember that we’ll be back to where we were at some point,” Ricker said.

One-third below ALICE threshold

Stephanie Hoopes Halpin, the author of the report and director of the Rutgers School of Public Affairs and Administration, said, “What we really try to show in this report is it’s a big problem, and it’s a little different from what people have been thinking about. At the very low end, there’s been huge pressure on households.”

More than one in three households in Connecticut “struggle to afford basic household necessities,” according to the report. “Based on the most recent data from 2012, 141,628 households live in poverty and another 332,817 are ALICE households.” That’s 474,445 families of one or more persons who earn less than what United Way considers sustainable. The ALICE threshold is “really for the bare minimum,” Dunn said.

Those families include all racial and age groups — the largest segment is a family headed by someone 25 to 64 years old. Even with \$10.6 billion of government, nonprofit and health care assistance, ALICE households are at least 12 percent short of the survival threshold.

Poverty and near poverty also affects every town in Connecticut. In New Haven, which has a 23 percent poverty rate, a third, or 34 percent, are at or below the ALICE threshold. In Middletown, 10 percent fall below the poverty line but more than a quarter, 26 percent, are ALICE families. In Torrington, 12 percent are in poverty, but 30 percent qualify as ALICE. There are struggling families even in well-off towns. Madison has a 2 percent poverty rate and 15 percent qualify as ALICE. In Chester, the numbers are 5 percent and 21 percent; and in Litchfield, 8 percent and 18 percent.

Porth said the minimum wage is far from enough to support a family. “When it goes up to \$10.10 an hour, we’ll have one of the highest minimum wages in the country,” he said. “And yet, \$10.10 an hour is barely enough to pay for the individual ALICE budget.” For a family of four, a total wage of \$32 per hour is needed to earn the \$65,000 needed for a survival budget, he said.

“From our perspective, the increase in the minimum wage is a great thing and frankly, the Earned Income Tax Credit ... is a really important part of the picture.”

No obvious answers

Donn Johnson, a professor of economics at Quinnipiac University, doesn't see a ready solution to helping people who are above the poverty line but still struggling. "These people are in too high an income class to receive aid," he said. With Republicans controlling both houses of Congress, there's no political will for anything but a tax cut, he said.

Most taxes, however, are paid by higher income earners, he said, who would benefit most from lower income taxes. "When you talk about a tax cut helping the working poor ... it won't provide much help," he said.

"I don't think there's an obvious solution to this," Johnson said. "We were in a recession and [had] slow growth afterward. ... I don't see an obvious solution. It's a depressing picture because people like this 50 years ago were probably doing relatively well."

Johnson said the people included in the ALICE group can even include new university professors in the arts and humanities if they're the household's sole earners and have children. And debt, such as student loans and credit card balances, aren't considered when evaluating a family's eligibility for aid.

A \$60,000 salary for a head of household would be enough for a family to get by in a state like Mississippi, but Connecticut's high cost of living pushes people to the brink. "There's no obvious tool that I have as an economist at my disposal that would make this problem go away," Johnson said.

The newly elected president pro tem of the state Senate, Martin Looney of New Haven, agreed that the state's \$10.10-per-hour minimum wage is not enough to take the threat of poverty off a wage-earner, saying a \$14 or \$15 livable wage is needed.

"I think it's a move in the right direction but obviously not a solution. He also cited the state's Earned Income Tax Credit as a help to financially struggling families.

In terms of housing, Looney said, "the government has made a commitment" to affordable housing by requiring 10 percent of new housing to be considered affordable, defined by state law. But in some rural towns without sewer systems, Looney said, "They want to be able to argue that their communities are not suitable for greater density housing."

"I think that housing affordability is one of the biggest challenges in Connecticut," said Porth.

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