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Amid economic recovery, numbers of working poor are growing, United Way report shows



An economy heavy with low-wage hospitality jobs is one reason why Miami-Dade has a high number of working poor.

BY NANCY DAHLBERG
ndahlberg@miamiherald.com

About six out of 10 Miami-Dade County residents are struggling to pay for the basic necessities of food, housing, transportation, healthcare and childcare, according to a United Way study released this week. That's up from 50 percent three years ago, despite improvement in the overall economy.

Called the ALICE Report, the study aims to spotlight the working poor, the large population of residents who are employed but have little or no savings and are one emergency away from falling into poverty.

Even though Florida is enjoying the fruits of a growing economic recovery, statewide, 29.5 percent of Florida's working households are scrambling to make ends meet, and another 14.5 percent earn less than the federal poverty level. Combined, that's 44 percent, or 3.3 million households out of the state's total 7.5 million households.

In Miami-Dade County, the situation is even more grim. According the report, 21 percent of the 858,000 families live below the poverty level, defined as earning less than \$2 year for a family of four. An additional 37 percent live above the poverty line number but struggle to cover basic necessities, making a total off 58 ercent of households scrambling to cover basic needs.

Those numbers significantly outpace the state as a whole. Only four counties in the state, mainly more rural counties, have higher percentages, according to the report based on 2015 American Community Survey and other economic data.

Numbers in Broward, Palm Beach and Monroe Counties were not quite as bleak. In Broward, 44 percent live either below the poverty level or living paycheck to paycheck; in Palm Beach it's 40 ercent and Monroe, 46 percent.

"This report takes a deeper dive into families that are making more than the federal poverty level but less than the county's household survival budget. We wanted to see what working families are facing when it comes to paying for food, housing transportation, healthcare and childcare. These findings were eye-opening," said Yanet Obarrio Sanchez, spokeswoman for United Way of Miami-Dade, which funds more than 120 community programs.

While the federal poverty level is \$24,250, the ALICE report estimates that in Miami-Dade County, the minimum bare-bones survival budget for a family of four is \$56,753 — up about \$8,600 over the past three years.

“Decency compels me to ask: How is it possible that we can spend ultimately \$4 trillion of taxpayer dollars to bring democracy to Afghanistan and Iraq, and almost a quarter of all children in our community and country live in the full federal definition of poverty?” commented David Lawrence Jr., chair of The Children’s Movement in Florida.

This report is an update to United Way’s first report in 2014. Statewide, it established an ALICE (an acronym for Asset Limited, Income Constrained, Employed) survival budget for each of Florida’s 67 counties, based on what it costs to afford basic necessities. At that time, the report revealed that 45 percent of Florida households could not afford even this bare minimum budget.

“The vast majority of these families were working, yet 15 percent lived below the federal poverty level and a full 30 percent were ALICE,” said Theodore Granger, president of United Way of Florida, in a letter releasing the report.

He said what this week’s update to the report shows is that even with three more years of economic recovery, when unemployment fell 50 percent, the rate of Florida’s households who are poor or in the ALICE category barely decreased — just 0.5 percent.

In Miami-Dade, the number of residents in the so-called ALICE category increased about 8 percent. Part of the problem: While wages remain stagnant, prices for the basics continue to go up.

The median household survival budget for a family of four in Miami-Dade went from \$48,166 in 2012 to \$56,753 in 2015, according to the report. The bump was attributed to increases in car insurance and healthcare costs. The report found that ALICE residents couldn’t even afford the bronze level of Affordable Care Act policies, Obarrio Sanchez said.

Housing has been a heated topic as home prices and rents have accelerated in the past couple of years, but the cost of housing only went up slightly from 2012 to 2015 because it was already high during the first ALICE report, she added.

Here are some more sobering findings from the report, according to Obarrio Sanchez.

- Miami-Dade's median household income grew from \$41,400 to \$43,786, but it didn't keep pace with the cost of living. The statewide median per household is \$49,426. Miami-Dade County's median household income is the lowest of the six biggest counties: Broward (\$53,926), Palm Beach (\$56,664), Hillsborough (\$51,725), Orange (\$50,720) and Duval (\$49,554).
- Miami-Dade's median household income growth from 2012 to 2015 was also the lowest among the biggest counties: \$2,386 compared to \$4,133 (Broward); \$4,386 (Palm Beach); \$5,210 (Hillsborough); \$5,096 (Orange) and \$6,105 (Duval).
- Households below the poverty line in Miami-Dade remains at 21 percent, yet the number of households in poverty went from 176,683 in 2012 to 179,084 in 2015.
- Of Miami-Dade's 73,262 single female-headed households, 52 percent are in poverty and 36 percent are above the poverty level but struggling. That means just 12 percent of the county's single-female-led households live in relative comfort.
- In Florida, wages have risen. However, when adjusted for inflation, the percent of low-wage jobs is the same as in 2007. Two-thirds of the state's jobs pay less than \$20 an hour and three-quarters of that subset pay less than \$15, the study said.
- The Florida population is shifting significantly and quickly. The number of households headed by people under 25 fell by 29 percent since 2007, while households headed by those over 65 increased by 24 percent. Surprisingly, the more vulnerable of both populations are often vying for the same housing and jobs; nearly half of those over 65 are now in the workforce.

Florida United Way chapters have joined United Way organizations in 14 other states, covering 40 percent of the U.S. population, to provide statewide ALICE Reports.

The methodology for the updated report was improved by using county-level average household sizes for households above and below age 65, instead of statewide averages, and incorporating the costs associated with the Affordable Care Act. The report uses income data from the American Community Survey.

The United Way plans to use the study's findings to inform programs and tailor lobbying efforts during the upcoming Legislative session. Specifically, United Way will be lobbying for support in the areas of financial stability, education and health, Obarrio Sanchez said. At the state level, for instance, United Way will advocate for more funding for the free income tax assistance program it runs with a host of community and financial partners, said Obarrio Sanchez.

We can do people's taxes for free and then we tell them about services available to them. ... It's important for Miami-Dade families to know about their finances and it's important for families to know about the resources available to them. We want to empower the families to improve their situations." Obarrio Sanchez recommended The United Way's Center for Financial Stability site, miamifinancialstability.org, and bankonmiami.org as helpful sites.

The report can also help inform employers and community leaders, she said. "When people understand, they start making changes. Employers can start making changes for their employees in the ALICE population. Everyone has to do their part."