

Nearly half of Central Florida households on financial edge

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Orlando Sentinel

JANUARY 9, 2015, 6:01 PM

Nearly half of all households in Orange, Osceola and Seminole counties struggle to cover the basics of food, shelter, medical care and transportation — putting them one missed paycheck or one unexpected bill away from financial free fall, new research shows.

The figure is triple the number state researchers previously assumed.

The study was commissioned by United Ways in six states, including Florida, and conducted by **Rutgers University**. Researchers found 203,000 households in Central Florida's tri-county region in which workers earn more than the federal poverty limit yet live on the edge of bankruptcy, eviction or homelessness.

The situation puts the economy as a whole at risk, officials said.

"We're talking about the recent college graduate unable to afford to live on his or her own, the young family strapped by child-care costs and the midcareer professional now underemployed," said Robert Brown, president and CEO of the Heart of Florida **United Way**. "These folks are vital to our future economic well-being."

They include residents such as Alvin Joyner, 45, a single father of two boys living in a two-bedroom apartment in Winter Park. Though he works 45 hours a week as a restaurant assistant manager, every month brings a new struggle to cover the rent. His sons — ages 12 and 14 — have health insurance through the state's Healthy Kids program, but he goes without.

"I won't lie: I'm barely making it," he said. "If it hadn't been for my sister — a truck driver who has helped me out — I don't know what would have happened. In July my car died, and that meant a loan for another car and insurance."

Joyner is part of what the report calls the ALICE demographic: asset-limited, income-constrained, employed. He makes about \$3,000 a year above the federal poverty limit of \$19,790 for a family of three but below what the report calculated as the "household survival budget" for the average Floridian — roughly twice the poverty level.

"This report gives us a whole new picture of what's going on in our society," said Dave

Krepcho, president and CEO of Second Harvest Food Bank. "And, quite frankly, it challenged my definition of the middle class. It is very, very shocking."

Nearly 80 percent of those at-risk households are white, researchers said, and their numbers increased substantially from 2007 to 2012. Despite the Great Recession and its low rate of inflation, the cost of housing, child care, transportation, food and health care in Florida increased by 13 percent during that five-year period.

To cover those costs of "basic survival," Rutgers calculated that a Florida family of four needs about \$47,500 a year. A single adult needs at least \$18,600. The problem, they said, is that "the cost of basic household expenses in Florida is more than most jobs can support."

Researchers based their findings on data culled from numerous sources, including the U.S. Census Bureau, the Department of Housing and Urban Development, the federal Bureau of Labor Statistics and the Internal Revenue Service, as well as the state, counties and cities involved.

Brown said the findings already have been shared with a handful of local leaders and will be used to guide the United Way's work as well as its legislative lobbying efforts.

But neither raising the state's minimum wage of \$8.05 an hour nor raising the federal poverty limit of \$23,850 for a family of four — allowing more people to qualify for government aid — would substantially change the overall picture, Brown said. "This is a systemic problem with no single answer. Certainly affordable, quality health care is one thing we will lobby for. We know the single biggest cause of personal bankruptcy is medical bills."

Escalating housing costs also contribute to the problem, Brown said. So, too, does the lack of skills needed for workers to land higher-paying jobs.

"This is less about bemoaning that we have only minimum-wage jobs than figuring out ways for people to climb the ladder into better wages," said Pam Nabors, president and CEO of CareerSource Central Florida, the region's publicly funded jobs agency.

"We know there are openings in health care, advanced manufacturing, small businesses — particularly jobs in science, technology, engineering and math — that need workers. There are jobs in information technology and now jobs for skilled construction work that need filling. But those jobs require skilled workers."

If someone is already working two minimum-wage jobs to support a family, he or she probably doesn't have the time or money to also attend classes, Nabors said. One of her agency's recent goals has been to create so-called work-force-investment programs that cover educational costs for low-income residents or provide paid internships at local nonprofit organizations and colleges. The latter can cover workers' living expenses while they receive training for jobs that will put them on

better financial footing in the future.

For Joyner, hope of a better paycheck hinges on a possible promotion to a manager's position, something that would offer both more hours and a higher hourly wage.

"I'm a strong Christian," he said. "My faith has gotten me this far, and I know I just need to keep faithful until things get better."

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