

Study: More than 4 in 10 Palm, Broward households struggle to make ends meet

By Donna Gehrke-White

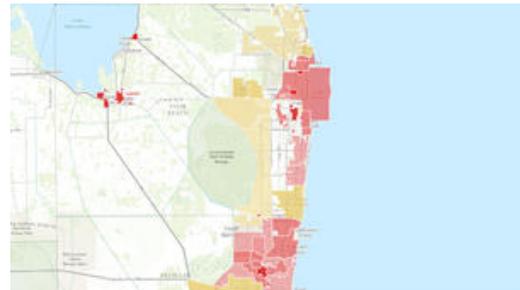
Nov 11, 2014

Stagnant wages and a high cost of living are preventing more than four of 10 households in Palm Beach and Broward counties from saving and even affording basic necessities, and households that struggle the most can be found in the region's oldest, centrally located neighborhoods, according to a report released Wednesday by the United Way.

[Click here to go to the report.](#)

The agency is a nonprofit consortium of charitable organizations that helps people in need across local communities. To help local service providers, the agency developed a formula to identify the percentage of struggling households in states, counties and cities.

The formula, which used federal, state and local income and expenses data, adds the percentage of households below the federal poverty level to the United Way's newly defined category of working families who don't earn enough to meet their necessities and save money for the future. The study calls this category of struggling households ALICE — Asset Limited, Income Constrained, Employed.



By combining the percentage of families in poverty and in the ALICE category, the study created what it calls the ALICE rate.

The agency found that throughout the six states it studied — Florida, New Jersey, California, Michigan, Connecticut and Indiana — up to half of households are forced to make tough decisions, such as not paying their car insurance so they can afford rent and groceries.

“It's a tough choice,” said Lars Gilberts, Florida director of the project. “You have to feed your family.”

Overall, households in Palm Beach County, where the ALICE rate is 41 percent, fare better in comparison to those in Florida overall, where the rate is 45 percent, or Broward County, where it's 47 percent, the study's data shows.

In Palm Beach County, 12 percent — or 64,229 households — are in poverty while another 29 percent, or 153,482 are working but struggling to afford basic needs, the study found. In Broward, the percentage in poverty is 14 percent, or 90,321 households, while another 33 percent, or 219,512, are in the ALICE category.

To stay above what the study defines as in poverty or struggling, a Palm Beach County family of four must earn \$52,379, the study's data shows. That assumes the family will spend \$1,138 on housing, \$1,146 on child care, \$531 on food and \$655 on transportation. A family of four in Broward must earn \$52,712, with similar living expenses.

Palm Beach County communities with high rates of struggling households include South Bay, with a 70 percent ALICE rate, Belle Glade at 68 percent and Riviera Beach, at 55 percent.

A majority of households in half of the 32 communities ranked in Broward can't consistently pay for necessities. The hardest struggling community is Pembroke Park, with a 72 percent ALICE rate. Pompano Beach, Deerfield Beach, Lauderdale Lakes, Lauderhill, and North Lauderdale were all rated at 55 percent or more.

Most of South Florida's strapped working households live between the East's affluent beachfront communities and the West's booming new suburbs. They are in older neighborhoods with smaller homes and aging appliances, said economist William B. Stronge, a professor emeritus at Florida Atlantic University.

"They're working hard, doing everything right and they're still struggling," said Laurie George, president and CEO of the United Way of Palm Beach County. "For many working families, the least expensive legal childcare they can find that allows them to work can cost as much as their rent."

In Greenacres, Lynn McGee, 65, said she was turned down for food stamps after she was laid off in February as an optician. "I make too much money," she said. When her unemployment benefits expired after four months, McGee applied for Social Security benefits, which amount to just over \$1,000 a month. She found part-time work in a florist shop, and is now working about eight hours a week. That puts her over the \$11,170 federal poverty guidelines for one person.

"There are a lot of people who live on the edge, unfortunately," said Gilberts who directs the statewide ALICE Project.

Another factor: Although the cost of living is higher in South Florida, the area's service economy keep wages low, said J. Antonio Villamil, dean of the School of Business at St. Thomas University in Miami-Dade and principal economic adviser at The Washington Economics Group.

Virteka Camarou, 37, said she got into financial problems when she moved to Broward County in February from Philadelphia. Just out the Navy, Camerou went to work as a secretary at the William "Bill" Kling VA Clinic in Sunrise. Rent alone is \$420 more a month here, she said.

"You have to juggle the different expenses you have — being in South Florida isn't cheap," said Camarou.

Copyright © 2014, [Sun Sentinel](#)