

Updated: Report says nearly 1/3 of Iowans can't afford basics



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CEDAR RAPIDS, Iowa (KCRG-TV9) - Nearly a third of Iowans can't afford the basic necessities according to a statewide study from the United Way of Iowa.

The report says 381,266 households in Iowa, roughly 31% of all households in the state, are an ALICE household. ALICE stands for Asset-Limited, Income-Constrained, Employed, essentially the working poor with little to no savings and on the cusp of poverty.

The United Way's ALICE definition is different from the poverty level as it reflects the cost of living. 12% of Iowa households are below the federal poverty line.

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The report says low wage jobs and a rising cost of living are the reasons so many families are struggling. It notes 68% of jobs in Iowa pay less than \$20 per hour, primarily service jobs. Meanwhile, the cost of living for a family of four has risen to \$46,680, according to the report, which includes housing, food, health care, child care and transportation.

See below for a graphic of Iowa's cost of living by category compared to the rest of the nation.

The United Way says these ALICE homes are forced to choose between buying essentials, like car insurance or food. It notes that puts the burden on society by lowering their productivity and raising taxes and insurance premiums for everyone.

Kelly Osborn is an example of the "working poor" in Iowa that few people see.

On Wednesday, she and her fiancé came to the Mission of Hope for a free lunch. It's something they do on a regular basis to stretch dollars.

She watches the kids and home and he works 40 to 60 hours a week.

Osborn says after deducting rent, the family has about \$500 dollars left for the whole month.

"One sickness, one trip to the hospital we can't pay for--we're done, we're toast. We'd be living on the street and homeless," she said.

Mission directors estimate about 25 percent of people coming for the free lunch and services every day are working poor and not homeless.

Leslie Wright, with United Way of East Central Iowa, said local statistics show 9,907 families living in Cedar Rapids alone are considered not financially stable.

"How do people earn enough to pay their bills to be able to choose where they live or take care of their kids? They need to have the personal assets to go to the marketplace and get a job," Wright said.

While United Way just released statewide figures, the regional United Way office in Cedar Rapids started gathering statistics about the working poor in this five-county service area back in 2009.

The United Way of East Central Iowa set a goal then to help 15 percent more families achieve financial stability by the year 2020.

Wright said it's a work in progress and the statewide financial hardship figures show just how tough it will be.

