

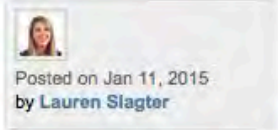


43% of Howard County families struggle to afford cost of living

■ United Way’s ALICE report identifies working families who still need assistance

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By Lauren Slagter



Just because a family is above the poverty threshold doesn't mean they're financially secure.

Many local families are one emergency away from financial destitution, and United Way of Howard County is taking a closer look at how to keep those families from falling through the cracks.

United Way agencies in Indiana and five other states commissioned a report – released in November – on ALICE (Asset Limited, Income Constrained, Employed) families. These families are above the poverty line and employed, yet still unable to afford the local cost of living.

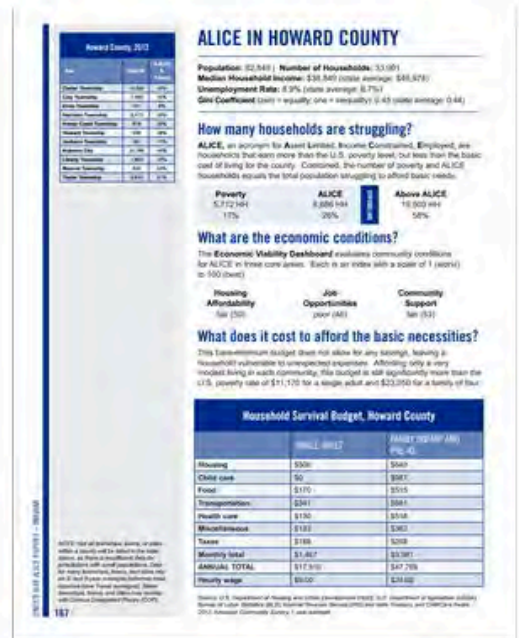
“The scary thing, for us, about ALICE families is they’re so close to falling off the cliff,” said Abbie Smith, executive director of United Way of Howard County. “They’re one major illness, one major car repair, one job loss away from slipping from ALICE down below the federal poverty line.”

Across Indiana, 37 percent of households are struggling to afford the basic necessities of housing, child care, food, health care and transportation. That’s 922,342 households – more than double the number previously thought – that are striving to support themselves, whether living in poverty or below the ALICE threshold, according to Indiana’s ALICE report.

Indiana’s cost of living is beyond what most jobs in the state can provide to working households, which is why so many working families are still struggling to make ends meet. In Howard County, 17 percent of households were living in poverty in 2012, and another 26 percent were below the ALICE threshold. In Kokomo, 46 percent of the city’s 24,785 households were below the ALICE threshold.

The ALICE threshold is the average income level that a household needs to afford the basics defined in the annual Household Survival Budget, which includes the cost of housing, child care, food, health care and transportation, adjusted by county and household type.

The annual Household Survival Budget for the average Indiana family of four is \$46,495 and \$17,026 for a single adult, which is well above the poverty line. In Howard County, the ALICE report estimates a family of four needs \$47,769 a year to survive and \$17,610 for a single adult.



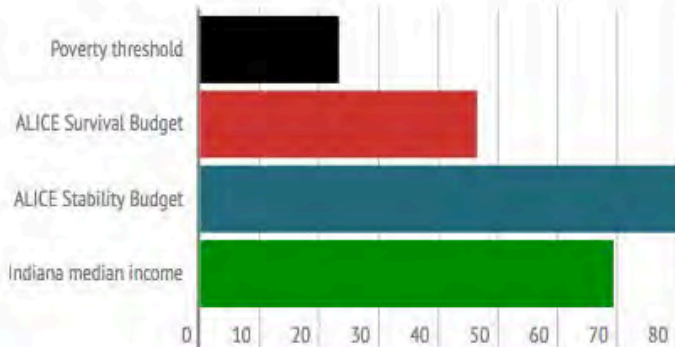
Howard County ALICE

This is a snapshot of indicators for Howard County measured by the ALICE report, which identifies a group of households that are employed but still struggling to afford basic necessities.

ALICE income comparison

Values presented as income in thousands based on family of four in 2012.

Source: US Census and ALICE.



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The ALICE report also includes a Household Stability Budget, which calculates the cost of achieving self-sufficiency rather than just survival. Indiana's Household Stability Budget is \$82,740 for a family of four and \$22,836 for a single adult.

"What we've known for a long time is that the economy is getting better but we still are seeing increases in social service utilization, like more families are going to the food pantry," Smith said. "That doesn't make a lot of sense, except we know it's true. Everybody is seeing an increase in the numbers they're serving, but we couldn't really articulate why."

The ALICE report provides an explanation for the growing need for social services, Smith said. It will help United Way make better use of its resources by identifying another sector of families in need.

"There's a whole next category of people who are working but still not making it," Smith added. "[The ALICE report] is a really helpful tool to help people understand what they're neighbors are going through."

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