

## Across Louisiana, hard-working families can't afford life's basics: Editorial



Cynthia Lester, H.O.S.T.S. (Helping One Student To Succeed) Coordinator, loads backpacks with fruit, cereal and a protein for 20 Lyon Elementary School students who are in the "Backpack Club" at the school Friday, February 14, 2014. Cleco Corporation made a \$60,000 donation to food banks throughout Louisiana including Second Harvest Food Bank of Greater New Orleans, that will support the Backpack Program, a program that provides backpacks with nutritious, child-friendly food during weekends and holiday. Second Harvest Food Bank received approximately \$31,000 to fund the programs in south Louisiana. Currently Lyon Elementary distributes 20 backpacks to students who have been identified to participate in the "Backpack Club," including four sets of siblings. (David Grunfeld, NOLA.com | The Times-Picayune)

 By **The Editorial Board, NOLA.com | The Times-Picayune**

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Louisiana's high [poverty rate](#) is well documented, but what we don't see as clearly is how many people live just above that threshold and struggle to make ends meet on their meager paychecks. Doctors who treat patients without health insurance see it. The kind-hearted people who volunteer at food pantries see it. But there has been little concrete information on the number of Louisianians whose income doesn't cover their most basic expenses.

Now we know how bad things are. An in-depth, [parish-by-parish study](#) on financial hardship released last week by the Louisiana Association of United Ways fills in the information gap. The data is staggering.

Forty percent of Louisiana residents — 695,719 households — either live under the federal poverty line or are what the report defines as asset limited, income constrained, employed, or ALICE. The state's poverty rate is 19 percent, but another 21 percent of families are in a chronic financial bind. That slice totals 368,682 households statewide, according to the study.

Those residents "work hard and earn above the Federal Poverty Level, but not enough to afford a basic household budget of housing, child care, food, transportation and health care. ALICE households live in every parish in Louisiana – urban, suburban, and rural. They include women and men, young and old, of all races and ethnicities," the report says.

There are a number of reasons for their hardship.

Low wages dominate Louisiana's economy, according to the United Way report. Louisiana's median income is below the national average. More than 70 percent of jobs statewide pay less than \$20 per hour and most are less than \$15. A full time job at \$15 per hour amounts to \$30,000 per year, the report says. The federal poverty level for a family of four is \$24,250.

Jobs also aren't located in areas where housing is affordable, so people are in a bind. There may be jobs in New Orleans, for instance, but no place to live. There also could be problems with transportation and childcare that limit a family's options.

Louisiana's economic picture has been complicated by multiple disasters — from [Hurricanes Katrina](#) and Rita and the levee breaches in 2005 to the massive BP oil spill in 2010.

Since 2005, housing has become significantly more expensive in some parishes. Only some of the affordable housing lost in the flooding during Katrina has been replaced. Statewide, housing costs went up 20 percent between 2007-13.

The report defines the money needed to cover basics as the household survival budget, which was calculated for each parish and statewide. The state average survival budget for a family of four — two adults, a preschooler and a baby — is \$42,444. For a single person, the number is \$17,304. Those estimates are higher in much of the New Orleans area, mainly because housing is more expensive. The average survival budget in our region is \$19,248 for individuals and \$48,492 for a family of four to afford the bare minimum, according the United Way of Southeast Louisiana.

There is a significant amount of aid provided by the government and nonprofit groups to supplement low-income families across Louisiana, but there is still a gap. The household survival budget also doesn't allow for any savings, so these families are vulnerable to emergencies.

The strain shows on individuals and the communities where they live. These residents may miss work frequently because of illness or transportation problems. At the most extreme, they could become homeless.

The power in the report is that it allows communities and state leaders to be smart about solutions.

"Many of the social problems in our region have the same root cause — poverty," the United Way of Southeast Louisiana said in a press release. "We've put our stake in the ground. We want businesses and individuals to join us in developing strategies and partnerships to educate and empower people to help lift them out of poverty."

The report, which is sponsored by Entergy, outlines short-term strategies: Food pantries, utility assistance, emergency housing repairs and child care subsidies. Those services can help stabilize families, and donations and grants are important to keep them going.

Long term, there is a need for more affordable housing, better childcare and broader health care coverage. The Medicaid expansion that [Gov. John Bel Edwards approved](#) his first day in office could make a huge difference for the families in the ALICE report. The Legislature approved a comprehensive plan to expand pre-k and childcare and raise standards, but the changes haven't been fully funded. That needs to happen.

Economic development efforts need to target higher-paying jobs, which may require better job training. New Orleans and Jefferson Parish may need to take different strategies, depending on their residents' needs. But they also could work together on transportation or perhaps training.

With the United Way report, we all have the data we need to make those decisions.