

## More La. households one crisis away from poverty

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(Photo: Courtesy of United Way)

The number of households one emergency away from poverty increased by 2 percent in Louisiana from 2013 to 2014, according to the United Way's ALICE report.

The organization's update to the original 2016 report chronicles the number of Asset Limited, Income Constrained, Employed households in Louisiana and incorporates new information from 2014 population, wage and cost of living data.

While the state number showed an uptick in ALICE numbers, from 40 to 42 percent of the populace, Ouachita Parish remained relatively steady with a 1 percent increase in households above the ALICE threshold according to Janet Durden, United Way of Northeast Louisiana president.

"The updated ALICE Report for Louisiana provides critical data about our communities and the people we serve," Durden said. "This expert knowledge in the ALICE Report will be used to accompany public knowledge collected during United Way of Northeast Louisiana's 2017 Community Listening Tour, designed to gather a broad range of perspectives to identify what local people aspire for our community."

In different parishes and regions, the amount of money a household needs to meet basic expenses varies. In 2014, a single adult in Ouachita needed \$16,704 to meet a basic household survival budget while a family of four required \$44,964. Across the state in Caddo Parish, the totals increase to \$17,064 and \$46,164, respectively.

In Rapides, where Kelsie Belgard lives with her husband and two daughters, ages 5 and 1, the survival budget for her family is \$43,980. In recent years, a gift of one acre of land and income tax refunds have left the family able to pay off bills and buy a mobile home — a decision that reduced their monthly housing expenses — but they still live on the edge.

"My husband, Robert, works at least 50 hours a week, most days from 2 a.m. until 10 a.m., for \$11 an hour driving a forklift for Procter & Gamble," Belgard said in a provided statement. "By the end of the year, we hope he'll be up to \$12 an hour, which will make a big difference for us."

Kelise previously worked in home health care, but a car wreck left her unable to return to work, and day care expenses made staying home the better option for their budget. For now, she uses a Cricut machine purchased with funds left over from a tax refund to make customized T-shirts, decals and stickers.

The couple hopes the \$50 a week she earns will eventually help them stay ahead and break out of a cycle of getting behind on bills in leaner months. "It's important to me that each of you understands how hard we're working not to be poor," Kelsie said. "We are doing our best to get ahead, but it's not easy. Just like you, we want our dreams and our children's dreams to come true, too."

According to the ALICE data, only 16 percent of households in Louisiana possess an investment that produces income and can be accessed in an emergency.

"The most common asset is a home," Stephanie Hoopes, Lead Researcher for the ALICE team, said. "The rate of homeownership is just under 65 percent. There are more with a mortgage than without. The most accessible kind of asset, especially in an emergency, is any kind of asset that produces income — a savings account, a 401(k) plan, rental income. We see that 16 percent of households in Louisiana have some kind of income asset. That should be a red flag for policymakers and community stakeholders. Very few households have the resources to weather a crisis whether that is a natural disaster or a personal crisis."

Since the release of the original report, it has been used in many different ways by both local governments and federal agencies.

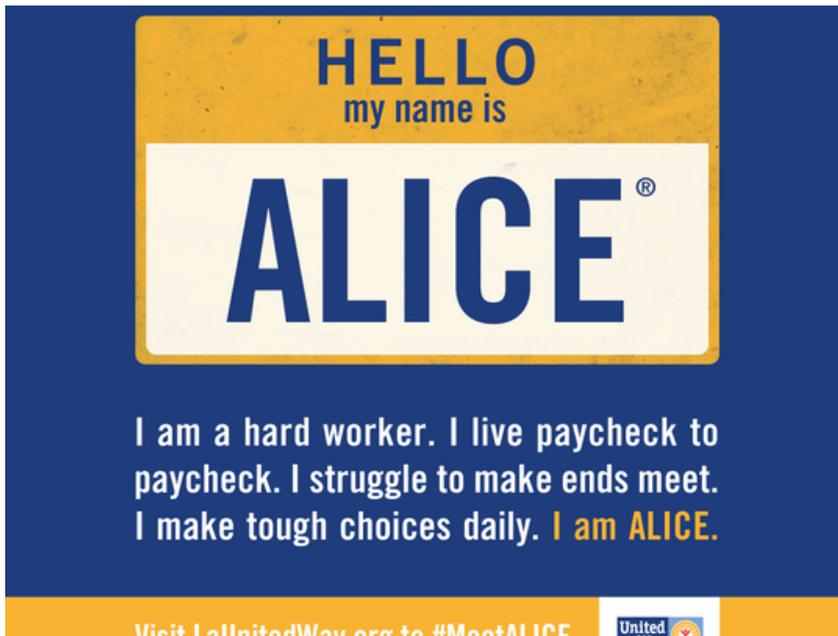
In a letter attached to the updated report, Sarah Berthelot, president and CEO of the Louisiana Association of United Ways, said one goal of the report is to help inform policymakers, coalitions and organizations so they can more effectively help the people of the state.

"We take pride in the fact that the Federal Emergency Management Agency recently used the United Way ALICE Report to help understand the impact of natural disasters on ALICE and to better target their services to our communities affected," she said.

She said the report also has been used by legislators when considering the issues impacting their district.

"Since the report has been published ... maintaining the earned income tax credit has been a key decision that has been made and the ALICE report was very helpful to some legislators in making that decision," Berthelot said, highlighting that the data has also been key at both a parish and municipal level.

The original United Way ALICE Report Update for Louisiana was released in January 2016. ALICE places a spotlight on a large population of hardworking residents who work at low-paying jobs, have little or no savings, and are one emergency from falling into poverty. It is a comprehensive depiction of financial need in the state to date, using data from a variety of sources, including the U.S. Census. The report includes measures, based on present-day income levels and expenses that show how many Louisiana workers are struggling financially, and why.



Hello my name is Alice (Photo: Courtesy photo)

## Key findings in the updated ALICE report:

- As per the update, 42 percent of households struggle to afford the basic necessities and live below the ALICE Threshold — 23 percent of Louisiana households are ALICE and 19 percent live in poverty. **The 2014 data increases the number of ALICE household by 2 percent** while the percentage of poverty remains flat at 19 percent. This percentage represents 27,000 more ALICE households struggling to make ends meet throughout the state.
- The average Household Survival Budget (calculation created for the ALICE report) for a Louisiana family of four increased to \$43,032 — nearly double the federally recognized family poverty level of \$23,550. (Single Household Survival Budget is \$16,212 with the poverty level

set at \$11,490.)

- Louisiana’s three largest cities — New Orleans, Baton Rouge and Shreveport — each have more than 49 percent of households living below the ALICE Threshold.
- Households living below the ALICE Threshold make up between 25 percent and 67 percent of the population in every parish in Louisiana. (These households earn above the poverty level but below the Household Survival Budget.) Childcare, representing a Louisiana family’s greatest expense, averaged \$694 per month for two children in licensed and accredited childcare.

## ALICE in NELA: Households below the threshold by parish

- Caldwell Parish, 45 percent
- East Carroll, 67 percent
- Franklin, 51 percent
- Jackson, 45 percent
- Lincoln, 52 percent
- Madison, 64 percent
- Morehouse, 53 percent
- Ouachita, 45 percent
- Richland, 42 percent
- Tensas, 59 percent
- Union, 46 percent
- West Carroll, 49 percent
- Total for NELA: 48 percent

Households	Number of Households: Poverty	Number of Households: ALICE	% Below ALICE Threshold	Number of Households Above ALICE Threshold
3,851	886	847	45%	
2,592	1,037	700	67%	
7,748	2,092	1,860	51%	
6,166	1,480	1,295	45%	
17,060	5,118	3,753	52%	
4,035	1,453	1,130	64%	
10,383	2,907	2,596	53%	
57,766	13,864	12,131	45%	
7,676	1,535	1,689	42%	
1,936	561	581	59%	
8,712	2,178	1,830	46%	
4,216	1,054	885	49%	
132,141	34,165	29,295	48%	

Alice table (Photo: Courtesy)