

Working poor: Escaping poverty, but not hardship

Olivia Lewis, 10:54 p.m. EDT September 1, 2014



(Photo: John Grap/The Enquirer)

Although nearly 9,000 households in Calhoun County live below the poverty line, a far greater number earn too little to afford basic needs, according to new study of financial hardship in Michigan released Monday.

The county's percentage of households below the so-called "ALICE threshold," the income needed to meet basic needs, is 46 percent — among the worst in Michigan.

The report paints a picture in which large numbers of working families lack the means to pay for housing, child care, food and other basic necessities.

"I think it will come as a surprise the number of households and families that are in this situation," said Chris Sargent, executive vice president and chief operating officer of the United Way of the Battle Creek and Kalamazoo Region. "The cost of living in our community just to provide basic essentials for our families, especially our families with children."

ALICE is a United Way acronym for Asset Limited, Income Constrained, Employed (<http://www.middletownpress.com/general-news/20140502/connecticut-united-ways-join-study-examining-working-poor>). The project highlights individuals and families living above the poverty level, working, and barely able to pay their bills in full each month. The report was released Labor Day weekend in a collaborative effort by United Ways in six states with research partner Rutgers University.

Sargent said individuals and families who fall into ALICE have jobs and usually a high school education, but have been unable to build into a savings account or acquire assets.

More than 15,000 households have incomes above the federal poverty level yet less than the basic cost of living. Put another way, just over half of all households — about 54 percent — have incomes sufficient to cover basic needs, according to the report.

In Battle Creek, the report indicates that 47 percent of all households have incomes insufficient to pay for basic needs. In Albion, the number is 63 percent. In Marshall, 34 percent.

In Kalamazoo County, the ratio is only slightly better. Just about a quarter of all households live above the poverty level yet have incomes insufficient to pay for basics needs. Across both counties, 39,611 households fall into what the United Way calls the "ALICE population."

Combined, the counties are home to 65,722 households living either below the federal poverty level or within the charity's ALICE designation. Across Michigan, 40 percent of households struggle to afford the basic necessities of housing, child care, food, health care, and transportation. Combined, more than 1.5 million households live below the ALICE threshold.

The report includes a household survival budget for a single adult and a family of four with an infant and a child in pre-kindergarten. Childcare was the biggest expense, accounting for 25 percent of a family's monthly income. Transportation was the second highest, taking 24 percent of a single adult's monthly budget and 16 percent of a four-person family budget.

Brian Pittelko from the W.E. Upjohn Institute was part of the ALICE Research Advisory Council for Michigan. He said transportation in Michigan overall, compared to the other five states, was particularly high for ALICE families and individuals.

"Transportation is certainly higher in Michigan because of the essential necessity of having a car," said Pittelko.

Pittelko said families within ALICE would have to use social services to make ends meet, especially when it comes to childcare.

The families represented in the study are families the United Way has been trying to reach in its work with support to local social services.

In a news release, Scott Dzurka, president and chief executive of the Michigan Association of United Ways, notes that many of the people represented in the study are recent college graduates who are unable to live on their own and young families strapped with childcare costs.

"These folks are vital to our state's future economic well-being, and they face barriers beyond their control frustrating their ability to become financially stable."

Sargent said the report findings aren't necessarily new, but they help organizations such as the United Way better understand issues families face.

"I think we've known parts of this data, but we haven't known it in a comprehensive format to where we can really understand the implications as it relates to the families," Sargent said.

Mike Larson, president and chief executive officer of United Way of Battle Creek and Kalamazoo Region, said the charity will use the report examine underlying causes and raise awareness.

"I think the key is that there are things that we can be doing that can impact these families and individuals in our community," said Larson. "They're trying to make ends meet and it's going to take more than just United Way or a few organizations doing it."

[ALICE Michigan Study \(http://www.scribd.com/doc/238129398/ALICE-Michigan-Study\)](http://www.scribd.com/doc/238129398/ALICE-Michigan-Study)