

40 percent of Dutchess households struggle financially: report

Nina Schutzman, Poughkeepsie Journal

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April Messina is stuck in the middle.

Her family-of-four's income is slightly too high to qualify for food stamps but too low to live comfortably. Messina, 33, and her husband struggle to pay rent and bills and buy food with their income — he makes around \$30,000 working full time at a commercial glass and glazing company, and she just started a new job at Walmart.

"There are so many people like me," said Messina, who just moved from Poughkeepsie to central Ulster County with her husband and two children. "When I see the (poverty) statistics, I don't really believe it. I feel like I struggle more" than people who make less money but qualify for more public assistance.

A new report from United Way of New York shows that Messina is hardly alone.

Nearly 40 percent of Dutchess County families struggle to make ends meet, according to United Way's report. That includes 10 percent of households at or below the federal poverty level and 29 percent of households that United Way refers to as ALICE, an acronym for asset limited, income constrained, employed.

In Ulster, 45 percent of households struggle financially.

READ: United Way ALICE report (<https://assets.documentcloud.org/documents/3225182/United-Way-ALICE-NY-project.pdf>)

INTERACTIVE: New York's ALICE population by county (<http://data.lohud.com/alice>)

10 TAKEAWAYS: Highlights of the United Way report (</story/news/local/2016/11/27/united-way-alice-project-takeaways/94281420/>)

ALICE households have incomes above the federal poverty level but below the basic cost of living, which includes housing, child care, food, transportation, and health care premiums. United Way, which relied on 2014 data for its report, calculated the cost-of-living per county to determine how many households are below the ALICE threshold.

Dutchess has among the lowest poverty and unemployment rates in the mid-Hudson region, according to state data. But like surrounding counties, it also has a number of households who live paycheck to paycheck — the working poor. The United Way also rated Dutchess (and surrounding counties) as "poor" for housing affordability.

Covering basic needs means simply surviving. It doesn't include saving for the future or other modern essentials, like a cell phone. And just surviving means that any unexpected expenses — medical bills beyond insurance, accidents, etc. — can sink a family barely staying afloat.

"The ALICE report really illuminates the issues people face," said Brian Hassett, CEO and president of United Way of the Greater Capital Region, during a media conference call. "These are people we know ... who are just one pay check away from disaster."

There's a big difference between the federal poverty level — which was \$23,850 for a family of four in 2014 — and a living wage.

"We see it (the federal poverty level) as a really outdated measure in terms of understanding the hardships that people are facing," said Stephanie Hoopes, lead researcher and director of the United Way ALICE Project.

While 15 percent of New York households had income at or below the federal poverty level, an additional 29 percent (2.1 million households) in the state were below the ALICE threshold in 2014, according to United Way's report.

"ALICE households live in every county in New York — urban, suburban, and rural — and they include women and men, young and old, and all races and ethnicities," United Way said.

"We wanted to put a face on the people who" are working but their wages don't allow them to meet their basic needs, said Reg Foster, United Way of New York State president and CEO. "We don't have ready-made solutions ... but this isn't the end for us." The research and data "is the first step" to help find solutions.

Living wage

In Dutchess, the living wage for the average family size (which is 2.61 people, according to county officials) was \$60,000 for a household under 65 years old, United Way reported. The household survival budget in Dutchess was \$73,212 for a family of four — two adults, an infant and a pre-schooler.

Ulster's survival budget for the same family of four was \$71,592.

United Way's calculated survival budgets are based on the cost of renting and are "really the bare minimum," Hoopes said. "It's not a get-ahead budget."

MONEY WISE: Special series on the economy (<http://http://pojonews.co/moneywise>.)

SPECIAL SERIES: Why are people leaving Dutchess? (</story/money/economy/2016/02/27/money-wise-why-people-leaving-dutchess/80243284/>)

A DUTCHESS LIFE: Surviving on only a few hundred dollars a week (</story/news/local/2015/10/17/getting-by-minimum-wage/72737858/>)

The household stability budget for a family of four — which unlike the survival budget, includes savings and a cell phone bill — is nearly double that of a survival budget, United Way reported.

Prospects for public assistance for ALICE families are moderate, United Way reported. With many government benefits now linked to work and many jobs increasingly subject to changes in hours due to seasonal or economic activity, ALICE workers are often in a precarious position.

In Messina's household, it's important to scrutinize every expense.

Each week, "we make sure to put away what we need for rent," which is \$1,400 a month, Messina said. "I go to Aldi (a discount grocery store chain) for all my food shopping. I always make dinner at home because it's so much cheaper — it's a lot of chicken and pasta but its cheap."

"I see people debating a \$15-an-hour minimum wage," Messina added. "And that's not even enough to survive."

In Dutchess, 30,215 of 104,190 households did not make a living wage in 2014 according to United Way. An additional 10,419 households lived in poverty. In Ulster, 22,942 of 69,522 households struggled to make ends meet and another 8,342 households lived in poverty.

Households in need

The median household income in Dutchess was \$71,165 in 2014, higher than surrounding counties, the state and the nation, [according to Mid-Hudson Valley Community \(/story/money/economy/2015/09/26/money-wise-should-you-buy-home/71950124/\)](/story/money/economy/2015/09/26/money-wise-should-you-buy-home/71950124/) Profiles.

Still, the county has a "considerable economic divide ... when it comes to making ends meet, particularly for the working poor and young adults," according to a Dutchess County/City of Poughkeepsie 2013-17 plan.

The City of Poughkeepsie has grappled with a fiscal crisis and economic development, particularly in the wake of the Great Recession and waves of foreclosures. The city is now home to hundreds of abandoned properties. In 2014, about 22 percent of residents lived in poverty, and another 42 percent of households fell below the ALICE threshold, United Way reported.

But city residents are not the only ones struggling.

All eight of the county's villages — Fishkill, Millbrook, Millerton, Pawling, Red Hook, Rhinebeck, Tivoli and [Wappingers Falls](#) — had a higher than average percentage of ALICE households for Dutchess.

In places with smaller populations, "the (ALICE) data is probably less precise...(though) I think it gives you a good indication," Hoopes said.

In the Village of Wappingers Falls, for instance, 54 percent of households made less than a living wage, but only 5 percent of them lived below the federal poverty level, according to the United Way report. An estimated 5,500 people, mostly renters, live in the 1.2-square-mile village, the U.S. Census Bureau reports. The home ownership rate was only 33 percent from 2010 to 2014, versus the state average of 53.8 percent.

That high number of rental properties draws people who may not be able to afford to buy a home, and "our two increasing (demographics) are young people and older people," said Village Mayor Matt Alexander.

Meanwhile, "you're not seeing the same (wage) increases people need to keep up with cost of living," Alexander added. "People are stressed."

In Dutchess, 57 percent of black households and 53 percent of Hispanic households don't make enough money to get by, versus 36 percent of white households and 25 percent of Asian households, according to United Way. Meanwhile, 46 percent of senior households struggle financially.

Struggling to get by

Nearly six in 10 Dutchess residents surveyed thought [the Mid-Hudson Valley region \(http://www.manyvoicesonevalley.org/assets/Making-Ends-Meet-2012.pdf\)](http://www.manyvoicesonevalley.org/assets/Making-Ends-Meet-2012.pdf) was unaffordable in 2012, a study by the Dyson Foundation and the Marist Institute for Public Opinion showed. A quarter of the county residents polled said they made just enough money to cover their basic expenses.

Kayla McDonald, 27, lives with her husband and three children in the Village of Wappingers Falls. She works in medical records and her husband is a chemical compounder.

Combined, the family's annual income is about \$70,000 a year, McDonald said. But between bills, health insurance, monthly student loan and credit card payments, "we live paycheck to paycheck right now."

The family does have a break from one large expense — the house they live in belongs to Kayla McDonald's mother-in-law, though the couple pays the monthly bills for it, she said.

Pleasant Valley resident Christina Baker, 44, works in insurance sales. She spends about 75 percent of her income (which she declined to provide) on bills, including rent, insurance and utilities, she said.

Poverty statistics "don't mean anything to me," Baker added. "I make more than minimum wage, but I don't make a spectacular amount of money. Just when you think you're going to get ahead ... they want to raise this tax or add a fee."

Budgeting challenges arise in the form of unexpected expenses, like "tires for the car, co-pays to the doctor," Baker said.

Resources needed

Conditions for housing affordability, job opportunities and community resources worsened through the Great Recession in every New York county, United Way reported. Conditions improved from 2010 to 2014 — especially job opportunities in New York City and its surrounding counties — but have not returned to 2007 levels in most parts of the state.

Finding housing affordability and job opportunities in the same location remains a challenge for ALICE households, United Way said.

In New York, 55 percent of jobs pay less than \$20 per hour, but New York City wages skew the numbers. In the Poughkeepsie/Newburgh metro area, 60 percent of jobs paid less than \$20 per hour, United Way reported.

United Way gave Dutchess a "fair" rating for job opportunities, while Ulster got a poor rating. And both counties got a fair rating for community resources.

The unemployment rate in New York has improved since the Great Recession, falling from 8.5 percent in 2010 to 6.4 percent in 2014, United Way reported. But the underemployment rate was 12.4 percent in 2014.

As of this September, Dutchess had a 4.2 percent unemployment rate, according to the state Department of Labor. Ulster's unemployment rate was 4.4 percent.

Dutchess and Ulster, along with surrounding mid-Hudson Valley counties, were ranked "poor" for affordable housing.

"Housing affordability is a nationwide problem," said Anne Saylor, the community development administrator for Dutchess County Planning and Development. And while a number of affordable housing complexes in Dutchess are in some phase of development, including three for seniors, zoning restrictions can make it difficult to "design for density."

Housing density refers to the number of homes or dwellings per unit of land.

Getting "communities to understand the need" for higher density properties "is always a focus," Saylor added.

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