

40 percent of county households teeter on financial brink, United Way study says

MIKE TIGHE Lee Newspapers Oct 13, 2016



Wolf

More than 40 percent of the 46,846 households in La Crosse County are teetering on the edge of financial insecurity, and 11 percent live in poverty, according to a new study from United Way of Wisconsin.

The situation is worse within the city of La Crosse, where 54 percent are pushed to the brink, according to figures released today, computed on the basis of United Way's ALICE initiative. ALICE is an acronym for Asset Limited, Income Constrained, Employed.

The ALICE threshold chronicles people whose income is above the federal poverty level but still struggle to afford basic needs such as health care, transportation and food.

The overall results were not particularly surprising for Mary Kay Wolf, executive director of Great Rivers United Way, although she said the 54 percent figure for the city of La Crosse stunned her.

"It is an eye-opening experience for people who never had the light shown on it before," Wolf said.



Smith

Stats on other area counties

Here are some federal and ALICE statistics on other counties in the La Crosse area:

- Buffalo County — 14 percent live in poverty, and 28 percent are at or below the ALICE threshold.
- Jackson County — 15 percent poverty, 32 percent at or below ALICE.
- Monroe County — 13 percent in poverty, 29 percent at or below ALICE.
- Trempealeau County — 12 percent poverty, 27 percent at or below ALICE.
- Vernon County — 13 percent in poverty, 27 percent at or below ALICE.

The United Way ALICE report was funded in part by corporate sponsors including AT&T, Atlantic Health System, Deloitte, Entergy, Novartis and The UPS Foundation. To check out how your community fared, go to the United Way ALICE website.

“This report shows the need for communities to come together to find innovative solutions, and we need to include businesses in the dialogue,” she said.

“I think we struggle with jobs that pay moderate to higher income,” she said. “This (report) may bring people to the table who were not there before.”

Stats on every county, municipality

The 280-page report, which drills down to include statistics for nearly every municipality in the state’s 72 counties, rates housing affordability in La Crosse County as poor, job opportunities as fair and community resources, good.

“We should be concentrating on how to help people who are just one tragedy away from poverty,” Wolf said. “Living paycheck to paycheck means just one car repair or one unexpected medical emergency that forces people from survival mode into poverty.”

The ALICE study uses federal and statewide statistics to create examples of bare-bones survival budgets for each county in the Badger State, with no provisions for savings in case of crisis.

For a single adult, the projected budget is an annual total of \$21,804 — an hourly wage of \$10.90 — with a monthly budget broken down to \$416 for housing, \$176 for food, \$351 for transportation, \$147 for health care, \$165 for miscellaneous expenses and \$562 for taxes.

For a household with two adults, an infant and a preschooler, the hardscrabble budget is \$55,800 a year — \$27.90 an hour — with line items of \$699 for housing, \$1,158 for child care, \$533 for food, \$702 for transportation, \$587 for health care, \$423 for miscellaneous and \$548 in taxes.

“Affording only a very modest living in each community, this budget is still significantly more than the federal poverty level of \$11,670 for a single adult and \$23,859 for a family of four,” the ALICE report notes.

Some are able to claw their way out of financial holes with the help of public and private agencies.

Credit counseling to reverse fortunes

For example, Cory Smith of Sparta, a 40-year-old divorced father of three, is scrambling even though he earns about \$21 an hour as a corrections officer for the state and falls below the ALICE threshold.

Smith said his financial straits resulted largely from his divorce, which was finalized a year ago after a year’s separation.

“Basically, I went from a dual income of \$80,000 to \$90,000 to about \$40,000. But there are still the same payments that have to come out for a vehicle, rent, electricity ...,” said Smith, who said he shares custody of his three children, ages 7, 9 and 11, 50/50 with his ex-wife.

Smith is consulting with Consumer Credit Counseling Services of La Crosse to stabilize his financial situation. He also has worked with Families First of Monroe County, a United Way agency, to help with school clothes and his electric bill because he is in a niche where he doesn’t qualify for assistance otherwise.

“The credit counselor helped me set up a budget so money goes further,” Smith said, as well as to negotiate with creditors to agree on a payment plan instead of having to endure unrelenting pressure. “It’s not giving me more money, but teaching me to budget.

“It’s made me a lot more aware of where each dollar goes,” he said.

It is a humbling experience, he said, because “there is a stigma of calling people and telling them you’re behind. But it is easier when you have somebody supporting you,” such as a credit counselor.

“I would like people to understand it is hard to make it without help,” he said, adding, “I would definitely recommend CCC.”

Throughout Wisconsin, nearly half of 2.3 million households are unable to afford the state’s cost of living, with their situations still trailing pre-recession levels, according to the ALICE report, released in conjunction with the 42 local United Ways in the Badger State.

Nearly 671,000 Wisconsin households fall into the ALICE population, according to the report. That number is more than double the official poverty rate, which accounts for 289,209 households in the state.

“We all know ALICE. ALICE is the recent college graduate unable to afford to live on his or her own, the young family strapped by child-care costs and the mid-career professional now underemployed,” said Charlene Mouille, executive director of United Way of Wisconsin.

GRUW’s Wolf: Seeking creative solutions

“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,” Mouille said.

“When ALICE has to choose unlicensed child care or longer commutes or emergency room health care in exchange for putting food on the table, we all suffer the consequences —

increased education costs, heavier traffic and higher health-care premiums,” Mouille said.

“United Way is committed to looking beyond the emergency Band-Aids and providing long-term solutions that will strengthen our communities,” she said.

GRUW's Wolf said, “What we hope to have is a community conversation with people around the table who have not been there before so we can have creative solutions.

“Maybe companies can become involved in leadership development so employees can advance” and find ways to create more affordable, quality child care, she said.

Mike Tighe

Mike Tighe is the Tribune newsroom's senior citizen. That said, he don't get no respect from the cub reporters as he goes about his duly-appointed rounds on the health, religion and whatever-else-lands-in-his-inbox beats. Call him at 608-791-8446.