

Report: Many Whatcom households struggle to make ends meet

HIGHLIGHTS

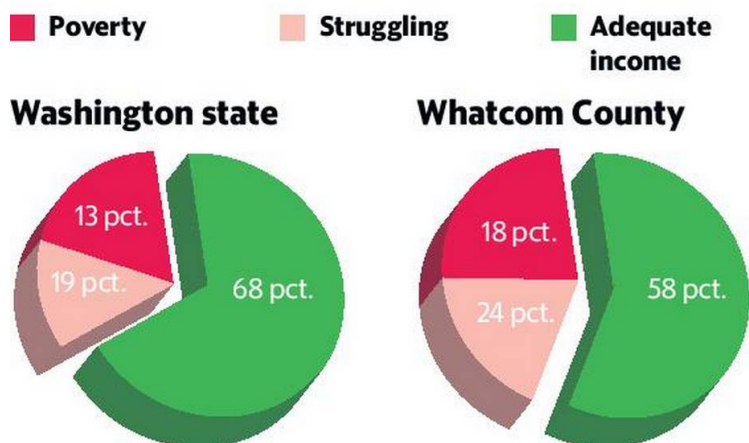
New United Way report digs into cost of living community by community in Pacific Northwest

Most wages don't pay enough to keep up with expenses in Washington, Oregon and Idaho, study says

It's just not people living in poverty who are struggling

Struggling households

The breakdown of those living in poverty, the struggling households that aren't in poverty but earning less than the basic cost of living, and those living above that income level.



Source: 2016 United Way ALICE Report from 2013 Point-In-Time data

BY KIE RELYEA
krelyea@bhamherald.com

About 42 percent of Whatcom County households struggle to afford basic necessities, according to a new report from United Ways of the Pacific Northwest.

They're not alone.

A total of 32 percent of households in Washington state do, too.

That's because of the high cost of living in Washington, Oregon and Idaho, where the authors said conditions haven't rebounded from the recession.

The findings come from a study that looks beyond traditional federal poverty guidelines to include a group called ALICE, which stands for "asset limited, income constrained, employed."

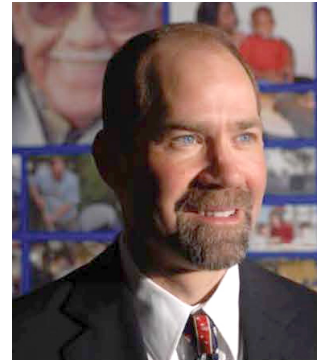
That is, their annual wages put them above the federal poverty level — \$11,490 for a single adult and \$23,550 for a young family of four — but they were still struggling to pay for necessities of housing, child care, food, transportation and health care, the report said. And they don't have savings to cushion them.

"They're having to make really tough choices," said Dona Ponepinto, president and CEO of United Way of Pierce County, said of the ALICE group. "They're not quite in crisis, but they're barely making it."

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Philip A. Dwyer -
pdwyer@bhamherald.com

Studying both groups provides a wider and deeper look at what's occurring in the region and from community to community, those behind the report and other United Way officials said.

"What we're hoping is this report shines some light on our community in a new way, and we realize that it's not just a few hard-core chronic cases but it's really folks from across the spectrum that we all know that are vulnerable," said Peter Theisen, president and CEO of United Way of Whatcom County. "It was kind of staggering to see the extent of it in Whatcom County."

The report used national, local and state data through 2015.

To put a face on the population, those behind the study said ALICE includes cashiers, home health aides and day care teachers. They are men and women, young and old. They live in rural and urban areas, and cross ethnic and racial groups.

"This is really meant to be a fresh way of looking at this group so we can understand what's happening and move away from our preconceived notions of what's happening," said Stephanie Hoopes, the lead researcher and national director of the United Way ALICE project.

The report is part of the effort by United Ways in 10 states to use the same methods to quantify just how much of the workforce is struggling financially.

"We need this kind of data because it helps us get grounded in 'what's the research telling us?'" Ponepinto said.

Among the study's findings:

BASIC HOUSEHOLD EXPENSES COST MORE THAN WHAT MOST OF THE REGION'S JOBS CAN PROVIDE.

- While the federal poverty level indicated that 13 percent of Washington households face financial hardships, the report found another 19 percent meet ALICE standards, for a total of 32 percent households that were struggling.

- In Whatcom County, 18 percent of households were in poverty and another 24 percent were ALICE, for a total of 42 percent.

- The median household income in Whatcom County was \$50,186, well below the state average.

Yet, the "household survival budget" for basic necessities for a young family of four with an infant and a preschooler in Whatcom County was \$57,672 a year. An hourly wage of \$28.84 was needed to meet basic needs in the county, which is higher than the statewide average of \$26.08.

Child care was the No. 1 expense for families.

- A survival budget for a single adult in Whatcom County was \$18,396 a year, meaning an hourly wage of \$9.20 was needed. That's also above the state average of \$8.64 per hour.
- Housing affordability— the report looked at the cost of renting — in Whatcom County was poor and job opportunities were just fair. Meanwhile, community resources that could provide assistance were fair.

The report will be used by United Ways to direct their resources to help people and could be used to the same end by policymakers because it more accurately measured how many households were struggling, those behind the study said.

And that included people who were living above poverty but were falling behind.

It's a "population that seems to be invisible to public policy," said Ali Modarres, director of urban studies at University of Washington Tacoma ,who was part of the ALICE Research Advisory Committee for the Pacific Northwest.

A CLOSER LOOK AT WHATCOM COUNTY

Why are there so many ALICE households in the region?

- Low wages dominate, with more than half of all jobs paying less than \$20 an hour. Most pay \$10 to \$15 an hour, and such jobs will grow much faster than higher-wage jobs during the next decade, according to the report.
- Basic household expenses cost more than what most of the region's jobs can provide.

"It seems like the cost of living is rather high in the Pacific Northwest, especially when you look at housing," Hoopes said.

- Jobs aren't near housing that is affordable.
- There is some public and private help, but there's a 25 percent gap between what's provided and what's needed to lift all of the region's households into financial stability.

The report didn't offer specific solutions.

"We know there are no simple answers to the challenges that are posed by the report," Theisen said. "We're still considering the findings. We haven't made any decisions on specific actions or initiatives as a result of that report."

But he expected the report's findings will influence the grants that United Way provides to community groups to meet needs in Whatcom County.