Report: 42% of state households struggle

Katherine Lymn, USA TODAY NETWORK-Wisconsin 6:59 a.m. CDT September 14, 2016

While 13 percent of Wisconsin households live below the poverty line, more than twice that many – another 29 percent – still struggle to afford basic daily needs like housing and food, according to a new statewide report being released today.

For many of these households that live paycheck-to-paycheck, one unplanned cost can start a downward spiral. The report, funded by United Way of Wisconsin, shows a truer picture of who's struggling with necessary costs like housing, food, transportation and health care.

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In Outagamie County, nearly a quarter of households live in this limbo – dubbed ALICE in the United Way of Wisconsin report. Other states’ United Way chapters have also funded ALICE studies. The Outagamie County study used a “household survival budget” of $21,240 for a single adult and $57,936 for a household of two adults, an infant and a preschooler in its calculations of what it takes to get by. That factors in the costs of housing, food, transportation, health care and child care if applicable.

Using local affordability measures for housing, food, child care, health care and transportation, the study examines how many people in local communities are and aren't getting by.

Similar to how Fox Cities groups went out to survey the “hidden homeless” with Project RUSH last spring to see those who were nearing homelessness but not as visible, this report shows those who are above the federal poverty line but still can't afford basic needs. It’s a lot of people – 670,922 households in the state can't afford costs such as housing, food and child care, more than double the households that are below the poverty line. The two groups total 960,131 Wisconsin households – 42 percent – that are hurting.

Just getting by means more than stretching the last dollar, according to the report.

A family that can't afford childcare may instead rely on an unqualified relative, putting the child in danger; shorter-term fixes such as skipping preventative health care or a bill payment can result in bigger bills down the line.
Such detriments affect everyone, according to the report, like when a child isn't prepared for school and uses up more school resources, or when neighborhoods that aren't cared for experience more instability and higher taxes.

And with more aging Wisconsinites in lower-paying jobs – many of whom may have used their retirement savings during the recession – more are entering the ALICE category in their later years, according to the report.

"Truly the main reason that Wisconsin United Ways are using the ALICE report is for education, and we want to engage the community in developing strategies that will lift ALICE to financial stability," said Nanci Micke, vice president of marketing at United Way Fox Cities.

It's been almost 10 years since Jay Kilsdonk of Appleton was homeless for six months, but he still can identify with the ALICE population.

"I'm kind of on that edge right now," he said, even as he celebrates six years in his current apartment.

When he recently found he had to get new brakes for his car, he waited a bit, until he was more financially ready to take a hunk out of his savings.

When he saw the United Way study's numbers for Fox Valley communities, like how 34 percent of people in Outagamie County are either struggling below the poverty line or in ALICE limbo, he was shocked.

"Quite frankly it blew my mind that the numbers were what they were. … The borderline folks like me, I didn't realize it was to such an extent," he said.

Other people in Outagamie County's 24 percent of ALICE households could be quickly thrown off track with an expense such as new brakes for a car.

The federal poverty level is pretty low, LEAVEN executive director Mary Parsons said, and people above it may not qualify for benefits like Foodshare and Badgercare.

So spending money on food and health care leaves less for housing or utilities, which pushes people to LEAVEN, which provides emergency financial assistance for costs such as housing and utilities. For the working poor, a dead car battery could be the bad day that pushes a family over the edge, Parsons said.

"One emergency or one major car repair or the furnace goes out – they're one major situation away from just having their world even turned more upside down," said Keith Wilk, senior vice president for programs and services at Goodwill of North Central Wisconsin.

He gave the example of an unbudgeted $800 car repair: "You don't have your car, how do you get to work?" he said. "(It's) the ripple and the snowball effect."

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