

Not getting by in America

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Many Iowans - even those who are working full-time - cannot pay their bills, two recent studies show. The United Ways of Iowa found that 31 percent of households did not bring in enough money to meet their basic needs - housing, child care, food, healthcare and transportation. The Iowa Policy Project (IPP) did a similar study, though it limited its review to households where an adult was employed at least 30 hours a week and thus included fewer seniors and people on public assistance. IPP's study found that about 19 percent of these working households could not meet basic needs. If you drill down in the United Way report, the findings are remarkably similar.

I focus on Iowa simply because there have been two rigorous studies there on the gap between household resources and basic needs. Nothing makes Iowa uniquely prone to hardship. In fact, the Great Recession and its aftermath caused less unemployment there than the national average, and Iowa has a relatively low cost of living. This suggests that the situation in the country as a whole could well be worse than it is in the Hawkeye State.

If we extrapolate that 30 percent of American households cannot afford the basic necessities of living - and that about two thirds of those are working households - we have nothing less than a national crisis on our hands. Damage is being done on several levels.

No fair start for our children. In both studies, families with young children were over-represented, and single-parent families fared the worst. Their expenses were far higher, driven in part by child care and health care costs. A single parent supporting a young child needed an hourly wage of \$21 to provide basic needs. Most jobs in Iowa pay much less than that.

So what are the alternatives? Leaving children in substandard child care, with all the developmental and safety concerns inherent in that. Avoiding preventative health care to save money, even though we know that is the most effective and economical form of care. Stretching the food budget with low quality carbohydrates that fill more than they nourish.

We know that growing up in poverty has real costs to children, in health and in school readiness. This is a result of material deprivation, as well as the toxic stress that comes from living in poverty. Thankfully, many non-profits work hard to support struggling families and offer children brighter futures. But their reach is not universal.

Taxpayer-subsidized corporations. When employers do not pay a living wage, the community takes up some (but usually not all) of the slack. For example, low-wage workers commonly enroll in SNAP, the federally funded program that distributes food stamps. Many also rely on local non-profits that offer essential assistance such as free diapers, sliding scale medical care, and so on. I am certainly not arguing against programs like SNAP and community-based helping organizations. I applaud them. But I wonder why through taxes and charitable gifts a community has to fill the gap to create a living wage. Isn't that an employer's responsibility?

If close to a third of households cannot meet their basic needs, why aren't we hearing about this every, single day? Poverty is probably the biggest uncovered story in America. That is a problem of media focus and also a problem of language. We do not talk about poverty realistically in this country. If you cannot pay for your basic needs, you are poor. That is commonsense. But that's not how we track poverty in the U.S.

The IPP study did county by county research to determine the true cost of getting by - not going out to dinner once a week, not putting a single cent in savings, just staying fed, warm and healthy.

The federal poverty line, developed in the 1960s, is based on the assumption that food makes up 30 percent of a family's expenses and is indexed to food prices. Today, food generally makes up far less of a family's spending, with expenses like health and child care placing a greater burden on the budget. So more people are truly poor than are officially poor in America. Groups like the Economic Policy Institute have developed alternate measures that look at the actual cost of living. These calculations should guide our understanding of poverty.

Too many of us are not getting by in America, despite our best efforts. The Iowa studies are a good deep dive into this problem. Now the challenge is to develop a national picture of poverty in the United States. This should lead to a greater resolve to help families and individuals to at least meet their basic needs. We will not have a stable economy or a just society until we do.

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