

COMMUNITY REPORT CARD SERIES

Financial Stability • November 2016

A P R O F I L E O F

# FINANCIAL HARDSHIP

I N E R I E C O U N T Y

A product of the United Way of Buffalo & Erie County

LIVE UNITED



United Way of Buffalo  
& Erie County

# WHAT DOES IT COST TO AFFORD BASIC NECESSITIES?

*41% of Erie County households struggle to afford basic household necessities.\**

---








A household survival budget for a family includes five basic necessities:

- Housing
- Food
- Transportation
- Healthcare
- Child care

In addition, households must pay taxes and for miscellaneous expenses, such as:

- Phone service
- Holiday or birthday gifts
- An unexpected dental problem
- Student loan payments
- Other debt payments

## FINANCIAL HARDSHIP = FAMILIES THAT CANNOT AFFORD A HOUSEHOLD SURVIVAL BUDGET

HOUSEHOLD SURVIVAL BUDGET IN ERIE COUNTY*			
		SINGLE ADULT	FAMILY OF 2 ADULTS, 1 INFANT & 1 PRESCHOOLER
	Housing	\$537.00	\$710.00
	Child care	n/a	\$1,438.00
	Food	\$202.00	\$612.00
	Transportation	\$369.00	\$738.00
	Healthcare	\$143.00	\$573.00
	Miscellaneous expenses	\$150.00	\$466.00
	Taxes	\$250.00	\$592.00
	<b>Monthly total</b>	<b>\$1,651.00</b>	<b>\$5,129.00</b>
	<b>Annual total</b>	<b>\$19,812.00</b>	<b>\$61,548.00</b>
	<b>Hourly wage</b>	<b>\$9.91</b>	<b>\$30.77</b>

\*Source: United Way ALICE® Report – New York, 2016. The Household Survival Budget calculates the actual costs of basic necessities in Erie County, adjusted for different household types for the year 2014. The hourly wage presented in this table represents the combined total for all earners in a household. A single adult with no children must earn an hourly wage of \$9.91 at a full-time job to earn the income required to meet the household survival budget. The two adults in the household of four must in combination earn hourly wages that total \$30.77 per hour, working full-time. The United Way ALICE® Report – New York, 2016 project created the methodology to calculate a survival budget threshold to better understand the conditions of working poor people. In the report, there is a detailed description of the methodology used to estimate costs and data sources, which include the American Community Survey, Bureau of Labor Statistics, Internal Revenue Service, U.S. Census, U.S. Department of Agriculture, U.S. Department of Housing and Urban Development, U.S. Election Assistance Commission, New York State Department of Taxation and Finance, and New York State Office of Children and Family Services.

---

## WHO IS ALICE®?

---

# ASSET LIMITED INCOME CONSTRAINED EMPLOYED

*26% of families in Erie County earn income above the federal poverty level, but still cannot afford a household survival budget.\**

---

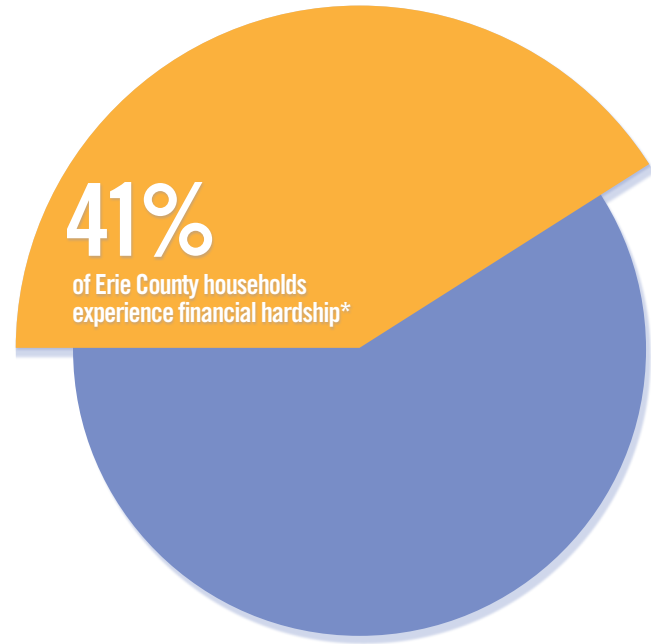
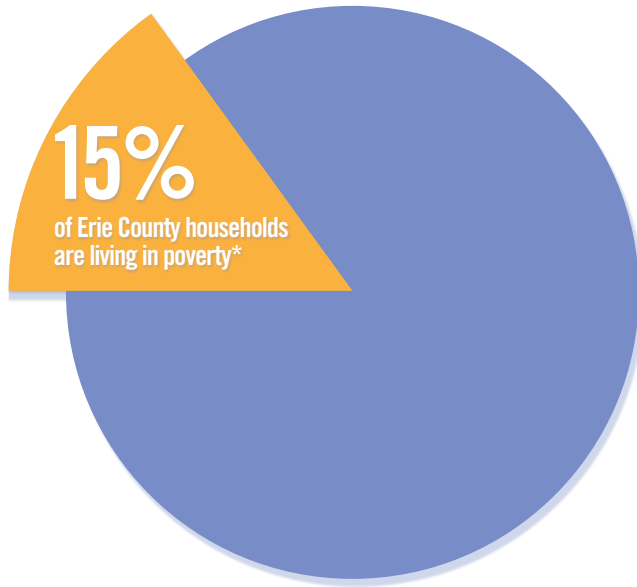
Financial hardship is not limited to families living in conditions of poverty or individuals experiencing unemployment. Working families also experience financial hardship.

Including the number of ALICE® families alongside the number of families in poverty demonstrates the magnitude of financial hardship in Erie County.

---

## MORE FAMILIES EXPERIENCE FINANCIAL HARDSHIP THAN THE FEDERAL POVERTY LEVEL SUGGESTS

---



*The actual cost of basic necessities far exceeds the federal poverty line.*

---

A single individual without children who earns \$11,670 or less in annual income is identified by the federal government as living in poverty. Yet, the household survival budget is \$19,812.

**BUDGET SHORTFALL**



**(\$8,142)**  
SINGLE INDIVIDUAL

For a household made up of a family of four, an annual household income of \$23,850 or less indicates conditions of poverty. Yet, the household survival budget is \$61,548.

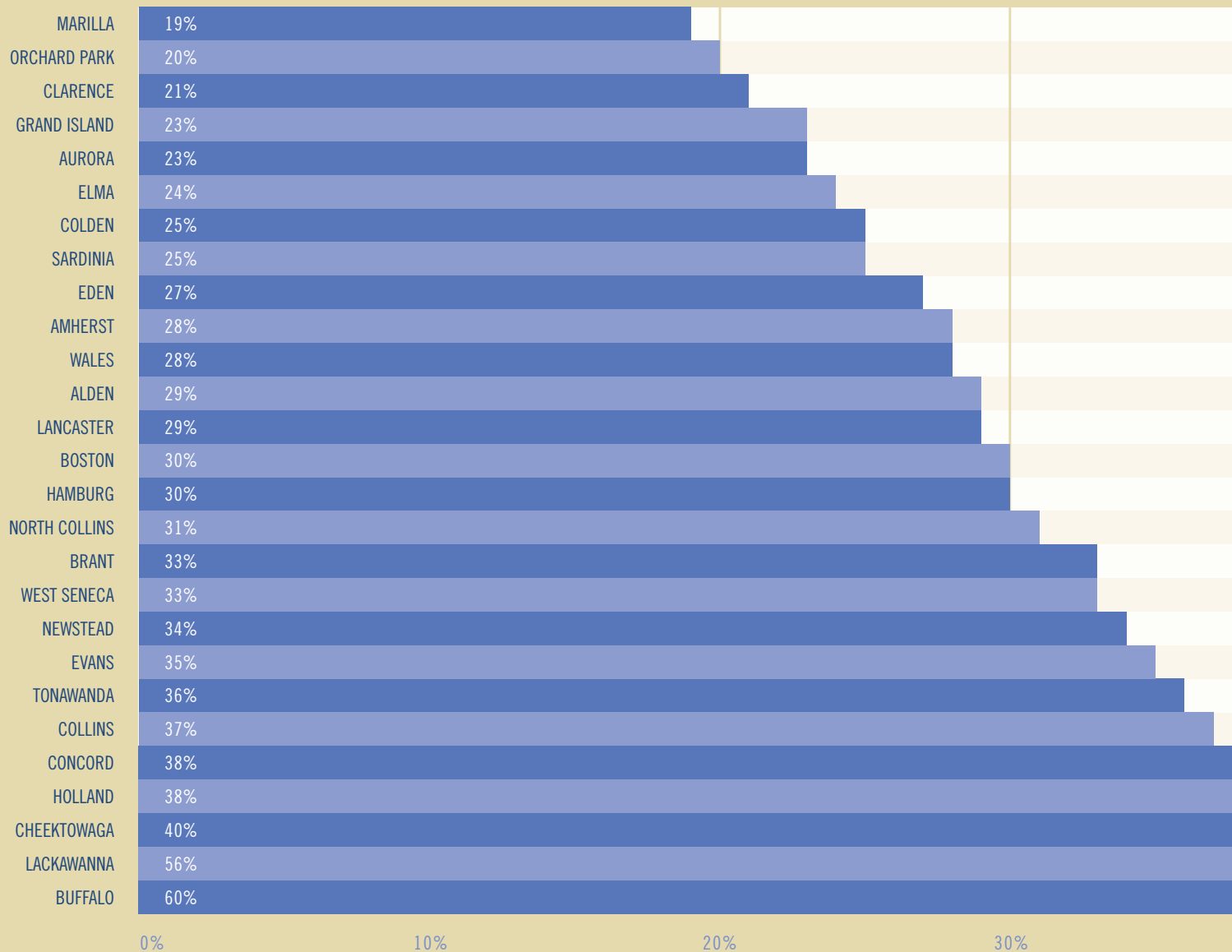
**BUDGET SHORTFALL**



**(\$37,698)**  
FAMILY OF FOUR

# FINANCIAL HARDSHIP AFFECTS

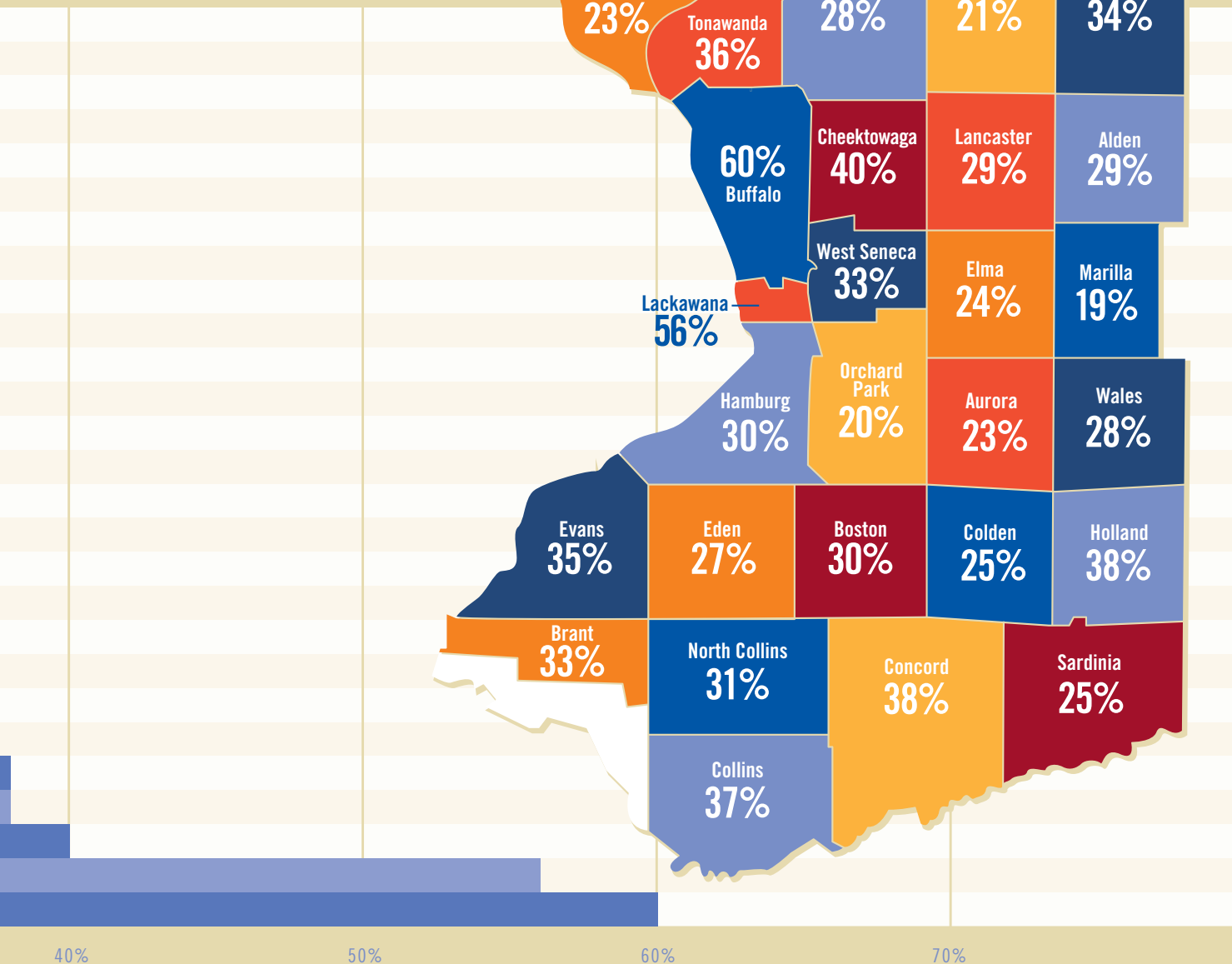
PERCENT HOUSEHOLDS IN



\*Source: United Way ALICE® Report — New York, 2016. Data is presented for each county subdivision in Erie County, as defined by the U.S. Census.

# TS FAMILIES IN EVERY TOWN

FINANCIAL HARDSHIP\*



# WHO IS MORE LIKELY TO EXPERIENCE FINANCIAL HARDSHIP?

*All types of families experience financial hardship, but some families are disproportionately likely to struggle.*

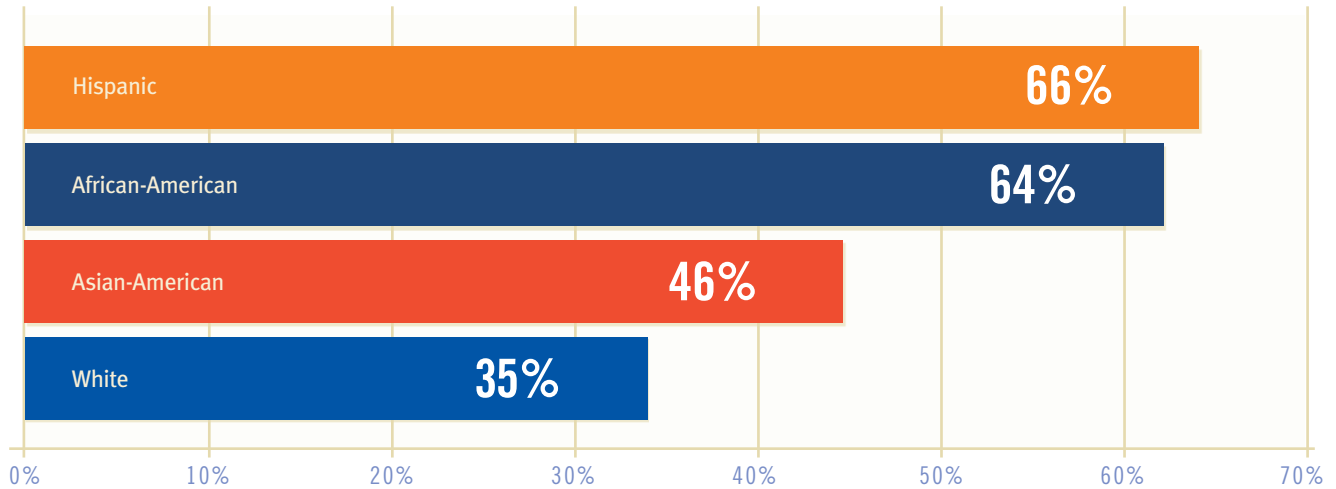
Women are more likely to face financial hardship than men. A persistent gender wage gap is one reason. In 2014, female full-time workers made only 78 cents on each dollar earned by men.\* Over the course of a lifetime, women have less money saved for their retirement, and are more likely to experience financial hardship as older adults.





## FINANCIAL HARDSHIP IS MORE COMMON IN UNDERREPRESENTED RACES & ETHNICITIES\*

### FINANCIAL HARDSHIP IN ERIE COUNTY BY RACE & ETHNICITY



## FINANCIAL HARDSHIP ALSO AFFECTS OLDER MEMBERS OF OUR COMMUNITY\*



# 42%

of seniors in Erie County  
face financial hardship

WHY ARE SO MANY FAMILIES

# STRUGGLING WITH FINANCIAL HARDSHIP?

*Low wage jobs dominate the WNY economy, and the cost of living outpaces wages.*

---

## JOBS PAYING LESS THAN \$20 / HOUR MAKE UP



## TOP OCCUPATIONS IN WNY BY NUMBER OF JOBS\*

	NUMBER OF JOBS IN WNY	MEDIAN HOURLY WAGE
 Retail salespersons	24,200	\$9.77
 Cashiers	17,160	\$9.36
 Combined food preparation & serving workers, including fast food	15,150	\$9.36
 Customer service representatives	13,460	\$16.16
 Registered nurses	13,300	\$33.32
 Secretaries & administrative assistants	12,930	\$16.17
 Janitors & cleaners	12,700	\$11.78
 Office clerks, general	12,640	\$13.39
 Waiters & waitresses	12,090	\$9.52
 General & operations managers	10,780	\$41.67
 Stock clerks & order fillers	9,140	\$10.79
 Personal care aides	9,090	\$11.37
 Teacher assistants	8,810	\$10.73
 Laborers & freight, stock and material movers	8,690	\$12.28

\*Source: NYS Dept. of Labor, Occupational Employment Statistics (OES) survey. Data were collected in 2012, 2013, 2014, and 2015, and then updated to the first quarter of 2016 by making cost-of-living adjustments. These estimated wages reflect a minimum wage of \$9.00 per hour, which was the minimum wage in effect at the time the estimates were prepared.

---

## CHILD CARE IN ERIE COUNTY IS AS EXPENSIVE AS COLLEGE\*

---

2016–2017 estimated direct costs for a NYS resident  
commuting to a SUNY campus for an undergraduate degree:

**\$11,920**

**School Age**

Annual cost for child care center

**\$10,400**

**Toddler**

Annual cost for child care center

**\$11,180**

**Infant**

Annual cost for child care center

**\$12,792**

\*Source: Estimates of the cost of child care were obtained from the Child Care Resource Network. Estimated direct cost for a NYS resident attending a SUNY campus for an undergraduate degree as a commuter can be found online at: [suny.edu/smartrack/tuition-and-fees/](http://suny.edu/smartrack/tuition-and-fees/)

## FAMILIES IN FINANCIAL HARDSHIP ARE LIKELY TO SPEND MORE OF THEIR INCOME ON HOUSING

Families that spend 30% of their income or more on housing are considered housing burdened. As the price of housing increases, families in financial hardship are disproportionately likely to be housing burdened, leaving less flexibility in the budget to accommodate increases in the cost of other basic necessities.

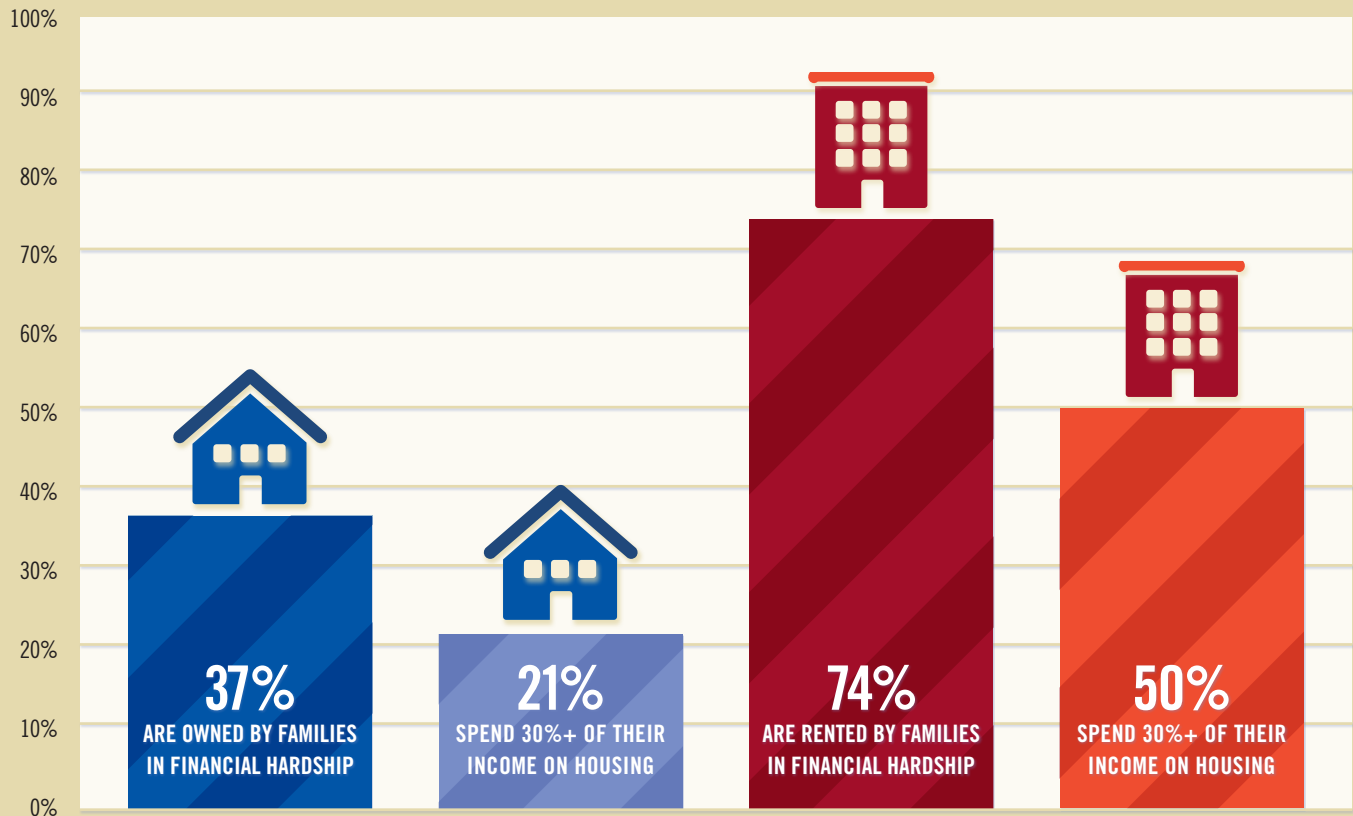
### OF THE 249,564 OWNER-OCCUPIED UNITS IN ERIE COUNTY:

- 37% are owned by families in financial hardship
- 21% of homeowners are housing burdened

### OF THE 134,093 RENTER-OCCUPIED UNITS IN ERIE COUNTY:

- 74% are rented by families in financial hardship
- 50% of renters are housing burdened

### HOUSING BURDEN IN ERIE COUNTY FOR OWNERS AND RENTERS



WHAT CAN WE DO TO

# INCREASE

## THE FINANCIAL STABILITY

### OF FAMILIES IN ERIE COUNTY?

*Helping families achieve financial stability  
strengthens our community.*

---



Young people selecting a career path should research what jobs are likely to be available, and the associated wages, locally. Vocational programs and apprenticeships, in addition to degree programs in growth fields, should be considered.



Individual Development Accounts (IDAs) assist families in saving for the purchase of an asset, such as a car or house, with match funds. IDAs are already helping families in Erie County.



Families should consider enrolling in financial literacy classes or one-on-one coaching to improve in planning, making good financial decisions, and achieving financial goals.

*Helping families achieve financial stability  
strengthens our workforce and improves our economy.*

---



Policies that provide employees flexibility to address short-term needs, such as tending to a sick child, improves job retention, reducing financial crisis and reducing costly employee turnover.



Upskilling opportunities for employees to obtain additional training or certifications needed to advance professionally help motivated workers to move from financial hardship to stability.



Paid sick leave policies have been studied by researchers and shown to achieve cost savings for both businesses and our healthcare system, while reducing the financial impact of illness for employees.



Support workforce development initiatives that increase high wage earning opportunities in WNY, such as apprenticeship programs.

*Structural economic changes are needed to significantly  
reduce financial hardship among families.*

---



Support expansion of the Earned Income Tax Credit (EITC) to also assist working individuals that do not claim children on their tax return and lower the eligibility age.



Support increased funding for childcare subsidies and fund implementation of quality measures required under the Child Care Development Block Grant.



Support solutions that provide families in financial hardship with affordable, safe transportation options, including Transit Oriented Development (TOD) and continued investment in public transportation.



Support development that retains affordable housing in communities for families and seniors.

OUR RESPONSE

UNITED WAY INVESTS IN PROGRAMS THAT  
**HELP FAMILIES**  
FACING FINANCIAL HARDSHIP

---

*United Way of Buffalo & Erie County invests in services and initiatives that provide families with support to move toward financial stability.*

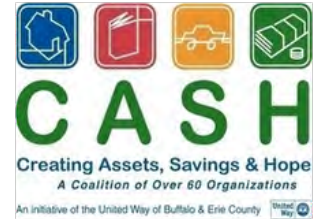


## SECURE TAX REFUNDS

Through our Volunteer Income Tax Assistance (VITA) programming, United Way brought **\$20 million** in tax refunds back to Erie County families last year.

The CASH Buffalo coalition facilitated by the United Way of Buffalo & Erie County (UWBEC), coordinates the largest tax preparation network in Erie County. In addition to tax preparation services, filers can access the over 60 member organizations within CASH providing financial education, credit repair, and asset-building services.

- Through the UWBEC VITA program, individuals and families earning \$54,000 or less are eligible for free, reliable tax preparation services with IRS-certified tax preparers.
- We help families meet their tax obligations while claiming the full amount of any refunds for which they are eligible. The Earned Income Tax Credit (EITC) is a refundable federal tax credit for lower income working people.
- The EITC allows working families to keep more of what they earn to pay for basic necessities. EITC has bipartisan support as an effective policy that encourages work and reduces poverty.



---

## SUPPORT TRANSPORTATION SERVICES

United Way supports transportation services for older adults and adults with disabilities in Erie County.

Hearts and Hands provides door-to-door transportation for adults over age 60 and adults with disabilities, so that they can attend medical appointments, visit grocery stores and hair salons, and access other services.

Hearts and Hands was identified as meeting a critical community need by the Greater Buffalo Niagara Regional Transportation Council in the 2015 – 2019 Coordinated Human Services Transportation Plan.



**Hearts and Hands**  
**716-406-8311**  
**[hnhcares.org](http://hnhcares.org)**

## PROMOTE WORKFORCE DEVELOPMENT

**United Way supports the reentry of formerly incarcerated citizens in our community through workforce development.**

Formerly incarcerated members of our community are disproportionately likely to face financial hardship. To support successful reentry of these citizens, the United Way of Buffalo & Erie County invests in workforce development programming by the Center for Employment Opportunity (CEO). Over seven years, CEO participants have achieved results:

- 1,072 unsubsidized, private sector job placements
- CEO participants have earned wages that amount to over \$6,500,000
- 1,733 children's lives impacted through their parent's employment after reentry



## PROMOTE APPRENTICESHIPS

**Through our American Apprenticeship Initiative (AAI) grant from the U.S. Department of Labor, United Way is working to promote apprenticeships in WNY.**

- Apprenticeships allow workers to earn while they learn, as full-time employees contributing to a company that is in turn committed to the development of the apprentice.
- Apprentices receive training and an increase in their wages as their training advances. The result is a pathway to high-wage work with financial stability.

## REDUCE HOMELESSNESS FOR CHILDREN

**United Way is leveraging a national partnership to bring housing stability to children at risk of homelessness.**

The Siemer Institute for Family Stability is partnering with more than 53 United Ways across the country to achieve housing stability for students attending schools with high rates of poverty and housing insecurity. Housing stability has a favorable impact on a child's social, emotional and academic development.

Over three years, we have partnered with Belmont Housing Resources for WNY to serve:

- 103 families at risk of homelessness
- 56% have already been able to make rent or mortgage payments





**IF YOU ARE EXPERIENCING FINANCIAL HARDSHIP**

**CALL 2-1-1**

---

*2-1-1 is a free, confidential referral and information helpline that connects people from all over WNY to the essential health and human services that they need.*

*24 hours a day, 7 days a week, you can dial 2-1-1 and speak to a trained information and referral specialist who is able to identify services in the community that can provide you with the help you need. All calls are private and confidential.*

*2-1-1 WNY is a United Way partner agency.*

---

## USEFUL RESOURCES

For more information on financial hardship,  
please explore the following resources:

### **United Way ALICE® Report – New York, 2016**

Learn more about ALICE® (the Asset Limited Income Constrained Employed population). The report will be available November 27, 2016.

[UnitedWayALICE.org/reports.php](http://UnitedWayALICE.org/reports.php)

### **UWBEC Financial Stability**

Learn more about programs supported by United Way that work to improve financial stability of families in Erie County.

[uwbec.org/financialstability](http://uwbec.org/financialstability)

### **UWBEC Community Report Cards**

Learn more about community trends in Erie County, including childhood obesity and third-grade proficiency rates.

[uwbec.org/reports](http://uwbec.org/reports)

### **UWBEC Opportunities**

Poverty simulations and Lunch and Learns are interactive opportunities for individuals or groups to learn more.

For information, contact UWBEC.

**LIVE UNITED**



**United Way of Buffalo  
& Erie County**

[uwbec.org/financialstability](http://uwbec.org/financialstability)