

Are the poor undercounted?

Group says new way to measure is more accurate than federal formula.

By JEFF PARROTT
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The devastation Hurricane Katrina leveled against poor areas of New Orleans -- and the ensuing slow relief efforts there -- has sparked a new national debate on poverty in America.

The disaster hit just days after the Census Bureau's latest release of annual poverty estimates, which brought bad news for Hoosiers. Indiana was one of just seven states that experienced an increase in its 2003-2004 poverty rate. In 2004, Indiana's poverty rate was 11.6 percent. By comparison, in 1999, Indiana had a poverty rate of 6.7 percent.

But the real news is much worse, according to an advocacy group's new study.

Many more individuals and families than are counted in federal poverty statistics don't make enough money to meet their basic needs without subsidies of some kind.

When that happens, the community or state must find ways to pay for them.

The "self-sufficiency standard," developed by the Indiana Coalition on Housing and Homeless Issues with help from University of Washington researchers, measures local costs of food, housing, health care, child care, transportation and taxes.

It's a no-frills budget that does not allow for entertainment, fast food, savings, credit card debt or emergency expenses such as car repairs.

In St. Joseph County, a family with two adults, an infant and a school-age child needs a combined income of \$35,590 to be self-sufficient, the study found. That is nearly double the \$19,158 that a family of four with two children under age 18 must earn to live above the poverty line established by the federal government.

Looking at this undercount another way, the Census Bureau estimates there were 24,892 families in St. Joseph County that earned less than \$40,000 in 2004. In contrast, the bureau estimated that only 4,542 families in the county had lived under the federal poverty level that year.

"It's a much more accurate picture of what it takes to make ends meet," Jill Nielsen, senior policy analyst with the coalition, said of the self-sufficiency standard. "The federal poverty level is an outdated measure of poverty."

Nielsen's group, comprised of representatives from social service agencies throughout the state, would like to see state and federal agencies incorporate cost-of-living-based standards into income eligibility guidelines

for everything from work force development programs to housing subsidies.

Juan Manigault, president and chief executive officer of the Northern Indiana Workforce Investment Board, said he wishes he could serve those who fall in the gap between the poverty line and self-sufficiency standard, but it's out of his control.

"(The coalition) needs to lobby and influence our congressional delegation," Manigault said. "Our financial guidelines for programs are set by the federal government."

Linda Baechle, executive director of the YWCA in South Bend, said the coalition's report should open policymakers' eyes.

"I think it's of vital importance," Baechle said. "I think the federal poverty guidelines don't really take into account what it takes to survive in the community. When they base benefits on that it doubles the problem."

The news wasn't all grim for Michiana. St. Joseph County is more affordable than many other parts of the state, the study found. The county's self-sufficiency standard for a family with two adults, an infant and a school-age child ranked 23rd in the state -- meaning it is more expensive to live in 22 other counties -- despite St. Joseph being the state's fourth most-populous county.

That's good news for Janette Thompson of South Bend, and she could use some. The single mother of an 8-year-old boy is living in the YWCA's transitional housing facility and receiving temporary assistance for needy families, or TANF, the federal welfare program. She looks forward to losing the benefit when she finds a job and goes back to school to finish her bachelor's degree, she said.

Thompson is a recovering cocaine user who decided to get clean after her husband tried to kill her, she said. She is looking for a job advocating for battered women and children.

Before her life spiraled out of control, she was making \$36,000 a year handling claims for a transportation company, and her then-husband earned more. As a single parent, she figures she will need to earn at least \$25,000 a year.

"Anything below that puts a mother in a bad way," she said. "Kids are expensive. If you don't make enough money, the system takes whatever you receive."