

## **'Not those stereotypes': Number of people living paycheck-to-paycheck grows locally, nationally**

Published in Telegraph Herald on February 16, 2025. Original article available at:

[https://www.telegraphherald.com/news/tri-state/article\\_bc5d859a-e7f1-11ef-9921-33a5a2277e1e.html](https://www.telegraphherald.com/news/tri-state/article_bc5d859a-e7f1-11ef-9921-33a5a2277e1e.html)

Last year, Nicole Stumpf was working three jobs, raising three kids and struggling to make ends meet.

Despite her efforts, the Dubuque single mom was behind on rent, and the cost of basic necessities continued to rise. She couldn't see the light at the end of the tunnel.

Finally, as Stumpf faced a looming eviction notice, a local nonprofit gave her the help she needed to remain in her home and become more financially stable — but it was a long road getting to that point.

“There is finally light at the end of my tunnel,” she said. “It took a really long time, and many times I didn't think we were going to make it. But you have to put in the work; it doesn't just happen.”

Stumpf, 34, has been working toward financial stability for most of her adult life, despite always working at least one job and pursuing higher education. Only in the past year, with help from Community Solutions of Eastern Iowa's homelessness prevention program, has she started to feel more stable and hopeful for the future.

She recently took her last class to become a certified nursing assistant and passed with flying colors. Though she had been nervous to go to school while working and raising her kids, she persevered with the help of CSEI's programming.

“I never thought I would be able to go back to school,” she said. “It makes me feel really good. I want to move forward. There is a class in August to become a certified medical assistant. I'd like eventually to get back into a nursing program. That's what I started out in out of high school, and it didn't work out because I was a young mom.”

Stumpf is among tri-state-area residents who live paycheck to paycheck — a group of people who aren't usually considered low income but still struggle to make ends meet. Most have at least one job but still are just barely above water financially.

It is also a demographic that data shows is growing nationwide as wages have not kept up with the cost of living. Resources Unite Executive Director Josh Jasper said his nonprofit serves at least as many people living paycheck to paycheck as those with low to no income.

“The number of people who are struggling, that number continues to increase in our community,” he said. “There are a lot of reasons for that, but the No. 1 is inflation and the economy. In the last year or two, we saw that demographic expand.”

### **Income gaps**

The demographic of people barely making ends meet frequently is described using the acronym ALICE — asset limited, income constrained, employed. These households make more than the federal poverty level but less than the cost of living for their area.

In Dubuque County, a single adult in the ALICE demographic would need to make \$25,524 annually to meet a 2022 survival budget, according to a 2024 report from United For ALICE, a national initiative founded by United Way of Northern New Jersey.

That estimate uses fiscal year 2022 U.S. Department of Housing and Urban Development fair market rent to budget the cost for rent and utilities, which was \$554 in 2022 for an efficiency apartment. It is a figure that since has continued to increase, with fiscal year 2025 fair market rent for an efficiency apartment running \$722 in Dubuque County.

The 2022 ALICE survival budget requires \$40,392 annually for one adult and one child and \$44,796 for one adult and one child who is in child care.

A total of 74% of single moms with kids fell below the ALICE threshold in Dubuque County, compared to 45% of single dads, according to the United For ALICE report. Only 7% of married couples with kids were below the ALICE threshold.

In the city of Dubuque, 26% of households fell into the ALICE category and another 13% were below the poverty level.

The ALICE demographic is growing across the country, a trend local advocates say is reflected locally. The United For ALICE report found that nationwide, about 49.8 million households were below the ALICE threshold in 2019, but that figure jumped to about 54.3 million in 2022.

The report tied the growing number of people struggling to make ends meet in part to wages not keeping up with the cost of living.

As an example, it notes that the median wage for a child care worker in 2010 was \$19,300 annually, substantially lower than the national survival budget of \$32,063 for one adult and one school-age child. While wages increased to an average of \$28,520 in 2022, the survival budget also increased to \$46,932, leaving them even further behind.

Jasper said there is often a stereotype that people who are struggling financially are lazy, don't want a job or can't hold one for long. He said that couldn't be further from the truth — even for those who are extremely low income.

While many people with low incomes are unable to work due to age or a disability, he said a growing number of people Resources Unite serves are working full time and still struggling to make ends meet. Resources Unite helps residents in need access resources and assistance programs and provides some direct services such as a food pantry.

“It’s not those stereotypes,” he said. “We are serving more and more people who are working full-time jobs.”

### **Livable wage**

Even with a full-time job, some people find their wages are not enough to cover the increased cost of housing, groceries and other necessities since the COVID-19 pandemic.

A livable wage, defined as a wage someone must make to afford basics such as housing, food and child care, requires more income in most cases because it allows a person to comfortably afford those necessities.

Massachusetts Institute of Technology calculates living wages based on household size and geographic location.

In Dubuque County, a single adult with no children has to make \$42,964 annually before taxes to make a living wage, according to the calculator. That figure jumps to \$71,986 for a single parent with one child and \$73,844 for two adults and one child if only one adult works. If both adults work and have one child in the home, household income must be \$82,965 to be considered a living wage, mostly due to the cost of child care.

According to 2023 American Community Survey five-year estimates from the U.S. Census Bureau, the average annual income per capita in Dubuque County is \$40,624.

The per-capita average is \$42,856 annually for White residents and \$40,642 for Asian residents. The figure drops off from there, with Native Hawaiian and other Pacific Islander residents making an average of \$10,473 annually, Black residents making \$19,136, people of two or more races making \$16,333 and those identifying as “some other race” averaging \$29,639 annually.

Those figures leave room for many individuals to make less than a living wage but be above the poverty level.

The same U.S. Census Bureau survey found 9.4% of Dubuque County residents live below the poverty level. That threshold was \$15,850 annually for a single person under 65 years old, \$21,002 for a single parent with a child and \$24,549 for two adults with one child.

Stumpf worked after high school and went to cosmetology school in hopes of getting a higher-paying job. She worked in a hair salon for about a decade, trying to save money and build a life, but she still was denied a home loan.

At one point, she was holding down three jobs, including working as a bartender and a receptionist.

Then, the COVID-19 pandemic hit and the hair salon closed. The cost of rent and other basic necessities increased, but her pay did not match pace with her expenses.

She moved into income-based housing, but the building ended up having a bedbug problem, which caused even more stress.

“I had three jobs and three kids, and it was still not enough,” she said. “Then I started to not see my kids because I was working so much. It was depressing. I’m working so hard for them, but then I can’t see them or use that money to do fun things with them when there is a little extra.”

### **‘A vicious cycle’**

The 2024 United For ALICE report found that people in the ALICE demographic are not able to save as much money, struggle with mental health due to financial stress and are more likely to face unexpected medical expenses and lower retirement savings.

Danielle Leibfried, executive director of United Way of Dubuque Area Tri-States, said even in the first few weeks of 2025, the nonprofit’s office has seen many people within the ALICE demographic seeking assistance.

She said people often come to the office seeking professional clothes from the Community Clothes Closet because they can’t afford to buy new clothes before starting their job. And more local human resources employees have been calling the office seeking resources for staff who are working full time but are living in their car, are food insecure or facing eviction.

She said one person came to the local United Way office in search of a bus pass because they had just been called for a job interview but the business wanted them to be there within the next 30 minutes.

She said the person did not want to pass up on the opportunity but didn’t have money for the bus and it was too far to walk in 30 minutes. Staff helped the person obtain a bus pass.

Leibfried said people who fall within the ALICE category are more vulnerable during crises or economic downturns because they are hit hardest by increasing prices, layoffs and employers cutting their hours. It is also easier for people in that demographic to fall into financial holes because they typically don’t have much money in savings.

If they are hospitalized, medical bills and lost wages could set them back significantly. When it takes a whole month’s wages to pay for the basics such as rent, utility bills, food, transportation and child care, there isn’t much left over to save for common but unexpected expenses such as car repairs or a trip to the vet.

It’s also harder to climb out of that financial hole, Leibfried said, because it is difficult to save or set aside funds to pay off expenses.

Jasper said issues such as expensive and sparse day care availability or a lack of reliable transportation are common barriers that eat into budgets.

He said those trying to get back into the workforce frequently work second or third shifts when city buses are not running. He said Resources Unite regularly gives out bus passes that get people to work, but when they get off work the buses are not running anymore.

They can end up paying for taxis or coworkers to get them home, which further eats into their small budget, Jasper said.

He said when people can't make it to work on time due to factors such as a lack of transportation or child care, they can end up losing their jobs. But without an income, they can't afford to buy a car or secure a regular spot at a child care center.

"Now they are starting over again," he said. "For many people, it's a vicious cycle of, 'I'm working two jobs, I'm trying, and I'm still facing that eviction.'"

### **Obstacles to saving**

For many people living paycheck to paycheck, saving up money is difficult, if not impossible, when paychecks go directly to paying bills.

Julietta Scott, a property manager for Catholic Charities of the Archdiocese of Dubuque's Kennedy Park West apartments, said one goal of the organization's affordable housing is to give people a leg to stand on and help them save money.

She said people from all walks of life live in the affordable housing she manages. The Kennedy Park West buildings are kept about \$120 to \$200 below market value, Scott said, and they don't require a Section 8 voucher from tenants but do accept them.

"We have such a range of people and their needs," Scott said. "There's no age limit. It ranges from young couples saving up or who have their first job out of college and can't afford those bills, to our elderly population because they have to pay more for meds, etc., on a fixed income. It seems like there are more and more issues with what they can't afford, so we try to keep rent as low as possible."

Chloe Ehlers, 25, and her husband have lived at the apartments for close to six years, for which Ehlers is grateful. The apartments are one of the few options for affordable, clean and safe housing in Dubuque, she said.

"At the start (rent) was pretty low which is absolutely nice," she said. "Obviously now it's gone up a bit, but it's still doable whereas if you look anywhere else in Dubuque it's like over \$1,000, and how can anybody afford that? I genuinely don't know how people afford it."

The couple have a few pets, including cats, geckos and fish, which are an added expense but a worthy investment, she said. Her siblings also live in the apartment complex, and her other neighbors are friendly. She always has someone to talk to in her little community.

"I'm just happy to be here at home and be able to look at my place and how much it has grown in the last six years," she said.

However, she still is paying off student loans, and a recent surgery and death of a pet have set her back, making ends a bit harder to meet.

“In the past six months, I’ve been struggling a lot,” she said. “We had the death of a cat and all those cremation fees and the vet bills put me in a little bit of debt. Then, I went on leave for a surgery, so there’s a bit of a pay cut. I’m barely getting there.”

Scott said the biggest obstacles young people face in moving forward financially is the cost of child care and student loan payments. Having a young infant herself, Scott said the costs associated with a new child can be staggering, especially for those without a support system.

“It’s nearly impossible to be a young single mom if someone is on their own,” she said. “I can’t even imagine it.”

Scott said multiple members of her family lived in the Kennedy Park West apartments at one point, which is what originally piqued her interest in the position there. She said the goal is to provide safe, affordable housing so residents can save money and eventually buy a home if that is their goal.

The apartments also include most utilities in the cost of rent, meaning residents don’t have to worry about skyrocketing heating bills in the winter months.

She said Catholic Charities case managers work with residents to connect them to local resources, but it is an uphill battle for many people to save enough money for items such as an emergency fund or down payment on a house.

“It’s cyclical, and it’s hard to get out of that cycle of poverty,” she said. “One misstep can throw you down a path for two years trying to get out of it. Just one thing can ruin it, and all you can try to do is connect them with help.”

### **Finding support**

Jasper said many people who have successfully gotten to a financially stable place did so with the help of a network of friends and family.

For those without that community of support, it is exponentially more difficult to get ahead.

“I think of myself, I’m very privileged,” he said. “I have a network, I have friends and family, and if something were to happen and my car broke down, I have people to call. The majority of the people we serve have no network. They’re fighting this alone, doing the best they can without anyone.”

As Stumpf fell deeper into a financial crisis, she was so behind on rent that she wound up with an eviction notice. She said her parents helped her as much as they could, but she was still struggling. She called every assistance program and organization she could find, often to end up receiving the number for another organization.

Finally, CSEI admitted her to the homelessness prevention program last summer.

“I was so afraid I wasn’t going to have anywhere to go with my kids,” Stumpf said. “I had never felt that before and to have that was really, really scary.”

CSEI staff provided wraparound assistance, including helping her get her bills paid and avoid the eviction and teaching her budgeting skills. She went back to school while working at a long-term care facility.

Her kids now are 17, 10 and 2 years old. Her oldest daughter just graduated high school early, she said.

“Her and I grew up together,” she said. “She was brought into this world with a young mom, and to see that she was able to graduate early, we did that together. I’m so proud of her.”

Stumpf said the CSEI program has done wonders for not just her financial stability, but for her mental health. She praised programs such as CSEI that help not only extremely low-income and homeless individuals, but those who are working but still struggling.

“For everyone to work with me and be patient — sometimes it takes time to get the ball rolling — I finally felt like I had somebody in my corner. It’s huge,” she said.