



getting by

HOW NORTHERN VIRGINIANS RESPOND
WHEN THERE IS LESS TO GO AROUND

August 29, 2023

WELCOME

THE
community
foundation
FOR NORTHERN VIRGINIA



Bob Kipps

Chairman of the Board

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About Insight Region®

- Launched in 2020
- Hub for well-researched, actionable data and analysis to help the region better understand its greatest opportunities and challenges
- One focus has been on **Inclusive Prosperity**—as Northern Virginia grows and thrives, how do we ensure these benefits extend to all members of our region?



Elizabeth Hughes

Senior Director, Insight Region®
Community Foundation for Northern Virginia

Today's Report



The Challenge of Inclusive Prosperity

For families in Northern Virginia to “prosper”, they must have enough to meet their basic needs without public subsidies, private aid, or informal assistance.

Specifically, in 2021, a family of four with two young kids* would need a monthly income after taxes that covers the cost of:

- **Housing:** \$1,900
 - **Food:** \$1,000
 - **Healthcare:** \$750
 - **Transportation:** \$550
 - **Clothing/personal items/internet:** \$650
- ← **\$4,850 for basic needs**
- + **Childcare for working parents:** \$2,400 ← **\$7,250 for basic needs + childcare**

*University of Washington Center for Women’s Welfare, 2021, for a family with two adults, one 3-4 year old, and one 5-11 year old

Income Inadequacy in Northern Virginia

Figure 2.

Income adequacy for families with children in Northern Virginia

● income adequate

● income inadequate

meet family's
basic needs



(\$4,850 for family of 4)

+ enroll kids
in care



(\$7,250 for family of 4)

In 2021, **one in five** Northern Virginia families with kids* did not earn enough to house, feed, and provide for its members. **Their income is not adequate to cover basic needs.**

29% could not cover these costs and afford childcare. **Their income is not adequate to cover childcare.**

Where the Greatest Need Clusters

Rates of income inadequacy are highest among those families who earn the least: 99% of those earning under \$50k and 43% earning \$50-100k cannot cover basic needs. The majority of these families also cannot cover childcare, along with one in four families earning between \$100-150k.

Rates of basic needs income inadequacy were also higher than the regional average among families where the primary earner had less than a bachelor's degree (39%) and/or was Hispanic (37%) or Black (28%). Families with fewer than two working adults also struggled.

Figure 3.

Percent of families with income inadequacy in Northern Virginia

	FACTOR	BASIC NEEDS	CHILD CARE
INCOME	under \$50k (<i>lower</i>)	99%	99%
	\$50-100K (<i>moderate</i>)	43%	70%
	\$100-150k (<i>lower-middle</i>)	3%	25%
	\$150-200K (<i>upper-middle</i>)	1%	4%
	\$200K+ (<i>higher</i>)	0%	0%
# WORKERS	no workers	74%	81%
	1 worker	30%	42%
	2+ workers	6%	13%
EDUCATION	Sub-Bac Credential	39%	52%
	Bachelor's Degree	13%	22%
	Graduate Degree	8%	15%
RACE-ETHNICITY	Hispanic	37%	50%
	Black	28%	43%
	Asian	17%	27%
	White	11%	17%

Where the Greatest Need Clusters

Occupation matters a lot.

Over half of families whose primary earner worked in Food Prep/Service, Personal Care, Building/Grounds Work, and Construction could not afford their basic needs, and over two-thirds could not cover childcare.

Figure 3.

Percent of families with income inadequacy in Northern Virginia

FACTOR		BASIC NEEDS	CHILD CARE
OCCUPATION	Food Prep/Service	69%	78%
	Personal Care	69%	71%
	Building/Grounds	60%	64%
	Construction	59%	74%
	Transportation/Freight	47%	64%
	Healthcare Support	46%	74%
	Community/Social Services	37%	40%
	Sales	32%	43%
	Office Admin	31%	39%
	Military	29%	40%
	Installation/Repair	28%	46%
	Production	23%	39%
	Education/Training	17%	28%
	Sciences	16%	25%
	Protective Services	14%	21%
	Healthcare Practitioner	10%	22%
	Arts/Entertainment	9%	15%
	Management	9%	17%
	Business/Finance	6%	15%
Legal	5%	6%	
Tech	5%	14%	

Where the Greatest Need Clusters

1 in 3 families in Annandale-Falls Church, Alexandria, Manassas-Manassas Park, and South Arlington do not earn enough to meet basic needs—3+ times the rate of nearby areas.

	Community	Basic Needs	Childcare
<15%	Dulles-SW Ashburn	6%	15%
	Leesburg	8%	18%
	North Arlington	10%	15%
	Linton Hall-Gainesville	11%	14%
	McLean-Idylwood	13%	17%
	Burke-Fairfax City	14%	19%
15-25%	Vienna-Oakton	15%	25%
	Reston-Herndon	19%	29%
	Woodlawn-Mt. Vernon	19%	36%
	Chantilly-NW Centreville	22%	36%
	Sterling-NE Ashburn	23%	33%
	Lorton-SE Centreville	23%	29%
	Dale City-Woodbridge	24%	37%
	Franconia-Springfield	24%	33%
	South Arlington	34%	52%
	Manassas-Manassas Park	36%	42%
>25%	Alexandria	36%	49%
	Annandale-Falls Church-Bailey's	41%	47%

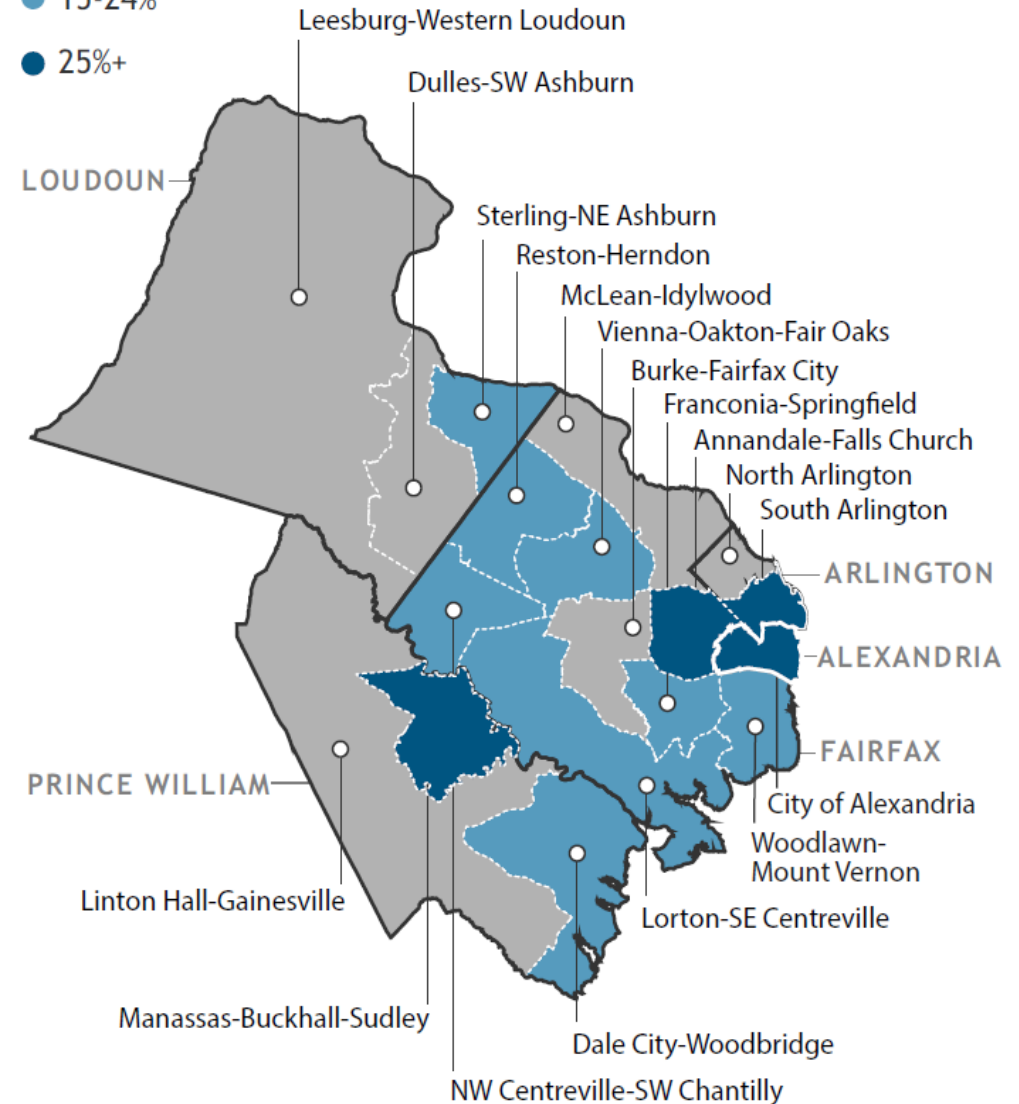
Figure 4.

Percent of families with basic needs income inadequacy

● under 15%

● 15-24%

● 25%+



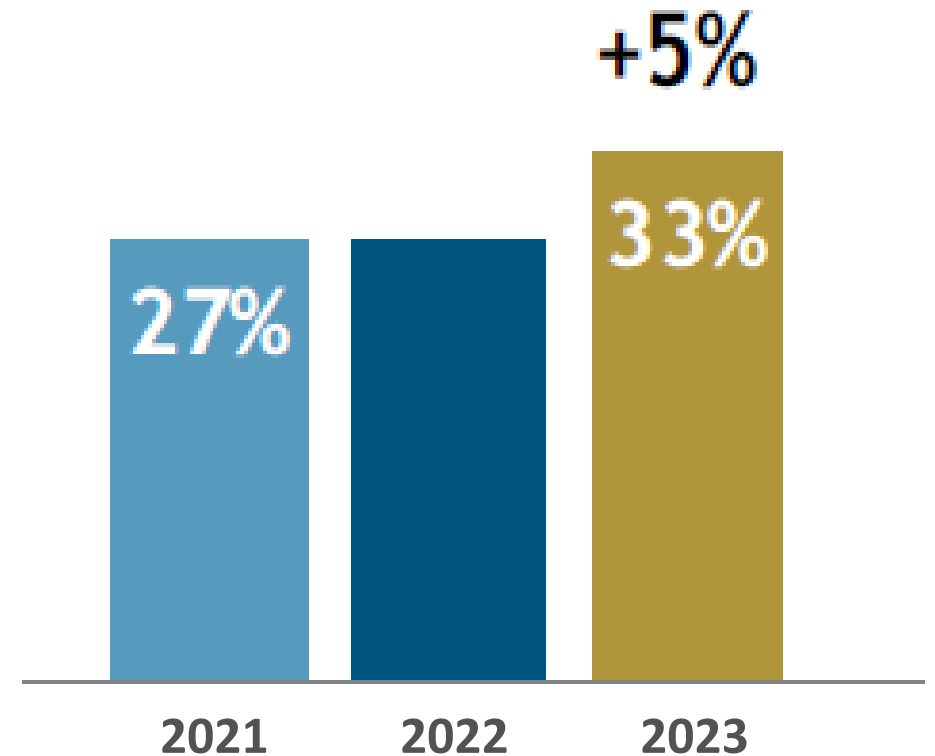
The Impact of Inflation

The data just examined were collected in the **spring 2021** American Community Survey. At that time, another Census Bureau product (Pulse Survey) showed that a similar rate of Northern Virginian families—27%—were struggling to pay the bills. This rate was unchanged a year later, in spring 2022.

In just the past year, this rate grew 5 percentage points—**today, one in three families with kids in Northern Virginia reports that it is “somewhat or very difficult” to pay the bills.**

Figure 7.

Percent of families who report difficulty paying their monthly bills



The Impact of Inflation

While the families most likely to struggle are those starting with the least, the largest *increase* in these rates fell to the region's middle-income families. **In 2023, 34 percent of lower-middle income families (income of \$100-150k) had difficulty paying the bills, a 19 percentage point increase from the 15 percent in 2021.**

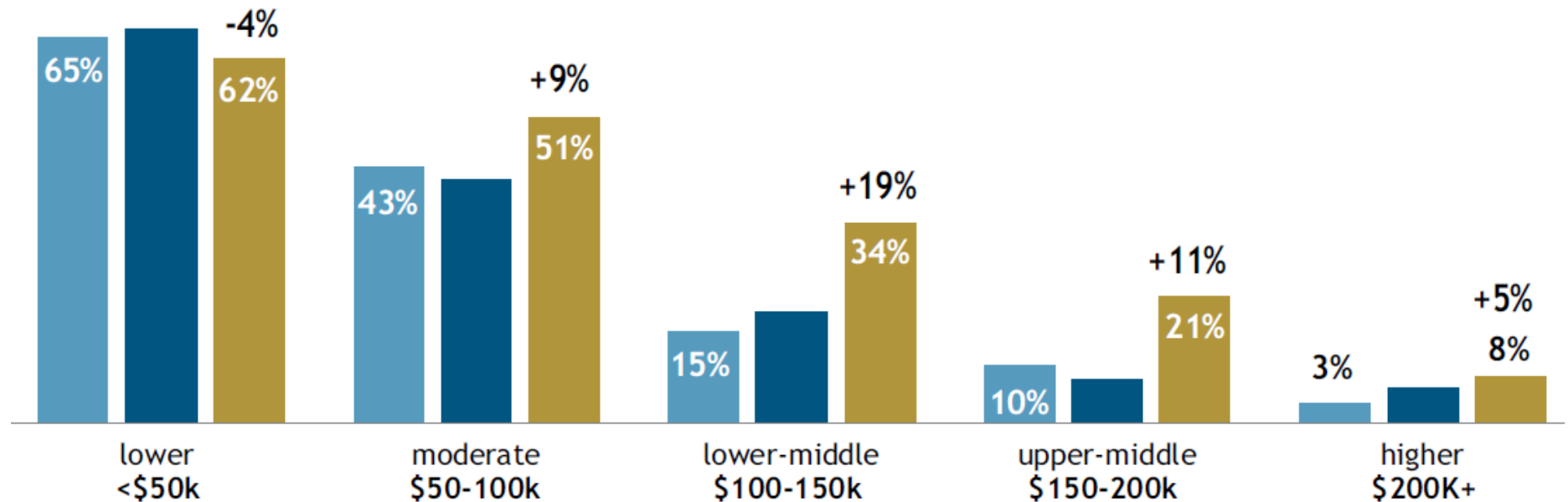
Figure 7.

Percent of families who report difficulty paying their monthly bills, by household income

● Jan-Jun 2021

● Jan-Jun 2022

● Jan-Jun 2023



How Families are Responding

I began this project with a question, which is reflected in the title:
What do people do when they do not have enough? How do we “get by”?

We can examine this question more broadly, using data from the Pulse Survey: **how do Northern Virginians—of all income levels and difficulty with bills—respond when the cost of living increases?**

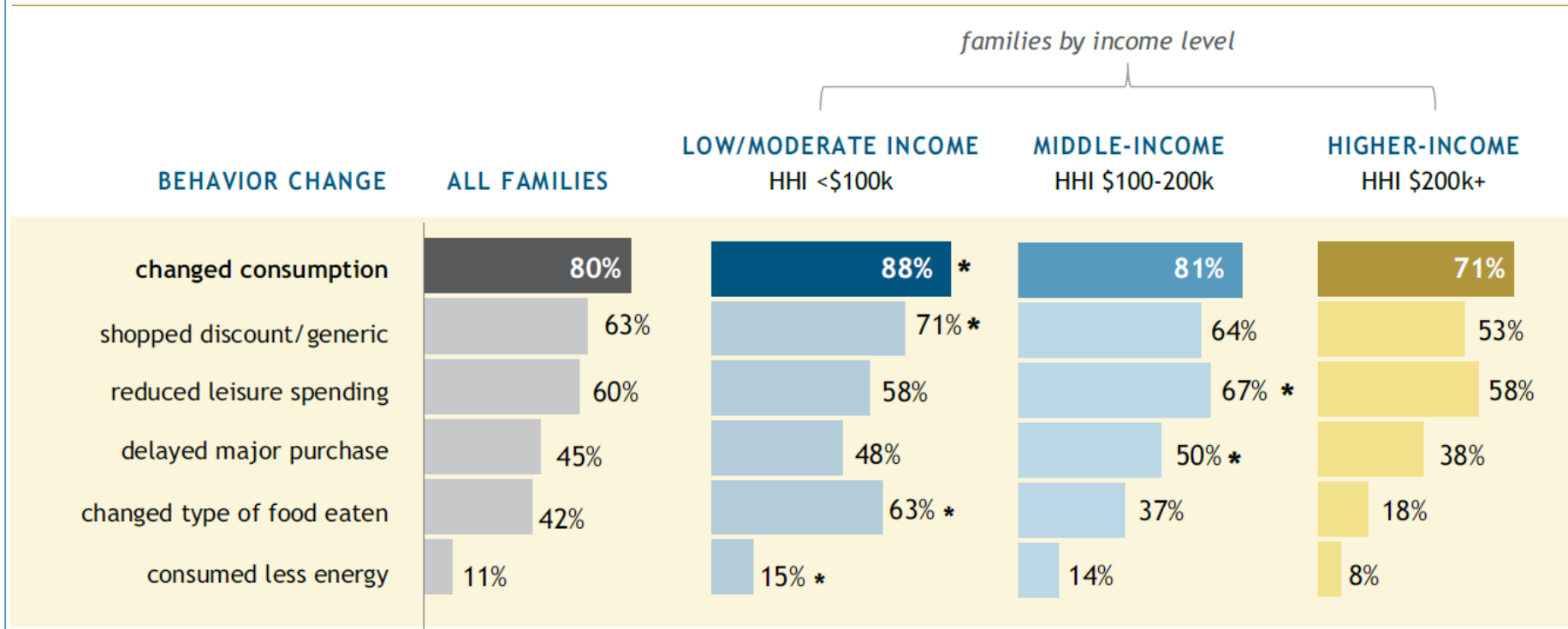
1. 80% have modified their discretionary spending, changing what / how much they consume
2. 26% have sacrificed a basic need
3. 47% have compromised one or more aspects of their financial health, and 21% are working more or have changed childcare arrangements

How Families are Responding

Nearly all families are responding to inflation by changing their discretionary spending habits.

Figure 8.

How families in Northern Virginia are responding to inflation

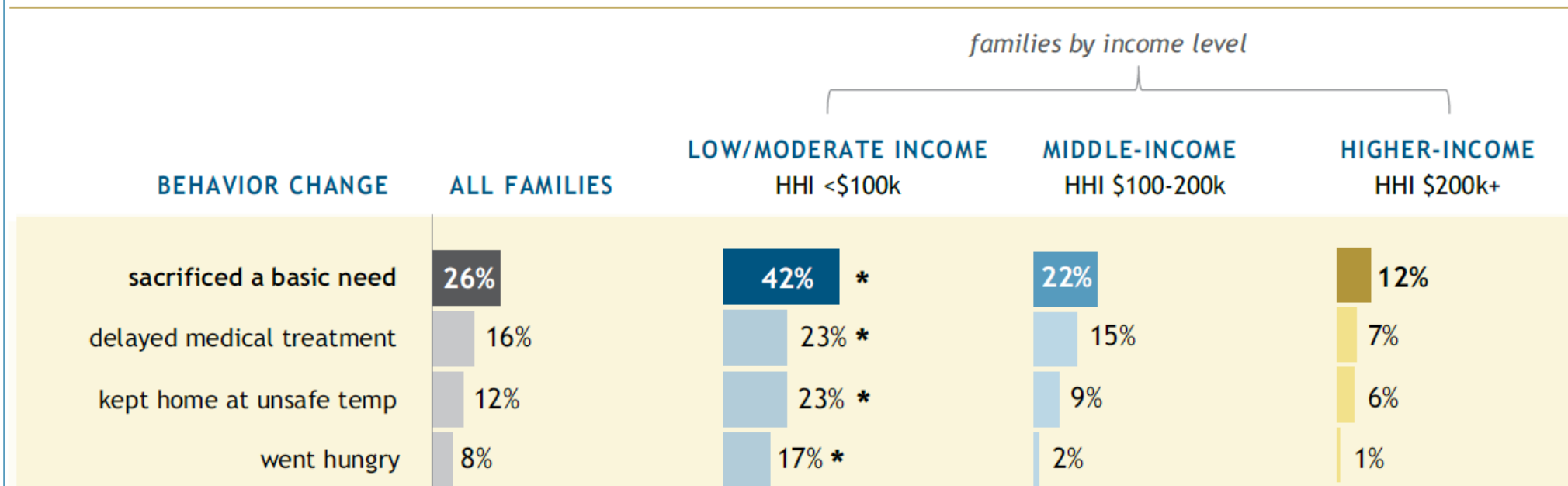


How Families are Responding

Over one in four have responded by cutting back on a basic need, including delaying medical treatment, keeping their home at an unsafe temperature, and going hungry.

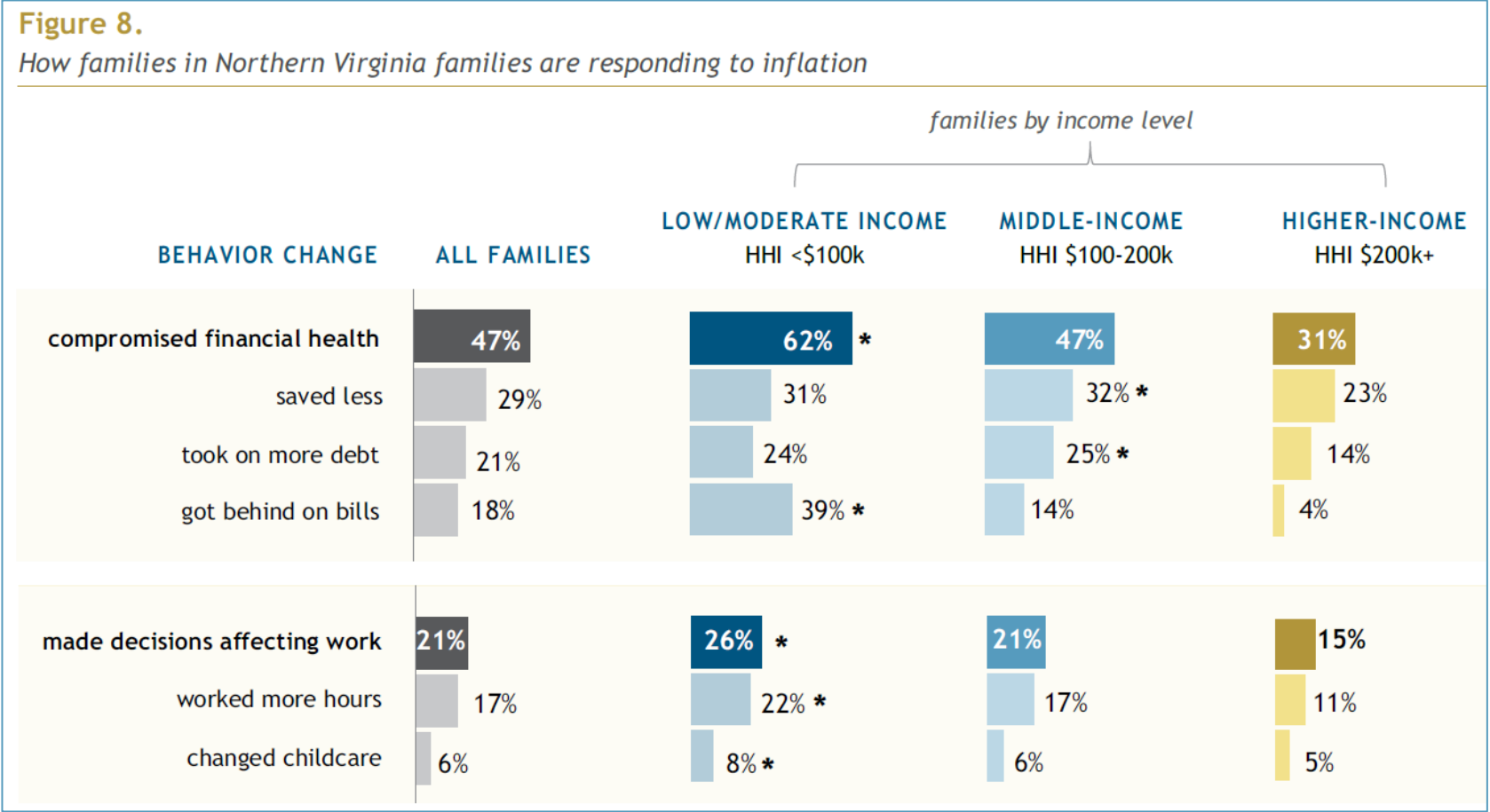
Figure 8.

How families in Northern Virginia families are responding to inflation



How Families are Responding

Many have made decisions that compromise their long-term financial health (saving less, taking on more debt, getting behind on the bills), are working more hours, or have reduced childcare to make ends meet.



Reflections for Today's Discussion

the immediate challenge

Families who are currently sacrificing a basic human need—for shelter, food, warmth, health—require help, quickly.



How can we better equip our safety net system to identify, reach, and serve those need support?

the long-term challenge

The decision to take on more debt, save less, delay home ownership can have lasting effects on financial wellbeing.



How can we solve for *wealth inequality* as a growing threat to inclusive prosperity?

TODAY'S PANEL



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THANK YOU!

