

Brookside family's poverty exercise becomes a financial necessity

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Although Dave Schmidt was let go as a business analyst at Birch Telecom in mid-2008, he says his family lives a “blissful existence.” He and his wife, Erin, play with their children, Lucy (right), 7, and Oscar, 5, in the backyard of their Brookside home in Kansas City.

Many Americans scramble to keep way *above* the poverty level, but the Schmidt family consciously set out to survive *on* it — for a year.

The 2008 social exercise for the middle-class Brookside family of four started out as a way to understand poverty a bit better — what it would feel like to have to say “no” to things.

While parents Dave and Erin Schmidt knew they were in for a sacrifice, they didn’t expect it to be too bad because their housing costs were low and their splurges were mostly on small luxuries such as Saturday morning coffee shop stops or beer on a warm spring day.

The Schmidts spent hours compiling their expenses from 2007 and then went “slash, slash, slash” to the nonessentials to get to a \$21,834 annual budget. That’s the government’s definition of the level of income below which a family of four is considered to be living in poverty.

According to the U.S. Census Bureau, 37.3 million Americans — about 12.5 percent of the population — lived at or below the poverty level in 2007 (the latest figures available).

A report released earlier this month by the National Center for Children in Poverty found that for many families, the American dream of getting ahead through hard work is far out of reach. Even at two or three times the federal minimum wage (\$6.55 an hour), full-time working parents are routinely unable to pay even for basic necessities.

For example, a family of four in Curry County, N.M., would have to have both parents employed full time earning at least \$9 an hour to make ends meet. While in San Francisco, the parents would have to earn \$14 an hour. And these include only the most basic expenses — rent and utilities, food, child care, health care, transportation and taxes — with no money to save for a home, education, retirement or a crisis.

For the first couple of months, the Schmidts said, it was almost like a game to see where they could keep cutting.

“It’s very possible to live on less, to have a very frugal style,” Erin said. “But it wore on us after a while. To have to keep saying ‘no,’ the combination of giving up all these little things.”

“Little things” meant keeping the utilities down so they were shivering a bit in the winter, sweating a bit in the summer. They found they were constantly less than comfortable, and a bit more irritable. Friends began suggesting more climate-hospitable places for get-togethers.

Five-year-old Oscar missed Saturday morning orange scones with orange icing at Panera Bread and swimming lessons at the public pool. Seven-year-old Lucy longed to attend vacation Bible school.

Swimming and music lessons, sports activities, membership fees to Costco, and adoption and home-school support groups were out. Erin’s sister baby-sat once for free, but the Schmidts didn’t usually take advantage of such freebies.

“People knew we didn’t want to freeload,” Erin said.

Then midyear, Dave was let go as business analyst at Birch Telecom, and the family experiment became a financial necessity.

Dave started raising tomatoes, peppers and other vegetables in the sunny front yard of their Tudor house.

He even launched a home-based business, Produce Partners of Kansas City, to help others design, install and maintain organic vegetable and herb gardens.

The family switched to discount grocer Aldi, and items such as candy, beer, bubble gum, juice and pop no longer made the shopping list. Meat was a rare treat.

In other years, the Schmidts looked forward to their annual vacation — planning it, going on it and then talking about it when they got back — trips to Colorado, Michigan, sometimes the beaches of Alabama. But that indulgence was also out for a “poverty level” family.

“Even a trip to the suburbs at 42 cents a mile can add \$20 to the budget,” Dave said.

Used to having health insurance subsidized through an employer, they were stunned at the \$900 a month required for COBRA insurance after Dave’s job loss. They did without for a few months until they could find a more affordable plan.

“We didn’t take not having insurance lightly,” Dave said. “We’re not high risk anyway, but we toned it down even more and became uberconscious about eating well, not having the kids in the car on unnecessary trips.”

Then there were other unexpected budget hits — a \$28.50 parking ticket, a \$55 traffic ticket when Dave didn’t come to a complete stop at a stop sign, a broken side-view mirror on their 1999 Odyssey minivan.

They also put off expenses, including fixing the vacuum, annual physicals and a brake repair.

“The poor are sometimes viewed as ‘lazy’ or ‘irresponsible’ — for some, this might be true — but most are likely dealing with only the most urgent needs, and just keeping their head above water,” Dave said.

While the Schmidt family is “very healthy,” there were mishaps. When Oscar climbed onto the kitchen counter to see if it was snowing, he cut his chin on the way down. The emergency room “glue job” set the uninsured family back \$1,800.

When Lucy later got a big gash above her right eye at a neighborhood wading pool, her parents said many prayers and sealed it with Steri-Strip adhesive skin closures.

Originally the Schmidts planned to donate their 2008 savings — or the difference between their poverty-level expenses and pre-poverty-level expenses — to a charity that works with the poor. But Dave’s job loss meant there were no extra funds at the end of the year.

Still, now that it's 2009, they have gone back to some routine splurges — the orange scones on Saturday mornings and the occasional glass of wine for Mom and Dad. But they realize they can still do a lot on a lot less money.

"We might have a 'buy one, get one free' coupon and go to Waldo Pizza," Dave said. "That's huge now, which is nice. Before, you got used to a certain lifestyle and you have to ratchet it up to keep having a good time."

They continue to volunteer at food pantries and to keep soft granola bars in their van to hand out to the homeless.

"There's no way to claim that we experienced poverty. It's what some people deal with on a daily basis with no end in sight," Erin said.

But son Oscar may have summed up the experience best: "It's not fun."