ALICE:

ASSET LIMITED, INCOME CONstrained, EMPLOYED

STUDY OF FINANCIAL HARDSHIP

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uwnys.org
What is the United Way ALICE Project?
A Study of Financial Hardship

The United Way ALICE Project has ignited a grass roots movement that is catching on. United Ways in multiple states are joining forces to change the dialogue about financial hardship. ALICE is more than a demographic; in every state, ALICE is a critical part of the fabric of our economy and our communities.

ALICE represents the men and women of all ages and races who get up each day to go to work but aren’t sure if they’ll be able to put dinner on the table each night. They are our preschool teachers, home health aides and retail salespeople – workers essential to keeping all our communities and economies humming, yet who struggle to pay their own basic bills.

From 2010 to 2018, New York showed steady economic improvements according to traditional measures. Yet, in 2018, eight years after the end of the Great Recession, 45% of New York’s 7,370,222 households still struggled to make ends meet. And while 14% of these households were living below the Federal Poverty Level (FPL), another 31% — more than twice as many — were ALICE households: Asset Limited, Income Constrained, Employed. These households earned above the FPL, but not enough to afford basic household necessities.

With the onset of the COVID-19, ALICE Households are deeply impacted. As we move through recovery and rebuilding, we cannot afford to leave these hardworking households behind, again.

Visit UWNYS.org to view the updated NY ALICE Report and explore the ALICE data. By raising awareness about ALICE and stimulating a fresh dialogue between community members and leaders, we can, together, provide ALICE with an opportunity to succeed.
WHAT THE RESEARCH REVEALED

ALICE CONTINUES TO STRUGGLE

There are over 2.2 million ALICE households in New York – households with income above the Federal Poverty Level (FPL) but below a basic cost-of-living threshold. This is almost double the number of households counted in the official poverty rate (1,007,993 households). In total, 3,316,600 million households in New York – 45 percent, more than four in ten – are walking a financial tightrope, unable to afford this state’s high cost of living.

These households struggle to afford even the most basic necessities of housing, child care, food, health care, and transportation. By using new methods for measuring financial hardship, the United Way ALICE Report reveals a far broader and more serious problem than previously thought.

Percent Households Below the ALICE Threshold By County, New York Regions, 2018
**WHO IS ALICE?**

**EVERY COMMUNITY HAS ALICE HOUSEHOLDS**

ALICE households live in every county in New York — urban, suburban, and rural — and they include people of all genders, ages, and races/ethnicities, across all household types. One way to examine the data is to look at the proportion of each group that is below the **ALICE Threshold**.

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**Overall,** 45% of households in New York had income below the **ALICE Threshold** in 2018.

Many smaller groups had a disproportionately high percentage of families below the ALICE Threshold.

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**Race and Ethnicity**

- Black and Hispanic households had more than 60% of households below the **ALICE Threshold**.
- Black: 1,096,727 households
- Hispanic: 1,146,560 households

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**Age**

- Young households (under age 25) had 72% living below the **ALICE Threshold**, up from 70% in 2016.
- Under 25 Years Old: 191,829 households

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**Household Type**

- Single-female households with children had the highest percentage of households below the **ALICE Threshold** of any group, at 76%.

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**Household Type**

- Single-female-headed with children: 476,671 households
The third edition of the United Way ALICE Report shows a growing number of people who are working, yet cannot afford basic necessities. This update shows that the last economic recovery of our state left many hard-working people behind. This study offered a way to accurately quantify these households and to talk about the challenges that they face.

**MEET ALMA**

Alma has been homeless for many of those years, living on the street, until she was paired with a peer mentor by a Local United. With the advocacy and trust in her Peer Mentor, Alma has been able to secure her own apartment. She has set financial goals. Alma's looking at how she is “spending every penny,” and has been able to pay off previous expenses. This has allowed her to create a road map for future financial success. This work has given Alma the opportunity to engage in positive self-development, including being respectful of saving and spending and ensuring that she looks at her financial management long-term. Alma shared that, “words cannot express how much this has helped me; thanks to the program, I’m doing the right thing by myself and by my family.”

**MEET ROBERTO**

Roberto and his family of four were consistently forced to make difficult choices, because they could not make ends meet. Eventually, Roberto began participating in a program that connected him with a second job like so many working parents must do, in order to increase his family’s financial stability. With the increased income he was able to move his family into safer and more affordable housing. With the additional job and more affordable rent, Roberto was able save up and secure a vehicle, which is transformational for the family’s overall day-to-day wellbeing. Roberto is now looking to enroll in future educational programming so he can realize his dream of opening a business.

**ALICE WORKS HARD. TOGETHER WE CAN HELP THEM SUCCEED.**
WHERE DOES ALICE LIVE?
ALICE EXISTS IN EVERY COMMUNITY

All but one of New York’s counties, have 30% or more households earning less than what is needed to afford the basics. There is enormous variation among the counties; the percentage of households below the ALICE threshold ranges from 29 percent in Nassau County to 66 percent in Bronx County. Although the cost of living and wages differ across the state, the number of households with income below the ALICE Threshold increased across more than half of NY counties (61%) from 2010-2018.

Percent Households Below the ALICE Threshold By County, New York Regions, 2018

Sources: American Community Survey, 2010 and 2018 and the ALICE Threshold, 2010 and 2016. Details on each county’s household income and ALICE demographics, as well as further breakdown by municipality, are listed in the ALICE County Pages and Data File at UnitedWayALICE.org.
WHY DOES ALICE EXIST?  
THE HIGH COST OF LIVING IN NEW YORK

There are many factors contributing to and perpetuating conditions for ALICE. While some circumstances are individual, a few systemic problems affect most ALICE households: the high cost of living, income not keeping pace with costs, and continued growth of low-paying jobs.

Based on the Household Survival Budget, more than four in ten New York households can’t afford the basics of housing, food, health care, technology, childcare, and transportation.

Using the thriftiest official standards, it takes an average of $78,156 for a family of four (two adults, an infant, and a preschooler) to afford the basics – more than double the U.S. poverty rate of $25,100. The Household Survival Budget for a single adult is $27,312, also more than double the U.S. poverty rate of $12,140.

The cost of household basics in the New York State Household Survival Budget increased by 17% for a single and 21% for a family of four (2010-2018). This is due, in part, by rising costs of child care, healthcare and the addition of a technology line, which was driven in part by rising costs for food, healthcare and other ALICE essentials.

Household Survival Budget • 2018

<table>
<thead>
<tr>
<th>Item</th>
<th>Single Adult</th>
<th>Two Adults</th>
<th>Two Adults 2 School-Age Children</th>
<th>Two Adults 2 in Child Care</th>
<th>Single Senior</th>
<th>Two Seniors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>$810</td>
<td>$897</td>
<td>$1,091</td>
<td>$1,091</td>
<td>$810</td>
<td>$897</td>
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<tr>
<td>Child Care</td>
<td>$0</td>
<td>$0</td>
<td>$538</td>
<td>$1,485</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>Food</td>
<td>$284</td>
<td>$591</td>
<td>$986</td>
<td>$986</td>
<td>$242</td>
<td>$503</td>
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<tr>
<td>Transportation</td>
<td>$334</td>
<td>$503</td>
<td>$801</td>
<td>$757</td>
<td>$295</td>
<td>$424</td>
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<tr>
<td>Health Care</td>
<td>$212</td>
<td>$471</td>
<td>$705</td>
<td>$705</td>
<td>$514</td>
<td>$1,029</td>
</tr>
<tr>
<td>Technology</td>
<td>$55</td>
<td>$75</td>
<td>$75</td>
<td>$75</td>
<td>$55</td>
<td>$75</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$207</td>
<td>$307</td>
<td>$487</td>
<td>$592</td>
<td>$230</td>
<td>$347</td>
</tr>
<tr>
<td>Taxes</td>
<td>$374</td>
<td>$535</td>
<td>$677</td>
<td>$947</td>
<td>$388</td>
<td>$546</td>
</tr>
<tr>
<td>Monthly Total</td>
<td>$2,276</td>
<td>$3,379</td>
<td>$5,380</td>
<td>$6,513</td>
<td>$2,534</td>
<td>$3,821</td>
</tr>
<tr>
<td>Annual Total</td>
<td>$27,312</td>
<td>$40,548</td>
<td>$64,320</td>
<td>$78,156</td>
<td>$30,408</td>
<td>$45,852</td>
</tr>
<tr>
<td>Hourly Wage</td>
<td>$13.66</td>
<td>$20.27</td>
<td>$32.16</td>
<td>$39.08</td>
<td>$15.20</td>
<td>$22.93</td>
</tr>
</tbody>
</table>

For the Methodology Overview and additional data, see our website: UnitedWayALICE.org
While national conversations about work often focus on the economic importance of the “innovation” sector and its high-paying jobs, the reality is that the smooth functioning of the national and New York economies relies on a much larger number of occupations that build and repair the infrastructure and educate and care for the past, current, and future workforce. The workers in these jobs—your child care worker, the cashier at your supermarket, the gas attendant, the salesperson at your big box store, a home health aide, an office clerk—are described as “Maintainers” by technology scholars Lee Vinsel and Andrew Russell, and they are primarily ALICE.

To better understand where ALICE works, we break down all occupations in New York into two occupational categories, each with two job types: the lower-paying Maintainer occupations, composed of Infrastructor and Nurturer jobs; and the higher-paying Innovator occupations, composed of Adaptor and Inventor jobs.
Many Alice in Most Common Jobs

Top 20 NYS Occupations in 2018 by Employment Wage

Only three of the top 20 occupations — general and operations managers, accountants and auditors, and registered nurses — are paid enough to support the Household Survival Budget for a family of four, a minimum of $39.08 per hour.

### Occupations by Employment and Wage, New York, 2018

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number of Jobs</th>
<th>Median Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Salespersons</td>
<td>301,670</td>
<td>$11.94</td>
</tr>
<tr>
<td>Personal Care Aides</td>
<td>199,060</td>
<td>$12.49</td>
</tr>
<tr>
<td>Cashiers</td>
<td>197,490</td>
<td>$11.46</td>
</tr>
<tr>
<td>Home Health Aides</td>
<td>191,820</td>
<td>$11.98</td>
</tr>
<tr>
<td>Janitors and Cleaners</td>
<td>190,600</td>
<td>$15.01</td>
</tr>
<tr>
<td>Combined Food Prep, Including Fast Food</td>
<td>189,740</td>
<td>$11.71</td>
</tr>
<tr>
<td>Office Clerks, General</td>
<td>189,360</td>
<td>$15.70</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>182,490</td>
<td>$41.01</td>
</tr>
<tr>
<td>Secretaries and Administrative Assistants</td>
<td>178,520</td>
<td>$19.28</td>
</tr>
<tr>
<td>Waiters and Waitresses</td>
<td>167,250</td>
<td>$13.66</td>
</tr>
<tr>
<td>General and Operations Managers</td>
<td>163,250</td>
<td>$62.35</td>
</tr>
<tr>
<td>Customer Service Representatives</td>
<td>159,010</td>
<td>$18.02</td>
</tr>
<tr>
<td>Laborers and Movers, Hand</td>
<td>130,850</td>
<td>$14.12</td>
</tr>
<tr>
<td>Teacher Assistants</td>
<td>123,960</td>
<td>$15.06</td>
</tr>
<tr>
<td>Security Guards</td>
<td>118,760</td>
<td>$15.40</td>
</tr>
<tr>
<td>First-Line Supervisors of Office Workers</td>
<td>112,510</td>
<td>$31.76</td>
</tr>
<tr>
<td>Stock Clerks and Order Fillers</td>
<td>110,880</td>
<td>$12.13</td>
</tr>
<tr>
<td>Accountants and Auditors</td>
<td>110,780</td>
<td>$40.02</td>
</tr>
<tr>
<td>Maintenance and Repair Workers</td>
<td>108,050</td>
<td>$20.88</td>
</tr>
<tr>
<td>Bookkeeping, Accounting, and Auditing Clerks</td>
<td>104,580</td>
<td>$21.23</td>
</tr>
</tbody>
</table>

We all have a vested interest in improving conditions for ALICE. When ALICE can’t afford the basics, the costs are high both for these families and for the wider community.

**ALICE Households Suffer Without Sufficient Income**

When ALICE households do not have enough income, they must make difficult choices to reduce their expenses. They may be forced to skimp on childcare, paying bills, healthy food, or car insurance. These “savings” threaten their health, safety, and future.

If a family cannot afford childcare in a quality facility, they may substitute with an inexperienced relative, jeopardizing their child’s safety and learning opportunities and requiring addition support from the school system. To reduce housing costs, ALICE may move farther away from work, resulting in a longer commute as well as additional travel and childcare expenses. Further travel means more congested roads for all.

Other short-term survival strategies such as skipping preventative health care or a bill payment also have long-term penalties, such as poor health, fines, and larger bills in the future. These same circumstances cause costs to rise for insurance premiums for all.

**When ALICE struggles, We all struggle.**

**ALICE and COVID-19**

The rapid spread of COVID-19, is exposing critical areas of need for our economy, health care system, and education capacity during a national crisis. No one is immune to its direct or indirect effects, but ALICE families are particularly vulnerable to hardship from both illness and economic disruption.

We see the impact in children’s ability to engage in learning, parent’s ability to adapt to new working protocols, the impact on senior health and so much more.

ALICE, by the very definition, did not have funds available to them to survive this health and economic crisis. In order to ensure economic stability for all, we must prioritize our efforts to support ALICE households.

For more information on COVID-19 and ALICE visit uwnys.org/ALICE
Why is Helping ALICE Important?
Raising Everyone Above the Threshold

In addition to the economic benefits to the state if all households had income above the ALICE Threshold, there would be a significant number of positive changes for families and their communities. The chart below outlines the improvements that all New York families and their communities would experience if policies were implemented that moved all households above the ALICE Threshold.

Sources: ALICE Threshold, 2018; American Community Survey, 2018; Internal Revenue Service—1040, 2018; Internal Revenue Service—EITC, 2018; Internal Revenue Service—FICA, 2019; McKeever, 2018; National Association of State Budget Officers, 2019; Office of Management and Budget, 2019; Scarboro, 2018; Tax Foundation, 2018 and 2019; U.S. Department of Agriculture—SNAP, 2019; Urban Institute, 2012; Walczak, 2019. For methodology and full report visit UnitedForALICE.org
HOW YOU CAN HELP

JOIN UNITED WAY AS AN AMBASSADOR FOR ALICE
Please join your United Way in advocating for ALICE and finding ways to achieve financial stability for all households in New York State.

HOW WE CAN HELP ALICE TOGETHER
What ALICE needs is a way to increase income and/or reduce expenses: Affordable housing, sources of healthy, affordable food, transportation, child care, support for ill/elderly relatives, loans, and access to good jobs.

Raise Awareness about ALICE
- Tell ALICE’s story to your colleagues, neighbors, friends, family, and in your places of worship.
- Share ALICE information with your network of friends on social media. Use #UnitedForALICE to connect with others taking a stand for ALICE.

Advocate for ALICE
- Work to change policies to help ALICE with affordable housing, child care, transportation, education, better jobs, etc.
- Ensure ALICE Households receive focused attention for any long-term COVID-19 recovery and rebuilding efforts.
- Ensure that ALICE has access to information about health and human services through 2-1-1.

Volunteer
- Become a volunteer tax preparer.
- Tutor a child, especially in reading proficiency which predicts later success.

Donate
- Give to United Way and the programs that provide ALICE with a needed helping hand during times of crisis.

You Can Make a Difference
Each individual action you take will help increase public awareness about ALICE. When combined with similar actions taken by others, our collective effort will help rebuild the ladder of opportunity for thousands of ALICE families living in New York.

Thank you for helping spread the word about ALICE.