

# DO YOU KNOW ALICE®?

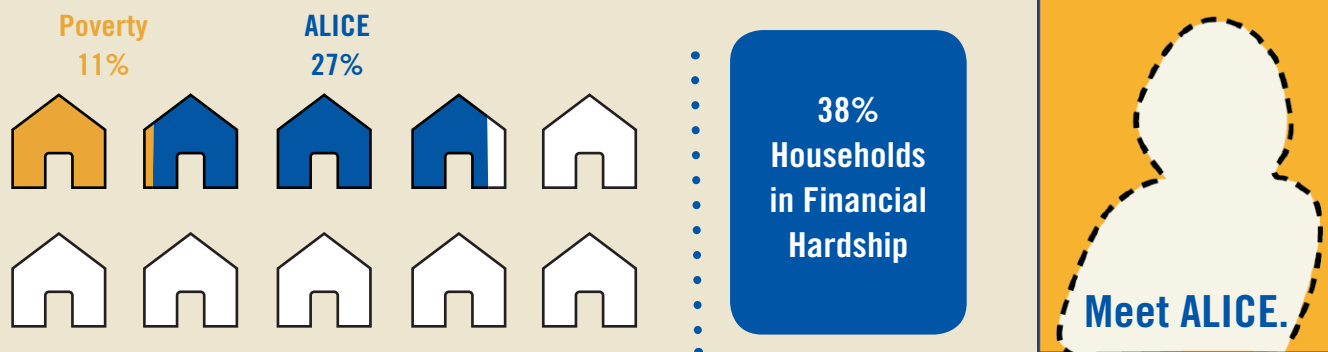
ASSET LIMITED, INCOME CONSTRAINED, EMPLOYED



## Shining a Light on Financial Hardship in Connecticut - 2016 ALICE Update

In Connecticut, more than 1 in 4 households have earnings above the Federal Poverty Level but below a basic cost-of-living threshold. Despite working hard, these households struggle to make ends meet. United Way calls this demographic **ALICE**, an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.

The updated 2016 United Way ALICE Report documents the challenges facing ALICE families throughout our state, shining a light on this hidden population.



Combined, ALICE and Poverty households comprise 38% of all households in the state, revealing that more than 1 in 3 Connecticut households cannot afford basic needs such as housing, child care, food, health care and transportation.

### ALICE HOUSEHOLDS WORK HARD BUT STRUGGLE TO PAY THE BILLS

Connecticut has a higher percentage of affluent individuals and families than most other states which often overshadows the fact that too many of our residents face a very different reality. The 2016 ALICE Update takes a closer look at ALICE households across demographic lines. ALICE is our neighbor, friend and family member.

**Connecticut United Ways**

<http://alice.ctunitedway.org>

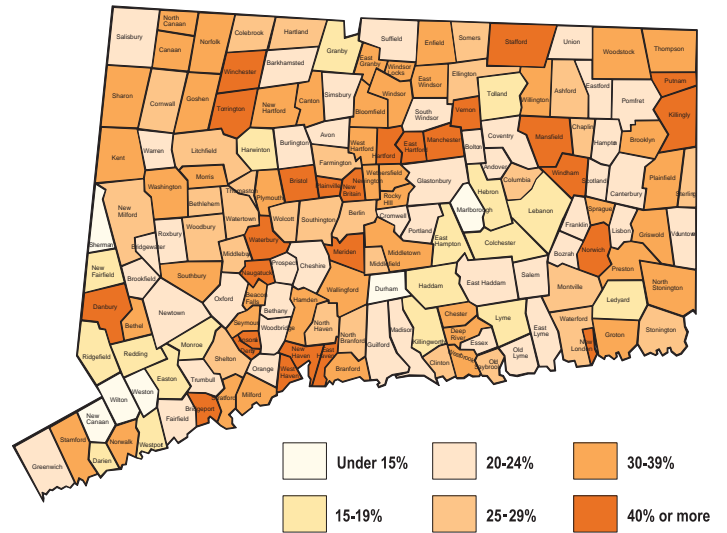


## PUTTING A FACE ON ALICE

In Connecticut there are more than **360,000 households with income above the Federal Poverty Level but below the state’s basic cost-of-living threshold as defined in the 2016 ALICE Update**. ALICE households make up 20% or more of all households in two-thirds of Connecticut’s cities and towns.

**ALICE workers are nursing assistants, childcare workers, home health aides, car mechanics, security guards, teacher assistants, store clerks, office assistants and many more – workers essential to every community’s success, but who struggle to survive on what these jobs pay.**

## % OF ALICE AND POVERTY HOUSEHOLDS BY TOWN



### WALK IN ALICE’S SHOES



With one click, you can walk in the shoes of a struggling ALICE family.

Can you survive 30 days?  
[www.MakingToughChoices.org](http://www.MakingToughChoices.org)



### “MAKING TOUGH CHOICES” ALICE SIMULATOR

ALICE makes tough choices every day. Put yourself in the shoes of a typical ALICE household. Follow this link: [www.makingtoughchoices.org](http://www.makingtoughchoices.org) to experience the tough choices that ALICE households face daily.

## TRENDS IMPACTING ALICE HOUSEHOLDS

The 2016 ALICE Update identifies new trends that impact ALICE in the workplace and present further challenges and opportunities for ALICE households in the future.

Advances in technology create the potential for some jobs to become obsolete as well as new opportunities in evolving jobs and careers.

The increase in on-demand or project-to-project jobs has given rise to the “gig economy.” While these on-demand positions may create new employment opportunities, they offer ALICE workers limited job security, no benefits, fluctuating hours and unreliable wages.

Asset limited is a defining characteristic of ALICE. Thirty-nine percent of Connecticut households lack the liquid assets necessary to survive a financial shock. This vulnerability means that a medical emergency or unexpected car repair has the potential to cripple an ALICE household.

You can learn more about these trends in the 2016 ALICE Update available at [alice.ctunitedway.org](http://alice.ctunitedway.org).

## WHY MANY WORKING FAMILIES STILL STRUGGLE FINANCIALLY

### CONNECTICUT'S COST OF LIVING

Between 2007-2014 the cost of basic household necessities increased by 14% placing additional financial burdens on ALICE households. The cost of living continues to increase faster than many workers' wages, leaving ALICE households with many tough financial choices.

The **Household Survival Budget**, a tool used to assess financial hardship for ALICE, continues to rise. Based on the Household Survival Budget, it now costs \$70,778 for a family of four to afford the essentials in Connecticut. Child care and housing account for almost 48% of most ALICE families household budget.

### WHAT IS THE HOUSEHOLD SURVIVAL BUDGET?

The Household Survival Budget uses the minimum cost option for each of the five basic necessities – Housing, Child Care, Food, Transportation and Health Care – to develop a monthly budget that covers the essentials plus taxes and a 10% miscellaneous contingency. It is a conservative estimate of the monthly costs to get by, and does not account for savings or large emergency expenses.

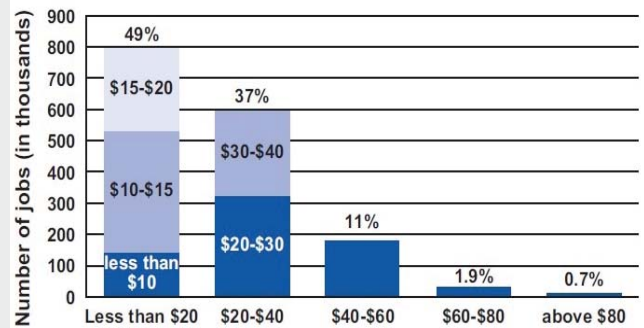
Household Survival Budget in Connecticut		
MONTHLY EXPENSES	SINGLE ADULT	FAMILY OF FOUR*
Housing	\$776	\$1,156
Child Care	\$0	\$1,629
Food	\$202	\$612
Transportation	\$332	\$661
Health Care	\$143	\$573
Miscellaneous	\$172	\$536
Taxes	\$263	\$732
Monthly Total	\$1,888	\$5,899
<b>Annual Total</b>	<b>\$22,656</b>	<b>\$70,788</b>
<b>Hourly Wage</b>	<b>\$11.33</b>	<b>\$35.39</b>

\*A family of four is two adults, one toddler and one infant.

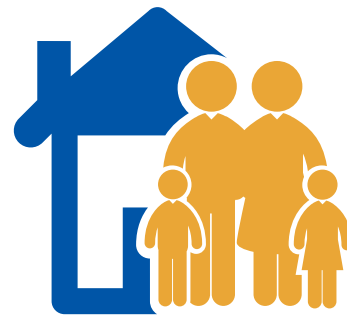
## WHAT CONNECTICUT WORKERS EARN

A single adult would need a full-time job earning \$11.33 per hour and a family of four would need full-time work with an hourly wage of \$35.39 to afford the basics.

**Even with one of the highest median hourly wages in the country, 49 percent of jobs in Connecticut pay less than \$20/hour (\$40,000/year if full time).**



- 49 percent of jobs pay less than \$20 per hour with two-thirds of those paying less than \$15 per hour.
- 37 percent of jobs pay between \$20 and \$40 per hour.
- 11 percent of jobs pay between \$40 and \$60 per hour.



**Child care is the single largest expense for an ALICE family of four.**

It is **28%** of the Household Survival Budget.

## HOW CONNECTICUT UNITED WAYS ARE HELPING ALICE AND STRENGTHENING OUR COMMUNITIES

Shining a light on ALICE has served as a call to action for Connecticut's United Ways. Our United Ways continue to invest in programs and services and provide access to services that will help ALICE households overcome obstacles.

### CHILD CARE

Child care is the most expensive item for families in the ALICE Household Survival Budget. Last year, United Ways in Connecticut invested more than **\$8.5 million in child care and early learning**, increasing the availability of affordable quality child care.



### HOUSING

Housing often consumes more than 30% of an ALICE household's budget. Last year, United Ways in Connecticut invested more than **\$1.3 million in housing and homeless prevention work**.



### STRIDES TOWARDS FINANCIAL SECURITY

Connecticut United Ways invested more than **\$1.5 million in financial stability work** that helps families file their taxes through VITA and My Free Taxes, manage their budgets, build assets, and secure available tax credits (such as the Earned Income Tax Credit). Earned Income Tax Credits along with other credits secured through taxes filed with the help of United Way-supported Volunteer Income Tax Assistance sites **returned nearly \$40 million to low-income working families** at no cost to the tax filer.



### ACCESS TO SERVICES

United Way 2-1-1 helps ALICE by connecting people with financial supports, housing resources, quality child care, and assistance with basic needs. United Way 2-1-1 is Connecticut's 24/7 access to a range of health and human services. Last year (2015), 2-1-1 responded to 353,936 service requests from Connecticut residents. The top three requests were for help with family supports, housing and utilities.



### WHAT YOU CAN DO TO HELP ALICE

## GIVE.

In addition to supporting child care, housing and financial security, Connecticut United Ways allocated **more than \$5 million last year to a variety of basic needs programs** and services to fill the gaps so that ALICE families get through short term financial emergencies and avoid falling into poverty. Please give to your local United Way.

## ADVOCATE.

United Way **advocates long-term policy solutions** that can lead to more financial security for ALICE by engaging with businesses, government agencies, other nonprofits, the faith-based community, and civic leaders and people who want to help. During tough economic times in our state, United Ways have worked to ensure that the supports for ALICE families most vulnerable to state budget reductions are affected the least.

## VOLUNTEER.

United Ways in Connecticut engage **thousands of volunteers** in their communities bringing people together to help ALICE families file taxes and secure tax refunds, improve grade level reading and financial literacy, reduce homelessness and hunger, and advocate for quality, affordable child care.

Contact your local United Way to find out about volunteer opportunities to help ALICE households or give to United Way's Community Impact to support ALICE families in your community. You can find the Connecticut United Way nearest to where you live or work at <http://alice.ctunitedway.org/about/>.