

## ALICE

Asset Limited, Income Constrained, Employed – a household with income above the Federal Poverty Level but below a basic cost-of-living threshold. United Ways in Connecticut, along with United Ways in seventeen other states have released state reports to shed light on the growing number of working families who struggle financially.

## UNITED WAY AND ALICE

- United Ways in eighteen states across the country from Florida to the Pacific Northwest, from Louisiana to Wisconsin have joined the ALICE initiative.
- Currently, there are a number of reports and studies that investigate different aspects of growing financial insecurity across the nation. The ALICE initiative is unique in three ways:
  1. We work to “put a face on ALICE” – because ALICE works in many jobs that our communities rely on and ALICE can be our neighbor, our friend, our co-worker, or our family.
  2. We are engaging people from all walks of life to understand better what it’s like to walk in ALICE’s shoes, having to make tough choices every day. (We developed an online simulator available to anyone to experience the tough decisions families in Connecticut are making every day, [www.MakingToughChoices.org](http://www.MakingToughChoices.org)).
  3. United Ways are identifying and executing solutions which can lead to financial security for ALICE families.

## CORE STATISTICS

- Despite working hard, 30% of Connecticut households (404,000) have earnings above the federal poverty line but under a basic cost-of-living threshold. United Way calls these households ALICE.
- Combined with those in poverty, 40% of Connecticut households cannot afford the basics of housing, food, health care, child care, and transportation (538,529 households).
- It now costs nearly \$78,000/year for a family of four with 1 infant and 1 toddler to pay for the basic needs in the ALICE Household Survival Budget.
- The report maps out where ALICE families live, demonstrating that ALICE lives in every city and town in Connecticut. In every city and town in the state, at least 10% of households are ALICE households.
- 55% of jobs in Connecticut pay \$20/hour or more, which is among the highest in the country, but only one of the top 20 occupations in Connecticut (in terms of number of jobs) pays enough to support the ALICE Household Survival Budget for a family of four.
- In Connecticut, almost half of households do not have the savings to cover three months of living expenses, risking a real financial spiral in the event of a typical family emergency (illness, car breakdown, appliance replacement, etc).

## WHAT CAN WE LEARN FROM THE ALICE UPDATE REPORT?

- More families continue to struggle to make ends meet in Connecticut.
- The Household Survival Budget in Connecticut continues to increase. A big part of ALICE’s story in Connecticut is our high cost of living compared to many other places.
- Wages for many jobs experiencing the most growth in Connecticut are not keeping up with the cost of living in Connecticut for many households.

### Trends Highlighted in the new ALICE Report:

- Changing composition of households and lifestyle choices are part of the ALICE story.
- Differences in financial security by age, race and ethnicity persist, creating challenges for ALICE families.

- The growth in the “gig” economy and on-demand employment is shifting more financial risk to workers and ALICE households.
- ALICE families are more vulnerable to an unexpected emergency, because it is becoming more difficult to save and build assets.
- The wealth-health gap in America leads to health insecurity.

## **WHAT ARE CONNECTICUT UNITED WAYS DOING FOR ALICE?**

Local United Ways invest in programs and services that help provide financial security and new opportunities to ALICE now and in the long run.

- Connecticut’s United Ways are helping working families to increase their financial security by building a life-long habit of saving. United Ways are promoting SaverLife Connecticut, which combines a goal-based savings incentive program with motivational digital financial coaching and online resources.
- Connecticut’s United Ways are working to help ALICE families build their assets and savings by supporting tax preparation at VITA sites where eligible families can secure tax credits (EITC, CTC) and begin saving, and through financial education and budget coaching.
- United Ways in Connecticut engage thousands of volunteers in their communities bringing people together to help improve grade level reading and financial literacy, reduce homelessness and hunger, and advocate for quality, affordable child care.
- United Ways advocate for long-term policy solutions that can lead to more financial security for ALICE.
- United Ways engage with businesses, government agencies, other nonprofits, the faith-based community, civic leaders and all people who want to work toward individual and communitywide solutions that lead to more financial security for ALICE households.