

Embargoed Release

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New Report: 4 out of 10 Families in Connecticut Struggle to Pay for Basic Needs ***2018 ALICE Report Explains What's Fueling this Increase as United Ways Across the State Offer Proven Strategies to Move these Families Toward Financial Security***

According to the 2018 ALICE Report for Connecticut, 40% of households in our state have income which falls below what is needed to pay for basic necessities of housing, food, child care, health care, technology, and transportation.

ALICE, stands for – **A**sset **L**imited **I**ncome **C**onstrained **E**mloyed. United Ways in Connecticut and seventeen other states are promoting the ALICE initiative to place a spotlight on a large population of residents who are working, but have difficulty affording a basic Household Survival Budget. The new ALICE Report uses data from a variety of sources, including the U.S. Census and the American Community Survey to quantify the number of households in Connecticut's workforce that are struggling financially.

The new ALICE Report on financial hardship takes a deeper look at the growing financial challenges that require more and more working and middle class families to make tough choices every day as they manage their household budget. Consider these findings in the new ALICE Report:

- Despite working hard, 30% of Connecticut households (404,035) 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, technology and transportation (538,529 households).
- It costs nearly \$78,000/year for a family of four with 1 infant and 1 toddler to pay for the basic needs in the 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.
- 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.).

In addition, the new ALICE Report reveals the following trends affecting ALICE:

- 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 changing composition of households are part of the ALICE story.
- The wealth-health gap in America leads to health insecurity.

And the new ALICE Report provides many more insights into the causes and consequences of financial hardship.

The ALICE Report recommends both short-term and long-term strategies to help ALICE families and strengthen our communities. Connecticut's United Ways are responding to provide a hand up for ALICE households through a number of these short-term and long-term strategies.

- 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 digital financial coaching and online resources.
- 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 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 anyone who wants to work toward individual and community wide solutions that lead to more financial security for ALICE households.

The Connecticut ALICE Report was funded by the 16 Connecticut United Ways. For more information or to find data about ALICE in local communities, visit <http://alice.ctunitedway.org>.

In addition, an online simulator is also available to experience the financial challenges that ALICE households in Connecticut face every day at www.MakingToughChoices.org.

About Connecticut United Ways

Connecticut United Ways advance the common good by creating opportunities for all, with a particular focus on education, income/financial security, health, and basic needs – the building blocks for a good quality of life. We engage people and organizations throughout our communities who bring passion, expertise, and resources needed to get things done, and we invite everyone to be part of the change.

EMBARGOED COPY OF UPDATED ALICE REPORT AVAILABLE TO MEDIA

To read an embargoed copy of the report and view state and municipal data on ALICE households and to learn more about how this financial hardship affects ALICE families and our communities, visit <http://alice.ctunitedway.org/press>. The case sensitive password is **CTALICE2018**.

MEDIA CONFERENCE CALLS

There will be two statewide conference calls for the media at 11:00 a.m. on Tuesday, August 28th and at 11:00 a.m. on Wednesday, August 29th. The call-in number for both calls is 1-800-719-7514 and the access code is 527533.

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