

THE ALICE HOUSEHOLD SURVIVAL BUDGET



Connecticut United Ways

ALICE is a data-driven approach to provide reliable and realistic information on the cost of living specific to each state.



The ALICE Household Survival budget reflects conservative estimates of the cost of household essentials, calculated to reflect **real costs** in Connecticut.

The monthly budget is the bare bones cost to live and get by. It is not sustainable over time, and it is not meant to be a recommended budget.

Most importantly, the ALICE Household Survival Budget does not allow for any savings or cushion for emergencies, leaving a family vulnerable to any unexpected expense, such as a costly car repair, natural disaster, or health issue.

Before the pandemic, 38% of Connecticut households were ALICE, meaning that their regionally adjusted household incomes and expenses were at or below the Survival Budget.

The ALICE Household Survival Budget includes household essentials – housing, child care, food, transportation, health care, and technology, plus taxes and a 10% contingency (miscellaneous expenses).

Out of Reach: The Cost of Raising a Family in Connecticut

Connecticut's high cost of living is a big part of the **ALICE** story, especially the cost of housing and child care.

The featured ALICE Household Survival Budget includes average statewide costs calculated for a household of two adults, one infant, and one preschooler.

Taking inflation into account, the updated Survival Budget increased by more than 22%, or \$20,000, for a family of four.

The cost of basic needs rises faster than non-essentials and wages. The 2020 ALICE Survival Budget, conservatively adjusted for inflation to reflect 2022 buying power, experienced an 18% increase in household essentials, except child care, which increased by 35%.

2020 ALICE Survival Budget

	Two Adults, 1 Infant, 1 Preschooler (2018 Data)	Family's Expenses in 2022*
Housing	\$1,310	\$1,549
Child Care	\$1,857	\$2,498
Food	\$936	\$1,108
Transportation	\$826	\$977
Health Care	\$742	\$878
Technology	\$75	\$89
Miscellaneous	\$687	\$813
Taxes	\$1,122	\$1,327
Monthly Total	\$7,555	\$9,239
Annual Total	\$90,660	\$110,868
Hourly Wage	\$45.33	\$55.43

**Based on the US Bureau of Labor Statistics CPI Inflation Calculator; adjusted child care expense calculated using CT Office of Early Childhood, 2022 Early Care and Education Market Rate Survey*

What does it take to manage an **ALICE** budget? Try it at makingtoughchoices.org.

ALICE FAMILY SURVIVAL BUDGET

The ALICE Household Survival Budget is the bare minimum cost of household basics necessary to live and work in the modern economy. These basic budget items include housing, child care, food, transportation, technology, and health care, plus taxes and a contingency fund (miscellaneous) equal to 10% of the household budget.

Adding It Up: The ALICE Household Survival Budget

HOUSING

It is challenging if not impossible for **ALICE** households to find housing at or below the 40th percentile of what HUD deems Fair Market Rent — the basis for the rent portion of the Housing calculation.



CHILD CARE

While family child care homes are the least expensive registered child care option, availability is limited in many communities, which means that **ALICE** households often pay more, travel further, or sacrifice quality and safety.



TRANSPORTATION

Several factors can increase transportation costs for **ALICE** families above the amount budgeted, including higher maintenance costs due to older vehicles and higher borrowing costs that result from low credit scores.



- **Housing:** The housing budget is based on HUD's Fair Market Rent for a two-bedroom apartment, plus utility costs (electricity, gas, water/sewer, and trash removal services, but not telephone or Internet service).
- **Child Care:** The child care budget is for registered family child care homes for one infant and one toddler as reported in each state's market rate survey, with costs presented at the 75th percentile.
- **Food:** The food budget is based on the Thrifty Level (lowest of four levels) of the USDA Food Plans for a family of four with two adults, an infant and toddler.
- **Health Care:** Includes employer-sponsored health insurance premiums and out-of-pocket costs, co-pays and medical services and supplies not covered by insurance, as well as a conservative 30% overage that recognizes the poorer health of many lower-income households.
- **Technology:** The cost of the cheapest available smartphone plan, but not the phone itself, is included for each adult, acknowledging that Smartphones have become an essential part of life and essential to work in the U.S.
- **Miscellaneous:** The miscellaneous category includes 10% of the budget total as a provision for unforeseen cost increases in these budget items.
- **Taxes:** The tax budget includes payroll taxes and federal and state income taxes, including standard federal and state deductions and exemptions, based on the average of the tax rates of the income brackets that apply to the Household Survival Budget.

If you have questions or would like to discuss this policy agenda, please contact:

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For additional information, visit alice.ctunitedway.org.