

# EXECUTIVE SUMMARY: 2023 ALICE REPORT

Connecticut United Ways are pleased to share with you the findings from *ALICE in the Crosscurrents* – a data-driven, comprehensive research report that provides a look at financial hardship for households across Connecticut that are ALICE -- **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed. The 2023 ALICE report offers an important opportunity to understand who is struggling and why and the specific ways COVID-19 has impacted our economy.



## KEY FINDING 1

### Financial hardship continues to grow in Connecticut.

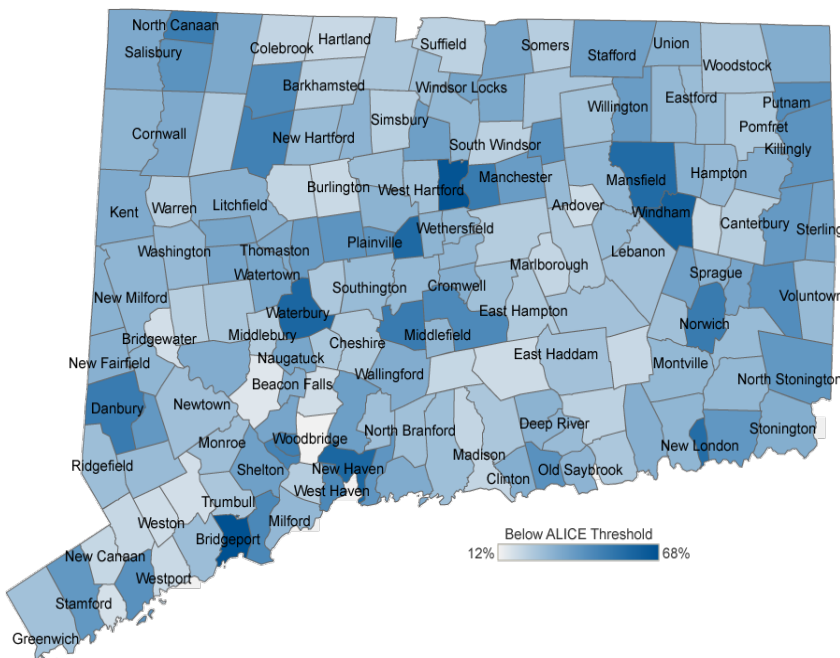
Of the 1.4 million households in Connecticut, **552,710 – or 39% – had income below the ALICE Threshold of Financial Survival** in 2021; more than 54,000 additional households compared to 2019.

ALICE households live in every community in Connecticut. In some communities, that percentage is as high as 68%.

The Household Survival Budget adjusts for geography and household composition. View more household compositions and maps by county, town, and legislative district at [Unitedforalice.org/Connecticut](https://Unitedforalice.org/Connecticut).

### CONNECTICUT KEY FINDINGS:

- 1 Financial hardship of CT households continues to grow.
- 2 The problem: a mismatch between wages and the costs of basics.
- 3 Racial and gender disparities persist.
- 4 Pandemic-related enhancements to federal benefits have expired – increasing the strain.
- 5 The rising costs of household essentials is putting financial stability further out of reach.



The problem: mismatch between wages and the cost of basics.

Why are so many working families in Connecticut struggling financially?

The crux of the problem is a mismatch between earnings and the costs of basics. For example, 43% of cashiers (a common occupation in Connecticut) were below the ALICE Threshold in 2021. Earning a median wage of \$13.80/hour, these workers could not even afford a Household Survival Budget for one person employed full-time.



The ALICE Household Survival Budget provides the **bare minimum cost of essentials** by household composition, in every county.

The Household Survival Budget includes only the necessities to live and work in the modern economy. Most notably, it does not include savings or debt service.

The Connecticut Household Survival Budget for a family of four with two working parents, one infant and one toddler, shows the difference in the budget with pandemic-related enhanced federal benefits, like the temporarily increased federal Child Tax Credit and Child and Dependent Care Credits included, and with the credits removed. Those important benefit enhancements expired in 2021; a loss of more than \$15,000 for an eligible family with two children.

Connecticut Household Survival Budget 2021		
Monthly Costs	Single Adult	2 Adults 1 Infant 1 Preschooler
Housing – Rent	\$801	\$1,111
Housing – Utilities	\$154	\$292
Child Care	-	\$2,188
Food	\$499	\$1,360
Transportation	\$357	\$834
Health Care	\$241	\$815
Technology	\$75	\$110
Miscellaneous	\$213	\$671
Tax Before Credits	\$420	\$1,505
<b>Monthly Total</b>	<b>\$2,760</b>	<b>\$8,886</b>
<b>ANNUAL TOTAL Before Credits</b>	<b>\$33,120</b>	<b>\$106,632</b>
<b>Full-Time Hourly Wage*</b>	<b>\$16.56</b>	<b>\$53.32</b>
Tax Credits (CTC and CDCTC)	-	(\$15,204)
<b>ANNUAL TOTAL with Credits</b>	<b>\$33,120</b>	<b>\$91,428</b>
<b>Full-Time Hourly Wage</b>	<b>\$16.56</b>	<b>\$45.71</b>

Traditional public assistance does not reach all people in households that are struggling financially. Due to income and assets limits, most ALICE households are not able to participate in public assistance. For example, only 12% of people living below the ALICE threshold in CT received TANF or General Assistance support in 2021.

\*Hourly wage needed, for one worker or for two workers, to cover the Household Survival Budget working full-time (40 hours per week, 50 weeks per year).

## KEY FINDING

### 3

## Racial and gender disparities persist.

### ALICE IN CONNECTICUT

57% of Hispanic households	were below the ALICE Threshold.
54% of Black households	
68% of single-female-headed households	struggled to make ends meet.
50% of single-male-headed households	
The youngest (under age 25)	faced the highest rates of hardship.
The oldest (age 65+)	

Rates of financial hardship in Connecticut differed substantially by race and gender. Disparities are a result of multiple factors including persistent racism, gender discrimination and geographic barriers.

In many cases, the pandemic exposed and exacerbated disparities and vulnerabilities that have long existed in our society, with substantial differences in rates of hardship by race/ ethnicity, age, and household composition.

In Connecticut in 2021, Black and Hispanic households, young households, and single-parent households had the highest rates below the ALICE Threshold. White and Asian households, working-age households, and married-parent households had the lowest rates below the Threshold.

## KEY FINDING

### 4

## Pandemic-related enhancements to federal benefits have expired – increasing the strain.

In 2021, the enhanced federal Child Tax Credit and Child and Dependent Care Tax Credit contributed \$15,204 to the household budget of two working adults with one infant and one toddler.

The Federal Poverty Level (FPL), often obscures the true extent of financial hardship for Connecticut households. For example, in 2021 the Household Survival Budget for a single adult was more than twice the FPL, and for a family of four with two children, four times the FPL.



# KEY FINDING

# 5

## The rising costs of household essentials is putting financial stability further out of reach.

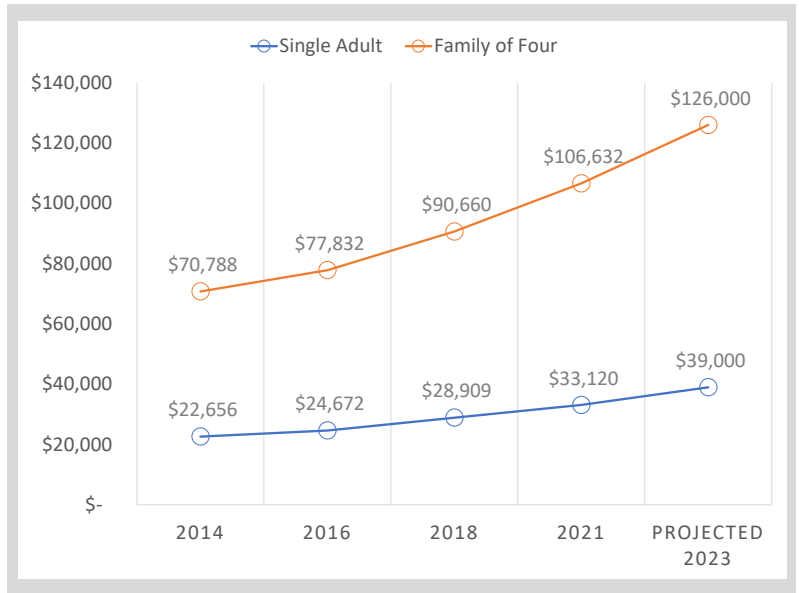
With the cost of basics climbing higher and ALICE wages failing to keep up, workers have lost buying power.

*For a retail salesperson in Connecticut, that loss over 15 years equates to nearly \$42,500 – more than a full year’s earnings.*

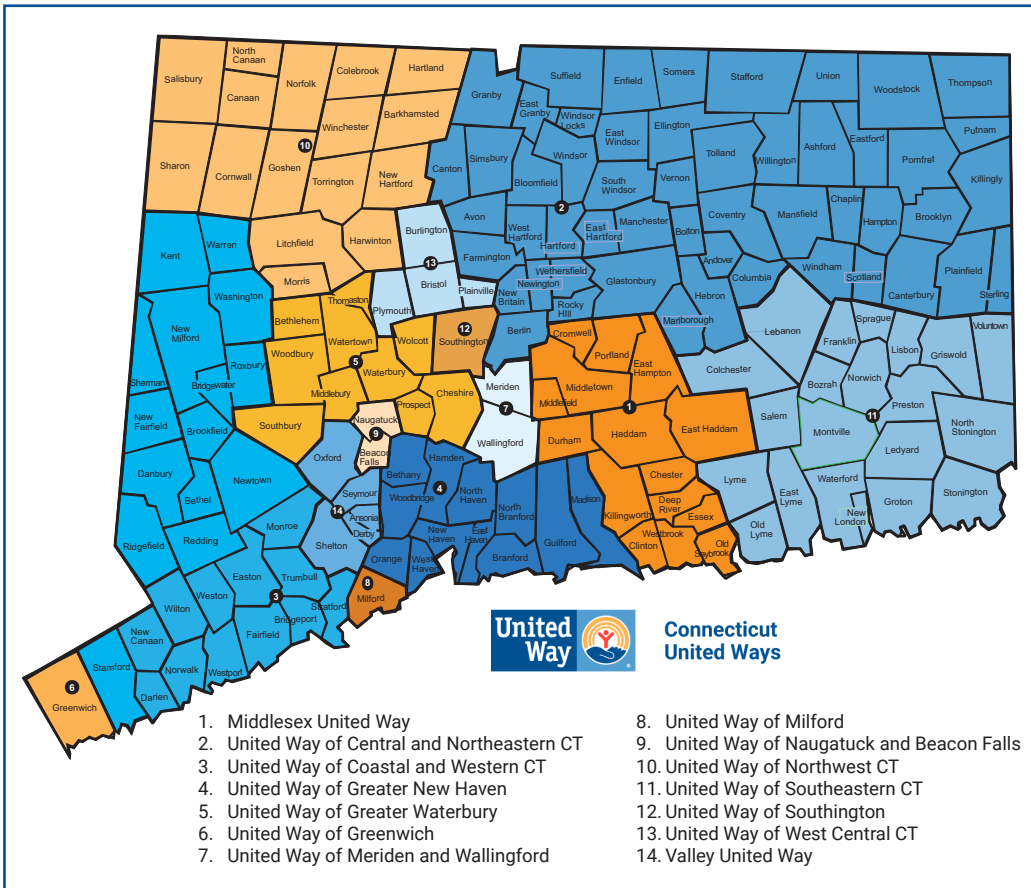
The ALICE Essentials Index, which measures change over time in the cost of household essentials, **projects an 18.2% statewide increase** in the Household Survival Budget from 2021 to 2023 (before taxes).

For the average Connecticut household, depending on the available tax credits, the costs of basics in 2023 could be as high as **\$126,000** for a family of four and **\$39,000** for a single adult.

**Connecticut ALICE Household Survival Budget Over Time**



Learn more at [unitedforalice.org/essentials-index](http://unitedforalice.org/essentials-index).



### CONNECTICUT UNITED WAYS STAND WITH ALICE

Connecticut United Ways use their local presence to build stronger, more resilient and more equitable communities where everyone can thrive. We work to improve the health, education and economic mobility of every person in every community we serve. Find your local United Way at [ctunitedway.org/ctunitedway.org](http://ctunitedway.org/ctunitedway.org).

**To learn more and download the full Connecticut ALICE Report, go to <http://alice.ctunitedway.org>.**