



# **You Can't Fix What You Don't Measure: Learning about ALICE**

Dan Treglia, PhD (SURPRISE!!!)

ALICE Research Fellow & University of Pennsylvania Postdoctoral Fellow

United Ways of Pennsylvania Summit

June 5, 2019



# The Story of ALICE

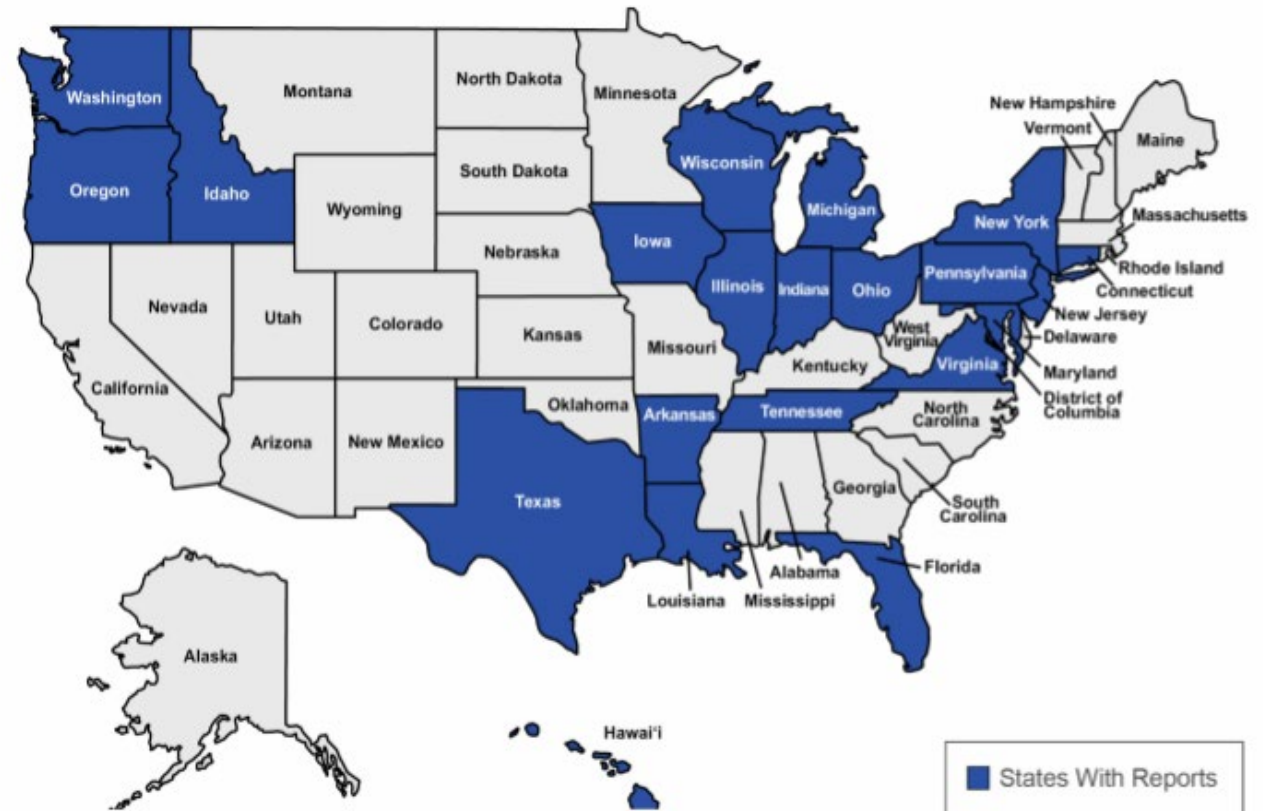
**Where we started:** Morris County, New Jersey

**What we discovered:** A hidden population struggling to make ends meet

**ALICE:** Asset-Limited, Income Constrained, Employed

**Where we are now:** Begun in 2007, we now have a grassroots movement to change the national dialogue about financial hardship that includes United Ways, corporations, and foundations in 20 states

ALICE Reports in the United States







# ALICE Project goals

---

- **Become the standard measure** used by nonprofit, government, business, and academic institutions to define financial insecurity; **change the common vernacular** from “working poor” to “ALICE”
- Shift the public policy agenda from poverty and amelioration to **ALICE and systemic change** so that all families can meet their basic needs
- Recognize the **value of all jobs** by ensuring that all those who work to keep our local economies running **can support their families**
- **Enhance the work of state partners** by providing best practices around using the ALICE data, including for messaging, community impact, and emotionally connecting communities



# National recognition

- Updated all partner states and top line data for all 50 states and 3,000+ counties in US in 2018
- Extensive partnerships across NJ and partner states
  - RWJ grant to expand efforts in NJ
  - Governor Phil Murphy, NJ, has aligned his policy agenda around ALICE – Fall 2018
  - ALICE questions in 3 gubernatorial debates – Fall 2018
- Working with our first two states with non-UW leads – Winthrop Rockefeller Foundation in Arkansas, and Philanthropy Delaware in Delaware
- National allies
  - Urban Institute – Well-Being Survey with ALICE data
  - UPenn innovation lab – students incorporating data into research
  - NY Federal Reserve – ALICE and credit scores
- High level conversations
  - Changemakers Forum in New Jersey
- Biden Conference on the Middle Class – panel, paper, blog
- Women United



# Data driven policy

---

## The American Dream

- Belief that if you work hard, you can support your family
- 70 percent of Americans identify as Middle Class

## Policy is Failing Us

- Official measures (FPL) do not accurately measure financial need
- Focus on ameliorating literal poverty, rather than stability/need





# The Federal Poverty Level (FPL)

- A way to gauge need and evaluate program efficacy
- Developed by Mollie Orshansky, a Social Security Administration staff economist in 1963
- USDA Thrifty Food Plan x 3
- Became the standard in 1969



# Minding the Gaps

- Food x3 does not equal the cost of living
- Geographic inequality
- Sources of assistance excluded



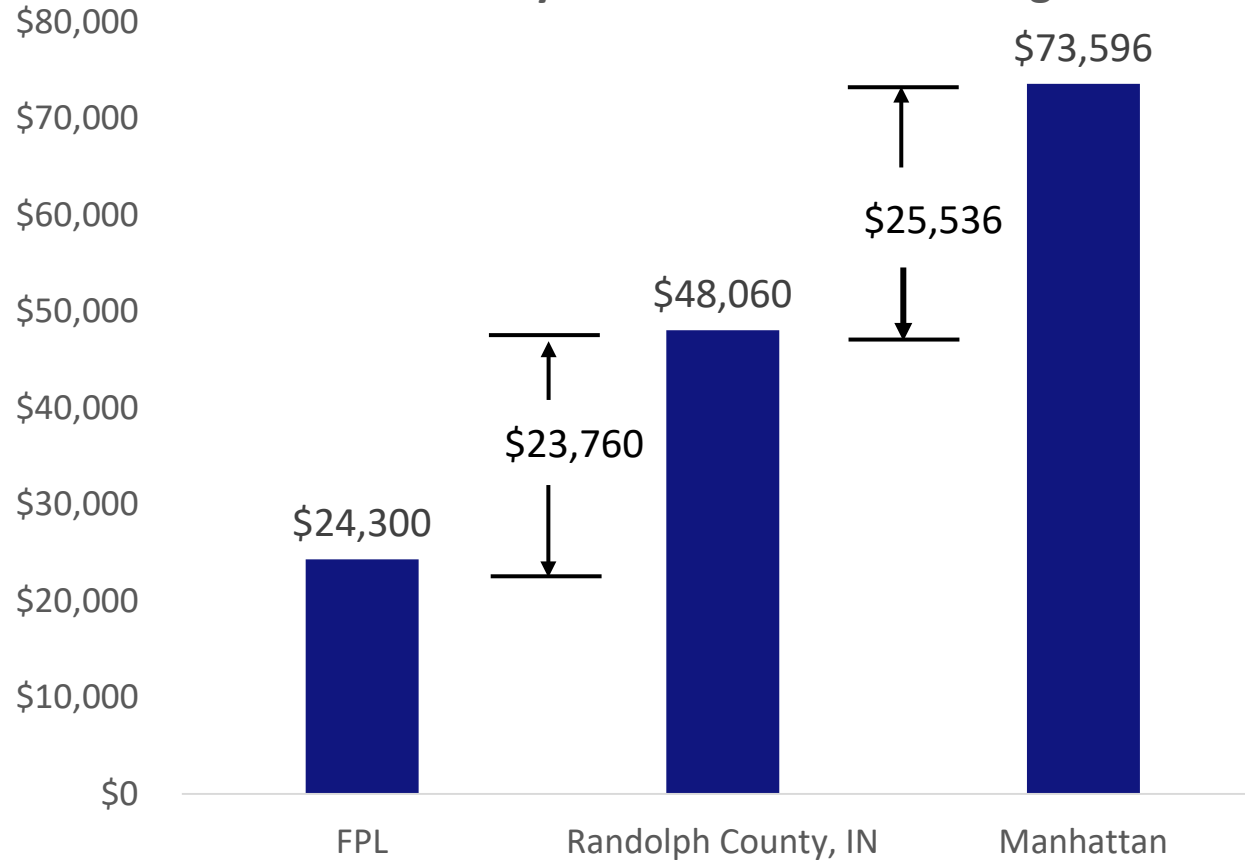


UNITED WE FIGHT.  
UNITED WE WIN.

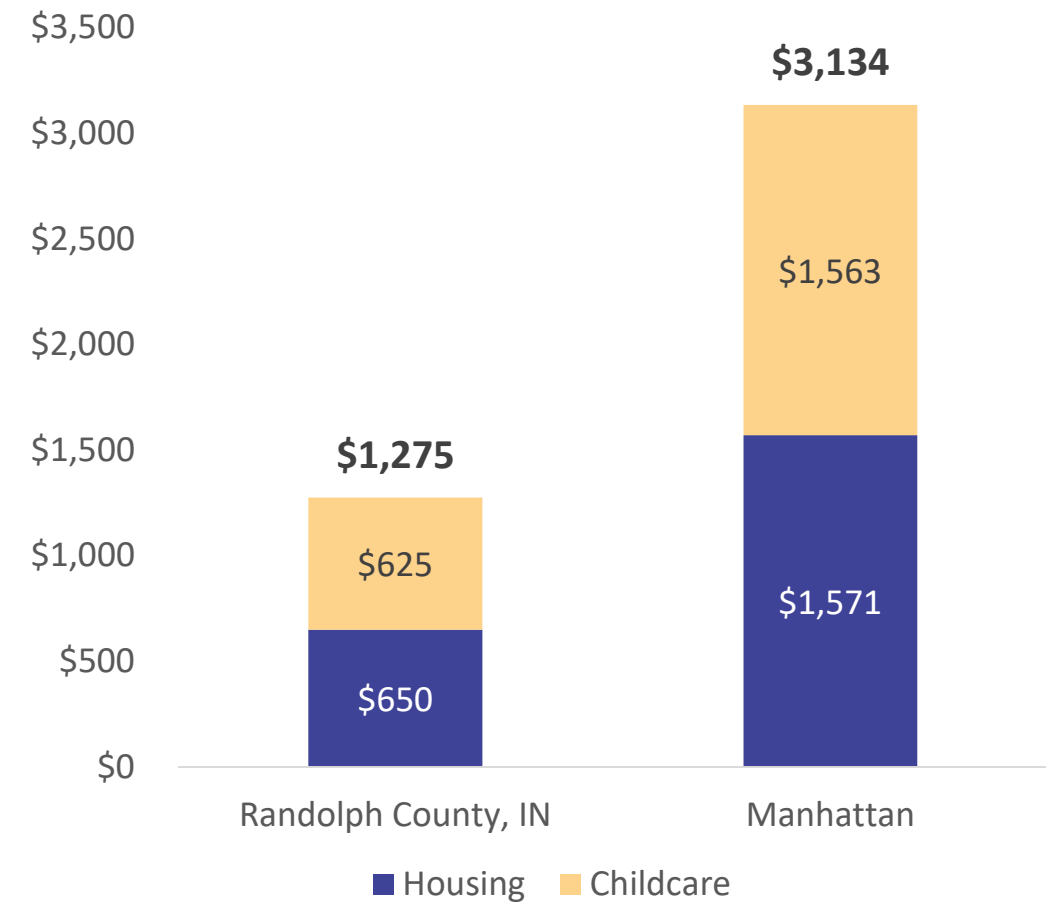
LIVE UNITED

# Minding the Gaps

## Federal Poverty vs. Actual Costs of Living



## Large Differences in Essential Expenses





# Impacts Framing & Policy

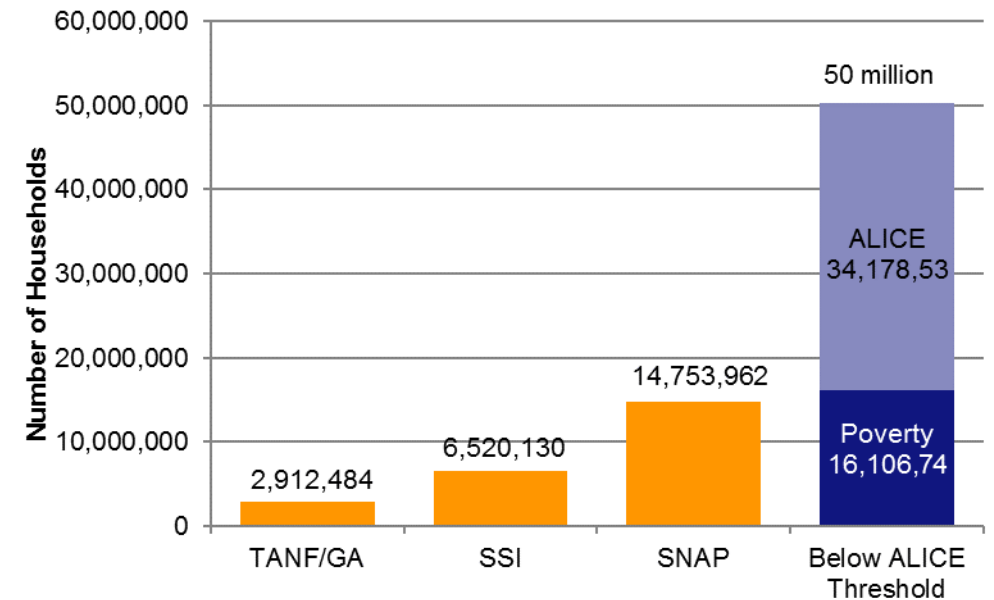
- Official Poverty Rate of 12.7% (U.S. Census Bureau, 2019)
- Policies that bring households just above FPL perpetuate instability
  - 40% of those who exit poverty return within 5 years



# Where public policy falls short

- Insufficient assistance to bring households to financial stability
- Many low-wage families are not eligible for government assistance
- Government assistance ends before families become stable
- Benefits are prescriptive, and not adaptive to a household's actual need

Households (under 65) by Benefits and Income Status, U.S., 2016



Source: American Community Survey, 2016; and ALICE Threshold, 2016





# Alternatives: Gov't & Others

- Supplemental Poverty Measure (SPM)
  - Includes food, shelter, clothing, and utilities
  - Excludes healthcare and childcare
  - Includes an estimate of government benefits not captured by the FPL
- Only a marginal increase in the rate of “poor” households
  - 14.0% SPM vs. 12.7% FPL





# Household Survival Budget

---

- **Housing:** HUD's Fair Market Rent (40th percentile)
  - **Child Care:** Registered Family Child Care Homes
    - Market Rate Survey
  - **Food:** Thrifty Level (lowest of four levels) of the U.S. Department of Agriculture (USDA) Food Plans – with regional variation
  - **Transportation:** Car expenses include gas and motor oil and other vehicle maintenance expenses from Consumer Expenditure Survey (CES).
  - **Health Care:** insurance, out-of-pocket health care spending, medical services, prescription drugs from Consumer Expenditure Survey (CES)
  - **Technology:** smart phone plan using Consumer Reports "Best Low-Cost Cell-Phone Plans"
  - **Miscellaneous:** 10 percent of the total (including taxes) to cover cost overruns.
-



# PA Research Advisory Committee

---

- William Calo, Penn State University
  - Vinny Cannizzaro, Author J. Glatfelter Institute for Public Policy
  - Scott Davis, Pennsylvania Housing Finance Agency
  - Paul Flora, Federal Reserve Bank of Philadelphia
  - Karen Grimm-Thomas, Pennsylvania Office of Child Development and Early Learning
  - James Huguley, University of Pittsburgh
  - Jonathan Johnson, Center for Rural Pennsylvania
  - Ben Marsh, Bucknell University
  - Steven Martinez, Community Action Association of Pennsylvania
  - Teri Ooms, The Institute for Public Policy and Economic Development
  - Adam Scavette, Paul Flora, Federal Reserve Bank of Philadelphia
- 
- Berwood A. Yost, Floyd Institute for Public Policy, Franklin & Marshall College



UNITED WE FIGHT.  
UNITED WE WIN.

LIVE UNITED

# SAMPLE Household Survival Budgets (NJ, 2014)

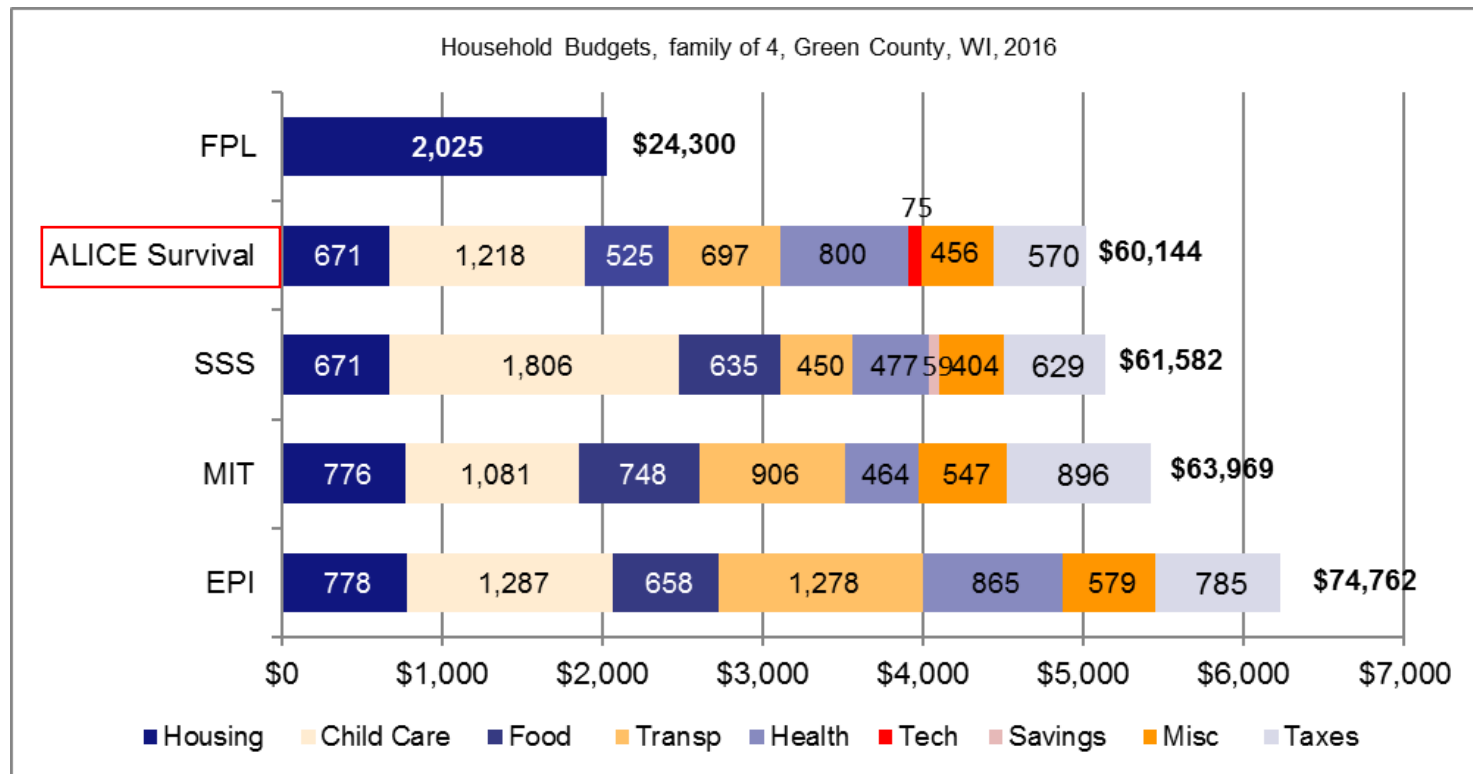
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
<b>Monthly Costs</b>		
Housing	\$898	\$1,257
Child care	\$—	\$1,374
Food	\$202	\$612
Transportation	\$289	\$565
Health care	\$139	\$557
Miscellaneous	\$184	\$486
Taxes	\$313	\$497
Monthly Total	\$2,025	\$5,348
<b>ANNUAL TOTAL</b>	\$24,300	\$64,176
<i>Hourly Wage*</i>	\$12.15	\$32.10

FPL = \$11,670 single adult; \$23,850 family  
NJ minimum wage: \$8.38/hour = \$16,760



# The Household Survival Budget

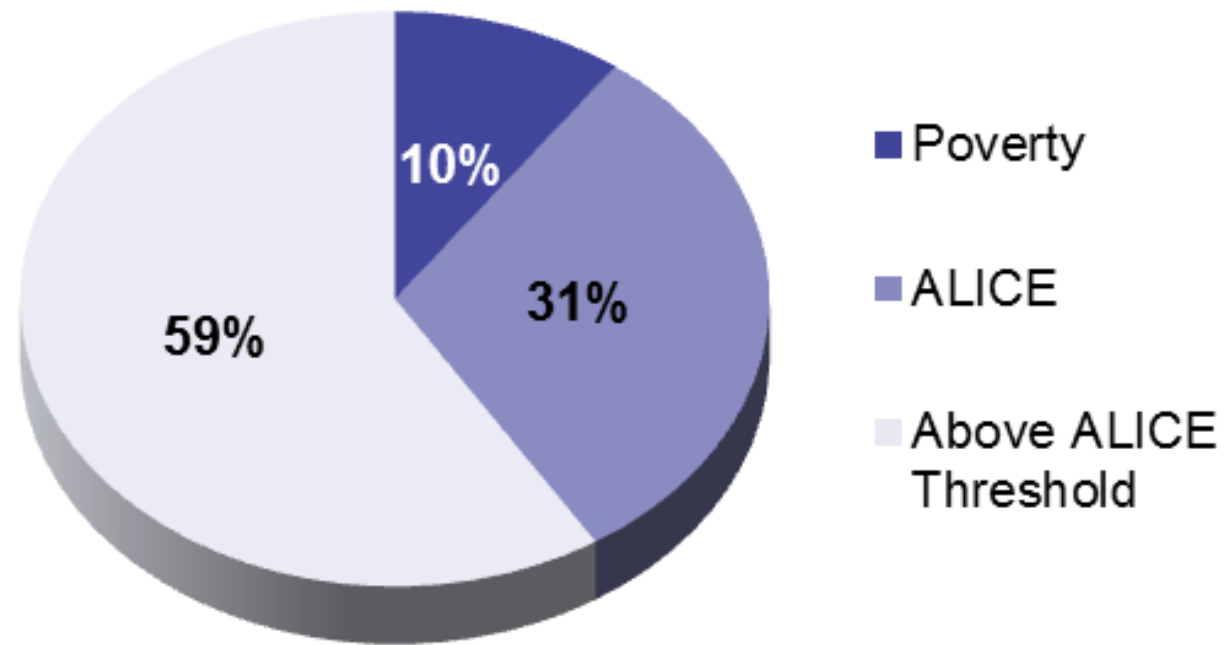
- Bare minimum costs to live and work in the modern economy
- Realistic, but not aspirational or stable
- Individualized for each US county





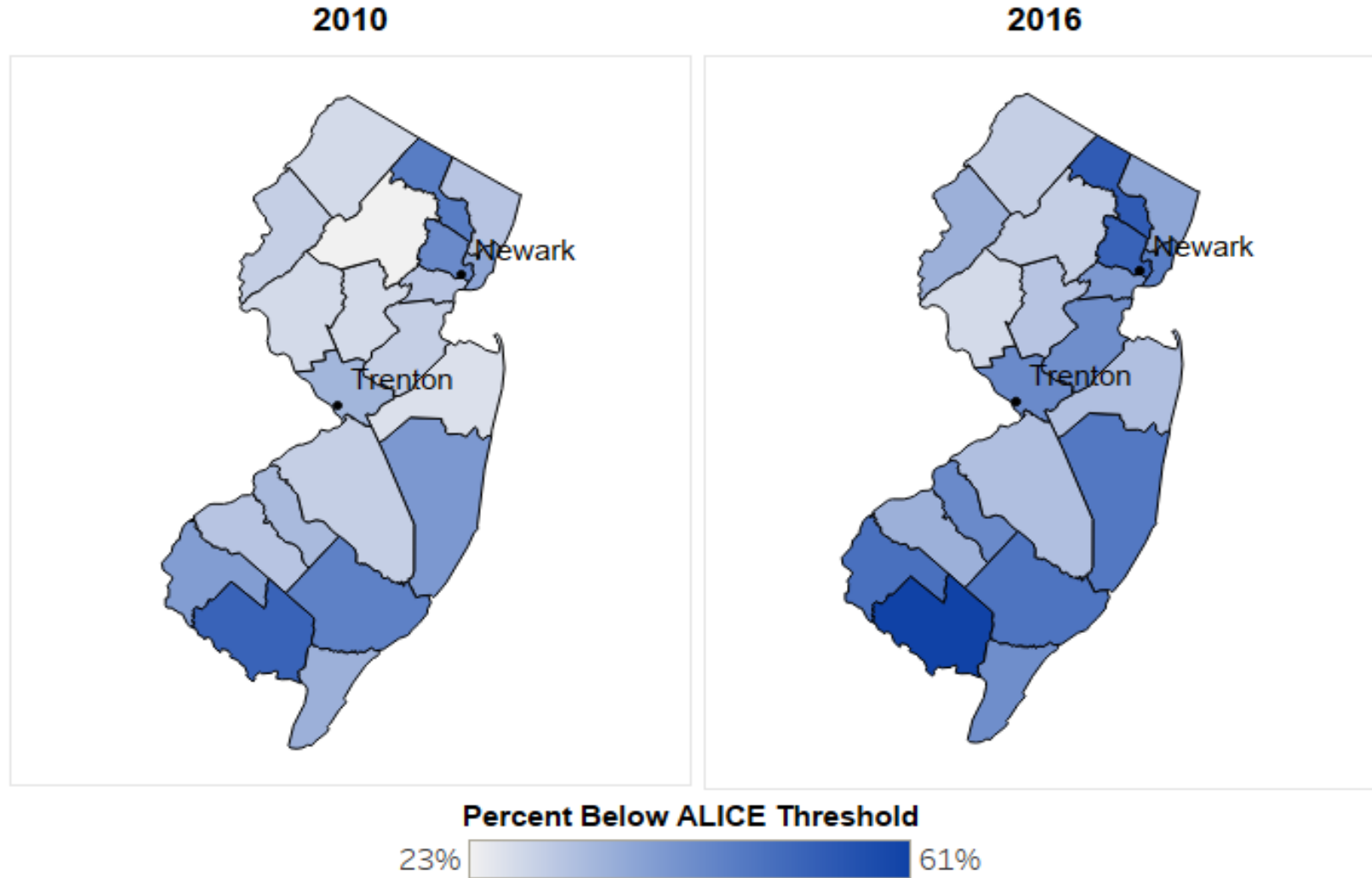
# Sample Income Breakdown (NJ, 2014)

---





# Geographic Diversity & Ubiquity





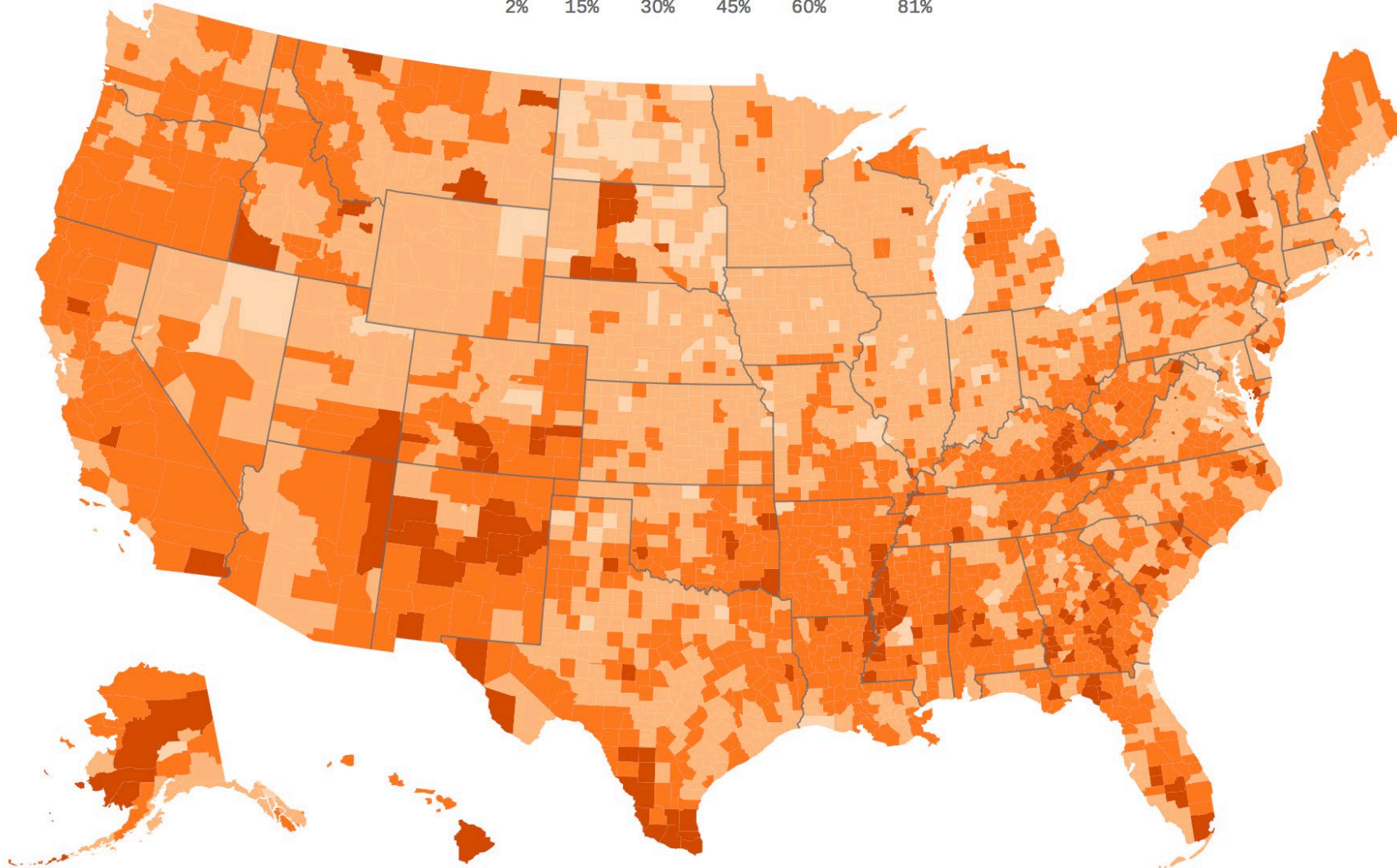
## Poverty vs. income-constrained households

Share of households below the federal poverty level compared to those below the Asset-Limited, Income-Constrained, Employed (ALICE) threshold

◀ 2 / 2 ▶

SHARE BELOW ALICE LEVEL

2% 15% 30% 45% 60% 81%



29% of households  
**ALICE**  
Asset  
Limited,  
Income Constrained,  
Employed

Poverty + ALICE = 43%  
51 mil households



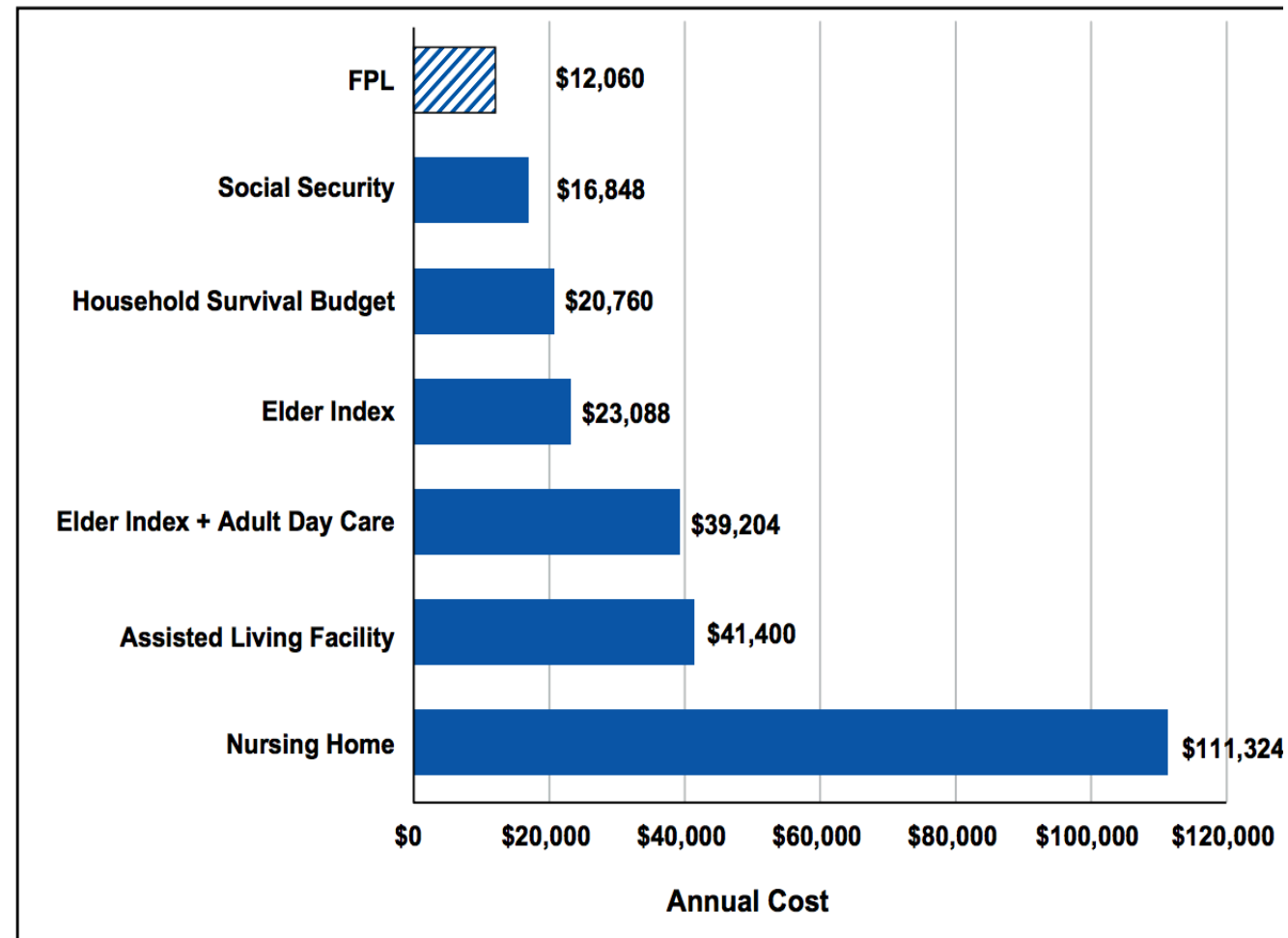
# Special Populations: Colleges

- Includes those living **off-campus**
  - American Community Survey excludes dormitories
- Impacts overall rates of households living Below the ALICE Threshold (BAT)
  - Univ. Park/ State College: 92% of those <25 live Below the ALICE Threshold



# Seniors (65+)

- 28% of PA HH's are headed by someone 65 or older
- There are additional expenses not taken into account by ACS
  - Additional healthcare expenses
  - Assisted living
  - Nursing home expenses
- Elder Economic Security Index: aging in place
- A growing population



Sources: ALICE Household Survival Budget, 2017; Genworth, 2017—Assisted Living; Genworth, 2017—Most and Least Expensive States; Mutchler, 2016; Social Security Administration, 2017; U.S. Department of Health and Human Services, 2017—Poverty Guidelines



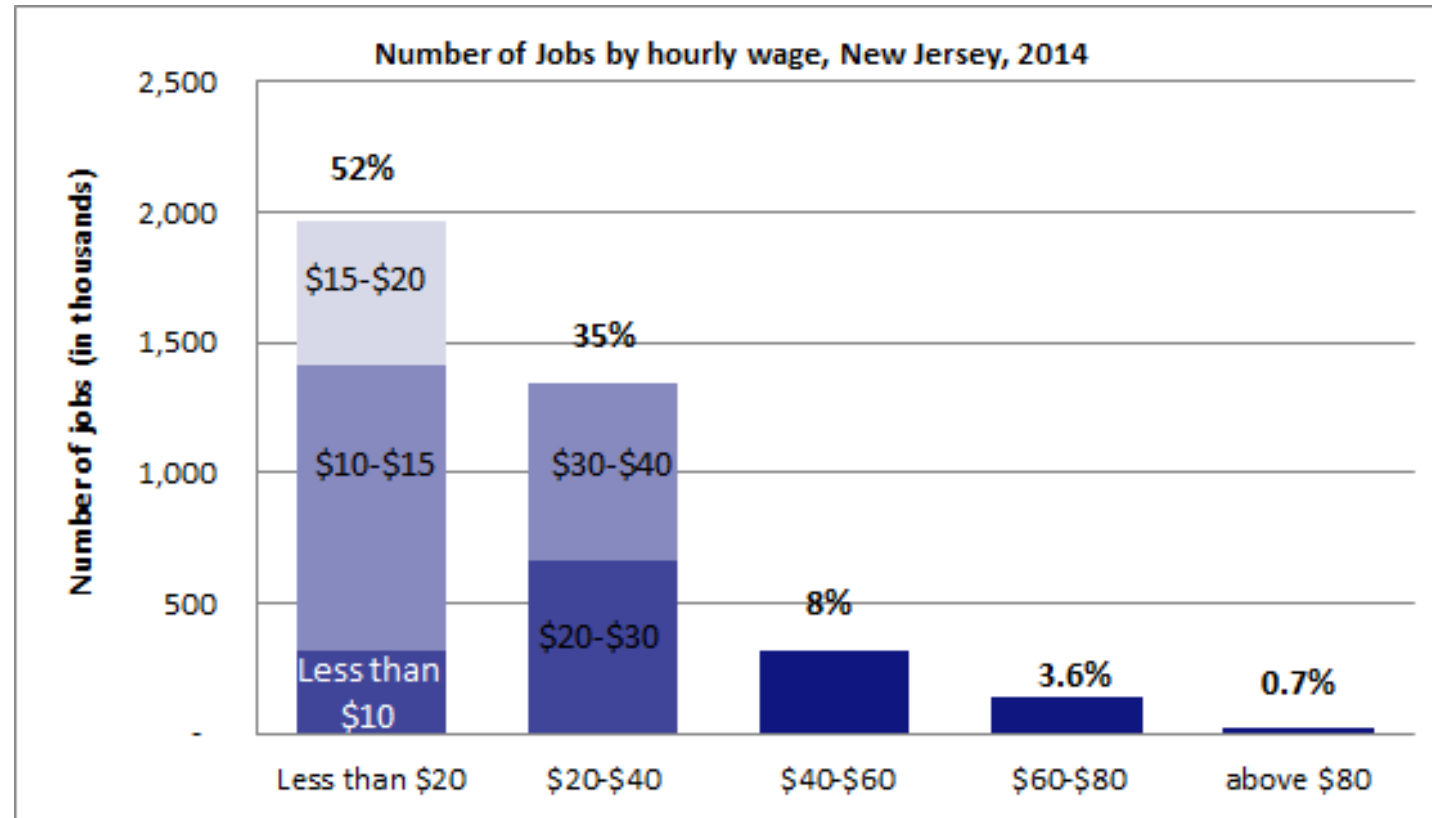


# Other Risk Factors

- Race & Ethnicity
- Household Composition
- LGBTQ individuals
- Veterans



# How much are people earning (in New Jersey)?

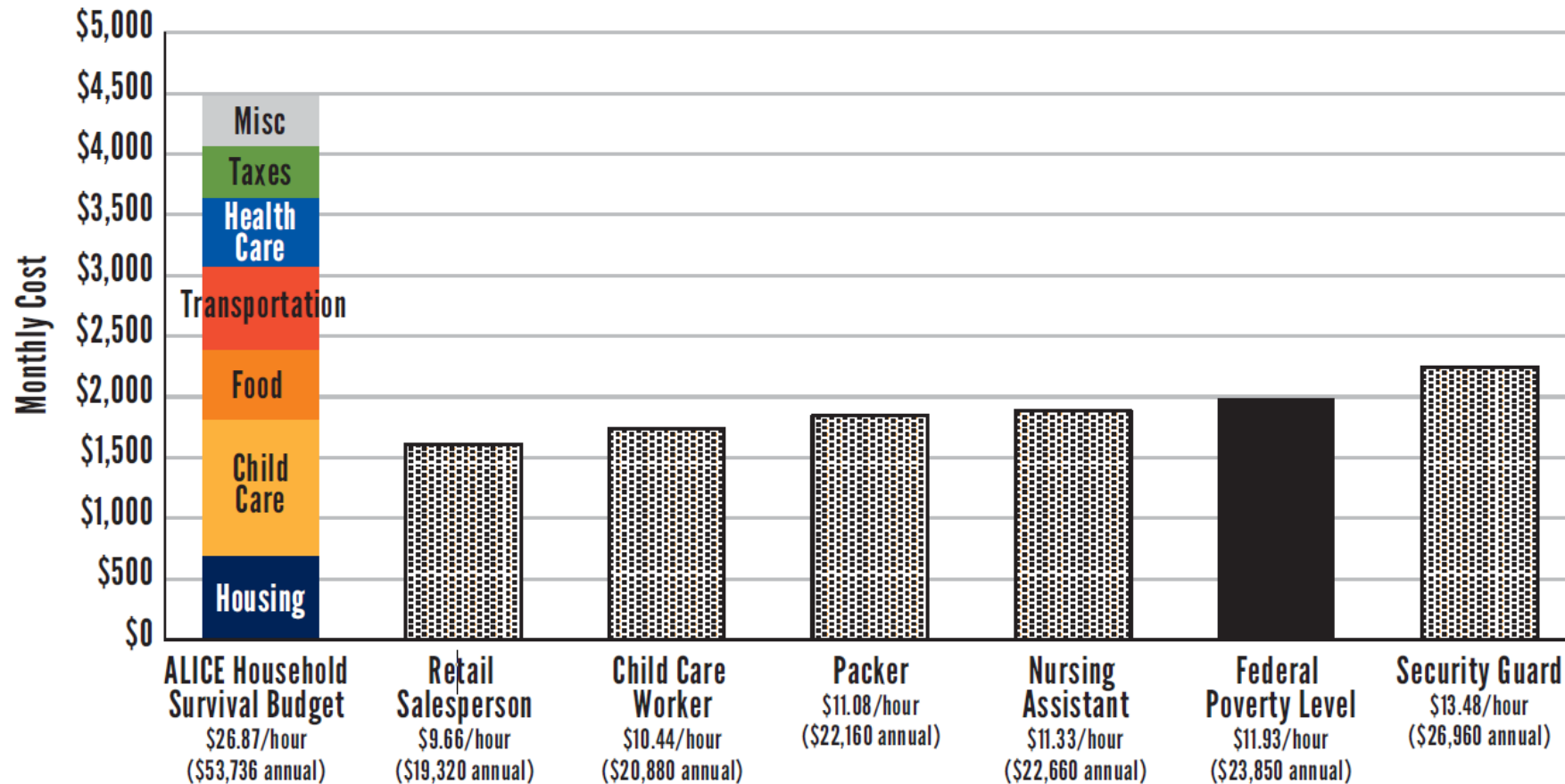


**\$15/hr = \$30,000/yr**

2012 = 53% of jobs earned less than \$20/hour



# Cost of living versus wages



- Fifteen of the top 20 occupations in the U.S. pay less than \$20 per hour (\$30,000/year)
- 11% of jobs pay enough for two working parents to support a family of four

Source: U.S. Department of Housing and Urban Development, 2014a; Child Care Aware of America, 2015; U.S. Department of Agriculture, 2014; Bloomberg, 2016; and Bureau of Labor Statistics (BLS), 2014



# ALICE workers keep the economy running

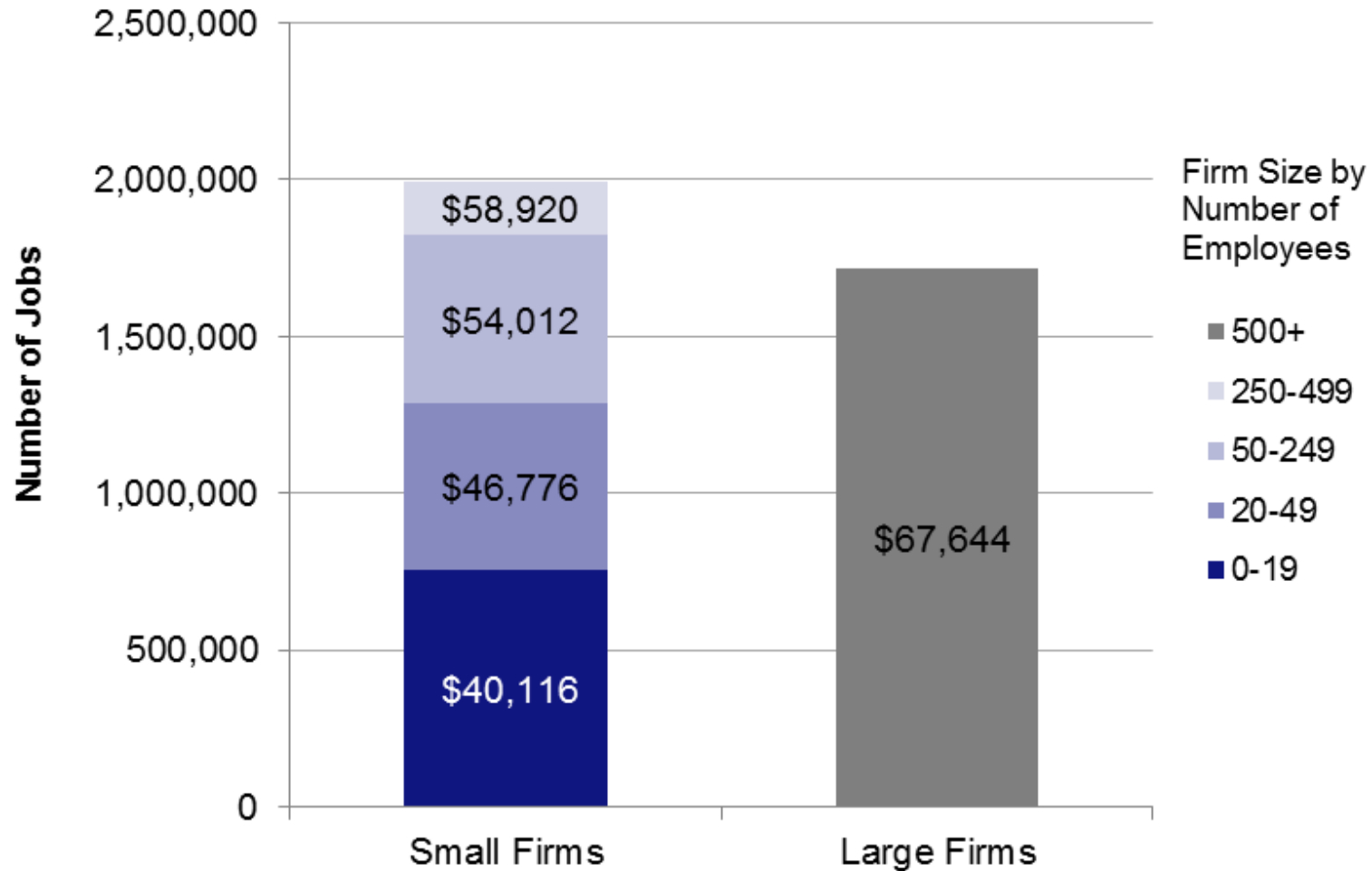
---

- ALICE workers are “Maintainers”
  - They care for the workforce and build and maintain the infrastructure
  - In 2016, three of the top 20 occupations paid enough to support the Household Survival Budget for a family of four (over \$38.69)
- 

Occupation	Number of Jobs	Median Hourly Wage
Retail Salespersons	131,080	\$10.91
Laborers and Movers, Hand	107,840	\$12.47
Cashiers	95,550	\$9.67
Registered Nurses	79,400	\$38.36
Office Clerks, General	73,320	\$15.45
Stock Clerks and Order Fillers	67,850	\$11.21
Customer Service Representatives	66,470	\$17.93
Janitors and Cleaners	64,260	\$13.68
Secretaries and Administrative Assistants	60,300	\$19.42
Waiters and Waitresses	59,810	\$11.19
Teacher Assistants	55,490	\$12.94
Nursing Assistants	53,640	\$13.61
Food Prep, Including Fast Food	52,720	\$9.59
Receptionists and Information Clerks	52,470	\$14.84
Bookkeeping and Auditing Clerks	45,120	\$21.29
General and Operations Managers	44,800	\$69.15
Elementary School Teachers	44,680	\$32.42
Business Operations Specialists	44,410	\$34.53
Sales Representatives	44,070	\$31.59
Heavy and Tractor-Trailer Truck Drivers	42,990	\$22.52



# It matters where ALICE works



Small firms have lower wages, fewer benefits and higher turnover



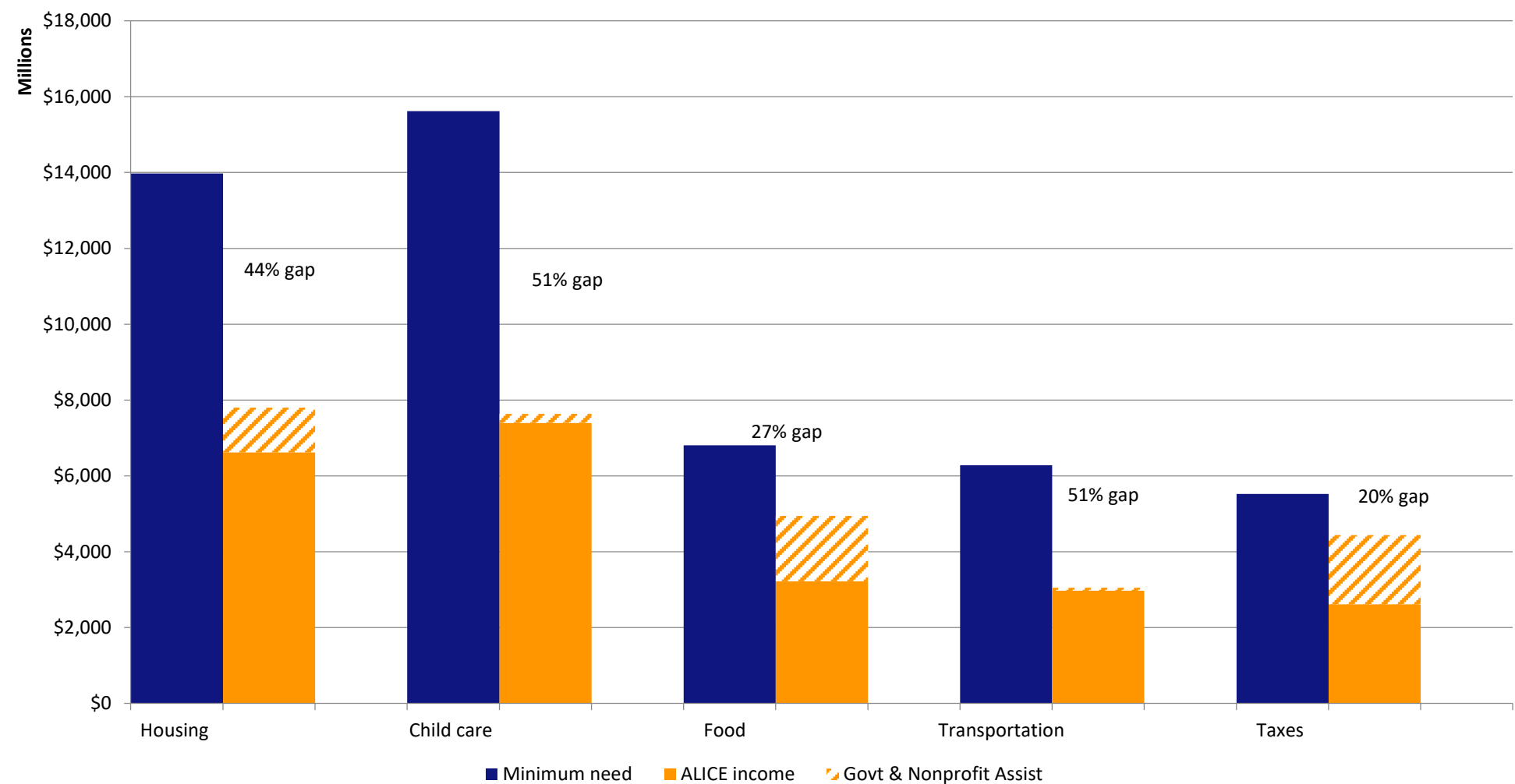
# The Impact of Public Assistance

- How much assistance would it take to bring all households up to the ALICE Threshold?
- Include earned income + Federal, State, & Local Spending on low-income households
- Focus on assistance targeted to low-income (SNAP, Section 8, TANF & GA, etc.) using data from OMB & NASBO



# The ALICE Income Assessment

Comparing Basic Need with Public and Nonprofit Spending by Category, New Jersey, 2014





# New Report Feature: Opioid Crisis in Pennsylvania

---

Pennsylvania Department of Health - the state's "worst public health crisis"

Pennsylvania rate: 44 overdose deaths per 100,000 people

National rate: 22 per 100,000

Addiction crosses all socioeconomic groups

Focus on Philadelphia and Allegheny counties, but problem in all counties

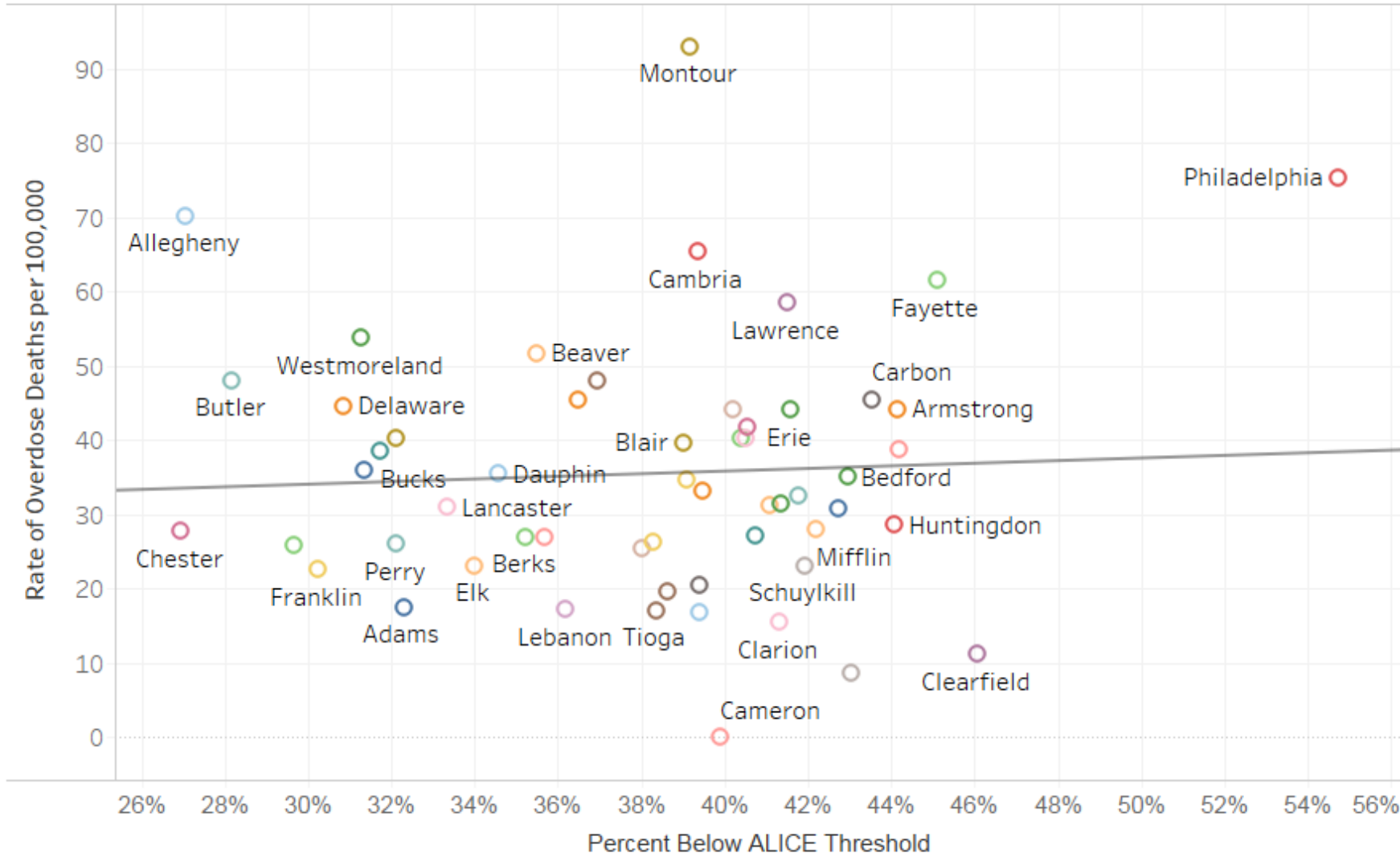
"Deaths of despair" – no strong relationship with income in PA

But consequence is financial hardship



# Opioid Crisis in Pennsylvania

Percent Below ALICE Threshold and Overdose Rate



**Percent Below the  
ALICE Threshold and  
Overdose Rate,  
Pennsylvania  
Counties, 2017**

*Source: ALICE Threshold, 2017;  
Pennsylvania Bureau of Health  
Statistics and Registries, 2018;*



# Questions?

[dtreglia@unitedwaynnj.org](mailto:dtreglia@unitedwaynnj.org)

[dtreglia@upenn.edu](mailto:dtreglia@upenn.edu)





# Supplemental Slides



**UNITED WE FIGHT.  
UNITED WE WIN.**

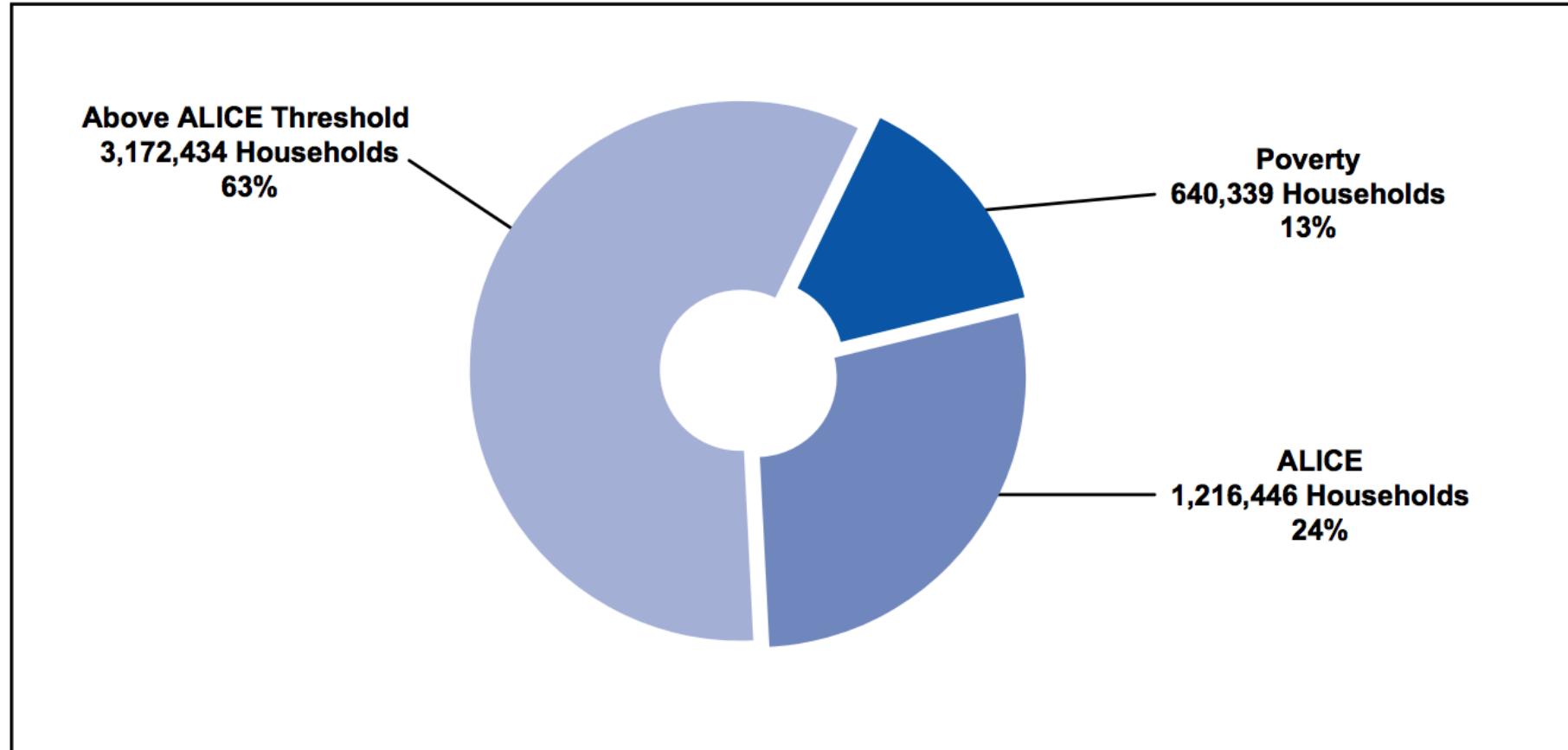
LIVE UNITED

# The PA Household Survival Budget

Household Survival Budget, Pennsylvania Average, 2017		
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	\$592	\$827
Child Care	\$-	\$1,229
Food	\$199	\$604
Transportation	\$309	\$617
Health Care	\$158	\$617
Technology	\$55	\$75
Miscellaneous	\$157	\$450
Taxes	\$260	\$526
Monthly Total	\$1,730	\$4,945
ANNUAL TOTAL	\$20,760	\$59,340
Hourly Wage*	\$10.38	\$29.67



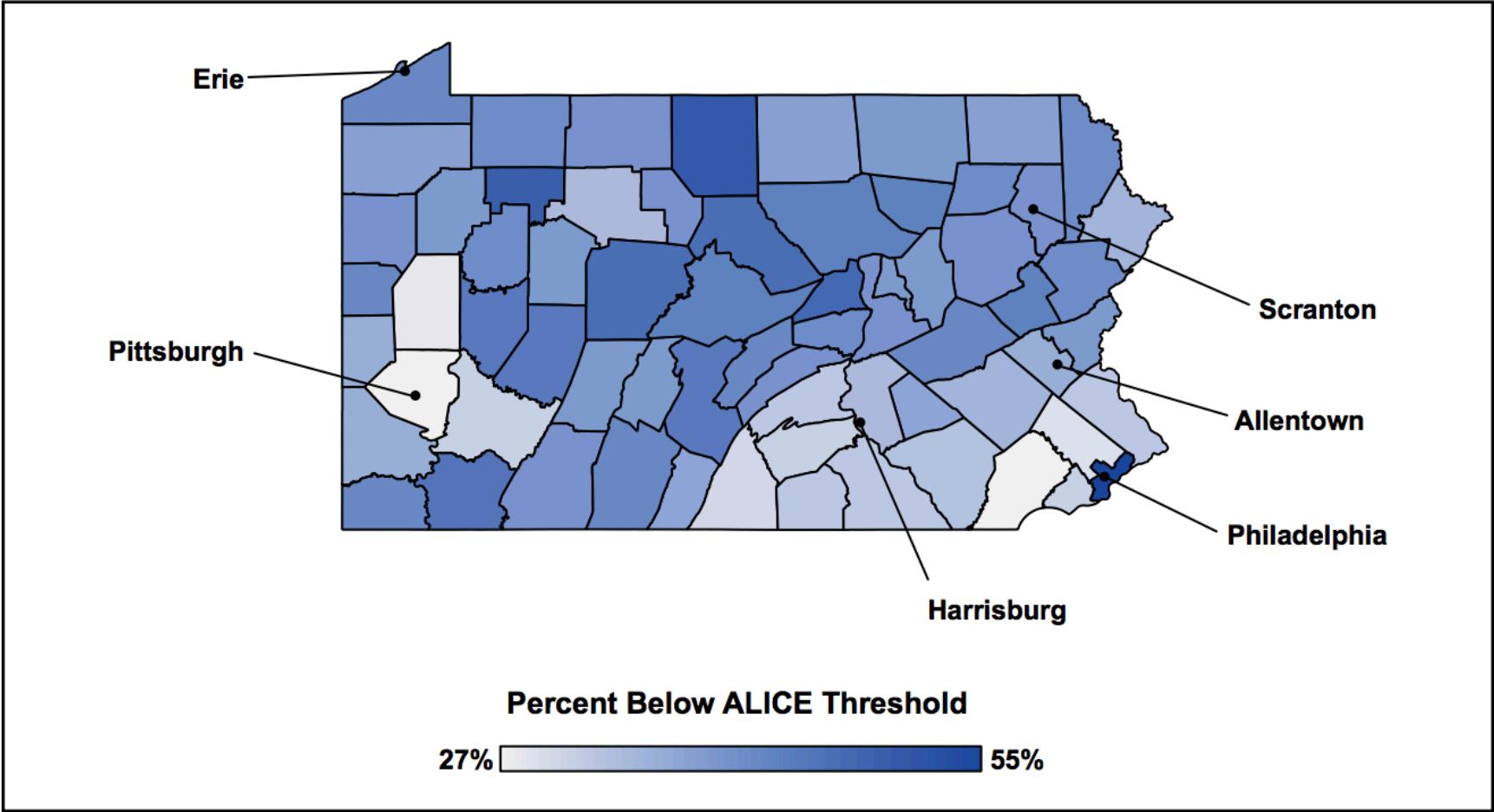
# PA by Income



Sources: American Community Survey, 2017; ALICE Threshold, 2017. For the Methodology Overview, visit our website: [UnitedForALICE.org/methodology](https://UnitedForALICE.org/methodology).



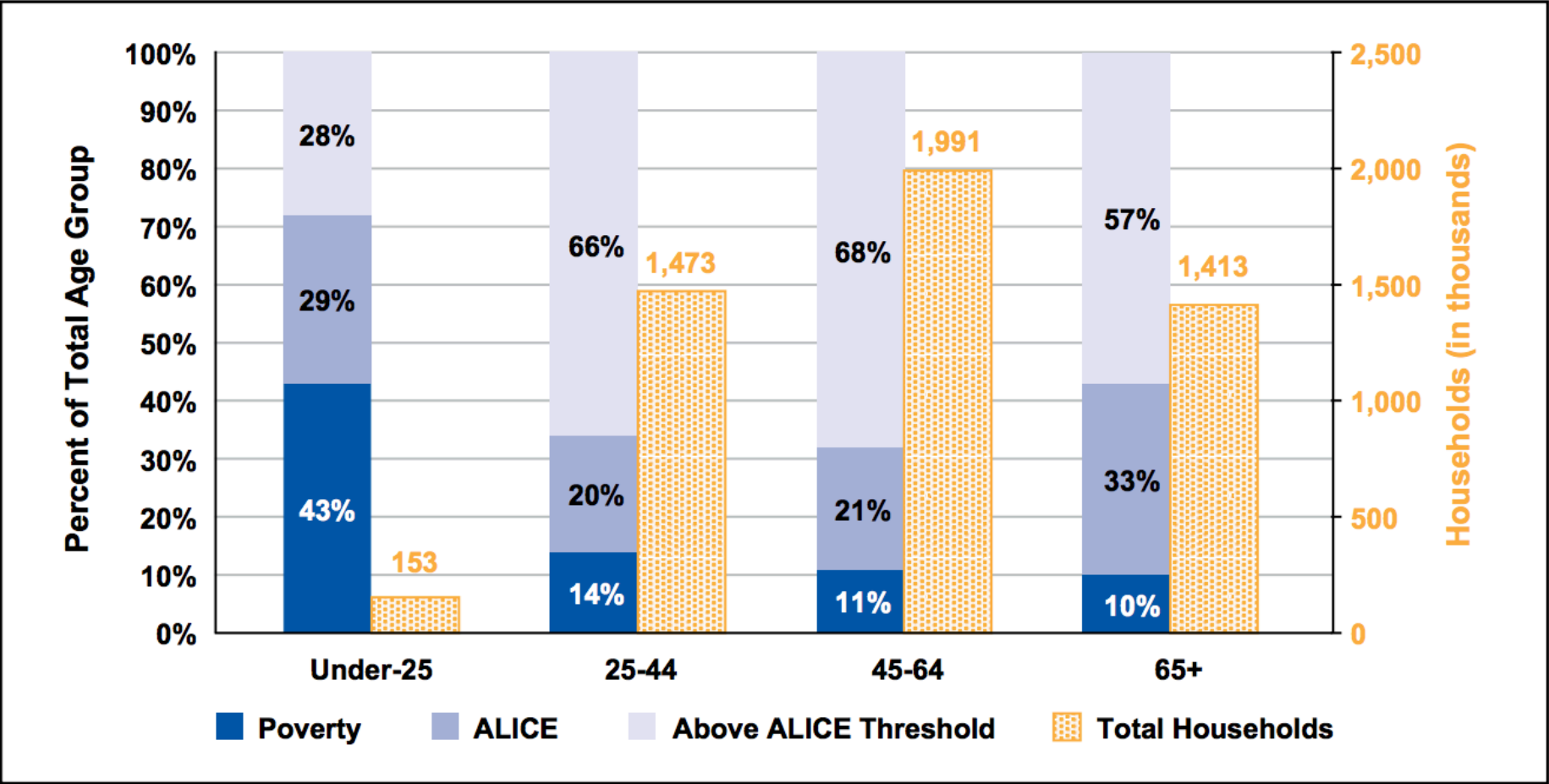
**Percent of Households Below the ALICE Threshold by County, Pennsylvania, 2017**



Sources: American Community Survey, 2017; ALICE Threshold, 2017

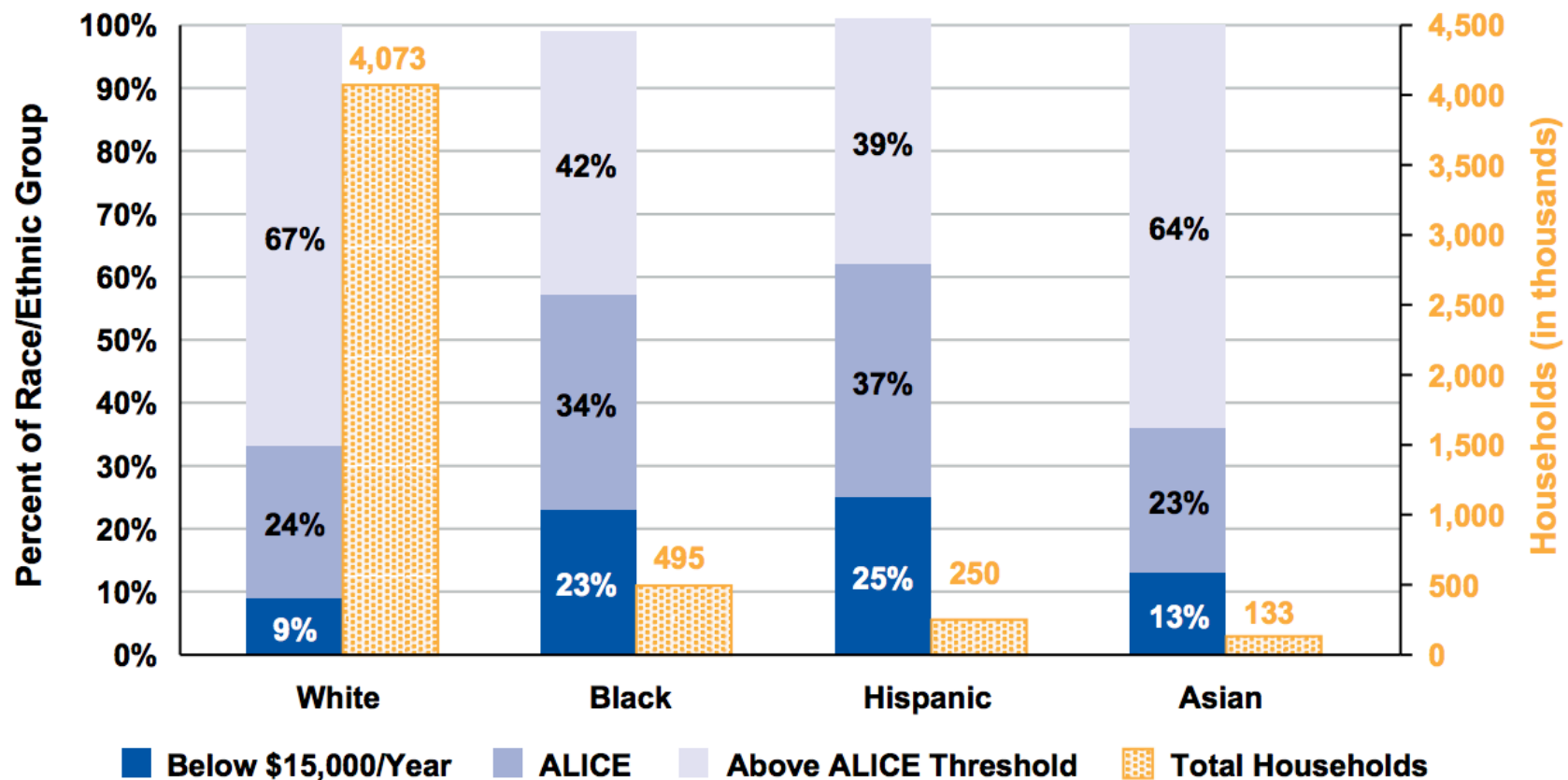


# Income, by Age



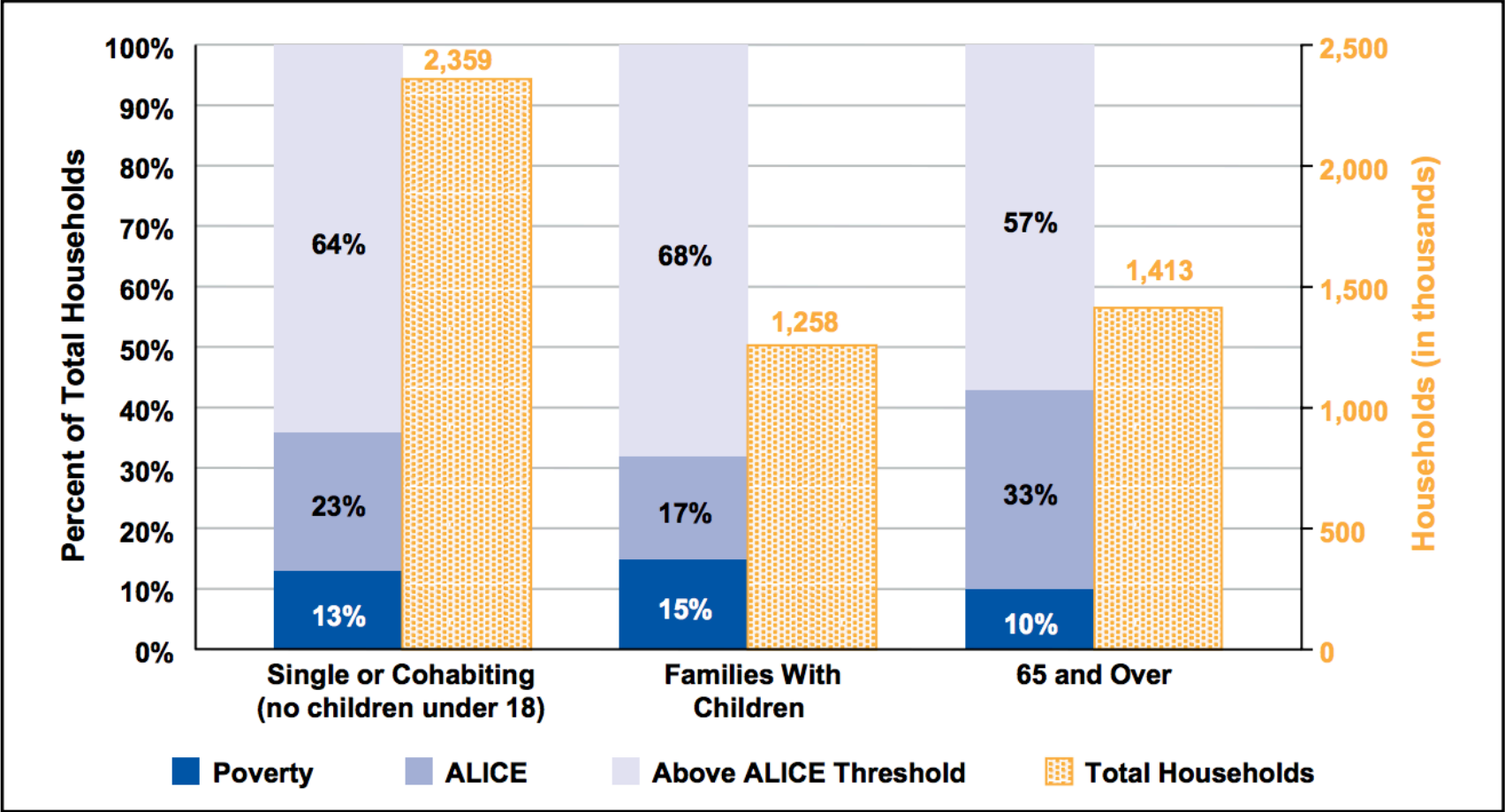


# Income, by Race & Ethnicity





# Income, by HH Composition



Sources: American Community Survey, 2017; ALICE Threshold, 2017



# What does it cost to live in PA?

Household Survival Budget, Pennsylvania Average, 2017		
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	\$592	\$827
Child Care	\$-	\$1,229
Food	\$199	\$604
Transportation	\$309	\$617
Health Care	\$158	\$617
Technology	\$55	\$75
Miscellaneous	\$157	\$450
Taxes	\$260	\$526
Monthly Total	\$1,730	\$4,945
ANNUAL TOTAL	\$20,760	\$59,340
Hourly Wage*	\$10.38	\$29.67

**FPL** = \$12,060 single adult and \$24,600 family

**PA minimum wage 2016:**  
\$7.25/hour =  
\$14,500/year



# Household Survival Budget

---

**Housing:** HUD's Fair Market Rent (40th percentile)

**Child Care:** Registered Family Child Care Homes

**Food:** Thrifty Level (lowest of four levels) of the U.S. Department of Agriculture (USDA) Food Plans – with regional variation

**Transportation:** Car expenses include gas and motor oil and other vehicle maintenance expenses from Consumer Expenditure Survey (CES).

**Health Care:** Out-of-pocket health care spending on insurance, medical services, prescription drugs from Consumer Expenditure Survey (CES).

**Technology:** smart phone plan using Consumer Reports "Best Low-Cost Cell-Phone Plans"

**Miscellaneous:** 10 percent of the total (including taxes) to cover cost overruns.

---



# Health care costs

Consumer Expenditure Survey, U.S. Bureau of Labor Statistics

Breakdown by Region and income vs. average by MSA

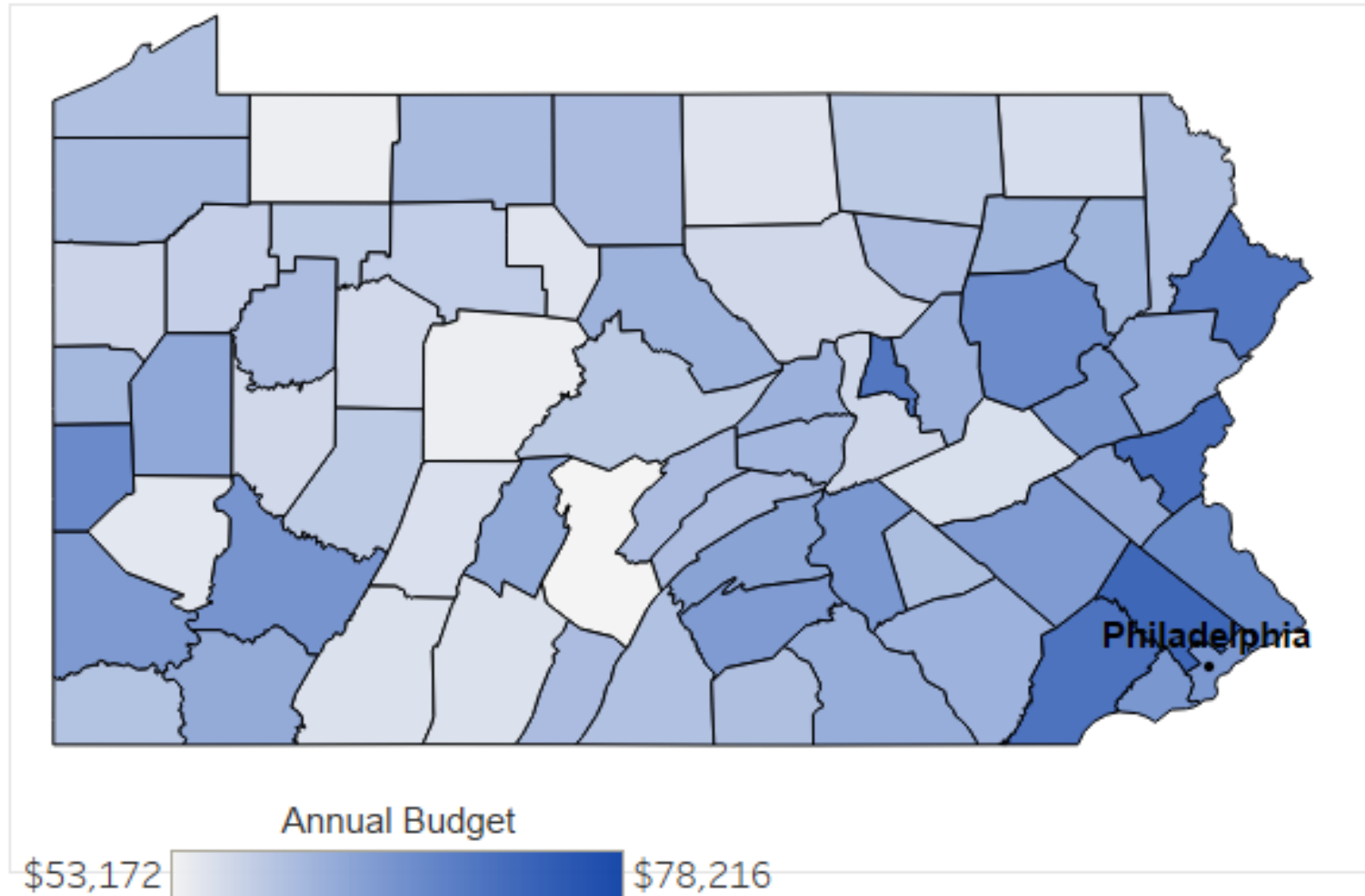
Costs for Health insurance, Medical services, Drugs, and Medical supplies

	Total	Less than \$5,000	\$5,000 to \$9,999	\$10,000 to \$14,999	\$15,000 to \$19,999	\$20,000 to \$29,999	\$30,000 to \$39,999	\$40,000 to \$49,999	\$50,000 to \$69,999	\$70,000 and more
MW 2017 health/person	\$ 2,130	\$ 1,756	\$ 1,310	\$ 1,391	\$ 2,110	\$ 1,947	\$ 2,070	\$ 2,050	\$ 2,067	\$ 2,307
NE 2017 health/person	\$ 2,037	\$ 747	\$ 820	\$ 1,288	\$ 1,738	\$ 1,893	\$ 1,921	\$ 1,790	\$ 1,906	\$ 2,404
S 2017 health/person	\$ 1,864	\$ 1,151	\$ 1,209	\$ 1,342	\$ 1,663	\$ 1,485	\$ 1,805	\$ 1,589	\$ 1,667	\$ 2,231
W 2017 health/person	\$ 1,799	\$ 1,242	\$ 1,668	\$ 1,237	\$ 1,600	\$ 1,362	\$ 1,540	\$ 1,565	\$ 1,697	\$ 2,141



# Cost of living varies across the state

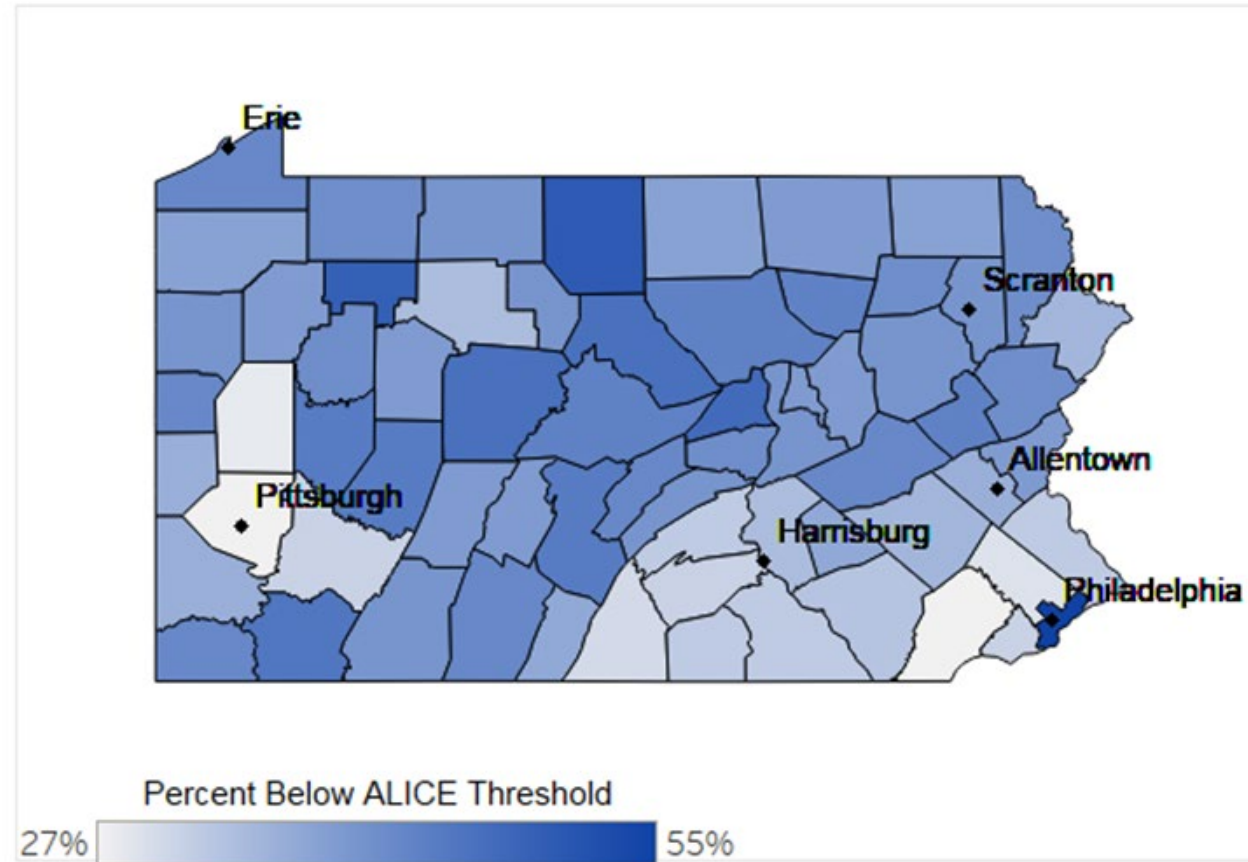
Household Survival Budget - family - 2016





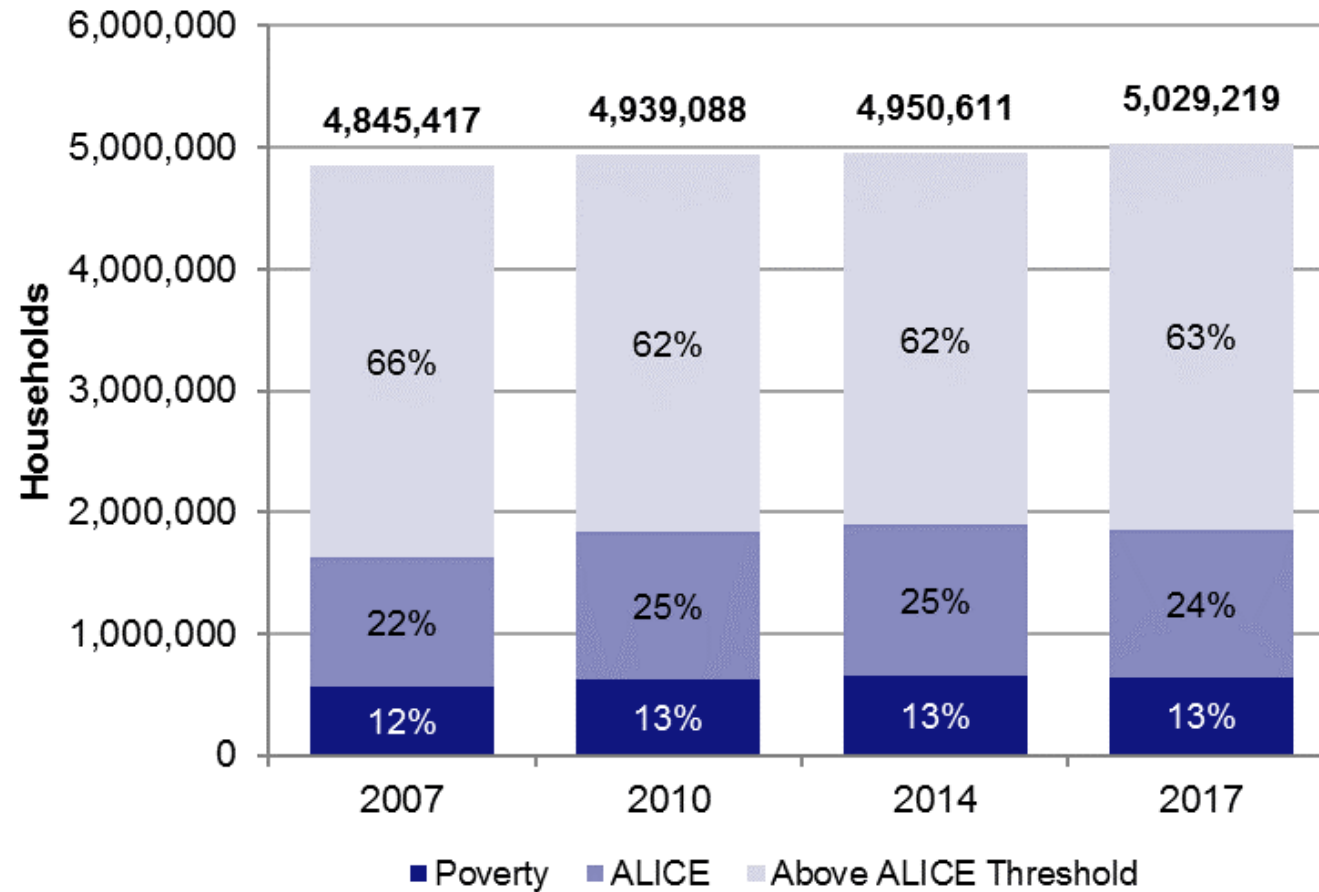
# ALICE lives in all PA counties

Households Below ALICE Threshold



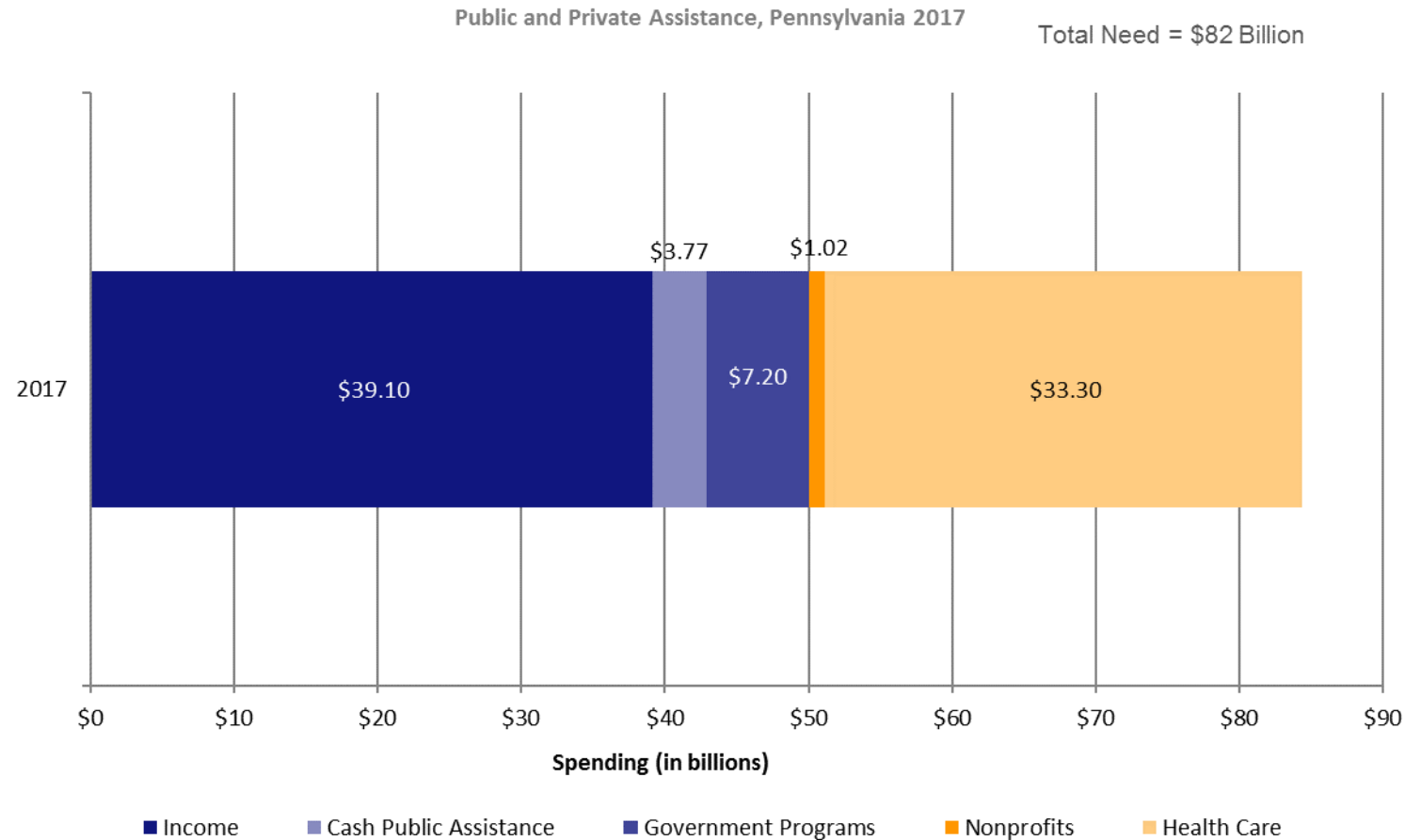


# Household income over time





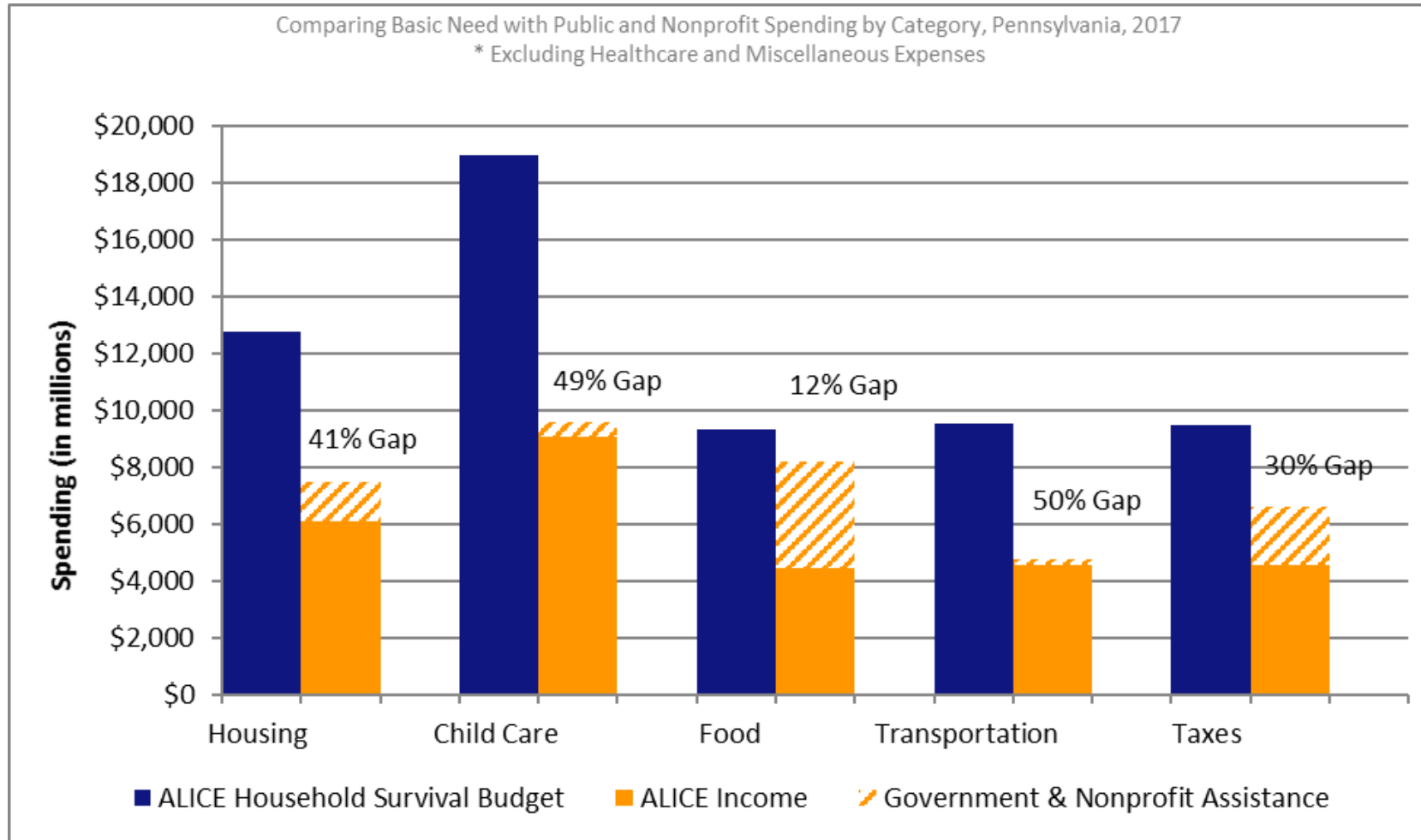
# Does public assistance make a difference?



Source: American Community Survey, 2017; Household Survival Budget, 2017.



# Public assistance by category



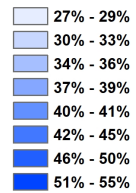
Source: American Community Survey, 2017; Household Survival Budget, 2017.



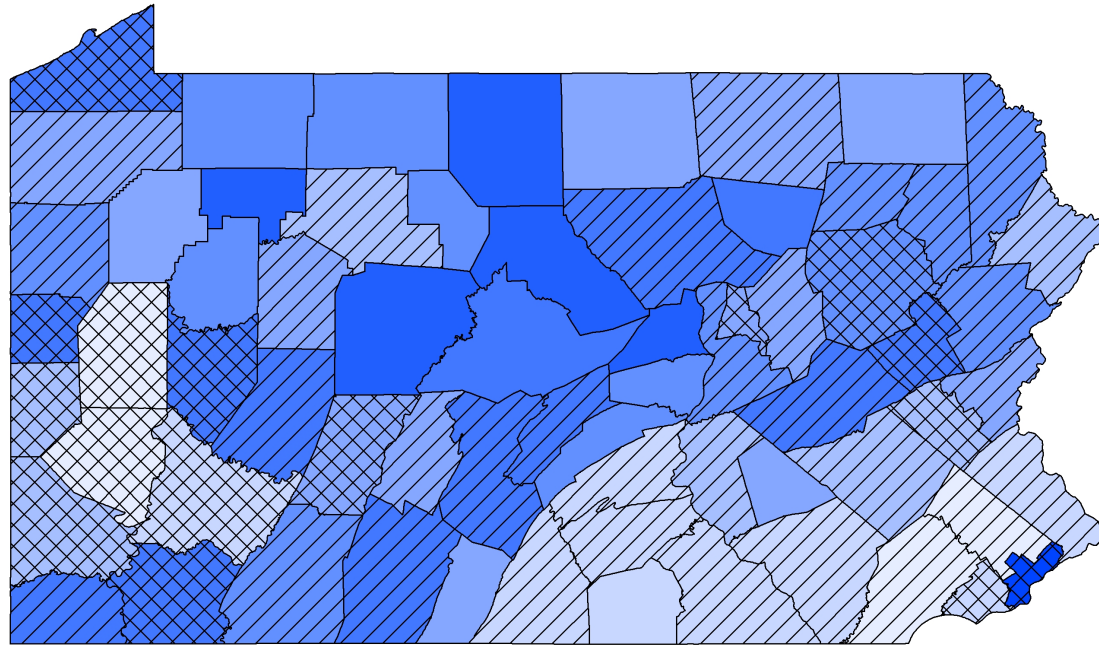
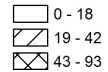
# Opioid Crisis in Pennsylvania

## Percent Below the ALICE Threshold and Overdose Rate, Pennsylvania Counties, 2017

### % Below ALICE Threshold



### Overdose Deaths per100K



Source: ALICE Threshold, 2017;  
Pennsylvania Bureau of Health  
Statistics and Registries, 2018;



# LIVE UNITED

***Thank you for your commitment to ALICE***