



COVID-19 Impact on Pennsylvania: The ALICE Story

Results from United Way of Pennsylvania COVID-19 Impact Survey

Survey conducted in August, 2020



United Way of Pennsylvania







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77% of respondents with household income below the ALICE Threshold had one month or less of savings, whereas 63% of respondents above the ALICE threshold had enough savings for two months or more.

When COVID-19 swept through our nation, over 1.3 million Pennsylvania households (27%) were already one emergency away from financial crisis. These households are ALICE: Asset Limited, Income Constrained, Employed. ALICE families have income above the Federal Poverty Level, but struggle to meet the bare minimum cost of basic household needs. ALICE often does not qualify for assistance but still struggle to cover basic expenses such as housing, child care, food, transportation, health care, and technology. ALICE is in every Pennsylvania community and when combined with Pennsylvania households who live in poverty, nearly 2 million families are living below the ALICE Threshold which is a staggering 39% of Pennsylvania's population.

The number of households struggling to survive is only expected to increase as the COVID-19 pandemic continues. Between August 10th and August 24th, 2020, over 1,700 people living in Pennsylvania responded to a survey about how their households have been impacted by the COVID-19 pandemic. Here are some highlights focused on ALICE in Pennsylvania:

1. Households below the ALICE Threshold were more vulnerable before the pandemic.

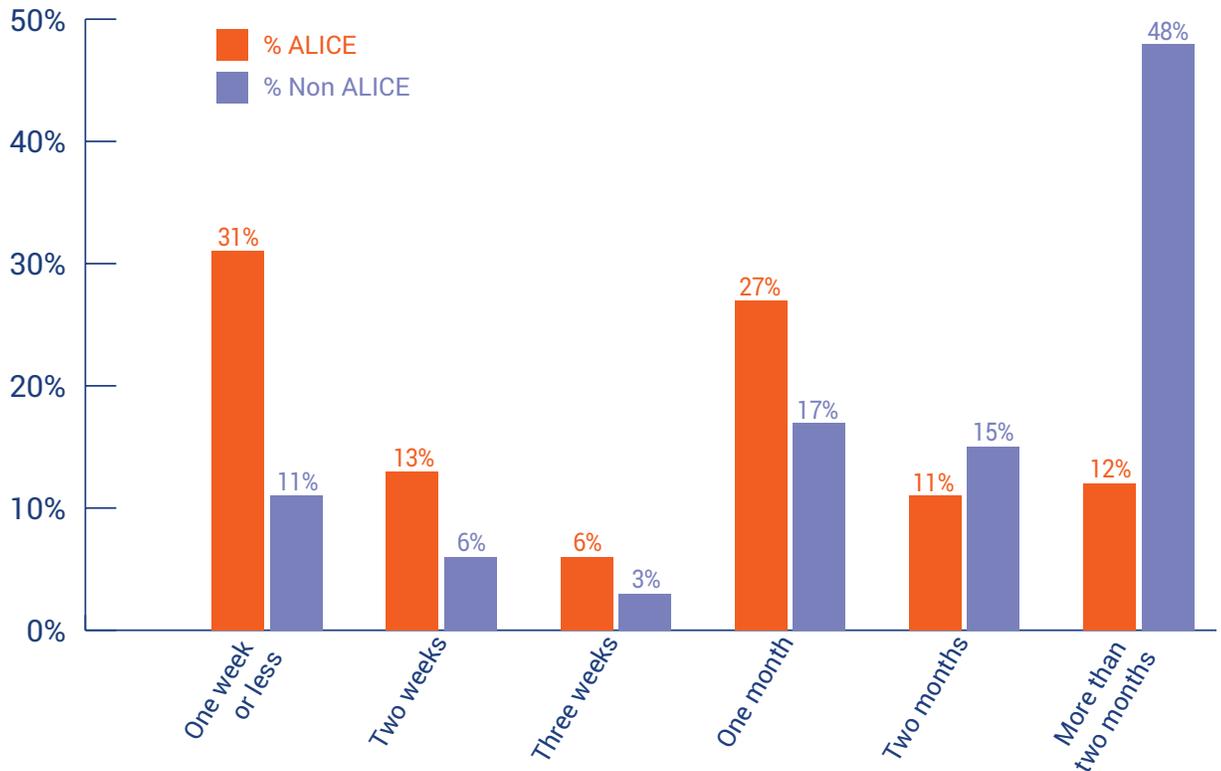
- a. Most respondents with household income below the ALICE Threshold had one month or less in savings to cover basic household bills (77%). Whereas most respondents above the ALICE Threshold had two months or more in savings (63%). This is also in correlation with our ALICE data from 2017 that found that 40% of Pennsylvanians do not have any savings set aside for unexpected expenses or emergencies such as illness or loss of a job – realities that many households are facing now. [\(Figure 1\)](#)





Figure 1

Prior to March 1, 2020, how long could you cover your basic bills from your savings? (Rent/Mortgage, Utilities, Food, Transportation, etc.)



Percentages are rounded to whole numbers, resulting in percentages totaling 99% or 101%.

ALICE families do not have a savings safety net. ALICE families without savings and working hourly paid jobs are more likely to fall into debt and be unable to financially recover.

- b. 70% of respondents below the ALICE Threshold indicated changes in employment due to the pandemic which include loss of job, being temporarily laid off and changing jobs. Whereas, 59% of households above the ALICE threshold reported no changes to their employment status.

2. Households below the ALICE Threshold are more concerned about housing expenses than contracting COVID-19.

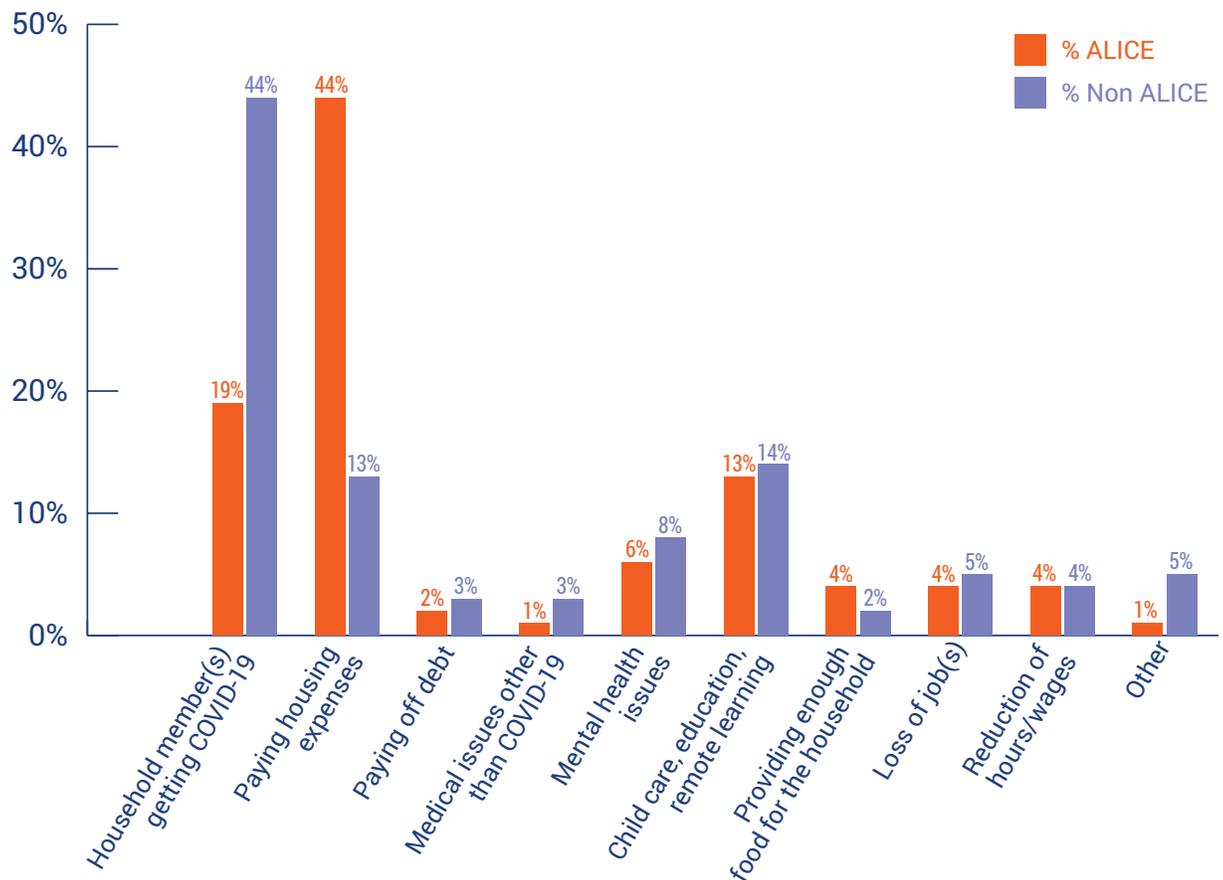
- a. 44% of ALICE households report their top concern during the pandemic is paying for housing, while 44% of households above the ALICE Threshold are most concerned with contracting COVID-19. Other top concerns include child care and remote learning, and mental health.



Rent and mortgage freezes will provide important temporary relief, but ALICE families with lost income may not be able to catch up once those freezes are lifted, this could risk losing their homes.

- b. Increased utility use and purchasing technology to adapt to stay-at-home orders was reported by all respondents (69%). However, more ALICE Households (81%) reported these additional expenditures. Additional costs for the ALICE Household are alarming when considering that the ALICE Household Survival Budget does not include budgeting for savings or extra spending. [\(Figure 2\)](#)
- c. 52% of ALICE Households are concerned about eviction or foreclosure on their homes but only 26% of ALICE Households have sought housing relief and assistance.

Figure 2 What COVID-19 issue is your household MOST concerned about over the next two months?



Percentages are rounded to whole numbers, resulting in percentages totaling 99% or 101%.





Many ALICE families rely on community institutions – from school lunches to internet access at libraries – that are no longer available due to social distancing.

3. ALICE Households are struggling to survive and are seeking help.

- a. 52% of respondents with household income below the ALICE Threshold applied for unemployment, 43% received food from a food pantry or food bank, 37% borrowed money from friends and family to make ends meet, 36% applied for government assistance programs, and 23% increased credit card balance.
- b. 28% of respondents with household income below the ALICE Threshold called or texted PA 211 for information and assistance.

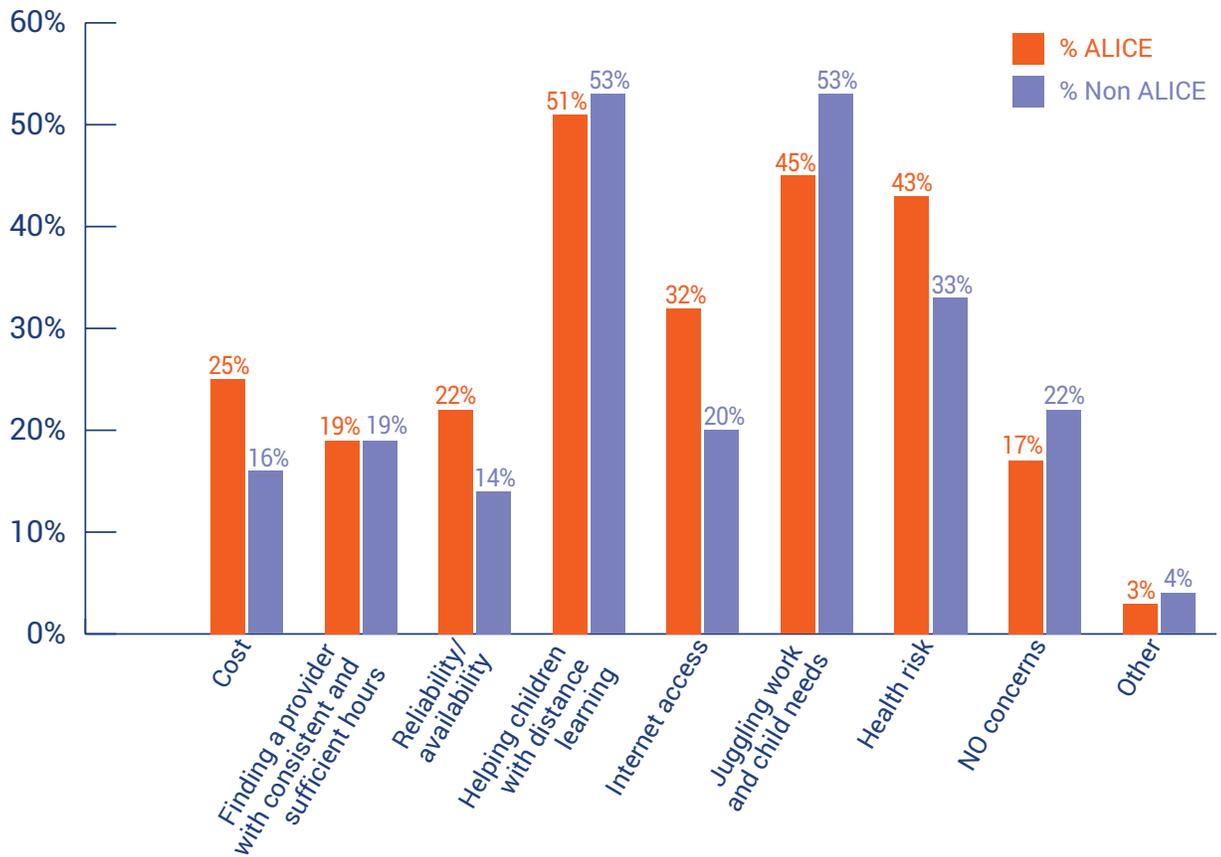
4. Child care is essential for working families; most households do not have adequate support to balance work and their children’s needs.

- a. Of total households with children, over half have adjusted their work to accommodate their family’s need for child care.
- b. 64% of respondents with households below the ALICE Threshold report either reducing their hours or leaving their job.
- c. The top reported child care concerns and issues for families are: helping children with distance learning (52%), juggling work and children needs (50%), and the health risk for children and household members (36%) are the top reported. [\(Figure 3\)](#)



Figure 3

Since March 1, 2020, as a result of COVID-19 pandemic, what child care issues or concerns have members of your household had?



Percentages are rounded to whole numbers, resulting in percentages totaling 99% or 101%.

With less access to the internet and to computers, ALICE workers will have difficulty working from home even if offered the option. This can include teachers asked to teach online during school closures.

d. Families with child care needs also report concerns about child care reliability and availability as well as finding a provider with consistent and sufficient hours.

5. Internet access is essential, and the COVID-19 pandemic emphasizes the digital divide that exists for households below the ALICE Threshold.

- a. 29% of households below the ALICE Threshold report purchasing an internet subscription or upgrade. Of these households, 25% report purchasing a computer to adapt to stay-at-home orders and school closures.
- b. 25% of total respondents with families report a concern for Internet access to conduct distance learning. Households below the ALICE Threshold report that same concern at 32%.



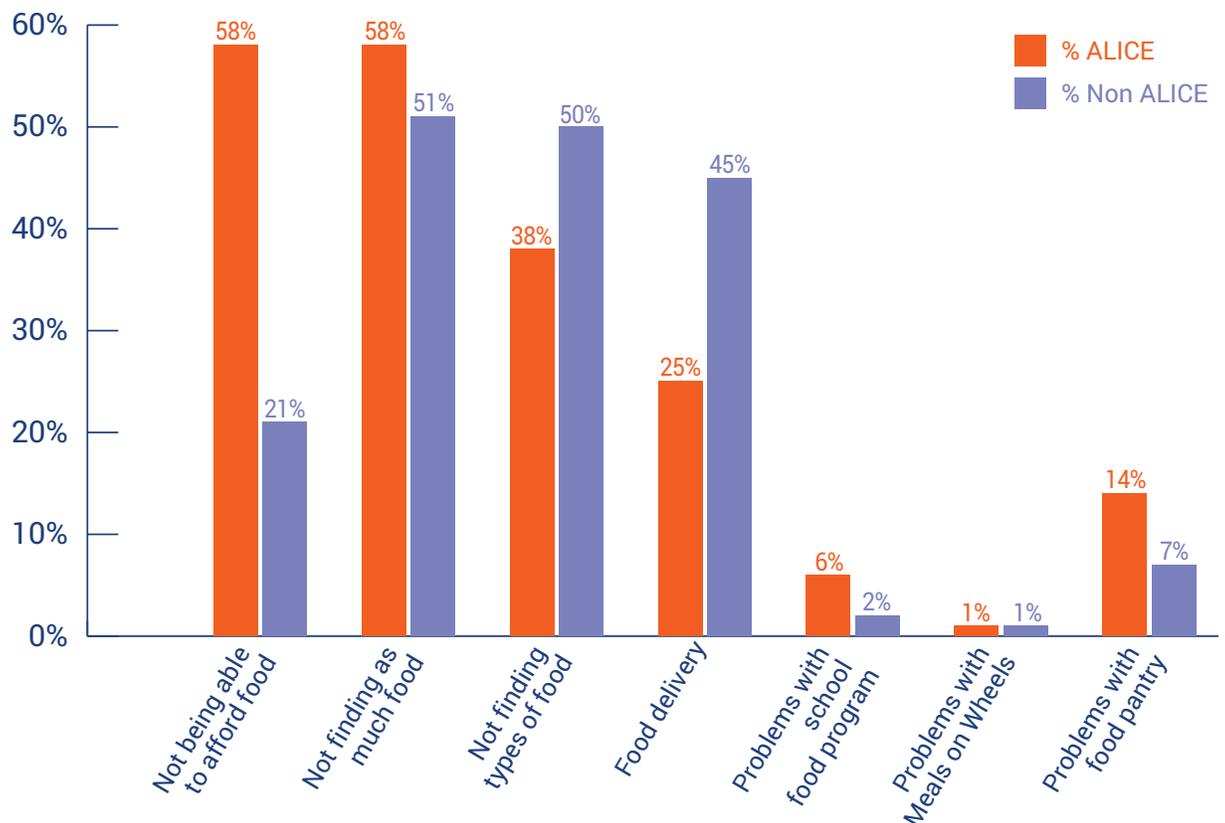
Many ALICE households cannot afford to buy food in bulk or have groceries delivered and do not have a place to safely store large quantities, leading to more trips to the store and a greater risk of exposure. Families who relied on meals at school, work, or adult day care will now have higher food costs.

- c. 23% of respondents with households below the ALICE Threshold do not have access to reliable broadband service compared to 14% of households above the ALICE Threshold.

6. Food insecurity is prominent in households below the ALICE Threshold.

- a. 43% of respondents with households below the ALICE Threshold report utilizing food banks or pantries compared to 15% of households above the ALICE Threshold. **(Figure 4)**
- b. Respondents with households below the ALICE Threshold report being unable to afford food at a rate of 58%, almost three times that of households above the ALICE Threshold.
- c. 52% of total households were unable to find the needed amount of food for their families.

Figure 4 Since March 1, 2020, how often did these happen to your household? (Select all that apply)



Percentages are rounded to whole numbers, resulting in percentages totaling 99% or 101%.





7. Other notable findings about respondents with households below the ALICE Threshold:

38% of respondents with households below the ALICE Threshold fear losing their job. Loss of work could take away the essential benefit of health coverage, posing a significant additional burden for many ALICE families.

- a. Medicaid and employer insurance are essential for households below the ALICE Threshold with 48% of respondents indicating that at least one member in the household is utilizing Medicaid, and 31% of respondents indicating a household member is on their employer health insurance. Loss of work could take away the crucial benefit of health coverage.
- b. The majority of respondents are either somewhat or very uncomfortable with being at the worksite full time, indoor dining in restaurants and bars, indoor family and friend gatherings, attending churches or community group gatherings that are indoor, and being in schools or on college campuses.
- c. Prominent concerns for respondents with income below the ALICE Threshold include:
 - i. 46% are fearful of a reduction in work hours or wages.
 - ii. 38% fear losing their job.
 - iii. 51% are concerned with being able to pay off debts such as car payments and credit card bills.
 - iv. 50% are worried about the mental health impact the COVID-19 pandemic will have on them.





Who is ALICE in Pennsylvania?

ALICE is an acronym for **A**sset Limited, **I**ncome Constrained, **E**mployed. ALICE earns more than the Federal Poverty Level, but does not earn enough to afford the basic expenses outlined in the ALICE Household Survival Budget for Pennsylvania (**Figure 5**).

Figure 5

ALICE Household Survival Budget, Pennsylvania, 2018			
	SINGLE ADULT	TWO ADULTS, TWO IN CHILD CARE	SINGLE SENIOR
MONTHLY COSTS			
Housing	\$640	\$894	\$640
Child Care	\$0	\$1,229	\$0
Food	\$277	\$839	\$236
Transportation	\$332	\$789	\$287
Health Care	\$187	\$716	\$485
Technology	\$55	\$75	\$55
Miscellaneous	\$178	\$528	\$200
Taxes	\$293	\$734	\$300
MONTHLY TOTAL	\$1,962	45,804	\$2,203
ANNUAL TOTAL	\$23,544	\$69,648	\$26,436
HOURLY WAGE*	\$11.77	\$34.82	\$13.22

KEY TERMS

Household Survival Budget: The bare-minimum costs of basic necessities

ALICE: Households with income above the Federal Poverty Level but below the basic cost of living

Poverty: Households earning below the Federal Poverty Level*

ALICE Threshold:

The average income needed to afford the Household Survival Budget. Households below the ALICE Threshold include both ALICE and poverty level households

*Federal Poverty Level for a Single Adult Household = \$12,140. Family of Four = \$25,100.



ALICE and COVID-19



The ALICE data available shows a point-in-time snapshot of economic conditions across the state in 2018. By showing how many Pennsylvania households were struggling then, the ALICE data provides the backstory for why the COVID-19 crisis is having such a devastating economic impact now. The ALICE research coupled with the information from the COVID-19 Impact Survey can help advocates identify the most vulnerable in their communities and direct programming and resources to assist them throughout the pandemic and the recovery that follows.

From the ALICE Report, we know that the number of ALICE households will increase with the economic disruption caused by COVID-19.





RISING UNEMPLOYMENT, CLOSED BUSINESSES, AND HALTED PRODUCTION OF MANY GOODS AND SERVICES HAS ALREADY REDUCED THE INCOME OF MILLIONS OF FAMILIES. The 11% of Pennsylvania households that were on the cusp of the ALICE Threshold in 2018 are especially vulnerable.



INEQUALITIES ARE EXACERBATED BY THE PANDEMIC AND ISOLATING IN PLACE IS A LUXURY THAT MANY ALICE FAMILIES CANNOT AFFORD. ALICE families without savings and working hourly paid jobs are more likely to fall into debt and may not be able to protect themselves or afford treatment if they get sick.



THE NUMBER OF HOUSEHOLDS UNABLE TO AFFORD HOUSEHOLD ESSENTIALS HAD BEEN GROWING OVER TIME BEFORE THE PANDEMIC BEGAN. The percentage of households below the ALICE Threshold increased from 33% in 2007 to 39% by 2018 (Figure 1 in the [2020 ALICE Report for Pennsylvania](#)).



SENIORS ARE A HIGH-RISK GROUP IN TERMS OF BOTH HEALTH AND FINANCES. IN 2018, 744,172 SENIOR HOUSEHOLDS (51%) IN PENNSYLVANIA HAD INCOME BELOW THE ALICE THRESHOLD. Due to age, underlying conditions, and often living in group quarters such as assisted living facilities or nursing homes, those over age 65 are more susceptible to getting and dying from COVID-19 than the general population. This increased vulnerability, as well as the closing of senior centers, houses of worship, and other community organizations, has heightened anxiety and isolation among the senior population. The rapid decline in the stock market have drastically reduced income and resources for many seniors. In addition, some supply chains have been disrupted, impacting the availability of generic prescription drugs and other necessities.



THE PANDEMIC HAS SHOWN THAT MANY ALICE WORKERS ARE ESSENTIAL FRONTLINE EMPLOYEES, INCLUDING WORKING IN GROCERY STORES, CHILD CARE, NURSING HOMES, AND FOOD SERVICE. With 65% of workers in Pennsylvania being paid hourly, these workers are more likely to have fluctuations in income during the best of times let alone during a pandemic.

To Learn More about ALICE in Pennsylvania, please visit www.uwp.org/ALICE and review [ALICE in Pennsylvania: A Financial Hardship Study](#), released on January 26, 2021. This comprehensive report provides statewide and county specific research based information on pre-pandemic conditions for ALICE.

METHODOLOGY NOTE:

To determine whether households were above or below the ALICE Threshold, household composition was matched to the Pennsylvania state average Household Survival Budget then assessed based on indicated assets in housing and employment status. United Way of Pennsylvania's ALICE Report Research Advisory Committee felt this was the most accurate methodology to include what ALICE stands for: **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.

The survey is a voluntary response sample conducted for two weeks between August 10th, 2020 and August 24th, 2020. Over 1700 people living in Pennsylvania responded. Since it is a random sample, it is not possible to make statements on the overall population.

ACKNOWLEDGEMENTS:

Thank you to the United Way of Pennsylvania network and partner organizations for your efforts to share and promote this survey project!

Thank you to our ALICE Research Advisory Committee for providing expert support and assistance during the development of the survey. A special thank you to the Center for Rural Pennsylvania for assisting in the result analysis!

CONTACT INFORMATION:

For more information about these survey results and to learn more about how you can get involved in advocating and creating change for ALICE in Pennsylvania, contact: Rebecca O'Shea, roshea@uwp.org, 717-238-7365 x 204.



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of Pennsylvania