

Tuesday, May 28, 2024

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Despite Bigger Paychecks, PA Has Highest Number of Working, Financially Struggling Households Since 2010

New ALICE Update shows wage growth was no match for inflation after a decade of falling behind

Harrisburg, PA — Wage growth offset by stubborn inflation and the expiration of enhanced federal tax credits were some of the contributing factors to the highest numbers of households experiencing financial hardship in Pennsylvania in 2022. Though wages for the lowest paid jobs have risen across the country at the fastest rate in four decades, the number of households struggling to get by in Pennsylvania grew by more than 106,000, from 2021 to 2022. Since 2010, the year that measurement began, the number of working Pennsylvania households that were struggling to afford a basic needs budget increased a net of about 270,000 households. Data from 2022 depicts the highest number of households struggling to make ends meet, a total of more than 2.1 million households or 41%, according to a new update from United Way of Pennsylvania and its research partner United For ALICE.

That calculation includes the more than 658,000 Pennsylvania households in poverty as well as another nearly 1.5 million defined as **ALICE** (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed), earning above the Federal Poverty Level but less than what's needed to survive in the modern economy. ALICE workers, also referred to as essential workers during the pandemic, include child care providers, home health aides and cashiers — those working low-wage jobs, with little or no savings that are one emergency away from poverty.

ALICE in the Crosscurrents: An Update on Financial Hardship in Pennsylvania shows that while wages were increasing, so too were costs. For a family of four with an infant and a preschooler, the basic costs to live and work in Pennsylvania excluding tax credits, rose from \$80,220 in 2021 to \$88,896 a year later. Compounding the issue in 2022 was the loss of up to \$15,000 in federal child tax credits and stimulus payments that this family had access to in 2021.

"Many working households experienced wage increases, but the rising costs of household essential needs, and the loss of federal tax credits that were enhanced during the pandemic, leaving Pennsylvania ALICE households with less to make ends meet, in spite of more take-home pay," said United Way of Pennsylvania President Kristen Rotz. "While local United Ways in Pennsylvania build programs and partnerships that help support the economic mobility of ALICE households, our network also advocates for statewide policy solutions like the Working Families Tax Credit, making child care more accessible by funding a recruitment and retention initiative for

the child care workforce, and support for PA 211 which helps Pennsylvanians learn about community resources.”

The findings in this one-year period are consistent with a more than decade-long trend: Since the end of the Great Recession, despite some ups and downs, the number of ALICE households in Pennsylvania has been steadily growing. From 2010 to 2022, the total number of households rose by 7%, households in poverty increased by 5% — and the number of ALICE households grew by 19%.

“The data is showing persistent and widespread financial hardship — a red flag that the current system isn’t working for ALICE,” said Stephanie Hoopes, Ph.D., United For ALICE National Director. “Current policy has not been enough to break down the barriers that trap ALICE households in financial hardship, from lack of access to housing and childcare that’s affordable, to inadequate community supports such as broadband internet.”

Additional insights include:

- From 2010 to 2022, people age 65 and over made up the fastest-growing age group in Pennsylvania— and the group with the largest increase (21%) in the number of households struggling to make ends meet.
- Racial disparities persisted in the rates of financial hardship; 59% of Black and 56% of Hispanic households in Pennsylvania were either in poverty or ALICE in 2022, compared to 37% of white households.
- Food assistance continued to elude many vulnerable families in Pennsylvania. Partly due to the SNAP income eligibility level in the state (160% of the Federal Poverty Level), only 49% of all Pennsylvania households in poverty and 12% of all ALICE households participated in SNAP in 2022.

To read the update and access online, interactive dashboards that provide data on financial hardship at the state, county and local levels, visit UnitedForALICE.org/Pennsylvania.

Please access the video from today’s virtual press conference hosted by the United Way of Pennsylvania [here](#).

About United Way of Pennsylvania

United Way of Pennsylvania is a 501(c)(3) organization with a mission to champion United Way as a leader and partner in building more financially resilient families and thriving communities throughout Pennsylvania. United Way of Pennsylvania envisions an inclusive, impactful, and collaborative network of United Ways working with business, community, faith, and government leaders to advance equitable access to health, education and financial stability for all Pennsylvanians.

United Way is committed to raising charitable dollars that are invested in community impact work which addresses needs specific to the local community. In many cases, these funds support public-private partnerships that further leverage state taxpayer dollars.

United Way also commits to advocate for policy change which will help more Pennsylvania families and communities achieve the basic building blocks of a good quality of life in Pennsylvania. UWP is

a membership organization which serves as the voice for 43-member United Ways and 2 United Funds across the Commonwealth.

About United For ALICE

United For ALICE is a U.S. research organization driving innovation, research and action to improve life across the country for ALICE (Asset Limited, Income Constrained, Employed) and for all. Through the development of the ALICE measurements, a comprehensive, unbiased picture of financial hardship has emerged. Harnessing this data and research on the mismatch between low-paying jobs and the cost of survival, ALICE partners convene, advocate and collaborate on solutions that promote financial stability at local, state and national levels. This grassroots ALICE movement, led by United Way of Northern New Jersey, has spread to 31 states and includes United Ways, corporations, nonprofits and foundations in Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawai'i, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington, Washington, D.C., West Virginia and Wisconsin; we are United For ALICE. For more information, visit: UnitedForALICE.org.

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