

# HIGH-QUALITY EARLY LEARNING IS ESSENTIAL FOR ALICE® BUT EXPENSIVE



High-quality early learning is very expensive, and can significantly impact ALICE families and their ability to be financially stable

## FACT

Child care represents a Pennsylvania family's greatest expense, averaging \$1,200 per month for two children in licensed home-based care or \$1,400 per month in a high-quality child care center.

Child care costs have increased 27% over the last decade and now represent 25% of a family budget. Since 32% of families with children in Pennsylvania earn an income below the ALICE Threshold, child care is an essential component of their budget. Further, with more than 68% of families having all available parents in the workforce, the need for accessible and affordable child care becomes even more vital.

## FACT

Many early learning workers are ALICE. For example, according to the BLS, there were 23,420 child care workers in Pennsylvania in 2017, earning an average wage of \$9.71 per hour (\$19,420 annually if full-time).

If child care providers increase the wages of their employees (who are ALICE workers), those expenses are passed on to customers (who may also be ALICE workers). Early learning workers are essential to our state's economy because no member of our community can live the quality of life we enjoy today without ALICE.

## UWP SUPPORTS

United Way of Pennsylvania supports assuring all children have access to reliable, high quality and affordable early learning. We support increased funding for child care, Pre-K and Head Start to continue to provide opportunities for our most vulnerable Pennsylvanians.

Investments from the state to compensate programs which have met high-quality standards closer to the full cost of high-quality child care to provide more families opportunities to find high-quality care; ensuring workforce development opportunities for workers, both in Pre-K and child care settings, to further their training and career; and increased funding for the CCDBG to support the healthy development and school readiness needs of children, including a focus on increasing quality.

**1.2 million hard-working Pennsylvania households have incomes which exceed the federal poverty level, but are not high enough to pay for their basic needs. When you add in households that live below the federal poverty level, that's 37% of PA households who are struggling to survive.**



# WHAT IS ALICE®?

United Way of Pennsylvania launched a statewide data project, called ALICE, which provides a comprehensive measure of financial hardship across our state supported by data. ALICE stands for **A**sset-**L**imited, **I**ncome-**C**onstrained, **E**mployed. The ALICE report tells the story of all in our communities who are going to work but are still struggling to survive through a standardized methodology that assesses the cost of living in every county. ALICE is our neighbors, friends and family who may earn more than the official federal poverty level, but still cannot afford the basic necessities for their family. ALICE lives in every county in Pennsylvania. Equipped with this data, the Pennsylvania network of United Ways will convene, advocate and innovate in our local communities to highlight the issues faced by ALICE households, and to generate solutions which help them on their path to financial stability.

## WHAT DOES THE ALICE REPORT SHOW?

ALICE exists in every part of Pennsylvania- rural, urban and suburban. In fact, 75 percent of Pennsylvania's 2408 county subdivisions have more than 30 percent of households living at an income below the ALICE threshold. ALICE workers primarily hold jobs in occupations that build and repair our infrastructure and educate and care for our workforce. ALICE works across all industries and is essential to Pennsylvania's economy.

The report includes two budgets, the survival budget and the stability budget. The ALICE survival budget is the measure United Way of PA uses to determine what it takes to afford a bare minimum household budget. It considers costs for essentials only, like housing, food, transportation, etc., but it is not stable in the modern economy. Those living on this budget are truly just surviving, and they are one emergency away from needing safety net services. The statewide average ALICE survival threshold is \$20,760 for a single adult and \$59,340 for a family of four which includes one infant and one preschooler. This translates to an hourly wage of \$10.38 for the single adult and \$29.67 of combined income for the family of four. Achieving financial stability is a journey, and as households move along their path, they may be able to reach this budget stability. The ALICE stability budget estimates the cost of maintaining a viable household in the modern economy with a degree of financial security. This budget allows a small portion of a household's monthly income to be set aside for savings and to improve their living situation. The statewide average ALICE stability threshold is \$34,978 for a single adult, and \$99,360 for a family of four. This translates to an hourly wage of \$17.48 for the single adult and \$49.68 for the family of four.

ALICE has lived and worked in our state for decades, but this report presents data to shed light on the struggles ALICE has faced since the great recession. United Ways in PA are committed to understanding the communities we serve. For us to create long-lasting community change, we need to address the underlying causes of the most significant local issues that ALICE faces. ALICE is the keystone of the Pennsylvania economy. ALICE represents a large portion of the purchasing power of Pennsylvania households. All Pennsylvanians lean on ALICE for support on a daily basis. Now that we are aware of the struggles ALICE faces, we must come together to help ALICE take steps toward lasting financial stability.

**To learn more about ALICE and live the ALICE experience, visit  
our website at [www.uwp.org/ALICE](http://www.uwp.org/ALICE)**

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