

# WORKING HARD BUT STRUGGLING TO SURVIVE



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.

## FACT

1.2 million Pennsylvania households have incomes that are higher than 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 2 million, or 37% of PA households who are struggling to survive.

ALICE lives in every county in Pennsylvania- rural, urban, and suburban. 75% of PA's 2,408 county subdivisions have more than 30% of households living at an income below the ALICE threshold.

## FACT

Over the past decade, the costs of a bare minimum family budget increased by 33%, and 26% for a single adult household budget.

During the same time, Pennsylvania's median income increased by only 20%.

The number of ALICE households increased 14% from 2007-2017.

Throughout this same time period, households in poverty grew from 12% to 13%.

## FACT

ALICE is every household, comprised of every man and/or woman who holds at least one job, pays taxes, and is vital to our economy but does not earn enough to be financially stable.

ALICE workers primarily hold jobs in occupations that build and repair our infrastructure and educate and care for the workforce. Only three of the top 20 largest occupations in the state pay enough to support the average Pennsylvania family's household survival budget.

**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 survival 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)**

**For more information contact:**

**Kristen Rotz**  
President  
United Way of Pennsylvania  
(717) 238-7365 x 201  
[krtoz@uwp.org](mailto:krtoz@uwp.org)

**Maggie Livelsberger**  
Director of Public Policy  
United Way of Pennsylvania  
(717) 238-7365 x 203  
[maggie@uwp.org](mailto:maggie@uwp.org)

# 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

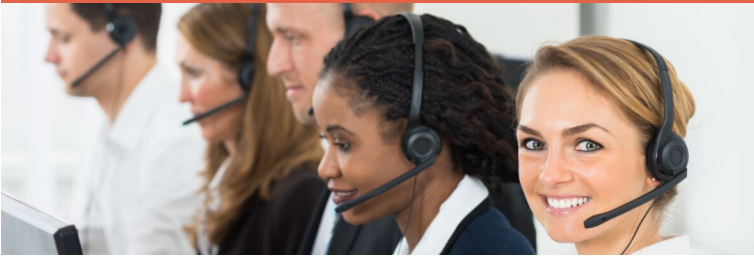
United Way of Pennsylvania supports assuring all children have access to reliable, high quality and affordable early learning. We support increased funding for child care, Pre-K and Head Start to continue to provide opportunities for our most vulnerable Pennsylvanians.

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.**



# CONNECTING ALICE® WITH RESOURCES TO IMPROVE THEIR LIVES



PA 211 refers thousands of ALICE households to health and human services every year

## FACT

In 2018, PA 211 connected over 200,000 Pennsylvanians with the assistance they needed for everyday necessities like food, housing, utility assistance, job training, and more.

Each day, PA 211 is providing ALICE with resources to help alleviate barriers they are facing, through phone, text, or online chat. 211 is also the most efficient and convenient way for ALICE to find help with any needs among the day-to-day balancing of job, family and financial obligations.

## FACT

PA 211 is a key partner in addressing social determinants of health, which are circumstances in which people live that impact their overall health. Addressing these challenges is important to improve a person's overall health, as well as to manage costs of care.

211 is uniquely positioned as a comprehensive source of authentic local resource data which is captured by real people with deep connections in the community. We have built a database with over 33,000 resources available to those in need. Partnered with the right technology, PA 211 has the ability to track health outcomes.

## UWP SUPPORTS

United Way of Pennsylvania supports an investment of state funds to continue a public-private partnership, strengthen PA 211 and assure a consistent experience for every user in the state.

UWP also supports providing data for health and human service planning at the state and local level, and exploring ways to increase the efficiency of state and local governments by contracting to provide services currently offered through government-operated information phone hotlines.

**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.**





# A WORKFORCE THAT WORKS FOR ALICE®



United Way is committed to working toward solutions to increase family-sustaining employment, assure access to income supports for those who need it, and help families grow savings and assets.

## FACT

The cost of living in Pennsylvania varies greatly across the state, but in all counties, it outpaces the wages of most jobs. 59% of all jobs in Pennsylvania pay less than \$20 per hour and more than half of those 5.9 million jobs pay less than \$15 per hour.

To afford the Household Survival Budget a single adult must make approx. \$11 per hour and work full-time which consists of 40 hours per week, 50 weeks per year. For a family of four to meet the survival budget, there needs to be a combined household income of \$29.67 per hour.

## FACT

Only three of Pennsylvania's top 20 largest occupations pay enough to support the average Pennsylvania family's household survival budget.

In Pennsylvania, the largest industries are educational services and health care, employing 21% of the population. Unfortunately, these sectors have many low-wage jobs. For example, Pennsylvania's median hourly wage in 2017 for a nursing assistant was \$14.32 and \$12.58 for a teaching assistant.

## UWP SUPPORTS

United Way of Pennsylvania supports and invests in a variety of policies that help workers secure and maintain employment.

This includes policies such as state and federal Earned Income Tax Credits that support working families; job training and career development policies; workforce development initiatives which reduce barriers to employment such as transportation and childcare; as well as innovative approaches to connect PA's youth to career readiness opportunities.

**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.**



# FOSTERING ECONOMIC MOBILITY FOR ALICE®



Reliable transportation is vital for ALICE to have the ability to get to work and take care of other obligations necessary to support their households

## FACT

Many Pennsylvanians struggle to afford vehicles and the maintenance associated with them, and often find public transportation non-existent or less reliable and flexible with non-traditional work schedules.

Transportation costs represent 12% of the average Household Survival Budget for a family of four and 18% for a single adult. Even with public assistance and charitable donations in 2017, ALICE households in PA still had a 52% gap in resources to meet the basic costs of transportation.

## FACT

For most Pennsylvanians public transportation is not available, since it is only reliably available in Delaware, Philadelphia, and Allegheny counties.

The average cost of transportation by car is several times greater than by public transportation, costing between \$636-\$707 per month, depending on geographic location, for a family in Pennsylvania. By comparison, the average cost for public transportation is less than \$150 per month.

## UWP SUPPORTS

United Way of Pennsylvania supports policies which help ALICE in rural, urban and suburban communities with reliable and affordable transportation.

This includes more reliable and convenient mass transit routes and route schedules, and solutions such as ride sharing in rural communities. Public-private partnerships can innovate to address transportation barriers.

**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.**



# ACCESSIBLE AND AFFORDABLE HOUSING FOR ALICE®



ALICE finds it challenging to find affordable housing, leaving many to live in accommodations that are less than desirable for their family.

## FACT

ALICE families spend approximately 17% of their income on housing, which in many cases is not adequate for the household size. A single adult spends 34%. However, even if an ALICE family spends 17% of their budget on housing, they would still fall short of affording rent at HUD's 40th percentile.

In most cases, purchasing a home in PA is more affordable, but since ALICE doesn't have access to savings or assets, they find it difficult to afford down-payments and are forced to rent. For PA renters, the average gap in affordable units was 20% across the state in 2017, but for homeowners, the gap was only 3%.

## FACT

In 2017, on average, nearly half of PA renters paid more than 30% of their household income on rent. In contrast, only 19% of homeowners paid more than 30% of their income on monthly owner costs.

While the housing burden faced by Pennsylvanians is decreasing slightly, there are still many families struggling to afford housing. For homeowners, the housing burden across PA ranged from 13% to 31%. For renters, the housing burden was much more impactful, ranging between 27% and 63% across the state.

## UWP SUPPORTS

Real housing solutions are necessary for ALICE to continue their upward mobility towards financial stability. United Way of Pennsylvania supports improving Pennsylvania's affordable housing options in rural and urban areas for ALICE individuals and families.

UWP supports expanding housing tax credits that benefit the ALICE population. UWP also advocates for policies that support home ownership and assist renters with inflating housing costs.

**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.**





# ALICE<sup>®</sup> STRUGGLES TO STAY HEALTHY ON A SMALL BUDGET



Many ALICE households struggle to stay healthy because they lack access to affordable healthcare

## FACT

The average health care costs in Pennsylvania more than doubled from 2007 to 2017, averaging \$158 per month for a single adult and \$617 per month for a family in 2017.

This accounts for about 9% of the household budget for a single adult and 12% of the household budget for an ALICE family. Health care spending for those living below the ALICE Threshold, through both public and private assistance, accounted for \$30 billion in 2017.

## FACT

Socioeconomic status impacts access to resources: access to quality, affordable health care is essential, and a strong predictor of receiving good care is having health insurance.

Many ALICE families fall into a critical gap in health insurance coverage. They often earn more than Medicaid eligibility levels but not enough to afford the high deductibles of the lowest-cost Affordable Care Act (ACA) plans on top of co-pay and prescription costs. They end up paying health care costs out-of-pocket

## FACT

ALICE often struggle with poor social determinants of health, meaning that their everyday life has a negative impact on their health and well-being.

Many ALICE households in rural communities live far away from health facilities. They often do not have access to healthy food at an affordable cost, and may not have the time or the budget for a gym membership. Even various environmental issues that exist in many neighborhoods with a high ALICE population can negatively impact their health.

**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.**