

UNITED WAY OF PENNSYLVANIA

LEGISLATIVE AGENDA FOR ALICE®

Lifting Up ALICE® Through Policy Solutions

United Way recognizes the challenges facing many individuals and families throughout Pennsylvania who are going to work every day and still struggling to provide the most basic necessities for themselves and their families. ALICE, which stands for **A**sset **L**imited, **I**ncome-**C**onstrained, **E**mloyed, are our neighbors, our friends, and the people who allow for Pennsylvanian's economy to grow. In Pennsylvania, 1.2 million households, or 24 percent, are earning above the federal poverty level but less than is needed for household essentials. Another 13 percent live below the federal poverty level, for a total of 1.8 million households falling below the ALICE survival threshold. The ALICE Survival threshold is the bare minimum an individual or family must earn to make ends meet in a specific county, based off the ALICE Survival Budget. The ALICE survival budget has categories based on housing costs, food costs, transportation costs, and other universal expenses. For a full description or to see the ALICE survival budget for your county, please go to www.uwp.org/alice.

United Ways are in a unique position to develop meaningful and lasting cross-sector solutions to the challenges facing ALICE in our communities. Through the generosity of donors, United Ways are able to reduce the burdens ALICE encounters on a daily basis and collaborate through various partnerships to help ALICE move along their journey of financial stability.

The United Way of Pennsylvania, a nonprofit and nonpartisan membership organization representing 46 local United Ways and 4 United Funds in Pennsylvania, support the following public policy priorities to fight for the health, education and financial stability of ALICE in our Commonwealth.

PA 2-1-1: Connecting ALICE with Resources

PA 2-1-1 is a one-stop connection for any Pennsylvanian to receive information and referral information for a multitude of health and human services needs. PA 2-1-1 is the place many turn to for help when they have never had to ask before and don't know where to turn. Each day, PA 2-1-1 is providing ALICE with resources to help alleviate barriers they are facing, such as food insecurity and high utility bills. In 2018, PA 2-1-1 helped over 200,000 Pennsylvanians connect to services. Further, PA 2-1-1 possesses the most comprehensive database statewide, containing over 33,000 available services. 2-1-1 is also the most efficient way for ALICE to find help with any needs among the day-to-day balancing of job, family and financial obligations. It is also available 24/7/365 through phone, plus text and web chat options, allowing ALICE to better connect with the services they need when it is convenient for their schedule.



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UWP Supports:

- Investment of state funds to continue a public-private partnership, strengthen PA 2-1-1 and assure a consistent experience for every user in the state.
- Explore ways to increase the efficiency of state and local governments by contracting to provide services currently offered through government-operated information phone hotlines.
- Leveraging PA 2-1-1's community data to help our state address social determinants of health and build resource coordination platforms.
- Providing data for health and human service planning at the state and local level.
- Working closely with state agencies including the Departments of Aging, Health, Human Services, and the Pennsylvania Emergency Management Agency to define shared goals to save taxpayer dollars by connecting Pennsylvanians in need to the right services at the right time.

Accessible and Affordable Child Care, Pre-k and Head Start: Supporting Children's Brain Development and Allowing ALICE to Work

Child care is expensive, but it is an especially large burden for ALICE. It is about 25-percent of the ALICE survival budget for families with children, and it significantly impacts their ability to be financially stable. 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. With 32-percent of families with children in Pennsylvania earning an income below the ALICE survival threshold, in many cases all available adults from ALICE households are in the workforce and child care is an essential component of their budget. Since more than 68-percent of all Pennsylvania families have all available parents in the workforce, the need for accessible and affordable child care is important to ALICE and non-ALICE households.

United Ways have long supported early learning, and do extensive work in ensuring Pennsylvania's children are school-ready by kindergarten. Educational attainment is a predictor of household income, and as research shows us, early learning begins at birth, with some of the most critical years of a child's brain development falling between birth and three years of age. This is why it is imperative every child in Pennsylvania has access to affordable, high-quality child care. It supports child development for households where both parents must work, assures that those parents can be reliable, productive employees, and provides a strategy to help move multiple generations of ALICE families on a path to financial stability.

Research demonstrates high-quality child care, Pre-k and Head Start all improve a child's cognitive, language, social and emotional development and school achievement. Children from families with few resources and under great stress benefit most from quality early



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childhood settings. In a recent poll by Magellan Strategies, over half of Pennsylvania residents support funding high-quality child care.¹

Footnote:

¹Magellan Strategies, Pennsylvania Child Care Study

UWP Supports:

- Assuring all children have access to reliable, high quality and affordable child care, Pre-k and Head Start. United Way of Pennsylvania supports increased funding for Child Care Services to serve children on the child care subsidy waitlist, as well as increased investment so all at-risk kids have access to high quality Pre-k and Head Start.
- Investments from the Commonwealth to improve infant/toddler child care subsidy tiered reimbursement rates for STAR 3 and 4 providers 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 initiatives include opportunities for child care workers, both in Pre-k and high-quality child care settings, to further their training and career.
- Increased state and federal funding for the child care development block grant to support the healthy development and school readiness needs of children, including a focus on increasing quality.

A Workforce Development Strategy That Works for ALICE

The United Way network is committed to working within our communities to increase family-sustaining employment, assure access to income supports and emergency services for those who need it, and to help families grow savings and assets. Our communities and Commonwealth will be stronger when every individual and family, regardless of race or socioeconomic status, is financially stable and has opportunities for economic mobility. Our workforce development strategies do not adequately account for the challenges faced by a significant portion of our workers who face challenges with reliable transportation and affordable child care.

In Pennsylvania, nearly 60 percent of all adults, including seniors, are working and 70 percent of all households have at least one worker. However, of those working, only 40 percent have full-time employment. Further, over half of Pennsylvania's workforce are paid hourly, accounting for 56 percent of employees. The ALICE Report highlights that of the 10 million jobs in Pennsylvania, 59 percent pay less than \$20 per hour, and more than one-half of those jobs pay between \$10 and \$15 per hour. Comparing those numbers to the true cost of maintaining a survival household budget, we see costs are outpacing wages. This trend will continue if we do not find solutions to address the needs of our workforce.



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United Ways in Pennsylvania invest in a variety of programs that help workers secure and maintain employment. This goes beyond traditional employment training, for example, by reducing barriers to employment such as child care and transportation. United Ways also invest in free tax preparation programs which help make sure working families receive all the tax credits they qualify for. Additional supports such as state and federal Earned Income Tax Credits allow working families to keep more of what they earn to help pay for necessities or unexpected emergencies. United Ways also support programs which focus on financial literacy and family budgeting to help ALICE and others stretch what they earn.

United Ways across the Commonwealth are committed to working across sectors to define and implement workforce development strategies that offer all workers a path to employment with family-sustaining wages, including partnerships to address the barriers many households are facing.

UWP Supports:

- State and federal Earned Income Tax Credits that support working families and help lift ALICE toward financial stability.
- Job training and career development policies which align to address impending work force shortages.
- Workforce development initiatives that help more of PA's ALICE population achieve jobs that provide family-sustaining wages and lift them to a level of financial sustainability.
- Partnerships with the private, nonprofit, and public sector to find solutions to the barriers facing employees, such as child care and transportation.
- Innovative approaches to connect PA's youth to career readiness opportunities.

Reliable and Accessible Transportation: Fostering Economic Mobility for ALICE

Reliable transportation is vital to ALICE to have the ability to get to work and take care of other obligations necessary for supporting their households, such as taking their children to child care or getting groceries.

Many Pennsylvanians struggle to afford vehicles, and/or 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-percent of the average ALICE survival budget for a family of four and 18-percent for a single adult.

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



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\$140 per month. However, for most Pennsylvanians public transportation is not available, since it is only reliably available in Delaware, Philadelphia, and Allegheny counties.

While the state's public transportation systems are funded with state dollars, they do not invest government spending on transportation specifically for ALICE or poverty-level families. Further, even with income and charitable donations in 2017, Pennsylvania households below the ALICE Threshold still had a 52-percent gap in resources to meet the basic costs of transportation.

Transportation is a real issue facing many ALICE households in Pennsylvania, whether it be the lack of transportation options or the access to and compatibility of mass-transit schedules that account for varying shifts common in the workforce. United Ways have seen first-hand the hardships families face when they do not have access to reliable transportation, which can result in a loss of employment, lack of medical care, or even the ability to make it to the grocery store. While this is a complex issue with the varying geography of the state, transportation is an essential component to ensuring Pennsylvanians are financially stable.

UWP supports:

- Policies that support improvements to PA's mass-transit problems, including more flexible and convenient routes and route schedules.
- Effective solutions to address the lack of transportation in PA's rural counties, such as increasing the availability of ride sharing.
- Fair and equal transportation opportunities for individuals with disabilities.
- Public-private partnerships to create innovative, locally-driven solutions to address transportation barriers to employment.

Accessible and Affordable Housing Options:

Housing is a basic necessity for Pennsylvanians, yet it can be an expensive component of a household budget and often difficult to obtain. Through our work with PA 2-1-1 and the Eastern Continuum of Care, United Ways are aware of the gaps many Pennsylvanians are facing when it comes to housing. While PA 2-1-1 has helped over 1,100 families find housing, there are many more we are unable to assist due to a lack of resources and housing units available. This is a problem that is faced throughout the Commonwealth, in every county.

ALICE families in Pennsylvania spend approximately, 17-percent, of their income on housing, which in many cases is not adequate for the household size. Nationally, the Commonwealth ranked as the 20th most expensive state in the country for housing in 2017. Housing burden is a measure that represents housing costs that exceed 30-percent of household income. On average in 2017, 45-percent of Pennsylvania renters paid more than 30-percent of their



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income on rent, and 19-percent of homeowners' mortgage payments exceed 30-percent of the household's income. Pennsylvania's working families are vulnerable to evictions and foreclosures, should their incomes be interrupted. Affordable housing strategies are one factor which will allow many ALICE families to advance toward financial stability.

UWP supports:

- Improving Pennsylvania's affordable housing options in rural and urban areas for ALICE individuals and families.
- Expanding housing tax credits that benefit the ALICE population.
- Policies that support home ownership, including first time homeowners, and assist housing-burdened renters with housing costs.
- Policies that work to address homelessness in our communities

For more information about any of these priorities, contact:

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