



United Way of Pennsylvania www.uwp.org

KEY TAKEAWAYS

ALICE IN PENNSYLVANIA

The number of households in financial hardship in Pennsylvania continues to be undercounted in official measures. According to the Federal Poverty Level (FPL), 12% of households in Pennsylvania (636,093) were in poverty in 2021. Yet United for ALICE data shows that another 27% (1.4 million households) - more than twice as many - were ALICE (Asset Limited, Income Constrained, Employed).

Of the 5.2 million households in Pennsylvania, over 2 million (39%) had income below the ALICE Threshold of Financial Survival in 2021. These include both households in poverty and ALICE Households.

The number of ALICE households in Pennsylvania increased substantially through the Great Recession (2007-2010) then continued to increase gradually afterward, never returning to pre-recession levels. From 2019-2021, the total number of households in Pennsylvania increased by 2% and the number of households below the ALICE threshold (ALICE + Poverty) increased by 7%.

Public assistance programs were temporarily expanded in 2021, but not enough to bring most households below the ALICE threshold to financial stability. In Pennsylvania, a family of four with two parents working full time in two of the most common occupations (retail salesperson and cashier) could not afford the Household Survival Budget in 2021, even with the expanded Child Tax Credit, the Child and Dependent Care Tax Credit, and the Economic Impact Payments.

With pandemic assistance waning while significant challenges remain, there are warning signs that the economic situation for households below the ALICE threshold has worsened since 2021, including sustained high levels of food insufficiency, continued difficulty paying bills, medical debt and feelings of anxiety and depression.

ASSET LIMITED INCOME CONSTRAINED EMPLOYED

UNITEDFORALICE.ORG

ALICE's Journey Through the COVID-19 Pandemic

In PA, retail sales person and cashier were among the top 5 occupations in 2021

Full-time Cashier \$11.03/hr | \$22,942/Annually

Full-time Retail Sales \$13.17/hr | \$27,393/Annually

- + Economic Impact Payment \$5,600
- + Child Tax Credit \$7,200
- + Child & Dependent **Care Tax Credit** \$8,000

FACT:

Child care is the highest expense in the Survival Budget for households with children.



Survival Budget Cost overruns estimated at

10% of the budget, excluding taxes

During the COVID-19 pandemic, 1.4 million, or

27% of Pennsylvania households

were Asset Limited, **Income Constrained.** Employed (ALICE)

FACT: Survival budget rent cost is based on a modest two-bedroom apartment.

Despite Pandemic assistance, ALICE falls short of the Survival Budget by \$13,073, or 19%.

\$1.275/month child care for two children.



\$1,182/ month **USDA** Thrifty Food Plan.

