

## 2020 ALICE REPORT EXECUTIVE SUMMARY

Connecticut United Ways are **United For ALICE**. ALICE, an acronym that stands for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed, represents the growing number of households in Connecticut with earnings above the Federal Poverty Level but below a basic cost of living threshold.

In Connecticut, 27% of Connecticut households are ALICE Households. Despite working hard, these households live paycheck to paycheck and are unable to afford life's most basic necessities such as housing, food, child care, transportation, technology and healthcare. When combined with those households living below the Federal Poverty Line (11% of households), 38% of households (513,727) struggle to make ends meet.

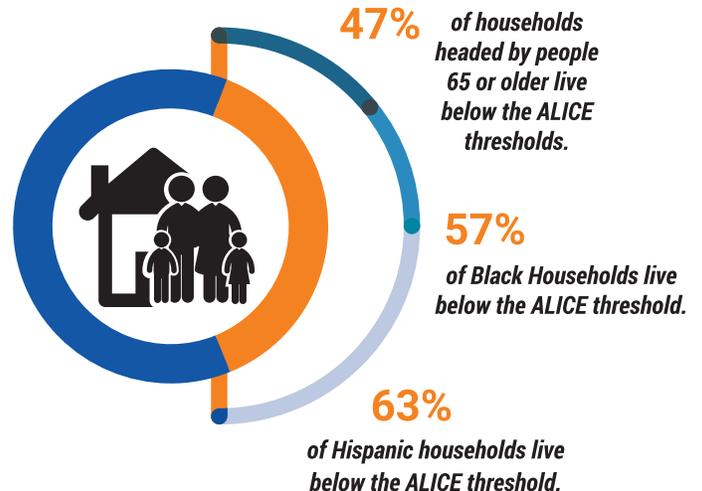
The 2020 Connecticut United Ways ALICE Report documents the challenges facing ALICE families throughout our state and identifies trends that affect ALICE's ability to achieve financial security. The COVID-19 Pandemic and resulting economic crisis has disproportionately affected household living below the ALICE threshold and highlighted ALICE's vulnerability to hardship from both illness and economic disruption.

With release of the 2020 ALICE Report, Connecticut United Ways continue to call attention to ALICE households by identifying barriers preventing ALICE from making ends meet and executing solutions that can lead to financial security for ALICE.

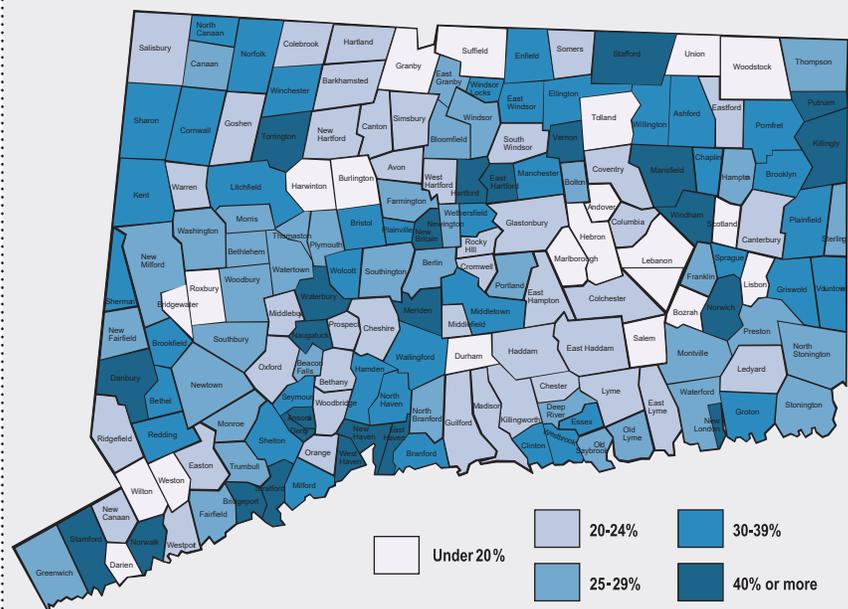
### CONNECTICUT UNITED WAYS STAND WITH ALICE

Connecticut United Ways remain committed to supporting ALICE and fighting for the health, education and financial security of all Connecticut residents. We invest in child care and early learning, basic needs, diverse housing options, job training, asset development and financial education. We advocate for good jobs, fair wages, access to good schools, affordable housing, and quality child care that families can afford. And we stand ready to help ALICE households when disaster strikes.

**38%** of households in Connecticut struggle to make ends meet



### PERCENTAGE OF HOUSEHOLDS BELOW THE ALICE THRESHOLD BY TOWN, 2018



**In 148 of Connecticut's 169 towns and cities, at least 1 in 5 households are below the ALICE Threshold.**

## WE ALL KNOW ALICE

ALICE is our friend, neighbor, coworker and family member. ALICE cares for our children and aging parents, fixes our cars and works in our local grocery stores, retail stores, and restaurants. ALICE lives in every town and city in Connecticut. In fact, in Connecticut more than 357,000 households are ALICE households with income above the Federal Poverty Level but below the state's basic cost-of-living threshold as defined in the 2020 ALICE Report.

ALICE workers are retail workers, nursing assistants, childcare workers, home health aides, car mechanics, maintenance workers, teacher assistants—workers essential to every community's success. We lean on ALICE for support; yet, many ALICE households are one emergency away from a financial crisis impacting their ability to feed their family, heat their home, maintain their housing, and ensure their medical care.

Connecticut's Top Occupations by Employment and Wage, 2018

Occupation	Number of Jobs	Median Hourly Wage
Cashiers	45,940	\$11.49
Retail Salespersons	44,710	\$12.57
Registered Nurses	31,400	\$38.42
Customer Service Representatives	30,950	\$18.59
General and Operations Managers	30,330	\$63.13
Administrative Assistants	30,140	\$21.76
Waiters and Waitresses	29,660	\$10.57
Janitors and Cleaners	29,290	\$14.64
Office Clerks	28,420	\$17.65
Food Preparation and Service Workers	28,120	\$11.63

**52% OF WORKERS IN CONNECTICUT ARE PAID HOURLY**

### TRENDS IMPACTING ALICE HOUSEHOLDS

The 2020 ALICE Report digs deeper into trends that affect ALICE in the workplace and impacts ALICE's ability to save, to build assets and achieve financial security.

**Racial and ethnic disparities in hardship are growing.** Black and Hispanic households have a disproportionately high percentage of families below the ALICE Threshold

- 57% of Black households and 63% of Hispanic Households in Connecticut live below the ALICE Threshold.
- Even when controlling for age, gender, education, and region, nationally Black workers are paid 16% less than white workers.

**Many jobs will require more technology skills.**

- A key to financial security for ALICE workers is more access to upskilling, online training, and work-based training opportunities, consistent with the direction Governor's Workforce Council is taking.

**Worker vulnerability is increasing while wages stagnate in ALICE jobs.**

- 52% of workers in Connecticut are paid hourly. These workers are more likely to have fluctuations in income, with frequent schedule changes and variation in the number of hours available for work each week/month.
- Hourly workers, in particular on-demand and contingent workers are less likely to receive benefits, such as health insurance, paid time off, family leave, or retirement benefits.

**Asset limited is a defining characteristic of ALICE.**

- More than one-third of Connecticut households are without any financial cushion and do not have enough income to cover current and unexpected expenses. This vulnerability means that an unforeseen emergency (illness, car/home repairs, etc.) or a change in income can send an ALICE household spiraling into poverty.

# WHY SO MANY WORKING FAMILIES IN CONNECTICUT STRUGGLE FINANCIALLY

## WHAT CONNECTICUT WORKERS EARN

Connecticut wages are among the highest in the country with 55% of jobs paying \$20 or more. However, wages have not kept pace with the cost of living and many Connecticut workers earn less than what is needed to get by.

## CONNECTICUT'S COST OF LIVING

The cost of living continues to increase faster than many workers' wages, leaving ALICE households with many tough financial choices.

A single adult requires a full-time job earning \$14.45 per hour, a single adult 65 years of age or older requires an income of \$15.88 per hour and a family of four needs full-time work with an hourly wage of \$45.33 to afford just the basics in Connecticut.

## WHAT IS THE HOUSEHOLD SURVIVAL BUDGET?

The Household Survival Budget reflects the minimum cost option for six basic necessities – Housing, Child Care, Food, Transportation, Technology (the cost of a smartphone) and Health Care. This barebones monthly budget covers the essentials plus taxes and a 10% miscellaneous contingency. It is a conservative estimate of the monthly costs to get by, and does not account for savings or emergency expenses.

The updated Household Survival Budget increased to \$90,660 for a family of four in Connecticut. Connecticut's high cost of living is a big part of the ALICE story, especially the cost of housing and child care.

Household Survival Budget in Connecticut			
Monthly Costs	Single Adult	One Senior	Family
Housing	\$883	\$883	\$1,310
Child Care			\$1,857
Food	\$309	\$263	\$936
Transportation	\$357	\$311	\$826
Health Care	\$222	\$519	\$742
Technology	\$55	\$55	\$75
Miscellaneous	\$219	\$241	\$687
Taxes	\$364	\$374	\$1,122
Monthly Total	\$2,409	\$2,646	\$7,555
<b>Annual Total</b>	<b>\$28,908</b>	<b>\$31,752</b>	<b>\$90,660</b>
<b>Hourly Wage</b>	<b>\$14.45</b>	<b>\$15.88</b>	<b>\$45.33</b>

\*A family of four is two adults, one toddler and one infant.

## NUMBER OF JOBS BY HOURLY WAGE, CONNECTICUT 2018



## WHAT CHOICES WOULD YOU MAKE?

ALICE makes tough choices every day. Put yourself in the shoes of a typical ALICE household. Follow this link: [www.makingtoughchoices.org](http://www.makingtoughchoices.org) to experience the tough choices that ALICE households face daily.

**CHILD CARE AND HOUSING ACCOUNT FOR 42% OF MOST ALICE FAMILIES' HOUSEHOLD BUDGET.**

# HOW CONNECTICUT UNITED WAYS ARE HELPING ALICE RESIDENTS AND STRENGTHENING COMMUNITIES

## UNITED WAY'S RESPONSE TO THE PANDEMIC

Just weeks after COVID-19 began to spread across Connecticut, Connecticut United Ways launched a statewide COVID-19 Response Fund and rapidly deployed financial resources to individuals and families economically affected by the pandemic.

At the writing of this report, Connecticut United Ways COVID-19 Response Fund has provided over 3,000 households with \$600,000 dollars in crucial financial assistance. Another \$500,000 will continue to be distributed throughout the pandemic to assist 2,500 additional households. This relief has been used by ALICE households who were in need of immediate financial assistance due to loss of income and work, or quarantine and health concerns to help purchase food, household supplies, medicine and pay bills.

Many local United Ways across the state also stood up their own local funds to support people in the communities they serve in the short and long-term as a result of the COVID-19 pandemic.

Dollars raised were used hyperlocal and awarded to nonprofits, schools and municipal partners best suited to meet the need of their residents. These local funds have allowed Connecticut United Ways to invest:

- \$2.3 Million: **Health**
- 1.2 Million: **Food**
- \$715,500: **Financial Security**
- \$454,000: **Household Essentials**
- \$415,000: **Housing & Utility Assistance**
- \$262,000: **Education & Child Care**

Connecticut United Ways also invest in 2-1-1. United Way 2-1-1 is Connecticut's 24/7 access to a range of health and human services. During emergencies and times of disaster, 2-1-1 serves as the gateway to services for emergency/disaster response and recovery.

Last year (FY20), 2-1-1 responded to **391,593** service requests from Connecticut residents seeking information, education and connection to services. At the onset of the COVID-19 pandemic, 2-1-1 launched the COVID-19 Public Information Line at the request of the Department of Public Health to insure that Connecticut residents had access to consistent and accurate information about the novel coronavirus. The COVID-19 Public Information Line has handled more than **58,000** calls.

### About Connecticut United Ways

Connecticut United Ways advance the common good by creating opportunities for all, with a particular focus on education, income/financial security, health, and basic needs – the building blocks for a good quality of life. We engage people and organizations throughout our communities who bring passion, expertise, and resources needed to get things done, and we invite everyone to be part of the change.

To learn more and download the full Connecticut ALICE Report, go to <http://alice.ctunitedway.org>.

## COVID COMMUNITY INVESTMENT

**\$2.3 MILLION**

**Health**

**1.2 MILLION**

**Food**

**\$715,500**

**Financial Security**

**\$454,000**

**Household**

**Essentials**

**\$415,000**

**Housing and Utility Assistance**

**\$262,000**

**Education and Child Care**

**211 COVID Response**

COVID-19 Public Information Line has handled **58,000+** calls.

