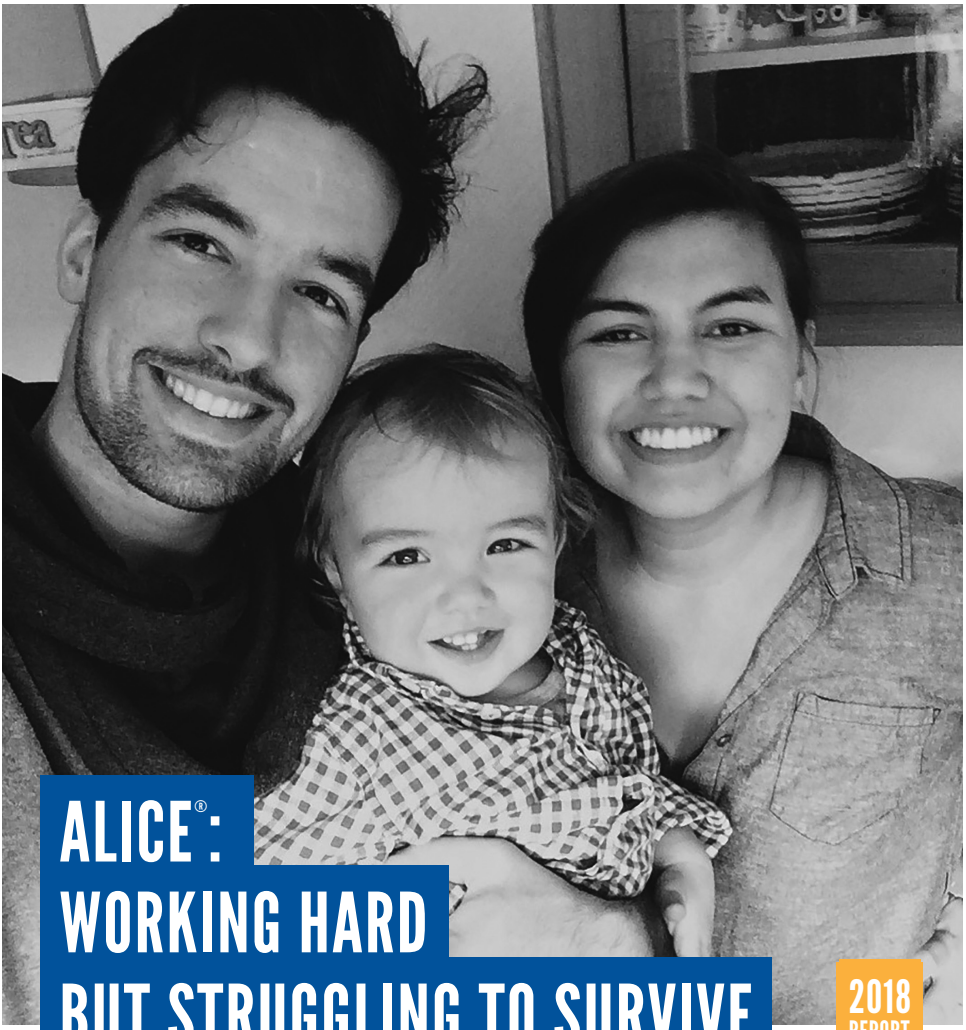

ALICE®: WORKING HARD BUT STRUGGLING TO SURVIVE IN ERIE COUNTY

2018 REPORT

STUDY OF FINANCIAL HARDSHIP

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United Way of Buffalo & Erie County

WHAT IS THE UNITED WAY ALICE PROJECT?

A STUDY OF FINANCIAL HARDSHIP

Since its inception, the **United Way ALICE Project** has shed light on a hidden population: hardworking households earning more than the Federal Poverty Level, but not enough to afford the basic cost of living. United Way calls this demographic **ALICE**, an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.

The **United Way ALICE Project** has ignited a grass roots movement that is catching on. United Ways in multiple states are joining forces to change the dialogue about financial hardship. **ALICE** is more than a demographic; in every state, **ALICE** is a critical part of the fabric of our economy and our communities.

United Way of New York has revealed its updated **United Way ALICE Report** for New York State, a data-driven, comprehensive research project that upends the conventional view of the state. On many levels, New York is an affluent state – one with high median incomes, quality schools, and prosperous corporations. But the fact is that across New York, 45 percent of households cannot afford basic necessities. This is an increase of 30,000 households since 2010.

ALICE represents the men and women of all ages and races who get up each day to go to work but aren't sure if they'll be able to put dinner on the table each night. They are our preschool teachers, home health aides and retail salespeople – workers essential to keeping all our communities and economies humming, yet who struggle to pay their own basic bills.

Visit **uwbecfamilies.org** to view and download the entire updated **United Way ALICE Report** and learn more about ALICE in Erie County in the following pages. By raising awareness about **ALICE** and stimulating a fresh dialogue between community members and leaders, we can, together, provide **ALICE** with an opportunity to succeed.

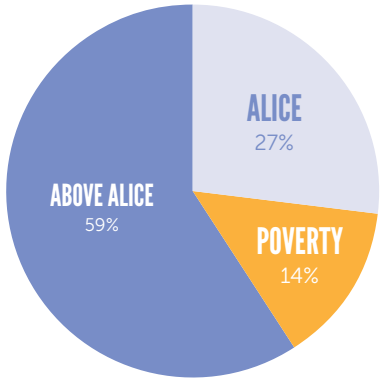
WHAT THE RESEARCH REVEALED

ALICE CONTINUES TO STRUGGLE

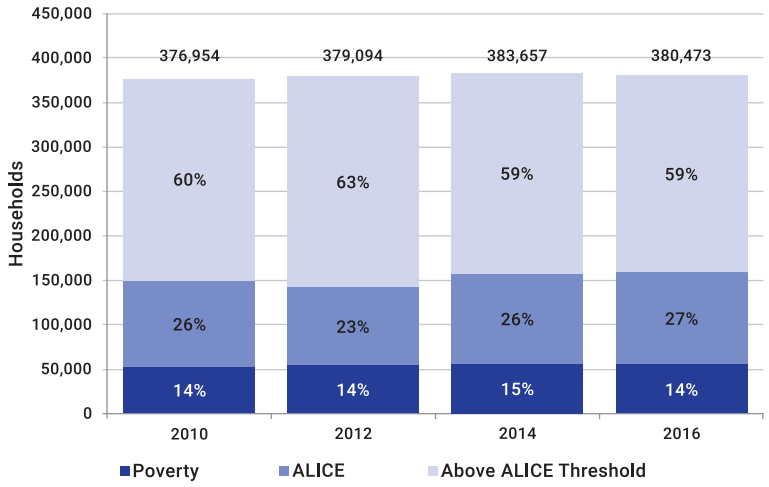
There are over 102,000 ALICE households in Erie County—households with income above the Federal Poverty Level (FPL) but below a basic cost-of- living threshold. This is almost double the number of households counted in the official poverty rate (over 53,000). In total, over 155,000 households in Erie County—or 41%—are walking a financial tightrope, unable to afford this state's high cost of living.

These households struggle to afford even the most basic necessities of housing, child care, food, health care, and transportation. By using new methods for measuring financial hardship, the **United Way ALICE Report** reveals a far broader and more serious problem than previously thought.

Household Income, Erie County • 2016



How Have Households Changed Over Time, Erie County, 2010 to 2016



Source: American Community Survey, 2016, and the ALICE Threshold, 2016

WHO IS ALICE?

EVERY COMMUNITY HAS ALICE HOUSEHOLDS

ALICE can be anybody. The number of **ALICE** households increased in all age, race and ethnic groups from 2010-2016.

Age

ALICE households exist in all age groups, even in households headed by someone in their prime earning years, 25 to 64 years old. This updated report shows that the most common **ALICE** households are headed by individuals outside these prime earning years, specifically those younger than 25 or older than 65. In addition, households headed by individuals younger than 25 are much more likely to be living in poverty than any other age group.

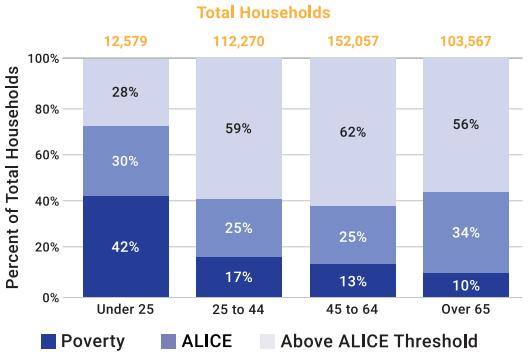
Race and Ethnicity

ALICE households exist across all races and ethnicities in Erie County. However, households of color are more likely to experience financial hardship than white households. Two-thirds of all Black and Hispanic households live below the **ALICE** threshold, and the percentages are only slightly smaller for Asian and multiracial households.

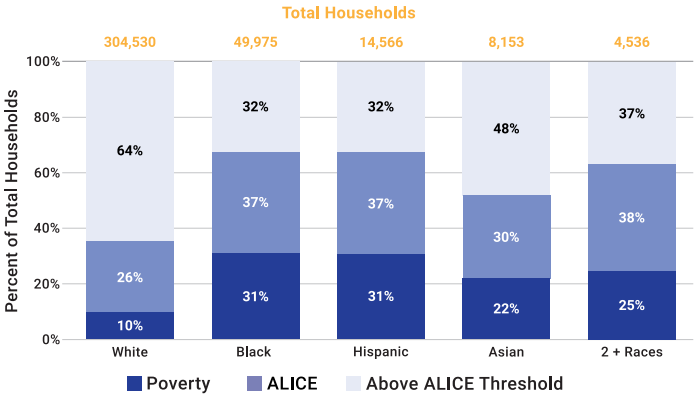
Families with Children

While most families in Erie County are headed by married parents, those families with a single parent are more likely to have an income below the **ALICE** threshold. Approximately the same percentage of households headed by single females and single males are **ALICE** families, but more single female-headed families are living in poverty.

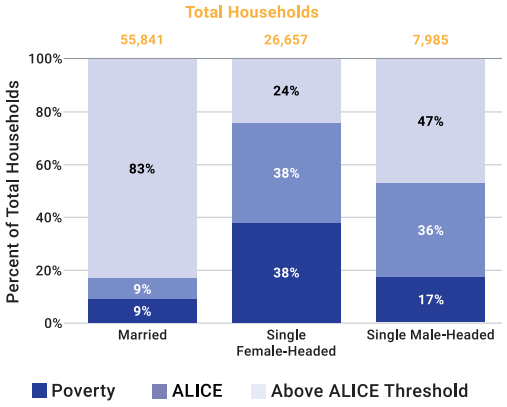
Households by Age – Erie, New York, 2016



Households by Race/Ethnicity - Erie, New York, 2016



Families with Children - Erie, New York, 2016



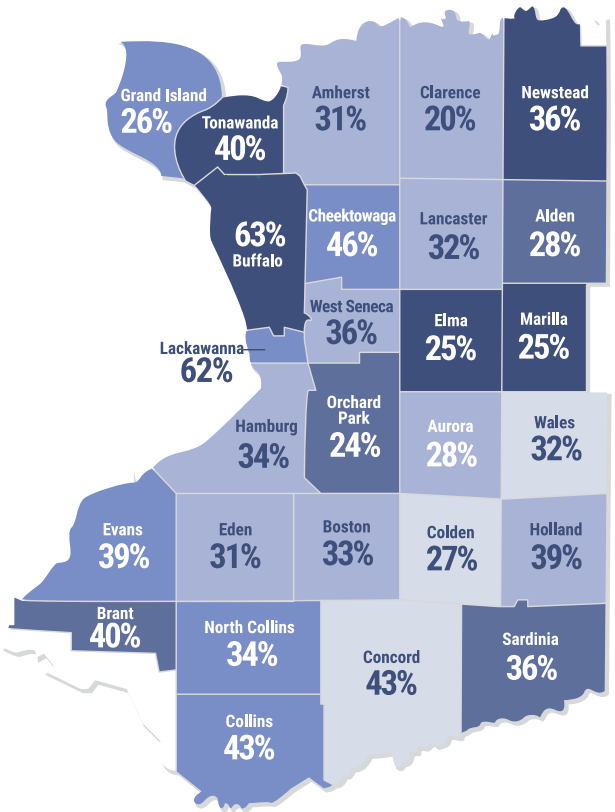
Sources: American Community Survey, 2016, and the ALICE Threshold, 2016. Note: Data in all categories except Two or More Races is for one race alone. Because race and ethnicity are overlapping categories, the totals for each income category do not add to 100 percent exactly.

WHERE DOES ALICE LIVE?

ALICE EXISTS IN EVERY COMMUNITY

There is enormous variation throughout Erie County; the percentage of households below the **ALICE** threshold ranges from 24 percent in Orchard Park to 63 percent in Buffalo. Although the cost of living differs across the county, the number of households with income below the **ALICE** Threshold increased or stayed the same across the county from 2010-2016.

Percent Households at or Below the ALICE Threshold by County Subdivision, Erie County • 2016



Sources: 2016 Point-in-Time Data: American Community Survey. ALICE Demographics: American Community Survey; the ALICE Threshold.

WHY DOES ALICE EXIST?

THE HIGH COST OF LIVING IN NEW YORK

There are many factors contributing to and perpetuating conditions for ALICE. While some circumstances are individual, a few systemic problems affect the majority of ALICE households: the high cost of living, income not keeping pace with costs, and continued growth of low-paying jobs.

Based on the Household Survival Budget, 41% of Erie County households can't afford the basics of housing, food, health care, technology, child care, and transportation.

Using the thriftiest official standards, it takes an average of $67,764 for a family of four (two adults, an infant, and a preschooler) to afford the basics – more than double the U.S. poverty rate of $25,100. The Household Survival Budget for a single adult is $21,948, also far exceeding the U.S. poverty rate of $12,140.

The cost of household basics in the Erie County Household Survival Budget increased by 11% for a single and 10% for a family of four (2010-2016). This is due, in part, by rising costs of child care, healthcare and the addition of a technology line, which was driven by the cost of a basic smartphone as it has become a necessity to work in the modern economy.

Erie County Budget

Household Survival Budget, Erie County	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	$589	$755
Child Care	$–	$1,500
Food	$182	$603
Transportation	$341	$682
Health Care	$213	$792
Technology	$55	$75
Miscellaneous	$166	$513
Taxes	$283	$727
Monthly Total	$1,829	$5,647
ANNUAL TOTAL	$21,948	$67,764
Hourly Wage	*$10.97*	*$33.88*

** New to budget in 2016. ** Wage working full-time required to support this budget.*
Source: U.S. Department of Housing and Urban Development; U.S. Department of Agriculture; Bureau of Labor Statistics; Internal Revenue Service; Tax Foundation; and New York State Office of Children & Family, 2016.

WHY DOES ALICE EXIST?

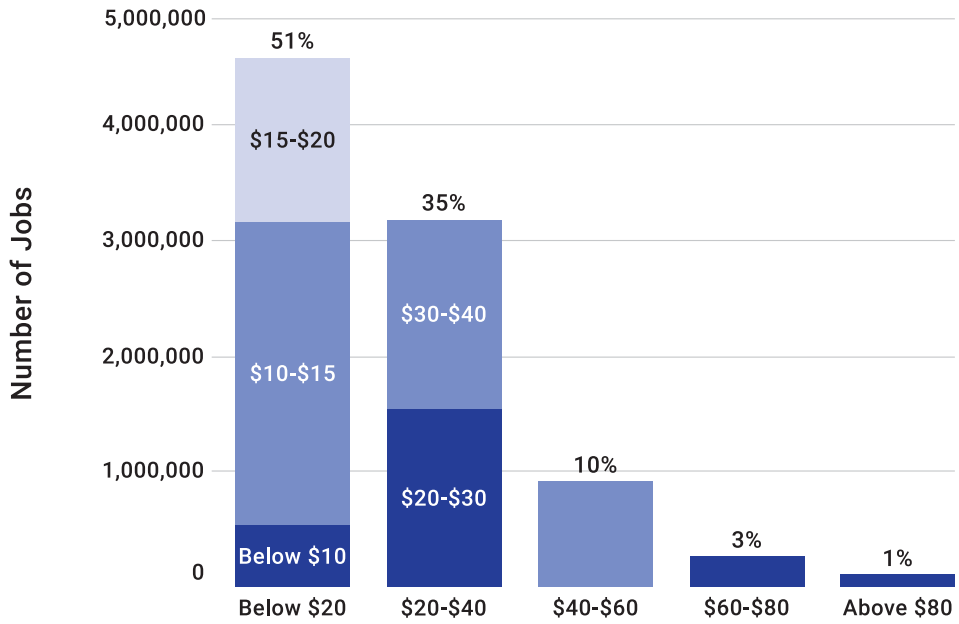
LACK OF HIGH-PAYING JOBS

Low-wage jobs continue to dominate the economy in New York, making it challenging for workers to find jobs with wages that can support even a basic household budget.

The growth in job creation since the last ALICE New York Report, shows growth in jobs that pay wages below the ALICE Threshold. The services ALICE provides, in jobs such as health aides, retail salespeople, and teaching assistants, are vital to the New York economy, yet they do not pay enough to cover the state's high cost of living.

More than half of all jobs in New York pay less than $20/hour (or $40,000/year if full-time). At this rate, these workers can only afford two thirds of the Household Survival Budget for a family of four ($68,808).

Number of Jobs by Hourly Wage, New York • 2016



Source: Bureau of Labor Statistics, 2016.

MANY ALICE IN MOST COMMON JOBS

TOP 14 OCCUPATIONS IN WNY 2016 BY NUMBER OF JOBS

Only two of the top 14 occupations—registered nurses and general & operations managers—paid enough to support the Household Survival Budget for a family of four, a minimum of $16.94 per hour.

OCCUPATION	NUMBER OF JOBS	MEDIAN HOURLY WAGE
Retail Salespersons	24,200	$9.77
Cashiers	17,160	$9.36
Combined food preparation & serving workers, including fast food	15,150	$9.36
Customer service representatives	13,460	$16.16
Registered nurses	13,300	$33.32
Secretaries & administrative assistants	12,930	$16.17
Janitors & cleaners	12,700	$11.78
Office clerks, general	12,640	$13.39
Waiters & waitresses	12,090	$9.52
General & operations managers	10,780	$41.67
Stock clerks & order fillers	9,140	$10.79
Personal care aids	9,090	$11.37
Teacher assistants	8,810	$10.73
Laborers & freight, stock and material movers	8,690	$12.28

Source: NYS Dept. of Labor, Occupational Employment Statistics (OES) survey. Data were collected in 2012, 2013, 2014, and 2015, and then updated to the first quarter of 2016 by making cost-of-living adjustments. These estimated wages reflect a minimum wage of $9.00 per hour, which was the minimum wage in effect at the time the estimates were prepared.

WHY DOES ALICE MATTER?

WE ARE ALL INTERCONNECTED

We all have a vested interest in improving conditions for **ALICE**. When **ALICE** can't afford the basics, the costs are high both for these families and for the wider community.

ALICE Households Suffer Without Sufficient Income

When **ALICE** households do not have enough income, they have to make difficult choices to reduce their expenses. They may be forced to skimp on child care, healthy food, or car insurance. These "savings" threaten their health, safety, and future.

If a family cannot afford child care in an quality facility, they may substitute with an inexperienced relative, jeopardizing their child's safety and learning opportunities. To reduce housing costs, **ALICE** may move farther away from work, resulting in a longer commute as well as additional travel and child care expenses.

Other short-term survival strategies such as skipping preventative health care or a bill payment also have long-term penalties, such as poor health, fines, and larger bills in the future.

The Whole Community Suffers When ALICE Has Insufficient Income

ALICE's existence has long-term implications for all of us. When ALICE workers cannot afford an emergency, let alone invest in their neighborhood, communities may experience instability, higher taxes, or a decline in economic growth.

When ALICE children are not ready for school, they add a burden to the education system. When ALICE households cannot afford preventative health care, they are more likely to place future strain on the health care system, increasing insurance premiums for all. When ALICE is forced to move further away from work, it results in more congestion and possible traffic accidents for all commuters.

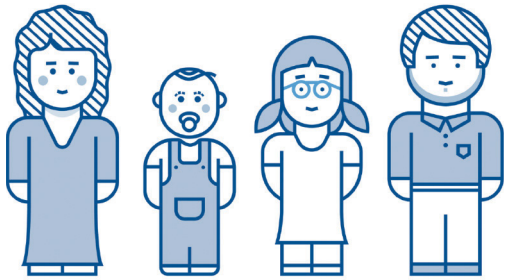
When ALICE struggles, we all suffer.

MEET THE HARRISONS

THE HARRISONS REPRESENT A TYPICAL ALICE FAMILY.

Even though both parents work full time, their combined annual income is only $57,261. That's $10,503 short of the household survival budget.

Jamie is 37 and works as a home health aide making $11.37 per hour ($23,649 annually). She walks to work most of the year to save up for a bus pass in the winter. Due to worry over bills, she hardly sleeps.



Jamie Mason Ariana Marcus

Marcus is 35 and works as a customer service representative making $16.16 per hour ($33,612 annually). He hasn't been to the doctor since, well, he can't remember when. The kids come first.

Ariana, Jamie and Marcus' daughter, is seven years old. When she grows up she wants to be a veterinarian but can't read at her grade level.

Jamie and Marcus' son, Mason, is 18 months old. He loves peek-a-boo but still hasn't said his first word.

The Harrisons' low wages relative to the high cost of living in Buffalo and Erie County mean that even a small hiccup or surprise expenditure can have tremendous repercussions on their financial security and wellbeing and, by extension, the community.

When Mason suffered from a frightening seizure due to a severe ear infection, Jamie and Marcus had to call an ambulance for emergency medical treatment. Even with health insurance, the costs were enormous, and Jamie lost two days' pay as her son recovered. To settle the bills, the Harrisons used what little money they had been saving for a car—and then some—and still can't afford to pay off the debt. Now, Jamie and Marcus are worried they won't make rent this month.

To help struggling families like the Harrisons meet their economic, social, and health requirements and overcome their circumstances, United Way: Families surrounds and supports them with an action network of community services. **Together, we make an impact by empowering families.**

HOW YOU CAN HELP?

JOIN UNITED WAY AS AN AMBASSADOR FOR ALICE FAMILIES.

Please join your United Way in advocating for **ALICE** and finding ways to help these struggling families so they have opportunities to succeed.

HOW WE CAN HELP ALICE TOGETHER

What **ALICE** needs is a way to increase income and/or reduce expenses: Affordable housing, sources of healthy, affordable food, transportation, child care, support for ill/elderly relatives, loans, and access to good employers.

Raise Awareness about ALICE

- Share **ALICE**'s story with your colleagues, neighbors, friends, family, and in your places of worship. United Way is happy to provide a speaker for the presentation.
- Write a letter-to-the-editor or an op-ed piece for your local paper or share **ALICE**'s story with your network of friends on social media.

Advocate for ALICE

- Work to change policies to help **ALICE** with affordable housing, child care, transportation, education, better jobs, etc. Introduce an **ALICE** to your legislators. Explain who **ALICE** is...health aides, security guards and teacher assistants.

Volunteer

- Become a volunteer tax preparer.
- Tutor a child, especially in reading proficiency which predicts later success.
- Volunteer for a food pantry to get healthy food to **ALICE** families in your area.

Donate

- Give to United Way and the programs that provide **ALICE** with a needed helping hand during times of crisis.

You Can Make a Difference

Each individual action you take will help increase public awareness about ALICE. When combined with similar actions taken by others, our collective effort will help rebuild the ladder of opportunity for thousands of ALICE families living in Buffalo and Erie County. **Thank you for helping spread the word about ALICE.**

To learn more visit uwbecfamilies.org.