The ALICE Project

Legislative Leadership Program
Portrait View
Landscape View
ALICE

Asset Limited
Income Constrained
Employed

Funded by Consumers Energy
and United Ways
Michigan ALICE Research Advisory Committee

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Matt McCauley, Networks Northwest
Neil Carlson, Calvin College
Rene Rosenbaum, Michigan State University
What does the ALICE Report describe?

- Household Survival Budget
- ALICE Threshold
- ALICE Income Assessment
- Economic Viability Index
## ALICE Survival Budget

### Monthly Costs, Michigan Average, 2015

<table>
<thead>
<tr>
<th></th>
<th>Single Adult</th>
<th>2 Adults, 1 Child, 1 Preschooler</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>$478</td>
<td>$696</td>
</tr>
<tr>
<td>Child Care</td>
<td>$–</td>
<td>$1,108</td>
</tr>
<tr>
<td>Food</td>
<td>$184</td>
<td>$609</td>
</tr>
<tr>
<td>Transportation</td>
<td>$359</td>
<td>$718</td>
</tr>
<tr>
<td>Health Care</td>
<td>$183</td>
<td>$702</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$138</td>
<td>$425</td>
</tr>
<tr>
<td>Taxes</td>
<td>$174</td>
<td>$414</td>
</tr>
<tr>
<td><strong>Monthly Total</strong></td>
<td>$1,516</td>
<td>$4,672</td>
</tr>
<tr>
<td><strong>Annual Total</strong></td>
<td><strong>$18,192</strong></td>
<td><strong>$56,064</strong></td>
</tr>
<tr>
<td><strong>Hourly Wage</strong></td>
<td><strong>$9.10</strong></td>
<td><strong>$28.04</strong></td>
</tr>
</tbody>
</table>
40% of Michigan’s Households are Below ALICE Threshold
How Much Does ALICE Earn?
ALICE Lives in all counties

Households below the ALICE Threshold

Livingston County: 27%

Lake County: 59%
ALICE Data – Levels Available

- County
- Township/City
- PUMA (Public Use Microdata Areas)
ALICE Threshold 2007 to 2015

Households by Income, Michigan, 2007-2015

- Percent of Households
- Households (in thousands)

- Above AT
- ALICE
- Poverty
- Total HH

2007:
- 62% Above AT
- 13% ALICE
- 26% Poverty
- 15% Total HH

2010:
- 60% Above AT
- 24% ALICE
- 25% Poverty
- 15% Total HH

2012:
- 60% Above AT
- 24% ALICE
- 25% Poverty
- 15% Total HH

2015:
- 60% Above AT
- 25% ALICE
- 25% Poverty
- 15% Total HH

Total HH:
- 2007: 2,600
- 2008: 2,600
- 2009: 2,600
- 2010: 2,600
- 2011: 2,600
- 2012: 2,600
- 2013: 2,600
- 2014: 2,600
- 2015: 2,600

Households (in thousands):
- 2007: 4,500
- 2008: 4,000
- 2009: 3,500
- 2010: 3,000
- 2011: 2,500
- 2012: 2,000
- 2013: 1,500
- 2014: 1,000
- 2015: 500

United Way
Cost of Basics Continues to Increase

- **Adult**
  - 16% Change
  - $18,192

- **Family**
  - 20% Change
  - $56,064

*Graph shows the cost of basics increasing from 2007, 2010, and 2015.*
ALICE Threshold by Age

Source: American Community Survey, 2015, and the ALICE Threshold, 2015
ALICE Threshold by Race/Ethnicity

Source: American Community Survey, 2015, and the ALICE Threshold, 2015
Households with Children

393,168 Families with Children Below ALICE Threshold (BAT)

- Married: 81% Above AT, 11% ALICE, 8% Poverty, 670 Total HHs
- Single Female-Headed: 29% Above AT, 20% ALICE, 51% Poverty, 260 Total HHs
- Single Male-Headed: 40% Above AT, 33% ALICE, 27% Poverty, 88 Total HHs

Families (in thousands)
How Much Does ALICE Earn?

![Bar graph showing the number of jobs (in thousands) at different salary ranges.](chart.png)

- **Less Than $10**: 62% (2,500 jobs)
- **$10-$15**: 29% (1,400 jobs)
- **$15-$20**: 9% (400 jobs)
- **$20-$30**: 0.3% (10 jobs)
- **$30-$40**: 0.6% (20 jobs)
- **$40-$60**: 0.3% (10 jobs)
- **$60-$80**: 0.6% (20 jobs)
- **Above $80**: 0.3% (10 jobs)
Number of Jobs by Hourly Wage, 2007 to 2015

Number of Jobs by Hourly Wage, Michigan, 2007 to 2015

Number of jobs:
- 2007: 4.13 million
- 2010: 3.74 million
- 2015: 4.17 million

Basic Needs Gaps
Wage + Government & Nonprofit Assistance

- Housing: 44% Gap
- Child Care: 50% Gap
- Food: 31% Gap
- Transportation: 51% Gap
- Taxes: 5% Gap

Minimum Need: Blue
Income - HH Below AT: Orange
Government & Nonprofit Assistance: Shaded Orange
The graph illustrates the monthly costs for various expenses, such as housing, child care, food, transportation, health care, and miscellaneous. The ALICE Household Survival Budget is shown at $26,87/hour ($53,736 annual), followed by the retail salesperson at $9.66/hour ($19,320 annual), child care worker at $10.44/hour ($20,880 annual), packer at $11.08/hour ($22,160 annual), nursing assistant at $11.33/hour ($22,660 annual), federal poverty level at $11.93/hour ($23,850 annual), and security guard at $13.48/hour ($26,960 annual).
Michigan Households with Assets

- 3+ Vehicles, 19%
- 2 Vehicles, 39%
- 1 Vehicle, 34%
- With Mortgage, 43%
- No Mortgage, 28%
- Interest, Dividends, or Rental Income, 21%
Population Inflows and Outflows by Age

- **Under 18**: Outflow 9,029, Inflow - Domestic 5,399, Inflow - Foreign 4,881, Net Migration 5,907
- **18 to 24 Years**: Outflow 14,810, Inflow - Domestic 5,399, Inflow - Foreign 4,881, Net Migration 1,494
- **Mid 20s**: Outflow 1,494, Inflow - Domestic 2,401, Inflow - Foreign 4,321
- **30s**: Outflow 2,401, Inflow - Domestic 4,321
- **40s**: Outflow 1,494, Inflow - Domestic 2,401
- **Mid-Career**: Outflow 2,401, Inflow - Domestic 4,321
- **Retired 65+**: Outflow 4,321

Legend:
- Outflow
- Inflow - Domestic
- Inflow - Foreign
- Net Migration
Emerging Trends
Could change economic landscape for ALICE

• The Michigan population is aging

• Differences by race and ethnicity persist

• Low-wage jobs are projected to grow faster than higher-wage jobs over the next decade.

• Technology is changing the workplace, adding some jobs, replacing others, changing where people work, the hours they work, and skills required
Discussion Questions

• What is your reaction to the ALICE information?

• What, if anything, surprised you?

• What are the primary issues that need to be addressed to ensure a strong foundation for those families living below the ALICE Threshold?

• What is the role of the community in helping ALICE to thrive? Business? Nonprofits? Individuals? Government?
<table>
<thead>
<tr>
<th>Consequences of Households Living Below the ALICE Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact on ALICE</strong></td>
</tr>
<tr>
<td><strong>HOUSING</strong></td>
</tr>
<tr>
<td>Substandard</td>
</tr>
<tr>
<td>Far from job</td>
</tr>
<tr>
<td>Homeless</td>
</tr>
<tr>
<td><strong>CHILD CARE</strong></td>
</tr>
<tr>
<td>Substandard</td>
</tr>
<tr>
<td>None</td>
</tr>
<tr>
<td><strong>FOOD</strong></td>
</tr>
<tr>
<td>Less healthy</td>
</tr>
<tr>
<td>Not enough</td>
</tr>
<tr>
<td><strong>TRANSPORTATION</strong></td>
</tr>
<tr>
<td>Old car</td>
</tr>
<tr>
<td>No insurance</td>
</tr>
<tr>
<td>No car</td>
</tr>
<tr>
<td><strong>HEALTH CARE</strong></td>
</tr>
<tr>
<td>Underinsured</td>
</tr>
<tr>
<td>No insurance</td>
</tr>
<tr>
<td><strong>INCOME</strong></td>
</tr>
<tr>
<td>Low wages</td>
</tr>
<tr>
<td>No wages</td>
</tr>
<tr>
<td>No savings</td>
</tr>
</tbody>
</table>
Greater Pressure on Health Care and Social Services

Increased Need for Education Remediation

Lost Work Productivity, reduced Customer Service

Reduced Economic Growth

Less Engaged and Skilled Workforce

Reduced Participation in Neighborhood and Community Activities

Community Consequences
Example Solutions for ALICE

- Short Term
  - Food Pantry
  - Emergency Assistance

- Mid Term
  - MI Bridges & 2-1-1
  - Child Care Credits
  - Public Transportation

- Long Term
  - Education
  - Economic Development
Thank You!

Download the ALICE Report: www.MichiganALICE.org

Watch for the New ALICE Report March 20, 2019