Asset Limited Income Constrained Employed

ALICE
Michigan Association of United Ways

Our work through 32 local United Ways

- Convene, advocate, and innovate in local communities statewide to highlight the issues faced by ALICE households
- Understand disparities and target equity
- Use ALICE to frame the conversation and work with Corporate Partners and local and state policy makers
- Collectively clear barriers and support systemic solutions that promote financial stability for ALICE
Who is ALICE?

- **Asset Limited, Income Constrained, Employed**
- Above FPL, below Household Survival Budget
- Low-wage jobs – cashiers, health care workers, security guards, laborers, office admin
- No savings:
  - For emergencies
  - For investing in the future – education, homeownership, retirement
ALICE in Michigan

Sources: ALICE Threshold, 2019; American Community Survey, 2019
ALICE over time in Michigan

- ALICE and Poverty-Level Households
  - Poverty 13% (504,237)
  - ALICE increase from 745,446 in 2007 to 1,004,047 in 2019 (35% increase)
  - 10% of households on the cusp of ALICE Threshold in 2019

Some Groups More Likely to be ALICE

Select Household Groups by Income, Michigan, 2019

<table>
<thead>
<tr>
<th>Group</th>
<th>Below ALICE Threshold</th>
<th>Above ALICE Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Black</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Under 25 Years Old</td>
<td>66%</td>
<td>34%</td>
</tr>
<tr>
<td>Single-Female-Headed With Children</td>
<td>73%</td>
<td>27%</td>
</tr>
<tr>
<td>All Households</td>
<td>38%</td>
<td>62%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Households</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>142,266</td>
</tr>
<tr>
<td>Black</td>
<td>531,943</td>
</tr>
<tr>
<td>Under 25 Years Old</td>
<td>151,516</td>
</tr>
<tr>
<td>Single-Female-Headed With Children</td>
<td>240,969</td>
</tr>
<tr>
<td>All Households</td>
<td>3,963,558</td>
</tr>
</tbody>
</table>

Sources: ALICE Threshold, 2019; American Community Survey, 2019
How does MI compare?

ALICE lives in every state

Rankings: (Percent of households below the ALICE Threshold):

- #1 Louisiana (51%)
- #26 Michigan (38%)
- #29 Ohio (39%)
- #44 Illinois (35%)
- #51 Alaska (31%)
The Bare Minimum Budget

<table>
<thead>
<tr>
<th>Category</th>
<th>Monthly Total</th>
<th>Annual Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Salesperson $11.78/hour</td>
<td>$1,963</td>
<td>$23,560</td>
</tr>
<tr>
<td>Household Survival Budget (1 Adult)</td>
<td>$1,950</td>
<td>$23,400</td>
</tr>
<tr>
<td>Senior Survival Budget (1 Adult)</td>
<td>$2,187</td>
<td>$26,244</td>
</tr>
<tr>
<td>Household Survival Budget (Family of 4)</td>
<td>$5,343</td>
<td>$64,116</td>
</tr>
</tbody>
</table>

Monthly Costs

- Taxes
- Miscellaneous
- Technology
- Health Care
- Transportation
- Food
- Child Care
- Housing

FPL $1,012 (1 Person)
FPL $2,092 (4 People)
Costs of basic goods increasing faster

- The ALICE Essentials Index
  - Basic household items ALICE families buy
  - 3.4% annual increase
  - Similar rate of increase in rural and urban areas
- BLS Consumer Price Index (CPI)
  - All goods and services all families purchase
  - 1.8% annual increase

Low and medium wage jobs dominate

Wages versus Household Survival Budget (HHSB)

- **Dark blue** = Job cannot support family HHSB with two earners
- **Light blue** = Job supports family HHSB with two earners
- **Gold** = Job supports family HHSB with one earner

Number of Jobs by Wage Level, Michigan, 2007-2019

United Way Policy Priorities for ALICE

**Earned Income Tax Credit** – increase the State credit to 30% of the Federal credit for today’s economy

**Accessible Childcare** – increase income eligibility for CDC and increase childcare provider payments

**Accessible Housing** – create and expand tools for the development or rehabilitation of housing supply that is attainable to more

**2-1-1** - Provide coordinated connection to health and human services