

ALICE is an acronym that stands for
Asset Limited, Income Constrained,
Employed

ALICE households have earnings **above** the
Federal Poverty Level, but ***below a basic
cost-of-living threshold.***

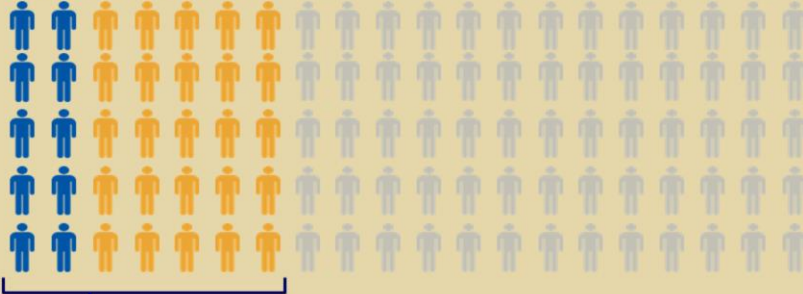


- Coined by United Way in 2009 after a pilot research project looked at low-income population in Morris County, NJ
- ALICE Project has expanded to five additional states – California, Connecticut, Florida, Indiana, and Michigan
- United Way of CT and the local United Ways in CT partnered with Rutgers University to conduct CT's ALICE Report

ALICE and Poverty Households in CT

POVERTY
10%

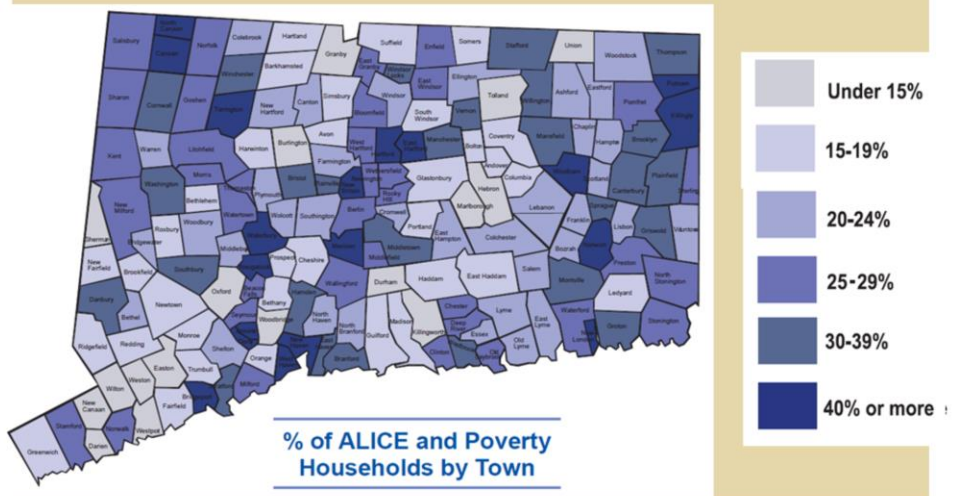
ALICE
25%



35%



Where is ALICE?



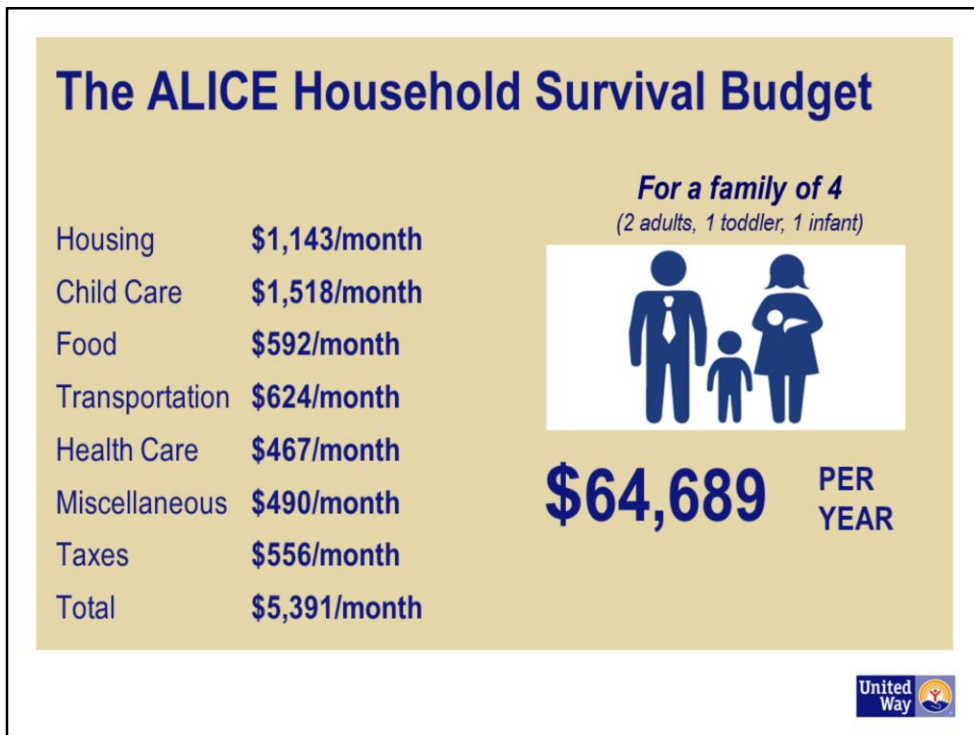
- More than two-thirds of Connecticut's municipalities have more than 20 percent of households living on an income below the ALICE Threshold.
- Large concentration of ALICE households in the state's largest cities.

We all know ALICE . . .

ALICE does work that we all depend on, and could be our neighbors, friends, co-workers, and family members.

Personal Care Aides
Nursing Assistants
Retail Salespersons
Teacher Assistants
Customer Service Reps
Administrative Assistants
Janitors and Cleaners
Office Clerks
Security Guards
Food Prep Workers
Cashiers





is a conservative estimate of the cost of basic necessities.

CT is the seventh most expensive state in the country for housing.

This budget is a bare-minimum budget, not a “get-ahead” budget. Not enough to purchase cable service, or pay for automotive or appliance repairs. No room for a financial indulgence such as holiday gifts, a new television, a bedspread.

Does not allow for any savings, leaving a family vulnerable to any unexpected expense. Estimates the minimal cost of the five basic household necessities: Housing, Child Care, Food, Transportation, Health Care

Federal poverty level – for a single adult is \$11,770, for a family of four is \$24,250 (survival budget is 2.75 times this). Developed in 1965, Methodology has not been updated since 1974, Not adjusted for cost of living differences across the US, Grossly understates the number of people in need

Also developed a household stability budget – a measure of how much income is needed to support and sustain an economically viable household. In CT, the Household Stability Budget is \$111,632 per year. This budget includes leasing a car, paying for licensed and accredited child care, the USDA’s moderate food plan plus one meal out per month, and participating in an employer-sponsored health plan. It also includes

savings.

The ALICE Household Survival Budget

For a single adult

Housing	\$786/month
Child Care	N/A
Food	\$196/month
Transportation	\$315/month
Health Care	\$117/month
Miscellaneous	\$166/month
Taxes	\$249/month
Total	\$1,829/month



\$21,944 PER YEAR



is a conservative estimate of the cost of basic necessities

For ALICE households to afford the household survival budget...

A single adult needs to earn



\$10.97 PER HOUR*

A family of 4 needs to earn



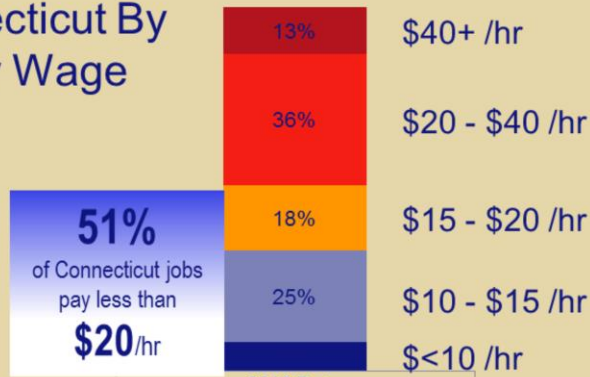
\$32.34 PER HOUR*

**if full time (40 hours per week)*



Income Constrained

Jobs in
Connecticut By
Hourly Wage



2012 Data



Asset Limited

- 30% of CT households are asset poor: less than \$4,632 in savings or other assets
- 39% do not have sufficient liquid net worth to subsist at the federal poverty level for three months without income
- Lack of assets makes ALICE more vulnerable to emergencies and stress, increases their costs (alternative financing fees and high interest rates), and reduces likelihood of post high school education.



Benefits of Having Assets

- Provide a financial buffer to weather emergencies.
- Can promote success in the labor market.
- Correlated with greater social connectedness.
- Can promote long-term thinking and planning.
- Associated with better outcomes for children.
- Can increase the likelihood of going to and succeeding in college.

CFED. Why Assets Matter. 2013.

