



ALICE IN THE CROSSCURRENTS

TALKING POINTS

United Ways of Texas is collecting audio testimonials from ALICE individuals about the difficult choices they continue to face today due to inflation and the high cost of essentials. Voice messages can be recorded at: ALICEvoices.org.

- The COVID-19 pandemic, a global health and economic crisis, upended life as we knew it three years ago. It claimed the lives of millions and unleashed a storm of competing economic forces – a phenomenon rarely seen. These included job disruption, inflation, wage increases, pandemic assistance, and migration.
- As leaders across the U.S. talk daily about the low-income workers heralded during the pandemic yet left behind, United For ALICE has developed a name for this group: **ALICE (Asset Limited, Income Constrained, Employed)**. Overlooked and underserved by traditional poverty measures, ALICE households earn more than the official U.S. poverty level but less than the cost of basics and were already especially vulnerable to crises when the pandemic hit. Combined, ALICE and households in poverty fall below the ALICE Threshold, the average income needed to live and work in today's economy.
- Households below the ALICE Threshold were caught in the crosscurrents of the pandemic's competing economic forces. From 2019 through 2021, the number of these struggling households increased in Texas from 4,227,313 to 4,559,290, resulting in a total of 43% struggling to afford the basics.
- The increase was driven in large part by a growing number of ALICE households. The number of ALICE households living paycheck to paycheck in Texas rose by nearly 176,835 between 2019 and 2021. In contrast, there were 21,693 fewer families that fell into poverty during that time.



UnitedForALICE.org | [@United4ALICE](https://twitter.com/United4ALICE)

By securing racial and economic equity for ALICE we can improve life for all.



Pandemic Assistance

- The temporary expansion of tax credits including the Child Tax Credit (CTC) and Child and Dependent Care Tax Credit (CDCTC) – for which nearly all ALICE households with children were eligible – mitigated the pandemic’s negative financial impact on these households, avoiding what could have been a deeper economic crisis overall.
- Even with these supports, it wasn’t enough. In 2021, a family of four with two adults working full time in two of Texas’ most common jobs – retail salesperson and cashier – with multiple pandemic supports, still fell short of affording basics by \$4,000

Work and Wages

- In 2021, 65% of the 20 most common jobs in Texas paid less than \$20 per hour. Earning less than \$20 hourly was not enough to support a family of four with an infant and a preschooler, even with two parents earning this salary.
- With job disruption so prevalent throughout the pandemic, many older workers were forced to retire earlier than planned. Nationally, according to the Federal Reserve Board’s SHED survey, in 2021, 25% of respondents nationwide who retired within the year before the survey said factors related to COVID-19 contributed to when they retired.

Demographics and Equity

- While households below the ALICE Threshold exist across all demographic groups, the pandemic exposed and widened gaps in rates of hardship by race/ethnicity, age, and household composition. In Texas in 2021, Black, young, and single-parent households were more likely to live below the ALICE Threshold, while White, working-age, and married-parent households were more likely to be financially stable.
- Black households had among the highest rates of hardship. More than half – 57% – of Texas’ Black households could not afford basics in 2021.
- Racial disparities persist in the rates of financial hardship; 57% of Black and 51% of Hispanic households were below the ALICE Threshold in 2021, compared to 34% of white households.

Beyond 2021: Economic Challenges Ahead For ALICE

- With pandemic assistance waning while significant challenges remain, there are warning signs on the horizon that households struggling to make ends meet may already be losing ground. These include high levels of food insufficiency, continued difficulty paying bills, medical debt, and feelings of anxiety and depression.

About United For ALICE

- United For ALICE is a driver of innovation, research, and action to improve life across the country for ALICE (Asset Limited, Income Constrained, Employed) and for all.
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- As leaders across the U.S. talk daily about these low-income workers left behind, United For ALICE has developed the ALICE name and nonpartisan, data-driven measures to help inform policy solutions at all levels of government and in business, academia and nonprofit organizations.
 - Through the development of the ALICE measurements, a comprehensive, unbiased picture of financial hardship has emerged. Harnessing this data and research on the mismatch between low-paying jobs and the cost of survival, ALICE partners convene, advocate, and collaborate on solutions that promote financial stability at local, state, and national levels.
 - This grassroots ALICE movement, led by United Way of Northern New Jersey, has spread to 27 states and the District of Columbia and includes United Ways, corporations, nonprofits, and foundations in Arkansas, Connecticut, Delaware, Florida, Georgia, Hawai'i, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Mississippi, New Jersey, New York, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, Washington, D.C., West Virginia and Wisconsin. For more information, visit: UnitedForALICE.org.
 - Media inquiries about this report should be directed to Roxanne Jones, Chief Operating Officer, United Ways of Texas, at Roxanne.jones@uwtexas.org.

Common Questions

What is the data year? The number and percentage of ALICE households are from the 2021 American Community Survey data. The ongoing impact of the pandemic on ALICE households is from the 2022 Census Household Pulse Survey.

What about inflation? According to the report, the annual ALICE Household Survival Budget, which is the basic cost needed to live and work in Texas, rose by 11% for a single adult to \$24,528, by 11% for a senior citizen to \$28,704, and by 10% for a family of four (with an infant and a preschooler) to \$75,000. However, with the increasingly high rate of inflation, things are likely worse than what is reported here. The ALICE Essentials Index, being released in June 2023, will tell us more.
