

WHAT'S THE BUZZ ABOUT ALICE?

ALICE IS TIMELY, VITAL

Business

"ALICE represents our customers, our communities, and in some instances, even our employees. We have a responsibility as a business, as an employer, and as a provider of essential services to do our part to lift up ALICE families and help them be successful. ALICE represents our collective reality. What we do to help ALICE represents our collective future."

– Patty Riddlebarger
Vice President, Social Responsibility
Entergy



Health Care

"At RWJBarnabas Health, we are using recommendations from United Way's report on ALICE in New Jersey to improve our local hiring practices, formalize internal career pipelines, and create pathways to livable wages. We believe it is our responsibility to hire locally and elevate our workforce to reduce the number of struggling ALICE families and improve life for all."

– Michellene Davis, Esq.
Executive Vice President and Chief Corporate Affairs Officer
RWJBarnabas Health



Nonprofits

"If we want our children and grandchildren to live in a prosperous and opportunity-filled region, we must help ALICE succeed at finding and advancing in a good job, a job that helps lift a family out of poverty. We must convince employers that a good job is both a competitive advantage as well as a pathway to a healthier community."

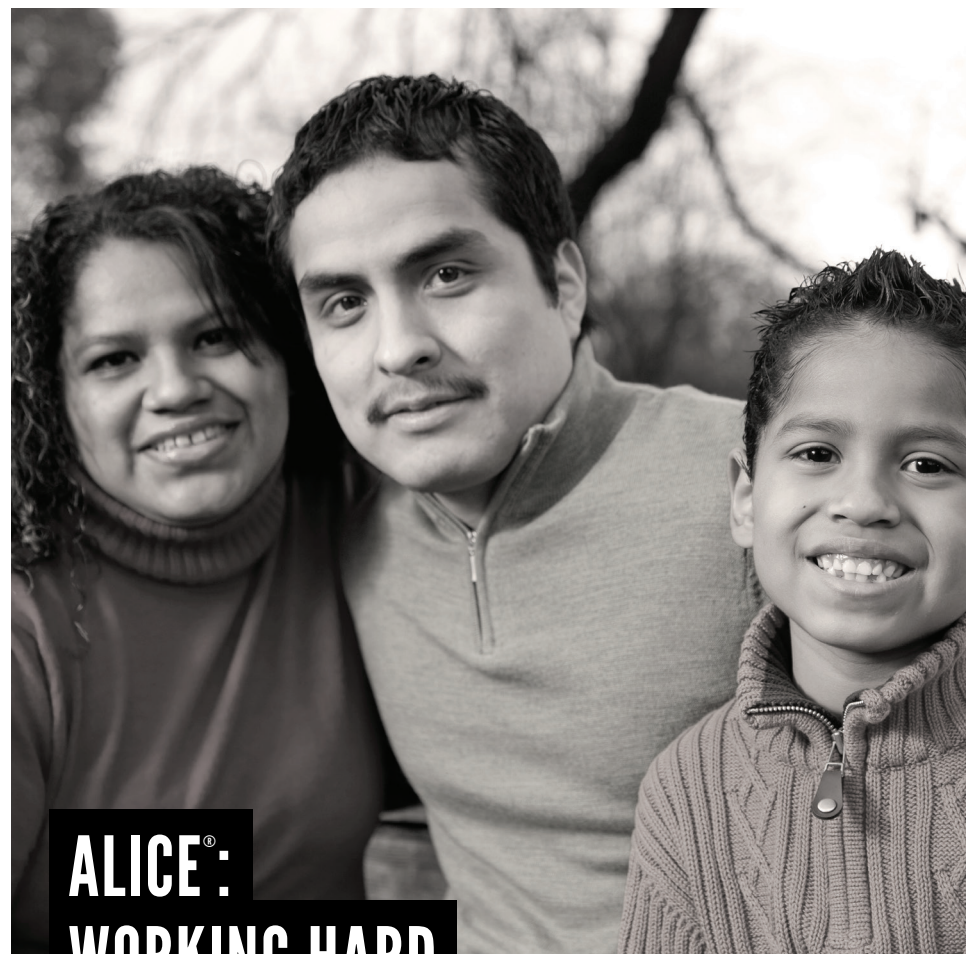
– Fred Dedrick
President and Chief Executive Officer
National Fund for Workforce Solutions



Government

"The United Way's telling of the story of ALICE in New Jersey...proves beyond any doubt the need for our efforts to both grow our economy and make it more fair."

– Phil Murphy
New Jersey Governor



ALICE®: WORKING HARD BUT STRUGGLING TO SURVIVE

LIVE UNITED®

2018
REPORT
OVERVIEW



ALICE® is an acronym for Asset Limited, Income Constrained, Employed.

United Way fights for the health, education, and financial stability of every person in every community. We have one life. To live better, we must Live United.®



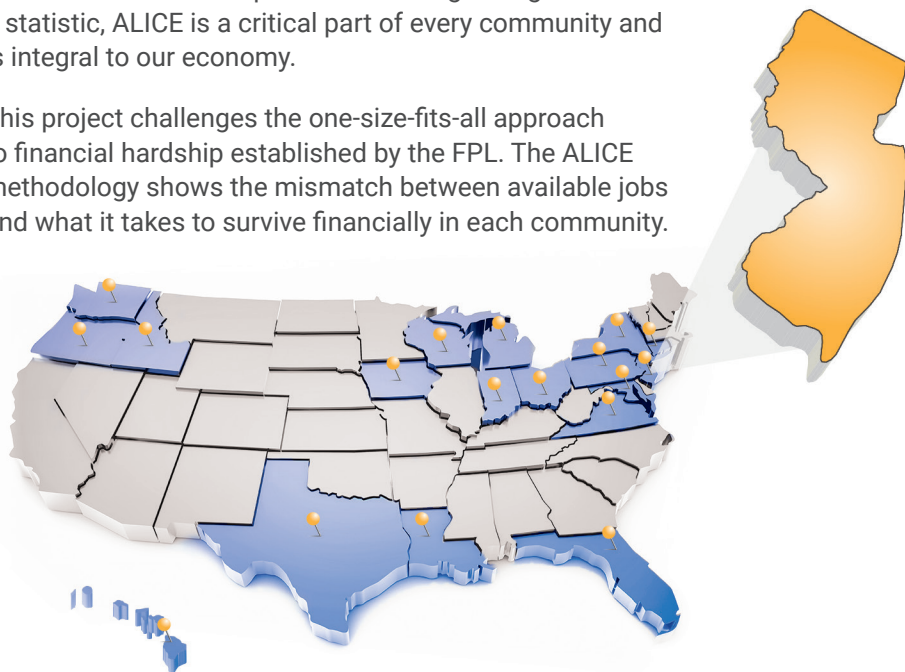
United Way
of Northern New Jersey

A GRASSROOTS MOVEMENT

From humble beginnings as a study of financial hardship in Morris County, New Jersey, United Way has increasingly shed light on a hidden population: hardworking households earning more than the Federal Poverty Level (FPL), but not enough to afford necessities. United Way calls this population **ALICE**, an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed.

After a decade of work, the spark ignited by the initial study has grown to include 18 states in a grassroots movement to change the national dialogue about financial hardship. Consensus is growing: More than a statistic, ALICE is a critical part of every community and is integral to our economy.

This project challenges the one-size-fits-all approach to financial hardship established by the FPL. The ALICE methodology shows the mismatch between available jobs and what it takes to survive financially in each community.



Financial Hardship in New Jersey

What the data reveals is that New Jersey ranks 38th in the country with 38.5 percent of households unable to afford basic necessities. New Mexico tops the charts with 48.5 percent of households struggling to get by and North Dakota has the fewest unstable households at only 31.8 percent. Visit **UnitedWayALICE.org** to download 2016 data for all 50 states.

HOW MANY HOUSEHOLDS ARE STRUGGLING?

INSTABILITY AFFECTS US ALL

There are 895,879 ALICE households in New Jersey – individuals and

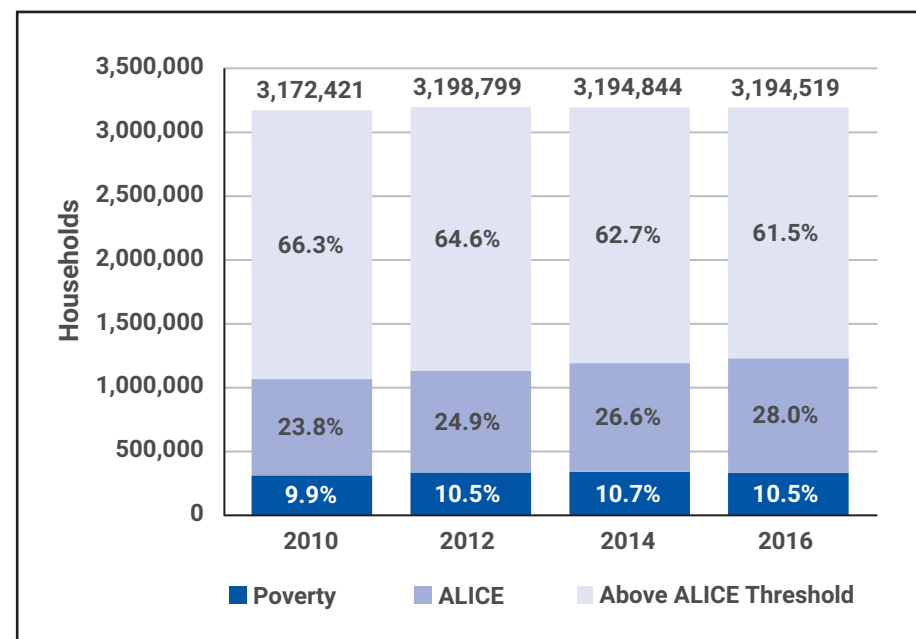
in New Jersey – individuals and families who live above the poverty line, but do not earn enough to afford the necessities of housing, child care, food, transportation, health care, and a smartphone. When combined with the 334,182 families living in poverty, a total of 1,230,061 households have incomes below the ALICE Threshold.

That translates into 38.5 percent of the 3,194,519 households across the state that are walking a financial tightrope.



Despite some recent positive signs in national economic indicators, this data shows that financial hardship remains a pervasive problem.

Household Income, New Jersey, 2010 to 2016



Source: American Community Survey, 2010-2016, and the ALICE Threshold, 2010-2016. For the methodology overview and additional data, see [UnitedWayALICE.org](https://www.unitedwayalice.org)

WHAT DOES IT TAKE TO SURVIVE?

A REALISTIC COST OF LIVING

ALICE households are defined by a Household Survival Budget, which reflects the bare minimum cost to live and work in the modern economy. The budget, which establishes the ALICE Threshold, is calculated using county-level costs for six main basic needs: housing, child care, food, transportation, health care, and a smartphone. As seen in the figure below, child care is often the most expensive item in a family's budget, outpacing housing costs. The survival budget is comprised of conservative estimates in each category, such as the average rate for registered family child care homes, the least expensive option for working parents. Likewise, housing costs are based on the U.S. Housing and Urban Development's Fair Market Rent.

Household Survival Budget, New Jersey Average, 2016

	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	\$922	\$1,330
Child Care	\$-	\$1,512
Food	\$182	\$603
Transportation	\$280	\$544
Health Care	\$211	\$787
Technology*	\$55	\$75
Miscellaneous	\$202	\$566
Taxes	\$368	\$812
Monthly Total	\$2,220	\$6,229
ANNUAL TOTAL	\$26,640	\$74,748
Hourly Wage**	\$13.32	\$37.37

*New to budget in 2016

**Full-time wage required to support this budget

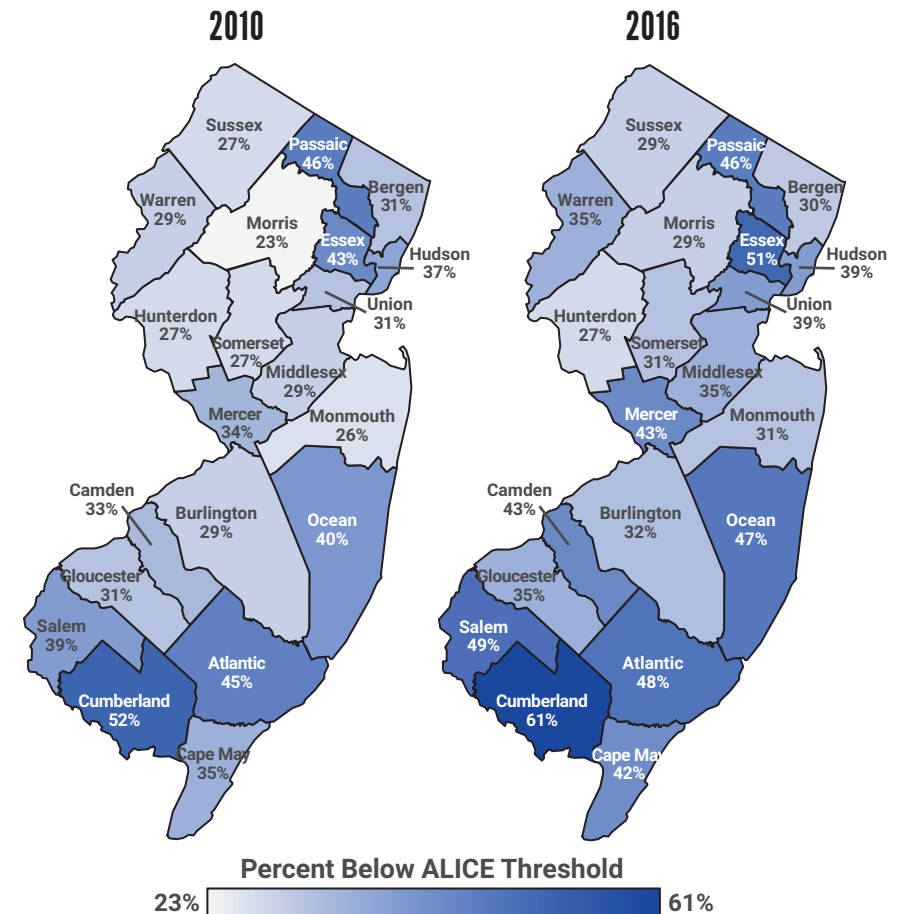
Sources: U.S. Department of Housing and Urban Development, 2016; U.S. Department of Agriculture, 2016; Bureau of Labor Statistics, 2016a; Consumer Reports, 2017; Internal Revenue Service, 2016; Tax Foundation, 2016; and New Jersey Department of Human Services, 2016. For the methodology overview and additional data, see UnitedWayALICE.org

WHERE DOES ALICE LIVE?

AVERAGES MASK HARDSHIP

ALICE households exist in every community, far outnumbering those in poverty. State averages mask wide variations in the number of households that struggle to afford the basics at the local level. Shown below are those counties with the highest and lowest percent of families with income below the ALICE Threshold. In 2016, the range spans from 27 percent in Hunterdon County to 61 percent in Cumberland County.

Percentage of Households With Income Below ALICE Threshold, by County, New Jersey, 2010 and 2016



Sources: American Community Survey, 2010, 2016, and the ALICE Threshold, 2010, 2016

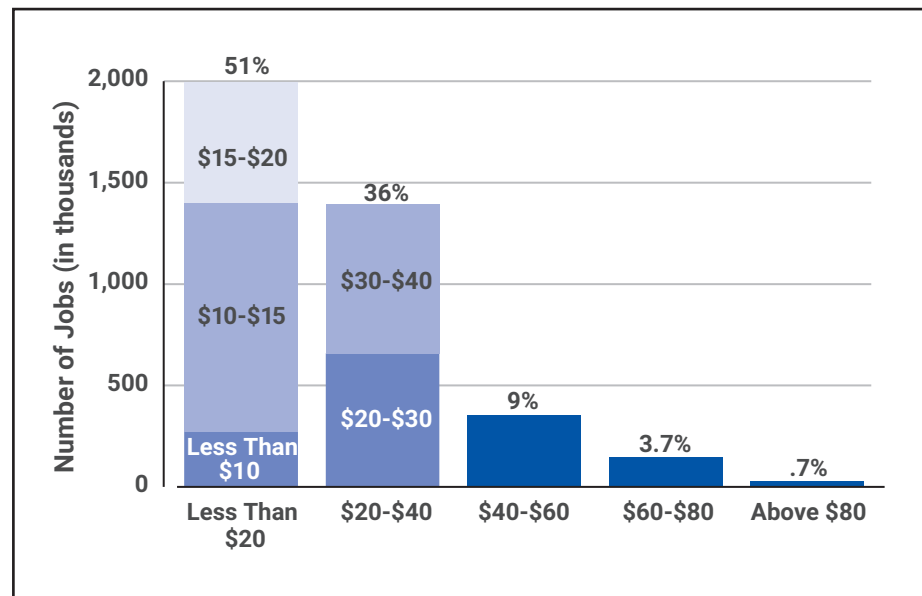
HOW MUCH DOES ALICE EARN?

DOMINANCE OF LOW-PAYING JOBS

ALICE works in jobs that are vital to the smooth running of the economy, but does not earn enough to cover a basic household budget. Half of the jobs in the state pay less than \$20 per hour or \$40,000 annually if full time, as shown in the chart below. The three most common jobs, accounting for 334,470 workers in the state, are retail sales people, movers, and cashiers. All have median wages of less than \$12.47 per hour. This dominance of low-paying jobs shows no signs of slowing down.

Over the last three decades, Americans have had to adjust to significant changes in the employment landscape. The acceleration of technology and the rise of the “gig” economy has led to more ALICE workers being employed part time, on demand, or in contingent work with fluctuating hours and few benefits. These inconsistent schedules and incomes make it even more challenging for ALICE families to pay bills and schedule child care. Meanwhile, freelance and contingent labor is expected to grow to nearly 20 percent of the labor force by 2020.

Number of Jobs by Hourly Wage, New Jersey, 2016



Source: Bureau of Labor Statistics, Occupational Employment Statistics Wage Survey – All Industries Combined, 2016

Top 20 Occupations by Employment and Wage, New Jersey, 2016

OCCUPATION	NUMBER OF JOBS	MEDIAN HOURLY WAGE
Retail Salespersons	131,080	\$10.91
Laborers and Movers, Hand	107,840	\$12.47
Cashiers	95,550	\$9.67
Registered Nurses	79,400	\$38.36
Office Clerks	73,320	\$15.45
Customer Service Representatives	66,470	\$17.93
Janitors and Cleaners	64,260	\$13.68
Secretaries and Administrative Assistants	60,300	\$19.42
Waiters and Waitresses	59,810	\$11.19
Teacher Assistants	55,490	\$13.93
Nursing Assistants	53,640	\$13.61
Food Prep, including Fast Food	52,720	\$9.59
Receptionists and Information Clerks	52,470	\$14.84
Bookkeeping and Auditing Clerks	45,120	\$21.29
General and Operations Managers	44,800	\$69.15
Elementary School Teachers	44,680	\$34.41
Business Operations Specialists	44,410	\$34.53
Sales Representatives	44,070	\$31.59
Heavy and Tractor-Trailer Truck Drivers	42,990	\$22.52
Software Developers	42,050	\$46.06

Source: Bureau of Labor Statistics, Occupational Employment Statistics Wage Survey – All Industries Combined, 2016

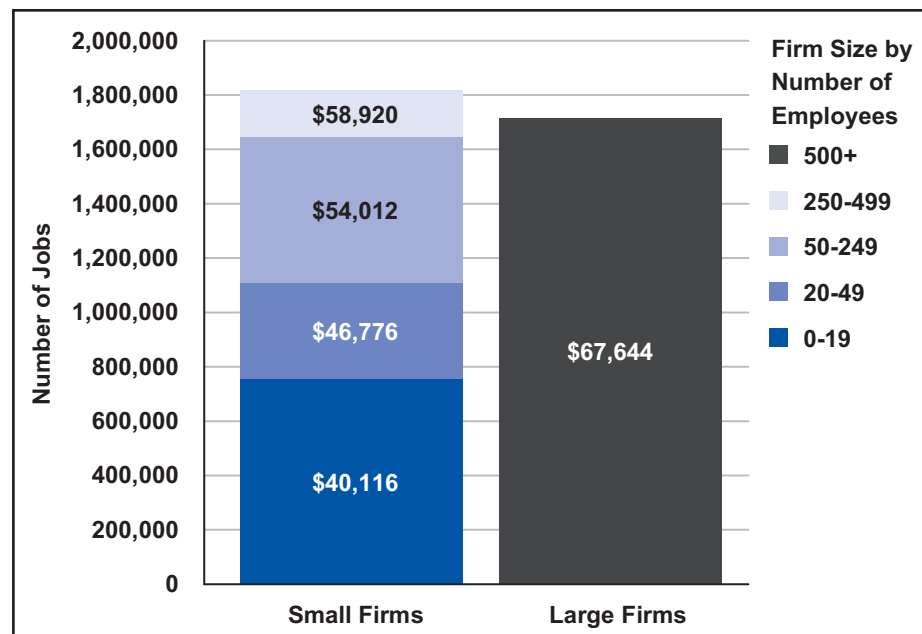
DOES FIRM SIZE AFFECT JOB STABILITY?

WAGES & BENEFITS VARY BY EMPLOYER

One of the key determinants of workers' wages, benefits, and job stability is their employers' size. Small businesses (defined by the Bureau of Labor Statistics as those with fewer than 500 workers nationally) have been an important engine for economic development — driving job creation, innovation, and wealth. In 2016, small firms employed 51 percent of the private-sector workforce in New Jersey, with the very smallest firms — those with fewer than 20 people — accounting for the largest share of small-business employment.

Many small businesses thrive and offer solid employment options; some even grow to become medium or large employers. However, small businesses are more vulnerable to changes in demand, price of materials, and transportation costs, as well as to cyberattacks and natural disasters. As a result, their employees can face more instability, reduced wages, and a greater risk of job loss.

Private-Sector Employment by Firm Size With Average Annual Wage, New Jersey, 2016



Source: U.S. Census Bureau, Quarterly Workforce Indicators, 2016

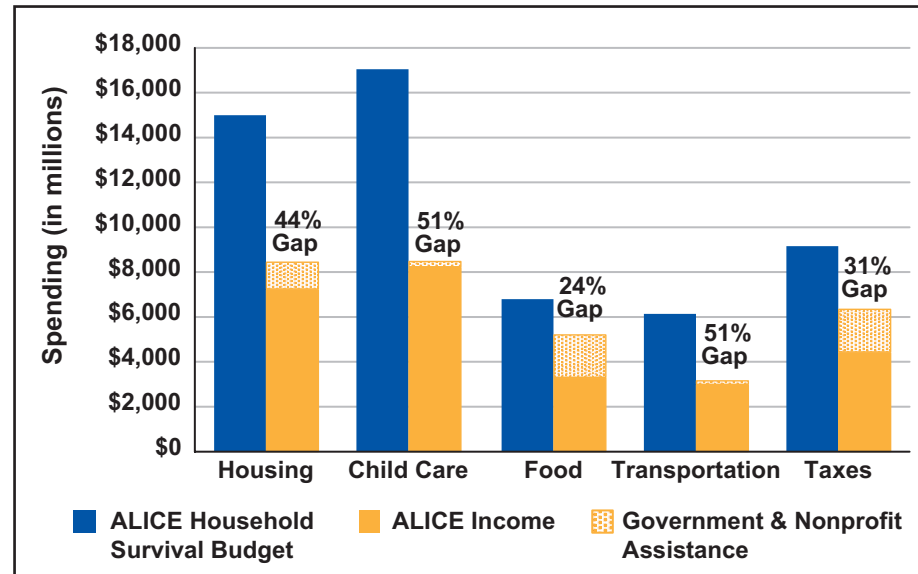
DOES PUBLIC ASSISTANCE HELP ALICE?

NEED FAR EXCEEDS AVAILABLE HELP

The persistence of low wages, underemployment, periods of unemployment, and loss of employer sponsored benefits have led to financial insecurity for many ALICE households. As a result, many working ALICE households have been forced to turn to nonprofits, family, friends, and government services to feed their families, access health care and medications, or pay rent and other bills.

The ALICE Income Assessment quantifies the total income of households below the ALICE Threshold and how much public and nonprofit assistance is available. In New Jersey, assistance is not evenly distributed across all budget areas, leaving especially large unfilled gaps in child care, transportation, and housing.

Comparing Basic Need With Assistance by Category for Households Below the ALICE Threshold, New Jersey, 2016



Note: Excludes health care and miscellaneous expense categories

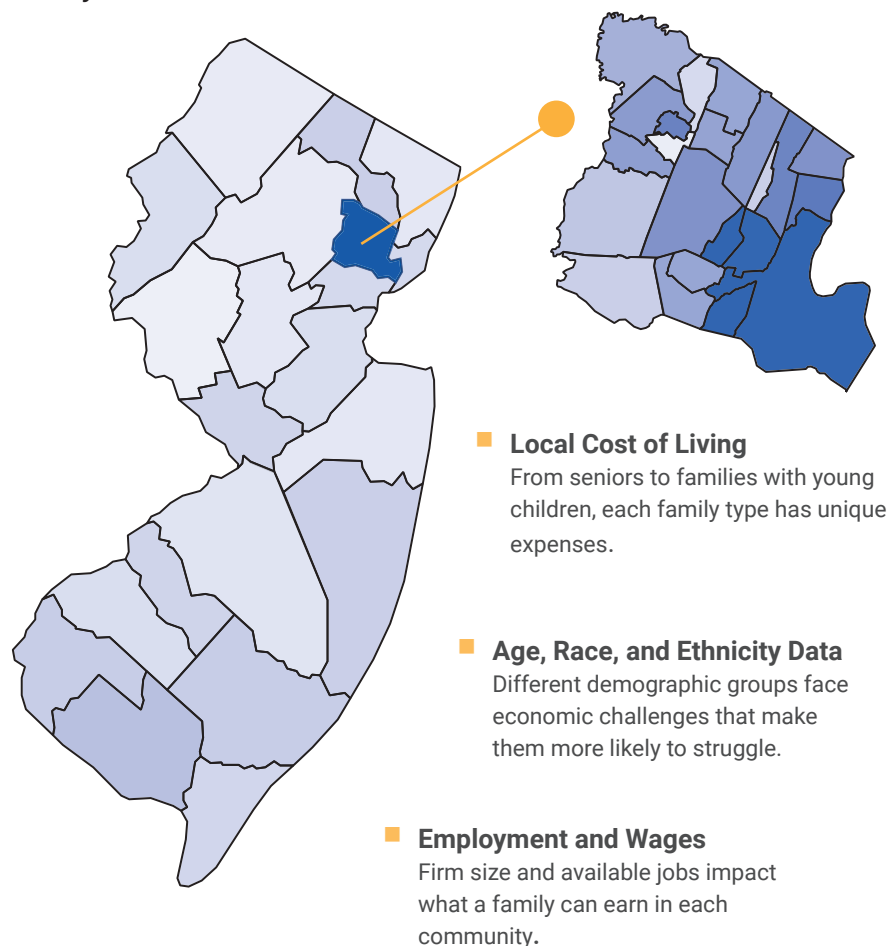
Sources: ALICE Household Survival Budget, 2016; ALICE Threshold, 2016; American Community Survey, 2016; Internal Revenue Service, 2016; National Association of State Budget Officers, 2017; Office of Management and Budget, 2017; Urban Institute, 2012; U.S. Department of Agriculture, 2017b

WHAT OTHER DATA IS AVAILABLE?

UNITEDWAYALICE.ORG

Explore our new website, **UnitedWayALICE.org**, to learn more about ALICE in New Jersey. Hover over maps to reveal topline household data. By selecting one or multiple counties, data can be aggregated in different ways.

County Level Data



And More

Learn about our methodology and sources, download reports and additional datasets, watch videos to hear firsthand about ALICES' struggles, and join the conversation on our discussion board.

HOW IS UNITED WAY HELPING ALICE?

REMOVING THE BARRIERS TO FINANCIAL STABILITY

United Way fights for the health, education, and financial stability of every person in every community. This hard work starts with helping those for whom these goals remain out of reach – our ALICE and poverty-level coworkers, friends, and neighbors.

With nearly four in 10 households unable to stretch their income to meet their family's most basic needs, it may seem this problem is too big to be solved.

At United Way we don't shy away from problems, even ones this huge. Instead, we surround our community's most daunting social crises and fight. Because we believe we can – and must – find ways to support fragile families during tough times and empower them to build better lives for themselves.

To accomplish this, United Way of Northern New Jersey is working to remove three key barriers that keep families from financial stability, now and in the future:

- **Barrier 1:** Families are unable to meet basic expenses nor save for an emergency
- **Barrier 2:** Quality child care is unaffordable and/or inaccessible, jeopardizing a parent's job and the child's development
- **Barrier 3:** Health issues drain a family's resources and limit their ability to work

But we can only win this fight by living United. Visit **UnitedWayNNJ.org** to join our fight for those who need a voice.

