



## FINANCIAL HARDSHIP IN BLACK HOUSEHOLDS

JUNE 2020

### ALICE DATA FOR WASHINGTON

Poverty and racism have been inextricably connected since this country's inception, yet official federal statistics have never fully portrayed the economic impact of that link. United For ALICE was founded on the need to more accurately measure and track financial hardship nationwide. For more than a decade, our research has been shedding light on the disparity of economic opportunity that exists in every state. The data show that while hardship is pervasive, the history of slavery and its ongoing legacy of systemic and institutional racism stigmatizes Black households uniquely.

- In Washington, our analysis of the actual cost of living in every county shows that 33% of all households do not earn enough to cover basic expenses, including housing, child care, food, transportation, health care, and a basic smartphone plan. This gap between wages and the cost of living is a structural economic problem, in Washington and nationwide.
- **Yet for Black households, that number is much higher: 50% of Black households in Washington are unable to afford basic household essentials in their communities.** This is **more than three times** the rate of hardship shown for Black households by the antiquated and arbitrary Federal Poverty Level (FPL). And it is 60% more than the rate of hardship for White households.
- From 2010 to 2018 — which covers the “recovery” from the Great Recession — the number of Black households below the ALICE Threshold (the minimum income needed to afford household basics) increased by 29%, while the number of White households struggling to make ends meet increased by 8% in Washington.

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**Asset Limited, Income Constrained, Employed**



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# ABOUT UNITED FOR ALICE

## Who is ALICE?

ALICE (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed) households have income above the FPL but below the ALICE Threshold — the income needed to afford the most basic household budget. ALICE households earn too much to qualify as “poor” but are still unable to make ends meet. They often work as cashiers, nursing assistants, office clerks, servers, laborers, and security guards. These types of jobs are vital to keeping our economy running smoothly, but they do not provide adequate wages to cover the basics of housing, child care, food, transportation, health care, and technology for these ALICE workers and their families. **Together with households in poverty, ALICE households represent just over 40% of all households in the U.S.**

## What is the ALICE Threshold?

The ALICE (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed) Threshold is the minimum income that households need to afford all of their basic needs. It is calculated using actual costs of essential goods and services — housing, child care, food, transportation, health care, and basic technology — in every U.S. county and is adjusted for household composition. This creates a far more accurate picture of needs than the outdated FPL.

## Where can I find the data and more information?

To better inform the current crisis on race in Washington, **United For ALICE/state organization** is providing **a preview of** data from our 2020 *ALICE Report for Washington*. For more details, visit our website: [www.UnitedForALICE.org](http://www.UnitedForALICE.org). For a detailed overview of the ALICE methodology, visit [www.UnitedForALICE.org/Methodology](http://www.UnitedForALICE.org/Methodology).

## What is the mission of United For ALICE?

United For ALICE is a center of innovation founded by United Way of Northern New Jersey that is shining a light on the challenges **ALICE (A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed) households face. Through a standardized methodology that assesses the cost of living in every county, the project provides a comprehensive measure of financial hardship across the U.S. Equipped with this data, ALICE partners convene, advocate, and innovate in their local communities to highlight the issues faced by ALICE households and to generate solutions that promote financial stability. This grassroots movement represents United Ways, corporations, nonprofits, and foundations in Arkansas, Connecticut, Florida, Hawai'i, Idaho, Illinois, Indiana, Iowa, Louisiana, Maryland, Michigan, New Jersey, New York, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, and Wisconsin; we are United For ALICE.