

WHAT WOULD YOU DO?

Meet ALICE. You may not know it, but you already know many ALICEs. They are our child care workers, bank tellers, home health aides, store clerks and office assistants – all workers we cannot live without.

ALICE gets up each day to go to work, but doesn't earn enough to cover even the most basic essentials. Each month is a juggling act as ALICE tries to stretch an inadequate income to meet household needs. Unable to set aside savings, just one emergency – one health crisis, one car repair, one harsh storm – and ALICE's precarious situation can quickly spiral out of control.

When the dollars run out, ALICE is forced to make difficult short-term choices that can result in long-term consequences: Pay the heating bill or rent, purchase essential medications or put dinner on the table, move to a place that is cheaper, but spend more time commuting and adding miles to an already aging car.

These choices are not easy. So, what would you do?

ALICE =
Asset Limited, Income Constrained, Employed

EXPENSE	POVERTY	SURVIVAL	SUSTAINABLE
Housing	Rented shared apartment in a bad area	Rented 2 bedroom apartment	3 bedroom house with mortgage
Child care	Unqualified neighbor or relative (P/T)	Unlicensed child care	Accredited child care center
Food	Food pantry supplements	Thrifty food plan	Moderate food plan +1 meal out
Transportation	Limited public and walking	Public OR 1 car	Public and 1 car OR 2 cars
Health care	Use emergency room & clinics	Nominal out-of-pocket expense	Employer sponsored health plan
Miscellaneous	Clothing	Cell phone, clothing, cable	Smart phone, internet, cable, clothing
Savings	None	None	Nominal
Taxes Indicate In	Income taxes (EITC credit)	Income taxes	Income taxes

WHAT DOES IT TAKE?

A family of four (two adults, one infant, one preschooler) living in Washington knows that the cost of living is high, even for the basic necessities. But how much does it really take for this family to make ends meet? More importantly, how much does it take for this family to thrive?

Household Survival Budget

This budget follows the original intent of the U.S. poverty rate – to be a standard for temporary sustainability. This budget identifies the minimum cost option for each of the five essentials – housing, child care, food, transportation, and health care –in New Jersey.

The small "miscellaneous" category covers overflow from the five basic categories; it is not enough to provide for clothes, cell phone, automotive or appliance repairs. There is no room in the budget for a financial indulgence – holiday gifts, dinner at a restaurant, tickets to the movies, or travel – something many households take for granted. As such, a family on a Household Survival Budget is just surviving... or ALICE.

Sustainable Household Budget

This budget, however, highlights how much more income is needed to support, and sustain, an economically viable household in New Jersey. The biggest difference in the two budgets is that this level includes the ability to accrue savings, a crucial component to self-sufficiency. Savings allows a household to provide preventative care and maintenance for their house, car, and health as needed, and to have a cushion in the event of an unforeseen incident.

As you will see from this comparison, the Sustainable Household Budget is moderate, not extravagant, and still totals \$98,340 for a family. This is almost double the Household Survival Budget and very close to the Washington average median income of \$86,161 for a family with two children.





EXPENSE	POVERTY	SURVIVAL	SUSTAINABLE	
Housing				
Rented, shared apartment in a bad area	\$614			
Rented 2 bedroom apartment (Fair Market Rate)		\$805		
3 bedroom house with mortgage			\$1,360	
Child care				
Unqualified neighbor or relative (part-time)	\$400			
Unlicensed child care		\$1,223		
Accredited child care center			\$1,441	
Food				
Food pantry supplements	\$330			
Thrifty food plan		\$579		
Moderate food plan plus 1 meal out			\$1,099	
Transportation				
Limited public and walking	\$100			
Public OR 1 car		\$666		
Public and 1 car or 2 cars			\$1,080	
Health care				
Use emergency room and clinics	\$115			
Nominal out-of-pocket expense		\$473		
Employer-sponsored health plan			\$1,036	
Miscellaneous	\$184	\$395	\$601	
Savings	\$0	\$0	\$601	
Taxes	\$100	\$205	\$977	
MONTHLY TOTAL	\$1,843	\$4,346	\$8,195	
ANNUAL TOTAL	\$22,113	\$52,152	\$98,340	
REQUIRED HOURLY WAGE FOR TWO WORKERS	\$5.53	\$26.08	\$49.17	