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Workers in Common Low-Wage Jobs Worse Off Than 10 Years Ago

ALICE Essentials Index reveals low-wage workers further behind despite wage gains

MORRISTOWN, N.J. — Some low-wage workers are financially worse off today than a decade ago despite recent wage gains, according to a new report from United For ALICE, a national research organization driving solutions to financial hardship from headquarters in New Jersey.

Recent wage increases for low-wage jobs have been no match for the surging cost of essentials and a decade of stagnant wages. For example, from 2010 to 2022, child care workers had seen median annual wages increase 48%. But they were still more than \$18,000 short of being able to afford the basics for one adult and one school-age child, according to the 2024 [ALICE Essentials Index](#) report. In 2010, child care workers were facing a smaller \$13,000 gap between wages and the cost of essentials.

Child care workers are not the only ones struggling financially. According to United For ALICE calculations, 54 million U.S. households — 42% — couldn't make ends meet in 2022, an uptick from 2021. This includes households in poverty and those who are **ALICE**® (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed), earning above the Federal Poverty Level but less than the cost of basics.

"The ALICE Essentials Index report shows that recent wage increases could not undo the damage done to those who have been harder hit by inflation for more than a decade," said United For ALICE President Kiran Handa Gaudio. "When ALICE workers are already standing far behind the starting line in the race to get ahead, a pay increase alone isn't going to see them across the finish line."

The ALICE Essentials Index tracks the rising cost of essentials, including housing, child care, food, transportation, health care and basic technology. In contrast, the standard measure, the Consumer Price Index, tracks inflation across more than 200 categories of goods and services.

According to the report, no low-wage jobs caught up to basic costs from 2010 to 2022. Of occupations tracked by the Bureau of Labor Statistics, a substantial 240 could not support what it costs to get by in today's economy.

Since 2007, the cost of essentials has been most expensive in the West and the Northeast. However, all regions experienced a spike in costs between 2021 and 2023, with the ALICE

Essentials Index increasing at an average annual rate of 7.8% in the South, 7.1% in the Midwest, 6.9% in the West and 6.5% in the Northeast.

Arizona was hardest hit, with the cost of basics rising 10.4% annually between 2021 and 2023, while New Jersey experienced the lowest rate of increase at 4.7%.

The CPI's broader basket of goods includes luxury items such as power boats and landscaping services. Yet, the CPI is used to calculate increases in critical supports for low-income families, including Medicaid and SNAP.

“Since the CPI does not accurately reflect the experience of ALICE families, it distorts policy outcomes that affect the assistance and supports ALICE needs,” said United For ALICE National Director Stephanie Hoopes, Ph.D. “Making the ALICE Essentials Index a companion to the CPI would better guide eligibility and increases in government programs from SNAP to Social Security and ensure ALICE isn’t left further behind.”

To learn more about the ALICE Essentials Index, and to explore the online dashboards, visit UnitedForALICE.org/Essentials-Index.

About United For ALICE

United For ALICE is a U.S. research organization driving innovation, research and action to improve life across the country for **ALICE**[®] (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed) and for all. 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 31 states and the District of Columbia and includes United Ways, corporations, nonprofits and foundations in Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawai'i, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington, Washington, D.C., West Virginia and Wisconsin; we are United For ALICE. For more information, visit: UnitedForALICE.org.

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