ALICE: A STUDY OF FINANCIAL HARDSHIP IN LOUISIANA

LIVE UNITED®

2018 REPORT

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

The United Way *ALICE Project* is a collaboration of United Ways in Connecticut, Florida, Hawai'i, Idaho, Indiana, Iowa, Louisiana, Maryland, Michigan, New Jersey, New York, Ohio, Oregon, Texas, Virginia, Washington, and Wisconsin.

United Way

REGIONAL MAP OF LOUISIANA

United Way ALICE Project Participants

United Way of Northwest Louisiana
www.unitedwaynwla.org
820 Jordan Street, Suite 370
Shreveport, LA 71101

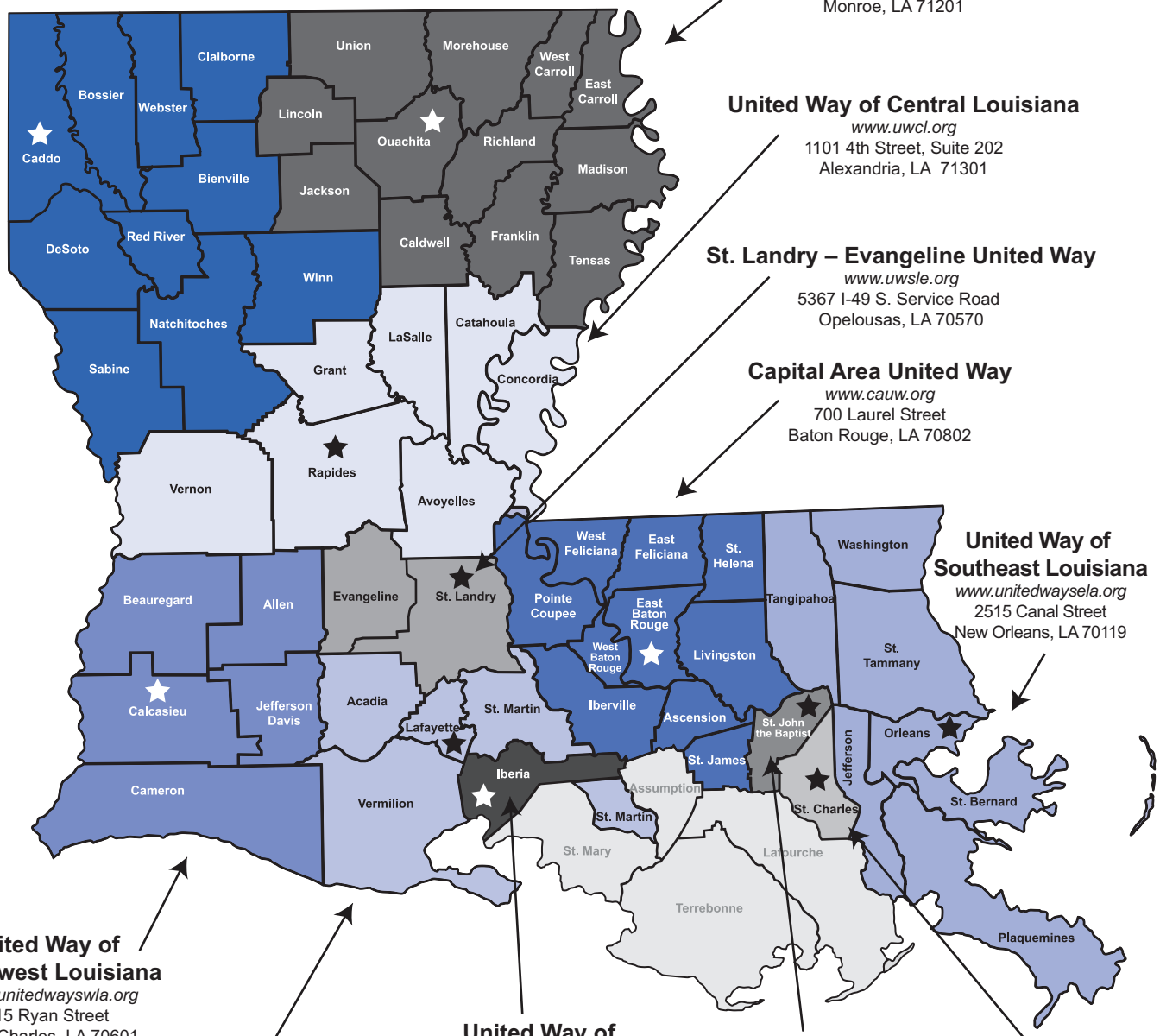
United Way of Northeast Louisiana
www.unitedwaynela.org
1201 Hudson Lane
Monroe, LA 71201

United Way of Central Louisiana
www.uwcl.org
1101 4th Street, Suite 202
Alexandria, LA 71301

St. Landry – Evangeline United Way
www.uwsle.org
5367 I-49 S. Service Road
Opelousas, LA 70570

Capital Area United Way
www.cauw.org
700 Laurel Street
Baton Rouge, LA 70802

United Way of Southeast Louisiana
www.unitedwaysela.org
2515 Canal Street
New Orleans, LA 70119



United Way of Southwest Louisiana
www.unitedwayswla.org
815 Ryan Street
Lake Charles, LA 70601

United Way of Acadiana
www.unitedwayofacadiana.org
215 E. Pinhook Road
Lafayette, LA 70501

United Way of Iberia, Inc.
www.unitedwayofiberia.org
1101 East Admiral Doyle, Suite 207
New Iberia, LA 70560

St. John United Way
www.stjohnunitedway.org
408 Belle Terre Boulevard
LaPlace, LA 70068

United Way of St. Charles
www.uwaysc.org
13207 River Road
Luling, LA 70070

★ *Represents parish location of regional United Way office.*

Learn more here: www.launitedway.org/ALICE

LETTER TO THE COMMUNITY

Dear Louisianans,

From her home in Arnaudville, Amanda sometimes feels invisible. Even though she gets her kids ready for school every morning and she goes to work at least five days a week at a job she's had for nearly a decade, she lives in a constant state of robbing Peter to pay Paul. She does her best to put food on the table for her children, keep the lights on, make sure there's a non-leaky roof over her family's heads — and she prays that her car doesn't break down.

Amanda is not alone. She is ALICE. Like many throughout Louisiana, no matter how hard she works, she still cannot afford to make ends meet.

ALICE lives in every town and every parish in our state — working as child care providers, aides for the elderly, cashiers, mechanics, and waiters and waitresses. They are our friends, family, and people we rely on every day. Until the arrival of the United Way *ALICE Project* in Louisiana, ALICE was an invisible group with serious struggles and with little public attention.

To provide a better understanding of ALICE, United Ways throughout Louisiana share this update, which advances the data on ALICE in Louisiana by one year, since our last report was released in 2017.

This United Way ALICE Report for Louisiana reveals that 29 percent, or nearly 500,000, of Louisiana households are ALICE and another 19 percent live in poverty. Together, 48 percent of all Louisiana households cannot afford basic expenses — housing, child care, food, transportation, health care, cell phone access, and taxes.

One of our goals in releasing this Report is to provide real data to help families like Amanda's feel less invisible and to find better ways to improve their lives by informing policy makers, coalitions, organizations, employers, and the general public.

This United Way ALICE Report for Louisiana is made possible by generous corporate support from the Entergy Corporation. As our sponsor and as a National ALICE Advisory Council member, Entergy supports ALICE research in our state and around the nation. The Louisiana Association of United Ways is also grateful for the partnership of Louisiana United Ways and the countless governmental, nonprofit, and business partners who work to find ways to help ALICE.

The United Way ALICE Report with parish-level information is available online at www.launitedway.org. If you would like to contact us about ALICE, please email us at ALICE@launitedway.org.

Join us in the fight for families like Amanda's who feel invisible in their struggle to feed their children and hopeless when it comes to achieving financial stability. When Louisiana's ALICE households can improve their financial status so they are not struggling to make ends meet, we are all stronger and more prosperous.

Sincerely,

Sarah H. Berthelot
President and CEO, Louisiana Association of United Ways
sarah@launitedway.org @sarahberthelot #ALICELA #meetALICE

Cover caption: Joycelyn Mackey, who works at Russell's Grocery in Arnaudville, assists Amanda and her two youngest children, sons Jace and Jayden, as the family buys groceries.

ALICE Project Participants

Capital Area United Way
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President/CEO
www.cauw.org

St. John United Way
Artis Williams
Executive Director
www.stjohnunitedway.org

St. Landry – Evangeline United Way
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United Way of Acadiana
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United Way of Iberia
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United Way of Southwest Louisiana
Denise Durel
President/CEO
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United Way of St. Charles
John Dias
Executive Director
www.uwaysc.org

NATIONAL ALICE ADVISORY COUNCIL

The United Way *ALICE Project* is partially funded and supported by the National ALICE Advisory Council, a body of corporate and national organizations convened to elevate ALICE's voice to a national level. The Council is a forum for sharing experiences, developing best practices, and building innovative impact strategies to stabilize ALICE households and our broader economy. Current members include:

Aetna Foundation ▪ Alliant Energy ▪ AT&T ▪ Atlantic Health System ▪ Deloitte ▪ Entergy Johnson & Johnson ▪ KeyBank ▪ Novartis Pharmaceuticals Corporation ▪ OneMain Financial RWJBarnabas Health ▪ Thrivent Financial Foundation ▪ Union Bank & Trust ▪ UPS ▪ U.S. Venture

Dear Louisianans:

At Entergy, our focus on ALICE is rooted in the economic reality of the communities we serve — we know ALICE well.

ALICE families matter deeply to our business, as they should for all businesses, because when ALICE suffers, we all suffer. Poverty has a destabilizing impact on the economy of our communities, from mom-and-pop businesses to Fortune 500 corporations.

Our team at Entergy is as concerned about keeping power flowing for customers who are struggling financially as we are for those who are without power because of a storm or other issue. What that means is a commitment to attack the root causes of poverty, which we took on as a corporate cause with the formation of the low-income customer service initiative.

Entergy has developed four practical ways companies can get involved and be a part of the solution:

1. Recognize that ALICE is in our workforce. Offering competitive wages and benefits is a given for companies like Entergy that seek to be an employer of choice. Even so, from time to time, employees may find themselves in a position where they need help.

2. Business can help through investments in workforce development to equip ALICE with skills to land a living-wage job. Entergy created a five-year, $5-million initiative to provide workforce training to help equip unemployed and underemployed adults for high-demand, high-wage jobs.

3. Businesses and corporations can partner with organizations and causes that have established track records for success in lifting up ALICE. For Entergy, this has meant galvanizing efforts around the Earned Income Tax Credit, the nation's most effective federal poverty alleviation program.

4. Businesses and corporations can help ALICE by supporting sound public policy at the local, state, and federal levels.

Equipping ALICE families with the tools to succeed is both practical and possible. ALICE represents our collective reality. What we do to help ALICE represents our collective future.

We are pleased to work with Louisiana United Ways and appreciate that partnership as we work together to build stronger financial stability for hardworking families throughout our state.

Sincerely,

D. Patricia Riddlebarger
Vice President Corporate Social Responsibility, Entergy Corporation

Entergy®

THE ALICE RESEARCH TEAM

The United Way *ALICE Project* provides high-quality, research-based information to foster a better understanding of who is struggling in our communities. To produce the United Way ALICE Report for Louisiana, a team of researchers collaborated with a Research Advisory Committee, composed of 24 representatives from across Louisiana, who advised and contributed to the report. This collaborative model, practiced in each state, ensures each report presents unbiased data that is replicable, easily updated on a regular basis, and sensitive to local context. Working closely with United Ways, the United Way *ALICE Project* seeks to equip communities with information to create innovative solutions.

Lead Researcher

Stephanie Hoopes, Ph.D., is the lead researcher and director of the United Way *ALICE Project*. Dr. Hoopes began this effort with a pilot study of a more accurate way to measure financial hardship in Morris County, New Jersey in 2009. Since then, she has overseen its expansion into a broad-based, state-by-state research initiative now spanning 18 states across the country. Her research on the ALICE population has garnered both state and national media attention.

Before joining United Way full time in 2015, Dr. Hoopes taught at Rutgers University and Columbia University. Dr. Hoopes has a doctorate from the London School of Economics, a master's degree from the University of North Carolina at Chapel Hill, and a bachelor's degree from Wellesley College.

Dr. Hoopes is on the board of directors of the McGraw-Hill Federal Credit Union, and she received a resolution from the New Jersey General Assembly for her work on ALICE in 2016.

Research Support Team

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Education's Next Horizon

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Deputy Chief of Staff Louisiana Office of the Governor

THE UNITED WAY ALICE PROJECT

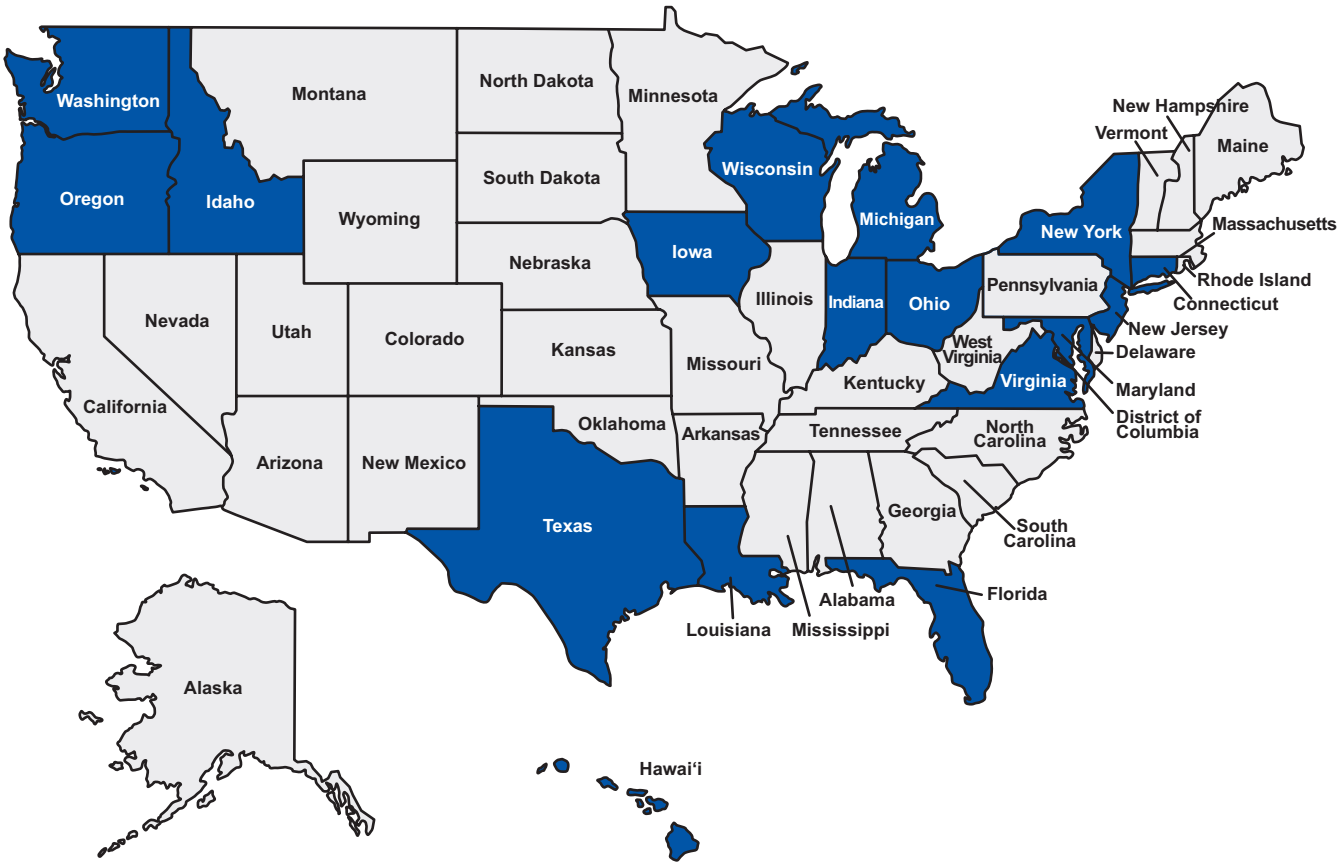
The United Way *ALICE Project* provides a framework, language, and tools to measure and understand the struggles of a population called **ALICE** — an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed. ALICE is the growing number of households in our communities that do not earn enough to afford basic necessities. This research initiative partners with state United Way organizations to present data that can stimulate meaningful discussion, attract new partners, and ultimately inform strategies for positive change.

Based on the overwhelming success of this research in identifying and articulating the needs of this vulnerable population, the United Way *ALICE Project* has grown from a pilot in Morris County, New Jersey in 2009, to the entire state of New Jersey in 2012, and now to the national level with 18 states participating. Louisiana United Ways are proud to join the more than 540 United Ways in these states that are working to better understand ALICE's struggles. Organizations across the country are also using this data to address the challenges and needs of their employees, customers, and communities. The result is that ALICE is rapidly becoming part of the common vernacular, appearing in the media and in public forums discussing financial hardship in communities nationwide.

Together, United Ways, government agencies, nonprofits, and corporations have the opportunity to evaluate current initiatives and discover innovative approaches that give ALICE a voice, and create changes that improve life for ALICE and the wider community.

To access reports from all states, visit UnitedWayALICE.org

States With United Way ALICE Reports



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EXECUTIVE SUMMARY

In Louisiana, 828,255 households — 48 percent — could not afford basic needs such as housing, child care, food, transportation, health care, and technology in 2016.

This update of the United Way ALICE Report for Louisiana provides the most comprehensive look at the population called **ALICE** — an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed. ALICE households have incomes above the Federal Poverty Level (FPL), but struggle to afford basic household necessities.

The Report describes the cost of basic needs for each parish in Louisiana, as well as the number of households earning below this amount — the ALICE Threshold — and focuses on how households have fared since the Great Recession ended in 2010.

Despite overall improvement in employment and gains in median income, the economic recovery in Louisiana has been uneven. Many ALICE households continue to face challenges from low wages, reduced work hours, depleted savings, and increasing costs. For the many households that earned just above the ALICE Threshold in the past, the increases in the cost of living have pushed them below the Threshold and into financial hardship. The total number of Louisiana households that cannot afford basic needs increased 21 percent from 2010 to 2016.

This Report focuses on trends in Louisiana that led to more families becoming unable to make ends meet. Key findings include:

- **Households continue to struggle:** Of Louisiana's 1,729,126 households, 19 percent lived in poverty in 2016 and another 29 percent were ALICE. Combined, 48 percent (828,255 households) had income below the ALICE Threshold, up from 41 percent in 2010.

- **Basic cost of living still on the rise:** The cost of basic household expenses increased steadily in Louisiana to $53,988 for a family of four (two adults with one infant and one preschooler) and $19,548 for a single adult in 2016. These bare-minimum budgets are significantly higher than the 2016 FPL of $24,300 for a family of four and $11,880 for a single adult. The cost of the family Household Survival Budget increased by 33 percent from 2010 to 2016.

- **Changes in the workforce:** Although unemployment rates are falling, ALICE workers are still struggling. Low-wage jobs dominate the employment landscape in Louisiana, with 66 percent of all jobs paying less than $20 per hour. At the same time, an increase in contract jobs and on-demand jobs is leading to less financial stability. Gaps in wages are growing wider and vary depending on the size and location of employers as well as the gender, education, and race/ethnicity of workers.

- **Emerging trends:** Several trends could impact the economic landscape for ALICE families:

    - *The Changing American Household* — Baby boomers are aging, millennials are making different lifestyle and work choices than previous generations, and patterns of domestic and foreign migration are shifting. These trends are changing both household composition and demands for goods and services.

    - *Market Instability* — A globally connected economy means that economic disruptions and natural disasters in one part of the world will increasingly have an impact on ALICE workers in the U.S., contributing to employment instability, shifting supply and demand, and a disruption in traditional modes of operation.

- *Health Inequality* — As health costs rise, there will be increasing disparities in health according to income. Expensive medical advances that are out of reach of lower-income households will only further this divide.

The United Way ALICE Report for Louisiana offers an enhanced set of tools for stakeholders to measure the real challenges ALICE households face in trying to make ends meet. This information is presented to enable communities to move beyond stereotypes of "the poor" and an outdated FPL, and instead use data to inform programmatic and policy solutions for ALICE and communities, now and for the future.

RESEARCH FRAMEWORK

GLOSSARY

ALICE is an acronym that stands for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed, comprising households with income above the Federal Poverty Level but below the basic cost of living. A household consists of all the people who occupy a housing unit but does not include those living in group quarters such as a dorm, nursing home, or prison.

The Household Survival Budget calculates the actual costs of basic necessities — housing, child care, food, transportation, health care, technology (a smartphone), and taxes — in Louisiana, adjusted for different parishes and household types.

The ALICE Threshold is the average income that a household needs to afford the basic necessities defined by the Household Survival Budget for each parish in Louisiana. Households earning below the ALICE Threshold include both ALICE and poverty-level households.

WHAT'S NEW

Every two years, the United Way *ALICE Project* engages a national Research Advisory Committee of external experts to scrutinize the ALICE methodology and sources. This rigorous process results in enhancements that ensure the best local data is presented. While these changes impact specific calculations, the overall trends have remained the same.

For this Report, the following changes have been incorporated:

The inclusion of technology: Technology has become a regular part of life, and smartphones in particular are an expectation for employment. The Household Survival Budget now includes the cost of a smartphone plan for each adult.

The source for state taxes has been updated: To provide greater consistency across states and reduce the complexity of calculations while maintaining accuracy, the Report uses the Tax Foundation's individual income tax rates and deductions for Louisiana instead of state-level tax sources. Louisiana's *Individual Income Tax Forms and Instructions* are used to confirm state tax deductions and exemptions, such as the Personal Tax Credit. This change resulted in slight changes in tax amounts; budgets have been recalculated for 2010, 2012, and 2014. To ensure consistency in change-over-time comparisons, the data for previous years — 2010, 2012, and 2014 — has been recalculated and is presented in this Report. For example, the old Report stated that 723,077 households (42 percent) had income below the ALICE Threshold in 2014, the new Report presents that 732,634 households (43 percent) had income below the ALICE Threshold in 2014.

Change over time: The 2015 United Way ALICE Report measured change before and after the Great Recession, in 2007 and 2010. This Report focuses on the recovery, measuring change from the baseline of 2010, followed by the even years since — 2012, 2014, and 2016.

Additional geographic data available: More ALICE data is available at the local level at UnitedWayALICE.org including by: subcounty, place, zip code, Public Use Microdata Area, and congressional district.

METHODOLOGY NOTES

This Report remains focused on the parish level because state averages can mask significant differences between parishes. For example, the percentage of households below the ALICE Threshold ranges from 27 percent in Cameron Parish to 75 percent in East Carroll Parish. The Report examines issues surrounding ALICE households from different angles to draw the clearest picture with the range of data available. Sources include the American Community Survey, the U.S. Department of Housing and Urban Development, the U.S. Department of Agriculture, the Bureau of Labor Statistics at the U.S. Department of Labor, the Internal Revenue Service, the Tax Foundation, and the Louisiana Department of Education. State, parish, and municipal data is used to provide different lenses on ALICE households. The data are estimates; some are geographic averages, others are one- or five-year averages depending on population size.

Due to different rounding conventions in different data sources, total percentages may vary by +/-1 percent from 100 percent for a group. Typically, we present rounded numbers to make the ALICE data as clear as possible to a general audience.

The United Way ALICE Reports follow the U.S. Census classifications for the largest non-White populations: Black, Asian, Hispanic, and American Indian/Alaska Native, as well as people identifying as two or more races. Because people of any race, including Whites, can also be of Hispanic ethnicity, the ALICE data looks at White, Black, Asian, and American Indian/Alaska Native categories “alone” (i.e., not also Hispanic), as well as at Hispanic populations.

In Louisiana, ALICE data is only available for White, Black, Hispanic, and Asian populations; the American Community Survey does not provide income data on other race/ethnicity categories because they have small samples, so ALICE statistics are not available. Less than 1 percent of households in Louisiana identify themselves as American Indian/Alaskan Native, another 2 percent identify as “Some Other Race,” and 2 percent also identify as being of “Two or More Races” (American Community Survey, 2016).

For a more detailed description of the methodology and sources, see the *Methodology Overview* on our website, UnitedWayALICE.org/methodology. For a breakdown of the data by parish and municipality, see the Parish Pages and Data File at UnitedWayALICE.org/Louisiana (under “Downloads”).

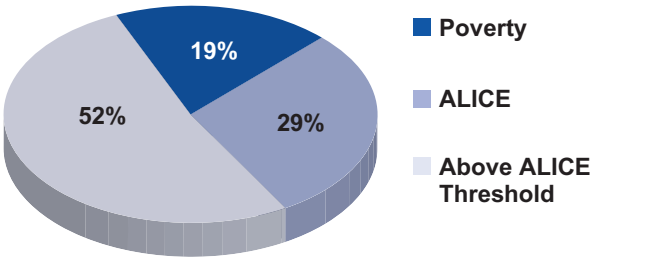
AT-A-GLANCE: LOUISIANA

2016 Point-in-Time Data

Population: 4,681,666 | **Number of Parishes:** 64 | **Number of Households:** 1,729,126

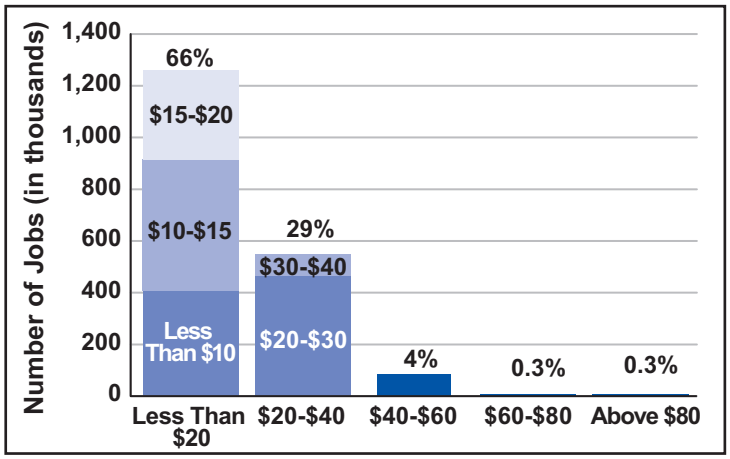
How many households are struggling?

ALICE, an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed, comprises households that earn more than the Federal Poverty Level but less than the basic cost of living for the state (the ALICE Threshold). Of Louisiana's 1,729,126 households, 334,779 earn below the Federal Poverty Level (19 percent) and another 493,476 (29 percent) are ALICE.



How much does ALICE earn?

In Louisiana, 66 percent of jobs pay less than $20 per hour, with more than two-thirds of those jobs paying less than $15 per hour. Another 29 percent of jobs pay from $20 to $40 per hour. Only 4 percent of jobs pay from $40 to $60 per hour.



What does it cost to afford the basic necessities?

Despite a low rate of inflation nationwide — 9 percent from 2010 to 2016 — the bare-minimum Household Survival Budget increased by 16 percent for a single adult and 33 percent for a family. Affording only a very modest living, this budget is still significantly more than the Federal Poverty Level of $11,880 for a single adult and $24,300 for a family of four.

Household Survival Budget, Louisiana Average, 2016

	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	$517	$715
Child Care	$-	$996
Food	$164	$542
Transportation	$322	$644
Health Care	$196	$726
Technology	$55	$75
Miscellaneous	$148	$409
Taxes	$227	$392
Monthly Total	$1,629	$4,499
ANNUAL TOTAL	$19,548	$53,988
Hourly Wage*	*$9.77*	*$26.99*

**Full-time wage required to support this budget*

AT-A-GLANCE: LOUISIANA

Louisiana Parishes, 2016		
PARISH	TOTAL HOUSEHOLDS	% ALICE & POVERTY
Acadia	22,655	47%
Allen	7,881	57%
Ascension	40,663	34%
Assumption	8,676	43%
Avoyelles	15,016	53%
Beauregard	13,106	43%
Bienville	5,738	48%
Bossier	47,458	46%
Caddo	96,532	53%
Calcasieu	77,029	46%
Caldwell	3,635	60%
Cameron	2,653	27%
Catahoula	3,731	54%
Claiborne	5,828	61%
Concordia	7,579	58%
De Soto	10,259	46%
East Baton Rouge	163,764	47%
East Carroll	2,557	75%
East Feliciana	6,822	48%
Evangeline	11,871	55%
Franklin	7,520	54%
Grant	7,286	52%
Iberia	26,240	50%
Iberville	11,162	47%
Jackson	6,052	48%
Jefferson	170,710	46%
Jefferson Davis	11,554	50%
Lafayette	89,130	44%
Lafourche	37,199	45%
LaSalle	5,320	52%
Lincoln	17,144	56%
Livingston	47,479	40%

Louisiana Parishes, 2016		
PARISH	TOTAL HOUSEHOLDS	% ALICE & POVERTY
Madison	4,080	66%
Morehouse	10,273	59%
Natchitoches	14,393	59%
Orleans	154,355	53%
Ouachita	54,349	58%
Plaquemines	8,644	48%
Pointe Coupee	8,802	46%
Rapides	47,745	47%
Red River	3,491	49%
Richland	7,581	51%
Sabine	8,984	50%
St. Bernard	14,732	52%
St. Charles	18,586	37%
St. Helena	4,033	57%
St. James	7,952	36%
St. John the Baptist	15,363	45%
St. Landry	30,302	57%
St. Martin	19,268	49%
St. Mary	20,164	50%
St. Tammany	92,205	36%
Tangipahoa	47,756	48%
Tensas	1,941	66%
Terrebonne	40,102	48%
Union	8,194	55%
Vermilion	21,743	44%
Vernon	17,789	51%
Washington	17,487	58%
Webster	15,806	56%
West Baton Rouge	9,253	41%
West Carroll	4,185	49%
West Feliciana	3,879	49%
Winn	5,440	57%

Sources: Point-in-Time Data: *American Community Survey, 2016.* ***ALICE Demographics:*** *American Community Survey and the ALICE Threshold, 2016.* ***Wages:*** *Bureau of Labor Statistics, 2016b.* ***Budget:*** *Consumer Reports, 2017; U.S. Department of Housing and Urban Development, 2016; U.S. Department of Agriculture, 2016; Bureau of Labor Statistics, 2016a; Internal Revenue Service, 2016; Tax Foundation, 2016, 2017, and Louisiana Department of Education, 2017.*

ALICE BY THE NUMBERS

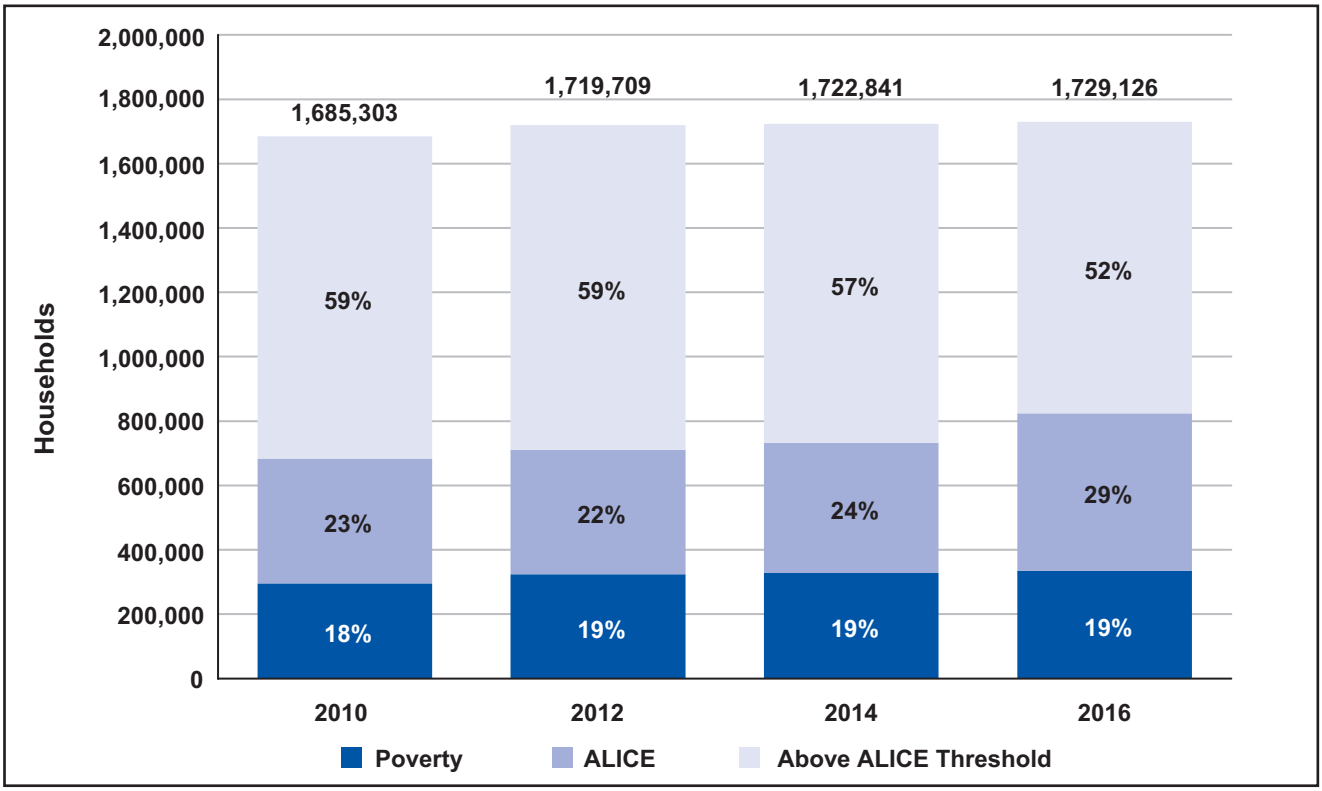
In Louisiana, ALICE households exist in all age groups, across all races and ethnicities, in single and two-parent families, and with or without children. They exist in all parts of the state, from urban New Orleans to the suburbs of Baton Rouge to rural communities in Lincoln and Beauregard parishes. This section drills down to reveal demographic differences of ALICE and poverty-level households by age, race and ethnicity, and household type over time. It also reports on important local variations that are often masked by state averages.

Overall population changes: In Louisiana, the total number of households increased by 3 percent between 2010 and 2016 to 1,729,126. But the number of ALICE and poverty-level households increased even more, from 683,897 in 2010 to 828,255 in 2016, a 21 percent increase (Figure 1).

- **Poverty:** The number of households in poverty — defined in 2016 as those earning at or below $11,880 for a single adult and $24,300 for a family of four — grew from 295,562 in 2010 to 334,779 in 2016, a 13 percent increase. The proportion of all households that were in poverty grew from 18 percent to 19 percent during that period.

- **ALICE:** The number of ALICE households increased from 388,335 in 2010 to 493,476 in 2016, a 27 percent increase. The proportion of all ALICE households rose from 23 percent to 28 percent during that period.

Figure 1.
Household Income, Louisiana, 2010 to 2016



Source: American Community Survey, 2010-2016, and the ALICE Threshold, 2010-2016; for additional data and ALICE Methodology, see UnitedWayALICE.org

HOUSEHOLDS BY AGE

Two major population bubbles are changing communities across Louisiana: The baby boomers (born between 1946 and 1964) are the largest generation, and as they age, their needs and preferences change. The second largest group is the millennials (adults born between 1981 and 1996, according to the Pew Research Center), who are making different lifestyle and work choices than previous generations. Between the two population bubbles is the smaller Generation X, made up of adults born between 1964 and 1980. To analyze general trends,

the ALICE data is presented by household in more precise Census age breaks: under-25, 25–44, 45–64, and 65 and older. Millennials are covered by the youngest two brackets and baby boomers by the oldest two (Colby & Ortman, 2014; Dimock, 2018).

Aging Population

The increase in the number of ALICE households in Louisiana is driven by older households. The number of senior households (65 years and older) increased 18 percent, from 353,704 in 2010 to 417,182 in 2016 (Figure 2). Yet the number of senior households with income below the ALICE Threshold grew at an even faster rate of 21 percent, so that by 2016, 49 percent of senior households had income below the ALICE Threshold.

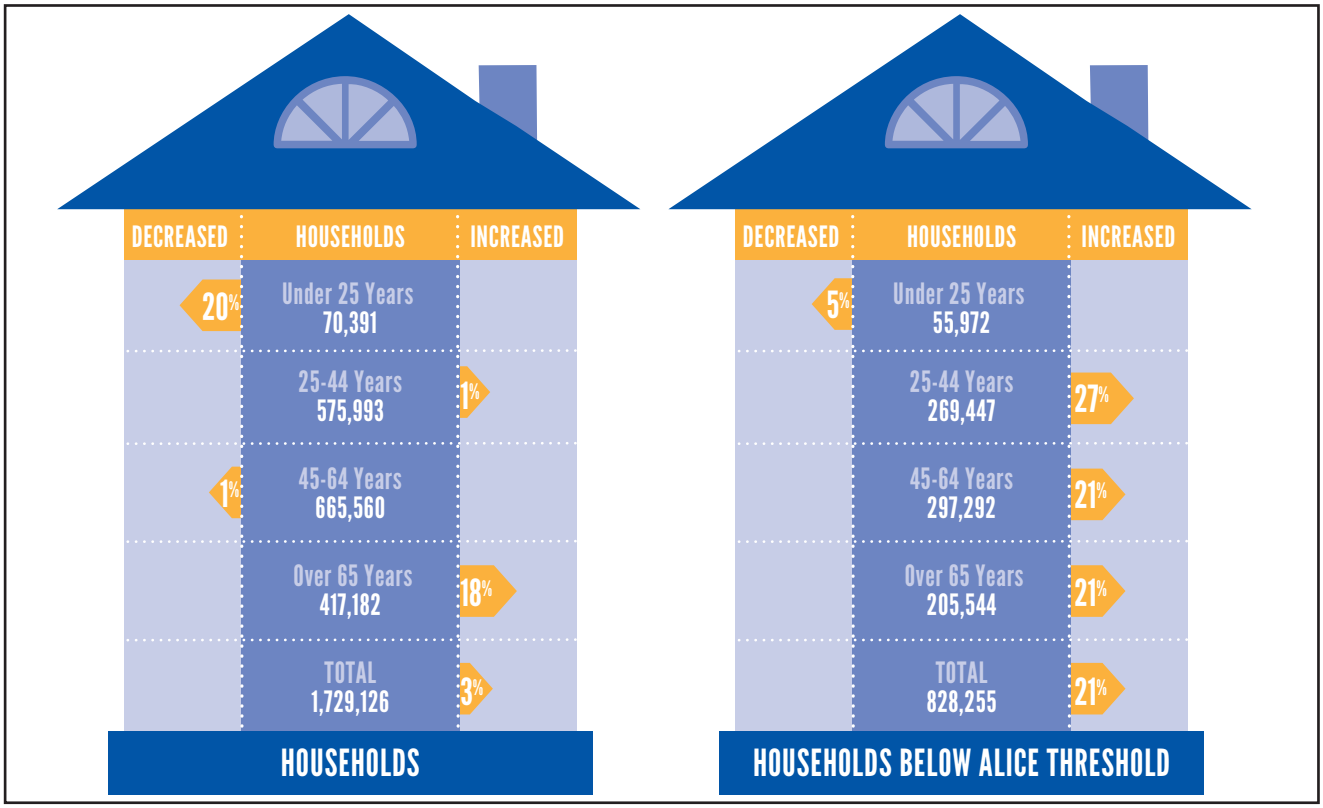
The next oldest age group, households headed by 45- to 64-year-olds, decreased slightly between 2010 and 2016 (by 1 percent), yet the number of these households with income below the ALICE Threshold grew by 21 percent, a surprising drop in wealth for those in their prime earning years (American Community Survey, 2010, 2016).

Younger Households

Even though the total population of millennials is growing, the number of households headed by them is decreasing. The youngest segment of the millennials, households headed by those under 25 years old, fell by 20 percent, from 87,435 households in 2010 to 70,391 in 2016, and the number with income below the ALICE Threshold fell by 5 percent. The older and larger segment of millennials, households headed by 25- to 44-year-olds, increased by 1 percent overall, and the number with income below the ALICE Threshold increased by 27 percent.

Unlike previous generations of young Americans, many millennials cannot afford to live on their own. Instead, they are more likely to live with their parents or with roommates. And for the first time in more than a century, they are less likely to be living with a romantic partner. These patterns vary among some millennials from immigrant families. Overall, people under the age of 25 who are the head of their household (i.e., don't live with parents, older relatives, or roommates/partners) are far less likely to be able to afford basic necessities, with 79 percent of them living below the ALICE Threshold (American Community Survey, 2010, 2016; Cilluffo & Cohn, 2017; Gurrentz, 2018; W. H. Frey, 2018).

Figure 2.
Household Income by Age of Head of Household, Louisiana, 2010 to 2016



Source: American Community Survey, 2010–2016 and the ALICE Threshold, 2010–2016

HOUSEHOLDS BY RACE AND ETHNICITY

Changes in statewide demographic and income numbers are driven by changes in White (non-Hispanic) households because they make up the largest racial group in Louisiana, but these trends often mask important changes in other racial/ethnic groups. For example, in Louisiana, the number of Hispanic and Asian households grew faster than the number of White and Black households from 2010 to 2016. Hispanic households increased by 25 percent to 65,019 households, and Asian households increased by 15 percent to 23,886 households. In comparison, the number of White households remained flat, at 1,087,569 households, and Black households increased by 4 percent to 519,827 households (see the note on race/ethnicity in the Data & Methodology Box on p. 3).

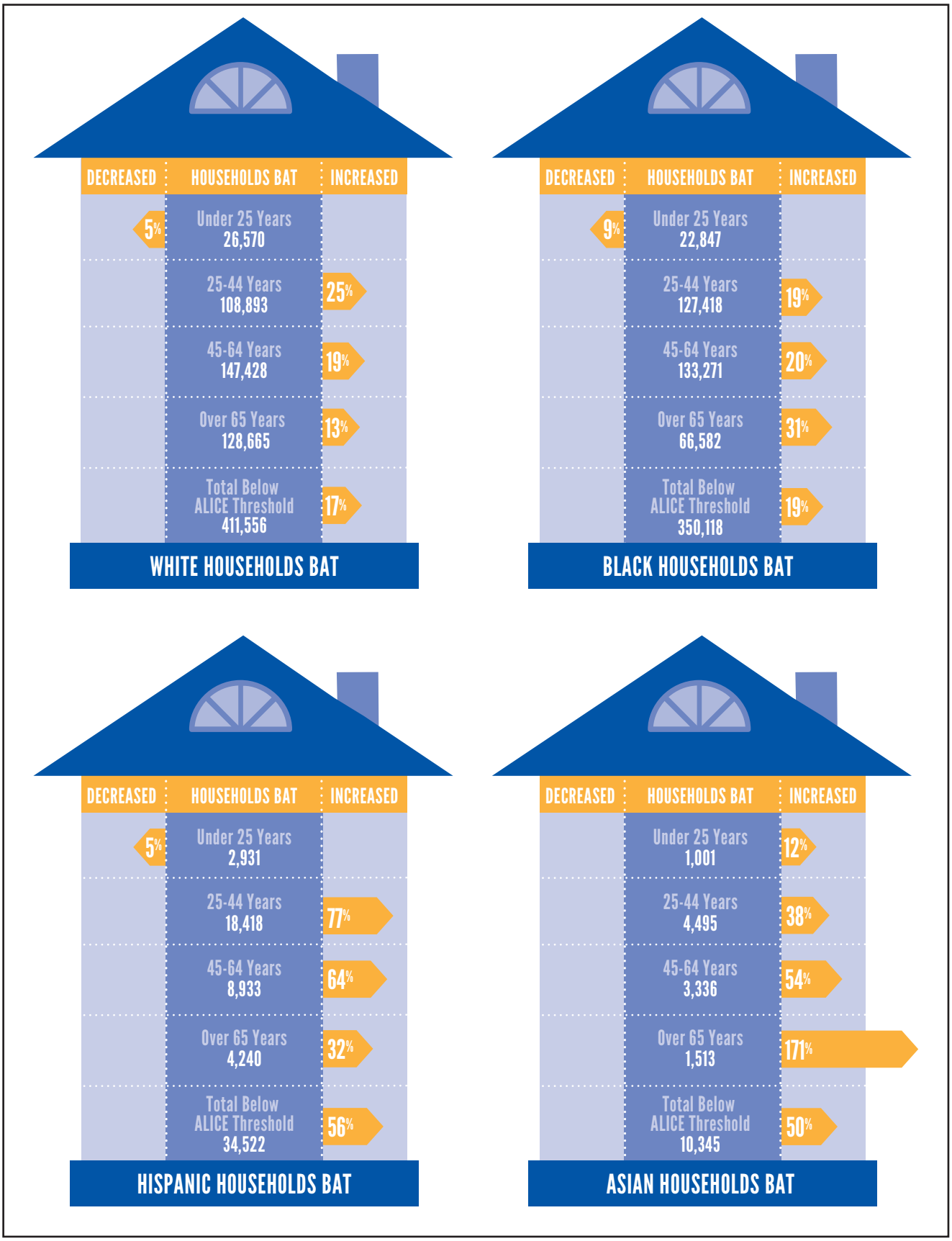
A breakdown by race/ethnicity and age shows other important trends:

Most racial/ethnic groups had a decrease in young households: The number of White under-25-year-old households fell by 25 percent from 2010 to 2016. Because White households make up the largest group of under-25-year-old households, this drop caused a decrease in the overall number of young households in Louisiana. Further adding to this decrease in young households, Black and Hispanic under-25-year-old households also saw a decrease during this time period (16 percent and 15 percent, respectively). Households headed by 25- to 44-year-olds also decreased for White and Black households (both a 1 percent decrease), but for this age group, both Hispanic and Asian households increased (by 25 percent and 6 percent, respectively).

Senior households of all race and ethnic groups are increasing: White senior households (65+) are driving the overall growth in the senior population, increasing by 16 percent from 2010 to 2016, but other senior groups are experiencing significant growth as well: Asian senior households increased by 69 percent, Hispanic senior households by 36 percent, and Black senior households by 26 percent. Households headed by 45- to 64-year-olds followed a similar trend for Hispanic, Asian, and Black households (up 29 percent, 16 percent, and 3 percent, respectively). White households in this age group, however, saw a slight decrease of 1 percent.

The number of households below the ALICE Threshold increased in most groups (Figure 3): The number of households below the ALICE Threshold increased in all age and racial/ethnic groups from 2010 to 2016, with the exception of young (under-25) White, Black, and Hispanic households. The largest increases in households below the ALICE Threshold for Asian and Black households were among seniors (65+), with Asian senior households increasing by 171 percent and Black senior households by 31 percent. The greatest growth in households below the ALICE Threshold for Hispanic and White households, on the other hand, were within the 25- to 44-year-old age group, with increases of 77 percent and 25 percent respectively. White, Black, and Hispanic under-25-year-old households — the only groups that saw a decrease in ALICE households — also experienced a decrease in total households.

Figure 3.
Households Below ALICE Threshold (BAT), by Age and Race/Ethnicity, Louisiana, 2010 to 2016



Source: American Community Survey, 2010–2016 and the ALICE Threshold, 2010–2016

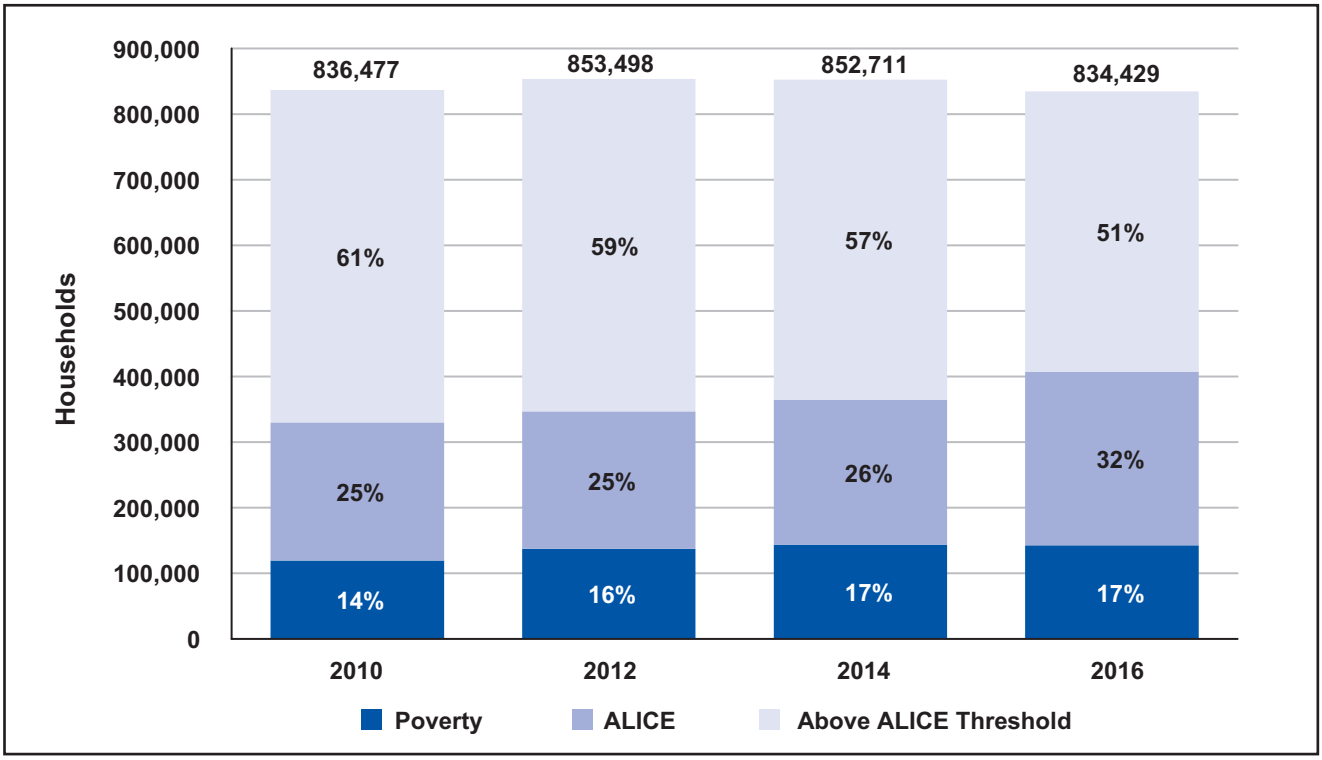
HOUSEHOLDS BY FAMILY TYPE

There are longstanding preconceptions about what types of families tend to be low-income — for example, homes headed by single mothers. Yet ALICE and poverty-level families exist in all configurations. There have been such dramatic changes in the living arrangements of Americans that it is important to re-evaluate these old stereotypes.

After decades of declining marriage rates across the country, along with rising levels of divorce, remarriage, and cohabitation, the household made up of a married couple with two children is no longer typical. Since the 1970s, American households have become smaller for a number of reasons: Fewer households have children, there are fewer married-couple households, and more people are living alone, especially at older ages. People are living in a wider variety of arrangements, including singles living alone or with roommates, and grown children living with parents. The share of American adults who have never been married is at a historic high (Waggoner, 2016).

In Louisiana in 2016, there were 834,429 households composed of single or cohabiting adults under the age of 65 with no children under 18 years old. They make up the largest group in Louisiana, accounting for 48 percent of all households and they have the largest number and percentage of households below the ALICE Threshold. In 2016, 409,235 of these households, 49 percent, had income below the ALICE Threshold (Figure 4), increasing from 39 percent in 2010.

Figure 4.
Single or Cohabiting (Under 65) Households, No Children, by Income, Louisiana, 2010 to 2016



Source: American Community Survey, 2010-2016, and the ALICE Threshold, 2010-2016

Families With Children

Families with children are also changing, with mothers doing more paid work outside the home as the cost of living continues to rise. Nationally in 2015, 42 percent of mothers were sole or primary breadwinners, bringing in 50 percent or more of family earnings, and another 22 percent were co-breadwinners, earning 25 percent to 49 percent of earnings in 2015. Gender roles are changing as well, with fathers doing more housework and child care. Over the last 30 years, the number of stay-at-home fathers has doubled to 2.2 million, and the amount of

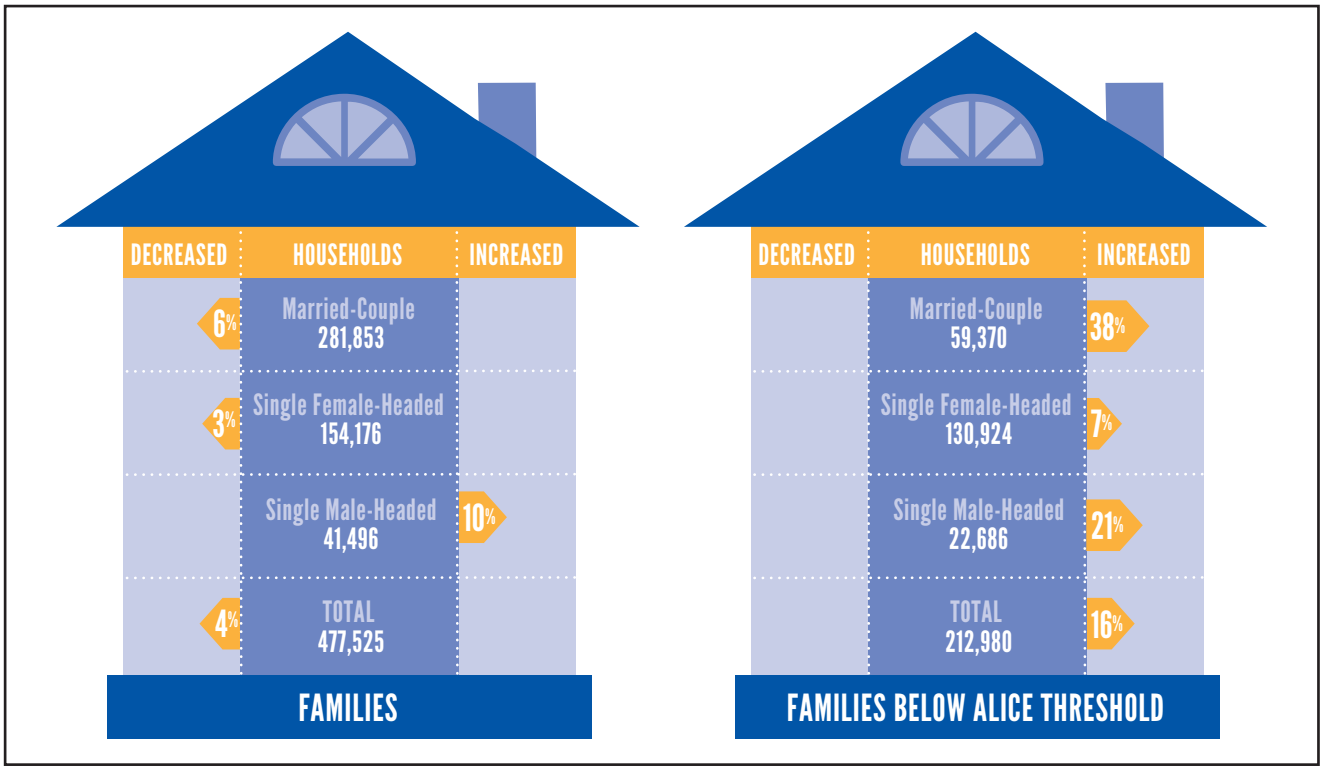
housework fathers report doing has also doubled, to an average of nine hours a week (Cohn & Caumont, 2016; Glynn, 2016; Livingston, 2014; Parker & Livingston, 2017).

The composition of families is changing as well. Nationally, there are increasing numbers of other types of families, including those with several cohabiting generations and those with lesbian, gay, bisexual, and transgender (LGBT) parents. More than a quarter of married LGBT couples are now raising children, and the number of same-sex marriages more than doubled nationally from 2012 to 2015. During that time, the Supreme Court ruled in 2013 that the federal government must recognize state-sanctioned same-sex marriages, and then in 2015, it ruled that all states must allow same-sex marriages. Households with combined children from parents' prior relationships are also on the rise. Almost one in six children under the age of 18 now lives in a family with parents and their children from previous relationships (Cohn & Caumont, 2016; Gates & Brown, 2015; Pew Research Center, 2015).

Louisiana families saw the following changes to their composition and financial status from 2010 to 2016:

- **Below ALICE Threshold:** Of all Louisiana families with children, there were 212,980 or 45 percent with income below the ALICE Threshold in 2016. Of these families, 28 percent were in married-parent families, 61 percent in single-female-headed families, and 11 percent in single-male-headed families.
- **Married-parent families:** The number of married-parent families with children fell by 6 percent from 2010 to 2016, while the number below the ALICE Threshold increased greatly, by 38 percent (Figure 5).
- **Single-female-headed families:** The number of single-female-headed families with children decreased by 3 percent, while the number below the ALICE Threshold increased 7 percent.
- **Single-male-headed families**: This smallest group by family type increased by 10 percent; the number with income below the ALICE Threshold increased at an even greater rate of 21 percent.

Figure 5.
Families With Children by Income, Louisiana, 2010 to 2016

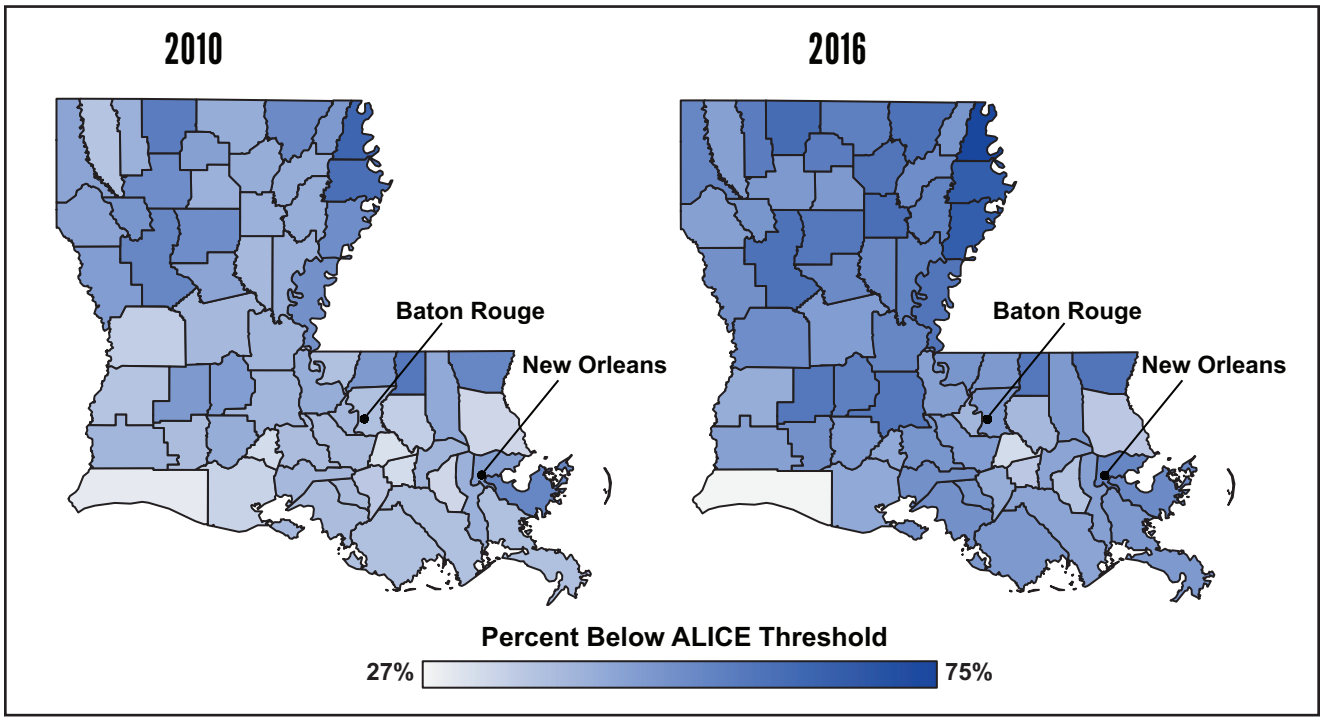


Source: American Community Survey, 2010-2016, and the ALICE Threshold, 2010-2016

ALICE BY PARISH

Contrary to stereotypes that suggest financial hardship only exists in inner cities, ALICE households live in urban, suburban, and rural areas and in every parish in Louisiana. Though the cost of living and wages differ across the state, the number of households with income below the ALICE Threshold increased across most parishes from 2010 to 2016. But there is enormous variation among parishes: The percentage of households below the ALICE Threshold ranges from 27 percent in Cameron Parish to 75 percent in East Carroll Parish (Figure 6).

Figure 6.
Percent of Households Below the ALICE Threshold by Parish, Louisiana, 2010 and 2016

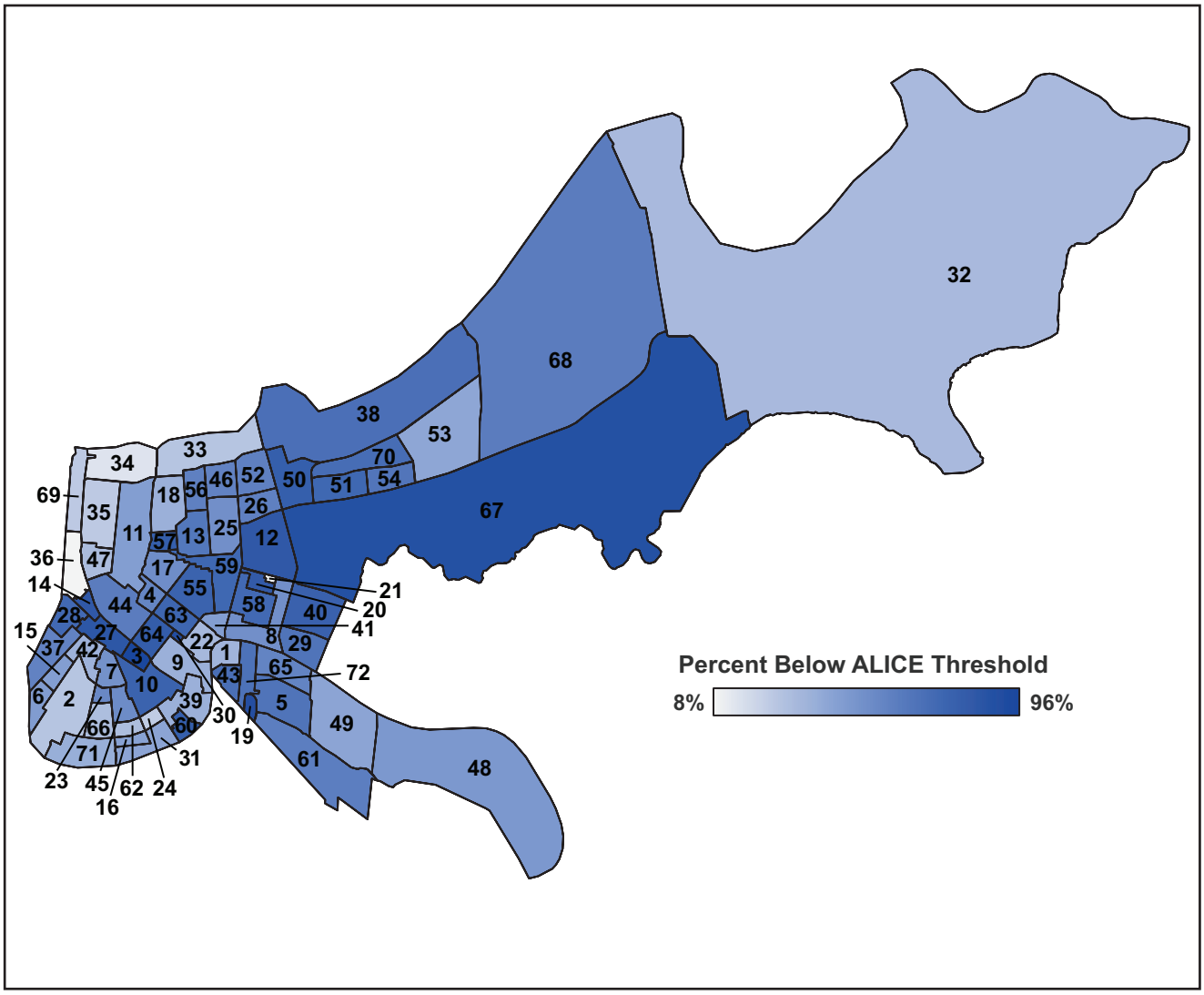


Source: American Community Survey, 2010, 2016, and the ALICE Threshold, 2010, 2016. Details on each parishes' household income and ALICE demographics, as well as further breakdown by municipality, are listed in the ALICE Parish Pages and Data File at UnitedWayALICE.org/Louisiana

ALICE IN NEW ORLEANS

There is financial hardship in all New Orleans neighborhoods, yet levels of hardship vary greatly across the city (Figure 7). Households with income below the ALICE Threshold range from 8 percent in Lakewood to 90 percent or more in Fischer Development, Iberville Development, and B.W. Cooper. With significant migration occurring in the wake of Hurricanes Katrina and Rita, many New Orleans neighborhoods have changed character and composition. New investment in the city is leading to improvements in many areas, but 44 out of 71 neighborhoods still have a majority of families with income below the ALICE households. There are many low-income neighborhoods that are predominantly Black, and residents face many of the same barriers to financial stability that they have for decades (LaBorde, 2016; Housing Authority of New Orleans, 2017).

Figure 7.
Percent of Households Below the ALICE Threshold by New Orleans Neighborhood, 2016



Key to Map: New Orleans Neighborhoods		Total Households	Percent Below ALICE Threshold
1	Algiers Point	1,471	34%
2	Audubon	4,893	26%
3	B.W. Cooper	272	96%
4	Bayou St. John	1,943	56%
5	Behrman	2,886	66%
6	Black Pearl	844	45%
7	Broadmoor	2,659	50%
8	Bywater	1,869	51%
9	Central Business District	1,709	36%
10	Central City	6,401	76%
11	City Park	1,405	44%
12	Desire Dev & Neighborhood	922	83%
13	Dillard	2,103	64%
14	Dixon	663	83%
15	East Carrollton	1,815	44%
16	East Riverside	1,330	42%
17	Fairgrounds	2,672	52%
18	Filmore	2,004	36%
19	Fischer Development	382	90%
20	Florida Area	606	82%
21	Florida Development	N/A	N/A
22	French Quarter	2,159	32%
23	Freret	753	55%
24	Garden District	1,047	23%
25	Gentilly Terrace	3,865	51%
26	Gentilly Woods	973	59%
27	Gert Town	1,149	84%
28	Hollygrove	2,116	72%
29	Holy Cross	1,258	66%
30	Iberville Development	131	91%
31	Irish Channel	1,782	41%
32	Lake Catherine	331	31%
33	Lake Terrace & Oaks	823	26%
34	Lakeshore/Lake Vista	1,477	14%
35	Lakeview	3,075	24%
36	Lakewood	658	8%

Key to Map: New Orleans Neighborhoods		Total Households	Percent Below ALICE Threshold
37	Leonidas	3,032	58%
38	Little Woods	13,783	68%
39	Lower Garden District	3,781	36%
40	Lower Ninth Ward	1,455	77%
41	Marigny	1,914	44%
42	Marlyville/ Fontainebleau	2,503	35%
43	McDonogh	1,058	69%
44	Mid-City	5,689	61%
45	Milan	2,444	53%
46	Milneburg	1,640	58%
47	Navarre	1,217	30%
48	New Aurora/ English Turn	2,111	47%
49	Old Aurora	6,730	41%
50	Pines Village	1,251	79%
51	Plum Orchard	1,612	73%
52	Pontchartrain Park	602	59%
53	Read Blvd East	2,915	40%
54	Read Blvd West	1,803	65%
55	Seventh Ward	4,932	76%
56	St. Anthony	1,770	59%
57	St. Bernard Area	1,008	79%
58	St. Claude	3,000	72%
59	St. Roch	2,784	73%
60	St. Thomas Development	1,088	79%
61	Tall Timbers/ Brechtel	5,660	60%
62	Touro	1,272	29%
63	Treme'/Lafitte	2,186	74%
64	Tulane/Gravier	1,357	80%
65	U.S. Naval Support Area	794	57%
66	Uptown	2,981	29%
67	Viavant/Venetian Isles	296	88%
68	Village de l'est	2,724	61%
69	West End	1,934	24%
70	West Lake Forest	1,708	70%
71	West Riverside	2,477	37%
72	Whitney	887	67%

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

THE HOUSEHOLD SURVIVAL BUDGET

The Household Survival Budget reflects the bare minimum cost to live and work in the modern economy. In Louisiana, the average Household Survival Budget was $53,988 for a four-person family and $19,548 for a single adult in 2016 (Figure 8). The hourly wage necessary to support a family budget is $26.99 for one parent working 40 hours per week for 50 weeks per year (or $13.50 per hour each, if two parents work), and $9.77 per hour full-time for a single adult. These costs continue to increase faster than the rate of inflation.

Figure 8.
Household Survival Budget, Louisiana Average, 2016

Household Survival Budget, Louisiana Average, 2016			Percent Change 2010-2016	
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs				
Housing	$517	$715	0%	8%
Child Care	$-	$996	N/A	35%
Food	$164	$542	1%	10%
Transportation	$322	$644	7%	7%
Health Care	$196	$726	94%	79%
Technology*	$55	$75	N/A	N/A
Miscellaneous	$148	$409	16%	33%
Taxes	$227	$392	19%	120%
Monthly Total	$1,629	$4,499	16%	33%
ANNUAL TOTAL	$19,548	$53,988	16%	33%
Hourly Wage*	*$9.77*	*$26.99*	*16%*	*33%*

** Cost of a smartphone plan for each adult, new to budget in 2016*
*** Wage working full-time required to support this budget*

Source: U.S. Department of Housing and Urban Development, 2016; U.S. Department of Agriculture, 2016; Bureau of Labor Statistics, 2016a; Internal Revenue Service, 2016; Tax Foundation, 2016, 2017; and Louisiana Department of Education, 2017. For the Methodology Overview and additional data, see our website: UnitedWayALICE.org

The cost of household basics in the Household Survival Budget — housing, child care, food, transportation, health care, technology, and taxes — increased by 16 percent for a single adult and 33 percent for a family of four from 2010 to 2016. At the same time, median earnings only increased by 14 percent in Louisiana and 11 percent nationwide, putting greater strain on households. It is important to note that the national rate of inflation — which covers many budget items that change at varying rates — was 9 percent during this time period, significantly lower than the increase in Louisiana's Household Survival Budget.

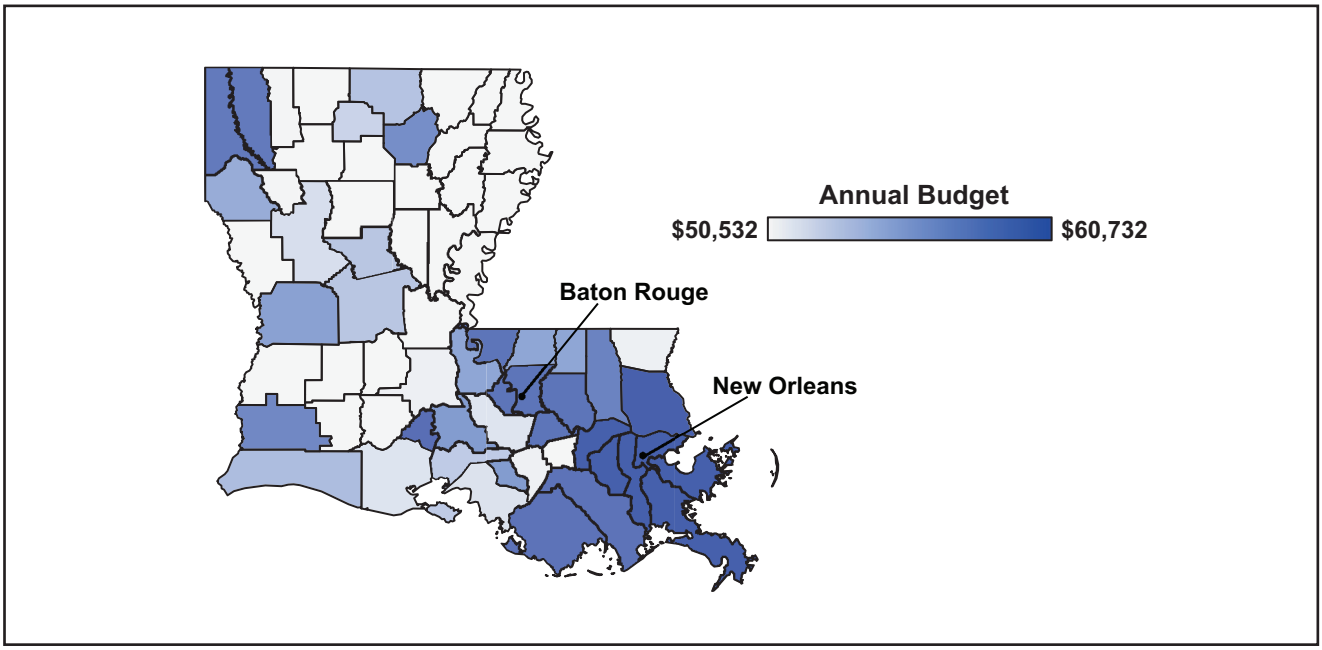
The rise in the Household Survival Budget in Louisiana between 2010 and 2016 for a family of four was driven primarily by a 33 percent increase in the cost of child care. Budgets for households of all ages were impacted by an 87 percent increase in health care costs. Increases in health care costs are due to the addition of the Affordable Care Act insurance requirements, as well as rising out-of-pocket health care costs. Louisiana expanded Medicaid coverage in July 2016, which greatly increased the percentage of low-income Louisiana

residents with insurance and reduced costly out-of-pocket expenses for these households. However, because the Medicaid eligibility cutoff is 138 percent of the Federal Poverty Level ($33,534 for a family of four), many ALICE families do not qualify. Since the Household Survival Budget only includes the bare minimum for each item, the lowest-cost option in 2016 was not even the least expensive Bronze Marketplace plan, which carries premiums and deductibles, but rather the penalty families were required to pay for not having health insurance. While seniors have Medicare for health insurance, they have out-of-pocket expenses, which include services and items not covered by Medicare such as vision and dental care (for more details on health care costs, see the Methodology Overview at UnitedWayALICE.org).

In addition, the 2016 budget now includes the cost of a basic smartphone plan for each adult (technology), which is a necessity of modern-day life. The big increase in taxes can largely be explained by the increase in all other budget items. As the cost of these items increased, the earnings needed to cover the expenses increased, and higher earnings resulted in a larger tax bill. Changes in tax rates were minimal from 2010 to 2016; both federal and Louisiana tax rates were flat on avereage, though tax brackets shifted (American Community Survey, 2010, 2016; Bureau of Labor Statistics, 2018a).

The cost of the Household Survival Budget varies across the state, with the highest-cost parishes located around Baton Rouge and New Orleans (Figure 9).

Figure 9.
Household Survival Budget, Family of Four, Louisiana Parishes, 2016



Source: American Community Survey, 2010-2016, and the ALICE Threshold, 2010-2016

ALICE IN THE WORKFORCE

Overall, Louisiana's economy did not grow from 2010 to 2016. After a strong economy throughout the 2000s, state real Gross Domestic Product (GDP) varied between $221 billion and $202 billion since 2010 (adjusted for inflation in 2009 dollars), ending with a GDP of around $206 billion in 2016. The state's economy has been bumpy due to ups and downs in the state's oil and natural gas industries as well as periodic regional flooding, which hurts local businesses. In addition, some regions had very strong economic growth, while others saw their economy decline. Of Louisiana's eight metropolitan areas, two — Lake Charles and Alexandra — were among the fastest-growing economies in the U.S. by 2016, and two — Lafayette and Houma-Thibodaux — were among the most rapidly shrinking economies (U.S. Department of Commerce, 2017; U.S. Energy Information Administration, 2016).

Natural disasters, particularly floods and hurricanes, have a significant impact on Louisiana workers and businesses. In 2016, the state experienced two devastating floods: In the spring of 2016, severe flooding in northern Louisiana caused $2.3 billion in damage, and in August, flooding in the southern parts of the state caused $10.3 billion in damage. The August floods were so extensive that an estimated 20 percent of all Louisiana businesses were impacted, translating to a disruption of 14 percent of the workforce and just over $300 million in lost labor productivity (Terrell, 2016; Upton, 2017; U.S. Geological Survey, 2016).

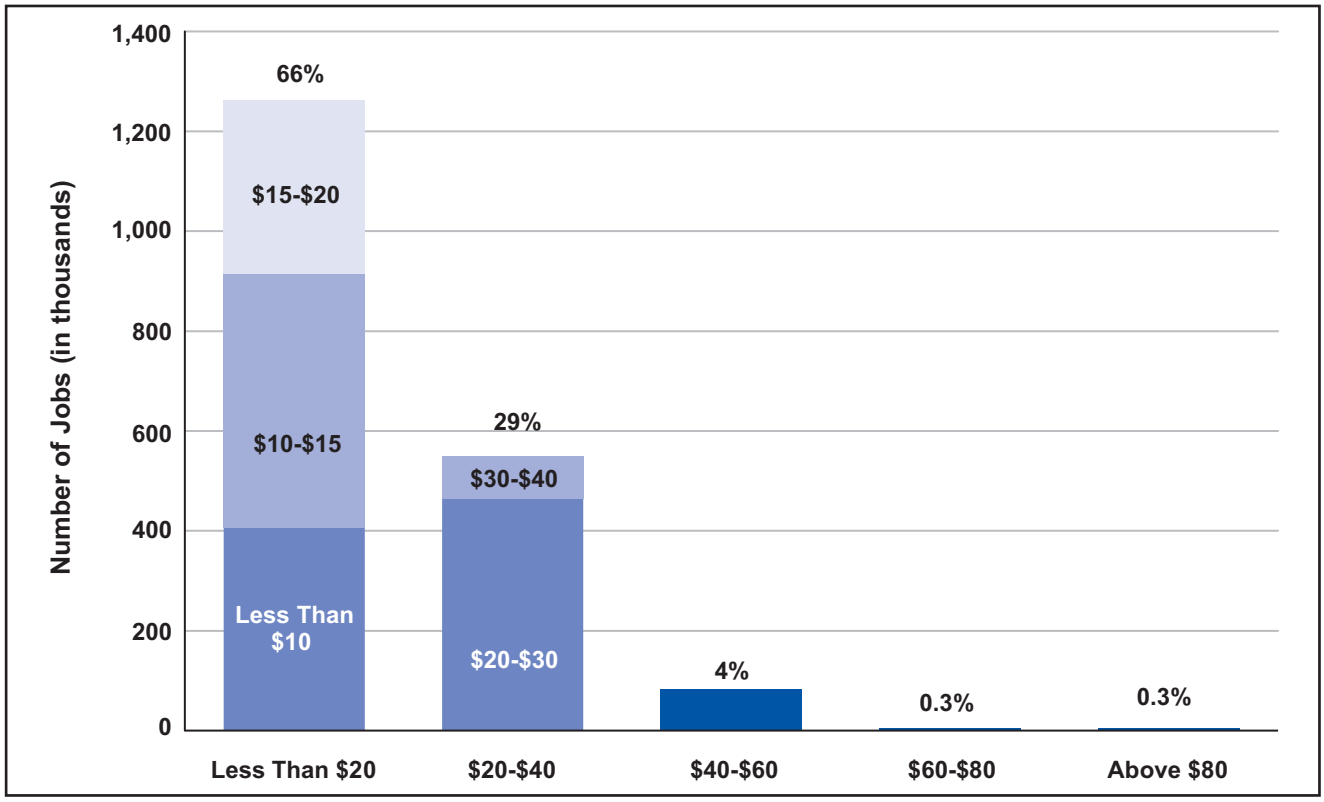
In terms of industry, manufacturing and natural gas production increased in both output and employment, while the oil industry suffered. Low prices for oil also negatively impacted related businesses, for example, those that build oil rig components and those that transport oil and supplies to and from offshore rigs. At the same time, new investments in industry demonstrated a trend toward a diversifying state economy. Major initiatives included a $3 billion chemical plant investment in Lake Charles, a $20 million investment in general informatics in Baton Rouge, and statewide support of small firms through programs like STEP from the U.S. Small Business Administration. The Medicaid expansion in 2016 — representing a 97.5 percent federal contribution for state fiscal year 2017 — expanded and sustained the health care sector, which in turn positively impacted other sectors of the Louisiana economy (Evans, 2018; Louisiana Economic Development, 2016; Richardson, Llorens, & Heidelberg, 2018).

Despite challenges with the state's GDP and the impacts from natural disasters, unemployment rates have shown improvement. In 2016, the unemployment rate was 7 percent, down from 10 percent in 2010. However, even with improvements in employment and productivity in some sectors, many workers in the state still don't earn enough to cover a basic household budget. For a range of reasons — including low wages, lack of full-time work, and a reduced share of profits going to workers — ALICE households are still struggling (Bureau of Labor Statistics, 2018b).

LOW-WAGE JOBS

Low-wage jobs continue to dominate the Louisiana economy, making it more challenging for workers to find jobs with wages that can support even a basic household budget. With a total of 1.9 million full- and part-time jobs in Louisiana recorded by the Bureau of Labor Statistics (BLS) in 2016, the job market has shown improvement since 2010. But 66 percent of all jobs pay less than $20 per hour, with more than two-thirds of those jobs paying less than $15 per hour (Figure 10), and with job gains the greatest in occupations that paid around $8.70 per hour (Figure 11). A full-time job that pays $15 per hour grosses $30,000 per year, which is just over half of the Household Survival Budget for a family of four in Louisiana (Bureau of Labor Statistics, 2010, 2016).

Figure 10.
Number of Jobs by Hourly Wage, Louisiana, 2016



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

Many ALICE workers are employed in the service sector, but they also work in occupations that build and repair our infrastructure and in jobs that educate and care for the workforce. Together, these workers were aptly described as "maintainers" by technology scholars Lee Vinsel and Andrew Russel in 2016. With much credit for economic growth given to "innovators" — disruptors and inventors — it is important to recognize that the majority of jobs are focused on ensuring a strong and functioning infrastructure and a healthy and educated workforce. These maintainer jobs are not only vital to a smoothly running economy but are the foundation for successful innovation. Yet despite how essential these workers are to the economy, improvements in employment and productivity still have not enabled many of them to earn enough to afford a basic household budget (Frey & Osborne, 2013; Vinsel & Russell, 2016).

The top 20 occupations employing the most people in Louisiana are predominantly maintainer jobs, which are more likely to pay low wages and be part-time, seasonal or on-demand jobs that do not provide a steady full-time salary. In 2016, only two of the top 20 occupations in the state — registered nurses and general and operations managers — paid enough to support the Household Survival Budget for a family, a minimum of $26.99 per hour (Figure 11).

The most common occupation in Louisiana, cashiers, pays a wage that is well below what is needed to make ends meet. The more than 71,000 retail salespeople make an average of $8.87 per hour, or $17,740 if working full time year-round. These jobs fall short of meeting the family Household Survival Budget by more than $35,000 per year. Even if both parents worked full time at this wage, they would fall short of the Household Survival Budget by $18,508 per year.

Figure 11.
Top 20 Occupations by Employment and Wage, Louisiana, 2016

	2016		Percent Change 2010-2016	
OCCUPATION	NUMBER OF JOBS	MEDIAN HOURLY WAGE	NUMBER OF JOBS	MEDIAN HOURLY WAGE
Cashiers	71,140	$8.87	11%	6%
Retail Salespersons	61,120	$10.35	3%	11%
Laborers and Movers, Hand	45,230	$11.85	17%	12%
Registered Nurses	44,780	$29.24	10%	4%
Office Clerks	39,220	$11.39	18%	15%
Waiters and Waitresses	38,810	$8.62	20%	3%
Personal Care Aides	33,410	$8.79	101%	5%
Secretaries and Administrative Assistants	33,340	$14.12	-11%	11%
Food Preparation Workers	33,090	$8.71	9%	6%
General and Operations Managers	29,920	$42.06	-5%	7%
Food Preparation, Including Fast Food	29,030	$8.72	59%	6%
Janitors and Cleaners	28,240	$9.52	1%	4%
Maintenance and Repair Workers	26,770	$16.01	-2%	3%
Stock Clerks and Order Fillers	23,680	$10.29	10%	11%
Elementary School Teachers	23,510	$24.05	-4%	4%
Sales Representatives	22,980	$24.26	9%	0%
Heavy and Tractor-Trailer Truck Drivers	22,610	$18.71	0%	13%
First-Line Supervisor of Retail Sales Worker	21,600	$16.43	4%	6%
Customer Service Representatives	21,510	$13.65	-2%	6%
Nursing Assistants	21,450	$9.98	-10%	8%

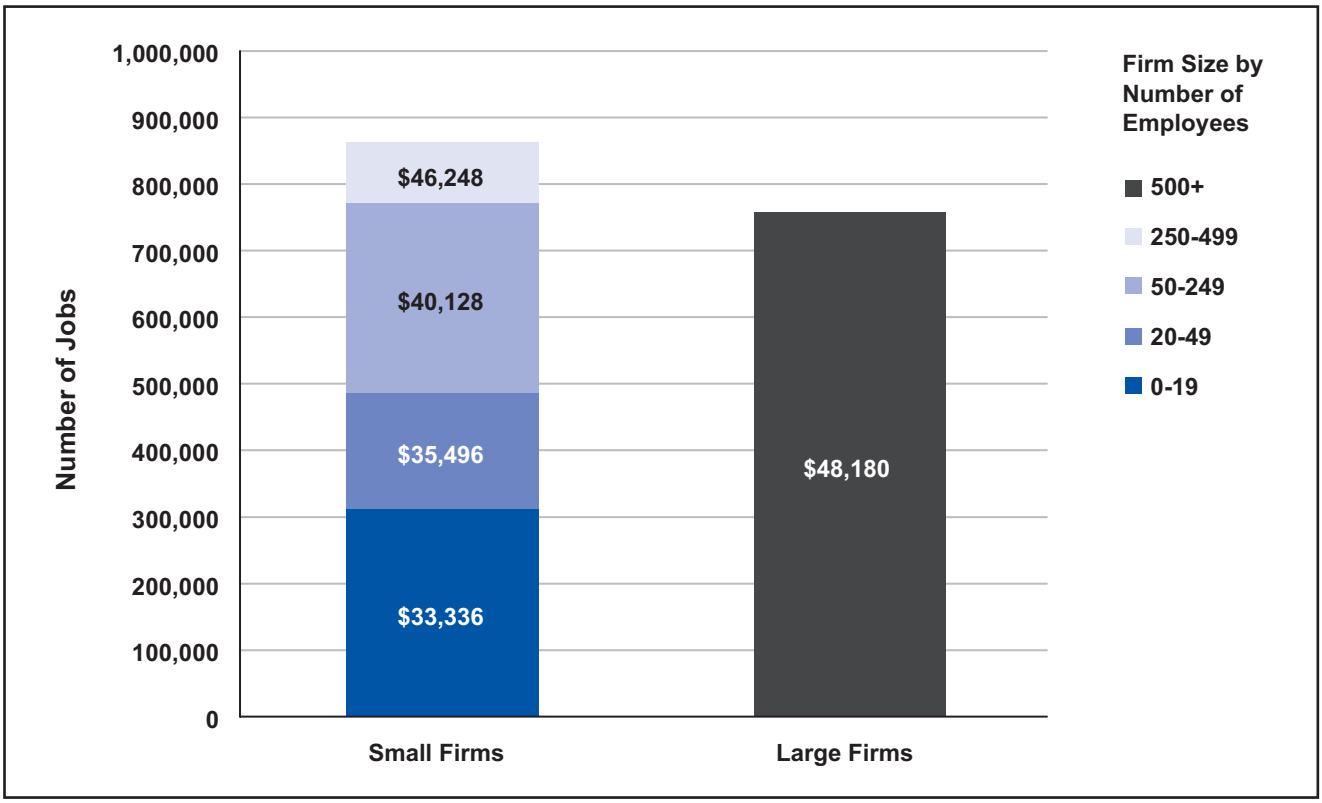
Source: Bureau of Labor Statistics, Occupational Employment Statistics Wage Survey — All Industries Combined, 2010 and 2016

SMALL BUSINESSES

One of the key determinants of ALICE workers' wages, benefits, and job stability is the size of their employer. Generally, large companies have greater resources to offer career-growth opportunities, continuous employment, and better benefits. Small businesses, defined by the BLS as firms with fewer than 500 employees, have been an important engine for growth in the U.S. and Louisiana economies, driving job creation, innovation, and wealth, and have traditionally grown 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 face more instability, reduced wages, and a greater risk of job loss. These past two decades have been particularly tough for small businesses, with entrepreneurial growth in the U.S. and Louisiana largely down from the levels experienced in the 1980s and 1990s (Ewing Marion Kauffman Foundation, 2017; Haltiwanger, Jarmin, Kulick, & Miranda, 2017).

Despite these struggles, in Louisiana, small businesses employed just over half of the private sector workforce in 2016 (Figure 12). The very smallest firms — those with fewer than 20 people — accounted for the largest share of small-business employment. Yet because small firms experience the greatest employee turnover of any size firm, workers in small firms move in and out of employment more often, which can lead to periods of no wages (U.S. Census Bureau, 2016).

Figure 12.
Private-Sector Employment by Firm Size, With Average Annual Wages, Louisiana, 2016



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

The wages of employees in the smallest firms are lower than wages in larger firms (Figure 12). While average wages have been increasing at the same rate or faster than the 9 percent national rate of inflation regardless of firm size, wages have not kept pace with the 33 percent increase in the cost of the family Household Survival Budget. From 2010 to 2016, workers in firms with fewer than 20 employees saw their wages rise by 11 percent to an average of $33,336 (if full time year-round). Wages of workers in companies with 20 to 49 employees grew by 9 percent to $35,496 and wages of those in companies with 50 to 250 employees also increased by 9 percent to $40,128.

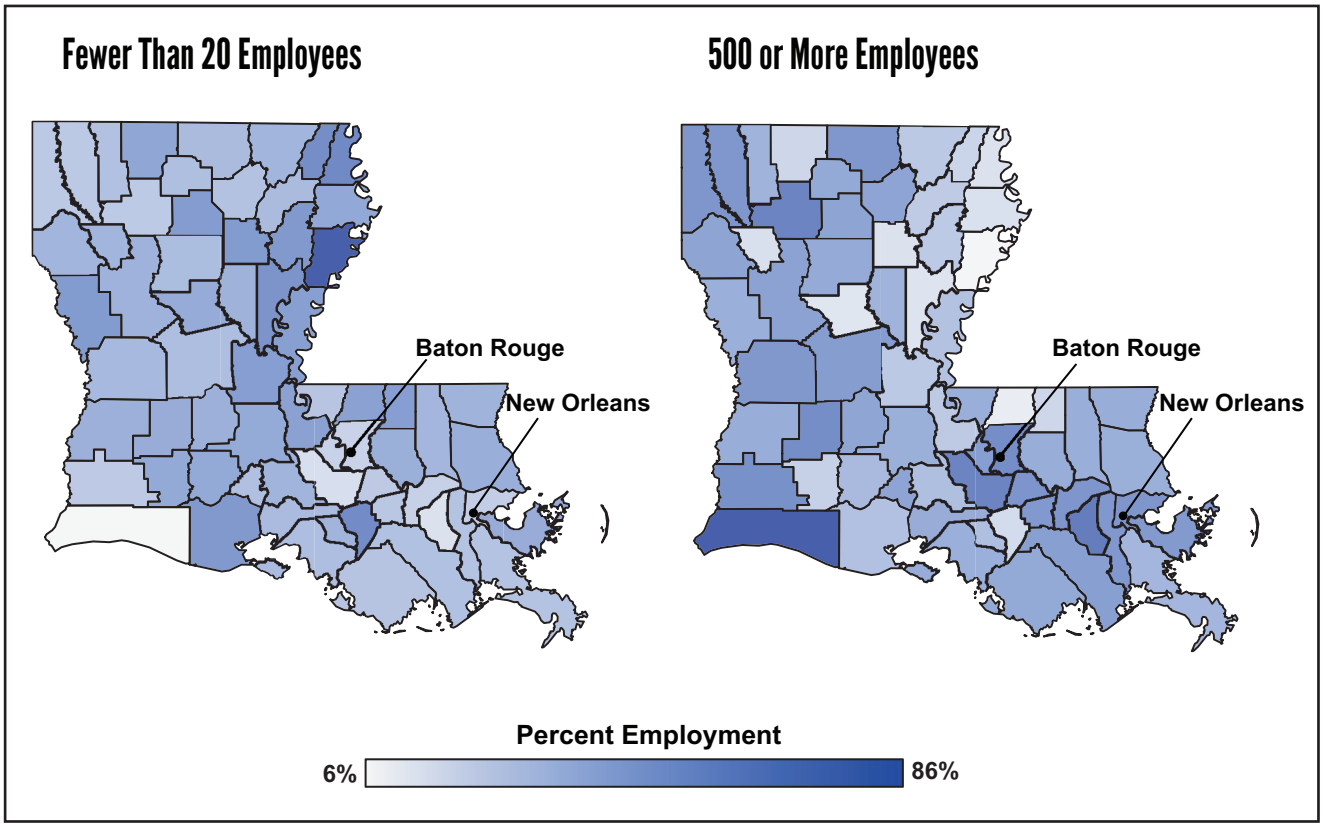
Employees in the largest firms started with higher wages and also saw an increase in their wages: Those working in firms with 250 to 499 employees saw their wages increase by 10 percent to $46,248, and wages of those working in firms with 500 or more employees increased by 16 percent to $48,180.

Another measure reveals that new-hire wages are lower than wages of workers in stable employment (working more than one quarter). Since job instability is often a threat to an ALICE household's stability, it's important to note the difference between new wages and stable wages. For all firm sizes, new-hire wages were at least 31 percent lower than stable wages, and as much as 41 percent less for those in firms with 20 to 49 employees.

Wages vary widely by location, with areas dominated by small companies having lower wages and less job stability. Figure 13 shows the percentage of firms in each parish that are the smallest (fewer than 20) and the largest (500 or more), with lighter areas representing a lower percentage of firms and the darker areas representing a higher percentage. Rural parishes, such as Tensas and Sabine, have a higher concentration of employment in small firms, while companies with 500 or more employees are more concentrated in urban areas around New Orleans and Baton Rouge. Despite a small population, Cameron Parish has a notable concentration of large firms, mostly due to the relatively high percentage of companies in the oil, gas, and mining sector. Cameron Parish has experienced dramatic shifts in population because of natural disasters like

Hurricane Rita — another fact that should be considered when making change-over-time comparisons. Large companies in rural areas are often retail chains, which tend to have lower wages, explaining the lower median wage for firms with more than 500 employees in rural areas compared to firms with 250 to 499 employees in those areas (U.S. Census Bureau, 2016).

Figure 13.
Percent Employment by Firm Size, Louisiana, 2016



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

GIG ECONOMY

As the economy approached full employment (defined as less than 5 percent unemployment) in many areas of Louisiana and across the country in 2016, ALICE workers were less likely to be unemployed. But their income still lagged behind the cost of living in most areas. In some cases, the problem is just low wages. But workers are also having difficulty finding full-time, continuous employment. During the past decade there has been a shift away from traditional full-time, full-benefit jobs. In 2016, 15 to 33 percent of the national workforce worked as a consultant or contingent worker, temp, freelancer, or contractor (often referred to as the gig economy). According to a National Bureau of Economic Research report, as much as 94 percent of U.S. net employment growth in the last decade has come from alternative or contingent labor.

As a result, more workers are experiencing gaps in employment and less regular schedules and they are forgoing retirement plans, health insurance, and worker safety protections. Many gig-economy workers struggle to afford ongoing monthly expenses and often do not qualify for loans or other financial products that require regular income. The growth of “nonemployer” businesses (typically self-employed individuals with very small businesses) was especially pronounced in New Orleans, which ranked as one of five metropolitan areas in the U.S. that saw a 37 percent or higher two-year growth of nonemployer businesses from 2012 to 2014 (Abraham, Haltiwanger, Sandusky, & Spletzer, 2016; Fehr, 2017; Eden & Gaggl, 2015; Freelancers Union & Elance-oDesk, 2016; Hathaway & Muro, 2016; Katz & Krueger, 2016; U.S. Government Accountability Office, 2015; Wald, 2014; West, 2015).

EMERGING TRENDS

While ALICE households differ in their composition, challenges, and level of need, three broad trends will impact the conditions they face and their opportunities to change their financial status in the next decade: the changing American household, increasing market instability, and growing inequality of health. These trends will also have significant implications for local communities and the state as a whole.

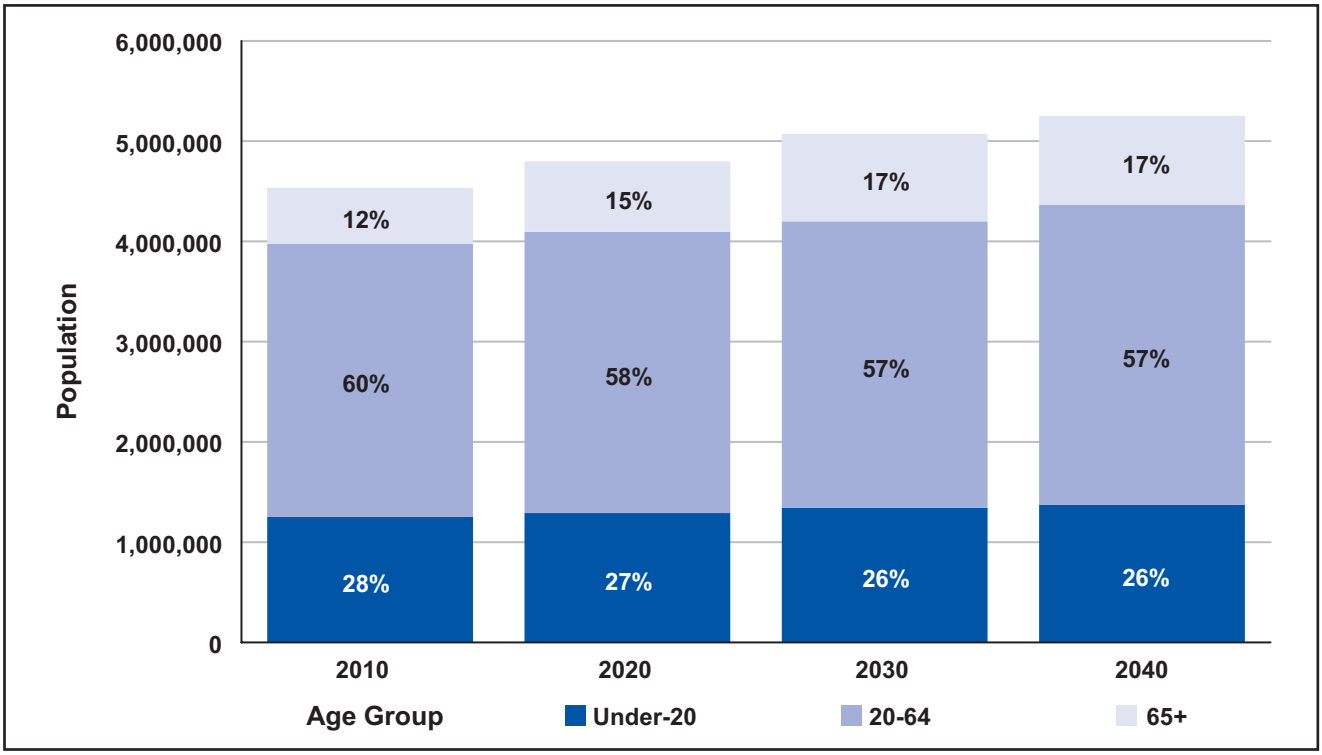
THE CHANGING AMERICAN HOUSEHOLD

Decades of shifting demographic trends have created changes in demand for housing, health care, transportation, and community services. These changes have implications for which households become ALICE households and where they live and work.

Growing Populations: Millennials, Baby Boomers, and Immigrants

Generational shifts: Both millennials and baby boomers are powerful demographic forces in the U.S. and in Louisiana. Millennials have different lifestyle preferences than past generations, including choosing to live in urban areas, and delaying both marriage and having children. The large boomer cohort encompasses a group that is working longer, involved in a wide array of activities, and is generally healthier than previous generations. Louisiana's elderly population is projected to grow from 557,857 (12 percent of the total population) in 2010 to 886,983 (17 percent) by 2040, a 59 percent increase (Figure 14). In contrast, demographers predict that the rest of the population will increase in numbers, but their percentage of the overall population will actually decline. For example, the number of 0- to 19-year-olds will grow from 1,254,237 (28 percent) in 2010 to 1,375,641 (26 percent) by 2040, and 20- to 64-year-olds will grow from 2,721,278 (60 percent) in 2010 to 2,988,836 (57 percent) by 2040 (Weldon Cooper Center for Public Service, 2016).

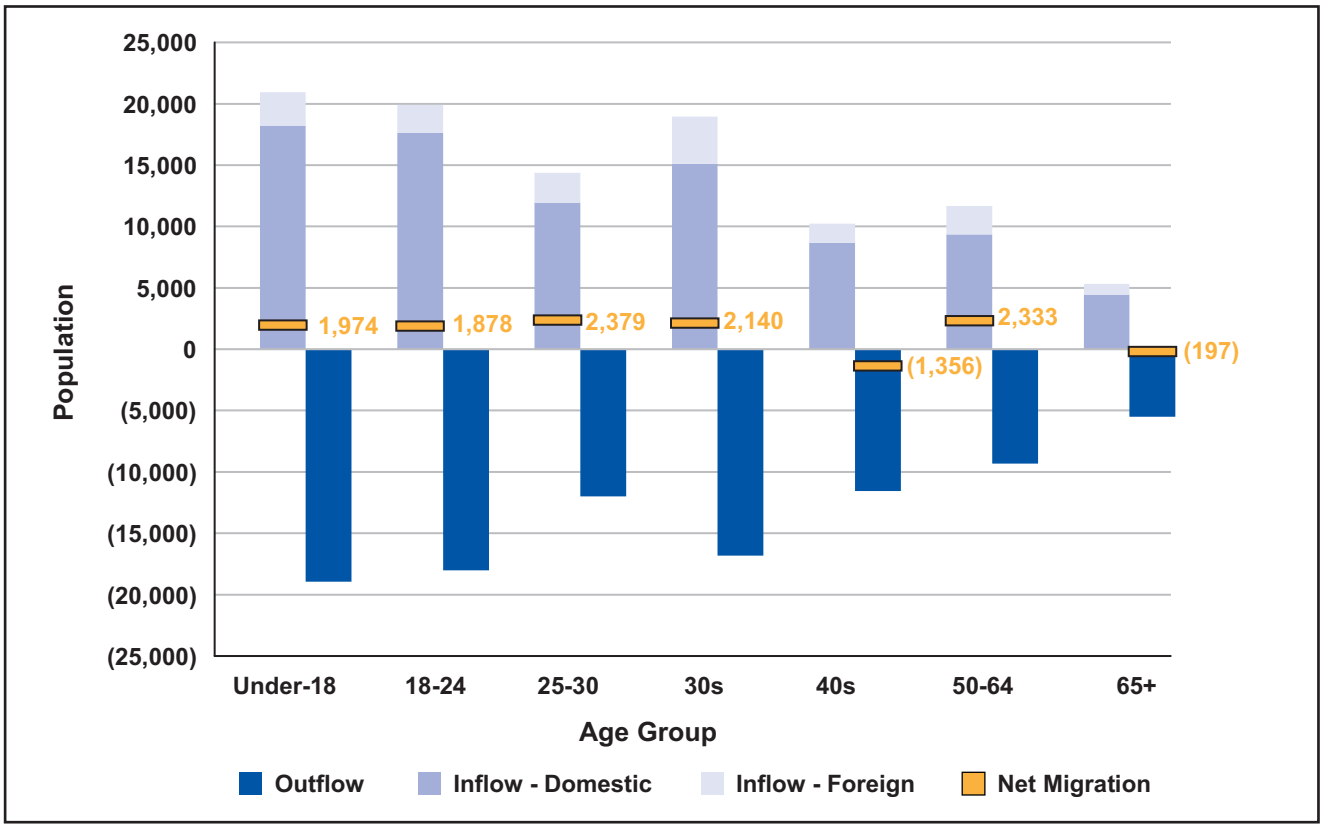
Figure 14.
Population Projection, Louisiana, 2010 to 2040



Source: Weldon Cooper Center for Public Service, 2016

Migration and immigration: Louisiana has seen an influx of people migrating from other states, largely Mississippi, Texas, and other Southern states (though some are returning Louisiana residents who left after Hurricane Katrina), as well as immigrating from abroad. Though people moved both in and out of the state, more people across almost all age groups moved into Louisiana than left in 2016: Net migration was positive in all age groups except for households headed by people in their 40s and people over 65. The largest inflows and outflows were among children under 18. There was also a strong positive inflow of young working-age people in their 20s and 30s but there was also a notable outflow of people in their 40s along with a smaller net outflow of seniors (Figure 15). For all groups there was a significant number of foreign-born immigrants moving into the state. Foreign-born immigrants contributed greatly to population growth in Louisiana. Without immigration, Louisiana population change would be negative overall in 2016 (Aisch, Gebeloff, & Quealy, 2014; American Community Survey, 2016).

Figure 15.
Population Inflows and Outflows, Louisiana, 2016



Source: American Community Survey, 2016

An ethnically diverse workforce: International migration plays an increasing role in Louisiana's racial and ethnic composition as well as its changing workforce. The immigration inflow has increased over time, with the total number of immigrants increasing from 11,959 in 2010 to 15,970 in 2016, a 34 percent increase. The largest number of immigrants are people in their 30s, followed by those under age 18 and those in their mid-20s. Seniors (65+) make up the smallest group of immigrants by age (American Community Survey, 2010, 2016).

Because of this steady flow of immigrants, the foreign-born population made up 4 percent of Louisiana's total population in 2016, up from 3 percent in 2000. By 2016, 42 percent had become citizens, 23 percent were legal permanent residents, and 35 percent were undocumented. Current immigrants in Louisiana come from Latin America (55 percent) followed by Asia (31 percent), but they also hail from Africa, Europe, and the Middle East (American Community Survey, 2016; Migration Policy Institute, 2014, 2016).

- **Impact on the labor force:** In 2015, Louisiana's immigrant workers comprised 5 percent of the labor force, with a total of 117,672 workers. Nationally, the portion of the labor force that is foreign-born has risen over the last 20 years from about 11 percent to just over 16 percent. Because the number of immigrants and their children are increasing faster than the domestic population, they will make up a significant portion of the future workforce (American Immigration Council, 2017; National Academies of Sciences, Engineering, and Medicine, 2017).

- **Immigrants work in all sectors:** In Louisiana, immigrants work primarily in the sectors of agriculture, forestry, fishing, and hunting (13 percent immigrant share); construction (10 percent); other services — except public administration (9 percent); accommodation and food services (7 percent); and wholesale trade (6 percent) (American Immigration Council, 2017).

- **Immigrants vary widely in education:** Among adults age 25 and older, 28 percent of Louisiana's foreign-born population has less than a high school education, compared with 16 percent of the state's native population. However, a much higher percentage of the foreign-born population has a graduate or professional degree (13 percent) compared to the native-born population (7 percent) (American Community Survey, 2016).

Implications of Demographic Trends

Changing infrastructure needs: There will be greater pressure on the state's infrastructure, especially the housing market with demand for smaller, affordable rental units. Different groups prioritize different amenities for these units: Many young millennials prefer housing near compact, mixed-use, walkable centers with shopping, restaurants, and public transportation; seniors generally want housing that is accessible to family, health care, and other services; and many immigrants want locations close to schools, jobs, and public transportation. These trends are increasing the demand for smaller, low-cost housing units and public transportation in Louisiana. Rental vacancy has decreased in the state, from 13 percent in 2010 to 11 percent in 2016, although rates regularly fluctuate year-to-year. Median gross rent in Louisiana has steadily increased from $712 in 2010 to $800 in 2016, a 12 percent increase (U.S. Census Bureau, 2016, 2017).

Increased need for caregiving: The aging population will increase the demand for geriatric health services, including caregiving, assisted living facilities, nursing homes, and home health care. The challenges of ensuring seniors getting the care they need include a shortage of paid and unpaid caregivers, lack of training among caregivers, and the financial and emotional burden of caregiving on family members.

- **The caregiver-support ratio:** With the number of seniors increasing and the number of potential caregivers (aged 45 to 64) decreasing, there will be fewer people available to care for each senior. The ratio of working-age people to older seniors (80+) was 7 to 1 in 2010 nationally, and is projected to fall to 4 to 1 by 2030, and then to 3 to 1 in 2050 (AARP Public Policy Institute, 2015; Redfoot, Feinberg, & Houser, 2013).

- **Health aides are ALICE:** With the increased demand for caregivers, there is a growing need for more paid direct care workers (home health aides, personal care aides, and nursing assistants), who are themselves likely to be ALICE. Personal care aides, one of the fastest-growing jobs in Louisiana, are paid an average of $8.79 per hour and require reliable transportation, which can consume a significant portion of the worker's wage. These jobs do not require extensive training and are not well regulated, yet they involve substantial responsibility for the health of vulnerable clients. Together, these factors may lead to poor-quality caregiving and the risk of physical, mental, and financial abuse and neglect — an issue that is on the rise in Louisiana and across the country (MetLife Mature Market Institute, 2011; U.S. Bureau of Justice Statistics, 2015).

- **Caregiving takes a toll:** In Louisiana, there are currently more than 660,000 family caregivers, whose unpaid care is valued at an estimated $6.47 billion. While families of all income levels may choose to care for family members themselves, many ALICE caregivers are forced into the role because they cannot afford to hire outside care. Nationwide, half of caregivers reported household income of less than $50,000

per year and said they had no choice in taking on caregiving responsibilities. Caregiving also adds direct costs to a household budget and can reduce income due to hours away from work or the loss of a job. And the responsibility of making medical decisions in addition to the amount of care required can mean further mental and physical strain for caregivers. Louisiana ranked 35th in the nation for support of family caregivers (AARP, 2017; AARP Public Policy Institute, 2015; Dixon, 2017; MetLife Mature Market Institute, 2011; Rainville, Skufca, & Mehegan, 2016; Ramchand, et al., 2014).

MARKET INSTABILITY

In a complex, integrated global economy, ALICE workers will experience even greater fluctuations in employment and changes in job requirements. Economic disruptions and natural disasters in one part of the world will increasingly have an impact on ALICE workers in the U.S., contributing to employment instability, shifting supply and demand, and disruption in traditional modes of operation. ALICE households, with few resources to weather these fluctuations, will suffer the most.

Shifting Risk to Workers

As businesses seek new ways to improve productivity and reduce costs, they have increasingly shifted to a contingent workforce that enables them to scale up or down as needed. Yet, workers bear the brunt of this strategy by experiencing unexpected gains or losses in work hours, which makes it difficult for ALICE households to pay bills regularly, make short-term family plans (e.g., child care), or make long-term financial plans such as qualifying for a mortgage. In addition, shorter working hours make it uneconomic for those who have to travel long distances to jobs.

These arrangements also reduce the responsibility of employers to provide benefits, such as health insurance and retirement plans. This increases costs to ALICE households and makes them more vulnerable if they have a health crisis or have to retire early. In some cases, employer or government benefits (including paid and unpaid time off, health insurance, unemployment insurance, public assistance, and work supports) are tied to number of hours worked, and unpredictable scheduling means workers could at times fall short of eligibility. For example, low-wage workers are two and a half times more likely to be out of work than other workers, but they are only half as likely to receive unemployment insurance (Garfield, Damico, Stephens, & Rouhani, 2015; U.S. Government Accountability Office, 2007; Watson, Frohlich, & Johnston, 2014).

Changing Job Market

Louisiana's economic landscape is changing. Despite media attention on innovation, the workforce in Louisiana is projected to be largely low-paying jobs requiring few educational credentials. From 2018 to 2025, 82 percent of the fastest-growing jobs in Louisiana will pay less than $20 per hour, and 76 percent will not require more than a high school diploma (Figure 16) (Bureau of Labor Statistics, 2016b; Projections Management Partnership, 2016).

Many of these jobs are also at the greatest risk of being replaced by technology. In Louisiana, almost three-fourths (73 percent) of jobs in the top-20 fastest-growing occupations could be replaced by technology in the next two decades. In addition to automating existing jobs, technology is creating new on-demand jobs and services, with the most attention going to gig economy jobs such as TaskRabbit work, Uber and Lyft driving, and Airbnb rentals (Frey & Osborne, 2013).

It is easy to identify jobs that are likely to disappear due to automation, but it is more difficult to predict the many new jobs that will be created to build and repair the newly mechanized parts of this infrastructure. Workers filling these maintainer roles will be required to develop new sets of skills. In the face of rapidly increasing computing power, an ability to work with data and alongside machines will be necessary. The pace of change may be faster than anticipated. By one estimate, 50 percent of subject knowledge acquired during the first year of a four-year technical degree will be outdated by the time students graduate.

Types of jobs that are predicted to emerge in the next 20 to 30 years include augmented reality architects, alternative currency bankers, waste-data managers, 3-D printing engineers, privacy managers, wind-turbine repair techs, nano-medics, drone dispatchers, robotic-earthworm drivers, body-part and limb makers, memory augmentation therapists, mass-energy-storage developers, and self-driving car mechanics. Louisiana has also made key investments to building a competitive software and IT sector, including, for example, the creation of the Digital Transformation Center (created by DXC technology), located in New Orleans. This project, which began in 2016, will bring 2,000 jobs to the area over the next five years (T. Frey, 2011; Kaiser Family Foundation, 2016; Louisiana Economic Development, 2017; Mejia, 2017; OECD, 2016; World Economic Forum, 2016).

Figure 16.
Job Projections, Louisiana, 2016 to 2026

Occupation	2016 Employment	Annual New Growth	Hourly Wage	Education or Training	Likelihood of Being Replaced by Tech
Cashiers	70,710	13,610	$8.87	None	97%
Retail Salespersons	62,050	9,780	$10.35	None	92%
Laborers and Movers, Hand	45,620	6,900	$11.85	None	85%
Registered Nurses	44,620	3,010	$29.24	Bachelor's degree	1%
Office Clerks	39,220	4,530	$11.39	High school diploma or equivalent	96%
Waiters and Waitresses	38,310	7,990	$8.62	None	94%
Personal Care Aides	35,010	6,640	$8.79	High school diploma or equivalent	39%
Secretaries and Administrative Assistants	33,370	3,240	$14.12	High school diploma or equivalent	96%
Food Preparation Workers	32,940	6,200	$8.71	None	87%
General and Operations Managers	29,690	2,840	$42.06	Bachelor's degree	16%
Janitors and Cleaners	28,760	4,240	$9.52	None	66%
Food Prep, Including Fast Food	28,730	6,370	$8.72	None	92%
First-Line Supervisors of Retail Sales Workers	27,570	3,230	$16.43	High school diploma or equivalent	28%
Maintenance and Repair Workers	26,980	3,010	$16.01	High school diploma or equivalent	64%
Heavy and Tractor-Trailer Truck Drivers	25,000	2,970	$18.71	Postsecondary nondegree award	79%
Sales Representatives	23,580	2,670	$24.26	High school diploma or equivalent	85%
Nursing Assistants	23,510	2,990	$9.98	Postsecondary nondegree award	6%
Stock Clerks and Order Fillers	23,430	3,350	$10.29	High school diploma or equivalent	64%
Elementary School Teachers	22,540	1,800	$24.05	Bachelor's degree	0%
Bookkeeping and Auditing Clerks	21,710	2,400	$16.90	Some college, no degree	98%

Source: Bureau of Labor Statistics, 2017; Projections Management Partnership, 2016

Increasing Exposure to Environmental Hazards

The impact of natural and man-made disasters is often felt more by ALICE workers and low-income communities. More affordable homes are often located in vulnerable areas and are more likely to be older and less suited to withstand severe weather compared to more expensive homes. People with lower incomes are also less financially resilient and are less likely to be able to be able to re-locate to safer areas (Fothergill & Peek, 2004).

In Louisiana, floods and hurricanes — the most common natural disasters in the state — threaten the homes and jobs of ALICE families. In addition to the damage done to businesses by the August 2016 floods, an estimated 109,000 housing units were flooded. East Baton Rouge and Livingston parishes were hardest hit, with 41,000 and 38,000 units flooded, respectively (Terrell, 2016).

Households with their own resources (like flood insurance) to put toward disaster recovery can often bounce back quicker than households that rely on government assistance following a natural disaster. There is evidence that people with lower incomes face substantial barriers in obtaining aid following disasters. Barriers include difficulty getting to disaster assistance centers (because of transportation and child care issues) and a lack of knowledge and comfort with governmental procedures. Even with assistance, many families are still not able to recover fully, especially in terms of lost and lower wages. In the area impacted by Hurricane Katrina, for example, research by the Bureau of Labor Statistics found that government assistance did not fully compensate evacuees for lower earnings following the disaster (Fothergill & Peek, 2004; Groen & Polivka, 2008).

Maintainer jobs commonly held by ALICE workers — those that build and repair infrastructure and support the workforce — are also key to recovery following natural disasters. Communities rely on ALICE workers to rebuild and recover. When ALICE can't work during these periods of recovery because of relocation, injury, or caregiving responsibilities (due to closed schools or senior centers), community resilience is negatively impacted overall, and ALICE households suffer lost wages.

Low-income families are also more likely to suffer from stress related to lack of housing and other resources, and experience a greater prevalence of mental and physical health issues, such as depression and post-traumatic stress disorder (SAMHSA, 2017).

Lacking Assets

What makes market instability especially difficult for ALICE households is their lack of financial resilience. Without adequate assets, families have little to no savings and few opportunities to improve their situation. When families can invest in education, new technology, a small business, or their own home, they can improve their circumstances socially and economically. They can also finance a secure retirement. These are opportunities for creating financial security that are often unavailable to ALICE, increasing the vulnerability of hard-working people.

More than three-quarters of U.S. workers live paycheck to paycheck at least some of the time, and nearly as many are in debt. They do not have savings or access to credit that might sustain them through a low period of income or an unexpected disaster. In 2015, 54 percent of Louisiana residents did not have money set aside to cover expenses for three months to protect them against an emergency such as illness or the loss of a job. The wealth divide disproportionately affects households of color, which have fewer assets than White households. Nationally (state data is not available), the median wealth of White households was eight times the median wealth of Black households in 2010 and grew to 13 times in 2013 (the most recent data available) (CareerBuilder, 2017; FINRA Investor Education Foundation, 2016; Kochhar & Cilluffo, 2017; McKernan, Ratcliffe, & Shanks, 2011; Prosperity Now, 2018).

While data on wealth is minimal, there is data on three of the most common assets in Louisiana — vehicles, homes, and investments — which can provide insight into resources families have for emergencies and to accumulate wealth. Most Louisiana households (92 percent) have at least one vehicle. Although cars are a necessity for work in Louisiana and offer other benefits beyond their cash value, they are not an effective means of accumulating wealth. The second most common asset is a home, which has traditionally provided financial stability and the primary means for low-income families to accumulate wealth. In 2016, 65 percent of Louisiana households owned a home and about half of those had a mortgage. Renting a home has become less affordable in Louisiana as the cost of rentals has continued to rise, while demand for low-cost and multi-family housing has outpaced the supply. Louisiana renters devote a high percentage of their household income to rent — the seventh highest percentage in the nation — with 167,000 households, or 27 percent of renters, paying more than half of their income on rent (American Community Survey, 2016; Make Room, 2016).

The most effective resource to weather an emergency is an income-producing investment, which can range from a savings account to a 401(k) retirement plan to a rental property. In 2016, 16 percent of households in Louisiana had interest and dividends or rental income, below the national average of 21 percent, but up by 2 percent since 2010. Only 17 percent of Louisiana households had retirement income (American Community Survey, 2014, 2016; CareerBuilder, 2017; McKernan, et al., 2011).

When families do not have savings or access to traditional financial services, they are often forced to use alternative lending products with high interest rates and face greater risks of predatory lending practices and default. In some cases, the consequence of not taking out these loans are worse than the financial risk of taking them. However, when caught in a cycle of lending and borrowing, they can spiral into a debt trap with long-term financial consequences (Mayer & Jencks, 1989; McKernan, Ratcliffe, & Vinopal, 2011; McKernan, et al., 2009; Mills & Amick, 2011).

THE WEALTH-HEALTH GAP

There has long been a real and significant divide in health outcomes by socioeconomic status, largely because of differences in living conditions, but also because of disparities in access to quality health care. Nationally, it is well documented that people in lower-income groups do not live as long as those in higher-income groups. The National Academies of Sciences, Engineering, and Medicine projects that, of people born in 1960, those in the lowest-income quintile have a shorter life expectancy than those in the highest-income quintile: 13 years shorter for men (76 years compared to 89 years) and 14 years shorter for women (78 years compared to 92 years) (Chetty, Stepner, Abraham, et al., 2016; Komlos & Kelly, 2016; National Academies of Sciences, Engineering, and Medicine, 2015).

Data at the state level is more limited, but the Louisiana Department of Health's Annual Health Report Card shows a strong correlation between low income and poor health, especially for having diabetes, obesity, stroke, asthma, COPD, arthritis, and depressive disorders. The July 2016 Medicaid expansion extended health insurance to more than 430,000 low-income Louisianans, which has the potential to close the wealth-health gap. Yet many families still have difficulty accessing health care because of a shortage of providers in rural areas and a shortage of providers who accept Medicaid throughout the state (Louisiana Department of Health, 2017; Louisiana Department of Health, 2018).

The wealth-health divide will also be exacerbated by advances in technology and medical care, such as personalized medicine, biotechnology, and genetic engineering. These expensive technologies will be more available to those who can afford them (Harari, 2014; Komlos & Kelly, 2016; Regalado, 2015).

Where people live can also widen the wealth-health gap. Those with the fewest resources live in areas with unhealthy living conditions, such as contaminated water and polluted air, because these homes are less expensive. The impact of pollution, toxic exposure, and disease compounds over time (Chetty, Stepner, Abraham, et al., 2016; DataHaven, 2015).

Institutionalized racism and ongoing discrimination also factor into disproportionate exposure to adverse health conditions, as people of color have typically had less mobility and choice around where they live and in job opportunities. A 30-year analysis of 319 commercial hazardous waste treatment and storage sites in the U.S. found a consistent pattern of placing hazardous waste facilities in low-income neighborhoods, which are often disproportionately populated by Black and Hispanic families. A variety of large studies have also revealed an association between low socioeconomic status and greater harm from air pollution. A comprehensive review from Harvard University researchers revealed that Black, Asian, Hispanic, and Medicaid-eligible individuals of any race/ethnicity had a higher likelihood of death from any pollution-related cause compared to the rest of the population, with Black people almost three times as likely to die from exposure to air pollutants than other groups (Di, Wang, Zanobetti, & Wang, 2017; Mohai & Saha, 2015).

THE DENTAL HEALTH DIVIDE

Nowhere are wealth-health disparities starker than in the divide in dental care. Higher-income Americans have dental insurance (most often separate from health insurance) and access to care that provides resistance to tooth decay and breakage, and promotes jaw comfort, clear speech, and easier maintenance — all of which lead to better overall health. The wealthiest families spend thousands of dollars on supplemental dental care to achieve whiter, straighter, and stronger smiles, which lead to more social and job opportunities.

Those with the lowest incomes rarely have dental insurance and Medicaid's dental coverage varies from state to state, so these families often forgo preventative care. They are far more likely to suffer from tooth decay and gum infection, which can increase the risk of cancer and cardiovascular diseases and can affect speech, nutrition, sleeping, learning, and overall quality of life. In addition, crooked or yellow teeth can stigmatize people in social settings and reduce job prospects, as they are associated with low educational achievement and social mobility. According to a 2015 American Dental Association survey, 31 percent of low-income Louisiana respondents reported that the appearance of their mouth and teeth affected their ability to interview for a job.

Following Medicaid expansion in 2016, Healthy Louisiana added dental coverage through five health plans. Each plan provides some limited dental benefits for adults over 21 (such as dentures and partials), as well as more comprehensive care for Medicaid recipients 0 to 21 years of age. Although the plans differ, they all include two oral exams a year, periodic x-rays, fillings and crowns, and extractions. In addition, the Louisiana Seals Smiles Program provides dental screenings, education on oral hygiene, and sealants for elementary school students in certain districts with high numbers of students that qualify for free and reduced lunch or districts in rural areas or those without fluoridated water.

Interventions like these have improved oral health outcomes for low-income children significantly over the last decade. A 2015 report by the American Dental Association's Health Policy Institute found that from 2005 to 2013, the dental utilization gap between privately insured children and those enrolled in Medicaid narrowed by nearly 100 percent in Louisiana. This decrease in the gap is much larger than the national average decrease of 53 percent and represents the fifth largest decrease reported for all U.S. states. Louisiana's gap was approximately 4 percent in 2013, which was smaller than the 16 percent average gap nationally and is the sixth smallest gap in coverage among all U.S. states.

Dental care for adults is limited because many dental services require a co-pay, which may make them unaffordable for many ALICE families. If the services are not covered by Medicaid, there are even more charges. Louisiana Medicaid only covers three dental services for seniors (oral exams, routine cleaning, and dentures). Just 55 percent of Louisiana seniors report visiting the dentist in the past year, and 45 percent have severe tooth loss. Unable to afford expensive root canals and crowns, many adults simply have their teeth pulled. As a result, nearly 1 in 5 Americans older than 65 do not have a single real tooth.

Dental coverage does not guarantee access to treatment. There are 117 Dental Care Health Professional Shortage Areas (HPSAs), in both rural areas and urban areas, meaning that only 54 percent of the need for care is met. An estimated 232 practitioners are needed in the state to remove this HPSA designation. Louisiana's number of practicing dentists per 100,000 individuals (48.2) ranks just 42nd nationally. This statistic is worse in some regions. While metropolitan parishes in Louisiana average 60 dentists per 100,000 individuals, non-metropolitan parishes have just 30 dentists per 100,000 individuals. In order to further improve dental outcomes in Louisiana, the impact of resource inequities must be addressed in both rural and urban areas.

Sources: Barnett & Berchick, 2017; Center for Health Care Strategies, 2018; Frakt, 2018; Health Policy Institute, 2015; Hinton & Paradise, 2016; Jordan & Sullivan, 2017; Kaiser Family Foundation, 2016, 2017; Louisiana Dental Association, 2016; Louisiana Department of Health, 2018; Oral Health America, 2018; Otto, 2017; Paradise, 2017; United Health Foundation, 2017; Vujicic & Nasseh, 2015

NEXT STEPS

There is a basic belief in America that if you work hard, you can support yourself and your family. Yet the data presented in this Report shows that for nearly 830,000 households in Louisiana, this is not the case. Working households are still struggling due to the mismatch between the basic cost of living and the wages of many jobs across the state, which are exacerbated by systemic inequalities in opportunity and wealth. By making these inequalities clear, the ALICE data challenges persistent assumptions and stereotypes about people who can't afford to pay their bills or are forced to visit a food bank — that they are primarily people of color, live only in cities, are unemployed, or are struggling as the result of some moral failing. The data on ALICE households shows that hardship in Louisiana exists across boundaries of race/ethnicity, age, and geography.

With projected demographic changes and persistent barriers to stability, many ALICE and poverty-level families will continue to face hardship. In particular:

- At least 54 percent of Louisiana residents do not have money set aside to cover expenses for three months in case of an emergency such as illness or the loss of a job (FINRA Investor Education Foundation, 2016).
- The majority of residents under age 25 are unable to afford to live on their own, and for both economic and cultural reasons are delaying getting married, having children, or moving for new job opportunities.
- More seniors are aging without saving for retirement.
- There are fewer workers to meet the growing demand for senior caregiving.
- Income and wealth disparities persist by race/ethnicity, sex, gender identity, and sexual orientation.

OVERCOMING THE OBSTACLES: IDEAS BEING DEBATED, CONSIDERED, AND PILOTED

Economic change will continue, and these changes will both provide opportunity and inflict costs. Yet the distribution of opportunity and cost is not usually even or equitable. To have a positive impact on ALICE families, communities need to consider a range of system changes that would help ALICE weather downturns in the short term and become more financially secure in the long term. Policymakers, academics, and advocates have proposed a range of broad ideas that could be adapted on a local, statewide, or national front. The following are four of the biggest obstacles to financial stability for ALICE families, and a sample of ideas and pilot programs being debated and considered across the country.

Widening Skills Gap

1 Going forward, most jobs, and especially higher-paying jobs, will require digital skills. Nationally, since 2004, the share of occupations that require high levels of digital skills has more than doubled, from 10 to 22 percent (Liu, 2017). For ALICE to maintain employment over time, workers will need accessible, high-quality technology training throughout their lifetime. Public K–12 schools can incorporate digital skills into all aspects of the curriculum for students, higher education can offer more focused programs, and companies can invest in training for their employees.

Lack of Stable and Viable Employment

2

For ALICE, finding well-paying jobs with security and financial stability is becoming harder as low-wage and gig-economy jobs continue to dominate the landscape. Earning a wage that is high enough to support a family has been a challenge. In addition, fluctuating income — through unpredictable schedules and on-demand work — has become one of the biggest problems ALICE workers face. At the same time, employers are also trying to navigate a changing business environment, remain competitive, and offer comprehensive benefit packages. The following are several possible solutions that address these challenges that ALICE workers and businesses face:

- **Fewer barriers to employment:** ALICE's barriers can include lack of job skills, family care responsibilities, physical and mental health problems (including substance abuse), limited English proficiency, and lack of reliable transportation. There are several evidence-based solutions, such as work programs that provide direct connections to employment, including apprenticeships; an individualized approach to address a wide range of challenges, from soft skills to housing to access to affordable child care; and the development of career pathways over time through work and education. Successful outcomes require employers, government agencies, and nonprofits to weave together larger webs of connected programs and resources (Tessler, 2013; U.S. Department of Health & Human Services, 2012; Van Horn, Edwards, & Greene, n.d.; Yellen, 2017).

- **Portable benefits:** Benefits such as health insurance, retirement plans like a 401(k), or paid leave, could move with the worker from job to job, and across multiple jobs at once. These can be delivered in multiple forms — through programs that are not connected to work or the employer at all, or through programs that involve employers but establish benefits that can be provided across employers. Some examples of this approach already exist in the construction industry and business associations. Legislators in New York and Washington are considering benefit management systems that would allow employers to pay into workers' benefit funds (Foster, Nelson, & Reder, 2016; Guillot, 2017; Maxim & Muro, 2018; Quinton, 2017; Small Business Majority, 2017a; Strom & Schmitt, 2016).

- **Small business support:** Because of the less stable nature of many small businesses, their employees would benefit from measures that helped them weather fluctuations in their schedule and long-term employment, which include establishing portable benefits as mentioned above. In addition, small business entrepreneurs and their employees need more support to help them overcome common barriers, such as limited resources to invest in skill development; student debt, which limits an owner's ability to invest in their businesses; and lack of access to affordable child care, which increases absenteeism and decreases their productivity (Beelsley, 2016; Small Business Majority, 2016, 2017b).

- **Lifetime employment:** Considering examples from other countries can expand thinking on this topic. For example, guaranteed employment is an innovative policy that has been utilized in Germany and Japan. Companies guarantee employment for large numbers of workers. To avoid layoffs, the practice allows for transfers and defined reductions in hours and wages in lean times (Noorderhaven, Koen, &Sorge, 2015).

Lack of Savings and Assets

3

Without enough money for even current expenses, ALICE families find it nearly impossible to save for emergencies or invest in future goals like education or retirement. A lack of savings is one of the biggest problems facing low-income families. Programs and infrastructure are needed to help them weather emergencies and periods of low income. Here are two approaches for policy makers to consider:

- **Access to credit:** For those with low incomes, saving for emergencies is nearly impossible. Access to credit at low rates has proven to be effective to help ALICE workers and employers — especially small businesses — weather an emergency. However, ALICE families still need to have enough income to repay the loan, or they risk greater long-term financial crises (Collins & Gjertson, 2013; Mayer & Jencks, 1989).

- **Private and public financial instruments:** These range from new types of financial products to a guaranteed income or allowance. Employers could make wages more immediately available (rather than wait two weeks until payday), and banks could do the same for deposited funds. Financial institutions and the government could offer insurance or credit, as well as tax credits and savings incentives, to protect workers against dips in income. Going even further, for centuries economists, theologians, and policy makers have proposed a minimum guaranteed income for all families, though proposals run the gamut of approaches. The idea has received more bipartisan attention recently as more workers face periods of low-wages or unemployment (Murray, 2016; Schiller, 2017; Shaefer & Edin, 2013; Van Parijs & Vanderborght, 2017).

Systemic Bias

4 Bias against marginalized groups persists in the workplace, the housing market, education, health care, and the law, despite positive shifts in public opinion and attitudes regarding differences in race and ethnicity, age, sex, gender identity, sexual orientation, and disability.

Racial bias is among the most persistent, despite research confirming that the gaps in education, income, and wealth that now exist along racial lines in the U.S. have little to do with individual behaviors. Instead, these gaps reflect systemic policies and institutional practices that create different opportunities for people of different races and ethnicities. Discriminatory practices have been embedded in our social structures and legal system, especially in terms of housing policies, immigration practices, voting rights, school funding, and health care programs. To make a difference for ALICE households, changes need to be made within institutions that impede equity in the legal system, health care, housing, education, and jobs (Agency for Healthcare Research and Quality, 2015; Cramer, 2012; Goldrick-Rab, Kelchen, & Houle, 2014; Shapiro, Meschede, & Osoro, 2013; The Sentencing Project, 2018).

For solutions to be effective, they must be as comprehensive and as interconnected as the problems are. Siloed solutions do not work. Because conditions vary across communities and states, the solutions to the challenges that ALICE and poverty-level households face will vary as well. Stakeholders — family, friends, nonprofits, businesses, policy makers, academics, and the government — will need to work together with innovation and vision, and be willing to change the structure of the local and national economy and even the fabric of their communities.

Ultimately, if ALICE households can become financially stable, Louisiana's economy will be stronger and its communities more vibrant — improving life not just for ALICE, but for everyone. The data detailed in this Report can be a jumping-off point to create new and better ideas that can help working families move toward this goal. There is no one solution: A range of strategies will be needed to ensure that working people and their families aren't left behind.