

**ALICE:  
A STUDY OF  
FINANCIAL HARDSHIP  
IN NEW YORK**

LIVE UNITED

2018  
REPORT



**ALICE<sup>®</sup> 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.



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*Note: In addition to the corporate sponsorships, this Report was made possible by the United Ways noted above in bold.*

Learn more here: [www.uwnys.org](http://www.uwnys.org)

## ACKNOWLEDGEMENTS

### **New York State Corporate Investor**

Special thanks to **KeyBank** for helping bring the message of ALICE to the State of New York.

## NATIONAL ALICE ADVISORY COUNCIL

The following companies are major funders and supporters of the United Way *ALICE Project*.

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# LETTER TO THE COMMUNITY

Dear New Yorkers:

Have you ever imagined that something as common as a flat tire could cause a catastrophic chain of events leading you or your family to become homeless, unemployed, hungry, or unable to purchase needed medication? Many of us are able to cope with unexpected issues while avoiding catastrophe. However, a growing number of New Yorkers live so close to the financial cliff that a small event could easily escalate into a life-changing situation.

**Asset Limited, Income Constrained, Employed (ALICE)** is a United Way initiative to raise awareness of the challenges faced by low-income working families and to help initiate strategies and policies that alleviate them.

The face of poverty has changed from one generation to the next. However, the challenges caused by financial instability continue to put enormous stress on families trying to provide for themselves and their children. The United Way *ALICE Project* helps to shine a light on these struggles and has the potential to encourage changes that can improve the quality of life for working families.

This comprehensive Report shows us that ALICE lives in every part of our state, from the urban to the most rural areas and all points in between. While the cost of living varies widely across counties, the Report tells us what the survival budget is for each county, helping us to better understand the challenges of our local communities.

By investing our time, effort, and resources in ALICE, we are investing in the stability of our communities. ALICE is working hard and we all benefit from identifying solutions that make it easier for ALICE households to become more financially secure.

United Ways across New York work year round to help people we call ALICE. Please join our efforts by sharing information about ALICE and connecting with your local United Way to learn how you can help create more opportunities. These issues have never been more relevant.

Sincerely,



A blue ink cursive signature of John C. Bernardi.

**John C. Bernardi**  
CEO, United Way of the Adirondack Region  
Chair, ALICE Steering Committee



A blue ink cursive signature of Brenda Episcopo.

**Brenda Episcopo**  
President & CEO,  
United Way of New York State

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United Way of Buffalo &  
Erie County



# 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 New York, a team of researchers collaborated with a Research Advisory Committee, composed of 13 representatives from across New York, 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

**Andrew Abrahamson**

**Madeline Leonard**

**Dan Treglia, Ph.D.**

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**Jessica Weitzel, M.P.H.**

*Via Evaluation*

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# EXECUTIVE SUMMARY

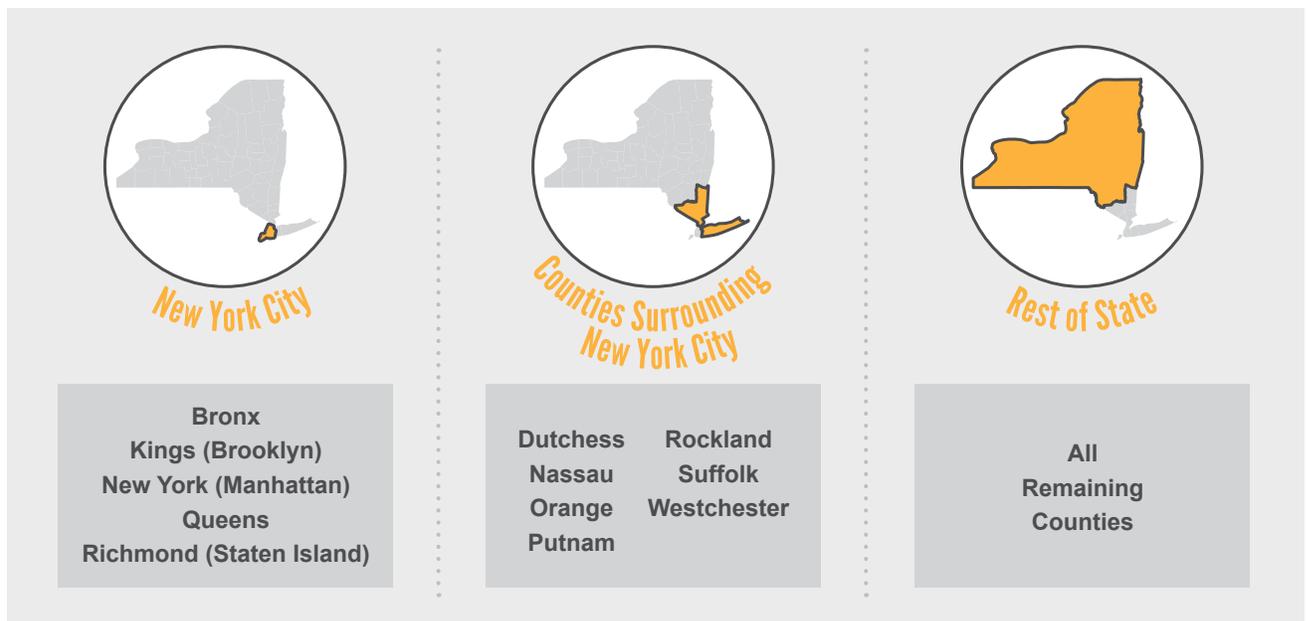
In New York, 3,262,043, households — 45 percent — could not afford basic needs such as housing, child care, food, transportation, health care, and technology in 2016.

This update of the United Way ALICE Report for New York 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 county in New York, 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.

In New York, a large and diverse state, both the cost of living and job opportunities vary greatly across the state. Since this Report is built on data at the county level, these differences are readily apparent. Details are available at [UnitedWayALICE.org/New-York](http://UnitedWayALICE.org/New-York). In general, the counties can be grouped into three regions:

- **New York City (NYC):** The five boroughs (or counties) of the Bronx, Brooklyn (Kings County), Manhattan (New York County), Queens, and Staten Island (Richmond County);
- **Counties Surrounding NYC:** Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester; and
- **Rest of State:** All remaining counties.



Despite overall improvement in employment and gains in median income, the economic recovery in New York 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 New York households that cannot afford basic needs increased 5 percent from 2010 to 2016.

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

- **Households continue to struggle:** Of New York's 7,216,340 households, 14 percent lived in poverty in 2016 and another 31 percent were ALICE. Combined, 45 percent (3,262,043 households) had income below the ALICE Threshold, an increase of 5 percent since 2010.
- **Basic cost of living is still on the rise:** The cost of basic household expenses increased steadily in New York to an average of \$68,808 for a family of four (two adults with one infant and one preschooler) and \$23,148 for a single adult. Even though costs are higher in the counties surrounding NYC and lowest in the Rest of State, the bare-minimum Household Survival Budget is significantly higher than the 2016 FPL of \$24,300 for a family of four and \$11,880 for a single adult in every county. The cost of the family budget increased on average by 22 percent from 2010 to 2016.
- **Changes have occurred in the workforce:** Unemployment rates are falling across the state, although more quickly in NYC and the counties surrounding NYC, where average wages are also increasing. However, ALICE workers are still struggling in all regions. Low-wage jobs dominate the employment landscape, with 51 percent of all jobs statewide paying less than \$20 per hour. Further, an increase in contract jobs and on-demand jobs has created less stability. Gaps in wages persist and vary depending on the type of employer as well as the sex, gender, sexual orientation, education, race, and ethnicity of workers.
- **Emerging trends impact ALICE families:** 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 U.S. ALICE workers, contributing to employment instability, a shifting supply and demand, and a disruption in traditional modes of operation.

*Health Inequality* — As advances in medical care outpace the ability of many households to afford them, there will be increasing disparities in health and longevity based on income.

The United Way ALICE Report for New York 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, a smartphone, and taxes) in New York, adjusted for different counties 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 county in New York. (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 to the methodology that ensure the most accurate measures and the best local data are presented in the most accessible manner. While these changes impact a few specific calculations, the overall trends have remained the same. For this Report, the following improvements have been incorporated:

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

**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 New York instead of state-level tax sources. New York'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.

**ALICE data measured over time:** The first 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. 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 3,232,792 households (44 percent) had income below the ALICE Threshold in 2014, whereas the new Report presents that 3,199,903 households (44 percent) had income below the ALICE Threshold in 2014. The minor adjustments did not impact the overall percentages.

**Additional geographic data available:** More ALICE data is available at the local level on our website including by subcounty, place, zip code, Public Use Microdata Area, and Congressional district:

[UnitedWayALICE.org/New-York](http://UnitedWayALICE.org/New-York)

# METHODOLOGY NOTES

This Report remains focused on the county level because state averages can mask significant differences between counties. For example, the percentage of households below the ALICE Threshold ranges from 28 percent in Saratoga County to 74 percent in Bronx County. 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 New York State Office of Children & Family Services. State, county, 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 New York, 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 New York identify themselves as American Indian/Alaskan Native, another 7 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](http://UnitedWayALICE.org). For a breakdown of the data by county and municipality, see the County Pages and Data File on the website (under “Downloads” for New York).

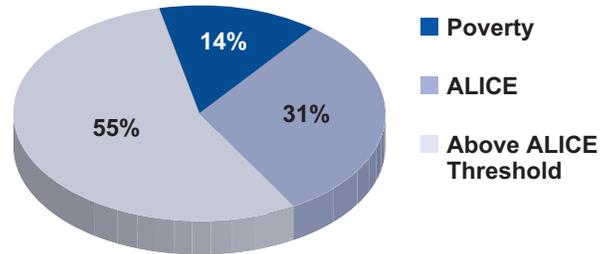
# AT-A-GLANCE: NEW YORK

2016 Point-in-Time Data

Population: 19,745,289 | Number of Counties: 62 | Number of Households: 7,216,340

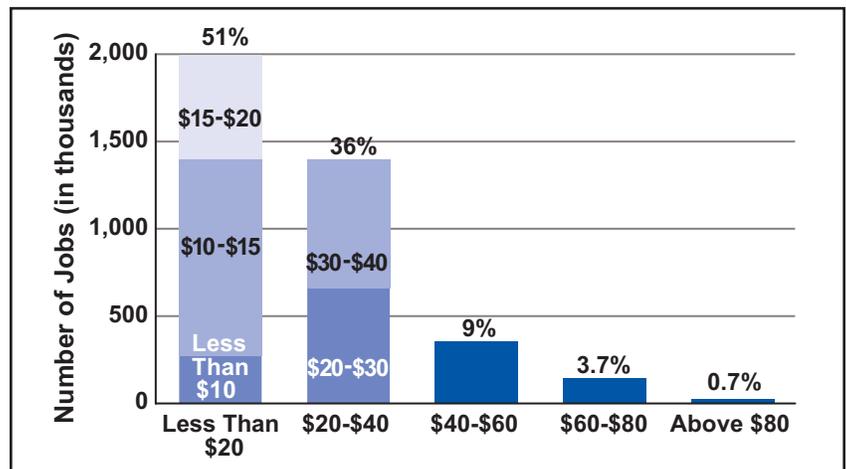
## How many households are struggling?

**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 New York's 7,216,340 households, 1,038,710 earn below the Federal Poverty Level (14 percent) and another 2,223,333 (31 percent) are ALICE.



## How much does ALICE earn?

In the state of New York, 51 percent of jobs pay less than \$20 per hour, with more than three-quarters of those jobs paying less than \$15 per hour. Another 36 percent of jobs pay from \$20 to \$40 per hour. Only 9 percent of jobs pay from \$40 to \$60 per hour.



## What does it cost to afford the basic necessities?

Affording only a very modest living, the Household Survival Budget of \$23,148 for a single adult and \$68,808 for a family of four in the state of New York 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, New York Average, 2016

	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
<b>Monthly Costs</b>		
Housing	\$688	\$953
Child Care	\$-	\$1,440
Food	\$182	\$603
Transportation	\$310	\$614
Health Care	\$210	\$779
Technology	\$55	\$75
Miscellaneous	\$175	\$521
Taxes	\$309	\$749
<b>Monthly Total</b>	\$1,929	\$5,734
<b>ANNUAL TOTAL</b>	\$23,148	\$68,808
<b>Hourly Wage*</b>	\$11.57	\$34.40

\*Full-time wage required to support this budget

New York Counties, 2016		
COUNTY	TOTAL HOUSEHOLDS	% ALICE & POVERTY
Albany	125,329	44%
Allegany	18,032	48%
Bronx	498,539	74%
Broome	76,957	43%
Cattaraugus	31,409	44%
Cayuga	30,966	39%
Chautauqua	51,705	52%
Chemung	34,418	45%
Chenango	19,837	48%
Clinton	30,624	39%
Columbia	25,295	40%
Cortland	17,683	44%
Delaware	18,817	48%
Dutchess	108,200	36%
Erie	380,473	41%
Essex	15,298	40%
Franklin	19,299	46%
Fulton	22,450	44%
Genesee	23,825	40%
Greene	17,125	48%
Hamilton	1,239	63%
Herkimer	25,670	42%
Jefferson	41,415	56%
Kings	941,871	51%
Lewis	10,307	46%
Livingston	23,904	41%
Madison	25,612	43%
Monroe	299,224	41%
Montgomery	19,540	51%
Nassau	440,785	30%
New York	748,293	35%

New York Counties, 2016		
COUNTY	TOTAL HOUSEHOLDS	% ALICE & POVERTY
Niagara	86,786	44%
Oneida	87,929	42%
Onondaga	182,984	40%
Ontario	45,187	37%
Orange	124,365	47%
Orleans	16,132	45%
Oswego	44,633	42%
Otsego	23,539	45%
Putnam	34,762	33%
Queens	761,819	57%
Rensselaer	62,816	37%
Richmond	164,289	44%
Rockland	99,257	48%
Saratoga	93,703	28%
Schenectady	48,720	54%
Schoharie	12,373	50%
Schuyler	7,376	43%
Seneca	13,672	43%
St. Lawrence	40,479	44%
Steuben	38,458	45%
Suffolk	474,311	36%
Sullivan	25,031	50%
Tioga	19,705	40%
Tompkins	37,683	50%
Ulster	68,298	41%
Warren	28,841	35%
Washington	24,027	42%
Wayne	37,496	36%
Westchester	342,216	40%
Wyoming	15,780	41%
Yates	9,532	44%

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:** Bureau of Labor Statistics, 2016a; Consumer Reports, 2017; Internal Revenue Service, 2016; New York State Office of Children & Family Services, 2016; Tax Foundation 2016, 2017; U.S. Department of Agriculture; U.S. Department of Housing and Urban Development.

# AT-A-GLANCE: NEW YORK

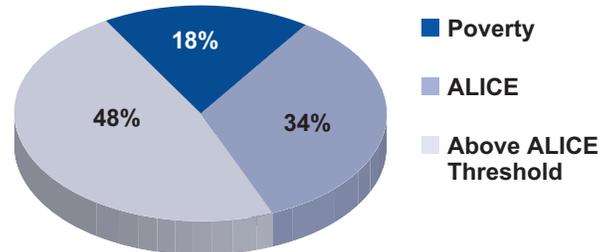
# AT-A-GLANCE: NEW YORK CITY

2016 Point-in-Time Data

Population: 8,537,673 | Number of Counties: 5 | Number of Households: 3,114,811

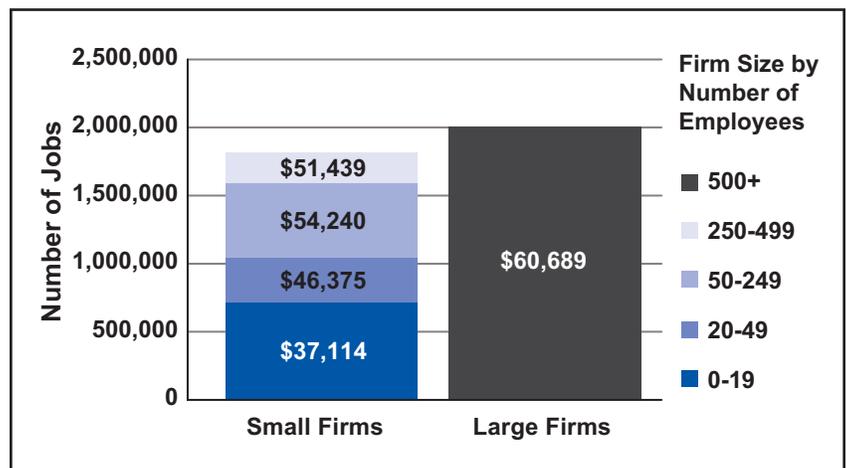
## How many households are struggling?

**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 NYC's 3,114,811 households, 573,525 earn below the Federal Poverty Level (18 percent) and another 1,047,899 (34 percent) are ALICE.



## How much does ALICE earn?

In NYC, almost half the jobs are in firms with less than 500 employees. ALICE is more likely to work in smaller firms that tend to have lower wages, fewer benefits, and less stability.



## What does it cost to afford the basic necessities?

Affording only a very modest living, the ALICE Survival Budget of \$30,432 for a single adult and \$73,596 for a family of four in NYC 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, New York City Average, 2016

	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
<b>Monthly Costs</b>		
Housing	\$1,293	\$1,571
Child Care	\$-	\$1,563
Food	\$182	\$603
Transportation	\$116	\$186
Health Care	\$196	\$727
Technology	\$55	\$75
Miscellaneous	\$231	\$557
Taxes	\$463	\$851
<b>Monthly Total</b>	\$2,536	\$6,133
<b>ANNUAL TOTAL</b>	\$30,432	\$73,596
<b>Hourly Wage*</b>	\$15.22	\$36.80

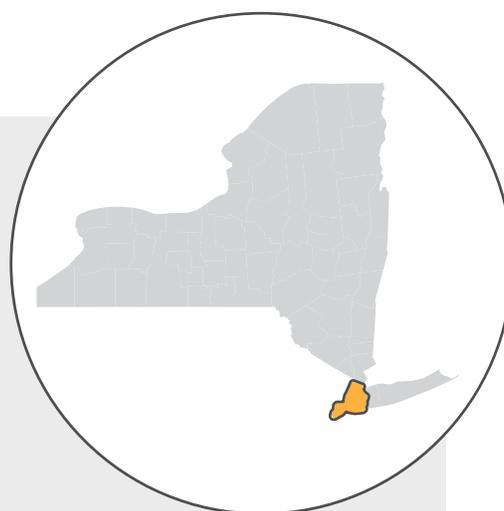
\*Full-time wage required to support this budget

## New York City Counties, 2016

COUNTY	TOTAL HOUSEHOLDS	% ALICE & POVERTY
Bronx	498,539	74%
Kings	941,871	51%
New York	748,293	35%
Queens	761,819	57%
Richmond	164,289	44%

**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:* Bureau of Labor Statistics, 2016a; Consumer Reports, 2017; Internal Revenue Service, 2016; New York State Office of Children & Family Services, 2016; Tax Foundation, 2016, 2017; U.S. Department of Agriculture; U.S. Department of Housing and Urban Development.

# AT-A-GLANCE: NEW YORK CITY



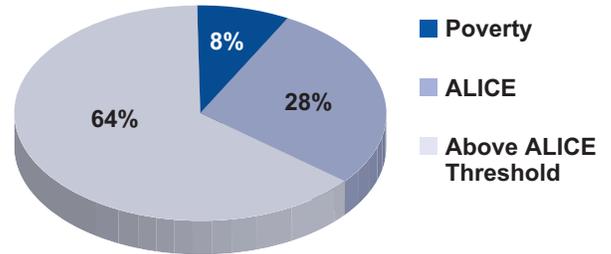
# AT-A-GLANCE: COUNTIES SURROUNDING NYC

2016 Point-in-Time Data

Population: 4,927,988 | Number of Counties: 7 | Number of Households: 1,623,896

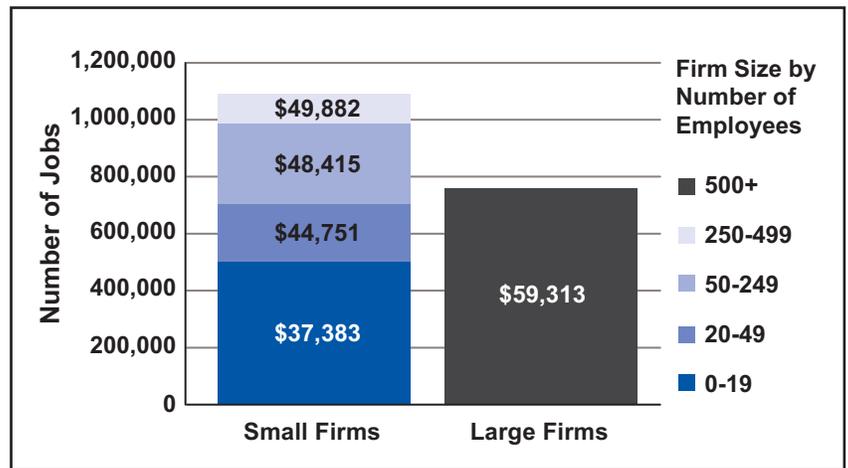
## How many households are struggling?

**ALICE**, an acronym for **A**sset Limited, **I**ncome Constrained, **E**mloyed, 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 the counties surrounding NYC's 1,623,896 households, 131,874 earn below the Federal Poverty Level (8 percent) and another 460,192 (28 percent) are ALICE.



## How much does ALICE earn?

In the counties surrounding NYC, more than half the jobs are in firms with less than 500 employees. ALICE is more likely to work in smaller firms that tend to have lower wages, fewer benefits, and less stability.



## What does it cost to afford the basic necessities?

Affording only a very modest living, the ALICE Survival Budget of \$27,936 for a single adult and \$88,440 for a family of four in the counties surrounding NYC 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, Counties Surrounding NYC Average, 2016		
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
<b>Monthly Costs</b>		
Housing	\$1,045	\$1,487
Child Care	\$-	\$2,202
Food	\$182	\$603
Transportation	\$229	\$438
Health Care	\$196	\$727
Technology	\$55	\$75
Miscellaneous	\$212	\$670
Taxes	\$410	\$1,167
<b>Monthly Total</b>	<b>\$2,328</b>	<b>\$7,370</b>
<b>ANNUAL TOTAL</b>	<b>\$27,936</b>	<b>\$88,440</b>
<i>Hourly Wage*</i>	<i>\$13.97</i>	<i>\$44.22</i>

\*Full-time wage required to support this budget

## Counties Surrounding NYC, 2016

COUNTY	TOTAL HOUSEHOLDS	% ALICE & POVERTY
Dutchess	108,200	36%
Nassau	440,785	30%
Orange	124,365	47%
Putnam	34,762	33%
Rockland	99,257	48%
Suffolk	474,311	36%
Westchester	342,216	40%

**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:* Bureau of Labor Statistics, 2016a; Consumer Reports, 2017; Internal Revenue Service, 2016; New York State Office of Children & Family Services, 2016; Tax Foundation, 2016, 2017; U.S. Department of Agriculture; U.S. Department of Housing and Urban Development.

# AT-A-GLANCE: COUNTIES SURROUNDING NYC



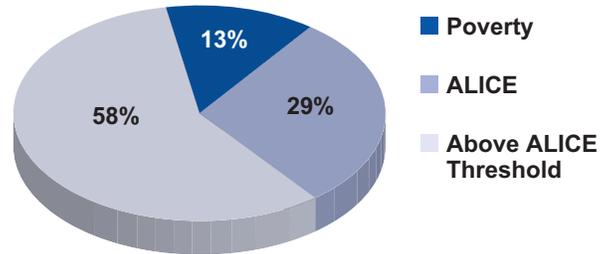
# AT-A-GLANCE: REST OF STATE

2016 Point-in-Time Data

Population: 6,292,362 | Number of Counties: 50 | Number of Households: 2,477,633

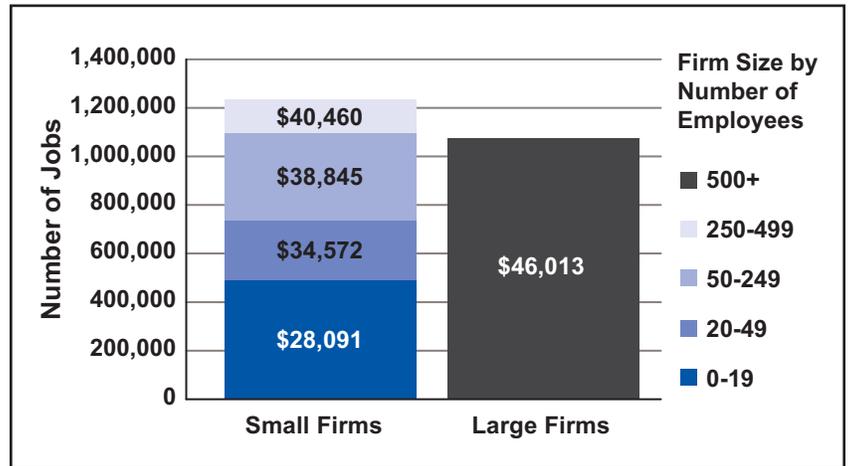
## How many households are struggling?

**ALICE**, an acronym for **A**sset Limited, **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 New York Rest of State's 2,477,633 households, 333,311 earn below the Federal Poverty Level (13 percent) and another 715,242 (29 percent) are ALICE.



## How much does ALICE earn?

In the Rest of State, more than half the jobs are in firms with less than 500 employees. Firms with less than 20 employees are the largest small employers. ALICE is more likely to work in smaller firms that tend to have lower wages, fewer benefits, and less stability.



## What does it cost to afford the basic necessities?

Affording only a very modest living, the ALICE Survival Budget of \$21,744 for a single adult and \$65,616 for a family of four in the Rest of State 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, Rest of State Average, 2016		
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	\$577	\$817
Child Care	\$-	\$1,321
Food	\$182	\$603
Transportation	\$341	\$682
Health Care	\$213	\$792
Technology	\$55	\$75
Miscellaneous	\$165	\$497
Taxes	\$279	\$681
Monthly Total	\$1,812	\$5,468
ANNUAL TOTAL	\$21,744	\$65,616
Hourly Wage*	\$10.87	\$32.81

\*Full-time wage required to support this budget

Rest of State Counties, 2016		
COUNTY	TOTAL HOUSEHOLDS	% ALICE & POVERTY
Albany	125,329	44%
Allegany	18,032	48%
Broome	76,957	43%
Cattaraugus	31,409	44%
Cayuga	30,966	39%
Chautauqua	51,705	52%
Chemung	34,418	45%
Chenango	19,837	48%
Clinton	30,624	39%
Columbia	25,295	40%
Cortland	17,683	44%
Delaware	18,817	48%
Erie	380,473	41%
Essex	15,298	40%
Franklin	19,299	46%
Fulton	22,450	44%
Genesee	23,825	40%
Greene	17,125	48%
Hamilton	1,239	63%
Herkimer	25,670	42%
Jefferson	41,415	56%
Lewis	10,307	46%
Livingston	23,904	41%
Madison	25,612	43%
Monroe	299,224	41%

Rest of State Counties, 2016		
COUNTY	TOTAL HOUSEHOLDS	% ALICE & POVERTY
Montgomery	19,540	51%
Niagara	86,786	44%
Oneida	87,929	42%
Onondaga	182,984	40%
Ontario	45,187	37%
Orleans	16,132	45%
Oswego	44,633	42%
Otsego	23,539	45%
Rensselaer	62,816	37%
Saratoga	93,703	28%
Schenectady	48,720	54%
Schoharie	12,373	50%
Schuyler	7,376	43%
Seneca	13,672	43%
St. Lawrence	40,479	44%
Steuben	38,458	45%
Sullivan	25,031	50%
Tioga	19,705	40%
Tompkins	37,683	50%
Ulster	68,298	41%
Warren	28,841	35%
Washington	24,027	42%
Wayne	37,496	36%
Wyoming	15,780	41%
Yates	9,532	44%

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:** Bureau of Labor Statistics, 2016a; Consumer Reports, 2017; Internal Revenue Service, 2016; New York State Office of Children & Family Services, 2016; Tax Foundation, 2016, 2017; U.S. Department of Agriculture; U.S. Department of Housing and Urban Development.

# AT-A-GLANCE: REST OF STATE



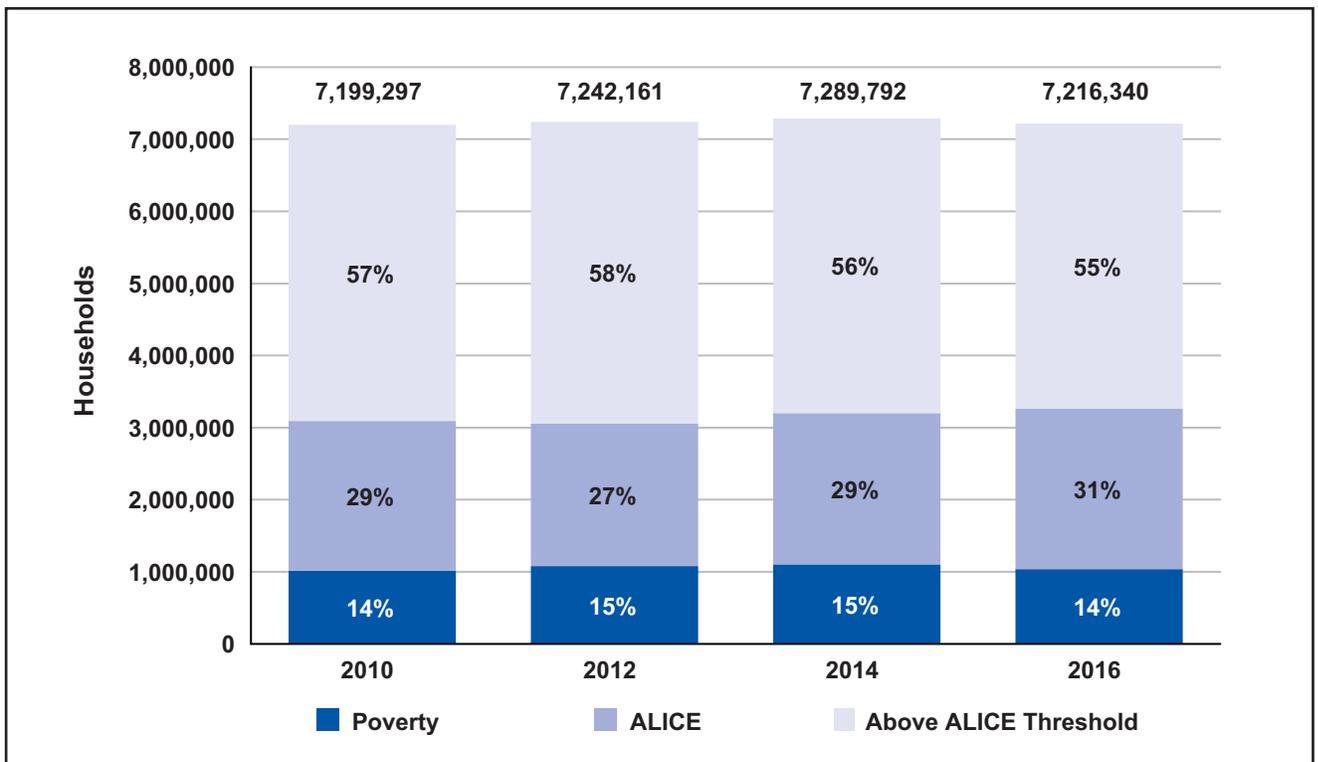
# ALICE BY THE NUMBERS

In New York, 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 Bronx County to rural Otsego County. 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 New York, the total number of households remained flat between 2010 and 2016 at around 7.2 million. But the number of ALICE and poverty-level households increased from 3,092,100 in 2010 to 3,199,903 in 2014 to 3,262,043 in 2016, a 5 percent increase from 2010 to 2016 (Figure 1).

- **Poverty:** The number of households in poverty — defined in 2016 as those with income at or below \$11,880 for a single adult and \$24,300 for a family of four — increased from 1,016,151 in 2010 to 1,038,710 in 2016, a 2 percent increase. The proportion of all households that were in poverty fluctuated between 14 percent and 15 percent during that period.
- **ALICE:** The number of ALICE households increased from 2,075,949 in 2010 to 2,223,333 in 2016, a 7 percent increase. The proportion of all ALICE households rose from 29 percent to 31 percent during that period.

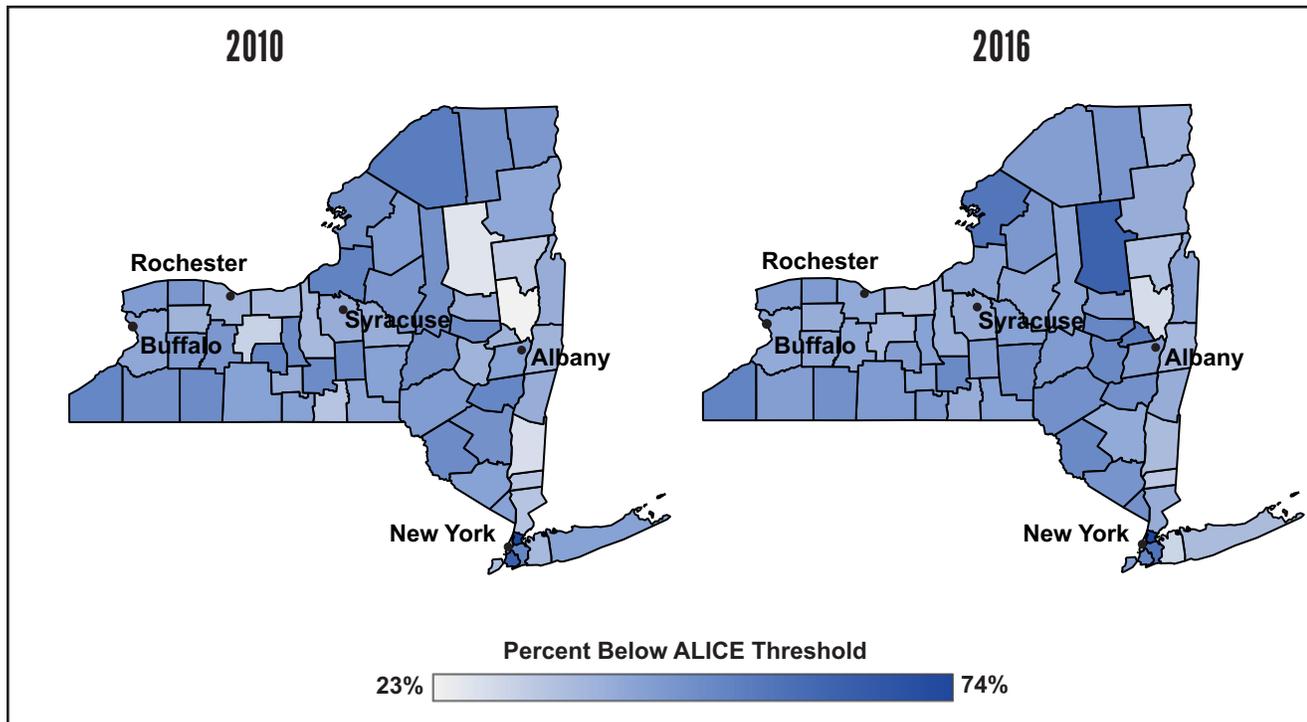
**Figure 1.**  
**Household Income, New York, 2010 to 2016**



Sources: American Community Survey, 2010–2016, and the ALICE Threshold, 2010–2016; for additional data and ALICE Methodology, see [UnitedWayALICE.org](http://UnitedWayALICE.org).

Contrary to stereotypes that suggest financial hardship only exists in inner cities, ALICE households live in urban, suburban, and rural areas and in every county in New York. Although the cost of living and wages differ across the state, the number of households with income below the ALICE Threshold increased across most counties from 2010 to 2016. But there is enormous variation among counties; the percentage of households below the ALICE Threshold ranges from 28 percent in Saratoga County to 74 percent in Bronx County (Figure 2).

**Figure 2.**  
**Percent of Households Below the ALICE Threshold by County, New York, 2010 and 2016**



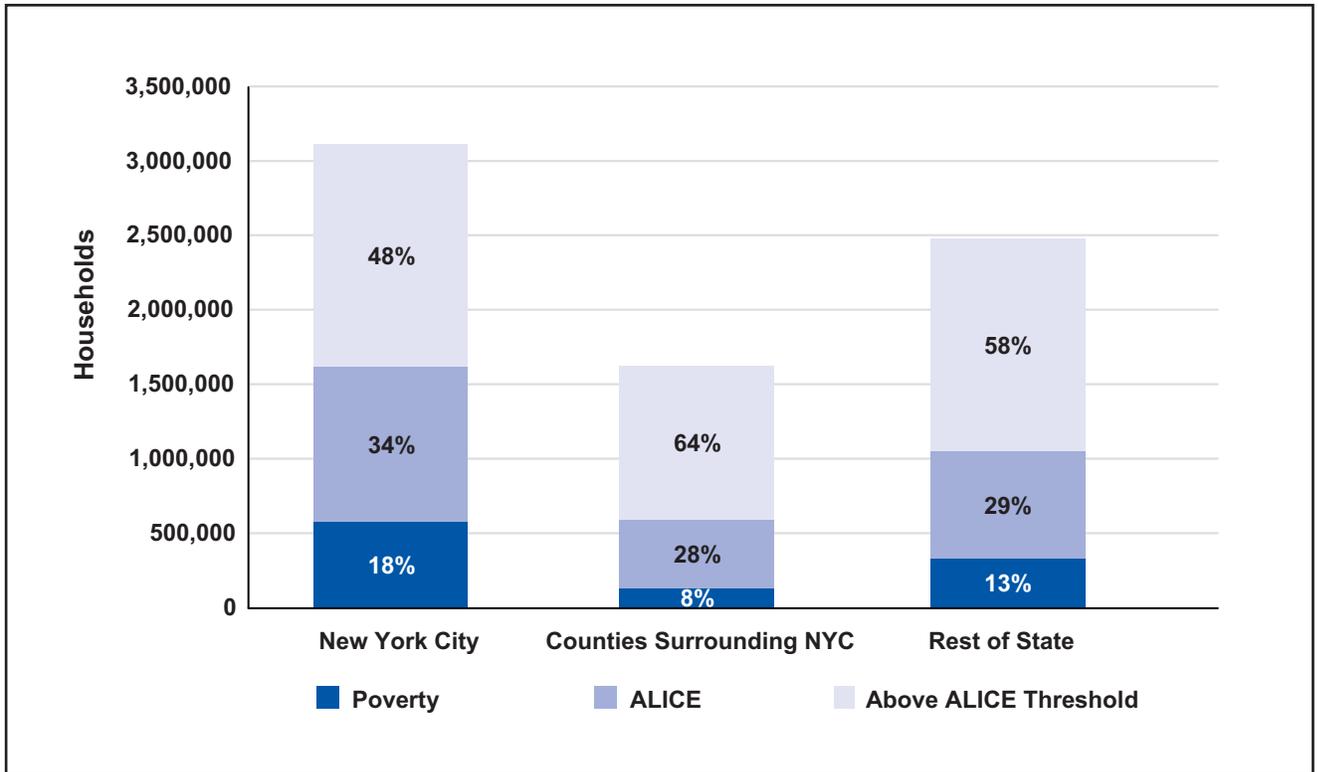
Sources: American Community Survey, 2010 and 2016, and the ALICE Threshold, 2010 and 2016. Details on each county's household income and ALICE demographics, as well as further breakdown by municipality, are listed in the ALICE County Pages and Data File at [UnitedWayALICE.org](http://UnitedWayALICE.org)

The difference in income by New York region is also striking. The region with the largest population, New York City, is the only region that grew (2 percent) from 2010 to 2016, reaching 3.1 million households in 2016. New York City has the largest number and the highest percentage of families in poverty (18 percent) and ALICE (34 percent) (Figure 3). The number of households in poverty increased by 10 percent from 2010 to 2014, and then improved, falling 8 percent from 2014 to 2016. At the same time, the number of ALICE households increased steadily from 2010 to 2016, growing by 17 percent.

The region of counties surrounding NYC — comprised of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester — has the smallest population, falling 1 percent from 2010 to 1.6 million households in 2016. It also has the lowest percentage of households in poverty (8 percent) but the percentage of ALICE households, 28 percent, is similar to the Rest of State. Within the counties surrounding NYC, household income shifted over time. As in NYC, the number of households in poverty in those counties increased from 2010 to 2014 (by 18 percent) while the number of ALICE households fell by 12 percent, but then from 2014 to 2016 the number in poverty fell 2 percent and the number of ALICE households increased by 2 percent.

The Rest of State covers the largest territory and includes 2.5 million households: 13 percent are in poverty and 29 percent are ALICE. The number of households in poverty increased by 4 percent from 2010 to 2014, and then improved, falling 4 percent from 2014 to 2016. At the same time, the number of ALICE households increased steadily from 2010 to 2016, growing by 7 percent. The change in Hamilton County stands out; it is one of the largest counties geographically but its population was only 1,239 households in 2016, falling from 2,381 in 2010. More households above the ALICE Threshold moved out than those below, so the percentage below the ALICE Threshold increased from 30 percent in 2010 to 36 percent in 2016.

**Figure 3.**  
**Percent of Households Below the ALICE Threshold by County, New York Regions, 2016**



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

## HOUSEHOLDS BY AGE

Two major population bubbles are changing the character and composition of communities across New York: The baby boomers are the largest generation, and as they age, their needs and preferences change. The second largest group, millennials (adults born between 1981 and 1996, also known as Generation Y), 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 U.S. Census age breaks: under-25, 25-44, 45-64, and 65 and older. Millennials are included in the youngest two brackets, and baby boomers in the oldest two (Dimock, 2018).

### Aging Population

The increase in the number of ALICE households in New York is driven by older households, both seniors and those 45 to 64 years old. The number of senior households (65 years and older) increased from 1,603,331 in 2010 to 1,839,483 in 2016, a 15 percent increase (Figure 4). The number of senior households with income below the ALICE Threshold grew by 9 percent, so that by 2016, 50 percent of senior households had income below the ALICE Threshold.

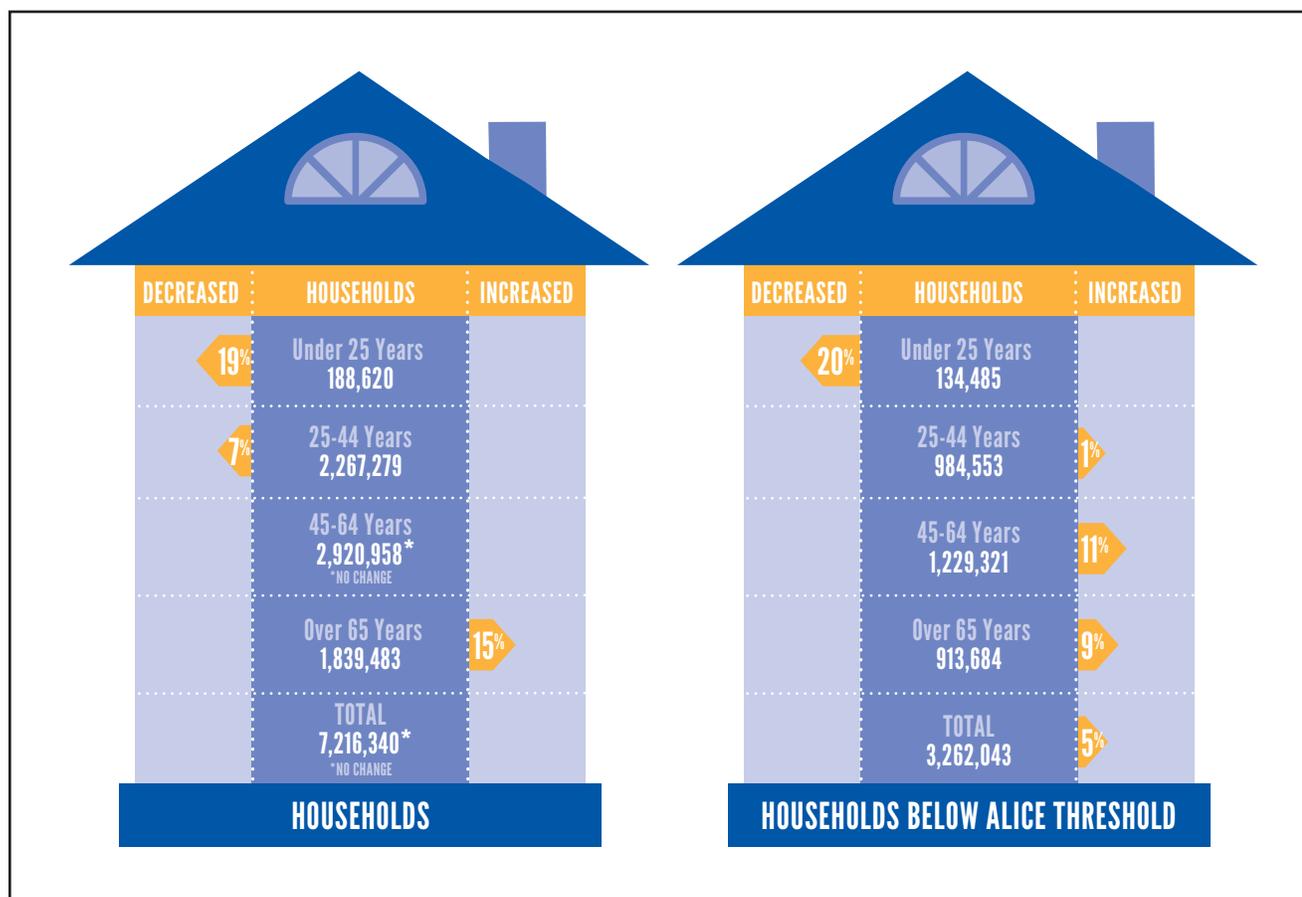
The next oldest age group, households headed by 45- to 64-year-olds, remained flat, yet the number of these households with income below the ALICE Threshold increased by 11 percent, which is surprising for a group in their prime earning years (American Community Survey, 2010, 2016).

## Younger Households

Even though the total population of millennials is increasing, the number of households headed by them is decreasing across the U.S. The youngest segment of the millennials, households headed by those under 25 years old, fell by 19 percent, from 233,100 households in 2010 to 188,620 in 2016, and the number with income below the ALICE Threshold fell at a similar rate (20 percent). The older and larger segment of millennials, households headed by 25- to 44-year-olds, decreased by 7 percent overall, yet the number with income below the ALICE Threshold increased by 1 percent. While millennials live throughout the state, their preference for urban living has made NYC the seventh largest concentration of millennials in the U.S., at 24 percent of the total city population (W.H. Frey, 2018).

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, those under 25 who are head of their household (i.e., don't live with parents, older relatives, or roommates) are far less likely to be able to afford basic necessities, with 74 percent of them living below the ALICE Threshold (American Community Survey, 2010, 2016; Cilluffo & Cohn, 2017; W. H. Frey, 2018; Gurrentz, 2018).

**Figure 4.**  
**Household Income by Age of Head of Household, New York, 2010 to 2016**



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

# HOUSEHOLDS BY RACE AND ETHNICITY

Within the largest racial and ethnic groups, population growth and income changes varied across the state from 2010 to 2016. The number of Asian and Hispanic households increased by 15 percent and 8 percent, respectively. Black (non-Hispanic) households remained flat, while White (non-Hispanic) households declined by 3 percent. All households of color saw an increase in the number of households with income below the ALICE Threshold (Figure 5): Asian households by 30 percent, Hispanic households by 18 percent, and Black households by 7 percent (see the note on race/ethnicity in the Research Framework Box in the Executive Summary).

Because White households experienced the least movement over the 2010 to 2016 period and because these households are the majority population in the counties surrounding NYC and the Rest of State, these regions reported modest change. But NYC is the most diverse city in the nation, where Asian, Black, and Hispanic households outnumber White households, and it is the only region in the state to increase the number of households from 2010 to 2016.

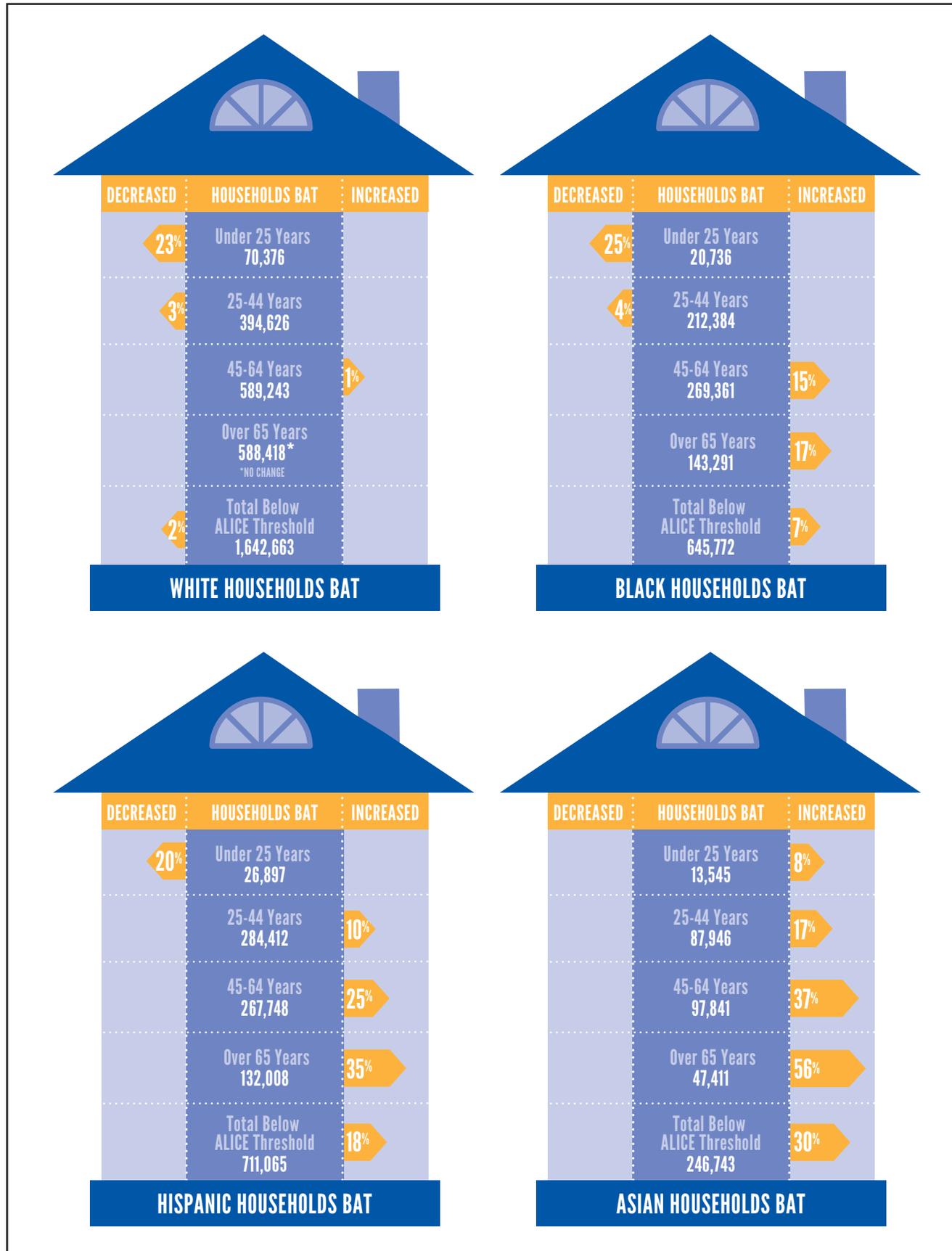
A breakdown by race and age shows other important trends across New York state:

**Young households are decreasing overall:** The only group to see an increase in the number of under-25-year-old households from 2010 to 2016 were Asian households, with an increase of 3 percent. For other racial/ethnic groups, the number of under-25-year-old households decreased from 2010 to 2016: 23 percent for Hispanic households, 22 percent for Black households, and 21 percent among White households in this age bracket. Households headed by 25- to 44-year-olds followed the same trajectory with smaller changes.

**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 10 percent from 2010 to 2016, but other senior groups are experiencing significant growth as well: Asian senior households increased by 48 percent, Hispanic senior households by 32 percent, and Black senior households by 19 percent. Similarly, 45- to 64-year-old households are increasing among Asian, Hispanic, and Black households, although at slightly lower rates, while the number of White 45- to 64-year-old households decreased by 8 percent from 2010 to 2016.

**Households below the ALICE Threshold increased across the board (Figure 5):** The number of households below the ALICE Threshold increased in all age, race, and ethnic groups from 2010 to 2016, but with the changes in the total population of each group, the percentage of households below the ALICE Threshold fell for Black and White households under 45 years and under-25 Hispanic households. The largest increases were among households 65 years and older, with Asian senior households increasing by 56 percent, Hispanic senior households by 35 percent, and Black senior households by 17 percent. The largest population group, White senior households, remained flat.

**Figure 5.**  
**Households Below ALICE Threshold (BAT), by Age and Race/Ethnicity, New York, 2010 to 2016**



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

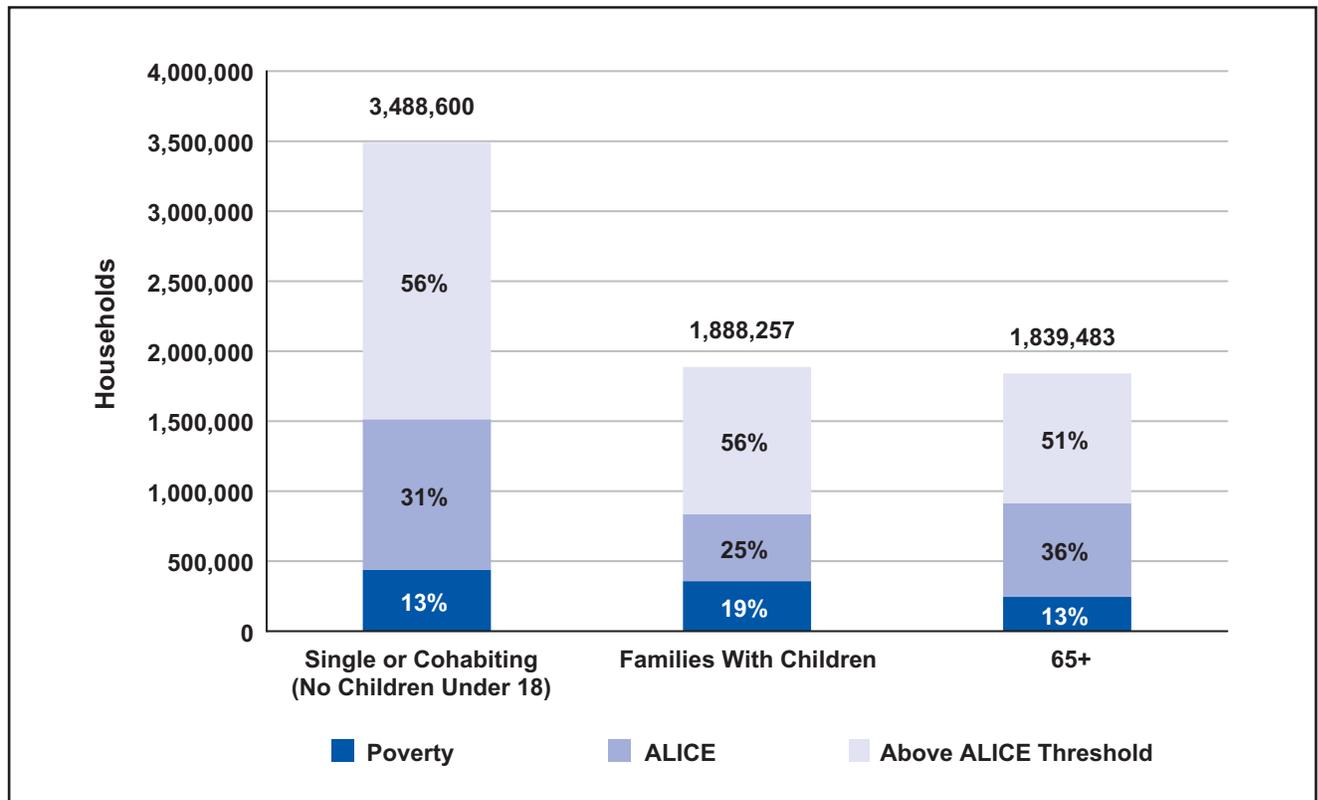
# HOUSEHOLDS BY FAMILY TYPE

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 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. In New York, there were 3,488,600 households composed of single or cohabiting adults under the age of 65 with no children under 18 years old in 2016. They make up the largest group in New York, accounting for 48 percent of all households (Figure 6).

These single or cohabiting households without children under 18 are also the group with the largest number of households below the ALICE Threshold. In 2016, 1,513,237 of these households — 44 percent — had income below the ALICE Threshold (Figure 6); this is an increase from 40 percent in 2010.

**Figure 6.**  
**Household Types by Income, New York, 2016**



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

## Families With Children

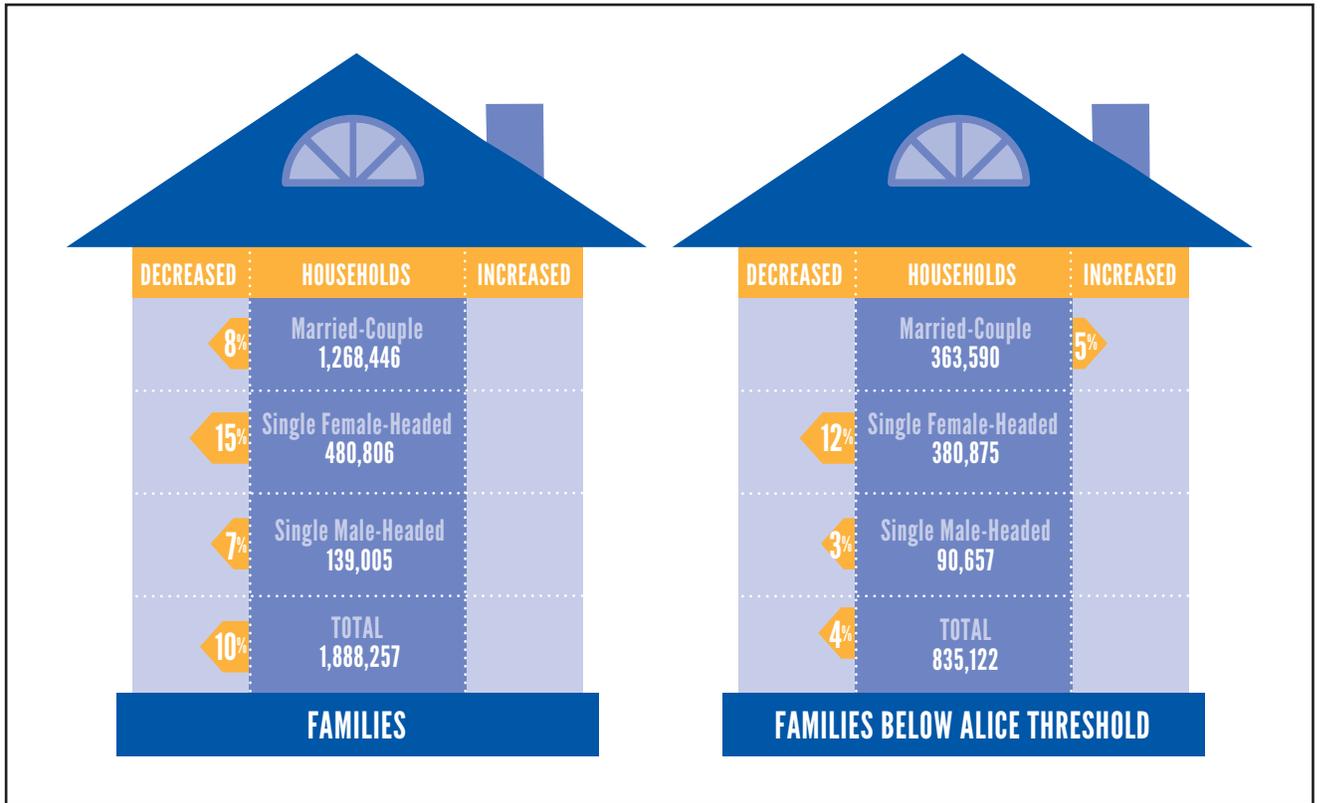
Families with children are also changing, with mothers doing more paid work outside the home than in previous years. Nationally, in 2015, 42 percent of mothers were sole or primary breadwinners, bringing in 50 percent or more of family earnings, and another 22 percent were co-breadwinners, earning 25 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 also changing. 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. 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. More than a quarter of married LGBT couples are now raising children. Further, the number of same-sex marriages has more than doubled nationally between just before the Supreme Court ruling in 2013 — which required the federal government to recognize state-sanctioned marriages of same-sex couples — and the 2015 ruling that enabled same-sex marriage nationwide (Cohn & Caumont, 2016; Gates & Brown, 2015; Pew Research Center, 2015).

New York families saw the following changes from 2010 to 2016 (Figure 7):

- **Below ALICE Threshold:** Of all New York families with children, there were 835,122 with income below the ALICE Threshold — 44 percent in married parent families, 45 percent in single-female parent families, and 11 percent in single-male parent families.
- **Married-parent families:** The number of married-parent families with children fell by 8 percent from 2010 to 2016, while the number below the ALICE Threshold increased by 5 percent (Figure 7). New York has the lowest proportions of husband-wife households (44 percent) in the U.S. (Lofquist, Lugaila, O'Connell, & Feliz, 2012).
- **Single female-headed families:** The number of single female-headed families with children fell by 15 percent and the number below the ALICE Threshold has decreased by 12 percent. Since the total population fell more quickly than those below the ALICE Threshold, the percentage of single female-headed families below the ALICE Threshold actually increased.
- **Single male-headed families:** This smallest share of family types decreased by 7 percent; the number with income below the ALICE Threshold decreased by 3 percent.

**Figure 7.**  
**Families With Children by Income, New York, 2010 to 2016**



Sources: 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 New York, the average Household Survival Budget was \$68,808 for a four-person family and \$23,148 for a single adult in 2016 (Figure 8). The hourly wage necessary to support a family budget is \$34.40, for one parent working 40 hours per week, 50 weeks per year (or \$17.20 per hour each, if two parents work), and \$11.57 per hour, full time for a single adult. These costs are significantly more than the Federal Poverty Level of \$11,800 for a single adult and \$24,300 for a family of four (U.S. Department of Health and Human Services, 2016).

**Figure 8.**  
**Household Survival Budget, New York Average, 2016**

Household Survival Budget, New York Average, 2016			Percent Change from 2010-2016	
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
<b>Monthly Costs</b>				
Housing	\$688	\$953	-4%	6%
Child Care	\$-	\$1,440	N/A	11%
Food	\$182	\$603	1%	10%
Transportation	\$310	\$614	4%	4%
Health Care	\$210	\$779	96%	83%
Technology*	\$55	\$75	N/A	N/A
Miscellaneous	\$175	\$521	11%	22%
Taxes	\$309	\$749	14%	48%
<b>Monthly Total</b>	<b>\$1,929</b>	<b>\$5,734</b>	<b>12%</b>	<b>22%</b>
<b>ANNUAL TOTAL</b>	<b>\$23,148</b>	<b>\$68,808</b>	<b>12%</b>	<b>22%</b>
<b>Hourly Wage**</b>	<b>\$11.57</b>	<b>\$34.40</b>	<b>11%</b>	<b>22%</b>

\* New to budget in 2016

\*\* Wage working full-time required to support this budget

Sources: Bureau of Labor Statistics, 2016a; Consumer Reports, 2017; Internal Revenue Service, 2016; New York State Office of Children & Family Services, 2016; Tax Foundation, 2016, 2017; U.S. Department of Agriculture; U.S. Department of Housing and Urban Development. For the Methodology Overview and additional data, see our website: [UnitedWayALICE.org](http://UnitedWayALICE.org)

The cost of household basics in the New York state average Household Survival Budget — housing, child care, food, transportation, health care, technology, and taxes — increased by 12 percent for a single adult and 22 percent for a family of four from 2010 to 2016. At the same time, median earnings only increased by 11 percent in New York and 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, lower than the increase in New York’s Household Survival Budget.

Changes in the average Household Survival Budget in New York have been bumpy since 2010. Costs increased for all goods from 2010 to 2014, and then continued to rise for housing, child care, and health care to 2016. The cost of food and transportation fell slightly from 2014 to 2016 due to increasing national supply of oil and food bringing down prices across the country. The overall increase in the Survival Budget was driven by the

cost of a basic smartphone (technology), which was added in 2016 as it has become a necessity to work in the modern economy; an 11 percent increase in child care costs; and an 83 percent increase in health care costs. The health care increases are due to the addition of the Affordable Care Act penalty for not purchasing health insurance (the least expensive option for low-income families), as well as rising out-of-pocket health care costs (for more details on health care costs, see the Methodology Overview).

The relatively large increase in taxes can primarily 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. The federal and New York tax rates were on average flat, although tax brackets shifted (American Community Survey, 2010, 2016; Bureau of Labor Statistics, 2018).

**Figure 9.**  
**Household Survival Budget, New York Regions, 2016**

	New York City		Counties Surrounding NYC		Rest of State	
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
<b>Monthly Costs</b>						
Housing	\$1,293	\$1,571	\$1,045	\$1,487	\$577	\$817
Child Care	\$-	\$1,563	\$-	\$2,202	\$-	\$1,321
Food	\$182	\$603	\$182	\$603	\$182	\$603
Transportation	\$116	\$186	\$229	\$438	\$341	\$682
Health Care	\$196	\$727	\$196	\$727	\$213	\$792
Technology*	\$55	\$75	\$55	\$75	\$55	\$75
Miscellaneous	\$231	\$557	\$212	\$670	\$165	\$497
Taxes	\$463	\$851	\$410	\$1,167	\$279	\$681
<b>Monthly Total</b>	<b>\$2,536</b>	<b>\$6,133</b>	<b>\$2,328</b>	<b>\$7,370</b>	<b>\$1,812</b>	<b>\$5,468</b>
<b>ANNUAL TOTAL</b>	<b>\$30,432</b>	<b>\$73,596</b>	<b>\$27,936</b>	<b>\$88,440</b>	<b>\$21,744</b>	<b>\$65,616</b>
<b>Hourly Wage**</b>	<b>\$15.22</b>	<b>\$36.80</b>	<b>\$13.97</b>	<b>\$44.22</b>	<b>\$10.87</b>	<b>\$32.81</b>

\* New to budget in 2016

\*\* Wage working full-time required to support this budget

Sources: Bureau of Labor Statistics, 2016a; Consumer Reports, 2017; Internal Revenue Service, 2016; New York State Office of Children & Family Services, 2016; Tax Foundation, 2016, 2017; U.S. Department of Agriculture; U.S. Department of Housing and Urban Development. For the Methodology Overview and additional data, see our website: [UnitedWayALICE.org](http://UnitedWayALICE.org)

The cost of living varies significantly across the state; basic household necessities are most expensive for a single adult in NYC at \$30,432, and for a family in counties surrounding NYC at \$88,440. They are the least expensive in the Rest of State at \$21,744 for a single adult and \$65,616 for a family of four (Figure 9).

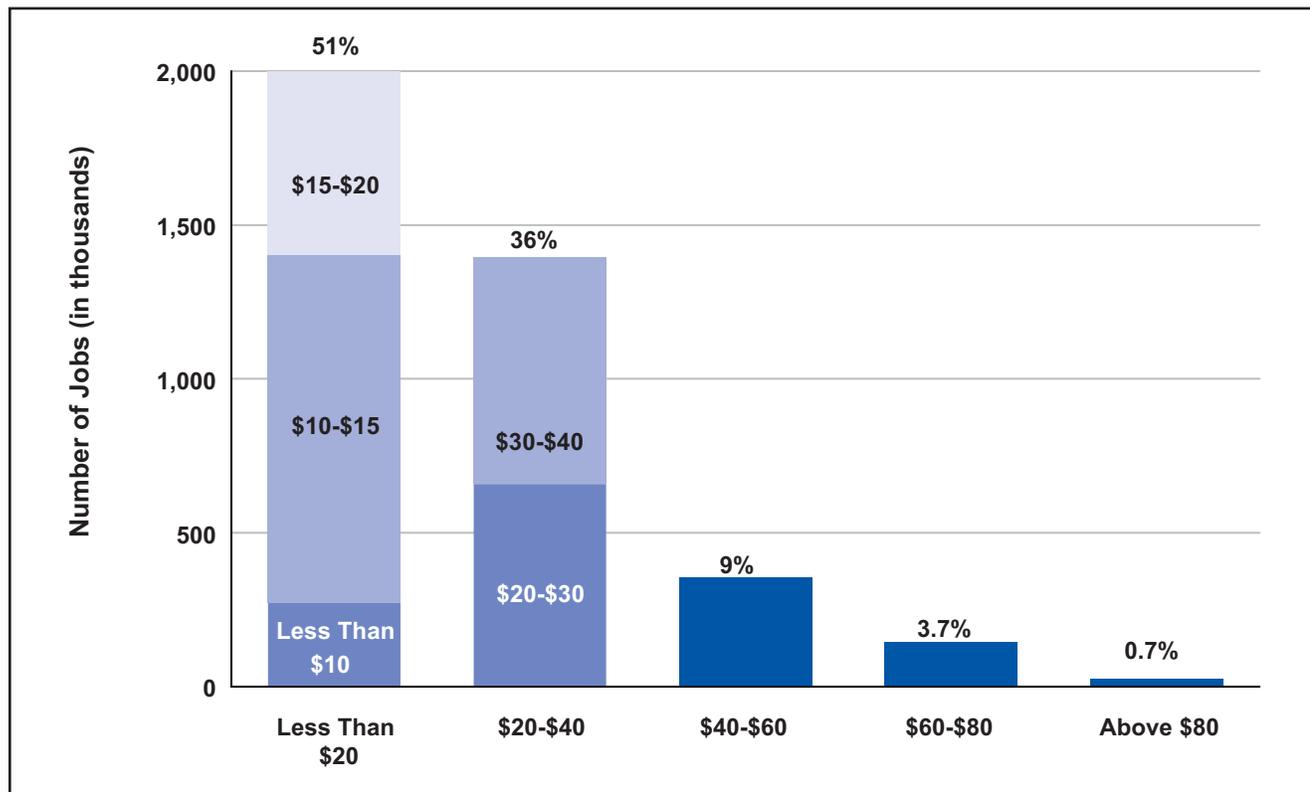
# ALICE IN THE WORKFORCE

Economic activity in New York was bumpy from 2010 to 2016, with some improvement in 2015 followed by a dip in 2016, according to the New York Federal Reserve. Despite improvements in employment and productivity, 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 not benefitting financially from seemingly positive economic trends (Abel & Deitz, 2017; Federal Reserve Bank of New York, 2018).

## LOW-WAGE JOBS

Low-wage jobs continue to dominate New York's economy, making it more challenging for workers to find jobs with wages that can support even a basic household budget. With 3.9 million total jobs in New York recorded by the Bureau of Labor Statistics (BLS) in 2016, the job market has shown some improvement since 2010 when 54 percent of jobs paid less than \$20 per hour, although the levels vary significantly by region. By 2016, 51 percent of jobs paid less than \$20 per hour, with 70 percent of those jobs paying less than \$15 per hour (Figure 10). And it's important to note that jobs and wages vary significantly across the state. Looking at BLS metro regions in New York, in the Nassau-Suffolk and New York-White Plains metro areas, one-third of jobs paid less than \$20 per hour, while in the northern and western parts of the state, more than three-fourths of jobs paid less than \$20 per hour (with the exception of Ithaca, which had the lowest percentage of all metro areas at 30 percent) (Bureau of Labor Statistics, 2016b; New York Assembly Ways and Means Committee Staff, 2017).

**Figure 10.**  
**Number of Jobs by Hourly Wage, New York, 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, as well as 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 (Frey & Osborne, 2013; Vinsel & Russell, 2016).

The top 20 occupations employing the most people in New York are predominantly maintainer jobs, which are more likely to pay low wages. In 2016, only three of the top 20 occupations — general and operations managers, accountants and auditors, and registered nurses — paid enough to support the Household Survival Budget for a family of four, a minimum of \$34.40 per hour (Figure 11).

The most common occupation in New York, retail sales, pays a wage that is well below what is needed to make ends meet. There are 322,970 retail salespeople who earned an average of \$10.73 per hour, or \$21,460 if working full-time year-round in 2016. These jobs fall short of meeting the family Household Survival Budget by more than \$48,000 per year. Even if both parents worked full-time at this wage, they would fall short of the Household Survival Budget by \$26,944 per year.

Across the state, job gains were concentrated in lower-paying sectors and there was restrained growth in variable wages. In the top 20 occupations, gains were mostly in jobs that paid between \$10.00 and \$12.59 per hour. A full-time job that pays \$15 per hour grosses \$30,000 per year, which is less than half of the Household Survival Budget for a family of four in New York (Figure 8) (New York Assembly Ways and Means Committee Staff, 2017).

**Figure 11.**  
**Top 20 Occupations by Employment and Wage, New York, 2016**

OCCUPATION	2016		Percent Change from 2010-2016	
	NUMBER OF JOBS	MEDIAN HOURLY WAGE	NUMBER OF JOBS	MEDIAN HOURLY WAGE
Retail Salespersons	322,970	\$10.73	20%	2%
Secretaries and Administrative Assistants	197,920	\$18.68	12%	15%
Janitors and Cleaners	196,790	\$13.99	9%	8%
Cashiers	193,860	\$9.68	1%	10%
Office Clerks, General	188,240	\$14.96	-2%	15%
Registered Nurses	180,730	\$38.65	6%	10%
Home Health Aides	173,830	\$11.20	26%	8%
General and Operations Managers	162,870	\$58.90	67%	6%
Combined Food Prep, Including Fast Food	158,160	\$9.59	36%	12%
Customer Service Representatives	157,100	\$17.37	16%	8%
Personal Care Aides	156,830	\$11.45	54%	11%
Waiters and Waitresses	155,540	\$10.94	24%	11%
Teacher Assistants	125,830	\$13.72	3%	9%
Bookkeeping and Auditing Clerks	115,270	\$20.24	-6%	11%
First-Line Supervisors of Office Workers	114,040	\$29.87	11%	13%
Stock Clerks and Order Fillers	112,890	\$11.15	-4%	16%
Security Guards	112,750	\$14.37	18%	11%
Laborers and Movers, Hand	109,570	\$12.59	32%	8%
Accountants and Auditors	108,800	\$38.67	19%	7%
Maintenance and Repair Workers	102,010	\$20.29	12%	7%

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

There are very different economic conditions across the state, with the NYC area experiencing significant economic growth, much higher than the U.S. overall, while other parts of the state experienced slower growth than the national average. The securities industry is still a driving force for the city's economy, but health care, technology, media, and business services — as well as tourism-related industries, like hospitality — have fueled record job growth. Unemployment was at its lowest level in 40 years at 4 percent in 2016. The economy in the Rest of State had a different trajectory; this area experienced job losses during the Great Recession, although less than the nation as a whole, and had a slow but steady recovery from 2010 to 2015, gaining back

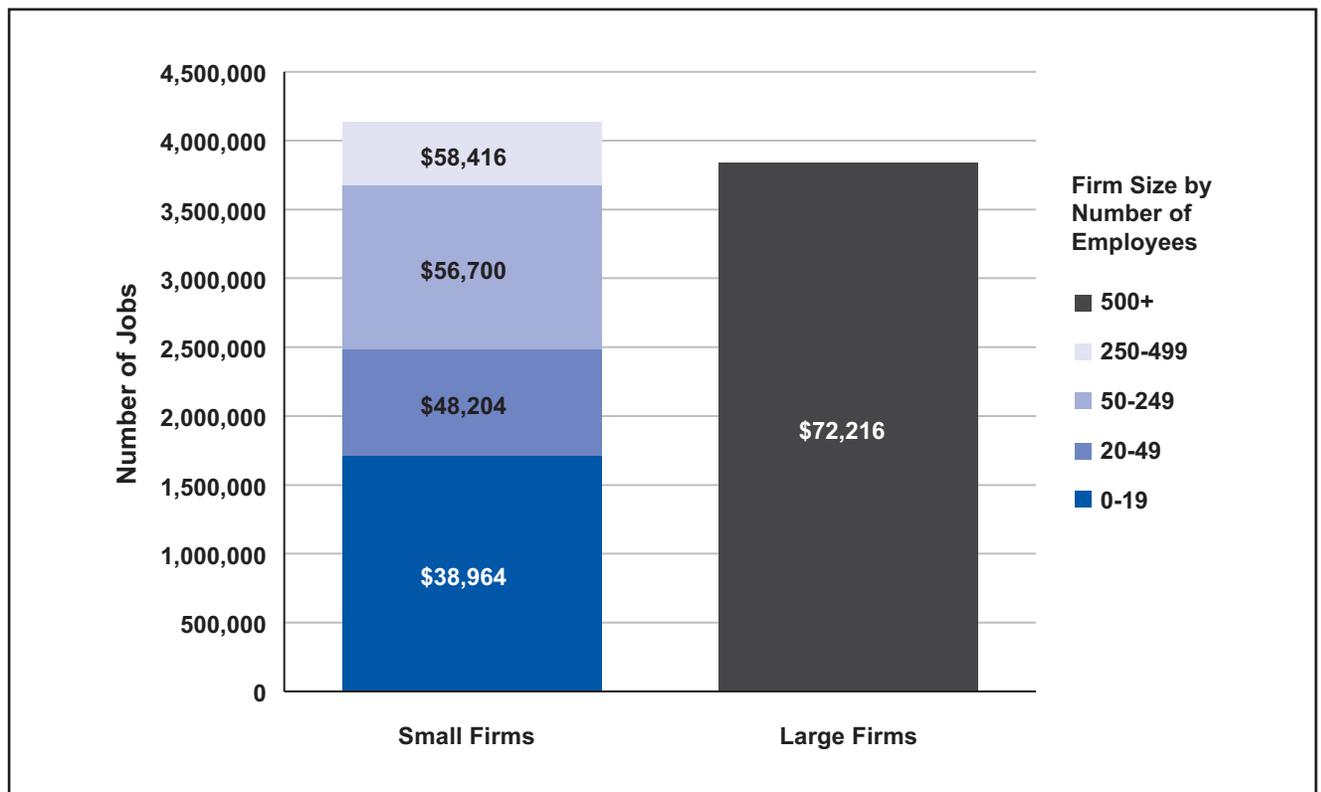
all of the jobs that were lost during the Great Recession. However, job growth in the region stalled in 2015 and economic growth was flat through 2016. Changes were driven by growth in construction and the decline and then restructuring of the manufacturing sector, and the dominance of growth in low-wage sectors, especially health care and education (Abel & Deitz, 2017; New York Assembly Ways and Means Committee Staff, 2017; Office of the New York State Comptroller, 2017).

## 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 New York 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 cyber attacks 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 New York largely down from the levels experienced in the 1980s and 1990s (Ewing Marion Kauffman Foundation, 2017; Haltiwanger, Jarmin, Kulick, & Miranda, 2017).

Despite these struggles, small businesses employed more than half of the private sector workforce in 2016 in New York (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, New York, 2016**



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

The wages of employees in the smallest firms are significantly lower than wages in larger firms (Figure 12). While average wages in larger firms have been increasing faster than the 9 percent national rate of inflation, wages across all firm size groups have not kept pace with the 22 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 6 percent to \$38,964 (if full-time year-round), workers in companies with 20 to 49 employees saw their annual wages fall by 8 percent to \$48,204, and workers in companies with 50 to 250 employees saw their wages increase by 14 percent to \$56,700 (U.S. Census Bureau, Quarterly Workforce Indicators, 2016).

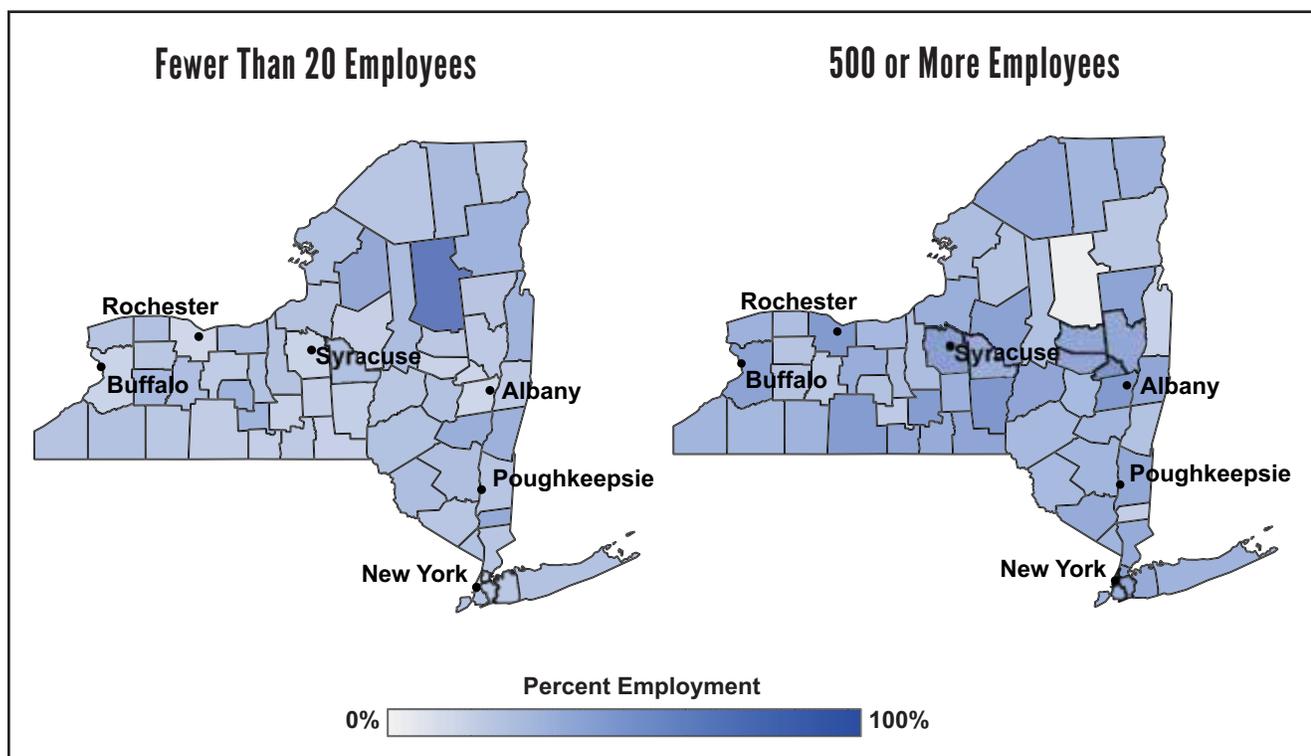
Employees in the largest firms started with higher wages and also saw an increase in their wages: Those working in firms with 250 to 499 employees saw their wages increase by 11 percent to \$58,416, and wages of those working in firms with 500 or more employees increased by 13 percent to \$72,216.

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, newly hired wages were at least 30 percent lower than stable wages, and as much as 38 percent less for those in firms with 500 or more employees.

Wages vary widely by location and sector; areas dominated by small companies tend to have lower wages and less job stability. Figure 13 shows the percentage of firms that are the smallest (fewer than 20) and the largest (500 or more) in each county across New York, with lighter areas representing a lower percentage of firms and the darker areas representing a higher percentage. Firms with fewer than 20 employees employ over 650,000 people in NYC, 260,000 people on Long Island and over 280,000 people in upstate metropolitan areas. Average monthly earnings are highest in Manhattan (\$5,419) and in Nassau and Suffolk counties (\$3,455 and \$3,252, respectively). Small firms are present in all New York industry groups, but the largest sectors are retail and accommodations and food services.

Large companies employ slightly more people in NYC, and smaller firms (less than 500 employees) provide greater employment in the counties surrounding NYC and the Rest of State (Empire State Development, 2017; U.S. Census Bureau, 2016).

**Figure 13.**  
**Percent Employment by Firm Size, New York, 2016**



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

## GIG ECONOMY

As the economy approached full employment (defined as an unemployment rate of less than 5 percent) in many areas of New York and across the country in 2016, ALICE workers were less likely to experience periods of unemployment than in 2010. But their income still lagged behind the cost of living in most areas. In some cases, the problem is just low wages. But there is also the challenge of 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 workforce worked as a consultant or contingent worker, temp, freelancer, or contractor within the so-called 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 don't qualify for loans or other financial products that require regular income (Abraham, Haltiwanger, Sandusky, & Spletzer, 2016; Donovan, Bradley, & Shimabukuro, 2016; Freelancers Union & Elance-oDesk, 2016; Katz & Krueger, 2016; U.S. Government Accountability Office, 2015; Wald, 2014; Watson, Frohlich, & Johnston, 2014).

# 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.

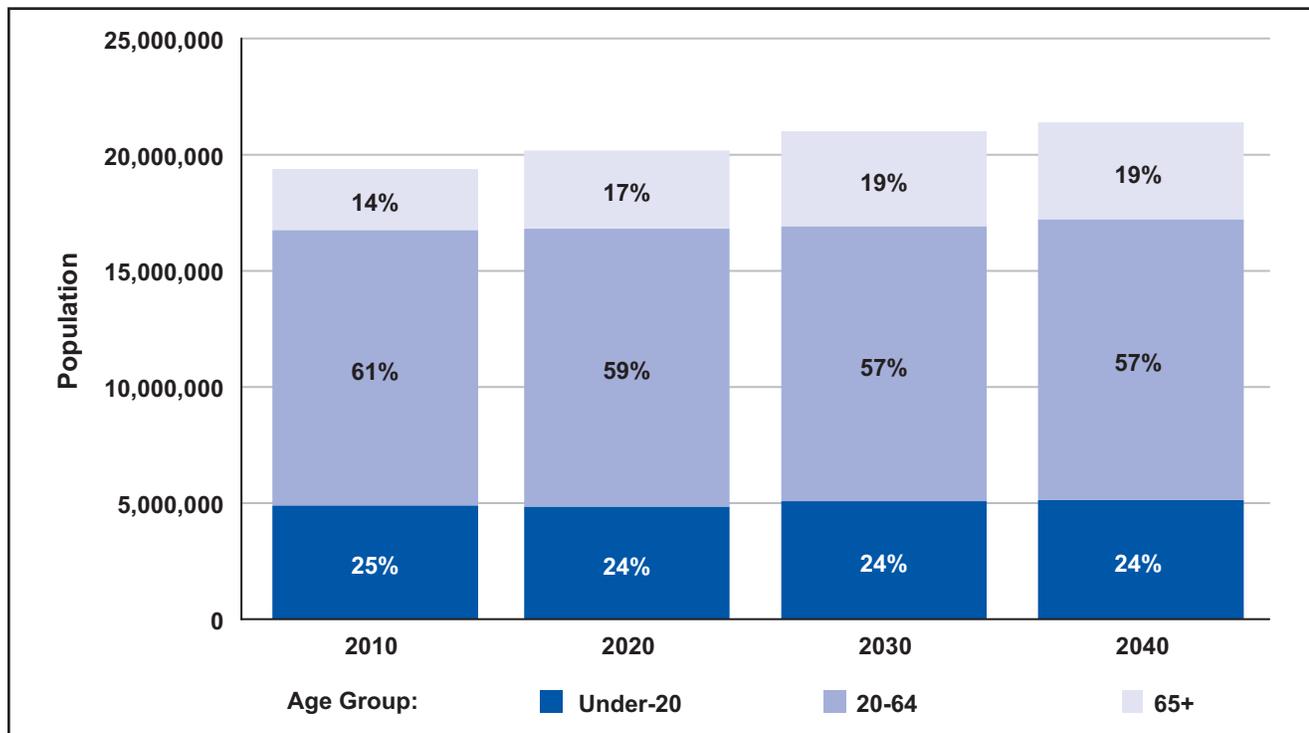
## THE CHANGING AMERICAN HOUSEHOLD

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. 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. New York's elderly population is projected to grow from 2.6 million (14 percent) in 2010 to 4.2 million (19 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 4.9 million (25 percent) in 2010 to 5.1 million (24 percent) by 2040, and 20- to 64-year-olds will grow from 11.9 million (61 percent) in 2010 to 12.1 million (57 percent) by 2040 (Weldon Cooper Center for Public Service, 2016).

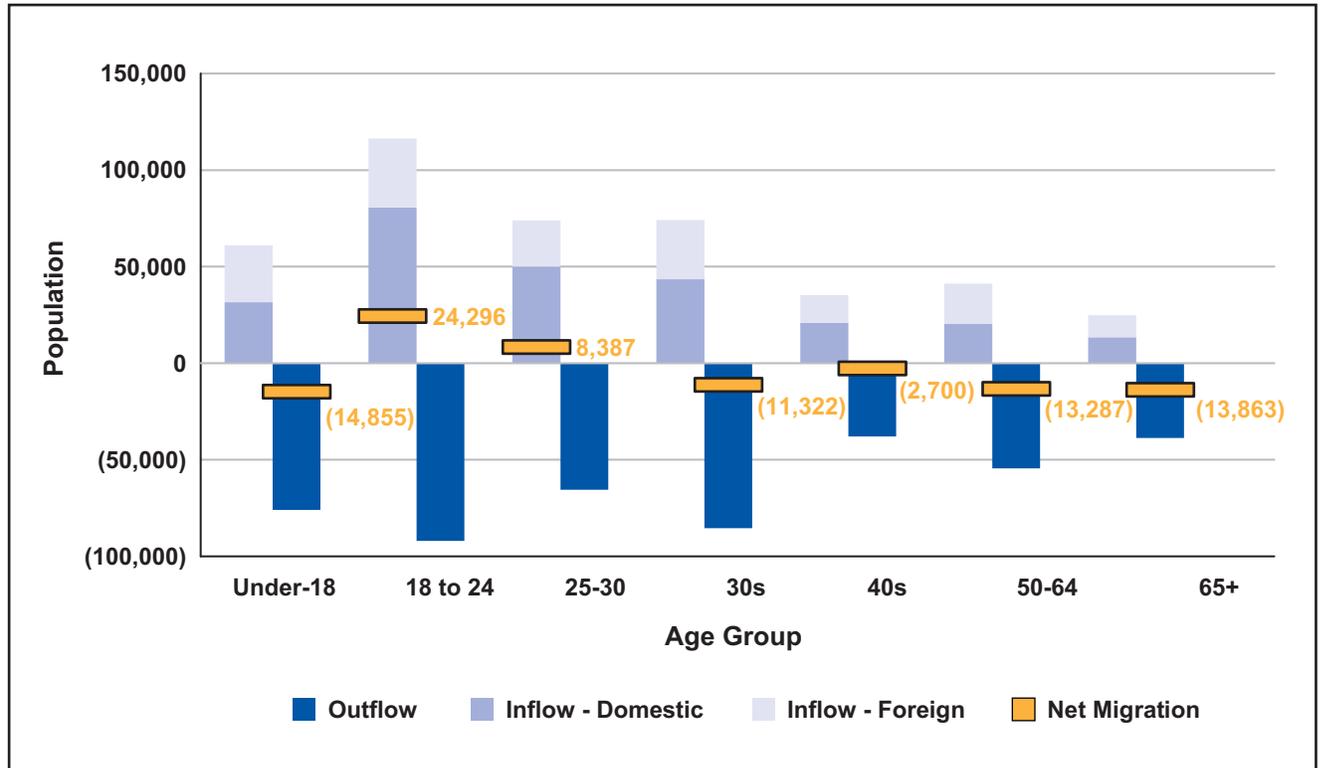
**Figure 14.**  
**Population Projection, New York, 2010 to 2040**



Source: Weldon Cooper Center for Public Service, 2016

**Migration and immigration:** The primary drivers behind New York’s population changes are the migration of people from other states, mainly northeast neighbors, as well as immigration from abroad. Although NYC saw an increase in population, in 2016 more people in total moved out than moved in. The largest inflows and outflows were among 18- to 24-year-olds. There was also a strong positive inflow of young working-age people (25 to 39 years), a significant number of whom were foreign born. And there was a net outflow of children (under 18), their parents (people aged 30 to 64), and seniors (65+) (Figure 15). For all groups there was a significant number of foreign-born immigrants (Aisch, Gebeloff, & Quealy, 2014; American Community Survey, 2016).

**Figure 15.**  
**Population Inflows and Outflows, New York, 2016**



Source: American Community Survey, 2016

**An ethnically diverse workforce:** International migration plays an increasing role in New York’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 146,744 in 2010 to 166,069 in 2016, a 13 percent increase. Immigrants of working age (25-64 years old) are the largest age group and their numbers increased steadily from 2010 to 2016. The next largest group, those under 18 years, did not see much change throughout this time period, and change over time for the much smaller number of seniors remained flat as well (American Community Survey, 2010, 2016).

Because of this steady flow of immigrants, the foreign-born population made up 23 percent of New York’s total population in 2016, up from 20 percent from 2000. By 2016, 55 percent had become citizens, 26 were legal permanent residents, and 19 percent were undocumented. Current immigrants in New York come primarily from Latin America (49 percent), followed by Asia (29 percent) and Europe (16 percent), but they also hail from Africa, the Middle East, and North America (American Community Survey, 2016; Migration Policy Institute, 2014, 2016).

- **Impact of immigrants on the labor force:** Across New York, immigrants account for 20 percent of the state's total population and 25 percent of its labor force, and in NYC immigrants make up 37 percent of the population, and nearly half of its workforce. 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 become a significant portion of the future workforce (American Immigration Council, 2017; Chaban, 2017; National Academies of Sciences, Engineering, and Medicine, 2017).
- **Immigrants work in all sectors:** Across the country, large numbers of immigrants work as private household workers (45 percent) and in farming, fishing, and forestry occupations (46 percent), but they also work across all industry and occupational groups. In NYC, immigrants comprise nearly half of the workforce and are the majority in occupations like pharmacists (60 percent foreign born), civil engineers (60 percent foreign born), and taxi and limousine drivers (82 percent foreign born). (Chaban, 2017; Cilluffo & Cohn, 2017).
- **Immigrants vary widely in education level:** Among adults age 25 and older, 25 percent of New York's foreign-born population has less than a high school education, compared with 8 percent of the native population. However, those with a graduate or professional degree are much more on par with the native-born population: 13 percent of the foreign born population has a graduate degree, compared to 15 percent of those who are native born (American Community Survey, 2016).

## Implications of Demographic Trends

**Changing infrastructure needs:** Millennials tend to prefer to live near urban centers with amenities and public transportation; seniors want to be near family, health care, and other services; and immigrants want to live near good schools, public transportation, and jobs. These trends are increasing the demand for smaller, low-cost housing units as well as public transportation in New York. The demand has kept the vacancy rate for all housing units at 11 percent across the state, although the rate increased to 12.6 percent in 2016. However, in NYC the vacancy rate is 2.2 percent, which has fueled increasing housing prices, making it harder for ALICE households of all ages to find and afford basic housing (City of New York, 2018; State of New York Comptroller, 2014; Stilwell, 2015; U.S. Census, 2017).

**Increased need for caregiving:** The aging population will increase demand for geriatric health services, including caregiving, assisted living facilities, nursing homes, and home health care. The challenges to ensuring seniors get 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 is projected to fall:** 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. In New York, the ratio of working age people to seniors (65 years old and older) is projected to fall from 4.75 to 1 in 2010 to 2.88 to 1 by 2040, indicating that the burden of seniors on those aged 18 to 64 years will almost double. Nationally, the ratio was 7 to 1 in 2010, and is projected to fall to 4 to 1 by 2030, and then to 3 to 1 in 2050 (AARP Public Policy Institute, 2015; New York State Office for the Aging, 2015; Redfoot, Feinberg, & Houser, 2013).
- **Health aides are ALICE:** An essential pillar of caregiving are personal care and home health aides, typically occupations do not require much training, are not well regulated, and are not well paid. But they provide important support and care for seniors, and can be very stressful. Nationally, these workers are largely women, with one in four being immigrants, and earning a median annual income of \$19,000 (Bureau of Labor Statistics, 2016b; Espinoza, 2017).

- **Elder abuse is on the rise:** With fewer resources, some ALICE seniors may end up the victims of physical, mental, and financial abuse and neglect. This problem is on the rise in New York and across the country (MetLife Mature Market Institute, 2011; National Center on Elder Abuse, 2018; U.S. Bureau of Justice Statistics, 2015).
- **Caregiving takes a toll:** There are currently more than 3 million family caregivers in New York providing more than 2.6 billion hours of care. 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 whether they took 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 as well as the amount of care required can mean further mental and physical strain for caregivers (AARP Public Policy Institute, 2015; Dixon, 2017; MetLife Mature Market Institute, 2011; New York Office for the Aging, 2018; 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 the 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 experience unemployment than other workers, but they are only half as likely to receive unemployment insurance (Fehr, 2017; Eden & Gaggl, 2015; U.S. Government Accountability Office, 2015; Wald, 2014; West, 2015).

## Changing Job Market

New York's economic landscape is changing. Despite media attention on innovation, the workforce in New York is projected to be comprised largely of low-paying jobs requiring few educational credentials. From 2014 to 2024 (the latest data available), 82 percent of the fastest-growing jobs in New York are projected to pay less than \$20 per hour, and 75 percent will not require more than a high school diploma. A detailed analysis of all jobs by the New York State Department of Labor shows that almost two-thirds (67 percent) of total job openings from 2012 to 2022 will require less than an associate degree; another 25 percent of openings require an associate or bachelor's degree. Jobs that require a high school diploma or equivalent have, by far, the most expected annual openings (166,300), but those with higher education requirements have higher wages. For example, the median wage for occupations that require doctoral/professional degrees were the highest at \$124,900, followed by those for bachelor's degree jobs at \$91,900. Median wages drop off sharply among jobs requiring less than an associate degree (Figure 16) (Bureau of Labor Market Information, 2015; Bureau of Labor Statistics, 2016b; Projections Management Partnership, 2016).

Many of these low-paying jobs are also at the greatest risk of being displaced by automation. In New York, more than two-thirds (77 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 and Uber and Lyft driving (Frey & Osborne, 2013).

It is easy to identify the redundant ALICE jobs that are likely to disappear due to machine learning, robotics, and artificial intelligence, 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 to work 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. The types of jobs that are predicted to emerge in the next 20 to 30 years are unfamiliar to most people in today's economy, and include augmented reality architects, alternative currency bankers, waste data managers, 3-D printing engineers, privacy managers, wind turbine repair techs, nano-medics, drone dispatchers, body part and limb makers, memory augmentation therapists, mass energy storage developers, and self-driving car mechanics (Chaban, 2018; T. Frey, 2011; Kaiser Family Foundation, 2016; Mejia, 2017; OECD, 2016; World Economic Forum, 2016).

**Figure 16.**  
**Job Projections, New York, 2014 to 2024**

<b>Occupation</b>	<b>2014 Employment</b>	<b>Annual New Growth</b>	<b>Hourly Wage</b>	<b>Education or Training</b>	<b>Likelihood of Being Replaced by Tech</b>
Retail Salespersons	313,870	14,110	\$10.32	None	92%
Office Clerks	227,930	6,820	\$14.11	High school diploma or equivalent	96%
Janitors and Cleaners	215,510	7,400	\$13.44	None	66%
Secretaries and Administrative Assistants	213,570	4,390	\$17.94	High school diploma or equivalent	96%
Cashiers	194,490	8,710	\$9.16	None	97%
Registered Nurses	183,210	7,450	\$36.50	Bachelor's degree	1%
Personal Care Aides	164,700	6,460	\$10.98	High school diploma or equivalent	74%
Home Health Aides	161,970	10,990	\$10.37	High school diploma or equivalent	39%
Food Prep, Including Fast Food	158,870	9,660	\$8.94	None	92%
Customer Service Representatives	154,070	5,950	\$17.04	High school diploma or equivalent	55%
General and Operations Managers	153,190	6,500	\$57.27	Bachelor's degree	16%
Waiters and Waitresses	152,730	9,240	\$9.28	None	94%
Bookkeeping and Auditing Clerks	126,840	1,240	\$19.00	Some college, no degree	98%
Teacher Assistants	123,840	3,970	\$13.72	Some college, no degree	56%
Stock Clerks and Order Fillers	123,410	5,040	\$10.51	High school diploma or equivalent	64%
First-Line Supervisors of Office Workers	121,860	3,520	\$28.38	High school diploma or equivalent	1%
Nursing Assistants	110,730	4,270	\$15.87	Postsecondary nondegree award	6%
Security Guards	109,680	3,380	\$14.42	High school diploma or equivalent	84%
Accountants and Auditors	109,030	5,240	\$37.52	Bachelor's degree	94%
Maintenance and Repair Workers	102,020	4,200	\$19.93	High school diploma or equivalent	64%

Sources: Bureau of Labor Statistics, 2014, 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; for example, areas flooded by Superstorm Sandy in NYC had larger percentages of people living below the poverty line than non-flooded areas. Droughts, floods, crop failures, violent weather, rising sea levels, and ocean acidification directly threaten the homes of ALICE families and the jobs where they work. For example, ALICE families who live in flood prone areas may suffer the financial cost of flooding damage, and an ALICE worker suffers lost wages when crops fail and there is less work (NASA, 2018; SAMHSA, 2017; Van Paasschen, 2017).

## Lacking Assets

When families cannot afford their day-to-day necessities, it is almost impossible to save and build assets for the future, let alone accumulate additional savings for emergencies. When families have been struggling over an extended period of time, assets are depleted and not rebuilt. This is most dire for seniors aging into retirement (Munnell, Hou, & Sanzenbacher, 2017).

Market instability causes severe difficulties for ALICE households without 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, 45 percent of New York 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 available data on wealth is minimal, there is data available on three of the most common assets in New York — vehicles, homes, and investments — which can provide insight into resources families have for emergencies and to accumulate wealth. Most New York households (71 percent) have at least one vehicle, one of the lowest rates in the country. Although cars are a necessity for work in many parts of New York 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, 54 percent of New York households owned a home and more than half of those had a mortgage. Renting a home has become less affordable in New York, especially NYC, as the cost of rentals has continued to rise, while demand for low-cost and multi-family housing has outpaced the supply. New York renters devote a high percentage of their household income to rent — and is the fourth most expensive state in the nation by this measure (American Community Survey, 2016; National Low Income Housing Coalition, 2018; NYU Furman Center, 2018; State of New York Comptroller, 2014).

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, 21 percent of households in New York had interest and dividends or rental income, which is the same as the national average, but down from 30 percent in 2010. For seniors, retirement income from a pension, disability income, annuity or insurance,

or an IRA can make a huge difference in their ability to cover expenses and weather an emergency. Yet only 19 percent of New York households had retirement income in 2016 (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 greater risks of predatory lending practices and default. Yet in some cases, the consequences of not taking out these loans are worse than the risk of taking them. It may be more costly to forgo heat or necessary medical care, for example, than the financial cost of predatory lending. In many cases, borrowing costs are cheaper than fees for missing payments, such as heat-reinstatement fees (Mayer & Jencks, 1989; McKernan, et al., 2011; McKernan, Ratcliffe, & Vinopal, 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 levels of quality health care access. With advances in technology and medical care, that gap is projected to grow. 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).

With advances in technology and medical care, such as personalized medicine, biotechnology, and genetic engineering, that gap is projected to grow (Chetty, Stepner, Abraham, et al., 2016; Harari, 2014; Komlos & Kelly, 2016; Regalado, 2015).

The health-wealth divide is also exacerbated by the differences in the environments where families live. 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.

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 the jobs available to them. 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. Several 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 is the wealth-health divide starker than in the disparity in dental care. Higher-income Americans have dental health insurance (most often separate from health insurance) and access to care that helps prevent tooth decay and breakage, and promotes jaw comfort, clear speech, and easier maintenance — all of which lead to better overall health. They often spend thousands of dollars on supplemental dental care to achieve whiter, straighter, stronger smiles, which leads to more social and job opportunities.

Those with the lowest incomes rarely have dental insurance and therefore 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 and communication, eating and nutrition, sleeping, learning, playing, and quality of life. In addition, crooked or yellow teeth can stigmatize people in social settings and reduce job prospects, and they are associated with low educational achievement and social mobility. According to a 2015 American Dental Association survey, 29 percent of low-income respondents reported that the appearance of their mouth and teeth affected their ability to interview for a job.

Dental services for low-income children have improved significantly over the last decade. New York's dental health plan, Child Health Plus, provides coverage for children under the age of 19. 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 about 55 percent in New York. This percentage is larger than the national average gap decrease of 53 percent, but only represents the 27<sup>th</sup> largest decrease reported for all U.S. states. However, there is room for improvement. New York still has a gap of about 20 percent in dental utilization between privately insured children and those enrolled in Medicaid, which is larger than the 16 percent average gap nationally and is the 13<sup>th</sup> largest gap in coverage among all U.S. states.

Care for adults is limited by the fact that many dental services require a co-pay that may make them unaffordable for many ALICE families. If the covered services are provided out of New York Medicaid, there are even more charges. For seniors, Medicare does not cover routine oral health and dental care, but the state of New York provides limited supplemental services for low-income seniors. 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. Although New York's number of practicing dentists per 100,000 population (73.5) ranks seventh nationally, even people with dental coverage may have difficulty accessing care in New York. There are 139 dental care Health Professional Shortage Areas (HPSAs), in both rural areas and urban areas, meaning that only 27 percent of the need for care is met. An estimated 519 practitioners are needed in the state to remove this HPSA designation.

While the ratio of population to dentists for New York (1,240:1) is lower than the national average (1,480:1), the rates fluctuate highly based on geographic area. While the most resourced areas have a population to practitioner ratio of only 570:1, the more resource-constrained regions have a ratio almost 100 times that amount, at 5,420 residents to one dentist.

*Sources: Center for Health Care Strategies, 2018; County Health Rankings, 2018; Frakt, 2018; Health Policy Institute, 2015; Jordan & Sullivan, 2017; Kaiser Family Foundation, 2016; New York City Department of Aging, 2017; New York State Department of Health, 2018; Otto, 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 almost 3.4 million households in New York, 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, exacerbated by systemic inequalities in opportunity and wealth. By making this clear, the ALICE data challenges persistent assumptions and stereotypes about people who can't afford to pay their bills or are forced to utilize social services, such as 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 New York exists across boundaries of race/ethnicity, age, and geography, and it is the result of structural mismatch between the cost of living and wages.

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

- At least 45 percent of New York 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 to weather downturns in the short term and become more financially secure in the long term. Policymakers, academics, and advocates in the field 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. 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. Fluctuating income — through unpredictable schedules and on-demand work — is 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); 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 and 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, including 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, from paying students to attend school to replacing all government safety programs. The idea has received more bipartisan attention recently as more workers face periods of low-wages or unemployment (Murray, 2016; Schiller, 2017; Shaefer, Collyer, et al., 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; New York City Independent Budget Office, 2017; 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 counties 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, New York’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.

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