

For Immediate Release

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United Way
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Despite Bigger Paychecks, Struggling Households Nationwide Continue to Increase

New ALICE Update shows wage growth was no match for inflation after a decade of falling behind

Callout Box: United Way of Northern New Jersey is collecting audio testimonials from ALICE individuals about the difficult financial choices they continue to face today given the high cost of essentials and ongoing inflation. Stories can be recorded at: ALICEvoices.org.

MORRISTOWN, N.J. — Though wages for the lowest paid jobs have risen across the country at the fastest rate in four decades, the number of households struggling to make ends meet grew by more than 1.8 million from 2021 to 2022. As a result, a total of 54 million households or 42% were living paycheck to paycheck, according to a new Update from United For ALICE, a U.S. research organization driving solutions to financial hardship from headquarters in New Jersey.

That calculation includes the 16.3 million U.S. households in poverty as well as another 37.9 million defined as **ALICE**[®] (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mloyed), earning above the Federal Poverty Level but less than what's needed to survive in the current economy. ALICE workers include child care providers, home health aides and cashiers — those working low-wage jobs, with little or no savings and one emergency from poverty.

ALICE in the Crosscurrents: An Update on Financial Hardship in the United States shows that while wages were increasing, so too were costs. Added to that mix was the loss of pandemic supports in 2022, and it was impossible for ALICE families to overcome a decade of being locked out of the economic boom.

For a family of four with an infant and a preschooler, the basic costs to live and work in Franklin County, Ohio — where costs and wages are near the median for all U.S. counties — rose from \$90,360 in 2021 to \$96,480 in 2022, excluding tax credits. Compounding the issue in 2022 was the loss of up to \$15,000 in federal child tax credits and stimulus payments that this family had access to in 2021.

“There is no doubt, bigger paychecks helped, but there was too much ground to make up,” said United For ALICE President Kiran Handa Gaudio. “With inflation and the loss of pandemic supports factored in, this latest data is a reminder that while we have made some progress, our work is far from over.”

The findings in this one-year period are consistent with a more than decade-long trend: Since the end of the Great Recession, despite some ups and downs, the number of ALICE households throughout the country has been steadily growing. From 2010 to 2022, the total number of households rose by 12%, households in poverty increased by 2% — and the number of ALICE households grew by 23%.

“The data is showing persistent and widespread financial hardship — a red flag that the current system isn’t working for ALICE,” said Stephanie Hoopes, Ph.D., United For ALICE National Director. “Current policy has not been enough to break down the barriers that trap ALICE households in financial hardship, from lack of access to housing and child care that’s affordable, to inadequate community supports such as broadband internet.”

Additional insights include:

- At least one-third of households in every state could not afford the basics in 2022. The percentage of struggling households ranged from a low of 33% in Alaska to a high of 52% in Mississippi.
- From 2010 to 2022, people aged 65 and over made up the fastest-growing age group in the country — and the group with the largest increase (39%) in the number of households struggling to make ends meet.
- Racial disparities persisted in the rates of financial hardship; 59% of Black and 52% of Hispanic households in the U.S. were either in poverty or ALICE in 2022, compared to 37% of white households.
- Food assistance continued to elude many vulnerable families nationwide. Partly due to the SNAP income eligibility level (138% of the Federal Poverty Level in most states), only 41% of all households in poverty and 18% of all ALICE households participated in SNAP in 2022.

To read the Update and access online, interactive dashboards that provide data on financial hardship at the state, county and local levels, visit UnitedForALICE.org/National-Overview.

About United For ALICE

United For ALICE is a U.S. research organization driving innovation, research and action to improve life across the country for ALICE (Asset Limited, Income Constrained, Employed) and for all. Through the development of the ALICE measurements, a comprehensive, unbiased picture of financial hardship has emerged. Harnessing this data and research on the mismatch between low-paying jobs and the cost of survival, ALICE partners convene, advocate and collaborate on solutions that promote financial stability at local, state and national levels. This grassroots ALICE movement, led by United Way of Northern New Jersey, has spread to 31 states and includes United Ways, corporations, nonprofits and foundations in Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawai‘i, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington, Washington, D.C., West Virginia and Wisconsin; we are United For ALICE. For more information, visit: UnitedForALICE.org.

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