



## FINANCIAL STABILITY FOR ALL HOUSEHOLDS BUILDS STRONGER COMMUNITIES

In 2018, even before the pandemic, 42% of U.S. households were unable to afford the cost of household basics in the counties where they live. This included households below the Federal Poverty Level (FPL) and households that are **ALICE: Asset Limited, Income Constrained, Employed**. With income above the FPL, ALICE households earn too much to qualify as “poor” but are still unable to cover the basics of housing, child care, food, transportation, health care, and technology. They often work as cashiers, nursing assistants, office clerks, servers, laborers, and security guards. These types of jobs are vital to keeping our economy running smoothly, but they do not provide adequate wages to support ALICE workers and their families.

The consequences of insufficient income are far-reaching and interconnected. When households can’t afford the basics, they are forced to make impossible choices, like living in substandard housing with greater exposure to environmental hazards, delaying or avoiding medical care, or eating less nutritious food. These decisions have ripple effects over all aspects of a family’s life – and across their wider community. (To learn more about these consequences, see our 2019 Report [The Consequences of Insufficient Household Income](#)).

The benefits of sufficient income are also far-reaching, but to opposite effect. Greater financial stability and having basic needs met improves the lives of individuals, families, and communities. Financial stability can also reduce the anxiety that comes from struggling to survive, or not having a cushion for emergencies. It leaves more time to spend with loved ones and to participate in the community – all of which contribute to happiness and improved life satisfaction.

Having money saves money: Having enough income means that households can build their credit scores and avoid late fees, predatory lending, and higher interest rates. That, in turn, means that ALICE families have more resources to use to reduce risks, stay healthy, or save and invest in education or assets that could grow over time. Instead of a downward cycle of accumulating fees, debt, and stress, families can have an upward cycle of savings and security for the future.

For communities, this leads to greater economic activity, greater tax revenue, lower levels of crime, and fewer demands on the social safety net, allowing more investment in vital infrastructure, schools, and health care.

**Strengthening communities by strengthening ALICE families means a higher quality of life for all.**

If households have sufficient income for...	Impact on ALICE Households	Impact on the Community
 <b>Safe, Affordable Housing</b>	Improved health through safer environments and decreased stress, improved educational performance and outcomes for children, greater stability for household members, a means to build wealth for homeowners	Less traffic, lower health care costs, better maintained housing stock, lower crime rates, less spending on homelessness/social services
 <b>Quality Child Care and Education</b>	Improved academic performance, higher lifetime earnings, higher graduation rates, improved job stability/access for parents, better health	Decreased racial/ethnic and socioeconomic performance gaps, decreased income disparities, high return on investment (especially for early childhood education)
 <b>Adequate Food</b>	Decreased food insecurity, improved health (especially for children and seniors), decreased likelihood of developmental delays and behavioral problems in school	Lower health care costs, improved workplace productivity, less spending on emergency food services
 <b>Reliable Transportation</b>	Improved access to job opportunities, school and child care, health care, retail markets, social services, and support systems (friends, family, faith communities)	Fewer high-emissions vehicles on the road, more diverse labor market, decreased income disparities
 <b>Quality Health Care</b>	Better mental and physical health (including increased life expectancy), improved access to preventative care, fewer missed days of work/school, decreased need for emergency services	Decreased health care spending and need for emergency services, fewer communicable diseases, improved workplace productivity, decreased wealth-health gap
 <b>Reliable Technology</b>	Improved access to job opportunities, expanded access to health information and telemedicine services, increased job and academic performance	Decreased “digital divide” in access to technology by income, increased opportunities for civic participation
 <b>Savings</b>	Ability to withstand emergencies without impacting long-term financial stability and greater asset accumulation over time (e.g., interest on savings; ability to invest in education, property, or finance a secure retirement)	Greater charitable contributions, less spending on emergency health, food, and senior services

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