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United Ways of the
Pacific Northwest

Pandemic Impact: 76,608 More Washington Households Financially Insecure

New ALICE Report shows pandemic aids temporarily blunted the financial crisis, yet warning signs are on the horizon

Callout Box: United Ways of the Pacific Northwest 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. Voice messages can be recorded at: ALICEvoices.org.

OLYMPIA, WASHINGTON — The ranks of Washington households unable to afford the basics grew by more than 76,000 during the first two years of the COVID-19 pandemic, resulting in a total of 1.026 million households or 34% struggling to afford the basics by 2021, according to a new report from United Ways of the Pacific Northwest and its research partner United For ALICE.

That calculation includes the 299,696 households in poverty as well as another 727,292 families defined as **ALICE** (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed), earning above the Federal Poverty Level but less than what's needed to survive in the modern economy. ALICE families have been overlooked and undercounted by traditional poverty measures. ALICE is the nation's child care workers, home health aides and cashiers heralded during the pandemic – those working low-wage jobs, with little or no savings and one emergency from poverty.

ALICE in the Crosscurrents: COVID and Financial Hardship in Washington shows that the total number of financially insecure households rose by 8% between 2019 and 2021 – more than double the 3% increase in the state's overall population. The number of ALICE households increased by 55,445 during that time. In contrast, there were 23,163 more families in poverty.

Washington ranked 4th in financial hardship among all 50 states, with one of the nation's lowest percentages of households struggling to make ends meet in 2021.

While job disruptions and inflation delivered significant financial pain, a combination of pandemic supports and rising wages did help to blunt what could have been a deeper financial crisis, the report finds. However, as some benefits are peeled back, and inflation persists, signs of greater financial stress are on the horizon.

"We are talking about families that never recovered from the Great Recession. Now, add a pandemic on top of that. Today, with COVID-19 supports all but gone we know things may be much worse on the ground in many communities than seen in this 2021 spotlight. We must be diligent to not let our neighbors continue to fall through the cracks, or the costs to society will be much greater," stated Jim Cooper, President & CEO of United Ways of the Pacific Northwest.

According to the report, for a family of four with an infant and a preschooler, the annual ALICE Household Survival Budget, which is the basic cost needed to live and work in Washington, was \$92,532 in 2021. The Child Tax Credit and Child Dependent Care Tax Credit helped to soften the blow, bringing the family Survival Budget down to \$77,328.

Even with the variety of temporary pandemic supports available, in 2021, a family of four with two-full time workers earning salaries as a retail salesperson and a cashier – two of the most common occupations in Washington – fell short of affording the family budget by \$7,072.

“A positive change during the pandemic was that tax credits, stimulus payments and rental assistance were available for ALICE households and provided strong relief,” said Stephanie Hoopes, Ph.D., United For ALICE National Director. “However, as some of these supports come to an end, growing food insufficiency and other indicators reveal continued stress. Ignoring these warning signs places ALICE, our economy and the well-being of our communities at great risk.”

Additional report insights include:

- Racial disparities persist in the rates of financial hardship; 52% of Black and 46% of Hispanic households were below the ALICE Threshold in 2021, compared to 33% of white households.
- Single female-headed households had among the highest rates of hardship. More than two thirds – 70% – of Washington’s single female-headed households could not afford basics in 2021.
- In 2021, 45% of the 20 most common jobs in Washington paid less than \$20 per hour. As a result, many of these top jobs still had a substantial percentage of workers who were either ALICE or in poverty in 2021.
- In Federal Reserve surveys, the percentage of respondents who were either ALICE or in poverty reported seeing emergency savings drop from 46% in October 2019 to 43% in November 2021. Meanwhile, those survey respondents who were financially stable saw emergency savings rise from 65% to 79%.

To read the report and access online, interactive dashboards that provide data on financial hardship at the state, county and local level, visit www.unitedforalice.org/washington.

About United Ways of the Pacific Northwest

United Ways of the Pacific Northwest (UWPNW) is the regional trade association for 34 local United Ways in Washington, Oregon, and Idaho. United Ways in the Pacific Northwest are committed to improving lives by mobilizing the caring power of communities to advance the common good in the areas of education, income, and health. Our mission is to advance the common good throughout the Pacific Northwest by enhancing the individual and collective ability of member United Ways to impact their communities and collaborate on regional and statewide issues.

About United For ALICE

United For ALICE is a driver of 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 27 states and includes United Ways, corporations, nonprofits and foundations in Arkansas, Connecticut, Delaware, Florida, Georgia, Hawai'i, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Mississippi, New Jersey, New York, Ohio, Oregon, Pennsylvania, 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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