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COVID-19 Hit as Record Number of ALICE Families Priced Out of Survival

ALICE Report: A crisis in the making as 66% increase in Florida’s ALICE households over 10 years fueled by high-priced basics and stagnant wages

To read a copy of the report and find county-by-county and town-level data on the size and demographics of ALICE as well as the community conditions and costs faced by ALICE households, visit www.UnitedForALICE.org/Florida

STUART, FL — When COVID-19 hit, over 107,000 Treasure Coast households were one emergency away from financial ruin setting the stage for the unprecedented economic impact of the crisis, according to the state’s latest ALICE Report, released today by United Way of Florida, in partnership with United For ALICE.

Over the last decade, Florida’s low-income families systematically lost buying power and financial stability as the high cost of essentials outpaced wages, driving the number of ALICE households to rise 66 percent by 2018, the report shows.

“We’ve known that our economy was increasingly reliant on these families we call ALICE, who are financially vulnerable to one emergency,” said United Way of Martin County President/CEO Carol G. Houwaart-Diez said. “COVID-19 became that one universal emergency. ALICE families are facing the greatest health and financial risks today, as they are the workers who don’t have health insurance, have no paid sick days, and whose children receive daily meals at school.”
In 2018, of Florida’s 7.8 million households, nearly 2.6 million were ALICE (Asset Limited, Income Constrained, Employed) a record number that were unable to afford the basics for survival, despite working. That’s in addition to the 1 million families that were in poverty.

In Martin and Indian River counties, 44% of households are living below the ALICE threshold or in poverty, while in St. Lucie County, 46% are living below the ALICE threshold or in poverty.

While wages for ALICE workers remained largely stagnant, the cost of six essentials grew on average 3.4 percent annually over the past decade. That’s in contrast to a rate of inflation of 1.8 percent.

As a result, ALICE households grew to account for 33 percent of Florida’s households in 2018, up from 22 percent in 2007. In contrast, poverty levels remained largely flat at about 13 percent. The report shows ALICE households were locked out of the boom economy and unable to establish savings due to meager pay raises and inconsistent job hours, schedules, and benefits.

“No matter how hard ALICE families worked, the gap between their wages and the cost of basics just kept widening,” said United Way of St. Lucie County President/CEO Jessica Parrish. “These already fragile ALICE households are now facing an even deeper financial hole due to the state of emergency created by COVID-19.”

ALICE in Florida: A Financial Hardship Study shows that the cost of survival ranges annually from $24,600 for a single adult, to $27,348 for a senior citizen and $69,516 for a family of four with an infant and a preschooler. Putting this in perspective, the median hourly wage in Florida is $22,040, less than all the budgets.

This mismatch between wages and costs is revealed by a new measurement debuting in this report, called the ALICE Essentials Index. This Index chronicles how the cost of housing, child care, food, transportation, health care and a smartphone plan rose at nearly twice the rate of inflation, as measured by the Consumer Price Index. The result is that in 2018 two parents working full time needed to earn $17.38 an hour in order to afford the Household Survival Budget for a family of four. That’s up from a wage of $11.93 an hour affording that budget in 2007. During the same period, the number of low-wage jobs grew by 69 percent, accounting for the majority of all jobs in Florida.

“The ALICE Essentials Index shows that, through no fault of their own, ALICE families have been priced out of economic stability, setting the stage for the scope of this crisis,” said United For ALICE National Director Stephanie Hoopes, Ph.D. “Using the Consumer Price Index alone to measure inflation provides an incomplete picture of the cost of living, severely underestimating the mounting financial pressures on ALICE families.”

“The report’s findings should be put in play immediately to identify state and local supports that address the unique challenges the COVID-19 pandemic has inflicted on ALICE families as businesses and schools remain closed indefinitely,” said United Way of Indian River County CEO Michael Kint.

The report calls for stakeholders across all sectors to use its findings to remove obstacles to financial stability, identify gaps in community resources and build data-driven solutions to help ALICE families achieve economic stability, bolstering the state’s economy overall.
The ALICE Report for Florida is a project of United For ALICE, a grassroots movement of some 650 United Ways in 21 states, corporations and foundations, all using the same methodology to document financial need. ALICE Reports provide county-by-county and town-level data, and analysis of how many households are struggling, including the obstacles ALICE households face on the road to financial independence.

For more information or to find data about ALICE in local communities, visit www.UnitedForALICE.org/Florida.

**About United Way of Martin County**
United Way of Martin County’s mission is to improve lives by mobilizing the caring power of our community. Since 1972, the United Way has been working to create long-term social change and provide support to Martin County residents by investing in programs that strive to: enhance healthy living, improve education and support financial stability. For more information about United Way of Martin County, visit www.UnitedWayMartin.org or call 772-283-4800.

**About United Way of Indian River County**
United Way of Indian River County (UWIRC) is a 501(c)(3) non-profit organization that fights for the health, education, and financial stability of every community member. United Way works with local programs to provide resources to individuals and families in crisis today, while working year-round to improve community conditions and create lasting solutions. We are effectively building a strong foundation and improving lives by mobilizing the caring power of our community. For more information about your local United Way, please call (772) 567-8900 or visit our website, UnitedWayIRC.org.

**About United Way of St. Lucie County**
United Way of St. Lucie County encourages people to LIVE UNITED by giving to the annual campaign, spreading the word about the positive impact United Way is making in our community, and volunteering to make our community a better place for us all. We support numerous programs that enhance the lives of people in St. Lucie County. For more information on how you can LIVE UNITED and help create a brighter future for those in need in our community, please call 772-464-5300, like us on Facebook and Instagram: @UnitedWaySLC and Twitter: @UnitedWaySLCInc or visit our website www.unitedwayslc.org.

**About United For ALICE**
United For ALICE is a driver of innovation, shining a light on the challenges ALICE (Asset Limited, Income Constrained, Employed) households face and finding collaborative solutions. Through a standardized methodology that assesses the cost of living in every county, this project provides a comprehensive measure of financial hardship across the U.S. Equipped with this data, ALICE partners convene, advocate, and innovate in their local communities to highlight the issues faced by ALICE households and to generate solutions that promote financial stability. The grassroots movement represents United Ways, corporations, nonprofits and foundations in Arkansas, Connecticut, Florida, Hawai’i, Idaho, Illinois, Indiana, Iowa, Louisiana, Maryland, Michigan, New Jersey, New York, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington and Wisconsin; we are United For ALICE. For more information, visit: UnitedForALICE.org.

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