

NEWS RELEASE

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ALICE Still Struggles: 42 Percent of Households At Financial Risk in Jackson County; ALICE Report Reveals Uneven Economic Recovery

Low Wages, Reduced Work Hours, Depleted Savings Among Challenges for Working Families

JACKSON, Michigan [March 20, 2019]—More than 4 in 10 households in Jackson County are either in poverty or barely getting by financially, a new report on Michigan’s working families reveals.

The Michigan Association of United Ways (MAUW) today released a study on the condition of Michigan’s working families, which it has dubbed ALICE households—those that are Asset Limited, Income Constrained, Employed. The report found that ALICE households now make up 43 percent of Michigan households, up from 40 percent in 2017. Despite overall improvement in employment and gains in median income, 1.66 million Michigan households could not afford basic needs such as housing, child care, food, transportation, health care and technology. The cost of the average Michigan family budget also increased by 27 percent from 2010 to 2017, despite a low rate of inflation nationwide—12 percent during the same timeframe.

In Jackson County, 42 percent of 62,220 households fell below the ALICE threshold, which is the income level where a family can move beyond a survival budget. That’s up from 36 percent in the last report issued in 2017.

“We all know ALICE. They represent some of the hardest-working people in our community. They’re also the most vulnerable, struggling financially to provide for themselves and their families,” said Ken Toll, President and CEO of United Way of Jackson County (UWJC).

Toll said financial hardship is the thread running through every social issue in Jackson County. Low-income households often struggle to pay rent, keep food on the table, keep the lights on, or even maintain a car to get to work or buy medicine to stay well. “Any one of those things can cause a spiral that leaves a family homeless, a person unable to work or a child unable to learn in school,” he said.

“United Way of Jackson County is laser-focused on helping every person build a pathway to financial stability,” Toll added.

Low-Wage Jobs Dominate

Although unemployment rates are falling in Michigan, the ALICE Report found that low-wage jobs dominate the employment landscape; 61 percent of all jobs in Michigan paying less than \$20 per hour. At the same time, an increase in contract jobs and on-demand jobs is leading to less financial stability. For the many households that earned slightly above the ALICE threshold in the past, increases in the cost of living and flat wages have pushed them below the threshold and into financial hardship.

“Through the release of our third ALICE Report, Michigan’s United Ways are banding together to bring to light the issues hardworking Michigan residents face every day,” said Mike Larson, CEO, Michigan Association of United Ways. “As we continue to uncover the depth and breadth of Michigan’s ALICE population, we hope to encourage legislators and business leaders alike to chart a path forward for our state’s most vulnerable residents.”

“Nobody working more than 40 hours a week should be struggling to take care of themselves and their families,” said Michigan Governor Gretchen Whitmer. “We need to come together and invest in real solutions that will help Michiganders get ahead. The budget I proposed this month will do just that, by doubling the Earned Income Tax Credit and repealing the Retirement Tax, which will save families hundreds of dollars per year, and making the biggest investment in K-12 education in a generation of kids. I’m eager to work with my partners in the legislature to pass a budget that will help lift Michigan families out of poverty and ensure everyone has a path to a good-paying job.”

The Michigan Association of United Ways joins with roughly 450 United Ways from 15 states across the country to better understand the struggles of ALICE. Various organizations across the country are also using this data to better understand the needs of their employees, customers and communities.

In Michigan, the Consumers Energy Foundation granted \$25,000 to fund the study. “At Consumers Energy, we are committed to helping Michigan succeed. The ALICE Report is important because it provides policymakers, community leaders and businesses with detailed data to shape good decisions that serve the people of our state,” said Brandon Hofmeister, president of the Consumers Energy Foundation.

Why Local ALICE Households Struggle

UWJC’s Toll said local ALICE families have not seen their income keep pace with the cost of housing, child care, food, transportation and health care—what’s known as the Household Survival Budget. A family on a Household Survival Budget can’t build savings or invest for the future. That leaves them at risk from unexpected expenses.

According to the latest ALICE Report, a single adult in Jackson County earning \$20,580 annually, or a family of four earning \$59,580, is considered living on a Household Survival Budget. That is the income needed just to make ends meet. About 13 percent of households in Jackson County fall below the adjusted Federal Poverty Level.

Toll said UWJC invests in programs and partnerships that assist ALICE individuals and families, especially those in or at risk of an economic crisis. Currently, UWJC is investing \$815,449 in 27 programs through 18 partners targeting key strategies for building financial stability. Among United Way’s leading-edge initiatives are the Financial Stability Network, which aligns community sectors such as government, business, nonprofits and education to address the most pressing economic issues; and JobSTAR, an

employee resource network involving local businesses and service agencies that removes barriers keeping people from working.

UWJC has set a goal of helping 5,000 Jackson County residents develop a pathway to financial stability by 2025. Details of UWJC's local investments and programs are available online at uwjackson.org under the header "Our Work."

"The new ALICE Report helps us better understand the need and how United Way can channel our community's hard work to help vulnerable households," said Toll. "The secret is helping people get past the barriers to becoming financially stable. It's a complex challenge, but it's not insurmountable. Through JobSTAR, through the Financial Stability Network, through our many partnerships, we're seeing more and more families learning how to build pathways to economic success. That's good for them, good for our economy, and good for our whole community."

Creating the ALICE Report

To produce the United Way ALICE Report for Michigan, a national team of researchers collaborated with the Michigan Research Advisory Committee, composed of representatives from across the state, who advised and contributed to the report. The report focuses on providing objective, comprehensive county-by-county data that identifies the size of the ALICE population in Michigan and works to identify the obstacles that keep these residents from achieving financial independence. The current report builds on data found in the 2017 ALICE study, showing not only continuity but also highlighting United Way's commitment to this data.

United Ways currently work to provide some short- and medium-term solutions for ALICE households, such as offering scholarships to access quality child care, free tax preparation and financial and career mentoring. In shedding light on the underlying causes keeping ALICE households from getting ahead, MAUW provides information that will inform discussions with businesses, government agencies, other nonprofits, the faith-based community and residents to create solutions for a stronger Michigan.

For more on ALICE, including the full Michigan report, go to www.michiganalice.org.

About United Way of Jackson County

United Way of Jackson County mobilizes people, organizations and funds to create a community rich in opportunities to eliminate poverty and allow all people to achieve financial stability and success. We are committed to helping 5,000 Jackson County residents develop a pathway to financial success by 2025. Visit our website at www.uwjackson.org, or follow us on Facebook, Twitter, YouTube and Instagram.

About the Michigan Association of United Ways

Michigan Association of United Ways (MAUW) is a partner in developing powerful responses to current and emerging issues in local communities. The State Association provides leadership in policy influence and capacity building to affect positive change. MAUW serves approximately 60 local United Ways that represent the largest network of non-governmental service providers and service funders in Michigan, collectively raising and distributing significant resources to support local health and human service organizations.

Attachments: ALICE in Jackson County; ALICE Fast Facts – Michigan