WORKING HARD BUT STRUGGLING TO SURVIVE

Pennsylvania ALICE Report
Pennsylvania Research Advisory Committee

- William A. Calo, Ph.D., J.D., M.P.H.
  Penn State College of Medicine

- Vincent Cannizzaro, M.P.P.
  The Arthur J. Glatfelter Institute for Public Policy, York College of Pennsylvania

- Scott Davis, M.S.
  Pennsylvania Housing Finance Agency

- Paul R. Flora, M.U.R.P., M.A.
  Federal Reserve Bank of Philadelphia

- Karen Grimm-Thomas, M.S.
  Pennsylvania Office of Child Development and Early Learning

- James P. Huguley, M.Ed., Ed.D.
  University of Pittsburgh School of Social Work, Center on Race and Social Problems

- Jonathan Johnson, M.S.
  The Center for Rural Pennsylvania

- Ben Marsh, Ph.D.
  Bucknell University

- Steven Martinez, M.B.A.
  Community Action Association of Pennsylvania and LensCAAP Video Production

- Teri Ooms, M.B.A.
  The Institute for Public Policy & Economic Development

- Adam Scavette, M.S.
  Federal Reserve Bank of Philadelphia

- Berwood A. Yost, M.A.
  Floyd Institute for Public Policy, Center for Opinion Research, Franklin & Marshall College
37% of households are struggling

Household Income, Pennsylvania, 2017

- Above ALICE Threshold: 3,172,434 Households (63%)
- Poverty: 640,339 Households (13%)
- ALICE: 1,216,446 Households (24%)

Source: American Community Survey, 2017; ALICE Threshold, 2017
## Cost to live in Pennsylvania

### Household Survival Budget, 2017

<table>
<thead>
<tr>
<th>Monthly Costs</th>
<th>SINGLE ADULT</th>
<th>2 ADULTS, 1 INFANT, 1 PRESCHOOLER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>$592</td>
<td>$827</td>
</tr>
<tr>
<td>Child Care</td>
<td>$-</td>
<td>$1,229</td>
</tr>
<tr>
<td>Food</td>
<td>$199</td>
<td>$604</td>
</tr>
<tr>
<td>Transportation</td>
<td>$309</td>
<td>$617</td>
</tr>
<tr>
<td>Health Care</td>
<td>$158</td>
<td>$617</td>
</tr>
<tr>
<td>Technology</td>
<td>$55</td>
<td>$75</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$157</td>
<td>$450</td>
</tr>
<tr>
<td>Taxes</td>
<td>$260</td>
<td>$526</td>
</tr>
<tr>
<td>Monthly Total</td>
<td>$1,730</td>
<td>$4,945</td>
</tr>
<tr>
<td>ANNUAL TOTAL</td>
<td>$20,760</td>
<td>$59,340</td>
</tr>
<tr>
<td>Hourly Wage*</td>
<td>$10.38</td>
<td>$29.67</td>
</tr>
</tbody>
</table>

*Full-time wage required to support this budget

### FPL =
- $12,060 single adult and
- $24,600 family

### PA minimum wage:
- $7.25/hour = $14,500/year

### Basic costs increased from 2007 to 2017:
- 26% for a single adult, 22%
- for a family of four – compared to 12% inflation

---

Household Survival Budget sources

- **Housing**: HUD’s Fair Market Rent (40th percentile)
- **Child Care**: Registered Family Child Care Homes
- **Food**: Thrifty Level (lowest of four levels) of the U.S. Department of Agriculture (USDA) Food Plans – with regional variation
- **Transportation**: Car expenses include gas and motor oil and other vehicle maintenance expenses from Consumer Expenditure Survey (CES)
- **Health Care**: Nominal out-of-pocket health care spending, insurance, medical services, prescription drugs from Consumer Expenditure Survey (CES)
- **Technology**: Smart phone using Consumer Reports “Best Low-Cost Cell-Phone Plans”
- **Miscellaneous**: 10 percent of the total (including taxes) to cover cost overruns
Cost of living outpaces wages

Household Survival Budget Compared to Salary for Top Occupations, Pennsylvania, 2017

ALICE households are all ages

Household Income by Age of Head of Household, Pennsylvania, 2017

Source: American Community Survey, 2017; ALICE Threshold, 2017
ALICE households are all Race/Ethnicities

Source: American Community Survey, 2017; ALICE Threshold, 2017
ALICE households are all household types

Source: American Community Survey, 2017; ALICE Threshold, 2017
ALICE families in Pennsylvania

Families With Children Below ALICE Threshold = 398,762

Percent of Families With Children

- Married: 86% (852), 9% (5)
- Single-Female-Headed: 41% (299), 26% (267)
- Single-Male-Headed: 19% (107), 33% (33)

Source: American Community Survey, 2017; ALICE Threshold, 2017
Overview of the labor force

Labor Status, Population 16 and Over, Pennsylvania, 2017

Sources: American Community Survey, 2017; Federal Reserve Bank of St. Louis, 2017—Total Wage and Salary Workers

Note: Data for full- and part-time jobs is only available at the national level; these national rates (51 percent of full-time workers paid hourly and 75 percent of part-time workers paid hourly) have been applied to the total Pennsylvania workforce to calculate the breakdown shown in this figure.
Growth in hourly and salary wages

Workers Paid Hourly and Salary Wages, Pennsylvania 2007-2017

2007 - 2017
1% increase in total jobs

Inequality in the work force

Median Earnings and Unemployment, Pennsylvania, 2017

Source: American Community Survey, 2007-2017
Opioid crisis in Pennsylvania

Percent Below the ALICE Threshold and Overdose Rate, Pennsylvania Counties, 2017

Source: ALICE Threshold, 2017; Pennsylvania Bureau of Health Statistics and Registries, 2018
Opioid crisis in Pennsylvania

Percent Below the ALICE Threshold and Overdose Death Rate, Pennsylvania Counties, 2017

Source: ALICE Threshold, 2017; Pennsylvania Bureau of Health Statistics and Registries, 2018
Earnings for people in Pennsylvania

Wages needed to support the Household Survival Budget:

**Single adult:** $10.38/hour

**Family of four:** $29.67/hour

For comparison, in 2010, 52% of jobs paid less than **$20/hour**

ALICE workers keep the economy running

- ALICE workers are “Maintainers”
- They care for the workforce and build and maintain the infrastructure
- In 2017, only three of the top 20 occupations – Registered Nurses, General and Operations Managers, and Elementary School Teachers – paid enough to support the Pennsylvania Household Survival Budget for a family of four

### Top 20 Occupations by Employment and Wage, 2017

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number of Jobs</th>
<th>Median Hourly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Salespersons</td>
<td>167,480</td>
<td>$10.89</td>
</tr>
<tr>
<td>Office Clerks</td>
<td>154,400</td>
<td>$15.48</td>
</tr>
<tr>
<td>Food Prep, Including Fast Food</td>
<td>148,680</td>
<td>$9.06</td>
</tr>
<tr>
<td>Cashiers</td>
<td>147,200</td>
<td>$9.15</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>143,130</td>
<td>$32.80</td>
</tr>
<tr>
<td>Laborers and Movers, Hand</td>
<td>141,760</td>
<td>$13.03</td>
</tr>
<tr>
<td>Customer Service Representatives</td>
<td>120,360</td>
<td>$16.34</td>
</tr>
<tr>
<td>Personal Care Aides</td>
<td>109,980</td>
<td>$11.26</td>
</tr>
<tr>
<td>Secretaries and Administrative Assistants</td>
<td>99,300</td>
<td>$16.64</td>
</tr>
<tr>
<td>Waiters and Waitresses</td>
<td>98,000</td>
<td>$10.24</td>
</tr>
<tr>
<td>Stock Clerks and Order Fillers</td>
<td>90,710</td>
<td>$11.19</td>
</tr>
<tr>
<td>Janitors and Cleaners</td>
<td>89,920</td>
<td>$12.46</td>
</tr>
<tr>
<td>Heavy and Tractor-Trailer Truck Drivers</td>
<td>80,810</td>
<td>$21.54</td>
</tr>
<tr>
<td>General and Operations Managers</td>
<td>75,540</td>
<td>$36.85</td>
</tr>
<tr>
<td>Nursing Assistants</td>
<td>75,020</td>
<td>$14.13</td>
</tr>
<tr>
<td>First-Line Supervisors of Office Workers</td>
<td>66,920</td>
<td>$27.38</td>
</tr>
<tr>
<td>Sales Representatives</td>
<td>60,570</td>
<td>$28.94</td>
</tr>
<tr>
<td>Maintenance and Repair Workers</td>
<td>58,330</td>
<td>$18.14</td>
</tr>
<tr>
<td>Bookkeeping and Auditing Clerks</td>
<td>57,760</td>
<td>$18.32</td>
</tr>
<tr>
<td>Elementary School Teachers</td>
<td>54,140</td>
<td>$31.17</td>
</tr>
</tbody>
</table>
Emerging trends

Changing American Household
• Millennials, Baby Boomers
• Immigrants
• Declining fertility rate

Market Instability
• Gig economy, natural disasters
• Future jobs and technology

Growing Inequality of Health
• Increasing costs
• Medical advances - biotechnology and genetic engineering, bio inequity
Emerging trends in Pennsylvania

Changing American Household:

The senior population is growing faster than all other age groups.

While the under 20 age group is projected to decline from 25% to 23%, and the 20 to 64 age group from 60 to 54 percent from 2010-2040.

Source: Weldon Cooper Center for Public Service, 2016
Emerging trends in Pennsylvania

Pennsylvania’s population is changing through migration, both domestic (primarily from New York and New Jersey) and immigration from other countries.

In 2017, there was significant immigration by age group, with the largest net gain of almost 9,000 college-aged students.

The only age groups with net migration out of the state were a very small number of people over age 50.

Source: American Community Survey, 2017
Conclusion: overcoming obstacles

Obstacles and ideas being debated, considered, and piloted

- **Widening skills gap** — Digital training, public education, lifelong learning opportunities

- **Lack of stable and viable employment** — Reduce barriers to employment, portable benefits, small business support, lifetime employment

- **Lack of savings and assets** — Access to credit, private and public financial instruments

- **Systemic bias** — Level the playing field for all, address bias by race/ethnicity, sexual orientation, gender identity, age, and disability status

*For solutions to be effective, they must be as comprehensive and as interconnected as the problems are.*
How does Pennsylvania compare?

- In 2016, **Pennsylvania** had the 16th highest percentage of households with income below the ALICE Threshold compared to other states.
- **New Mexico** had the highest with 49 percent.
- **North Dakota** had the lowest with 32 percent.
When families are ALICE, they often face difficult choices.

The report provides an in depth look at…

- The trade-offs families are forced to make
- The costs incurred by the wider community

Located on the ALICE website at UnitedForALICE.org/all-reports
Thank you for your commitment to ALICE.