WORKING HARD BUT STRUGGLING TO SURVIVE

Arkansas ALICE Report
United for ALICE

Vision: We envision a world where all those who work to keep our economy running can support themselves and their family

Mission: Become the standard measure used by nonprofit, government, business, and academic institutions to define financial insecurity; change the common vernacular from “working poor” to “ALICE”

What we do:
• Driver of innovation for ALICE – Asset Limited, Income Constrained, Employed – households
• Research team developed and updates a set of comprehensive measures of financial hardship
• Data for all 3,000+ counties in U.S.
• 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

UnitedForALICE.org
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41% of households are struggling

Household Income, Arkansas, 2017

- Above ALICE Threshold: 684,738 Households (59%)
- Poverty: 192,370 Households (17%)
- ALICE: 281,585 Households (24%)

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

Household Survival Budget, 2017

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

AR minimum wage 2017: $8.50/hour = $17,000/year

Basic costs increased from 2007 to 2017: 24% for a single adult, 32% for a family of four – compared to 22% inflation

<table>
<thead>
<tr>
<th></th>
<th>SINGLE ADULT</th>
<th>2 ADULTS, 1 INFANT, 1 PRESCHOOLER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing</td>
<td>$480</td>
<td>$651</td>
</tr>
<tr>
<td>Child Care</td>
<td>$-</td>
<td>$761</td>
</tr>
<tr>
<td>Food</td>
<td>$179</td>
<td>$543</td>
</tr>
<tr>
<td>Transportation</td>
<td>$322</td>
<td>$644</td>
</tr>
<tr>
<td>Health Care</td>
<td>$124</td>
<td>$568</td>
</tr>
<tr>
<td>Technology</td>
<td>$55</td>
<td>$75</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>$138</td>
<td>$355</td>
</tr>
<tr>
<td>Taxes</td>
<td>$222</td>
<td>$304</td>
</tr>
<tr>
<td>Monthly Total</td>
<td>$1,520</td>
<td>$3,901</td>
</tr>
<tr>
<td><strong>ANNUAL TOTAL</strong></td>
<td><strong>$18,240</strong></td>
<td><strong>$46,812</strong></td>
</tr>
<tr>
<td><strong>Hourly Wage</strong></td>
<td><strong>$9.12</strong></td>
<td><strong>$23.41</strong></td>
</tr>
</tbody>
</table>

*Full-time wage required to support this budget

Sources: Arkansas Department of Human Services, 2019—Child Care; BLS, 2017—Consumer Expenditure Surveys; Consumer Reports, 2017—Best Low-Cost Cell-Phone; HUD, 2017—Fair Market Rents; IRS, 2017—About Form 1040; Tax Foundation, 2017; USDA, 2017—Official USDA Food Plans
Household Survival Budget sources

- **Housing**: HUD’s Fair Market Rent (40th percentile) – Efficiency studio rate for single adult, 2 bedroom for family, includes utilities (excluding phone)

- **Child Care**: Represents cost of registered home-based child-care

- **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 BLS–Consumer Expenditure Survey (CES)

- **Health Care**: Out-of-pocket health care spending for insurance, medical services, prescription drugs, and medical supplies based on region and household income from Consumer Expenditure Survey (CES)

- **Technology**: Basic smartphone plan using Consumer Reports “Best Low-Cost Cell-Phone Plans”

- **Taxes**: Includes federal and state taxes where applicable, as well as SSI and Medicare taxes from IRS Form 1040

- **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, Arkansas, 2017

ALICE households are all ages

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

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

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

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

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

Labor Status, Population 16 and Over, Arkansas, 2017


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 Arkansas workforce to calculate the breakdown shown in this figure.
Growth in hourly and salary wages

Workers Paid Hourly and Salary Wages, Arkansas 2007-2017


2007-2017

3% increase in total jobs
Inequality in the work force

Median Earnings and Unemployment, Arkansas, 2017

Source: American Community Survey, 2017
Wages needed to support the Household Survival Budget:

**Single adult:** $9.12/hour

**Family of four:** $23.41/hour

70% of jobs pay less than $20 per hour; half of those (51%) pay less than $15 per 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 Sales Representatives – paid enough to support the Arkansas 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 Sales</td>
<td>37,050</td>
<td>$10.07</td>
</tr>
<tr>
<td>Food Prep, including Fast Food</td>
<td>35,520</td>
<td>$9.15</td>
</tr>
<tr>
<td>Cashiers</td>
<td>33,750</td>
<td>$9.17</td>
</tr>
<tr>
<td>Truck Drivers</td>
<td>32,640</td>
<td>$18.24</td>
</tr>
<tr>
<td>Office Clerks, General</td>
<td>27,260</td>
<td>$12.57</td>
</tr>
<tr>
<td>Laborers and Movers, Hand</td>
<td>24,580</td>
<td>$11.50</td>
</tr>
<tr>
<td>Registered Nurses</td>
<td>24,380</td>
<td>$27.68</td>
</tr>
<tr>
<td>General and Operations Managers</td>
<td>20,630</td>
<td>$31.64</td>
</tr>
<tr>
<td>Nursing Assistants</td>
<td>18,040</td>
<td>$11.21</td>
</tr>
<tr>
<td>Stock Clerks and Order Fillers</td>
<td>17,920</td>
<td>$10.96</td>
</tr>
<tr>
<td>Waiters and Waitresses</td>
<td>17,870</td>
<td>$9.12</td>
</tr>
<tr>
<td>Janitors and Cleaners</td>
<td>16,320</td>
<td>$9.79</td>
</tr>
<tr>
<td>Customer Service Representatives</td>
<td>15,760</td>
<td>$14.16</td>
</tr>
<tr>
<td>Personal Care Aides</td>
<td>15,250</td>
<td>$9.54</td>
</tr>
<tr>
<td>Secretaries and Administrative Assistants</td>
<td>15,240</td>
<td>$13.64</td>
</tr>
<tr>
<td>First-Line Supervisors of Office Workers</td>
<td>14,630</td>
<td>$21.51</td>
</tr>
<tr>
<td>Assemblers and Fabricators</td>
<td>14,370</td>
<td>$13.24</td>
</tr>
<tr>
<td>Sales Representatives</td>
<td>14,000</td>
<td>$24.21</td>
</tr>
<tr>
<td>First-Line Supervisors of Retail Sales</td>
<td>12,810</td>
<td>$15.76</td>
</tr>
<tr>
<td>Licensed Practical and Vocational Nurses</td>
<td>12,350</td>
<td>$18.15</td>
</tr>
</tbody>
</table>

Source: BLS, 2017—Occupational Employment Statistics
Opioid crisis in Arkansas

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

Source: ALICE Threshold, 2017; Centers for Disease Control and Prevention, 2018
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 Arkansas

Changing American Household:

The senior population, currently the smallest cohort in Arkansas, is expected to grow faster than all other age groups – projecting 52% increase from 2010 to 2040.

While the 20 to 64 age group is expected to decline from 59% to 54% from 2010-2040.
Emerging trends in Arkansas

Arkansas migration:
- Mostly domestic (primarily from states in the South and Midwest, and California and Texas)
- Small number from abroad

Largest movement in younger age groups

Small net migration out of the state: people between 25-30, and those 65+

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 Arkansas compare?

- In 2016, **Arkansas** had the 6th 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 interactive report online provides an in depth look at...

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

Located online at UnitedForALICE.org/consequences
Thank you for your commitment to ALICE.