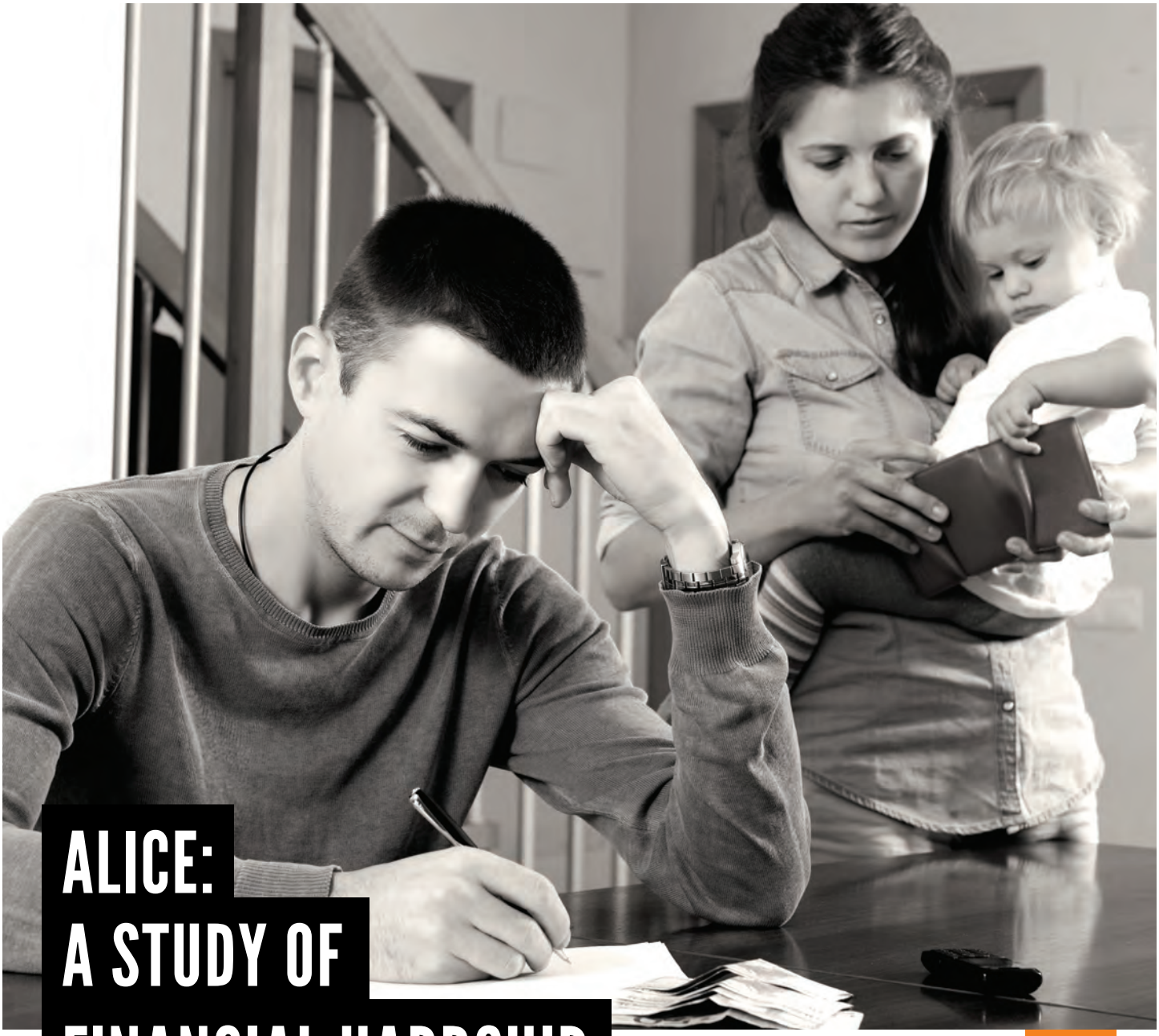

ALICE: A STUDY OF FINANCIAL HARDSHIP IN FLORIDA

LIVE UNITED

2018 REPORT

ALICE® is an acronym for Asset Limited, Income Constrained, Employed.

The United Way *ALICE Project* is a collaboration of United Ways in Connecticut, Florida, Hawai'i, Idaho, Indiana, Iowa, Louisiana, Maryland, Michigan, New Jersey, New York, Ohio, Oregon, Texas, Virginia, Washington, and Wisconsin.

United Way

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United Way of Suwannee Valley

United Way of the Big Bend

United Way of the Florida Keys

United Way of Volusia-Flagler Counties

United Way Suncoast

Note: This Report was made possible through funding from all Florida United Ways.

Learn more here: www.uwof.org/alice

NATIONAL ALICE ADVISORY COUNCIL

The following companies are major funders and supporters of the United Way *ALICE Project*.

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LETTER TO THE COMMUNITY

Dear Floridians,

In 2016, 45 percent of Florida's families struggled to pay their bills and keep their heads above the fiscal waters. When I first heard this statistic, I was floored. Certainly, I knew that many Florida families were struggling. But almost half of the families in the state? Shocking!

The vast majority of these families work hard to earn a living. Many work one or more full-time jobs and earn enough to be above the Federal Poverty Level, but they are still barely treading water. We call these families and workers ALICE, an acronym for Asset Limited, Income Constrained, Employed.

Even using the most conservative cost scenarios for a family's monthly expenses for housing, child care, food, transportation, health care, and necessary technology, these ALICE families live on the brink of financial disaster every day — at risk of falling over the precipice when an emergency comes their way. Unable to pay to repair a broken-down car, for example, they may not be able to get to work and risk losing their jobs, leading to a downward spiral that can put them at risk of going hungry or becoming homeless. When these — or other circumstance beyond their control — occur, ALICE households, as well as their communities suffer.

The United Way ALICE Report puts a spotlight on ALICE families with the goal of helping everyone better understand the challenges the more than 2.4 million ALICE households in Florida face every day. The Report stands apart from other studies on low-income families because the methodology is conservative and based on real and current cost data. It also drills down to look at the reasons ALICE families face financial hardship. It asks the questions: What can ALICE families do to improve their conditions? What can employers do to help their ALICE employees? What can communities do to help ALICE families improve their quality of life, and at the same time improve the quality of life for all members of the community?

As you read this Report, I encourage you to think about friends, family members, co-workers, neighbors, and others with whom you regularly interact who may be ALICE. Compare your household budget to the ALICE Survival Budget for your county to more fully understand the fiscal challenges ALICE families have, and consider how you — and we — can help make a difference in their lives.

Sincerely,

Ted Granger, *President, United Way of Florida*

THE UNITED WAY ALICE PROJECT

The United Way *ALICE Project* provides a framework, language, and tools to measure and understand the struggles of a population called **ALICE** — an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed. ALICE is the growing number of households in our communities that do not earn enough to afford basic necessities. This research initiative partners with state United Way organizations to present data that can stimulate meaningful discussion, attract new partners, and ultimately inform strategies for positive change.

Based on the overwhelming success of this research in identifying and articulating the needs of this vulnerable population, the United Way *ALICE Project* has grown from a pilot in Morris County, New Jersey in 2009, to the entire state of New Jersey in 2012, and now to the national level with 18 states participating. United Way of Florida is proud to join the more than 540 United Ways in these states that are working to better understand ALICE's struggles. Organizations across the country are also using this data to address the challenges and needs of their employees, customers, and communities. The result is that ALICE is rapidly becoming part of the common vernacular, appearing in the media and in public forums discussing financial hardship in communities nationwide.

Together, United Ways, government agencies, nonprofits, and corporations have the opportunity to evaluate current initiatives and discover innovative approaches that give ALICE a voice, and create changes that improve life for ALICE and the wider community.

To access reports from all states, visit UnitedWayALICE.org

States With United Way ALICE Reports

THE ALICE RESEARCH TEAM

The United Way *ALICE Project* provides high-quality, research-based information to foster a better understanding of who is struggling in our communities. To produce the United Way ALICE Report for Florida, a team of researchers collaborated with a Research Advisory Committee, composed of 26 representatives from across Florida, who advised and contributed to the report. This collaborative model, practiced in each state, ensures each report presents unbiased data that is replicable, easily updated on a regular basis, and sensitive to local context. Working closely with United Ways, the United Way *ALICE Project* seeks to equip communities with information to create innovative solutions.

Lead Researcher

Stephanie Hoopes, Ph.D., is the lead researcher and director of the United Way *ALICE Project*. Dr. Hoopes began this effort with a pilot study of a more accurate way to measure financial hardship in Morris County, New Jersey in 2009. Since then, she has overseen its expansion into a broad-based, state-by-state research initiative now spanning 18 states across the country. Her research on the ALICE population has garnered both state and national media attention.

Before joining United Way full time in 2015, Dr. Hoopes taught at Rutgers University and Columbia University. Dr. Hoopes has a doctorate from the London School of Economics, a master's degree from the University of North Carolina at Chapel Hill, and a bachelor's degree from Wellesley College.

Dr. Hoopes is on the board of directors of the McGraw-Hill Federal Credit Union, and she received a resolution from the New Jersey General Assembly for her work on ALICE in 2016.

Research Support Team

Andrew Abrahamson

Madeline Leonard

Dan Treglia, Ph.D.

ALICE Research Advisory Committee for Florida

Lance Arney, Ph.D.
Social Impact Analytics, LLC

Jennifer Bencie, M.D., M.S.A.
Florida Department of Health - Manatee

Brittany Olivieri Birken, Ph.D.
Lastinger Center for Learning

Dale Brill, Ph.D.
Orlando Economic Partnership

Holly Bullard
Florida Policy Institute

Morgan Burleson
Homeless and Hunger Coalition

Melissa Clements, Ph.D.
The Children's Forum

Sameera Fazili, J.D.
Federal Reserve Bank of Atlanta

Mazhab (Mazi) Ferguson, M.B.A.
University of South Florida

Liana Fernandez Fox, Ph.D.
Education Consultant

Michael Gutter, Ph.D.
Institute of Food & Agricultural Sciences - University of Florida

Nancy Hardt, M.D.
University of Florida

Maria D. Ilcheva, Ph.D.
The Metropolitan Center Florida International University

Phyllis Kalifeh, Ed.D.
The Children's Forum

Jennifer (Allen) McFarren
Gulf Power Foundation

Jerry Murphy, A.I.C.P., C.F.M.
University of Florida

Ashon Nesbitt
Florida Housing Coalition

Jerry D. Parrish, Ph.D.
The Florida Chamber Foundation

Robin Perry, Ph.D.
Florida A&M University

Gloria Putiak, M.U.R.P.
Children's Services Council of Broward County

Stephanie Scott, Ph.D., M.S.S.W.
United Way of Broward County

Dave Sobush
Tampa Bay Partnership

Sandra S. Stone, Ph.D.
University of South Florida, Sarasota-Manatee

Bob Thompson
United Way of Florida ALICE Chair

Norinda Rosario Yancey
United Way of North Central Florida

Ellen Zinzeleta, Sc.D.
United Way Suncoast

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EXECUTIVE SUMMARY

In Florida, 3,480,886 households — 46 percent — could not afford basic needs such as housing, child care, food, transportation, health care, and technology in 2016.

This update of the United Way ALICE Report for Florida provides the most comprehensive look at the population called **ALICE** — an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed. ALICE households have incomes above the Federal Poverty Level (FPL) but struggle to afford basic household necessities.

The Report describes the cost of basic needs for each county in Florida, as well as the number of households earning below this amount — **the ALICE Threshold** — and focuses on how households have fared since the Great Recession ended in 2010.

Despite overall improvement in employment and gains in median income, the economic recovery in Florida has been uneven. Many ALICE households continue to face challenges from low wages, reduced work hours, depleted savings, and increasing costs. For the many households that earned just above the ALICE Threshold in the past, the increases in the cost of living have pushed them below the Threshold and into financial hardship. The total number of Florida households that cannot afford basic needs increased 10 percent from 2010 to 2016.

This Report focuses on trends in Florida that led to more families becoming unable to make ends meet. Key findings include:

- **Households continue to struggle:** Of Florida's 7,574,766 households, 14 percent lived in poverty in 2016 and another 32 percent were ALICE. Combined, 46 percent (3,480,886 households) had income below the ALICE Threshold, an increase of 10 percent since 2010.

- **Basic cost of living still on the rise:** The cost of basic household expenses increased steadily in Florida to $55,164 for a family of four (two adults with one infant and one preschooler) and $20,712 for a single adult. These bare-minimum budgets are significantly higher than the 2016 FPL of $24,300 for a family and $11,880 for a single adult. The cost of the family budget increased by 20 percent from 2010 to 2016.

- **Changes in the workforce:** Although unemployment rates are falling, ALICE workers are still struggling. Low-wage jobs dominate the employment landscape, with 67 percent of all jobs 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. Gaps in wages are growing wider and vary depending on the size and location of employers as well as on the gender, education, race, and ethnicity of workers.

- **Emerging trends:** Several trends could impact the economic landscape for ALICE families:

    - *The Changing American Household* — Baby boomers are aging, millennials are making different lifestyle and work choices than previous generations, and patterns of domestic and foreign migration are shifting. These trends are changing both household composition and demands for goods and services.

    - *Market Instability* — A globally connected economy means that economic disruptions and natural disasters in one part of the world will increasingly have an impact on ALICE workers in the U.S., contributing to employment instability, a shifting supply and demand, and a disruption in traditional modes of operation.

- *Health Inequality* — As health costs rise, there will be increasing disparities in health based on income. Expensive medical advances that are out of reach of lower-income households will only further this divide.

The United Way ALICE Report for Florida offers an enhanced set of tools for stakeholders to measure the real challenges ALICE households face in trying to make ends meet. This information is presented to enable communities to move beyond stereotypes of "the poor" and an outdated FPL, and instead use data to inform programmatic and policy solutions for ALICE and communities, now and for the future.

RESEARCH FRAMEWORK

GLOSSARY

ALICE is an acronym that stands for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed, comprising households with income above the Federal Poverty Level but below the basic cost of living. A household consists of all the people who occupy a housing unit but does not include those living in group quarters such as a dorm, nursing home, or prison.

The Household Survival Budget calculates the actual costs of basic necessities (housing, child care, food, transportation, health care, a smartphone, and taxes) in Florida, adjusted for different counties and household types.

The ALICE Threshold is the average income that a household needs to afford the basic necessities defined by the Household Survival Budget for each county in Florida. Households earning below the ALICE Threshold include both ALICE and poverty-level households.

WHAT'S NEW

Every two years, the United Way ALICE Project engages a national Research Advisory Committee of external experts to scrutinize the ALICE methodology and sources. This rigorous process results in enhancements to the methodology that ensure the best local data is presented. While these changes impact specific calculations, the overall trends have remained the same.

For this Report, the following changes have been incorporated:

The inclusion of technology: Technology has become a regular part of life, and smartphones in particular are an expectation for employment. The Household Survival Budget now includes the cost of a smartphone plan for each adult.

The source for state taxes has been updated and the child care methodology has been standardized: To provide greater consistency across states and reduce the complexity of calculations while maintaining accuracy, the Report uses the Tax Foundation's individual income tax rates and deductions for each state instead of state-level tax sources. This change resulted in slight changes in tax amounts. In addition, to improve consistency in year-to-year comparisons, the methodology used for child care calculations has been updated. Budgets have been recalculated for 2010, 2012, and 2014. To ensure consistency in change-over-time comparisons the data for previous years — 2010, 2012, and 2014 — has been recalculated and is presented in this Report.

For example, the 2014 Report stated that 3,230,688 households (45 percent) had income below the ALICE Threshold in 2012, and this Report presents that 3,187,432 (44 percent) had income below the ALICE Threshold in 2012.

Change over time ranges have shifted: The first United Way ALICE Report measured change before and after the Great Recession, in 2007 and 2010. This Report focuses on the recovery, measuring change from the baseline of 2010, followed by the even years since — 2012, 2014, and 2016.

Additional detail at the sub-county level: More ALICE data is available at the local level on our website including by: subcounty, place, zip code, Public Use Microdata Area, and congressional district.

METHODOLOGY NOTES

This Report remains focused on the county level because state averages can mask significant differences between counties. For example, the percentage of households below the ALICE Threshold ranges from 26 percent in St. Johns County to 70 percent in Glades County. The Report examines issues surrounding ALICE households from different angles to draw the clearest picture with the range of data available. Sources include the American Community Survey, the U.S. Department of Housing and Urban Development, the U.S. Department of Agriculture, the Bureau of Labor Statistics at the U.S. Department of Labor, the Internal Revenue Service, the Tax Foundation, and the Florida Department of Education. State, county, and municipal data is used to provide different lenses on ALICE households. The data are estimates; some are geographic averages, others are one- or five-year averages depending on population size.

Due to different rounding conventions in different data sources, total percentages may vary by +/-1 percent from 100 percent for a group. Typically, we present rounded numbers to make the ALICE data as clear as possible to a general audience.

The United Way ALICE Reports follow the U.S. Census classifications for the largest non-White populations: Black, Asian, Hispanic, and American Indian/Alaska Native, as well as people identifying as two or more races. Because people of any race, including Whites, can also be of Hispanic ethnicity, the ALICE data looks at White, Black, Asian, and American Indian/Alaska Native categories “alone” (i.e., not also Hispanic), as well as at Hispanic populations.

In Florida, ALICE data is only available for White, Black, Hispanic, and Asian populations. The American Community Survey does not provide income data on other race/ethnicity categories because they have small samples, so ALICE statistics are not available. Less than 1 percent of households in Florida identify themselves as American Indian/Alaskan Native, another 2 percent identify as “Some Other Race,” and 2 percent also identify as being of “Two or More Races” (American Community Survey, 2016).

For a more detailed description of the methodology and sources, see the Methodology Overview on our website, UnitedWayALICE.org. For a breakdown of the data by county and municipality, see the County Pages and Data File at UnitedWayALICE.org/Florida (under “Downloads”).

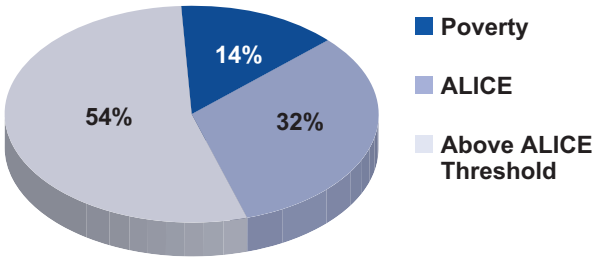
AT-A-GLANCE: FLORIDA

2016 Point-in-Time Data

Population: 20,612,439 | **Number of Counties:** 67 | **Number of Households:** 7,574,766

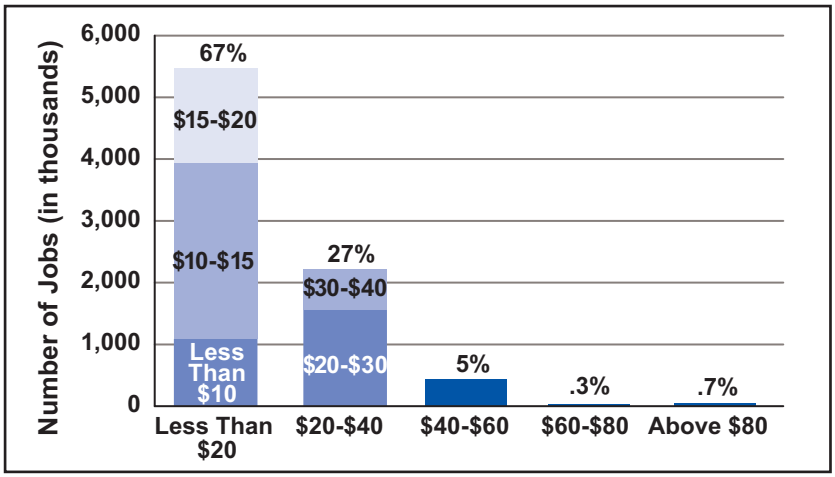
How many households are struggling?

ALICE, an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed, comprises households that earn more than the Federal Poverty Level but less than the basic cost of living for the state (the ALICE Threshold). Of Florida's 7,574,766 households, 1,056,316 earn below the Federal Poverty Level (14 percent) and another 2,424,570 (32 percent) are ALICE. Combined, 3,480,886 (46 percent) live below the ALICE threshold.



How much does ALICE earn?

In Florida, 67 percent of jobs pay less than $20 per hour, with almost three-quarters of those jobs paying less than $15 per hour. Another 27 percent of jobs pay from $20 to $40 per hour. Only 5 percent of jobs pay from $40 to $60 per hour.



What does it cost to afford the basic necessities?

Despite a low rate of inflation nationwide — 9 percent from 2010 to 2016 — the bare-minimum Household Survival Budget increased by 12 percent for a single adult and 20 percent for a family. Affording only a very modest living, this budget is still significantly more than the Federal Poverty Level of $11,880 for a single adult and $24,300 for a family of four.

Household Survival Budget, Florida Average, 2016

	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	$617	$848
Child Care	$-	$1,024
Food	$164	$542
Transportation	$326	$653
Health Care	$195	$720
Technology	$55	$75
Miscellaneous	$157	$418
Taxes	$212	$317
Monthly Total	$1,726	$4,597
ANNUAL TOTAL	$20,712	$55,164
Hourly Wage*	*$10.36*	*$27.58*

**Full-time wage required to support this budget*

AT-A-GLANCE: FLORIDA

Florida Counties, 2016		
COUNTY	TOTAL HOUSEHOLDS	% ALICE & POVERTY
Alachua	94,428	50%
Baker	8,270	42%
Bay	70,330	43%
Bradford	8,704	49%
Brevard	226,021	40%
Broward	681,474	50%
Calhoun	4,555	58%
Charlotte	75,147	45%
Citrus	63,581	50%
Clay	74,130	37%
Collier	139,522	36%
Columbia	24,215	50%
DeSoto	11,419	60%
Dixie	6,221	58%
Duval	353,946	40%
Escambia	118,702	46%
Flagler	41,311	42%
Franklin	4,250	54%
Gadsden	16,885	59%
Gilchrist	6,254	54%
Glades	4,019	70%
Gulf	5,349	55%
Hamilton	4,717	53%
Hardee	7,558	65%
Hendry	11,817	65%
Hernando	74,262	44%
Highlands	38,808	55%
Hillsborough	514,487	39%
Holmes	6,809	55%
Indian River	55,427	51%
Jackson	16,744	58%
Jefferson	5,564	49%
Lafayette	2,320	61%
Lake	128,888	44%
Lee	261,735	42%
Leon	112,119	43%

Florida Counties, 2016		
COUNTY	TOTAL HOUSEHOLDS	% ALICE & POVERTY
Levy	15,372	55%
Liberty	2,363	62%
Madison	6,665	60%
Manatee	142,465	44%
Marion	134,239	51%
Martin	62,976	38%
Miami-Dade	880,766	59%
Monroe	30,318	42%
Nassau	30,547	28%
Okaloosa	76,102	36%
Okeechobee	12,850	56%
Orange	468,515	47%
Osceola	97,569	57%
Palm Beach	536,446	46%
Pasco	195,628	45%
Pinellas	407,268	42%
Polk	226,429	49%
Putnam	28,025	49%
Santa Rosa	61,817	36%
Sarasota	176,191	37%
Seminole	167,549	39%
St. Johns	84,187	26%
St. Lucie	111,617	51%
Sumter	51,781	34%
Suwannee	15,315	50%
Taylor	7,544	62%
Union	3,892	59%
Volusia	214,039	43%
Wakulla	10,726	39%
Walton	27,207	35%
Washington	8,370	54%

Sources: Point-in-Time Data: *American Community Survey, 2016. ALICE Demographics: American Community Survey; the ALICE Threshold, 2016.* ***Wages:*** *Bureau of Labor Statistics, 2016b.* ***Budget:*** *U.S. Department of Housing and Urban Development, 2016; U.S. Department of Agriculture, 2016; Bureau of Labor Statistics, 2016a; Internal Revenue Service, 2016; Tax Foundation, 2016, 2017; U.S. Department of Agriculture, 2016; and Florida Department of Education, 2016.*

ALICE BY THE NUMBERS

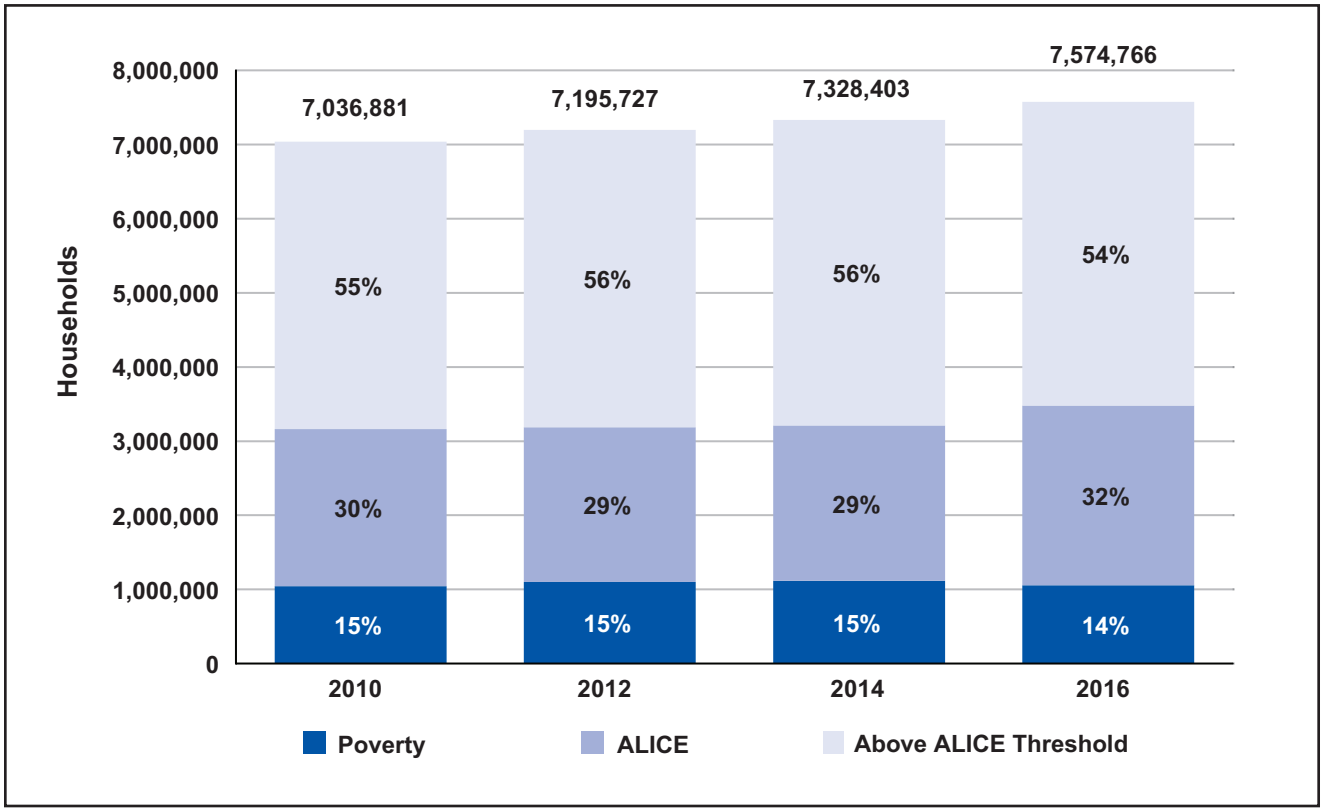
In Florida, ALICE households exist in all age groups, across all races and ethnicities, in single and two-parent families, and in households with or without children. They exist in all parts of the state, from urban Miami and Tallahassee to the suburbs of Orlando, and to rural communities in Calhoun and Suwannee counties. This section drills down to reveal demographic differences of ALICE and poverty-level households by age, race and ethnicity, and household type over time. It also reports on important local variations that are often masked by state averages.

Overall population changes: In Florida, the total number of households increased by 8 percent between 2010 and 2016 to 7,574,766. But the number of ALICE and poverty-level households increased even more from 3,164,432 in 2010 to 3,480,886 in 2016, a 10 percent increase (Figure 1).

- **Poverty:** The number of households in poverty — defined in 2016 as those earning $11,880 for a single adult and $24,300 for a family of four — grew from 1,044,961 in 2010 to 1,056,316 in 2016, a 1 percent increase. The proportion of all households that were in poverty fell from 15 percent to 14 percent during that period.

- **ALICE:** The number of ALICE households increased from 2,119,471 in 2010 to 2,424,570 in 2016, a 14 percent increase. The proportion of ALICE households decreased slightly from 30 to 29 percent between 2010 and 2014, and then rose to 32 percent by 2016.

Figure 1.
Household Income, Florida, 2010 to 2016



Source: American Community Survey, 2010-2016, the ALICE Threshold, 2010-2016; for additional data and ALICE Methodology, see UnitedWayALICE.org

HOUSEHOLDS BY AGE

Two major population bubbles are changing communities across Florida. The baby boomers (born between 1946 and 1964) are the largest generation, and as they age, their needs and preferences change. The second largest group is the millennials (adults born between 1981 and 1996, according to the Pew Research Center), who are making different lifestyle and work choices than previous generations. Between the two population bubbles is the smaller Generation X, made up of adults born between 1964 and 1980. To analyze general trends, the ALICE data is presented by household in more precise Census age breaks: under–25, 25–44, 45–64, and 65 and older. Millennials are covered by the youngest two brackets and baby boomers by the oldest two (Colby & Ortman, 2014; Dimock, 2018).

Aging Population

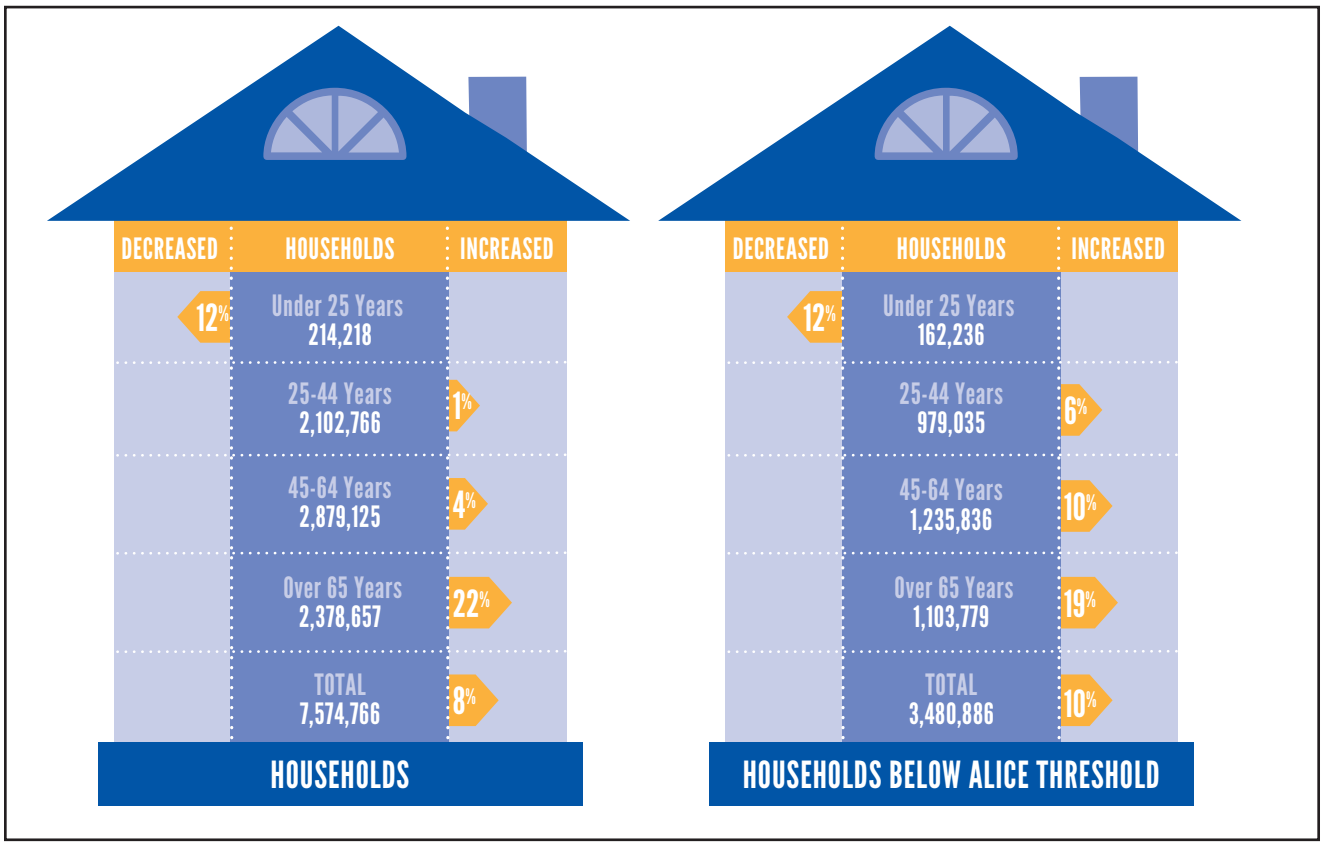
The increase in the number of ALICE households in Florida is driven by older households, both seniors and those 45 to 64 years old. The number of senior households (65 years and older) increased from 1.9 million in 2010 to 2.4 million in 2016, a 22 percent increase (Figure 2). The number of senior households with income below the ALICE Threshold grew at a slower rate of 19 percent, yet by 2016, 46 percent of senior households had income below the ALICE Threshold.

The next oldest age group, households headed by 45- to 64-year-olds, grew only 4 percent, yet the number of these households with income below the ALICE Threshold increased by 10 percent, a surprising drop in income for those in their prime earning years (American Community Survey, 2010, 2016).

Younger Households

Even though the total population of millennials is growing, the number of households headed by them is decreasing. The youngest segment of the millennials, households headed by those under 25 years old, fell by 12 percent, from 242,703 households in 2010 to 214,218 in 2016, and the number with income below the ALICE Threshold fell by 12 percent. The older and larger segment of millennials, households headed by 25- to 44-year-olds, increased by only 1 percent overall, yet the number with income below the ALICE Threshold increased by 6 percent. Unlike previous generations of young Americans, many millennials cannot afford to live on their own. Instead, they are more likely to live with their parents or with roommates. And for the first time in more than a century, they are less likely to be living with a romantic partner. These patterns vary among some millennials from immigrant families. Overall, people under the age of 25 who are the head of their household (i.e., don't live with parents, older relatives, or roommates/partners) are far less likely to be able to afford basic necessities, with 76 percent of them living below the ALICE Threshold in 2016 (American Community Survey, 2010, 2016; Cilluffo & Cohn, 2017; Gurrentz, 2018; W. H. Frey, 2018).

Figure 2.
Household Income by Age of Head of Household, Florida, 2010 to 2016



Source: American Community Survey, 2010-2016, the ALICE Threshold, 2010-2016

HOUSEHOLDS BY RACE AND ETHNICITY

Statewide changes in financial stability are driven by changes in the income of White (non-Hispanic) households because they make up the largest racial group in Florida, but these trends often mask important changes in other ethnic groups. For example, in Florida, the number of Hispanic, Asian, and Black households grew faster than the number of White households from 2010 to 2016. Hispanic households increased by 20 percent to 1,514,561 households, Asian households increased by 15 percent to 159,421 households, and Black households increased by 9 percent to 1,030,968 households. In comparison, the number of White households increased by only 3 percent to 4,764,243 households (see the note on race/ethnicity in the Data & Methodology Box on p. 3).

A breakdown by race and age shows other important trends:

Young households are decreasing overall: The number of White under-25-year-old households fell by 16 percent from 2010 to 2016. Because White households make up the largest group of under-25-year-old households, this drop caused a decrease in the overall number of young households in Florida. But there was also a decline in the number of young households in all other racial/ethnic groups. The number of Asian under-25-year-old households fell by 17 percent, Black under-25-year-old households by 16 percent, and Hispanic under-25-year-old households by 7 percent.

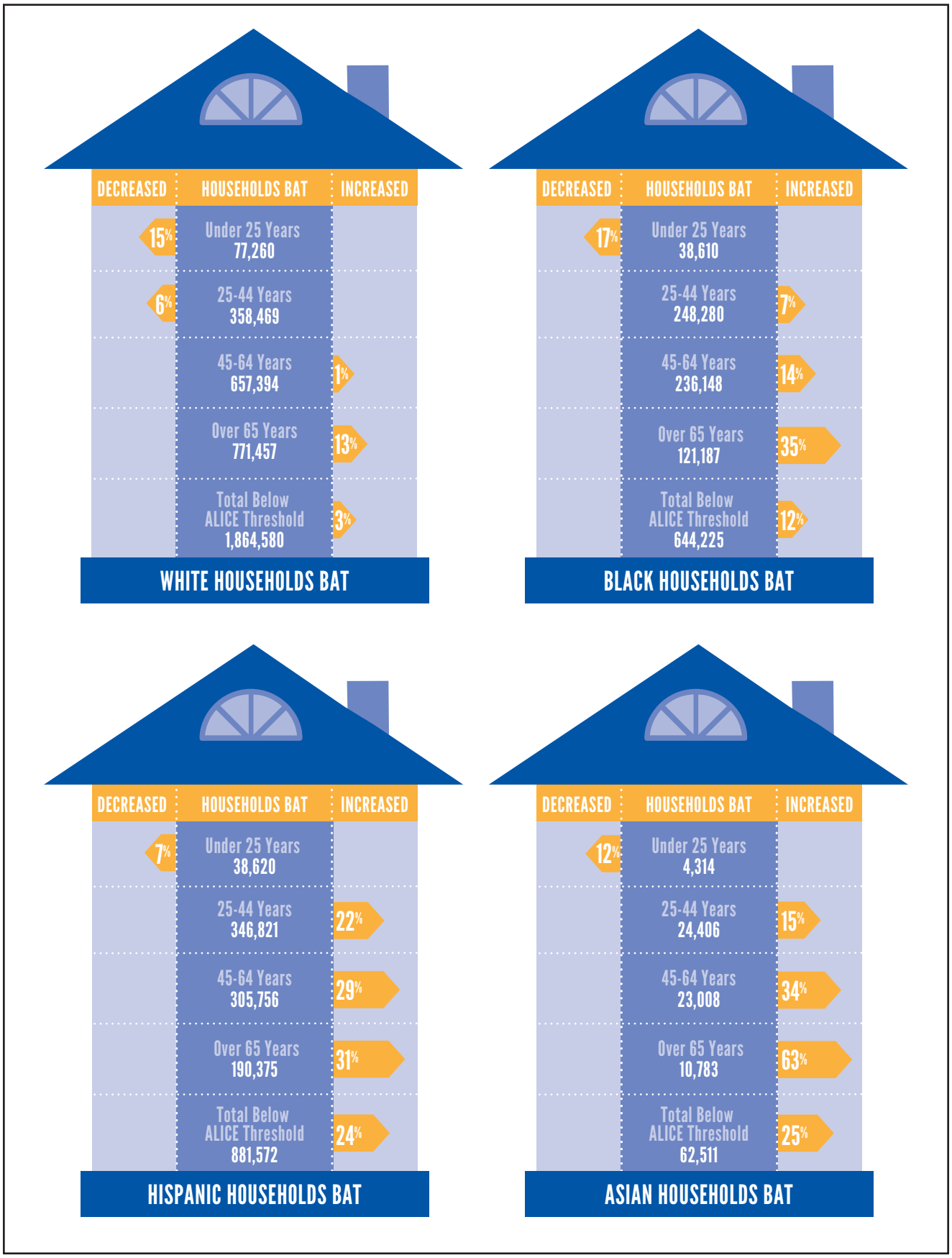
Households headed by the next oldest age group, 25- to 44-year-olds, followed a similar trajectory for White households, decreasing by 9 percent, but increased for all other racial/ethnic groups (up 14 percent for Hispanic households, 3 percent for Black households, and 1 percent for Asian households).

Senior households of all race and ethnic groups are increasing: White senior households are driving the overall growth in the senior population, increasing by 19 percent from 2010 to 2016, but other senior groups experienced significant growth as well: Asian senior households increased by 63 percent, Black senior households by 37 percent, and Hispanic senior households by 30 percent.

For households headed by 45- to 64-year-olds, there was growth in all racial/ethnic groups except for White households, which decreased by 5 percent.

Below ALICE Threshold households increased across most groups (Figure 3): From 2010 to 2016, the number of households below the ALICE Threshold increased for all age and racial/ethnic groups, with the exception of young under-25-year-old households (and white households aged 25-44 years). The largest increases were among households 65 years and older with Asian senior households below the ALICE threshold growing by 63 percent, Black senior households by 35 percent, Hispanic senior households by 31 percent, and White senior households by 13 percent. All groups that saw a decrease in the number of households below the ALICE threshold — households headed by under-25-year-olds in all racial/ethnic groups and White households aged 25–44 years — also experienced a decrease in total households.

Figure 3.
Households Below ALICE Threshold (BAT), by Age and Race/Ethnicity, Florida, 2010 to 2016



Source: American Community Survey, 2010–2016 and the ALICE Threshold, 2010–2016

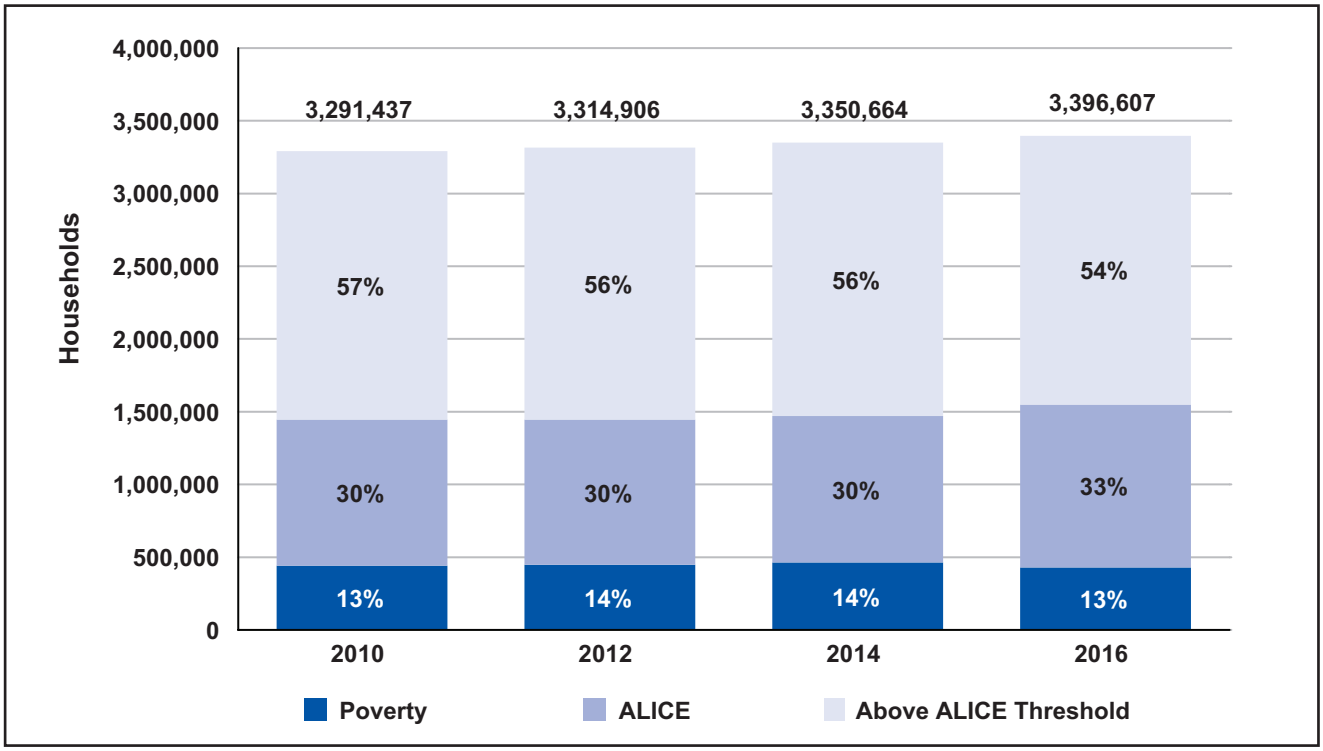
HOUSEHOLDS BY FAMILY TYPE

There are longstanding preconceptions about what types of families tend to be low-income — for example, homes headed by single mothers. Yet ALICE and poverty-level families exist in all configurations. In fact, there have been such dramatic changes in the living arrangements of Americans that it is important to re-evaluate these old stereotypes.

After decades of declining marriage rates, along with rising levels of divorce, remarriage, and cohabitation, the household made up of a married couple with two children is no longer typical. Since the 1970s, American households have become smaller for a number of reasons: Fewer households have children, there are fewer married-couple households, and more people are living alone, especially at older ages. People are living in a wider variety of arrangements, including singles living alone or with roommates, and grown children living with parents. The share of American adults who have never been married is at a historic high.

In Florida, there are 3.4 million households composed of single or cohabiting adults under the age of 65 with no children under 18 years old. They make up the largest group in Florida, accounting for 45 percent of all households. These single or cohabiting households without children under 18 are also the group with the largest number of households below the ALICE Threshold. In 2016, 1.5 million of these households — 46 percent — had income below the ALICE Threshold, increasing from 43 percent in 2010 (Figure 4).

Figure 4.
Single or Cohabiting (Under 65) Households, No Children, by Income, Florida, 2010 to 2016



Source: American Community Survey, 2010-2016, the ALICE Threshold, 2010-2016

Families With Children

Families with children are also changing, with mothers doing more paid work outside the home as the cost of living continues to rise. Nationally in 2015, 42 percent of mothers were sole or primary breadwinners, bringing in 50 percent or more of family earnings, and another 22 percent were co-breadwinners, earning 25 to 49 percent of earnings in 2015. Gender roles are changing as well, with fathers doing more housework and child care. Over the last 30 years, the number of stay-at-home fathers has doubled to 2.2 million, and the amount of housework fathers report doing has also doubled, to an average of nine hours a week (Cohn & Caumont, 2016; Glynn, 2016; Livingston, 2014; Parker & Livingston, 2017).

The composition of families is changing as well. There are increasing numbers of other types of families, including those with several cohabiting generations and those with lesbian, gay, bisexual, and transgender (LGBT) parents. More than a quarter of married LGBT couples are now raising children, and the number of same-sex marriages more than doubled nationally from 2012 to 2015. During that time, the Supreme Court ruled in 2013 that the federal government must recognize state-sanctioned same-sex marriages, and then in 2015, it ruled that all states must allow same-sex marriages.

Households with combined children from parents' prior relationships are also on the rise. Almost one in six children under the age of 18 now lives in a family with parents and their children from previous relationships (Cohn & Caumont, 2016; Gates & Brown, 2015; Pew Research Center, 2015).

Florida families saw the following changes from 2010 to 2016:

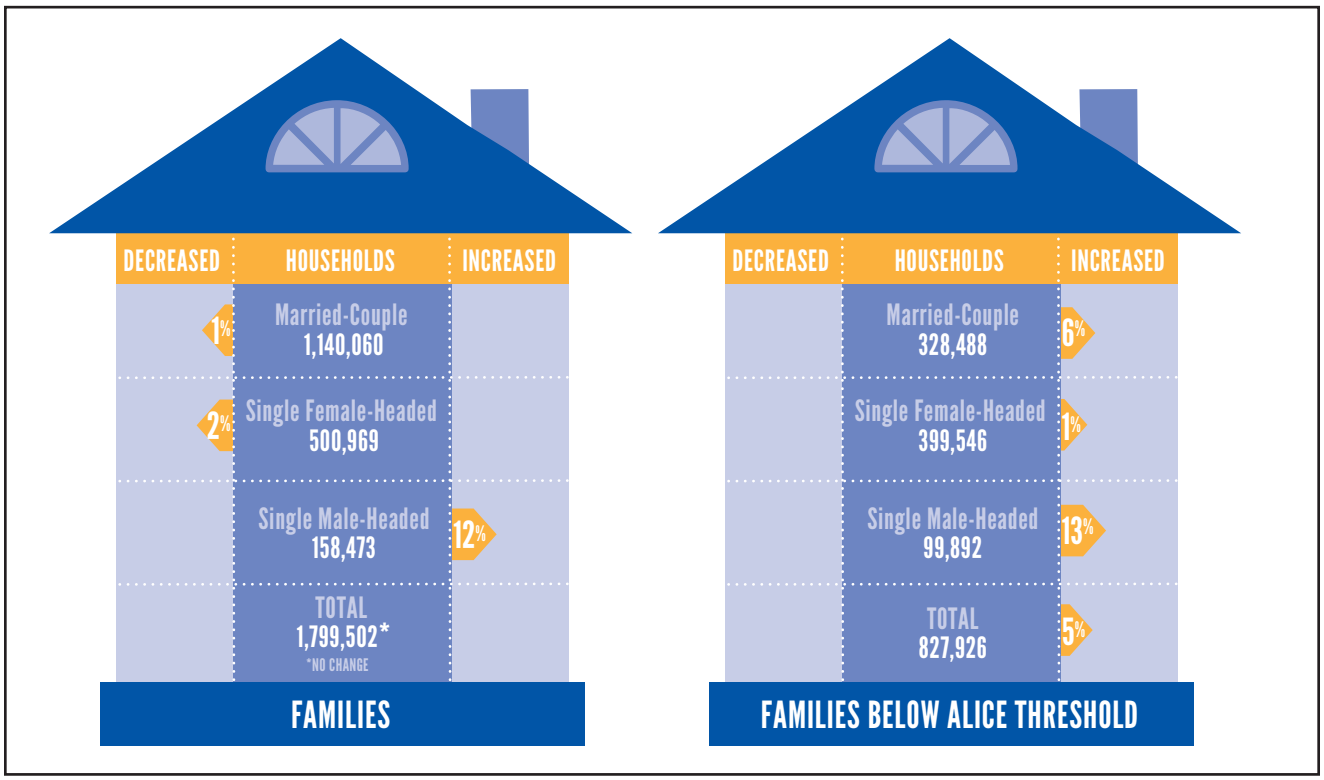
- **Below ALICE Threshold:** Of all Florida families with children, there were 827,926, or 46 percent, with income below the ALICE Threshold in 2016, an increase of 5 percent since 2010. Of these families, 40 percent were in married-parent families, 48 percent were in single-female-headed families, and 12 percent were in single-male-headed families.

- **Married-parent families:** The number of married-parent families with children fell by 1 percent from 2010 to 2016, while the number below the ALICE Threshold increased by 6 percent (Figure 5). In 2016, 29 percent of married-parent households lived below the ALICE Threshold.

- **Single-female-headed families:** The number of single-female-headed families with children decreased by 2 percent, but the number below the ALICE Threshold increased slightly, by 1 percent. In 2016, 80 percent of single-female-headed families lived below the ALICE Threshold.

- **Single-male-headed families:** This smallest share of family types increased by 12 percent; the number with income below the ALICE Threshold increased by 13 percent. In 2016, 63 percent of single-male-headed households lived below the ALICE Threshold.

Figure 5.
Families With Children by Income, Florida, 2010 to 2016

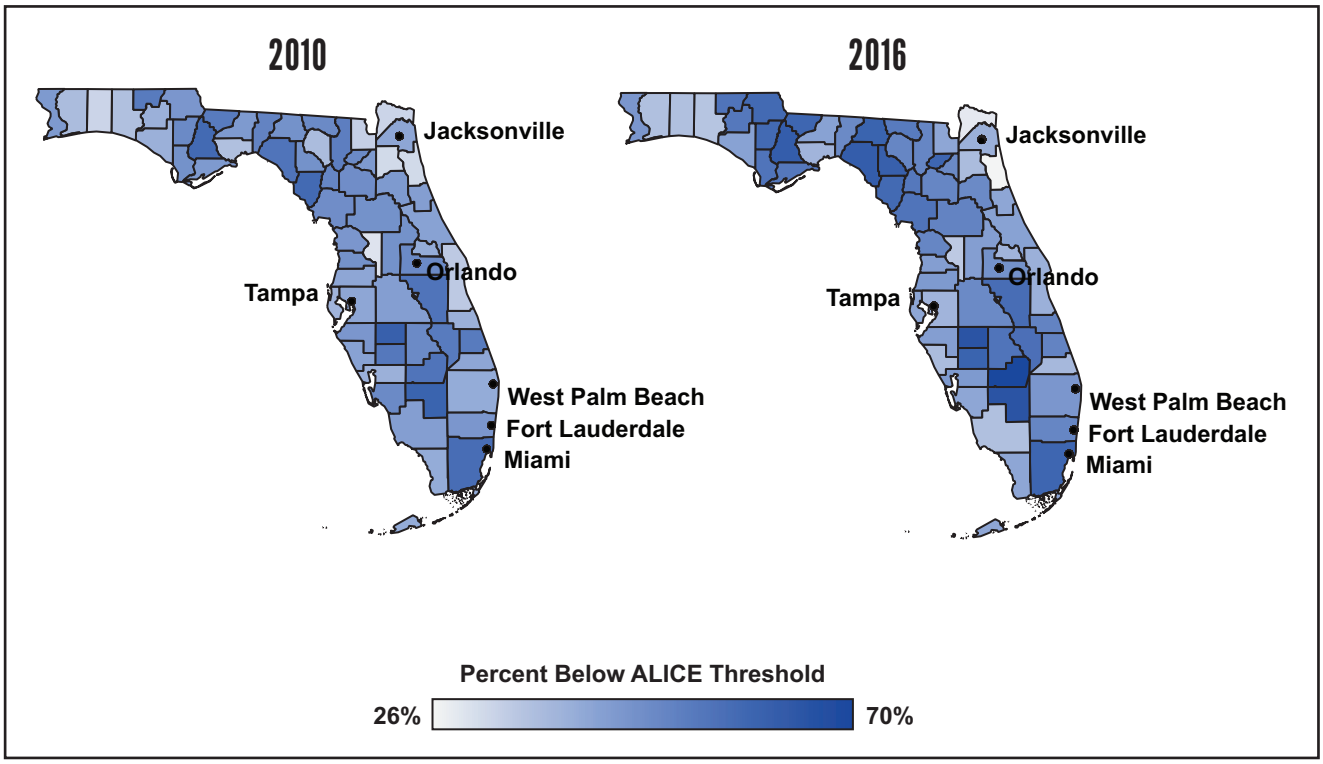


Source: American Community Survey, 2010-2016, the ALICE Threshold, 2010-2016

ALICE BY COUNTY

Contrary to stereotypes that suggest financial hardship only exists in inner cities, ALICE households live in urban, suburban, and rural areas and in every county in Florida. Though the cost of living and wages differ across the state, the number of households with income below the ALICE Threshold increased across most counties from 2010 to 2016. But there is enormous variation among counties: The percentage of households below the ALICE Threshold ranges from 26 percent in St. Johns County to 70 percent in Glades County (Figure 6).

Figure 6.
Percent of Households Below the ALICE Threshold by County, Florida, 2010 and 2016



Source: American Community Survey, 2010,2016, the ALICE Threshold, 2010, 2016. Details on each county's household income and ALICE demographics, as well as further breakdown by municipality, are listed in the ALICE County Pages and Data File at UnitedWayALICE.org/Florida

THE HOUSEHOLD SURVIVAL BUDGET

The Household Survival Budget reflects the bare-minimum cost to live and work in the modern economy. In Florida, the average Household Survival Budget was $55,164 for a four-person family and $20,712 for a single adult in 2016 (Figure 7). The hourly wage necessary to support a family budget is $27.58 for one parent working 40 hours per week for 50 weeks per year (or $13.79 per hour each, if two parents work), and $10.36 per hour full-time for a single adult. These costs continue to increase faster than the rate of inflation.

Figure 7.
Household Survival Budget, Florida Average, 2016

Household Survival Budget, Florida Average, 2016			Percent Change 2010-2016	
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs				
Housing	$617	$848	-5%	1%
Child Care	$-	$1,024	N/A	5%
Food	$164	$542	1%	10%
Transportation	$326	$653	9%	9%
Health Care	$195	$720	97%	82%
Technology*	$55	$75	N/A	N/A
Miscellaneous	$157	$418	12%	20%
Taxes	$212	$317	12%	68%
Monthly Total	$1,726	$4,597	12%	20%
ANNUAL TOTAL	$20,712	$55,164	12%	20%
Hourly Wage*	*$10.36*	*$27.58*	*12%*	*20%*

** New to budget in 2016*

*** Wage working full-time required to support this budget*
Source: Bureau of Labor Statistics, 2016a; Consumer Reports, 2017; Florida Department of Education, 2016; Internal Revenue Service, 2016; Tax Foundation, 2016, 2017; U.S. Department of Agriculture, 2016; U.S. Department of Housing and Urban Development, 2016. For the Methodology Overview and additional data, see: UnitedWayALICE.org

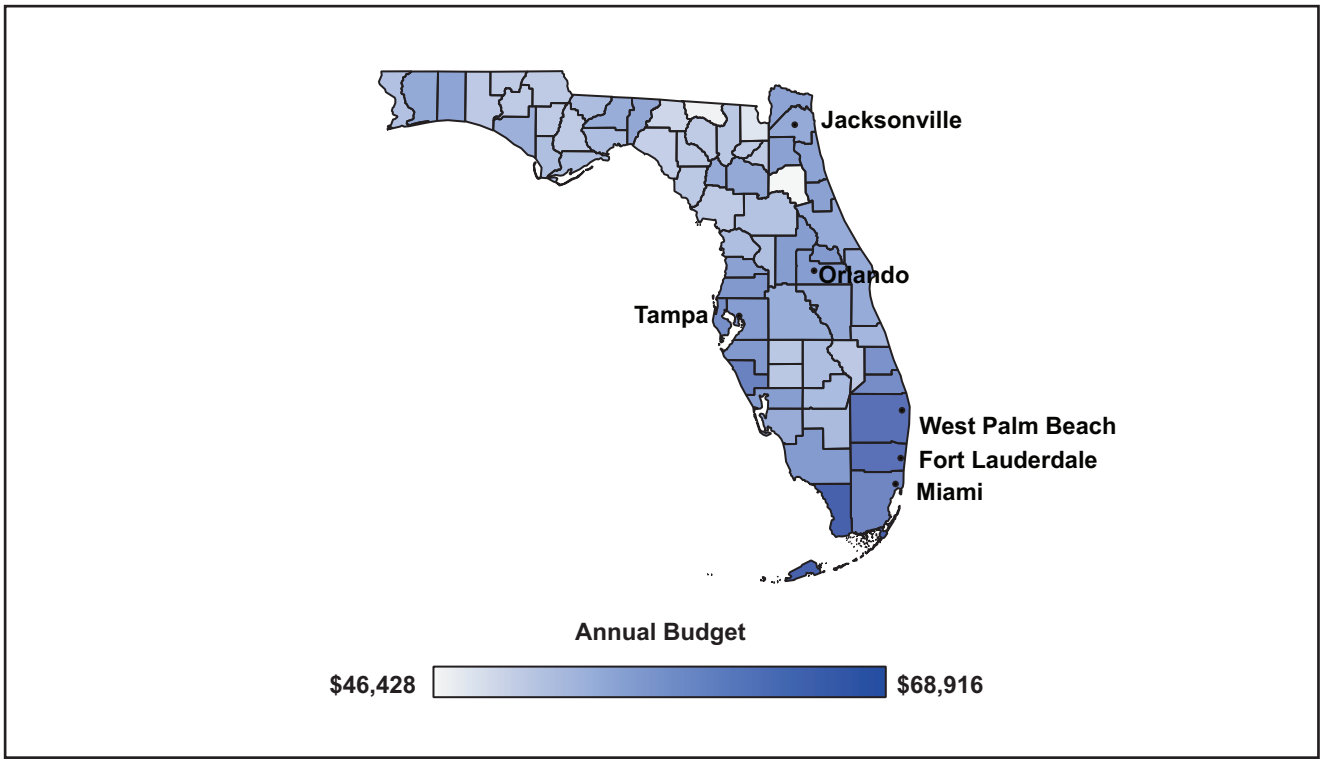
The cost of household basics in the Household Survival Budget — housing, child care, food, transportation, health care, technology, and taxes — increased by 12 percent for a single adult and 20 percent for a family of four from 2010 to 2016. At the same time, median earnings only increased by 13 percent in Florida and 11 percent nationwide, putting greater strain on families. It is important to note that the national rate of inflation — which covers many budget items that change at varying rates — was 9 percent during this time period, lower than the increase in Florida's Household Survival Budget.

The rise in the Household Survival Budget in Florida between 2010 and 2016 was driven primarily by the significant increase — more than 80 percent — in health care costs. This increase is due to a 39 percent increase in out-of-pocket costs as well as the addition of the Affordable Care Act shared responsibility penalty for not purchasing health insurance. The Household Survival Budget only includes the bare minimum cost for each item, and the shared responsibility penalty is much lower cost than even the lowest-cost health insurance option — the Bronze Marketplace plan, which carries premiums and deductibles (for more details on health care costs, see the Methodology Overview at UnitedWayALICE.org).

In addition, the 2016 budget now includes the cost of a basic smartphone (technology), which is a necessity of modern-day life. The big increase in taxes can largely be explained by the increase in all other budget items. As the cost of these items increased, the earnings needed to cover the expenses increased, and higher earnings resulted in a larger tax bill. Changes in tax rates were minimal from 2010 to 2016; both federal and Florida tax rates were on average flat, though tax brackets shifted (American Community Survey, 2010, 2016; Bureau of Labor Statistics, 2018).

The cost of the Household Survival Budget varies across the state, with the highest-cost counties located around Miami and West Palm Beach. The lowest cost counties are in the more rural panhandle counties (Figure 8).

Figure 8.
Household Survival Budget, Family of Four, Florida Counties, 2016



Source: American Community Survey, 2010-2016, and the ALICE Threshold, 2010-2016

ALICE IN THE WORKFORCE

Overall, economic conditions in Florida continued to improve. The unemployment rate dropped considerably from a high of 13 percent in 2010 to 6 percent in 2016, though rates varied across the state. Many businesses have increased their productivity and the Gross Domestic Product (GDP) grew steadily during this time period, increasing from almost $727 billion in 2010 to just over $836 billion in 2016 (adjusted for inflation). GDP growth — 3 percent during the 2016 calendar year — was double the national average of 1.5 percent and placed Florida fifth in the nation for economic growth. The core segments of the Florida economy — finance, insurance, and real estate; professional and business services; and government — have contributed significantly to this growth.

Several indicators show the Floridian economy doing well, such as the 5 percent growth in the state's total personal income in 2015, which is the third highest rate of growth in the nation. Yet this primarily reflects the growth of the state's population, not individual increases in earnings. Per capita income growth, which measures the state's total income divided by the total population, barely grew; Florida ranked 27th in the country for per capita income growth (Bureau of Economic Analysis, 2018; Bustamante, 2018; The Florida Legislature Office of Economic and Demographic Research, 2017).

In addition, wages (adjusted for inflation) remained stagnant from 2005 to 2014, though they rose between 2014 and 2015. Because the cost of living outpaced growth in wages, many workers in Florida still do not earn enough to cover a basic household budget (Gomez & Sandoval, 2017). For a range of reasons outlined in the following sections — including low wages, lack of full-time work, and a reduced share of profits going to workers — ALICE households are not benefiting financially from seemingly positive economic trends.

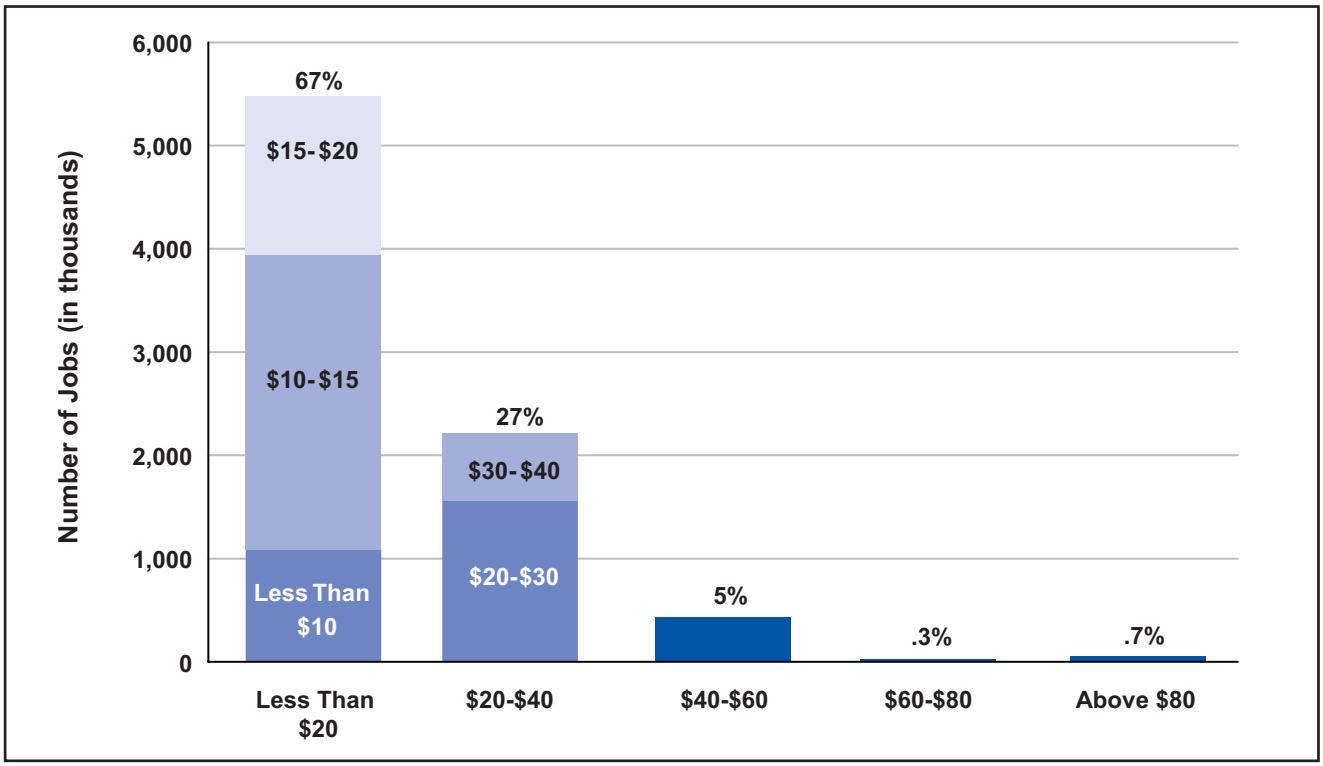
LOW-WAGE JOBS

Florida has had a boon in job creation between 2010 and 2016, with the number of jobs rising from 7.1 million to 8.2 million. Yet more than two thirds of jobs in Florida (67 percent) pay less than $20 per hour, with 72 percent of those jobs paying less than $15 per hour (Figure 9). A full-time job that pays $15 per hour grosses $30,000 per year, which is just over half of the Household Survival Budget for a family of four in Florida. Moreover, job gains were greatest in occupations that paid even less than this — between $9.17 and $14.06 per hour (Bureau of Labor Statistics, 2010 and 2016).

Despite the growth in jobs, it has become more challenging for Florida workers to find jobs with wages that can support even a basic household budget. And while the unemployment rate in Florida was 4.9 percent in 2016, the underemployment rate was much higher, at 10.3 percent. In 2016, 445,900 Floridians were working less than 35 hours despite wanting to work full-time and being available to work. These individuals, often called involuntary part-time workers, cited economic reasons, such as a cutback in hours or an inability to find full-time work as the reason for their underemployment. Nationally in 2017, 22 percent of part-time workers reported that they would prefer to be working full time (Bureau of Labor Statistics, 2016c; Bureau of Labor Statistics, 2018b).

To compensate for low wages many workers take on a second job. Nationally, 29 percent of workers have a second job. This trend is expected to increase because millennials are more likely than other age groups to have more than one job: About 39 percent of workers aged 18-24 and 44 percent of workers aged 25-34 reported taking on a second job to earn more money. And workers are taking on second jobs even in professional occupations traditionally seen as providing adequate wages. For example, the National Center for Education Statistics found that in 2016, 18 percent of full-time public school teachers reported working a second job to make ends meet (CareerBuilder, 2016; National Center for Education Statistics, 2018).

Figure 9.
Number of Jobs by Hourly Wage, Florida, 2016



Source: Bureau of Labor Statistics, Occupational Employment Statistics Wage Survey – All Industries Combined, 2016

Many ALICE workers are employed in the service sector, but they also work in occupations that build and repair our infrastructure and in jobs that educate and care for the workforce. Together, these workers were aptly described as "maintainers" by technology scholars Lee Vinsel and Andrew Russel in 2016. With much credit for economic growth given to "innovators" — disruptors and inventors — it is important to recognize that the majority of jobs are focused on ensuring a strong and functioning infrastructure and a healthy and educated workforce. These maintainer jobs are not only vital to a smoothly running economy but are the foundation for successful innovation. Yet despite how essential these workers are to the economy, improvements in employment and productivity still have not enabled many of them to earn enough to afford a basic household budget (Frey & Osborne, 2013; Vinsel & Russell, 2016).

The top 20 occupations employing the most people in Florida are predominantly maintainer jobs, which are more likely to pay low wages. In 2016, only one of the top 20 occupations — registered nurses — paid enough to support the Household Survival Budget for a family, a minimum of $27.58 per hour (Figure 10).

The most common occupation in Florida, retail sales, pays a wage that is well below what is needed to make ends meet. The almost 340,000 retail salespeople make an average of $10.33 per hour, or $20,660 if working full time, year-round. These jobs fall short of meeting the family Household Survival Budget by more than $34,000 per year. Even if both parents worked full time at this wage, they would fall short of the Household Survival Budget by $13,844 per year.

Figure 10.
Top 20 Occupations by Employment and Wage, Florida, 2016

	2016		Percent Change 2010-2016	
OCCUPATION	NUMBER OF JOBS	MEDIAN HOURLY WAGE	NUMBER OF JOBS	MEDIAN HOURLY WAGE
Retail Salespersons	339,070	$10.33	29%	-2%
Cashiers	240,010	$9.29	17%	6%
Customer Service Representatives	233,430	$14.06	49%	3%
Food Preparation, Including Fast Food	228,350	$9.17	50%	9%
Waiters and Waitresses	217,790	$9.71	26%	11%
Secretaries and Administrative Assistants	174,800	$15.37	21%	11%
Registered Nurses	174,710	$30.15	10%	4%
Office Clerks	163,290	$13.05	17%	13%
Stock Clerks and Order Fillers	135,660	$11.29	-5%	10%
Laborers and Freight	126,850	$11.55	62%	8%
Janitors and Cleaners	121,760	$10.26	12%	9%
Cooks	101,520	$12.15	37%	11%
First-Line Supervisors of Office Support Workers	96,140	$24.69	23%	15%
Sales Representatives	95,130	$23.12	22%	-1%
Bookkeeping and Auditing Clerks	94,170	$17.14	-4%	11%
Nursing Assistants	90,890	$11.76	2%	5%
First-Line Supervisors of Retail Sales Workers	88,970	$19.64	23%	8%
Security Guards	85,510	$10.71	12%	2%
Maintenance and Repair Workers	83,440	$15.54	17%	6%
Landscaping and Groundskeeping Workers	82,520	$11.37	13%	10%

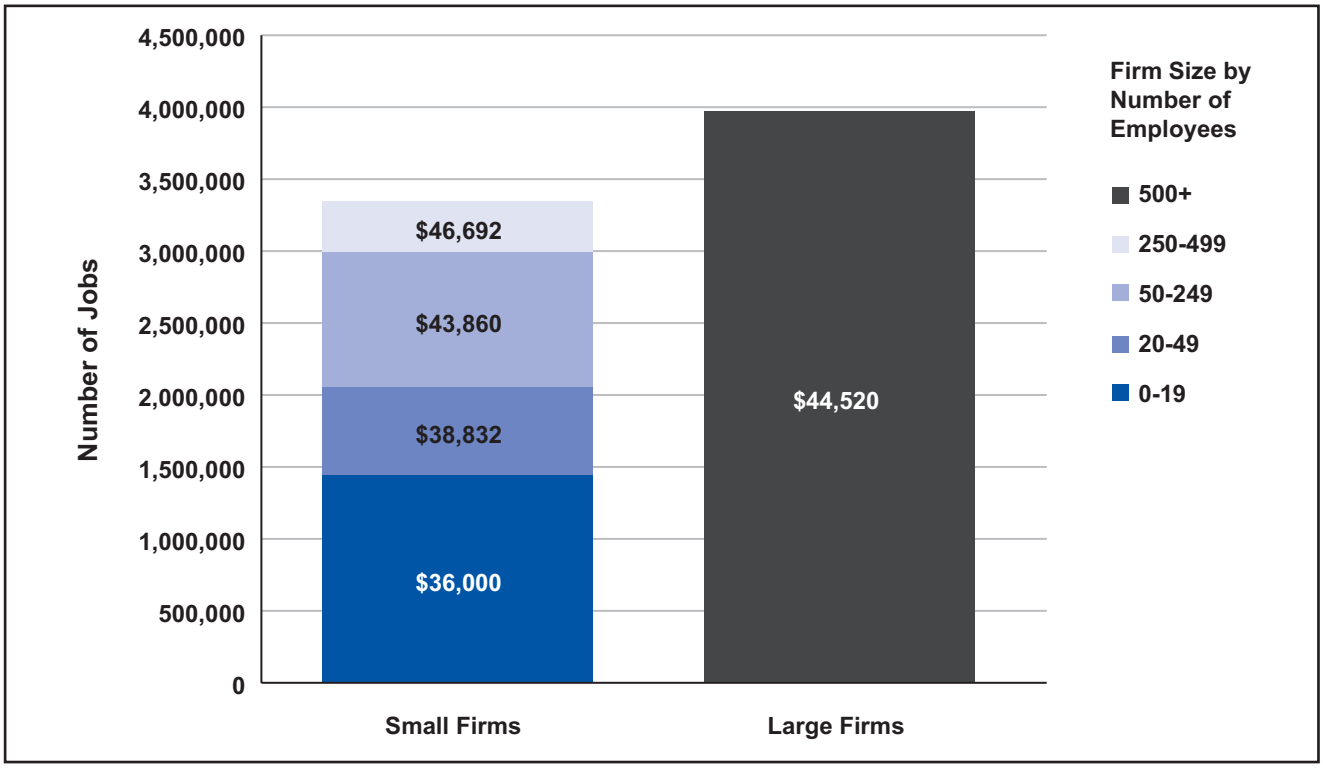
Source: Bureau of Labor Statistics, Occupational Employment Statistics Wage Survey — All Industries Combined, 2010, 2016

SMALL BUSINESSES

One of the key determinants of ALICE workers' wages, benefits, and job stability is the size of their employer. Generally, large companies have greater resources to offer career-growth opportunities, continuous employment, and better benefits. Small businesses, defined by the Bureau of Labor Statistics as firms with fewer than 500 employees, have been an important engine for growth in the U.S. and Florida economies — driving job creation, innovation, and wealth — and have traditionally grown to become medium or large employers. However, small businesses are more vulnerable to changes in demand, price of materials, and transportation costs, as well as to cyberattacks and natural disasters. As a result, their employees face more instability, reduced wages, and a greater risk of job loss. These past two decades have been particularly tough for small businesses, with entrepreneurial growth in the U.S. and Florida largely down from the levels experienced in the 1980s and 1990s (Ewing Marion Kauffman Foundation, 2017; Haltiwanger, Jarmin, Kulick, & Miranda, 2017).

Despite these struggles, in 2016 small businesses employed just under half of the private sector workforce in Florida (Figure 11). The very smallest firms — those with fewer than 20 people — accounted for the largest share of small-business employment. Yet because small firms experience the greatest employee turnover of any size firm, workers in small firms move in and out of employment more often, which can lead to periods of no wages (U.S. Census Bureau, 2016b).

Figure 11.
Private-Sector Employment by Firm Size, With Average Annual Wages, Florida, 2016



Source: U.S. Census Bureau; Quarterly Workforce Indicators, 2016b

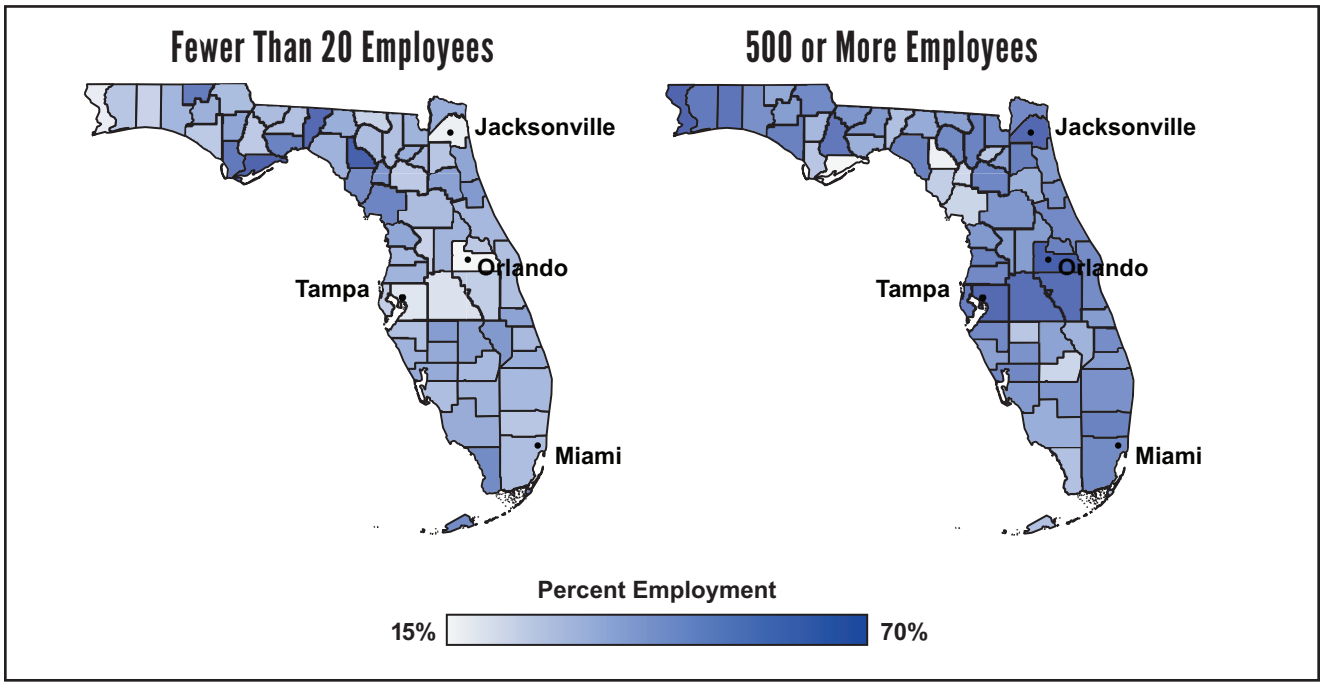
The wages of employees in the smallest firms are significantly lower than wages in larger firms (Figure 11). While average wages have been increasing faster than the 9 percent national rate of inflation, for many employees, wages have not kept pace with the 15 percent increase in the cost of the family Household Survival Budget in Florida. From 2010 to 2016, workers in firms with fewer than 20 employees saw their wages rise by 12 percent, to an average of $36,000 (if full time, year-round). Wages of workers in companies with 20 to 49 employees grew by 8 percent to $38,832, and wages for workers in companies with 50 to 249 employees increased by 14 percent, to $43,860.

Employees in the largest firms started with higher wages and also saw an increase in their wages: Those working in firms with 250 to 499 employees saw their wages increase by 18 percent to $46,692, and wages of those working in firms with 500 or more employees increased by 14 percent, to $44,520.

Another measure reveals that new-hire wages are lower than wages of workers in stable employment (defined as working more than one quarter). Since job instability is often a threat to an ALICE household's stability, it is important to note the difference between new wages and stable wages. For all firm sizes, new-hire wages were at least 31 percent lower than stable wages, and as much as 34 percent less for those in firms with 20 to 49 employees.

Wages vary widely by location with areas dominated by small companies having lower wages and less job stability. Figure 12 shows the percentage of firms in each county that are the smallest (fewer than 20) and the largest (500 or more), with lighter areas representing a lower percentage of firms and the darker areas representing a higher percentage. Small firms are more concentrated in less populous counties in the panhandle and central Florida, while companies with 500 or more employees are more concentrated in urban areas around Miami, Tampa, Orlando, and Jacksonville. Large companies in rural areas are often large retail chains, which tend to have lower wages, explaining the lower median wage for firms with more than 500 employees in rural areas compared to firms with 250 to 499 employees in those areas (U.S. Census Bureau, 2016b).

Figure 12.
Percent Employment by Firm Size, Florida, 2016



Source: U.S. Census; Quarterly Workforce Indicators, 2016b

GIG ECONOMY

In 2016, as the economy approached full employment (defined as less than 5 percent unemployment rate) in many Florida counties, ALICE workers were more likely to be employed. But their income still lagged behind the cost of living in most areas. In some cases, the problem is just low wages. But workers are also having difficulty finding full-time, continuous work.

Over the last decade, there has been a shift away from traditional full-time, full-benefit jobs. In 2016, 15 to 33 percent of the workforce nationally was working as a consultant or contingent worker, temp, freelancer, or contractor (often referred to as the gig economy). According to a National Bureau of Economic Research report, as much as 94 percent of U.S. net employment growth in the last decade has come from alternative or contingent labor (Hathaway & Muro, 2016).

Yet many gig-economy workers are struggling financially. Some evidence of this hardship comes from data on a subset of the gig economy called non-employer firms, defined in most cases as a self-employed individual operating a very small, unincorporated business with no paid employees. Nationally, non-employer firms are growing at a greater rate than firms with employees. There were 25 million businesses classified as non-employers in 2016. Average annual sales for these firms were $46,978, and approximately 45 percent of non-employer firms had total revenue of less than $25,000 per year (Abraham, Haltiwanger, Sandusky, & Spletzer, 2016; Economic Policy Institute, 2018; Federal Reserve Banks, 2015; Katz & Krueger, 2016; U.S. Census Bureau, 2016a; Wald, 2014).

Florida has been a leader in the nation in this area with over two million non-employer firms in 2016, primarily concentrated in real estate (245,008 firms); professional, scientific, and technical services (240,709 firms); administrative support and waste management (233,972 firms); construction (181,203 firms); and a large category that encompasses a range of other service establishments, such as equipment and machinery repair, grantmaking, advocacy, personal care, dry cleaning and laundry, and pet care (346,169 firms). In 2016, sales receipts from non-employer firms made a significant contribution to the Florida economy, totaling $85 billion, or 18 percent of total receipts. Yet the average annual sales for these firms was only $41,829 in 2015 (SBCD Florida, 2016; U.S. Census Bureau, 2016).

Miami-Dade County is one of the most entrepreneurial areas in the country, with a self-employment rate at 15 percent of all workers over age 16 (compared to 10 percent nationally in 2015). Between 2005 and 2015, the number of non-employer firms in the Miami area rose 56 percent, almost three times the national rate. In Miami, non-employer firms are concentrated in natural resource, construction, and maintenance occupations. Within each of these industries, 31 percent are self-employed; in the service sector, management, business, science, and arts occupations, 15 percent are self-employed (Hipple & Hammond, 2016; Florida International University Business, 2018; Pew Charitable Trusts, 2016).

Although non-employer firms and contingent jobs contribute to job growth, many gig-economy workers experience gaps in employment and less regular schedules, and they do not have retirement plans, employer-sponsored health insurance, and worker safety protections. In addition, these workers often have difficulty qualifying for loans or other financial products that require regular income, making it difficult to pay for monthly expenses during gaps in employment or during times of crisis (Economic Policy Institute, 2018; Federal Reserve Bank, 2015; Freelancers Union & Elance-oDesk, 2016; U.S. Government Accountability Office, 2015).

EMERGING TRENDS

While ALICE households differ in their composition, challenges, and level of need, three broad trends will impact the conditions they face and their opportunities to change their financial status in the next decade: the changing American household, increasing market instability, and growing inequality of health. These trends will also have significant implications for local communities and Florida as a whole.

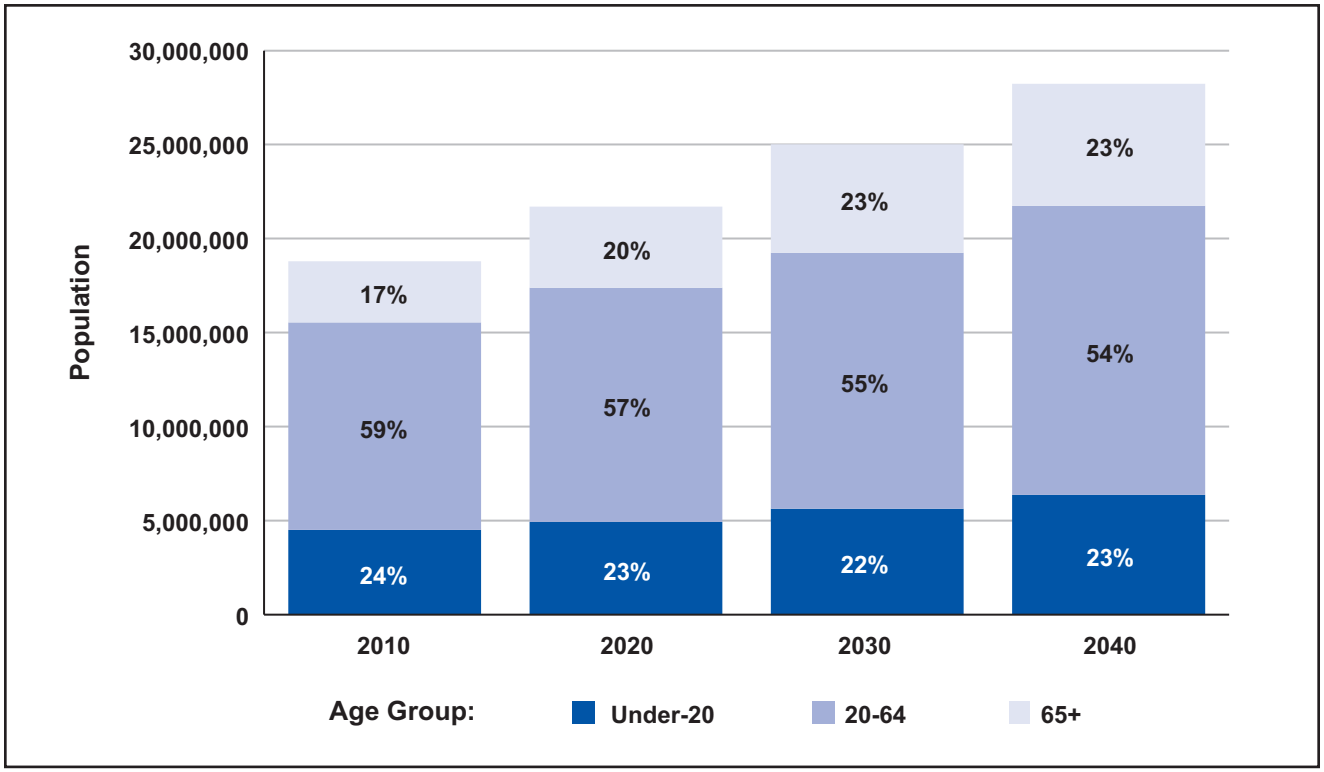
THE CHANGING AMERICAN HOUSEHOLD

Decades of shifting demographic trends have created changes in demand for housing, health care, transportation, and community services. These changes have implications for which households become ALICE households and where they live and work.

Growing Populations: Millennials, Baby Boomers, and Immigrants

Generational shifts: Both millennials and baby boomers are powerful demographic forces. Millennials have different lifestyle preferences than past generations, including choosing to live in urban areas, and delaying both marriage and having children. The large boomer cohort encompasses a group that is working longer, involved in a wide array of activities, and is generally healthier than previous generations. Florida's elderly population is projected to grow from 3,259,602 (17 percent of the total population) in 2010 to 6,481,767 (23 percent) by 2040, a 99 percent increase (Figure 13). In contrast, demographers predict that the rest of the population will increase in numbers, but their percentage of the overall population will actually decline. For example, the number of 0- to 19-year-olds will grow from 4,512,990 (24 percent) in 2010 to 6,377,392 (23 percent) by 2040, and 20- to 64-year-olds will grow from 11,028,718 (59 percent) in 2010 to 15,375,980 (54 percent) by 2040 (Bleemer, et al., 2017; Gurrentz, 2018; Weldon Cooper Center for Public Service, 2016).

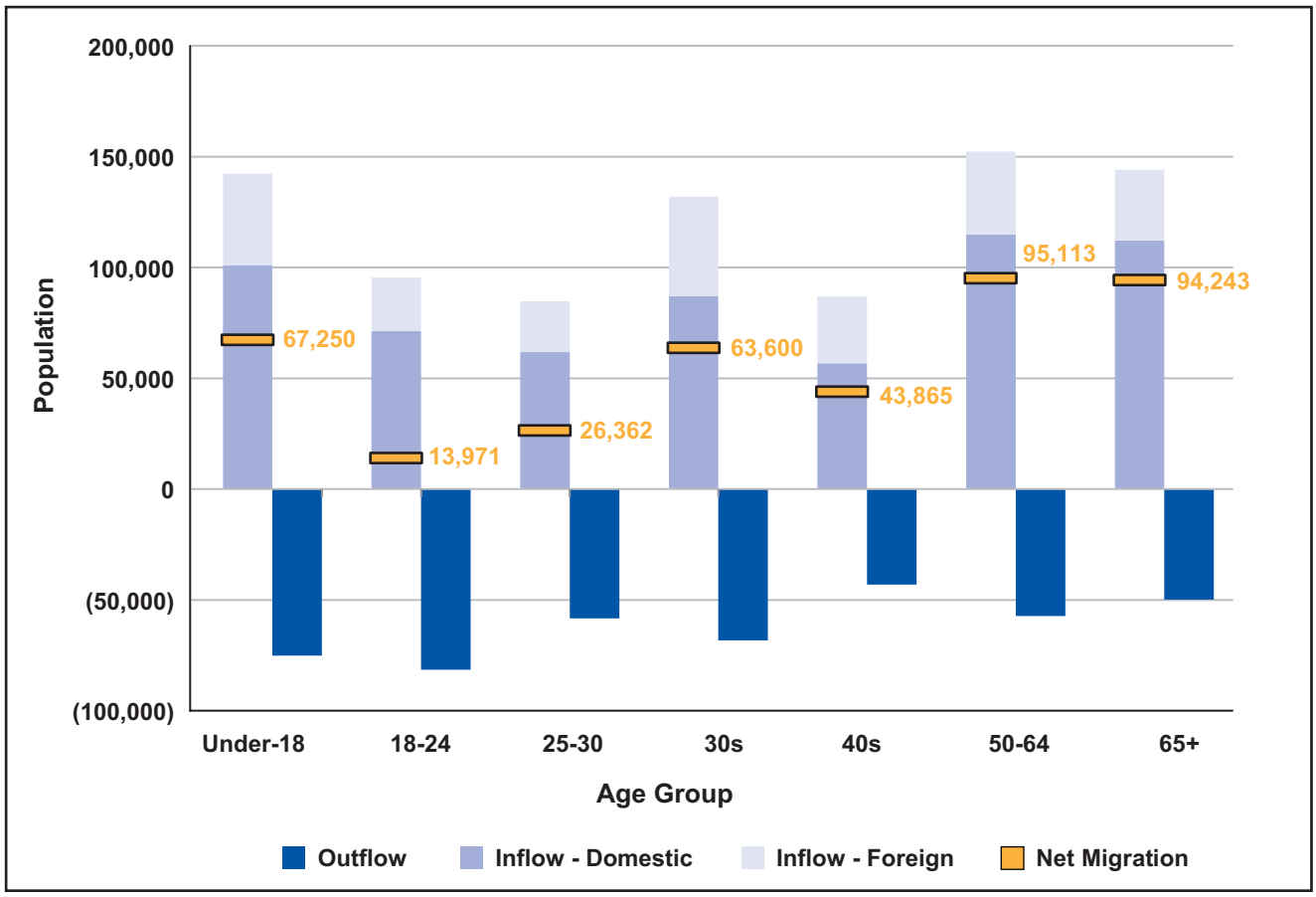
Figure 13.
Population Projection, Florida, 2010 to 2040



Source: Weldon Cooper Center for Public Service, 2016

Migration and immigration: Florida has seen an influx of people migrating from other states, largely New York and other northeastern states, and immigrating from abroad. Though people moved in and out of the state in 2016, tens of thousands more people across all age groups moved into Florida than left, a trend that has been increasing over the last decade. The largest inflows are among people under 18 years old and those over 50 years old (Figure 14). There was significant foreign-born immigration in all age groups, and for those aged 18 to 30, net migration would have been negative without the foreign-born inflow of immigrants (Aisch, Gebeloff, & Quealy, 2014; American Community Survey, 2016).

Figure 14.
Population Inflows and Outflows, Florida, 2016



Source: American Community Survey, 2016

An ethnically diverse workforce: International migration plays an increasing role in Florida's racial and ethnic composition as well as its changing workforce. The total number of immigrants entering the state increased from 634,062 in 2010 to 837,856 in 2016, a 32 percent increase. The largest number of immigrants are of people in their 30's, followed by youth under 18, and adults aged 50-64 (American Community Survey, 2010, 2016).

Because of this steady flow of immigrants, the foreign-born population made up 21 percent of Florida's total population in 2016, up from 17 percent in 2000. By 2016, 55 percent had become citizens, 13 percent were legal permanent residents, and 32 percent were undocumented. Current immigrants in Florida come from Latin America (75 percent), followed by Asia (11 percent), but they also hail from Africa, Europe, and the Middle East (American Community Survey, 2016; Migration Policy Institute, 2014, 2016).

- **Impact on the labor force:** In Florida, 26 percent of the civilian labor force (age 16 and older) was foreign born in 2016. Nationally, the portion of the labor force that is foreign born has risen over the last 20 years from about 11 percent to just over 16 percent. Because the number of immigrants and their children are increasing faster than the domestic population, they will become an even bigger portion of the future workforce (National Academies of Sciences, Engineering, and Medicine, 2017).

- **Immigrants work in all sectors:** In Florida, immigrants work primarily in agriculture, forestry, fishing and hunting, and mining (46 percent of the workforce in these industries); construction (36 percent); wholesale trade and transportation (31 percent each); and manufacturing (28 percent) (Cilluffo & Cohn, 2017; Migration Policy Institute, 2016).

- **Immigrants vary widely in education:** Among adults age 25 and older, 23 percent of Florida's foreign-born population has less than a high school education, compared with 9 percent of the native population. However, a comparable percentage of the foreign-born population has a graduate or professional degree (10 percent) compared to the native-born population (11 percent) (American Community Survey, 2016).

Implications of Demographic Trends

Changing infrastructure needs: There will be greater pressure on the state's infrastructure, especially the housing market, with demand for smaller, affordable rental units. Different groups prioritize different amenities for these units: Many young millennials prefer housing near compact, mixed-use, walkable centers with shopping, restaurants, and public transportation; seniors generally want housing that is accessible to family, health care, and other services; and many immigrants want locations close to schools, jobs, and public transportation. In addition, millennials are burdened by more student debt than previous generations, which has led to reduced rates of homeownership in this population. These trends are increasing the demand for smaller, low-cost housing units. The demand in Florida has pushed down the vacancy rate of all rental units to 8 percent in 2016 (from 15 percent in 2010), while increasing their prices, making it harder for ALICE households of all ages to find and afford basic housing. There were only 32 affordable rental units available for every 100 households with incomes at or below 30 percent of area median income. This represents a deficit of more than 309,000 affordable units across the state. Because of these shortages, more households are increasingly burdened by the cost of housing. Over 70 percent of low-income renters (those with incomes below 50 percent of area median income) were housing burdened (they spent more than 30 percent of income on housing) in 2016, compared to only 5 percent of renters with incomes above 100 percent of the area median income (American Community Survey, 2016; Bleemer, Brown, Lee, Strair, & van der Klaauw, 2017; Shimberg Center for Housing Studies, 2016; U.S. Census Bureau, 2017).

Increased need for caregiving: The aging population will increase demand for geriatric health services, including caregiving, assisted living facilities, nursing homes, and home health care. The challenges of ensuring seniors getting the care they need include a shortage of paid and unpaid caregivers, lack of training among caregivers, and the financial and emotional burden of caregiving on family members.

- **The caregiver-support ratio:** With the number of seniors increasing and the number of potential caregivers (aged 45 to 64) decreasing, there will be fewer people available to care for each senior. The ratio of working-age people to older seniors (80+) was 7 to 1 in 2010 nationally, and is projected to fall to 4 to 1 by 2030, and then to 3 to 1 in 2050 (AARP Public Policy Institute, 2015; Redfoot, Feinberg, & Houser, 2013).

- **Health aides are ALICE:** With the increased demand for caregivers, there is a growing need for more paid direct care workers (home health aides, personal care aides, and nursing assistants), who are themselves likely to be ALICE. These jobs do not require extensive training and are not well regulated, yet they involve substantial responsibility for the health of vulnerable clients. Together, these factors may lead to poor-quality caregiving and the risk of physical, mental, and financial abuse and neglect — an issue that is on the rise in Florida and across the country (Bureau of Labor Statistics, 2016b; Espinoza, 2017; MetLife Mature Market Institute, 2011; U.S. Bureau of Justice Statistics, 2015).

- **Caregiving takes a toll:** In Florida, there are currently more than 2.6 million family caregivers, whose unpaid care totals an estimated $29.7 billion. While families of all income levels may choose to care for family members themselves, many ALICE caregivers are forced into the role because they cannot afford to hire outside care. Nationwide, half of caregivers reported household income of less than $50,000 per year and said they had no choice in taking on caregiving responsibilities. Caregiving also adds direct costs to a household budget and can reduce income due to hours away from work or the loss of a job. And the responsibility of making medical decisions, as well as the amount of care required, can mean further mental and physical strain for caregivers. Caregivers rely on community resources, and unfortunately in Florida, many caregivers aren't getting the support they need. The Long-Term Services and Supports scorecard ranked Florida 16th among the 50 states when it comes to serving family caregivers, older adults, and people with disabilities (AARP Foundation, 2017; AARP Public Policy Institute, 2015; Dixon, 2017; MetLife Mature Market Institute, 2011; Rainville, Skufca, & Mehegan, 2016; Ramchand, et al., 2014).

MARKET INSTABILITY

In a complex, integrated global economy, ALICE workers will experience even greater fluctuations in employment and changes in job requirements. Economic disruptions and natural disasters in one part of the world will increasingly have an impact on ALICE workers in the U.S., contributing to employment instability, shifting supply and demand, and disruption in traditional modes of operation. ALICE households, with few resources to weather these fluctuations, will suffer the most.

Shifting Risk to Workers

As businesses seek new ways to improve productivity and reduce costs, they have increasingly shifted to a contingent workforce and developed more flexible, short-term staffing models that enable them to scale up or down as needed. Yet, workers bear the brunt of this strategy by experiencing unexpected gains or losses in work hours, which makes it difficult for ALICE households to pay bills regularly, make short-term family plans (e.g., child care), or make long-term financial plans such as qualifying for a mortgage. In many cases, shorter working hours make it uneconomic for those who have to travel long distances to jobs. Irregular work schedules for families with children have also been shown to increase parenting stress, which in turn puts children at risk for adverse childhood experiences (Browne, 2014; Watson, Frohlich, & Johnston, 2014).

Shifting to contractors or part-time workers reduces the responsibility of employers to provide benefits, such as health insurance and retirement plans. This increases costs to ALICE households and makes them more vulnerable if they have a health crisis or have to retire early. In some cases, employer or government benefits (including paid and unpaid time off, health insurance, unemployment insurance, public assistance, and work supports) are tied to number of hours worked, and unpredictable scheduling means workers could at times fall short of eligibility. For example, low-wage workers are two and a half times more likely to be out of work than other workers, but they are only half as likely to receive unemployment insurance (Garfield, Damico, Stephens, & Rouhani, 2015; U.S. Government Accountability Office, 2007, 2017).

Changing Job Market

Florida's economic landscape is changing. Despite national media's attention on innovation, the workforce in Florida is projected to be largely low-paying jobs requiring few educational credentials. Of the jobs that are projected to be the fastest-growing in the next decade, 88 percent currently pay less than $20 per hour in Florida, and 84 percent do not require more than a high school diploma (Figure 15) (Bureau of Labor Statistics, 2016b; Projections Management Partnership, 2016).

Many of these jobs are also at the greatest risk of being replaced by technology. In Florida, more than four out of five jobs (84 percent) in the top-20 fastest-growing occupations could be replaced by technology in the next two decades. In addition to automating existing jobs, technology is creating new on-demand jobs and services, with the most attention going to gig-economy jobs, such as Airbnb rentals and Uber and Lyft driving (Frey & Osborne, 2013).

It is easy to identify jobs that are likely to disappear due to automation, but it is more difficult to predict the many new jobs that will be created to build and repair the newly mechanized parts of this infrastructure. Workers filling these maintainer roles will be required to develop new sets of skills. In the face of rapidly increasing computing power, an ability to work with data and work alongside machines will be necessary. The pace of change may be faster than anticipated. By one estimate, 50 percent of subject knowledge acquired during the first year of a four-year technical degree will be outdated by the time students graduate. Types of jobs that are predicted to emerge in the next 20 to 30 years include augmented reality architects, alternative currency bankers, waste-data managers, 3-D printing engineers, privacy managers, wind-turbine repair techs, nano-medics, drone dispatchers, robotic-earthworm drivers, body-part and limb makers, memory augmentation therapists, mass-energy storage-developers, and self-driving-car mechanics (Bustamante, 2018; T. Frey, 2011; Mejia, 2017; OECD, 2016; World Economic Forum, 2016).

Figure 15.
Job Projections, Florida, 2016 to 2026

Occupation	2016 Employment	Annual New Growth	Median Wage (2016)	Education or Training	Likelihood of Being Replaced by Tech
Retail Salespersons	345,800	3,381	$10.33	None	92%
Cashiers	240,360	1,245	$9.29	None	97%
Customer Service Representatives	236,920	3,567	$14.06	High school diploma or equivalent	55%
Food Prep, Including Fast Food	230,340	5,872	$9.17	None	92%
Waiters and Waitresses	218,160	3,436	$9.71	None	94%
Secretaries and Administrative Assistants	187,930	404	$15.37	High school diploma or equivalent	96%
Registered Nurses	185,360	3,971	$30.15	Bachelor's degree	1%
Office Clerks, General	168,100	1,405	$13.05	High school diploma or equivalent	96%
Stock Clerks and Order Fillers	136,450	1,810	$11.29	High school diploma or equivalent	64%
Janitors and Cleaners	127,530	2,427	$10.26	None	66%
Laborers and Movers, Hand	127,330	2,529	$11.55	None	85%
First-Line Supervisors of Retail Sales Workers	114,660	1,402	$19.64	None	28%
Landscaping and Groundskeeping Workers	108,360	2,298	$11.37	None	95%
Bookkeeping and Auditing Clerks	105,330	779	$17.14	Some college, no degree	98%
Cooks, Restaurant	101,930	2,114	$12.15	None	96%
Sales Representatives, Wholesale and Manufacturing	100,540	1,572	$23.12	High school diploma or equivalent	85%
First-Line Supervisors of Office Workers	99,790	1,184	$24.69	Bachelor's degree	1%
Maids and Housekeeping Cleaners	96,510	1,750	$10.01	None	69%
Nursing Assistants	95,050	1,656	$17.14	Postsecondary nondegree award	4%
Maintenance and Repair Workers	92,260	1,582	$15.54	High school diploma or equivalent	64%

Source: Bureau of Labor Statistics, 2017; Projections Management Partnership, 2016

Increasing Exposure to Environmental Hazards

The impact of natural and man-made disasters is often felt more by ALICE workers and low-income communities. More affordable homes are often located in vulnerable areas. Hurricanes, floods, violent weather, rising sea levels, crop failures, droughts, and ocean acidification directly threaten the homes of ALICE families and jobs where ALICE works. For example, ALICE families who live in flood prone areas may suffer the financial cost of flooding damage, and an ALICE worker suffers lost wages when crops fail and there is less work. Employees in the tourism and hospitality industry often lose work and wages during and following disasters like floods, hurricanes, and environmental events such as a red tide (NASA, 2018; Simms, 2018; Van Paasschen, 2017).

Where climate risk overlaps with social risk, natural disasters have the most devastating impacts. In Florida, there are 11 counties that rank "high" for both social vulnerability and for climate hazards, according to Oxfam America and the Hazards and Vulnerability Research Institute. These counties include Charlotte, Citrus, Flagler, Hernando, Highlands, Marion, Miami-Dade, Pasco, Pinellas, Sarasota, and Sumter. Factors for social vulnerability include economic standing (the most important factor in assessing community vulnerability to disaster), age extremes (with the young and elderly more dependent on care and less able to evacuate in times of disaster), rural and urban communities (extremes in population compound risks), special needs populations, vulnerable occupations (people who are unemployed or employed in low-paying jobs have a more difficult time preparing for and recovering from disasters), housing quality, and racial/ethnic disparities. Eight Florida counties (Charlotte, Citrus, Collier, Highlands, Marion, Miami-Dade, Sarasota, and Sumter) are in the top 20 percent in the nation when it comes to social vulnerability to environmental hazards (Oxfam America, 2017).

Households that have their own resources (like flood insurance) to put toward disaster recovery can often bounce back quicker than households that rely on government assistance following a natural disaster. There is evidence that people with lower incomes face substantial barriers in obtaining aid following disasters, including difficulty getting to disaster assistance centers (due to transportation and child care issues) and a lack of knowledge and comfort with governmental procedures. Even with assistance, many families are still not able to recover fully, especially in terms of lost and lower wages (Fothergill & Peek, 2004).

Maintainer jobs commonly held by ALICE workers — those that build and repair infrastructure and support the workforce — are also key to recovery following natural disasters. Communities rely on ALICE to rebuild and recover. When ALICE can't work during these periods of recovery because of relocation, injury, or caregiving responsibilities (e.g., due to closed schools or senior centers), ALICE households suffer lost wages and community resilience is negatively impacted overall.

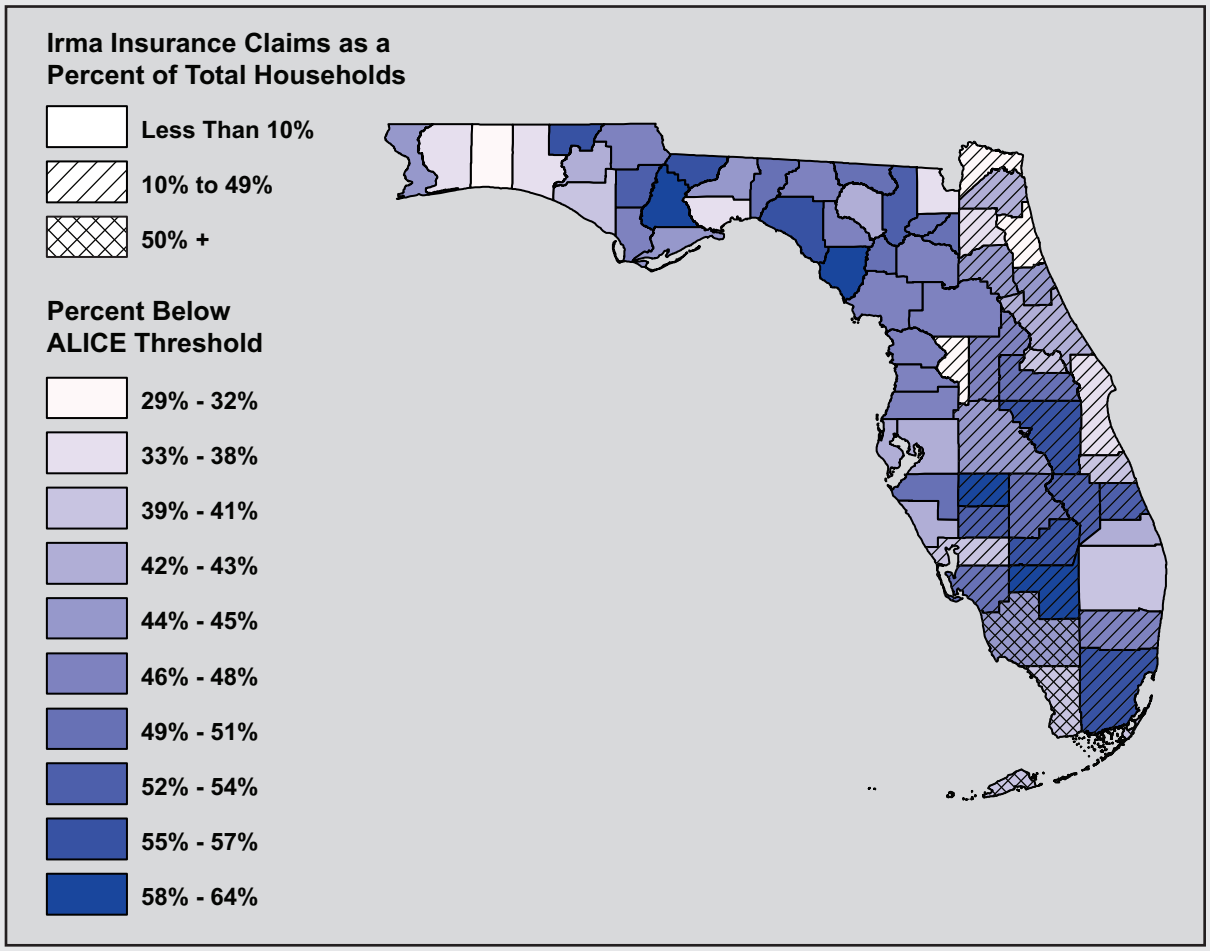
Because of the impact natural disasters have on their work and living situations, low-income families are also more likely to suffer from mental and physical health issues, such as depression, stress, and post-traumatic stress disorder. Children and those with pre-existing mental and physical health conditions are at increased risk (SAMHSA, 2017).

ALICE AND HURRICANE IRMA

When Hurricane Irma made landfall in Florida on September 10, 2017, it became one of the strongest and costliest hurricanes recorded in the Atlantic basin. Irma caused widespread damage across the Caribbean islands and the southern U.S. In Florida, the cost of damage was approximately $50 billion.

Because the hurricane occurred after the time period covered in this Report, its impact is not reflected in the Household Survival Budget data. But by highlighting where ALICE households live and work, and understanding their financial vulnerability, we know ALICE families lost wages and suffered from damage to their houses and cars. To demonstrate that this disaster disproportionately impacted low-income residents, Figure 16 shows where insurance claims were made after Hurricane Irma layered over where ALICE lives. When looking at the number of insurance claims alone (diagonal lines reflect 10 to 49 percent of total households with insurance claims, while the cross hatch reflects 50 percent or more), the counties that appear to be hardest hit were Miami-Dade, followed by Orange and Lee. However, an analysis of insurance claims and ALICE data together shows that other counties with a high percentage of households below the ALICE Threshold also were hard hit, especially Hendry, Hardee, and Osceola counties. These findings are corroborated by assessments of the impact of Hurricane Irma from FEMA, the U.S. Energy Information Administration, and the National Low Income Housing Coalition.

Figure 16.
Household Income by Irma Insurance Claims, Florida, 2016 to 2017



Source: ALICE Threshold, 2016; Florida Office of Insurance Regulation, 2018

Hurricane Irma impacted housing for thousands of ALICE families — both renters and owners. ALICE and low-income households are less able to move away from environmentally vulnerable areas and less able to prepare for a disaster or evacuate. Renters also face an increased burden as they often have little control over the timing and quality of the rehabilitation of their homes, and fewer resources for finding new housing. An analysis of FEMA registrations for post-storm assistance showed that almost half of renters and just over one third of owners that registered lived in economically disadvantaged zip codes, where at least 20 percent of the population lived in poverty. And while the majority of FEMA registrants were White (echoing the Florida population), households of color were disproportionately represented among FEMA rental registrants: 32 percent were Hispanic and 27 percent were Black. In comparison, Hispanic households comprise 20 percent of all Florida households and Black households account for 14 percent.

Irma also negatively impacted employment in the state, with 5,900 Floridians applying for financial assistance through the Disaster Unemployment Assistance Program due to lost work or income. Workers who applied were compensated, but there were delays in receiving aid, while rent and other expenses continued. With power outages in most counties for days, many residents could not work, yet only a portion were aware that they could apply for assistance. The impact on income continued for those whose livelihood was damaged by the storm. Irma had a significant impact on the tourism, hospitality, and citrus industries, which employ a large number seasonal workers, many of whom lost work, not only during the storm but for weeks and months afterwards. First Responders — who are often ALICE — also reported an unexpected burden on household after the storm: Due to overtime pay they received, they no longer qualified for benefits and social services when they needed them the most, despite the fact that the increase in pay was temporary.

Sources: FEMA, 2017; Fothergill & Peek, 2004; Hartman, 2017; National Low Income Housing Coalition, 2017; NOAA, 2017; Oxfam America, 2017; Pilkington, 2017; U.S. Energy Information Administration, 2017

Lacking Assets

What makes market instability especially difficult for ALICE households is their lack of financial resilience. Without adequate assets, families have little to no savings and few opportunities to improve their situation. When families can invest in education, new technology, a small business, or their own home, they can improve their circumstances socially and economically. They can also finance a secure retirement. These are opportunities for creating financial security that are often unavailable to ALICE, increasing the vulnerability of hard-working people.

More than three-quarters of U.S. workers live paycheck to paycheck at least some of the time, and nearly as many are in debt. They do not have savings or access to credit that might sustain them through a low period of income or an unexpected disaster. In 2015, 47 percent of Florida residents did not have money set aside to cover expenses for three months to protect them against an emergency such as illness or the loss of a job. The wealth divide disproportionately affects households of color, which have fewer assets than White households. Nationally (state data is not available), the median wealth of White households was eight times the median wealth of Black households in 2010 and grew to 13 times in 2013 (the most recent data available) (CareerBuilder, 2017; FINRA Investor Education Foundation, 2016; Kochhar & Cilluffo, 2017; McKernan, Ratcliffe, & Shanks, 2011; Prosperity Now, 2018).

While data on wealth is minimal, there is data on three of the most common assets in Florida — vehicles, homes, and investments — which can provide insight into resources families have for emergencies and to accumulate wealth. Most Florida households (93 percent) have at least one vehicle. Although cars are by-and-large a necessity for work in Florida and offer other benefits beyond their cash value, they are not an effective means of accumulating wealth. The second most common asset is a home, which has traditionally provided financial stability and the primary means for low-income families to accumulate wealth. In 2016, 65 percent

of Florida households owned a home and over half of those had a mortgage. Homeownership rates are decreasing, and more Florida households are renting — among both lower- and higher-income households (American Community Survey, 2016; Shimberg Center for Housing Studies, 2016).

The most effective resource to weather an emergency is an income-producing investment, which can range from a savings account to a 401(k) retirement plan to a rental property. In 2016, 21 percent of households in Florida had interest and dividends or rental income, equal to the national average of 21 percent, but down from 31 percent in 2007. And only 20 percent of Florida households had retirement income. Florida has the lowest percentage of employees with access to retirement plans and also the lowest participation rate for retirement plans in the nation (American Community Survey, 2014, 2016; CareerBuilder, 2017; McKernan, et.al., 2011).

When families do not have savings or access to traditional financial services, they are often forced to either go without critical necessities (such as electricity or medical care) or to borrow money through alternative lending products, which have high interest rates and greater risks of predatory lending practices and default. In some cases, the consequence of not taking out these loans are worse than the financial risk of taking them. However, when caught in a cycle of lending and borrowing, they can spiral into a debt trap with long-term financial consequences (Consumer Financial Protection Bureau, 2017; Mayer & Jencks, 1989; McKernan, et al., 2011; McKernan, Ratcliffe, & Vinopal, 2009; Mills & Amick, 2011).

THE WEALTH-HEALTH GAP

There has long been a real and significant divide in health outcomes by socioeconomic status, largely because of differences in living conditions, but also because of disparities in levels of quality health care access. With advances in technology and medical care, that gap is projected to grow. It is well documented that people in lower-income groups do not live as long as those in higher-income groups. The National Academies of Sciences, Engineering, and Medicine projects that, of people born in 1960, those in the lowest-income quintile have a shorter life expectancy than those in the highest-income quintile: 13 years shorter for men (76 years compared to 89 years) and 14 years shorter for women (78 years compared to 92 years) (Chetty, Stepner, et al., 2016; Komlos & Kelly, 2016; National Academies of Sciences, Engineering, and Medicine, 2015).

With advances in technology and medical care, such as personalized medicine, biotechnology, and genetic engineering, that gap is projected to grow (Chetty, Stepner, Abraham, et al., 2016; Harari, 2014; Komlos & Kelly, 2016; Regalado, 2015).

The health-wealth divide is also exacerbated by the differences in the environments where families live. Those with the fewest resources live in areas with unhealthy living conditions, such as contaminated water and polluted air, because these homes are less expensive. The impact of pollution, toxic exposure, and disease compounds over time.

Institutionalized racism and ongoing discrimination also factor into disproportionate exposure to adverse health conditions, as people of color have typically had less mobility and choice around where they live and in job opportunities. A 30-year analysis of 319 commercial hazardous-waste treatment and storage sites in the U.S. found a consistent pattern of placing hazardous waste facilities in low-income neighborhoods, which are often disproportionately populated by Black and Hispanic families. A variety of large studies have also revealed an association between low socioeconomic status and greater harm from air pollution. A comprehensive review from Harvard University researchers revealed that Black, Asian, Hispanic, and Medicaid-eligible individuals of any race/ethnicity had a higher likelihood of death from any pollution-related cause compared to the rest of the population, with Black people almost three times as likely to die from exposure to air pollutants than other groups (Di, Wang, Zanobetti, & Wang, 2017; Mohai & Saha, 2015).

THE DENTAL HEALTH DIVIDE

Nowhere are wealth-health disparities starker than in the divide in dental care. Higher-income Americans have dental insurance (most often separate from health insurance) and access to care that provides resistance to tooth decay and breakage, and promotes jaw comfort, clear speech, and easier maintenance — all of which lead to better overall health. The wealthiest families spend thousands of dollars on supplemental dental care to achieve whiter, straighter, and stronger smiles, which lead to more social and job opportunities.

Those with the lowest incomes rarely have dental insurance and Medicaid's dental coverage varies from state to state, so these families often forgo preventative care. They are far more likely to suffer from tooth decay and gum infection, which can increase the risk of cancer and cardiovascular diseases and can affect speech, nutrition, sleeping, learning, playing, and overall quality of life. In addition, crooked or yellow teeth can stigmatize people in social settings and reduce job prospects, as they are associated with low educational achievement and social mobility. According to a 2015 American Dental Association survey, 29 percent of low-income respondents reported that the appearance of their mouth and teeth affected their ability to interview for a job.

Dental coverage for those covered by Medicaid and Children's Health Insurance Program (CHIP) in Florida (with income below 133 percent of the Federal Poverty Level) is available through Florida Medicaid Dental (for adults aged 19 and over) and the Florida KidCare program (for children ages 18 and under). Florida KidCare covers a variety of services, including semi-annual oral exams, x-rays, fillings, crowns, and oral surgery. Still, there was a 30 percent gap in dental care utilization between children enrolled in KidCare and children with private dental benefits — the second largest dental utilization gap of all states in 2013. Florida Medicaid Dental for adults is even more limited, only covering emergency dental services.

For adults 65 years and older in Florida and across the country, Medicare does not cover routine oral health and dental care. Older adults must purchase an insurance plan or pay out-of-pocket. Many seniors with severe needs (such as root canals and crowns), are unable to afford the high cost of these restorative procedures and simply have their teeth pulled. As a result, nearly one in five Americans older than 65 do not have a single real tooth.

Even Floridians with dental coverage have difficulty accessing care because of the limited number of dentists in the state and a shortage of those who accept Medicaid and other dental plans. Florida has 223 Dental Care Health Professional Shortage Areas. In 2016, 69 percent of general practice dentists surveyed by the Florida Department of Health reported that they had not accepted a Medicaid patient in the last 12 months, largely because of Medicaid's inadequate reimbursement.

In addition, with the eligibility cutoff for the Florida Medicaid Dental at 133 percent of the Federal Poverty Level, there are many ALICE households that do not qualify for dental assistance but cannot afford marketplace premiums for dental insurance. As a result, the U.S. Department of Health and Human Services estimates that just 13 percent of dental needs in Florida were met in 2017. Nationally, even though states are required to provide dental benefits to children covered by Medicaid and CHIP, one-third of White children and one-half of Black and Hispanic children still go without dental care.

Sources: Barnett & Berchick, 2017; Center for Health Care Strategies, 2018; Frakt, 2018; Health Policy Institute, 2015; Hinton & Paradise, 2016; Jordan & Sullivan, 2017; Kaiser Family Foundation, 2017; Otto, 2017; Paradise, 2014; Wall, Nasseh, & Vujicic, 2014

NEXT STEPS

There is a basic belief in America that if you work hard, you can support yourself and your family. Yet the data presented in this Report shows that for nearly 3.5 million households in Florida, this is not the case. Working households are still struggling due to the mismatch between the basic cost of living and the wages of many jobs across the state, exacerbated by systemic inequalities in opportunity and wealth. By making this clear, the ALICE data challenges persistent assumptions and stereotypes about people who can't afford to pay their bills or are forced to visit a food bank — that they are primarily people of color, live only in cities, are unemployed, or are struggling as the result of some moral failing. The data on ALICE households shows that hardship in Florida exists across boundaries of race/ethnicity, age, and geography.

With projected demographic changes and persistent barriers to stability, many ALICE and poverty-level families will continue to face hardship. In particular:

- At least 47 percent of Floridians do not have money set aside to cover expenses for three months in case of an emergency such as illness or the loss of a job (FINRA Investor Education Foundation, 2016).
- The majority of residents under age 25 are unable to afford to live on their own, and for both economic and cultural reasons are delaying getting married, having children, or moving for new job opportunities.
- More seniors are aging without saving for retirement.
- There are fewer workers to meet the growing demand for senior caregiving.
- Income and wealth disparities persist by race/ethnicity, sex, gender identity, and sexual orientation.

OVERCOMING THE OBSTACLES: IDEAS BEING DEBATED, CONSIDERED, AND PILOTED

Economic change will continue, and these changes will both provide opportunity and inflict costs. Yet the distribution of opportunity and cost is not usually even or equitable. To have a positive impact on ALICE families, communities need to consider a range of system changes that would help ALICE weather downturns in the short term and become more financially secure in the long term. Policymakers, academics, and advocates have proposed a range of broad ideas that could be adapted on a local, statewide, or national front. The following are four of the biggest obstacles to financial stability for ALICE families, and a sample of ideas and pilot programs being debated and considered across the country.

Widening Skills Gap

1

Going forward, most jobs, and especially higher-paying jobs, will require digital skills. Since 2004, the share of occupations that require high levels of digital skills has more than doubled, from 10 to 22 percent (Liu, 2017). For ALICE to maintain employment over time, workers will need accessible, high-quality technology training throughout their lifetime. Public K–12 schools can incorporate digital skills into all aspects of the curriculum for students, higher education can offer more focused programs, and companies can invest in training for their employees.

Lack of Stable and Viable Employment

2

For ALICE, finding well-paying jobs with security and financial stability is becoming harder as low-wage and gig-economy jobs continue to dominate the landscape. Fluctuating income — through unpredictable schedules and on-demand work — is one of the biggest problems ALICE workers face. At the same time, employers are also trying to navigate a changing business environment, remain competitive, and offer comprehensive benefit packages. The following are several possible solutions that address these challenges that ALICE workers and businesses face:

- **Fewer barriers to employment:** Barriers for ALICE can include lack of job skills, family care responsibilities, physical and mental health problems (including substance abuse), limited English proficiency, and lack of reliable transportation. There are several evidence-based solutions such as work programs that provide direct connections to employment (including apprenticeships); an individualized approach (to address a wide range of challenges, from soft skills to housing); and the development of career pathways over time through work and education. Successful outcomes require employers, government agencies, and nonprofits to weave together larger webs of connected programs and resources (Tessler, 2013; U.S. Department of Health & Human Services, 2012; Van Horn, Edwards, & Greene, n.d.; Yellen, 2017).

- **Portable benefits:** Benefits such as health insurance, retirement plans like a 401(k), or paid leave, could move with the worker from job to job, and across multiple jobs at once. These can be delivered in multiple forms — through programs that are not connected to work or the employer at all; or through programs that involve employers but establish benefits that can be provided across employers. Some examples of this approach already exist in the construction industry and business associations; legislators in New York and Washington are considering benefit management systems that would allow employers to pay into workers' benefit funds (Foster, Nelson, & Reder, 2016; Guillot, 2017; Maxim & Muro, 2018; Quinton, 2017; Small Business Majority, 2017a; Strom & Schmitt, 2016).

- **Small business support:** Because of the less stable nature of many small businesses, their employees would benefit from measures that helped them weather fluctuations in their schedule and long-term employment, which include establishing portable benefits as mentioned above. In addition, small business entrepreneurs and their employees need more support to help them overcome common barriers, including limited resources to invest in skill development; student debt, which limits an owner's ability to invest in their businesses; and lack of access to affordable child care, which increases absenteeism and decreases their productivity (Beelsley, 2016; Small Business Majority, 2016, 2017).

- **Lifetime employment:** Considering lifetime employment models from other countries can expand our thinking on this topic. For example, guaranteed employment is an innovative policy that has been utilized in Germany and Japan. Companies guarantee employment for large numbers of workers. To avoid layoffs, the practice allows for transfers and defined reductions in hours and wages in lean times (Noorderhaven, Koen, & Sorge, 2015).

Lack of Savings and Assets

3

Without enough money for even current expenses, ALICE families find it nearly impossible to save for emergencies or invest in future goals like education or retirement. A lack of savings is one of the biggest problems facing low-income families. Programs and infrastructure are needed to help them weather emergencies and periods of low income. Here are two approaches for policymakers to consider:

- **Access to credit:** For those with low incomes, saving for emergencies is nearly impossible. Access to credit at low rates has proven to be effective to help ALICE workers and employers — especially small businesses — weather an emergency. However, ALICE families still need to have enough income to repay the loan, or they risk greater long-term financial crises (Collins & Gjertson, 2013; Mayer & Jencks, 1989).

- **Private and public financial instruments:** These range from new types of financial products to a guaranteed income or allowance. Employers could make wages more immediately available (rather than wait two weeks until payday), and banks could do the same for deposited funds. Financial institutions and the government could offer insurance or credit, as well as tax credits and savings incentives, to protect workers against dips in income. Going even further, for centuries economists, theologians, and policy makers have proposed a minimum guaranteed income for all families, though proposals run the gamut of approaches. The idea has received more bipartisan attention recently as more workers face periods of low-wages or unemployment (Murray, 2016; Schiller, 2017; Shaefer & Edin, 2013; Van Parijs & Vanderborght, 2017).

Systemic Bias

4

Bias against marginalized groups persists in the workplace, the housing market, education, health care, and the law, despite positive shifts in public opinion and attitudes regarding differences in race and ethnicity, age, sex, gender identity, sexual orientation, and disability.

Racial bias is among the most persistent, despite research confirming that the gaps in education, income, and wealth that now exist along racial lines in the U.S. have little to do with individual behaviors. Instead, these gaps reflect systemic policies and institutional practices that create different opportunities for people of different races and ethnicities. Discriminatory practices have been embedded in our social structures and legal system, especially in terms of housing policies, immigration practices, voting rights, school funding, and health care programs. To make a difference for ALICE households, changes need to be made within institutions that impede equity in the legal system, health care, housing, education, and jobs (Agency for Healthcare Research and Quality, 2015; Cramer, 2012; Goldrick-Rab, Kelchen, & Houle, 2014; Shapiro, Meschede, & Osoro, 2013; The Sentencing Project, 2018).

For solutions to be effective, they must be as comprehensive and as interconnected as the problems are. Siloed solutions do not work. Because conditions vary across counties and states, the solutions to the challenges that ALICE and poverty-level households face will vary as well. Stakeholders — family, friends, nonprofits, businesses, policymakers, academics, and the government — will need to work together with innovation and vision and be willing to change the structure of the local and national economy — and even the fabric of their communities.

Ultimately, if ALICE households can become financially stable, Florida's economy will be stronger and its communities more vibrant — improving life not just for ALICE, but for everyone. The data detailed in this Report can be a jumping-off point to create new and better ideas that can help working families move toward this goal. There is no one solution: A range of strategies will be needed to ensure that working people and their families aren't left behind.

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