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United Way of Greater Toledo
Serving Lucas, Wood,
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Ohio Families Struggle to Survive, Basic Needs Become Out-of-Reach

[Sept. 17, 2020, TOLEDO, OHIO] – When COVID-19 hit, more than 1.1 million Ohio households were already one emergency away from financial ruin — a 10-year record high — setting the stage for the unprecedented economic impact of the pandemic, according to the state’s latest ALICE (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed) report, released today by United Ways of Ohio, in partnership with United For ALICE.

Over the last decade, Ohio’s low-income families systematically lost buying power and financial stability as the high cost of essentials outpaced wages, driving the number of ALICE households to rise 39 percent by 2018, the report shows.

“Our economy is reliant on those we call ALICE. This is the cashier at your supermarket, the gas station attendant, the salesperson at your big box store, your waitress, a home health aide, an office clerk. They provide an important service to the community and are often-times the most financially vulnerable to an emergency,” said Wendy Pestrue, United Way of Greater Toledo president & CEO.

“COVID-19 became that one universal emergency for all Ohioans. ALICE families, who don’t have health insurance and have no paid sick days, are suffering,” said Pestrue.

In 2018, of Ohio’s 4.7 million households, more than 1.1 million were ALICE (a record number of homes) who were unable to afford the basics for survival, despite working. That’s in addition to the 646,948 families that were in poverty.

As a result, ALICE households grew to account for 39 percent of Ohio’s households in 2018, up from 31 percent in 2007. In contrast, poverty levels remained largely flat at about 14 percent. The report shows ALICE households were locked out of the boom economy and unable to establish savings due to meager pay raises, inconsistent job hours, changing schedules and little to no benefits.

“Sometimes, no matter how hard ALICE families work, the gap between their wages and the cost of necessities just kept widening. These fragile households are now facing an even greater financial battle because of COVID-19,” said Pestrue.

ALICE in Ohio: A Financial Hardship Study shows that in 2018, the cost of survival ranged annually from \$21,828 for a single adult, to \$24,396 for a senior citizen and \$67,404 for a family of four with an infant and a preschooler. Putting this in perspective: The median hourly wage for a food preparation and serving worker, the most common occupation in Ohio, was \$9.31 an hour or \$18,620 per year — less than all the budgets above.

This mismatch between wages and costs is revealed by a new measurement debuting in this report, called the ALICE Essentials Index. This index chronicles how the cost of housing, childcare, food, transportation, health care and a smartphone plan rose at nearly twice the rate of inflation, as measured by the Consumer Price Index.

The result is that in 2018, two parents working full-time needed to earn \$16.85 an hour in order to afford the Household Survival Budget for a family of four. That's up from a wage of \$12.93 an hour affording that budget in 2007. During the same period, the number of low-wage jobs grew by 5 percent, accounting for 35 percent of all jobs in Ohio in 2018.

"The ALICE Essentials Index shows that, through no fault of their own, ALICE families have been priced out of economic stability, setting the stage for the scope of this crisis," said United For ALICE National Director Stephanie Hoopes, Ph.D.

"Using the Consumer Price Index alone to measure inflation provides an incomplete picture of the cost of living, severely underestimating the mounting financial pressures on ALICE families," said Hoopes.

The report calls for stakeholders across all sectors to use its findings to remove obstacles to financial stability, identify gaps in community resources and build data-driven solutions to help ALICE families achieve economic stability, bolstering the state's economy overall.

The ALICE Report for Ohio is a project of United For ALICE, a grassroots movement of some 650 United Ways in 21 states, corporations and foundations, all using the same methodology to document financial need. ALICE reports provide county-by-county and town-level data, and an analysis of how many households are struggling, including the obstacles ALICE households face on the road to financial independence.

To read a copy of the report, visit www.UnitedForALICE.org/Ohio

About United Way of Greater Toledo

United Way of Greater Toledo proudly serves the community members of Lucas, Wood and Ottawa County. With offices in Toledo, Bowling Green and Port Clinton, it is our mission to fight for the education, financial stability and health of every child, individual and family.

About United For ALICE

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

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