THE STATE OF ALICE IN THE UNITED STATES

2026 UPDATE ON FINANCIAL HARDSHIP

UNITED FOR ALICE®

UNITED WAY Northern New Jersey

INTRODUCING ALICE®

Who are ALICE Households?

In 2024, based on the Federal Poverty Level (FPL), 12.5% of U.S. households were defined as being in poverty. Yet this measure does not account for an additional 28.8% of the nation's households – more than twice as many – that were also In financial hardship. These households are **ALICE: A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed – earning above the FPL, but not enough to afford basic expenses in the county where they live.

Combining ALICE households with those living in poverty, **an estimated 41.3% of households in the U.S. were below the ALICE Threshold in 2024** (Figure 1). The rate ranged across states, with a low of 31% in North Dakota and a high of 49% in Louisiana.

The U.S. economy relies on ALICE workers to run smoothly, and ALICE households are an integral part of our communities in all aspects: civic, social, cultural, religious, and recreational. Yet ALICE workers struggle to support their own families. They are forced to make impossible choices, like deciding whether to pay for utilities or a tank of gas, whether to buy food or fill a prescription; whether to live close to work and pay more for housing or opt for a longer, less convenient commute with higher transportation costs. And they are less likely to have the resources to cover unexpected household expenses (like an unforeseen car repair or a costly medical bill), or to recover from crises, both widespread (like a natural disaster or public health emergency) and personal (like the loss of a job or family member).

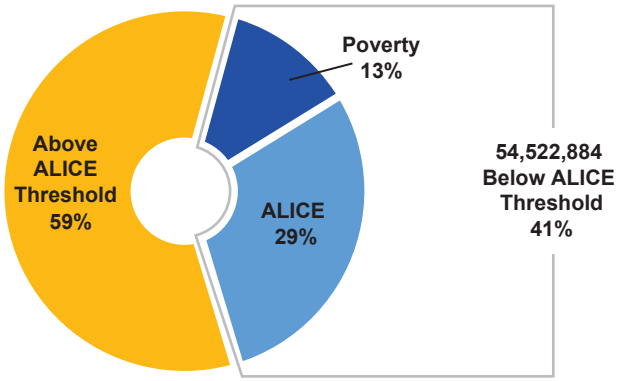
There are households below the ALICE Threshold across demographic groups, living in every state and county in the U.S. These households play a vital role in their communities as neighbors, family members, and civic participants, and they contribute to their local economies as workers, consumers, and taxpayers. Workers in households below the ALICE Threshold perform the jobs that keep our economy functioning – they are child care providers, food service workers, cashiers, personal care aides, delivery drivers, and more. Yet their own households struggle to afford basics.

The number of ALICE households has grown over time, persisting through shifting economic conditions and the COVID-19 pandemic, and across political administrations.

Between 2010 and 2024, the number of ALICE households in the U.S. increased by 23%, while the total number of households increased by 15%. In comparison, the number of households in poverty increased by only 3%. The core issue is the gap between household income and what families actually need to make ends meet. This makes it impossible for many households to attain financial stability, no matter how hard they work.

Figure 1. Over Forty-One Percent* of U.S. Households Faced Financial Hardship in 2024

Total U.S. Households: 132 Million



In 2024, out of 132 million U.S. households, there were 16,495,052 (12.5%) in poverty, plus 38,027,832 (28.8%) that were ALICE, which totals 54,522,884 (41.3%) below the ALICE Threshold and rounds to 41% in this Report.

Sources: ALICE Threshold, 2024; U.S. Census Bureau, American Community Survey, 2024

There is no single cause – or solution – because all ALICE households are different and the reasons that households face hardship are complex and interrelated. Targeted interventions can temporarily help ease immediate challenges like food insecurity or housing cost burden, but improving overall financial stability for the long term requires more comprehensive strategies. Coordinated action is needed across multiple levels – including household supports, community infrastructure, employer practices, and public policy – to address the upstream conditions that contribute to persistent hardship for ALICE households across the nation.

Getting an Accurate Count: The ALICE Measures

The Federal Poverty Level (FPL) is obsolete. It does not consider the wide variation in cost of living by location across the U.S. (except for a slightly higher state-level FPL for Alaska and Hawai'i), nor has its methodology been updated since it was formulated in the 1960s, despite changing economic conditions. As a result, the official poverty rate sharply underestimates the true extent of financial hardship in the U.S. And because the FPL, or multiples of the FPL, define eligibility for many types of public assistance, ALICE households – 28.8% of all households nationwide – often do not qualify. In 2024, the FPL in the contiguous U.S. was $15,060 for a single adult and $31,200 for a family of four.

The ALICE measures, developed by United For ALICE, present a more comprehensive picture of financial hardship by including ALICE households – those with income above the FPL, but below the cost of basics – ensuring that no struggling households go uncounted.

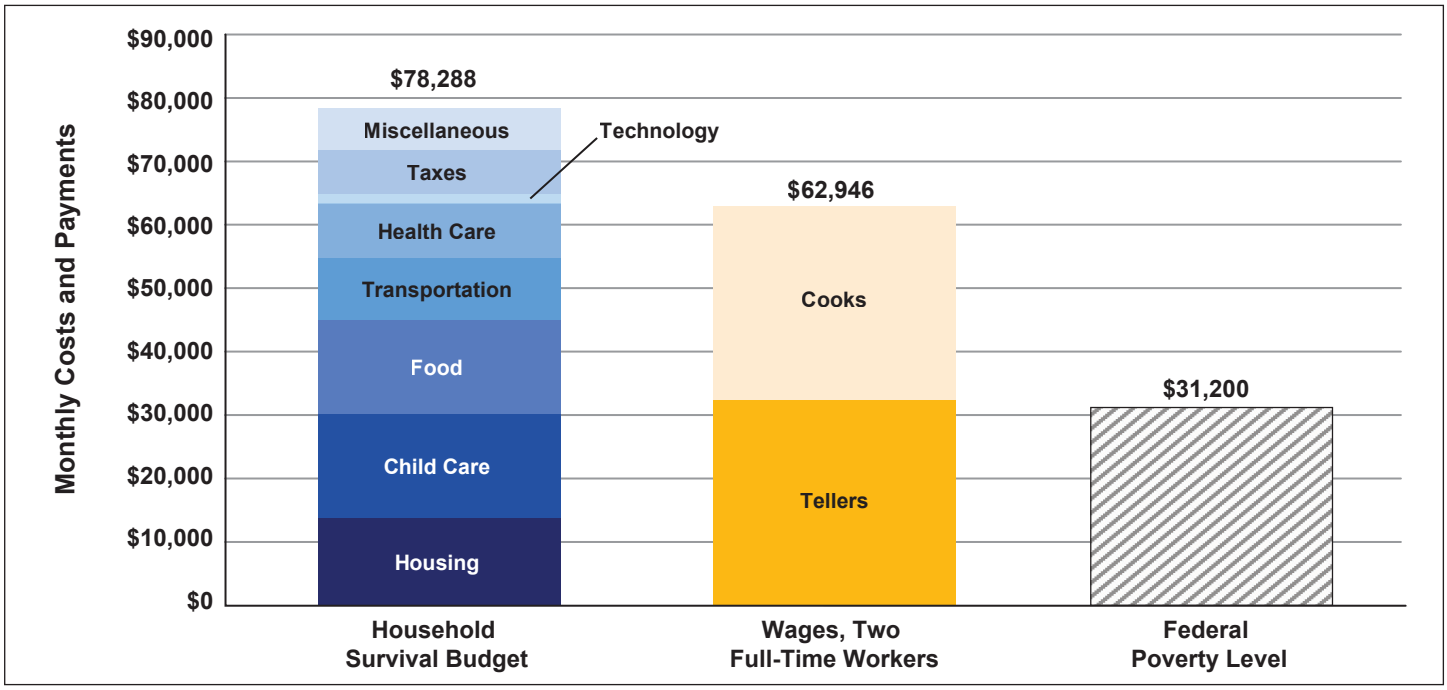
The two pillars of the ALICE measures are household costs and income. The ALICE Household Survival Budget estimates the cost of household basics – housing, child care, food, transportation, health care, and technology, plus taxes – for each county in the U.S., derived from a range of publicly available data sources. This is a minimal budget, with no room for emergency expenses, debt payments, or saving for the future. Change over time in the cost of household basics is tracked in the ALICE Essentials Index.

For household income, ALICE measures rely on the U.S. Census Bureau's American Community Survey (ACS) – both household tabulated data and individual data from the Public Use Microdata Sample (PUMS) records. Households with income below the Household Survival Budget for their household type and county are **below the ALICE Threshold** – including both households in poverty and ALICE households. **The ALICE Threshold is a more comprehensive measure of financial hardship than the FPL.** It relies on income, household type, and local cost of living to estimate how many households are not earning enough to cover the basics.

Figure 2 shows the mismatch between costs, wages, and the FPL in 2024. First, it includes ALICE Household Survival Budget costs for a family with two adults, an infant, and a preschooler in Calhoun County, Michigan (comprises Battle Creek), totaling $78,288 annually. Second, it shows the household's combined full-time earnings with one adult in the household working as a cook and the other working as a teller –two common occupations nationwide – totaling $62,946 annually. Finally, the FPL for a family of four is shown ($31,200, the same amount for all contiguous U.S. states).

Figure 2. Household Survival Budget Costs Exceed Wages of Common Jobs and the FPL

Family of Four, Calhoun, Michigan, 2024



Note: Cooks season and prepare foods in restaurants and other establishments. Tellers process routine transactions, such as cashing checks and depositing money, at a bank or credit union.

Sources: ALICE Household Survival Budget, 2024; Bureau of Labor Statistics–Occupational Employment Statistics, 2024; U.S. Census Bureau, Federal Poverty Measure, 2024

KEY FINDINGS: UNITED STATES, 2024

Financial hardship: Of the 132 million households in the U.S. in 2024, 12.5% (16 million) were below the FPL, and another 28.8% (38 million) were ALICE – households with income above the FPL, but not enough to afford the ALICE Household Survival Budget for their household composition and location. Combining these two groups, 41.3% of households (54 million) were below the ALICE Threshold. The number of ALICE households in the U.S. trended upward between 2010 and 2024, while the number of households in poverty remained relatively flat.

The cost of basics: Across the U.S., basic household costs varied substantially by state and by county in 2024. For example, the annual ALICE Household Survival Budget costs for a single adult ranged from $24,180 in St. Clair County, Missouri to $77,820 in New York County (Manhattan), New York. For a family of four with two adults, an infant, and a preschooler, costs ranged from $63,324 in Elk and Stanton counties in Kansas to $164,376 in New York County (Manhattan), New York. In a county with median costs, Calhoun County, Michigan (home of Battle Creek), the Household Survival Budget was $29,460 for a single adult and $78,288 for a family of four – still much higher than the FPL for either household ($15,060 for a single adult and $31,200 for a family of four).

ALICE demographics: There were households below the ALICE Threshold across all Census-reported demographic groups in the U.S. in 2024. And in every state, some populations – by age, race/ethnicity, family type, and location – experienced higher levels of financial hardship. This reflects both longstanding and ongoing policies and discriminatory practices in areas of work, housing, education, and access to community resources that limit financial stability for many families. In 2024, the groups with the highest percentage of households below the Threshold included households headed by people under age 25 (67%) or age 65 and older (50%); Black households (58%), American Indian/Alaska Native households (54%), and Hispanic households (52%); single-parent-headed households (74% single-female-headed, 56% single-male-headed); and households in rural areas (43%).

DEFINITIONS

ALICE: Asset **L**imited, **I**ncome **C**onstrained, **E**mployed – households with income above the Federal Poverty Level (FPL) but less than the basic cost of living in their county

ALICE Household Survival Budget: Reflects the minimum costs of household necessities (housing, child care, food, transportation, health care, and technology) plus taxes, adjusted for all U.S. counties and various household compositions

ALICE Threshold: Derived from the Household Survival Budget, the minimum average income that a household needs to afford basic costs, calculated for all U.S. counties

Below ALICE Threshold: Includes households in poverty and ALICE households combined

ALICE in the labor force: By industry sector, financial hardship ranged from 12% of workers living in households below the ALICE Threshold in Professional Scientific and Technical Services to 44% in Accommodation and Food Services. By occupation, rates of financial hardship were as high as 52% for Personal Care Aides and 50% for Cooks, two of the most common occupations in the country. Work arrangements also impacted financial stability: Only 41% of employed workers (age 16+) had the security of a salaried full-time job in 2024.

Data Notes: *The data included in this Report spans 2010 to 2024 (latest available). This data does not reflect the impact of policy or funding changes that have occurred since 2024, yet it provides an important baseline and context to inform current conversations and decision-making. The income data used in this Report relies on ACS estimates. The ACS is based on a representative sample of housing units and people; therefore, these estimates have a degree of uncertainty. Some data points are geographic averages; others are one- or five-year averages depending on population size. Percentages are rounded to whole numbers, sometimes resulting in percentages totaling 99% or 101%.*

ALICE Threshold analysis includes all households regardless of work status, as employment is fluid and most households have members who are working, have worked, are out on disability, or are looking for work. *This analysis includes families and roommates but does not include people who are unhoused or living in group quarters (such as college residence halls, skilled nursing facilities, and military barracks). State-level population totals are a summation of county-level estimates.*

To provide additional details on household assets, this Report also includes analysis of the Federal Reserve Board's Survey of Household Economics and Decisionmaking (SHED) (2024).

BASIC COSTS: THE ALICE HOUSEHOLD SURVIVAL BUDGET

To capture the reality of household costs across the U.S., **the ALICE Household Survival Budget is calculated for all counties and various household compositions**. This budget reflects the minimum cost to live and work in today's economy (Figure 3). It includes just the basics needed to get by. Not included are things that many families take for granted – eating out, children's birthday presents, new clothes, or updated appliances. And notably, this budget doesn't include savings needed to cover unexpected costs, invest, or put toward goals like education, homeownership, or retirement. According to the Federal Reserve Board's Survey of Household Economics and Decisionmaking (SHED), across the U.S., only 34% of respondents below the ALICE Threshold reported having emergency savings that could cover three months of expenses, and only 40% had retirement assets in 2024. In comparison, 71% of respondents above the Threshold had emergency savings, and 88% had retirement assets.

Because the Household Survival Budget reflects the bare-minimum cost of household basics, many families actually pay more for some expenses, forcing them to cut back or sacrifice somewhere else. This leaves families with impossible choices and tradeoffs and the stress of constantly navigating insufficient funds, on top of working and other household responsibilities.

Housing costs are especially challenging. As rental and homeowner costs increase faster than wages, **households below the ALICE Threshold face substantial housing cost burden**. In the U.S. in 2024:

- 71% of all renter households below the Threshold were rent burdened (paying 30% of more of their income on rent and utilities). This included 28% of renter households that paid 30%–49% of their income on rent and utilities, and 43% whose rent costs totaled half of their income or more.
- 54% of homeowner households below the Threshold were housing cost burdened (paying 30% or more of their income on homeowner costs, including mortgage payments, utilities, property taxes, and homeowner's insurance).

CUSTOM BUDGETS AT YOUR FINGERTIPS

See the ALICE Budget and Income Status Tool for custom budgets by household composition and location.

Figure 3. The ALICE Household Survival Budget Calculates Basic Costs for Every County in the Country

Descriptions, Sources, and Select State-Average Monthly Costs For a Family of Four in Low-, Medium-, and High-Cost Counties, 2024

ALICE Household Survival Budget		2 Adults, 1 Infant, 1 Preschooler, 2024		
Budget Item Description and Sources *(See Methodology for more details)*		Elk County, KS *(Low-cost)*	Calhoun County, MI *(Medium-cost)*	New York, NY *(High-cost)*
Housing	110% of Fair Market Rent (FMR) for an efficiency, one-bedroom, or two-bedroom apartment (based on family size), including utilities, adjusted in metro areas using Small Area FMR ***Source:*** *U.S. Department of Housing and Urban Development (HUD)*	$1,020	$1,144	$3,795
Child Care	Cost for registered Family Child Care Homes for infants (0–2 years), preschool- age children (3–4 years), and school-age children (5–17 years) ***Source:*** *Kansas Department for Children and Families; Michigan Department of Lifelong Education, Advancement, and Potential; New York State Office of Children and Family Services*	$1,224	$1,379	$2,812
Food	USDA Thrifty Food Plan by age, with county variation from Feeding America ***Sources:*** *Feeding America; U.S. Department of Agriculture (USDA)*	$1,072	$1,224	$2,392
Transportation	Operating costs for a car, including average daily miles by age, cost per mile, license, fees, and insurance (Elk County, KS and Calhoun County, MI), or public transportation where viable (New York City) ***Sources:*** *AAA, Federal Highway Administration, National Association of Insurance Commissioners (NAIC) (car); Consumer Expenditure Survey (CEX) (public transportation)*	$826	$825	$489
Health Care	Health insurance premiums based on employer-sponsored plans plus out-of-pocket costs for households with $40,000–$69,999 annual income by age, weighted with the poor-health multiplier. For the ALICE 65+ Survival Budget, cost of Medicare Parts A and B, out-of-pocket costs, plus average out-of-pocket spending for the top five chronic diseases as reported by CMS. ***Sources:*** *Centers for Medicare & Medicaid Services (CMS); CEX (health); Medical Expenditure Panel Survey (MEPS)*	$784	$712	$688
Technology	Basic broadband internet at home and a smartphone plan with unlimited data for each adult in a household. Using average cost of three top major providers (AT&T, Verizon, and T-Mobile) and three top basic (lower-cost) wireless providers (Visible, U.S. Mobile, and Consumer Cellular) ***Sources:*** *Consumer Reports; Federal Communications Commission (FCC)*	$129	$121	$163
Miscellaneous	Cost overruns estimated at 10% of the budget, excluding taxes, to cover one-time unanticipated costs within the other categories	$506	$541	$1,034
Taxes	Federal payroll taxes (Social Security and Medicare) and federal, state, and local income taxes owed on household income to cover the Survival Budget, as well as the federal and state Child Tax Credit and the Child and Dependent Care Tax Credit ***Sources:*** *Internal Revenue Service; Tax Foundation; calculated for United For ALICE by the Federal Reserve Bank of Atlanta (FRBA)*	$263	$578	$2,325
	Monthly Total	$5,824	$6,524	$13,698
	Annual Total	$69,888	$78,288	$164,376
	***Hourly Full-Time Earnings Needed to Support the Household Survival Budget**	$34.94	$39.14	$82.19

**Represents the earnings needed at 40 hours per week, 50 weeks per year to support the annual total, including taxes.*

THE EARNED INCOME TAX CREDIT (EITC)

The Earned Income Tax Credit (EITC) is a refundable federal tax credit that supports low- to moderate-income workers. Eligibility varies based on income and family composition. Families with children are eligible for the largest credit: In 2024, the maximum credit for eligible families with three or more qualifying children was $7,830, compared to $632 for workers age 25 to 64 without children.

For tax year 2024, income eligibility for federal EITC ranged from $18,591 for an individual with no qualifying children to $66,819 for a married couple with three or more children. The EITC is an effective anti-poverty program for many working families, lifting nearly 4.4 million people above the poverty line in 2024 (based on the Supplemental Poverty Measure). However, not all ALICE households can benefit. For example, in 2024, according to United For ALICE analysis of PUMS data, 50% of single households and 63% of married-parent households with two children in the U.S. had income above the federal EITC eligibility cut-off, but below the ALICE Threshold – too much to qualify for the tax credit, but not enough to make ends meet.

In addition to federal EITC, 30 states and the District of Columbia have implemented a supplemental state EITC. Eligibility for state credits typically mirrors the federal EITC qualifications, although not all state credits are refundable.

Benefits of receiving the EITC are far-reaching, with strong links to improved educational outcomes and future employment and better self-reported health status among children raised in recipient households. Despite these benefits, approximately 20% of eligible taxpayers in the U.S. do not claim the EITC. Barriers to participation include not earning enough to file a tax return, lack of awareness, complex rules, administrative burden, language barriers, and distrust of government. States can help promote the EITC by educating the public about the availability of the credits and targeting outreach to families already enrolled in programs such as SNAP and Medicaid; through Volunteer Income Tax Assistance (VITA) programs; by pre-filling and sending tax forms to eligible families; and by requiring employers to share information about the EITC with their employees.

COSTS OVER TIME: THE ALICE ESSENTIALS INDEX

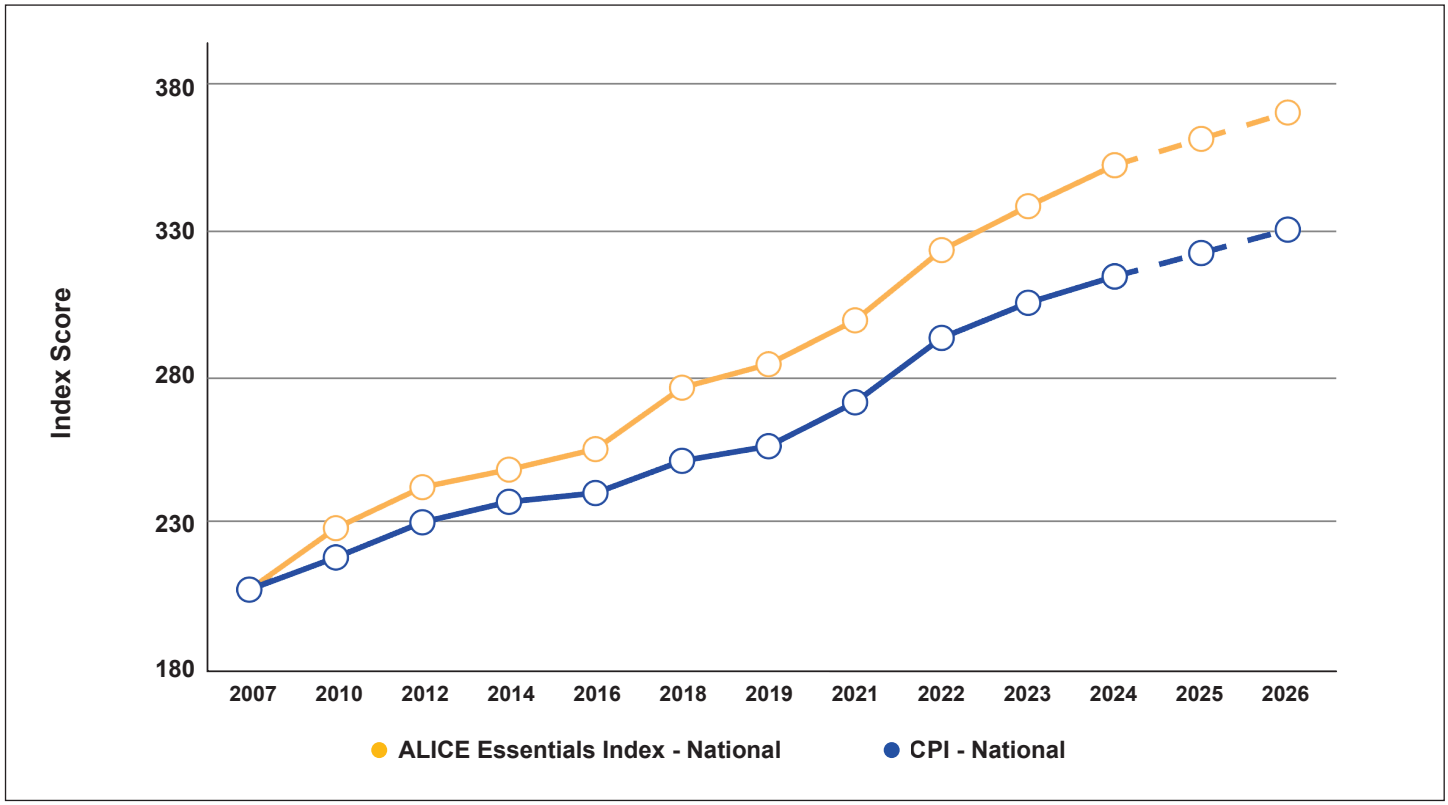
Inflation is a key indicator of the health of the economy. When prices increase faster than wages and other sources of income, purchasing power decreases and households struggle to make ends meet.

The ALICE Essentials Index measures change over time in the cost of the household essentials in the Household Survival Budget: housing, child care, food, transportation, health care, and basic technology. The standard measure of inflation in the U.S., the Bureau of Labor Statistics' Consumer Price Index (CPI), tracks a much larger basket of over 200 goods and services – including items that financially insecure households can't afford on a regular basis, like full-service meals at restaurants, wine, major appliances, travel, and jewelry. Tracking costs over time using the CPI alone can conceal important changes in the costs of household essentials.

Nationally, the ALICE Essentials Index has outpaced the broader CPI since 2007. Costs for both measures increased at a faster pace following the pandemic. Between 2021 and 2024, the ALICE Essentials Index increased at an annual rate of 5.6% compared to 5.0% for CPI – both much faster than the annual rates from 2007 to 2019 (2.7% annual increase for the ALICE Essentials Index and 1.8% for CPI) (Figure 4).

Figure 4. The Cost of Basics is Increasing Faster Than Overall Inflation

Inflation Indices, United States, 2007–2026



Note: Inflation index scores provide a way to summarize complex data and track changes in costs over time using a numeric scale. The baseline for CPI was set at 100 in 1982. Compared to that baseline, CPI reached 207 in 2007, meaning that prices were 107% higher than in 1982. To compare the ALICE Essentials Index to CPI, the ALICE Essentials Index is set to the 2007 CPI value of 207. With this standardization, Figure 4 shows how the change in these two measures compares over time. In the text, keeping with convention, we report the percent change in each index from one year to another. The ALICE Essentials Index rates for 2025 and 2026 are projections. CPI 2026 is preliminary (based on data through February 2026).

Sources: ALICE Essentials Index, 2007–2026; Bureau of Labor Statistics–Consumer Price Index, 2007–2026

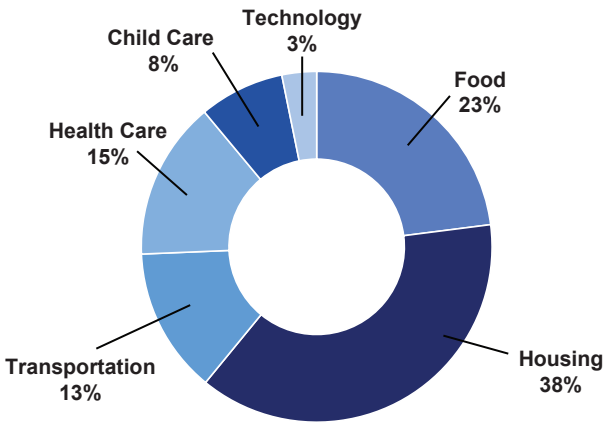
Housing and food are driving cost increases. Housing and food are the largest components of the ALICE Essentials Index (Figure 5). They are also driving the overall increase in the Index, increasing 99% and 38%, respectively, from 2007 to 2024. But all components increased substantially – family child care by 74%, employer-sponsored health care and out-of-pocket costs by 71%, and transportation by 34%. Basic technology was added to the Index in 2021 and increased by 30% from 2021 to 2024.

Household basics are increasing faster than wages. While wages have risen in recent years, so have costs – and recent wage increases have not been enough to overcome years of falling behind. As a result, many workers still cannot cover household essentials. For example, in 2010, child care workers in the U.S. earned a median wage of $9.28 per hour ($19,300 annually for full-time work), falling $12,763 short of the annual ALICE Household Survival Budget for a family with one adult and one school-age child in a middle-income county – Calhoun County, Michigan ($32,063). By 2024 (latest cost data available), the median wage for child care workers in the U.S. increased by 66%, to $15.41 per hour ($30,050 annually, full-time). Yet the annual Household Survival Budget for one adult and one school-age child in Calhoun County also grew (to $48,816), leaving these essential workers $16,766 short of basic costs. Workers in many other occupations have also struggled to meet their basic needs over the past decade.

Household basics are increasing faster than public assistance. CPI is used to adjust many government programs targeted for low-income households, yet it does not provide policymakers with a full picture of who is bearing the brunt of inflation. Because of this, the effectiveness of social insurance programs has been diminished as benefits fall behind the cost of basics. This is especially true for the programs most relevant to ALICE households, including inflation stabilization strategy; tax brackets and credits; annual cost-of-living increases for a range of programs from Social Security to pensions for veterans and civil servants; and the annual increase of the FPL (as well as programs with eligibility based on the FPL, like the Supplemental Nutrition Assistance Program (SNAP) and Medicaid).

Figure 5. Housing and Food Costs are Largest Components of the ALICE Essentials Index

Composition of ALICE Essentials Index by Category, United States, 2024

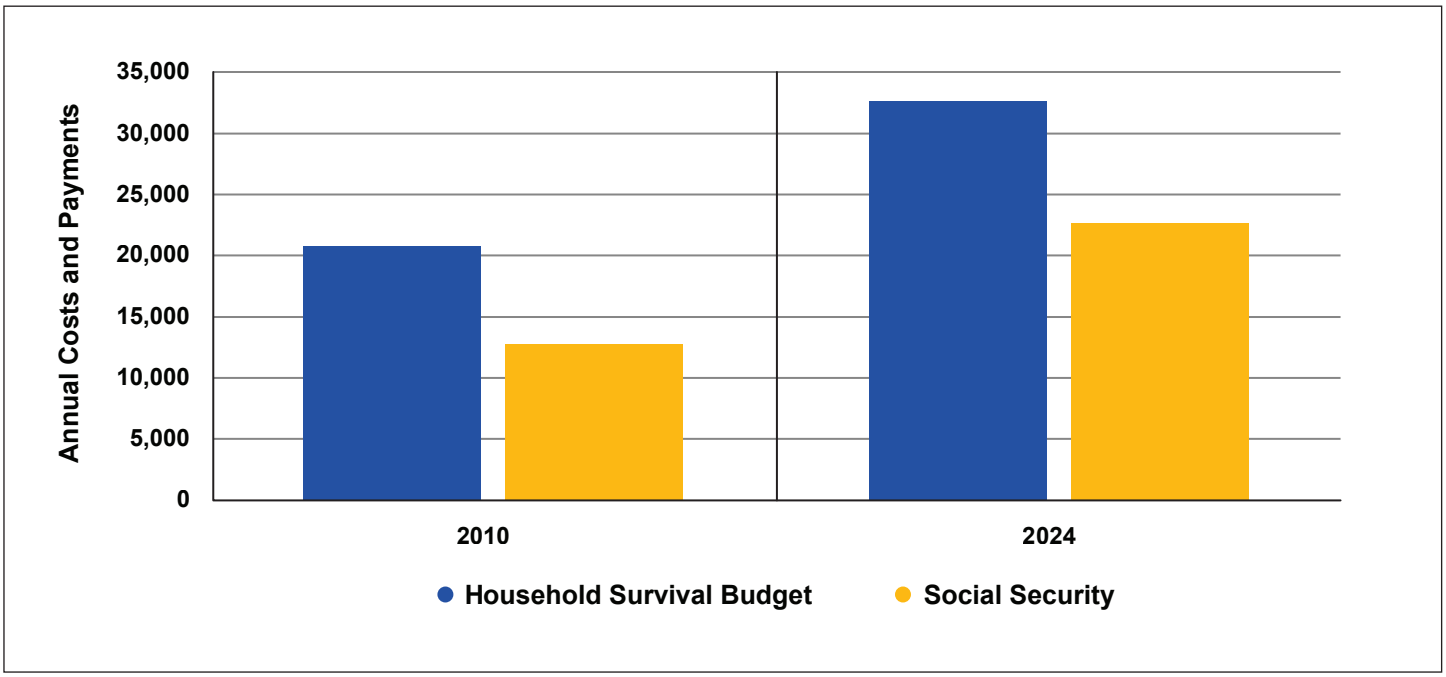


Source: ALICE Essentials Index, 2024

For example, each year, Social Security makes a Cost of Living Adjustment (COLA), which is based on the CPI. But because the costs of many of the essential goods and services purchased by households headed by people age 65 and over increase faster than CPI, COLA can't keep up, contributing to financial instability. Nationally, in 2010, the average Social Security payment was $12,768 annually ($1,064 per month), while the ALICE 65+ Household Survival Budget for Calhoun County, Michigan – near the national average – was $20,786 (a shortfall of $8,018.) In 2024, the average Social Security payment increased to $22,668 annually ($1,767.03 per month), but the Household Survival Budget increased even more, to $32,616 (a shortfall of $9,948), leaving seniors even further behind (Figure 6).

Figure 6. The Cost of Basics is Increasing Faster Than Social Security Payments

ALICE 65+ Household Survival Budget vs. Average Social Security Payments, One Adult, Calhoun County, Michigan, 2010 and 2024



Note: Household Survival Budget is for a county near the U.S. median, Calhoun County, Michigan, while the Social Security payment is the same across the country.

Sources: ALICE Household Survival Budget, 2010 and 2024; Social Security Administration–Social Security Changes, 2010 and 2024; Social Security Administration–Old-Age and Survivors Insurance (OASI), Table 5A.1, 2010 and 2024

There are variations in costs and changes over time by location. Household essentials are more expensive in urban areas than in rural areas. From 2007 to 2016, costs in both areas increased at similar, relatively low rates. After 2016, the cost of essentials began increasing faster in urban areas and continued on that trajectory through 2021. Rates increased substantially in both areas from 2021 to 2026 (projected), but the rate was lower in rural areas (3.8%) than in urban areas (4.9%). There are also variations by Census Region: Costs were highest in the West and Northeast with prices increasing at a faster rate in the West, surpassing the Northeast in 2020. Costs were lowest in the Midwest and increased at a slower rate there than in other regions from 2007 to 2026.

More details about the methodology of the ALICE Essentials Index is available on our website, with state-level data available on each state's webpage.

ALICE DEMOGRAPHIC TRENDS

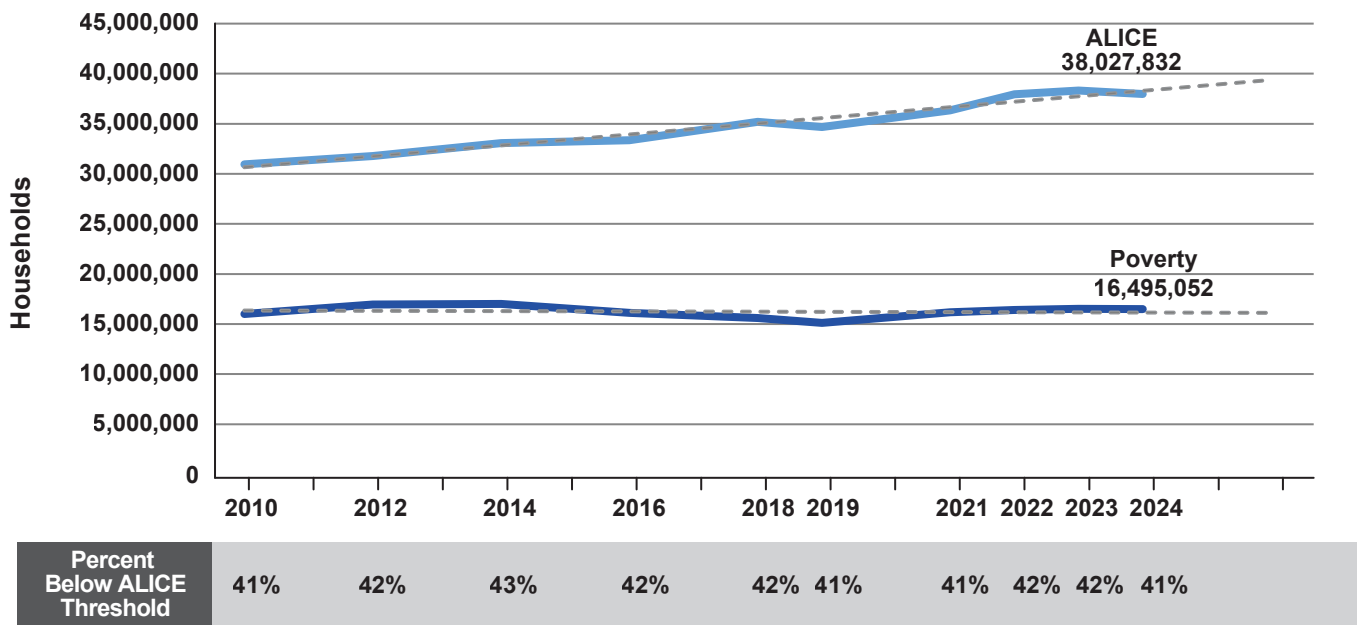
There are households below the ALICE Threshold in every state and county across the U.S., and they reflect a wide range of demographics and household types. Nationally in 2024, rates of financial hardship differed substantially across demographic groups. This reflects both longstanding and ongoing policies and discriminatory practices in areas of education, work, housing, and other community resources that limit financial stability for many families.

Trends for ALICE and poverty-level households: Between 2010 and 2024, the total number of households in the U.S. increased from 115 million to 132 million. During this period, the number of ALICE households trended upward, while the number of households in poverty held relatively steady (Figure 7).

Trends for households below the ALICE Threshold (ALICE + Poverty): Between 2010 and 2024, the number of households below the ALICE Threshold in the U.S. increased from 47 million to 54 million, but their percentage of all households stayed within a small range, 41% to 43% (Figure 7). During the most recent period, 2019 to 2024, the number below the Threshold continued to increase, up by 9% across the country. This trend held in most states, but more recently, 22 states – Alabama, Arkansas, Colorado, Georgia, Hawai'i, Idaho, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Mississippi, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, and Texas – saw some reduction in the number of households below the Threshold from 2021 to 2024.

Figure 7. ALICE Households Grew, While Households in Poverty Remained Flat

Number of Households by Income, United States, 2010–2024



Note: Data years are comparable over time (methodology changes are backdated as necessary for continuity). However, year-to-year changes should be interpreted with caution; multi-year trends are more reliable. The gray dashed trend lines in this figure highlight the general direction of the point-in-time data for the years shown. These lines indicate whether the numbers of ALICE and poverty-level households have been generally increasing, decreasing, or remaining flat/no significant trend. The ALICE trend line is statistically significant at $p<0.0001$; and the Poverty trend line is not statistically significant at $p<0.7373$.

Sources: ALICE Threshold, 2010–2024; U.S. Census Bureau, American Community Survey, 2010–2024

Households by age: In 2024, the youngest and oldest households had the highest rates of financial hardship: 67% of households headed by someone below age 25 and 50% of households headed by someone age 65 and over lived below the ALICE Threshold in the U.S. By comparison, rates were lower for those in their prime working years, with 37% of households headed by people age 25–44 and 36% of households headed by those age 45–64 living below the Threshold (Figure 8).

With the aging of the Baby Boomer generation, households headed by people age 65 and over were the fastest-growing age group in the U.S. (increasing 50% between 2010 and 2024). They were also the age group with the most substantial increase in the number of struggling households: In 2024, 50% of all 65+ households in the U.S. were below the ALICE Threshold.

Households by race/ethnicity: Rates of financial hardship differed substantially by race/ethnicity in the U.S. In 2024:

- The largest number of households below the ALICE Threshold were White (30 million), making up 36% of all White households.
- Hispanic and Black households were the next largest groups – there were 10 million Hispanic households below the Threshold (making up 52% of all Hispanic households) and 9.1 million Black households below the Threshold (making up 58% of all Black households).
- There were 6 million households headed by someone of Two or More Races below the Threshold, making up 47% of all households of Two or More Races. Other, smaller groups also had high rates of hardship: 54% of American Indian/ Alaska Native households and 47% of Native Hawaiian/ Pacific Islander households were below the Threshold.
- Asian households had the lowest rate of financial hardship (35%).

By race/ethnicity, trends in the number of households below the ALICE Threshold varied from 2021 to 2024 (longest comparable time period). Among the three largest population groups, Hispanic households below the ALICE Threshold increased by 11%, while the number of Black households and White households below the Threshold remained flat. The two smaller population groups with the largest increases in households below the Threshold were Asian households (up 11%) and households headed by Someone of Two or More Races (up 34%).

Households by member composition: In 2024, 39% of single or cohabiting households without children headed by someone under age 65 – the most common household type – were below the ALICE Threshold in the U.S. The total number of these households increased between 2010 and 2024 (10%) as did the number below the Threshold (13%).

Among families with children under age 18, there were disparities in financial hardship by household type: In 2024, 74% of single-female-headed families and 56% of single-male-headed families were below the ALICE Threshold, compared to 20% of married-parent families. In the U.S. from 2010 to 2024:

- The total number of married-parent households fell (from 23.3 million to 22.9 million), while the percent of married-parent households below the ALICE Threshold remained relatively constant at 21%.
- The number of single-female-headed households fell (from 8.5 million to 7.7 million), while the percent of single-female-headed households below the ALICE Threshold remained relatively constant at 76%.
- The number of single-male-headed households grew slightly (from 2.6 million to 2.9 million), and the percent of single-male-headed households below the ALICE Threshold remained relatively constant at 58%.

Households by location: In 2024, most Americans lived in urban areas (112.5 million households), with 41% below the ALICE Threshold. For the nearly 20 million Americans living in rural areas, the rate of financial hardship was slightly higher, at 43%.

By state, the percentage of households below the ALICE Threshold was highest in Louisiana at 49% and lowest in North Dakota at 31%. Rates of hardship varied within states and even within counties.

INTERACTIVE DEMOGRAPHIC AND GEOGRAPHIC DATA

ALICE data is available online by race/ethnicity, age of householder, household type, county, county subdivision, census designated place, ZIP code, and legislative district. See all available geographies and more on the ALICE Mapping Page.

Figure 8. Financial Hardship Varies Substantially by Demographic Group

Key Demographic Groups, United States, 2024

	Total	Below ALICE Threshold	Percent Below ALICE Threshold	Poverty	ALICE	Above ALICE Threshold
ALL HOUSEHOLDS	**131,939,401**	**54,522,884**	**41%**	13%	29%	59%
AGE						
Under 25 Years	5,119,130	3,431,552	67%	32%	35%	33%
25 to 44 Years	43,446,375	16,027,455	37%	12%	25%	63%
45 to 64 Years	46,192,133	16,500,601	36%	11%	25%	64%
65 Years and Over	37,181,763	18,563,276	50%	13%	37%	50%
RACE/ETHNICITY						
American Indian/ Alaska Native	996,050	534,815	54%	13%	41%	46%
Asian	7,109,043	2,503,786	35%	7%	28%	65%
Black	15,801,462	9,124,516	58%	15%	42%	42%
Hispanic	19,601,386	10,186,362	52%	9%	43%	48%
Native Hawaiian/ Pacific Islander	175,748	83,333	47%	9%	38%	53%
Two or More Races	12,781,741	6,051,338	47%	9%	39%	53%
White	82,932,405	30,058,342	36%	7%	29%	64%
HOUSEHOLD TYPE						
Married With Children	22,898,233	4,516,021	20%	6%	14%	80%
Single-Female-Headed With Children	7,745,074	5,766,743	74%	38%	36%	26%
Single-Male-Headed With Children	2,940,246	1,633,240	56%	19%	37%	44%
Single or Cohabiting, Under 65, no Children	61,174,085	24,043,604	39%	11%	28%	61%
RURAL/URBAN						
Rural	19,417,816	8,356,242	43%	15%	28%	57%
Urban	112,521,585	46,166,642	41%	12%	29%	59%

Note: This figure shows demographic groups included in the ACS tabulated dataset and reporting is limited to these categories. The groups shown in this figure are based on head of household and overlap across categories. Within the race/ethnicity category, all racial categories except Two or More Races are for one race alone. Race and ethnicity are overlapping categories; in this Report, the American Indian/Alaska Native, Asian, Black, Native Hawaiian (includes other Pacific Islanders), and Two or More Races groups may include Hispanic households. The White group includes only White, non-Hispanic households. The Hispanic group may include households of any race. Because household poverty data is not available for the American Community Survey's race/ethnicity categories, annual income below $15,000 is used as a proxy. Counties are defined as rural or urban based on the USDA's designation of metropolitan or non-metropolitan at the census tract level. Counties with 50% or more of the population in metropolitan tracts are designated as urban; those with 50% or more of the population in non-metropolitan tracts are designated as rural.

In 2024, out of 132 million U.S. households, there were 16,495,052 (12.5%) in poverty, plus 38,027,832 (28.8%) that were ALICE, which totals 54,522,884 (41.3%) below the ALICE Threshold and rounds to 41% in this Report.

Sources: ALICE Threshold, 2024; U.S. Census Bureau, American Community Survey, 2024

ALICE IN THE LABOR FORCE

According to the Bureau of Labor Statistics, from 2010 to 2024, the U.S. workforce experienced a period of growth, interruption, and recovery. During this time, the number of workers in the U.S. grew steadily from 127 million to 161 million, with a corresponding drop in unemployment from 9.8% to 4.0%. There was a spike in unemployment during the pandemic, but the rate recovered, and the number of workers has now surpassed pre-pandemic levels. Throughout the period from 2010 to 2024, with no change during the pandemic, the labor participation rate fell slightly but steadily, from 65% to 63%.

U.S. workers face a range of ongoing challenges. The workplace continues to evolve with the incorporation of new technologies, including AI, and the shift to more precarious work arrangements, such as part-time jobs and hourly employment. These arrangements make it easier for employers to reduce work hours or cut employment altogether when new technology is adopted, the economy ebbs, or financial priorities change. In addition, with the costs of basics increasing, many jobs in the U.S. do not pay enough to provide financial stability. In the U.S. in 2024:

- 44% of full-time workers did not earn enough to afford the ALICE Household Survival Budget for one adult and one school-age child.
- A wage of $20 per hour was not enough to support the ALICE Household Survival Budget for one adult and one school-age child in 64% of U.S. counties. (See the ALICE Wage Tool.)

While the federal minimum wage in the U.S. has been $7.25 per hour since 2010, 34 states have established a higher minimum wage, and many have been increasing that wage over time.

Data on financial hardship among U.S. workers shows variations in three cross-cutting areas: industry sector, occupation, and work arrangements.

Industry sector: There are workers below the ALICE Threshold across all industry sectors in the U.S. Yet rates of financial hardship vary, with the highest rate of hardship among service sector workers. In 2024, the largest industry sector by total employment in the U.S. was Health Care and Social Assistance, with almost 24 million employees, followed by Retail Trade, with almost 18 million employees, according to the ACS. Among the 10 largest industry sectors, the percentage of workers living in households below the ALICE Threshold varied from 12% in Professional Scientific and Technical Services to 44% in Accommodation and Food Services (Figure 9).

Figure 9. Rates of Financial Hardship Vary by Industry Sector

Largest Industry Sector Employment by Worker Household ALICE Status, United States, 2024

Industry Sector	Total Workers	Poverty	ALICE	Above ALICE Threshold
Health Care and Social Assistance	23,834,953	5%	19%	76%
Retail Trade	17,733,282	8%	25%	67%
Manufacturing	16,076,870	4%	15%	81%
Educational Services	16,011,920	8%	15%	77%
Professional Scientific and Technical Services	14,316,255	3%	9%	88%
Construction	11,536,840	7%	23%	70%
Accommodation and Food Services	11,143,117	14%	30%	57%
Transportation and Warehousing	8,400,616	7%	24%	70%
Other Services Except Public Administration	7,983,008	8%	24%	67%
Finance and Insurance	7,954,499	2%	10%	88%

Note: This table includes wages of full-time workers with income from occupations in the listed sectors. Wages include tips. ALICE Threshold status is determined by comparing workers' total household income to the ALICE Household Survival Budget for their household composition and location.

Sources: ALICE Threshold, 2024;; U.S. Census Bureau, American Community Survey, PUMS, 2024

Common occupations (jobs): Many common jobs exist across industry sectors – for example, customer service representatives work in Health Care, Retail Trade, and other fields – so it is also important to look at financial hardship by occupation. In 2024, 30% of workers in the 20 most common occupations in the U.S. were in households below the ALICE Threshold. Occupations with the largest share of workers in households below the Threshold included Personal Care Aides (52%), Cooks (50%), Janitors and Building Cleaners (45%), Cashiers (49%), and Construction Laborers (46%) (Figure 10).

Figure 10. A Large Share of Workers in the 20 Most Common Occupations are Below the ALICE Threshold

Labor Characteristics, Most Common Occupations, United States, 2024

Most Common Occupations	Total Workers in Occupation Residing in the U.S.	Percent of Workers Below ALICE Threshold	Median Hourly Wage
Driver/Sales Workers and Truck Drivers	3,922,214	31%	$26.50
Registered Nurses	3,705,928	10%	$40.25
Elementary and Middle School Teachers	3,277,553	14%	$29.76
Retail Salespersons	3,083,215	34%	$22.00
Customer Service Representatives	2,993,545	31%	$21.79
Cashiers	2,923,157	49%	$14.19
First-Line Supervisors of Retail Sales Workers	2,875,952	25%	$25.76
Laborers and Freight, Stock, and Material Movers, Hand	2,575,325	39%	$19.06
Janitors and Building Cleaners	2,469,859	45%	$18.34
Software Developers	2,312,996	5%	$58.68
Cooks	2,226,328	50%	$15.20
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	2,035,531	23%	$22.34
Construction Laborers	1,995,920	46%	$22.18
Waiters and Waitresses	1,930,310	44%	$15.45
Stockers and Order Fillers	1,803,704	40%	$17.15
Accountants and Auditors	1,741,418	9%	$39.69
Teaching Assistants	1,720,170	42%	$14.33
Chief Executives and Legislators	1,652,774	5%	$82.63
Personal Care Aides	1,640,419	52%	$17.29
Financial Managers	1,534,810	8%	$44.84

Note: This table includes wages of full-time workers with income from occupations in the listed sectors. Wages include tips. ALICE Threshold status is determined by comparing workers' total household income to the ALICE Household Survival Budget for their household composition and location. Prior iterations of this table used data from the Bureau of Labor Statistics and are not directly comparable.

Sources: ALICE Threshold, 2024; U.S. Census Bureau, American Community Survey, PUMS, 2024

MORE LABOR FORCE DATA ONLINE

For more data on the labor landscape, industry sectors, and occupations, visit the Labor Force page for your state and UnitedForALICE.org/ALICE-EVD.

Work arrangements: The ongoing shift to more precarious work arrangements impacts workers across the U.S. In 2024, of workers, only 41% had the security of a salaried full-time job (35+ hours per week, for 50+ weeks). The rest relied on non-standard work arrangements – typically hourly paid work from one or multiple jobs (including part-time and gig work). Hourly and part-time workers are more likely to have fluctuations in income due to schedule changes and variable hours, and they are less likely to receive benefits, such as health insurance, paid time off, family leave, or retirement plans.

Both systemic and personal factors can contribute to this. Many workers want to work full time but struggle to find and secure full-time employment. Others work part time because their hours have been reduced. Still others are unable to work full time due to family responsibilities, being in school or training, or dealing with illness or disability. In the U.S. in 2024, of people in the labor force, 26% worked part time. Part-time workers were much more likely to be below the ALICE Threshold than full-time workers (41% vs. 19%).

There were also 36% of people in the U.S. who were out of the labor force (not working or looking for work in the past four weeks). This included those who were retired (18%) and those who were out of the labor force for other reasons, such as disability, health issues, caregiving responsibilities, or student status (18%).

EDUCATIONAL ATTAINMENT AND STUDENT LOAN DEBT

In line with broader research, United For ALICE data shows that financial hardship decreases as educational attainment increases. In the U.S. in 2024, the share of workers below the ALICE Threshold was 47% for those with less than a high school diploma; 34% for those with a high school diploma or GED; 28% for those with some college or an associate degree; and 13% for those with a bachelor's degree or higher.

The cost of higher education puts it out of reach for many ALICE households or requires student loans that have proven to be challenging to repay. The average federal student loan debt per student in the U.S. in 2024 was $38,375. According to the 2024 Federal Reserve Bank's Survey of Household Economics and Decisionmaking, the amount of student debt was similar for respondents below and above the ALICE Threshold across the U.S. But that debt was more of a burden for those below the Threshold to repay. In 2024, for 61% of borrowers below the Threshold, debt totaled more than half of their household income (compared to 30% of borrowers above the Threshold). Borrowers below the Threshold were also twice as likely as those above the Threshold to be behind on payments or in collections (26% vs. 13%).

FROM DATA TO ACTION: WE ALL HAVE A ROLE TO PLAY

If all households in the U.S. had enough income to meet their basic needs, not only would individual families be able to pay their bills and experience greater well-being, but their communities, and the wider economy, would benefit as well. Communities are stronger when families are thriving, allowing resources to shift from crisis spending toward improving quality of life (Figure 11).

Figure 11. Meeting Basic Needs Creates Cascading Benefits for Communities

If households have sufficient income for...	Benefits for ALICE Households	Benefits for the Wider Community
Safe, Affordable Housing	Improved physical and mental health; safer housing conditions and reduced stress; improved educational performance and outcomes for children; greater stability for household members; a means to build wealth and racial equity for homeowners	Expanded and updated housing stock, reduced systemic housing inequities; lower health care costs; reduced homelessness; opportunities for jobs and more money spent in local communities
Quality Child Care and Education	Increased labor force participation, lifetime earnings and retirement security for women; health benefits for children, school readiness, improved educational attainment and graduation rates; improved performance in higher education; higher lifetime earnings	Reduced racial/ethnic inequalities in learning and development; positive health, education, and economic outcomes for children and families; stronger community economies; more homebuyers and higher property values through availability of quality child care
Adequate Food	Decreased food insecurity leading to improved health (especially for children and adults age 65 and over); decreased likelihood of developmental delays and behavioral problems in school	Lower health care costs; improved school and workplace productivity; healthier food environment; less reliance on emergency food services; greater equity by age, gender, race/ethnicity, and immigration status
Reliable Transportation	Decreased transportation insecurity; improved access to work/job opportunities, school and child care, health care and social services, food/retail markets, and support systems (friends, family, faith communities)	Improved air quality and reduced gasoline consumption/carbon emissions; increased economic opportunity through returns on investment; a more diverse labor market; decreased income disparities; more integrated neighborhoods
Quality Health Care	Better mental and physical health (including increased life expectancy); improved access to preventive care; decreased use of emergency room for non-urgent care; fewer missed days of work and school; lower share of income spent on health care	Decreased health care spending and strain on emergency services; reduced racial/ethnic disparities in insurance coverage and access to care; fewer communicable diseases; improved workplace productivity; decreased wealth-health gap; better outcomes during health crises
Reliable Technology	Improved access to job opportunities; expanded access to health information and telemedicine services; increased job and academic performance	Closing the digital divide in access to technology by income; increased economic development; greater connectivity that helps reduce disparities and increase opportunities for civic participation
Savings	Ability to withstand emergencies without impacting long-term financial stability; greater asset accumulation over time (e.g., interest on savings; ability to invest in education, property, or finance a secure retirement)	Less spending on public services to cover basic needs like health care, food, and housing; foundation for community investment and development, and collective progress

WHAT ACTIONS CAN YOU TAKE?

Our vision is a country where ALICE families not only have sufficient income to afford the basics but can also save and invest in their future. It is a country where all households have access to safe, affordable housing; well-paying jobs with benefits; education and training opportunities; safe, high-quality child care programs; comprehensive health services; reliable transportation; equitable financial services and asset building opportunities; and a comprehensive, holistic safety net to support households during times of need. Bringing this vision to fruition will require effort and investment across multiple sectors. While specific policy recommendations are beyond the scope of this Report, the information presented here can help stakeholders contemplate and prioritize which solutions will help ensure economic prosperity for all.

Community members:

- Raise awareness of ALICE through ALICE news and videos, or share your experiences.
- Follow us at United4ALICE on Facebook, Instagram, and X, and share posts about the true state of financial hardship in your state or community.
- Connect with your local United Way for advocacy, support, and volunteer opportunities.

Nonprofits and community organizations:

- Advocate for the continuation of current government datasets (e.g., American Community Survey, Fair Market Rents). Consistent data over time is crucial for informed decision-making, effective policy implementation, and accountability.
- Use UnitedForALICE.org tools, maps, and indicators of well-being for community needs assessments and to prioritize and target funding, programs, and services.
- Convene and share the ALICE data with existing and new partners – to advocate and innovate cross-sector strategies and solutions.

Employers:

- Implement strategies that support the well-being and retention of ALICE workers while also boosting engagement, productivity, and the bottom line.
- Explore the Federal Reserve Bank of Atlanta Career Ladder Identifier and Financial Forecaster.
- Advocate for community resources that support your employees – from affordable housing to quality child care.

Policymakers:

- Explore ALICE by district using the Legislative District Tool.
- Use interactive tools from the Federal Reserve Bank of Atlanta (which use ALICE budgets), including the Policy Rules Database, to better understand the impact of benefits cliffs on ALICE families.
- Map ALICE by location to pinpoint need and identify gaps in community resources.

APPLICATIONS OF THE ALICE DATA

Are you wondering how to get started? Here are some of the many applications of the United For ALICE data, tools, and resources. ALICE data is being used to:

- Guide strategic planning, help prioritize needs, and target community programs and services
- Advocate and inform policy and legislation
- Paint a more accurate picture of your community when applying for funding; use ALICE data to better identify strengths and needs when allocating resources
- Determine eligibility for assistance programs and services
- Build and strengthen partnerships and cross-sector collaboration for collective impact
- Create innovative strategies and shared learning to promote financial stability for ALICE

Learn more: See examples of policies, practices, and programs United For ALICE partners have implemented using ALICE data in the ALICE in Action database.

NATIONAL COMPARISON: INCOME STATUS, 2024

STATE	RANK	TOTAL	HOUSEHOLD INCOME STATUS		
	(1 = lowest % Below ALICE Threshold)	Number of Households	Households in Poverty	ALICE Households	% Households Below ALICE Threshold
U.S.		**131,939,401**	**16,495,052**	**38,027,832**	**41%**
Alabama	45	2,039,058	324,519	587,238	45%
Alaska	17	270,986	23,913	77,466	37%
Arizona	33	2,978,528	345,084	873,504	41%
Arkansas	42	1,232,610	196,766	335,094	43%
California	48	13,791,591	1,646,419	4,822,094	47%
Colorado	10	2,452,702	236,293	640,791	36%
Connecticut	24	1,454,541	159,441	410,493	39%
Delaware	25	412,304	41,375	120,719	39%
District of Columbia	13	329,687	49,443	71,152	37%
Florida	47	9,115,371	1,126,478	3,143,688	47%
Georgia	43	4,141,265	543,142	1,262,000	44%
Hawaii	44	493,475	51,810	164,744	44%
Idaho	16	737,568	80,370	194,968	37%
Illinois	20	5,095,290	627,541	1,315,178	38%
Indiana	21	2,755,436	340,168	712,607	38%
Iowa	4	1,329,232	147,602	301,391	34%
Kansas	11	1,189,214	136,310	290,281	36%
Kentucky	40	1,835,838	301,973	481,948	43%
Louisiana	51	1,836,752	344,381	548,775	49%
Maine	28	607,168	72,490	168,350	40%
Maryland	23	2,395,600	239,306	694,650	39%
Massachusetts	37	2,828,403	304,302	883,682	42%
Michigan	29	4,109,904	551,257	1,079,772	40%
Minnesota	6	2,340,041	231,727	579,571	35%
Mississippi	50	1,162,158	220,707	336,806	48%
Missouri	19	2,533,895	327,532	636,928	38%
Montana	15	466,267	51,964	121,077	37%
Nebraska	8	811,502	91,573	192,470	35%
Nevada	31	1,239,322	145,389	357,634	41%
New Hampshire	9	566,004	47,504	151,962	35%
New Jersey	26	3,543,650	345,620	1,050,032	39%
New Mexico	38	844,438	140,602	215,792	42%
New York	49	7,809,082	1,106,981	2,634,467	48%
North Carolina	32	4,452,562	570,996	1,245,057	41%
North Dakota	1	340,817	39,336	67,247	31%
Ohio	12	4,910,723	643,139	1,149,335	37%
Oklahoma	41	1,592,174	243,117	440,254	43%
Oregon	34	1,742,091	212,032	502,271	41%
Pennsylvania	22	5,353,274	654,981	1,431,066	39%
Rhode Island	39	446,751	58,903	131,627	43%
South Carolina	35	2,210,021	302,424	608,075	41%
South Dakota	3	372,581	39,585	85,112	33%
Tennessee	36	2,882,467	395,081	796,596	41%
Texas	30	11,388,247	1,523,679	3,085,614	40%
Utah	2	1,170,555	100,603	289,345	33%
Vermont	27	276,206	29,959	78,863	39%
Virginia	18	3,405,893	345,879	935,739	38%
Washington	14	3,154,247	313,142	856,500	37%
West Virginia	46	730,791	125,865	204,987	45%
Wisconsin	7	2,513,972	269,822	603,981	35%
Wyoming	5	247,147	26,527	58,839	35%

ALICE ONLINE

Visit UnitedForALICE.org to explore interactive data and resources. Click on the icons below to get started.

National Overview National data and state comparison	**National Reports** Read ALICE Reports with national data on various topics	**ALICE Essentials Index** Data on change over time in the cost of household basics
Mapping Tool Explore data for all available geographies (state, county, municipality, ZIP code)	**Income Status Tool** Input income, household type, and location to see household ALICE status	**Legislative District Tool** See data by state upper and lower chambers and congressional district
Economic Viability Dashboard Key data on work, housing, and community resources	**Wage Tool** Identify counties where select hourly wages can support basic costs	**ALICE in Focus** A closer look at hardship for children, people with disabilities, and veterans
Methodology Sources and calculations used in the ALICE research	**Research Advisory Committees** Learn about the members and roles of these critical groups	**National ALICE Team** Meet members of the United For ALICE staff
ALICE Voices Hear directly from ALICE or share your own ALICE story	**ALICE in Action** Programs, practices, and policy changes implemented by the ALICE network	**ALICE Videos** Videos that highlight ALICE stories, research, and partner impact

ABOUT UNITED FOR ALICE AND OUR PARTNERS

Launched in 2009 with a study of financial hardship in one New Jersey county, the nonpartisan United For ALICE movement has grown to include 41 states and the District of Columbia. The ALICE research shines a spotlight on households facing financial hardship – their strengths as well as the challenges they face. With data, tools, and resources, United For ALICE equips community partners – including United Ways, foundations, government, corporations, and other nonprofits – to build equitable policies and programs that promote financial stability for ALICE and for all.

To create the ALICE Reports, our team of researchers works with Research Advisory Committees composed of experts from our partner states. This work is guided by our rigorous methodology, which is updated biennially with experts from across our Research Advisory Committees.

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To learn more about how you can get involved in advocating and creating change for ALICE in your state, contact info@UnitedForALICE.org.

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