

**WORKING HARD BUT  
STRUGGLING TO SURVIVE**

LIVE UNITED®

# Arkansas ALICE Report







**ALICE: Asset Limited, Income Constrained, Employed.**

# United for ALICE

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

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

## What we do:

- Driver of innovation for ALICE – Asset Limited, Income Constrained, Employed – households
- Research team developed and updates a set of comprehensive measures of financial hardship
- Data for all 3,000+ counties in U.S.
- ALICE partners convene, advocate, and innovate in their local communities to highlight the issues faced by ALICE households and to generate solutions that promote financial stability

# Project Background



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





# Arkansas Research Advisory Committee

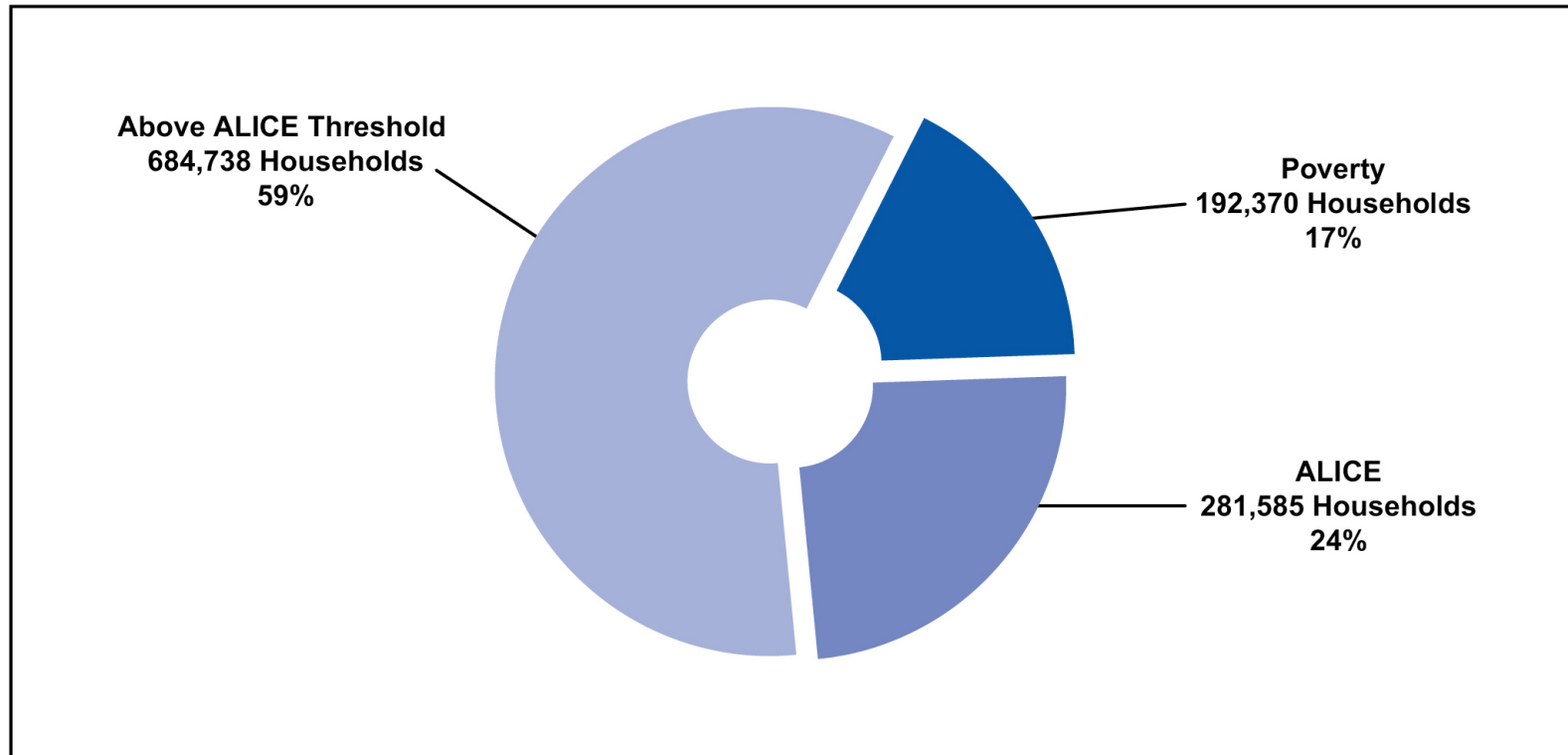
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# 41% of households are struggling

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## Household Income, Arkansas, 2017





# Cost to live in Arkansas

## Household Survival Budget, 2017

**FPL =**

\$12,060 single adult and  
\$24,600 family

**AR minimum wage 2017:**

\$8.50/hour = \$17,000/year

**Basic costs increased  
from 2007 to 2017:**

24% for a single adult, 32%  
for a family of four –  
compared to 22% inflation

Household Survival Budget, Arkansas Average, 2017		
	SINGLE ADULT	2 ADULTS, 1 INFANT, 1 PRESCHOOLER
Monthly Costs		
Housing	\$480	\$651
Child Care	\$-	\$761
Food	\$179	\$543
Transportation	\$322	\$644
Health Care	\$124	\$568
Technology	\$55	\$75
Miscellaneous	\$138	\$355
Taxes	\$222	\$304
Monthly Total	\$1,520	\$3,901
ANNUAL TOTAL	\$18,240	\$46,812
Hourly Wage*	\$9.12	\$23.41

\*Full-time wage required to support this budget

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



# Household Survival Budget sources

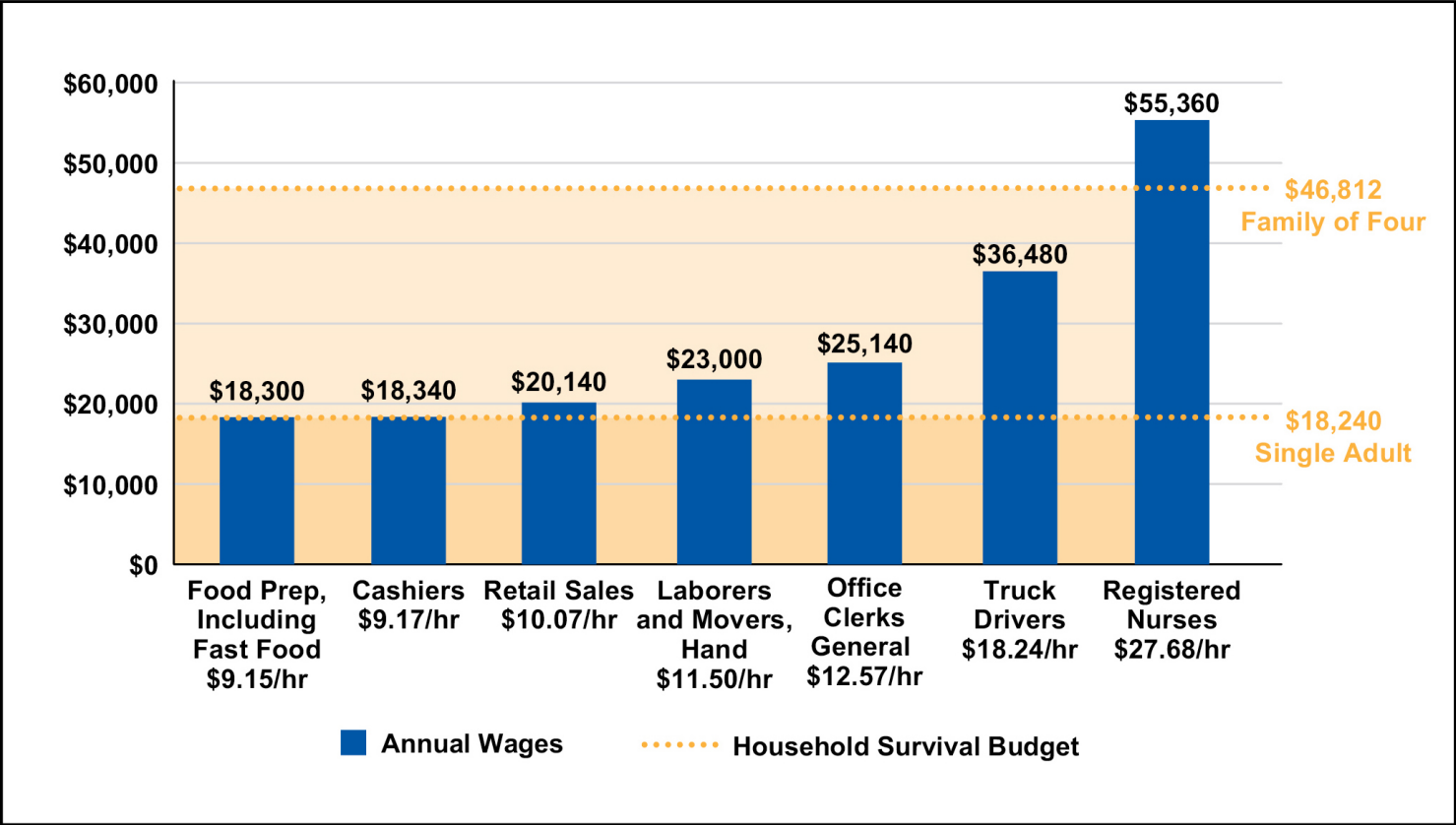
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- **Housing:** HUD's Fair Market Rent (40th percentile) – Efficiency studio rate for single adult, 2 bedroom for family, includes utilities (excluding phone)
  - **Child Care:** Represents cost of registered home-based child-care
  - **Food:** Thrifty Level (lowest of four levels) of the U.S. Department of Agriculture (USDA) Food Plans – with regional variation
  - **Transportation:** Car expenses include gas and motor oil and other vehicle maintenance expenses from BLS– Consumer Expenditure Survey (CES)
  - **Health Care:** Out-of-pocket health care spending for insurance, medical services, prescription drugs, and medical supplies based on region and household income from Consumer Expenditure Survey (CES)
  - **Technology:** Basic smartphone plan using Consumer Reports “Best Low-Cost Cell-Phone Plans”
  - **Taxes:** Includes federal and state taxes where applicable, as well as SSI and Medicare taxes from IRS Form 1040
  - **Miscellaneous:** 10 percent of the total (including taxes) to cover cost overruns
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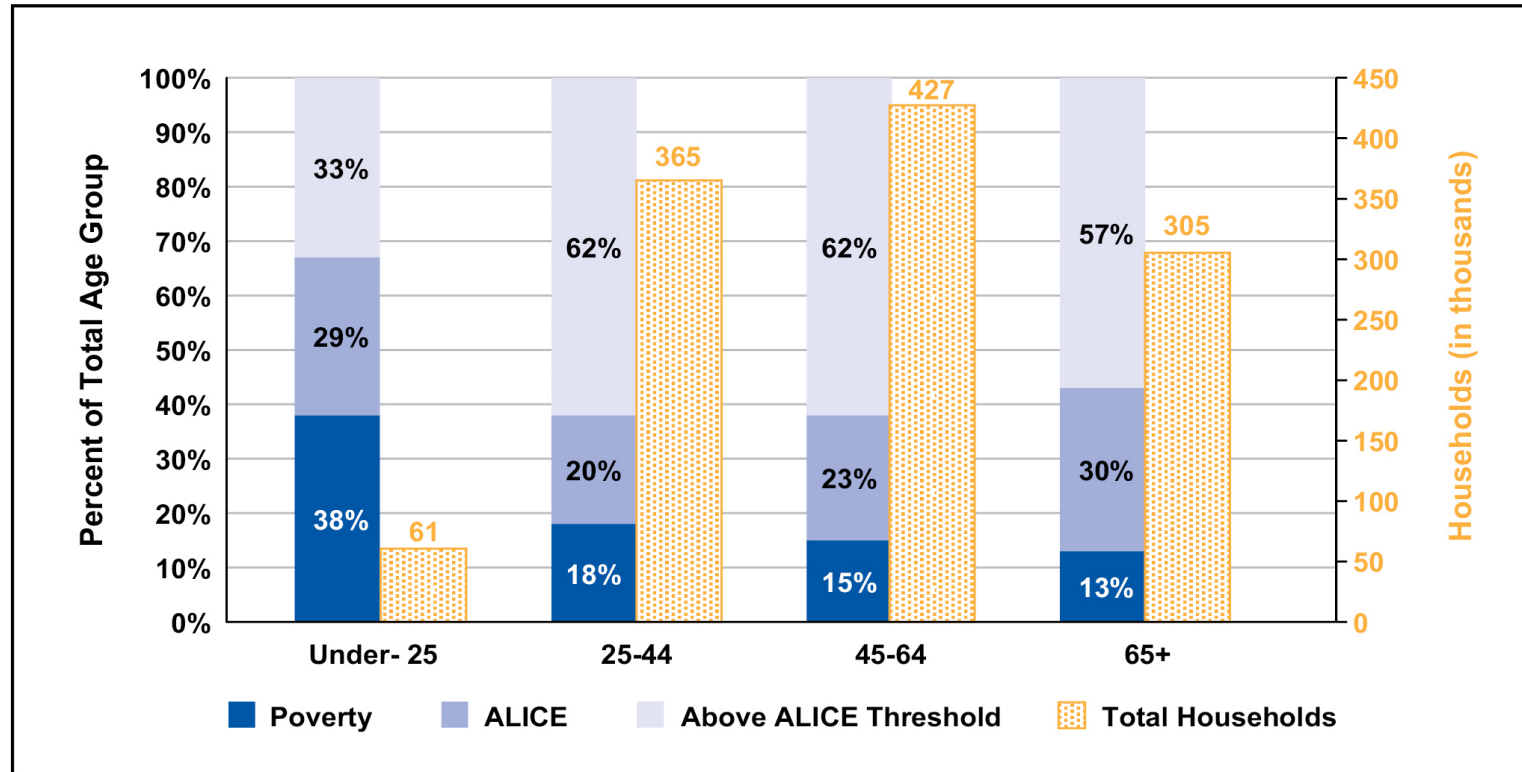
# Cost of living outpaces wages

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



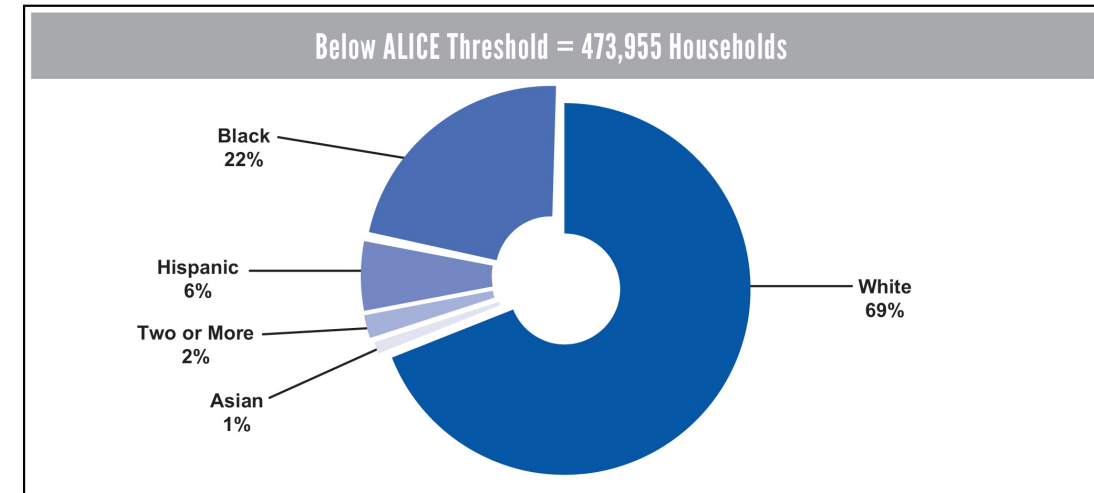
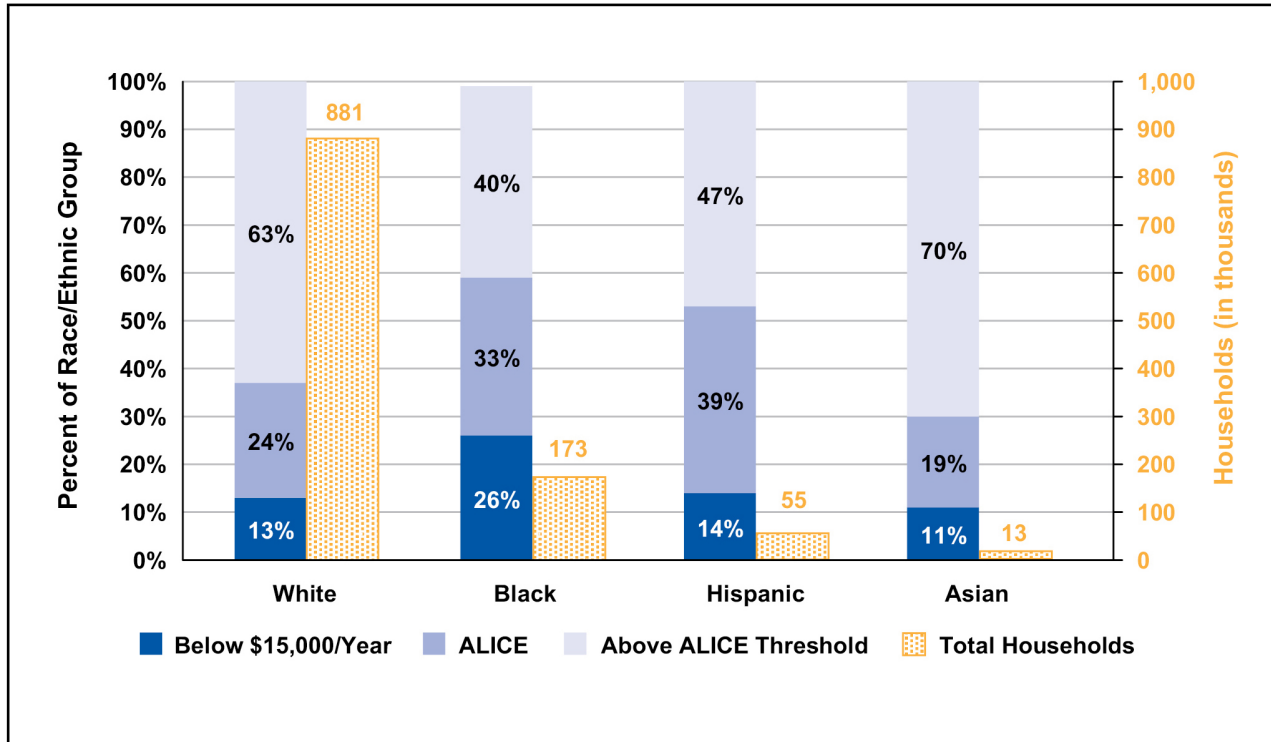
# ALICE households are all ages

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

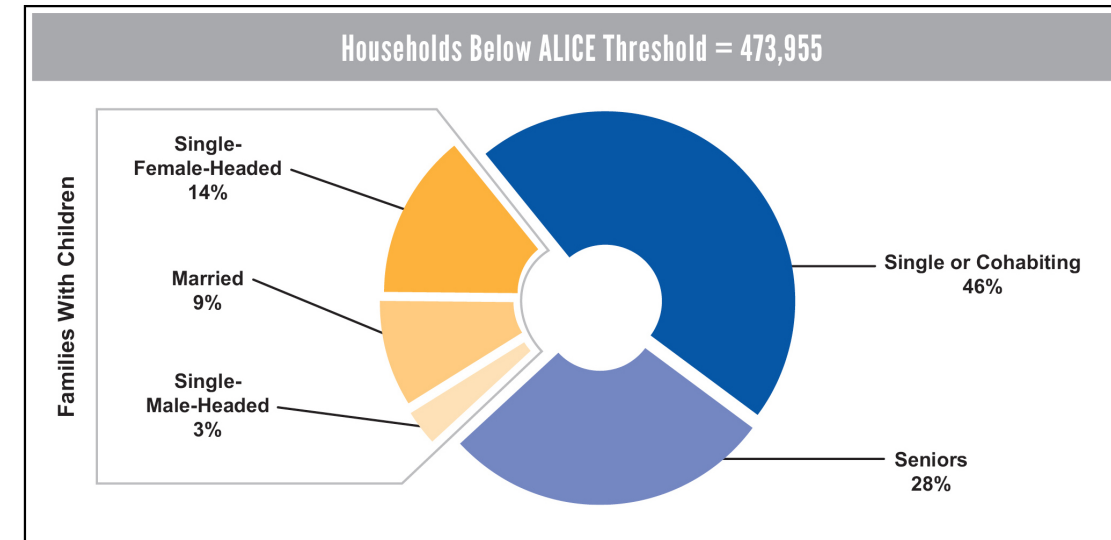
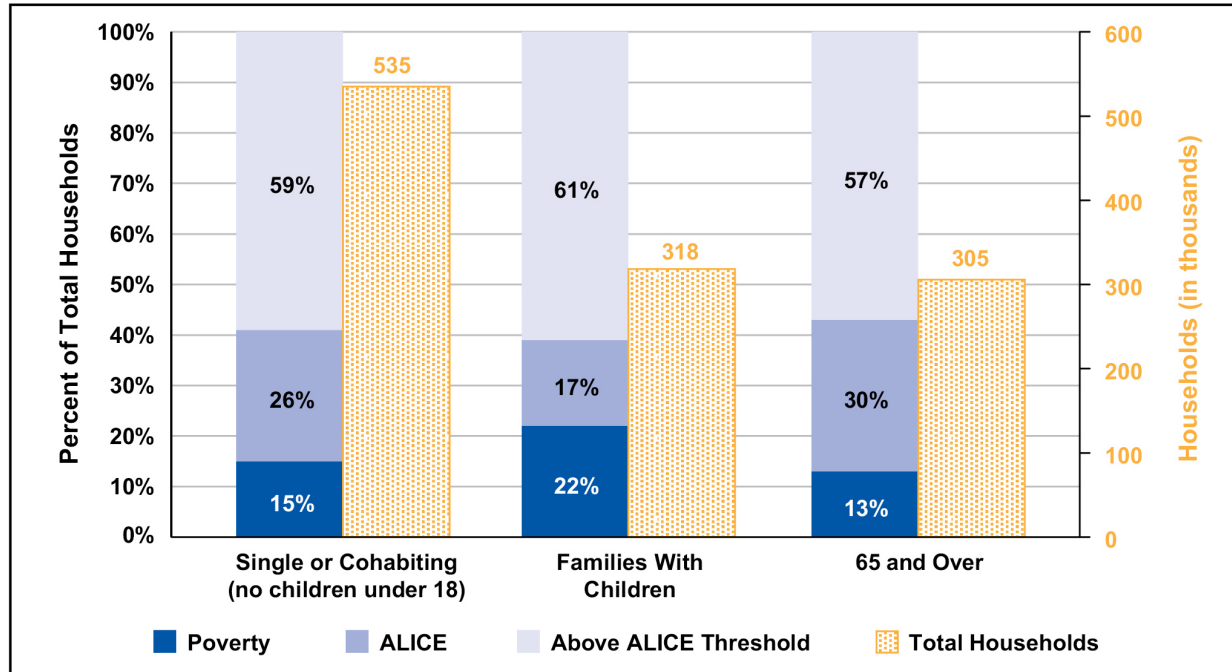




# ALICE households are all Race/Ethnicities

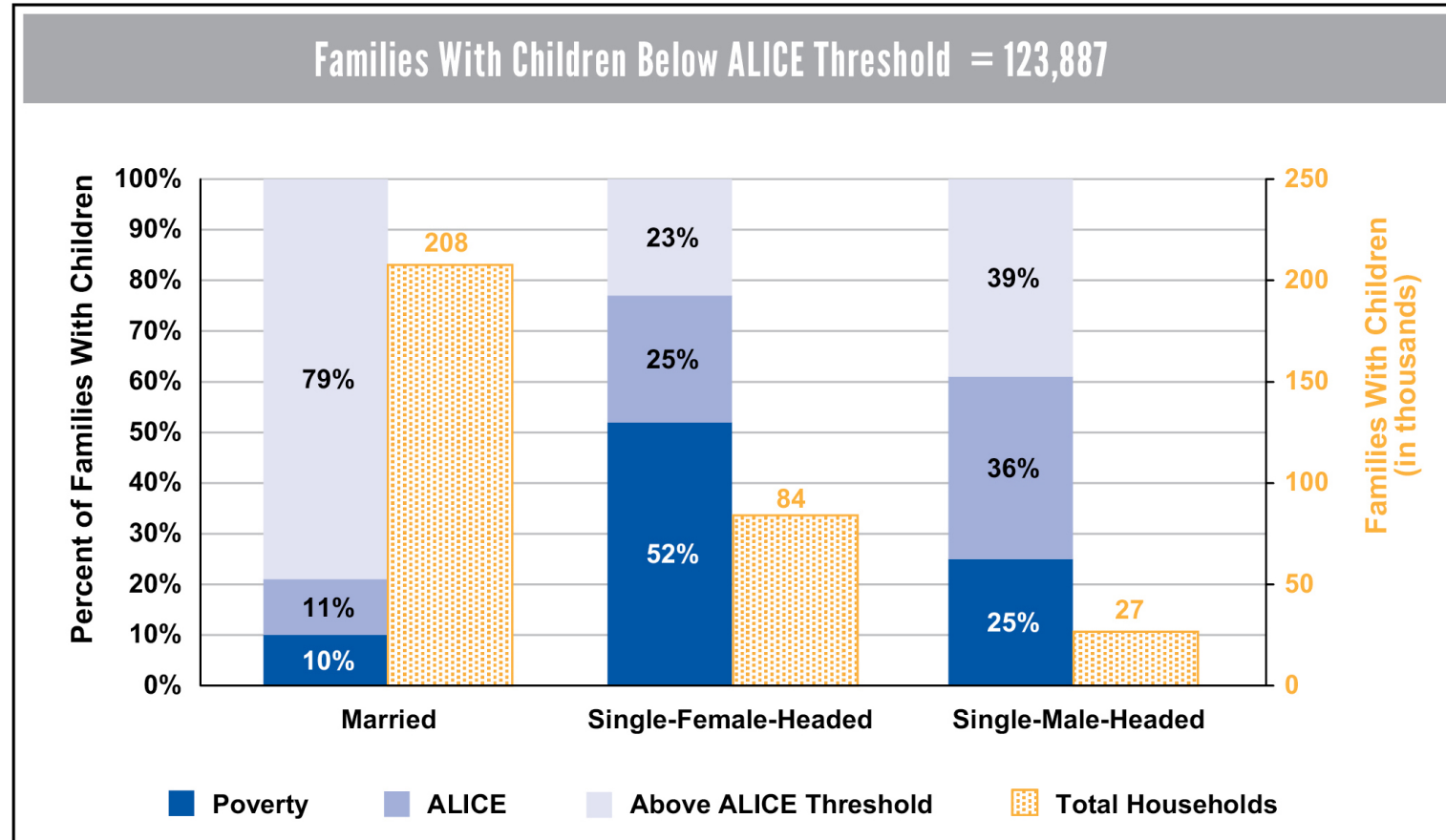


# ALICE households are all household types



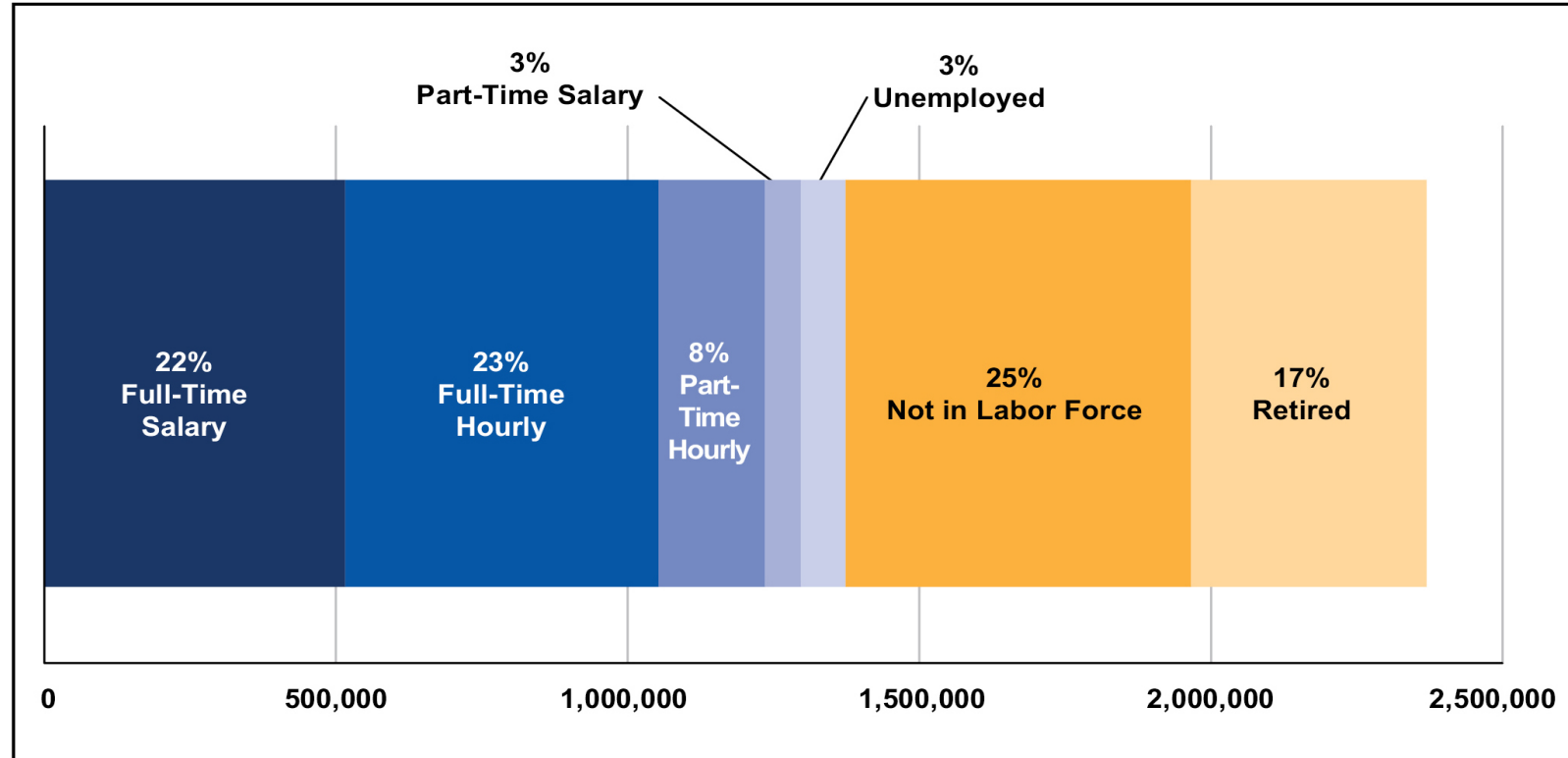


# ALICE families in Arkansas



# Overview of the labor force

## Labor Status, Population 16 and Over, Arkansas, 2017



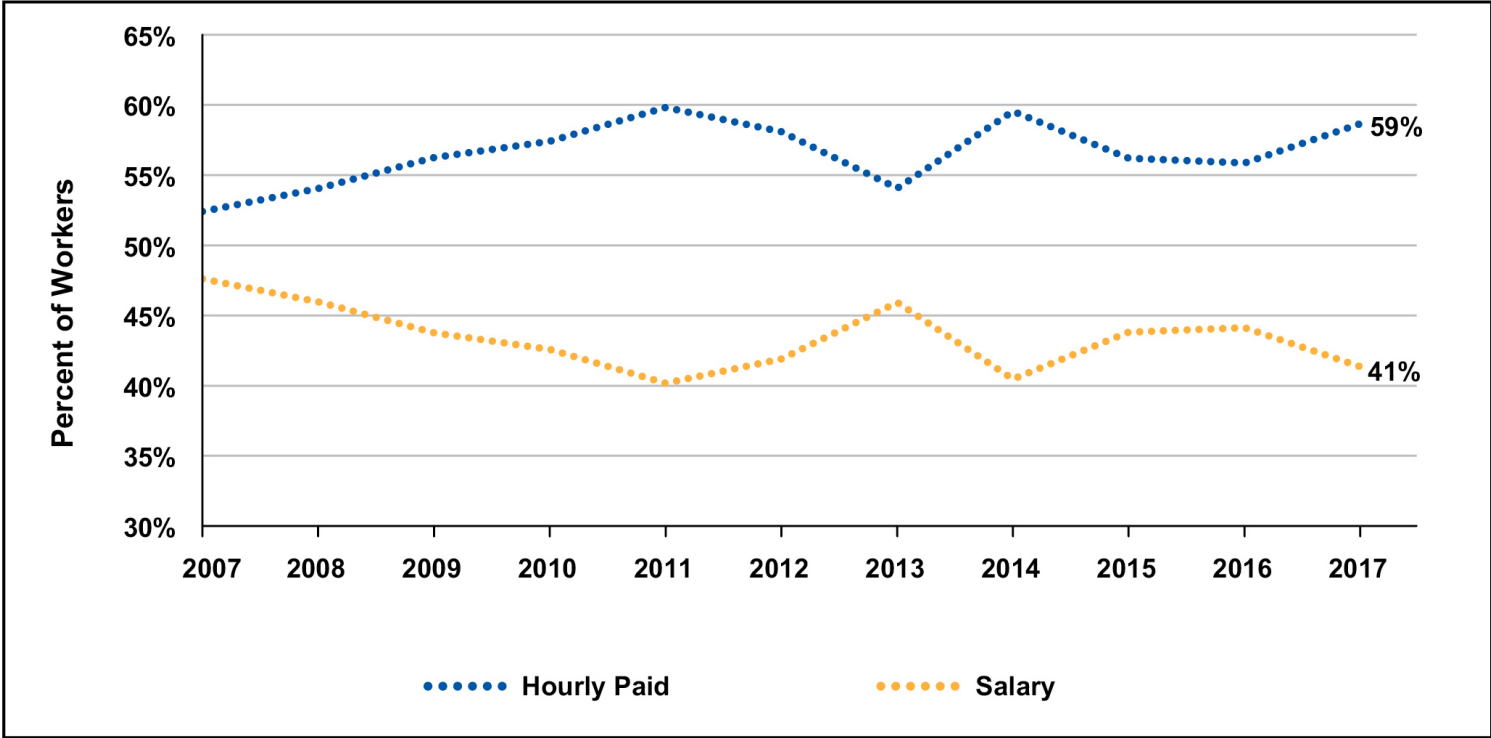
Sources: American Community Survey, 2017; BLS, 2017—Labor Force Statistics; Federal Reserve, Bank of St. Louis, 2017—Total Wage and Salary

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



# Growth in hourly and salary wages

Workers Paid Hourly and Salary Wages, Arkansas 2007-2017

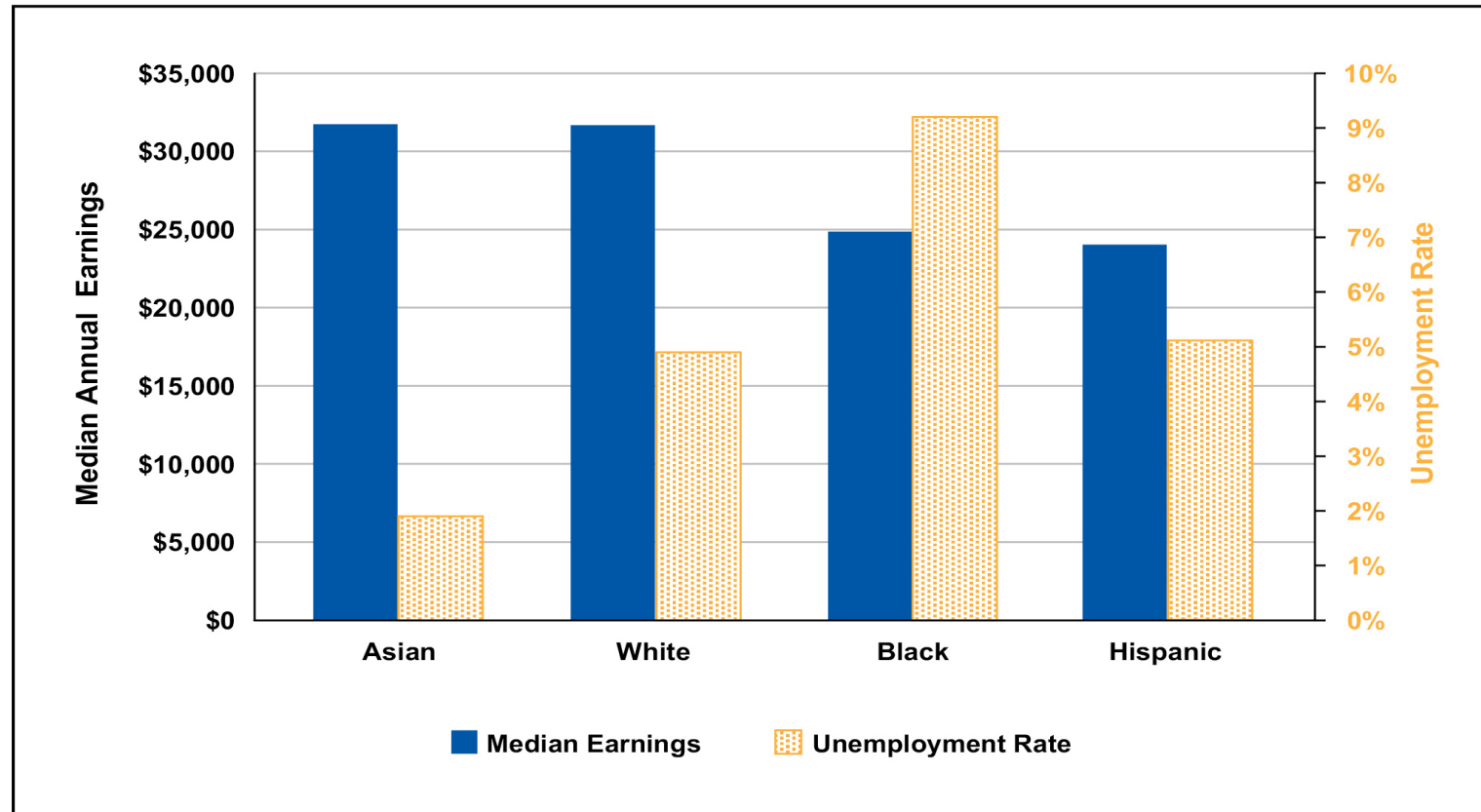


2007-2017  
3% increase  
in total jobs



# Inequality in the work force

## Median Earnings and Unemployment, Arkansas, 2017

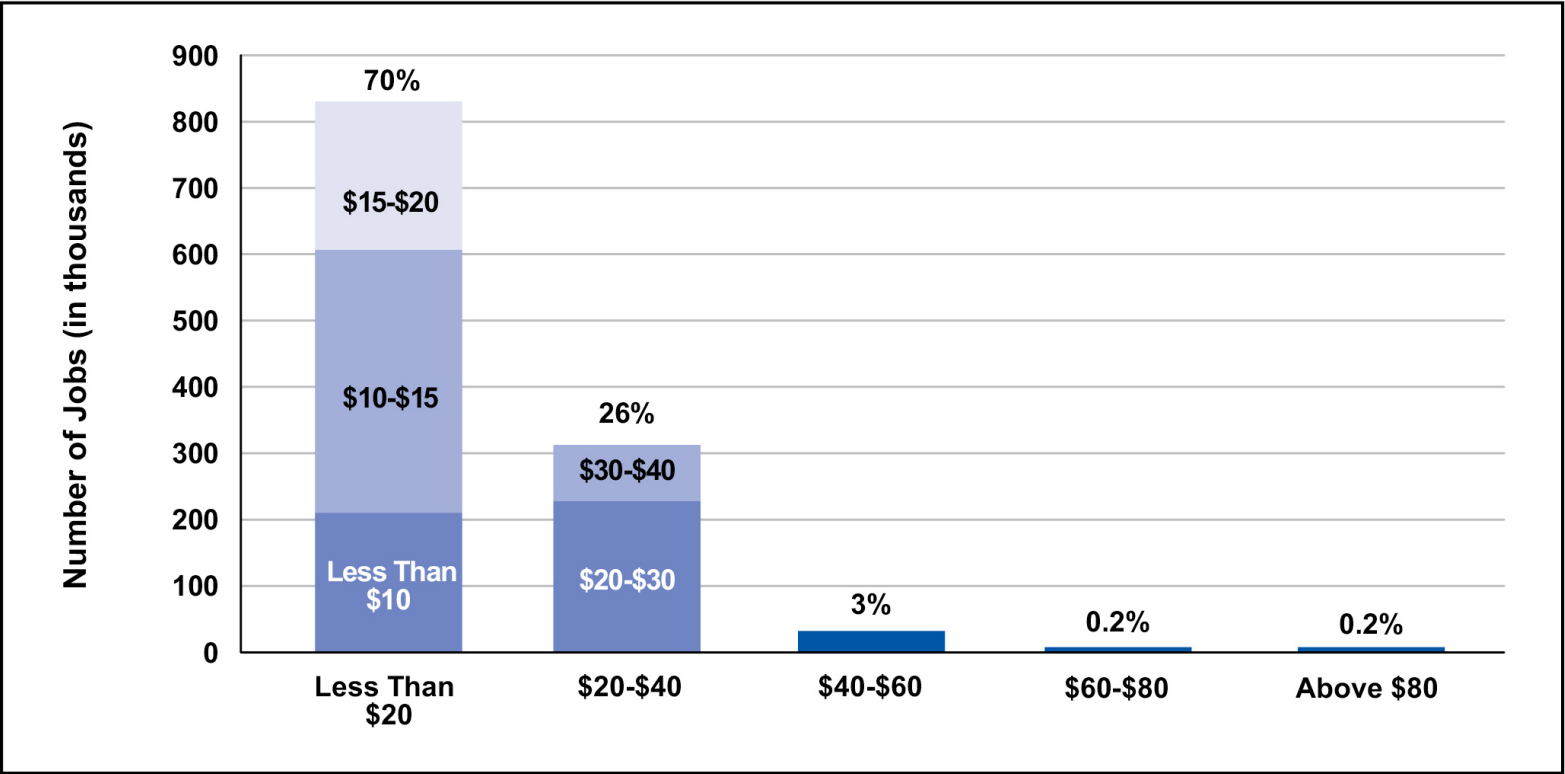


# Earnings for people in Arkansas

Number of Jobs by Hourly Wage, 2017

Wages needed to support the Household Survival Budget:  
**Single adult:** \$9.12/hour  
**Family of four:** \$23.41/hour

70% of jobs pay less than \$20 per hour; half of those (51%) pay less than \$15 per hour



# ALICE workers keep the economy running

## Top 20 Occupations by Employment and Wage, 2017

Occupation	Number of Jobs	Median Hourly Wage
Retail Sales	37,050	\$10.07
Food Prep, including Fast Food	35,520	\$9.15
Cashiers	33,750	\$9.17
Truck Drivers	32,640	\$18.24
Office Clerks, General	27,260	\$12.57
Laborers and Movers, Hand	24,580	\$11.50
Registered Nurses	24,380	\$27.68
General and Operations Managers	20,630	\$31.64
Nursing Assistants	18,040	\$11.21
Stock Clerks and Order Fillers	17,920	\$10.96
Waiters and Waitresses	17,870	\$9.12
Janitors and Cleaners	16,320	\$9.79
Customer Service Representatives	15,760	\$14.16
Personal Care Aides	15,250	\$9.54
Secretaries and Administrative Assistants	15,240	\$13.64
First-Line Supervisors of Office Workers	14,630	\$21.51
Assemblers and Fabricators	14,370	\$13.24
Sales Representatives	14,000	\$24.21
First-Line Supervisors of Retail Sales	12,810	\$15.76
Licensed Practical and Vocational Nurses	12,350	\$18.15

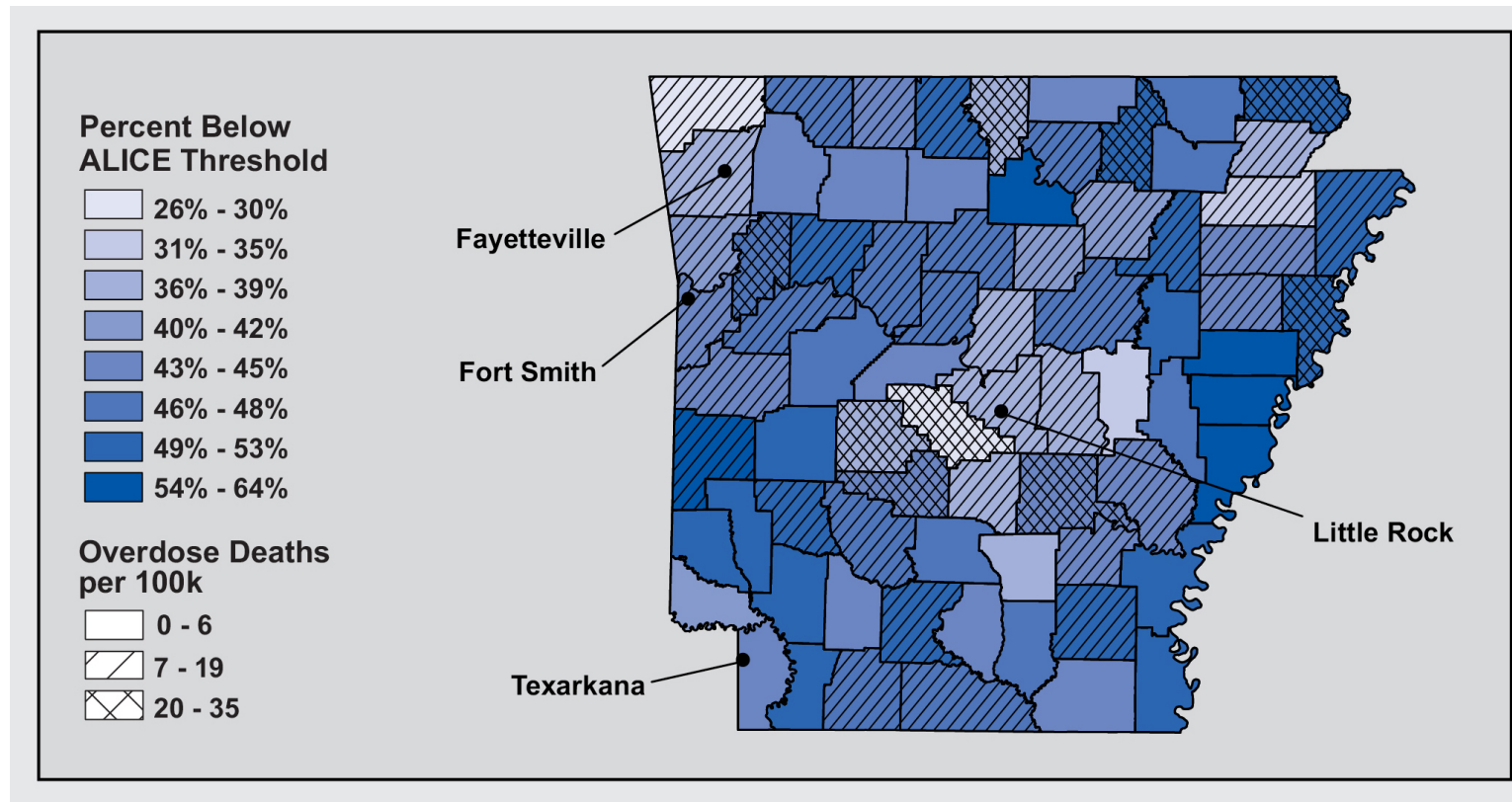
- ALICE workers are “Maintainers”
- They care for the workforce and build and maintain the infrastructure
- In 2017, only three of the top 20 occupations – Registered Nurses, General and Operations Managers, and Sales Representatives – paid enough to support the Arkansas Household Survival Budget for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





# Opioid crisis in Arkansas

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



# Emerging trends

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## **Changing American Household**

- Millennials, Baby Boomers
- Immigrants
- Declining fertility rate

## **Market Instability**

- Gig economy, natural disasters
- Future jobs and technology

## **Growing Inequality of Health**

- Increasing costs
- Medical advances - biotechnology and genetic engineering, bio inequity

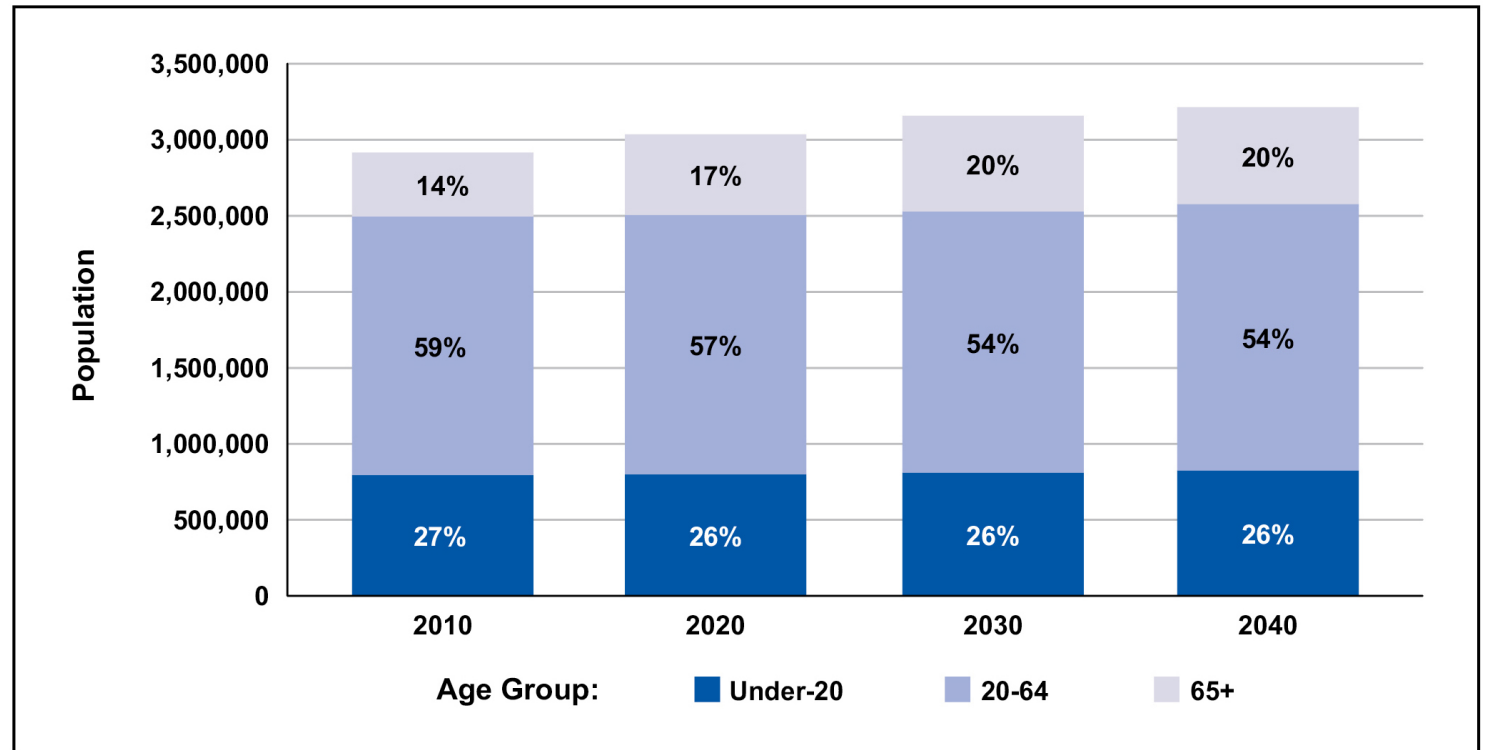
# Emerging trends in Arkansas

## Population Projection Arkansas, 2010 to 2040

### Changing American Household:

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

While the 20 to 64 age group is expected to decline from 59% to 54% from 2010-2040



# Emerging trends in Arkansas

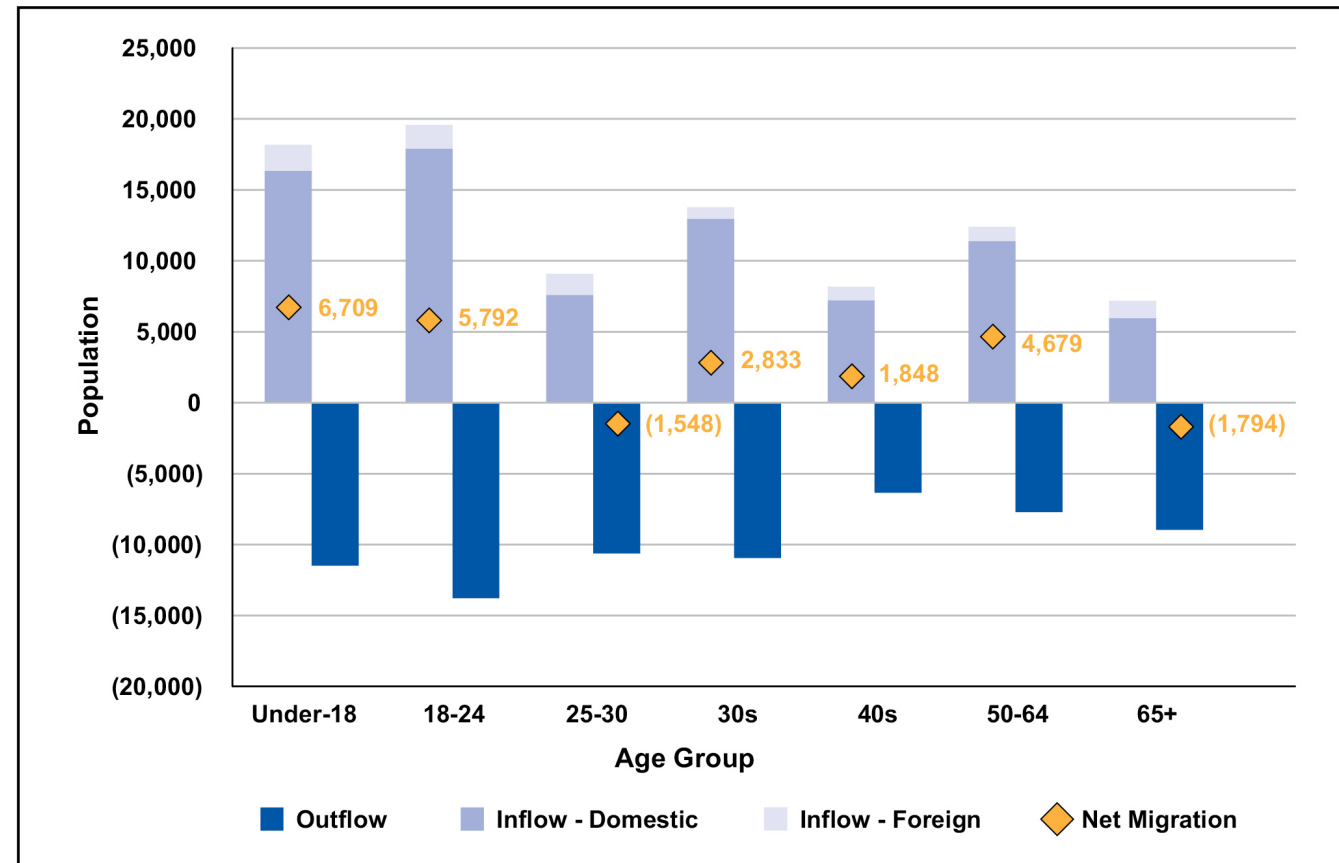
Arkansas migration:

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

Largest movement in younger age groups

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

Population Inflows and Outflows, Arkansas, 2017





# Conclusion: overcoming obstacles

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## Obstacles and ideas being debated, considered, and piloted

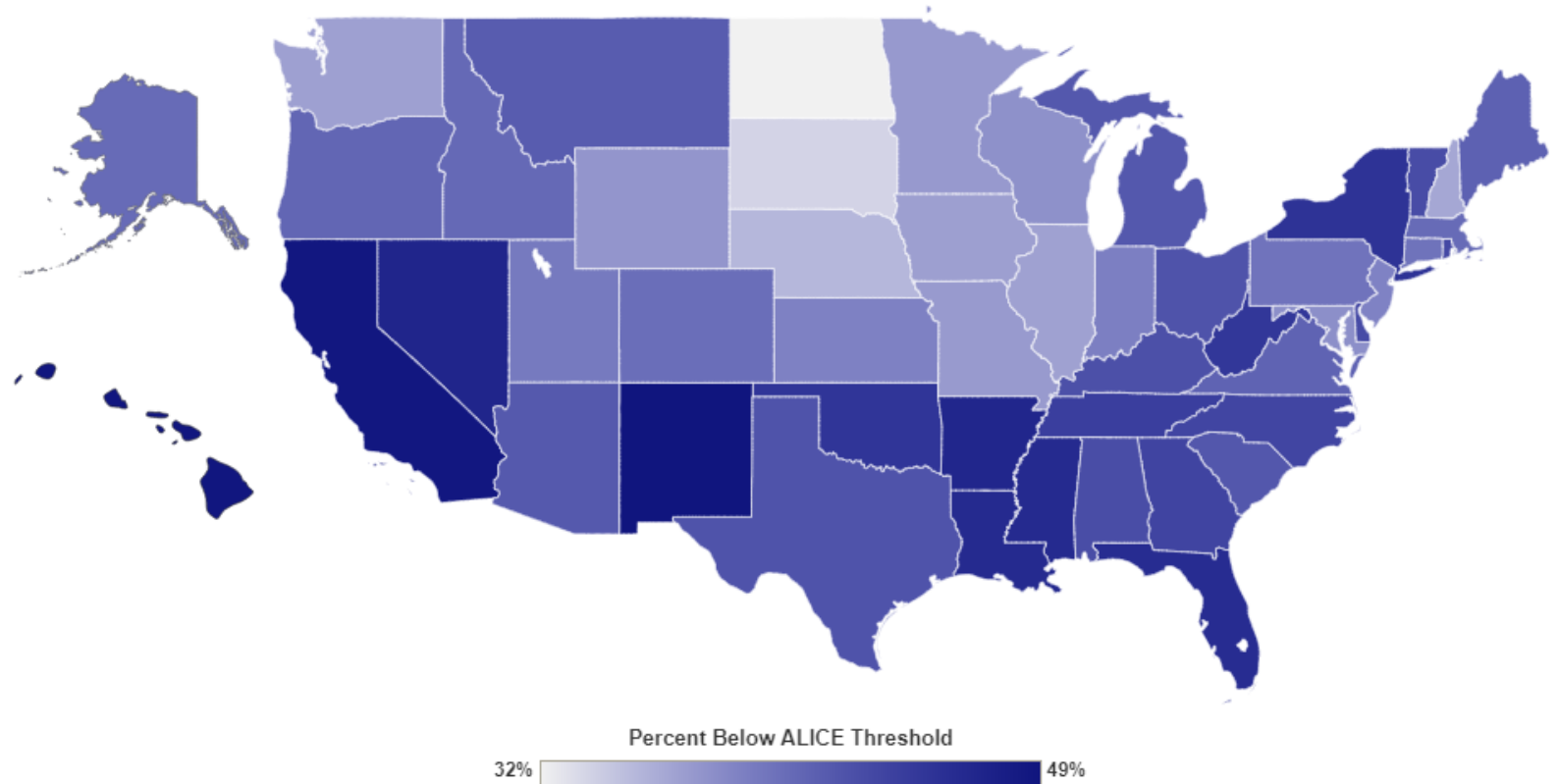
- **Widening skills gap** — Digital training, public education, lifelong learning opportunities
- **Lack of stable and viable employment** — Reduce barriers to employment, portable benefits, small business support, lifetime employment
- **Lack of savings and assets** — Access to credit, private and public financial instruments
- **Systemic bias** — Level the playing field for all, address bias by race/ethnicity, sexual orientation, gender identity, age, and disability status

*For solutions to be effective, they must be as comprehensive and as interconnected as the problems are.*

# How does Arkansas compare?

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- In 2016, **Arkansas** had the 6<sup>th</sup> highest percentage of households with income below the ALICE Threshold compared to other states
- **New Mexico** had the highest with 49 percent
- **North Dakota** had the lowest with 32 percent



# Additional resources

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## Consequences of Insufficient Household Income Report

**When families are ALICE, they often face difficult choices.**

The interactive report online provides an in depth look at...

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

Located online at **[UnitedForALICE.org/consequences](https://UnitedForALICE.org/consequences)**



# UNITED FOR ALICE

*Thank you for your commitment to ALICE.*

