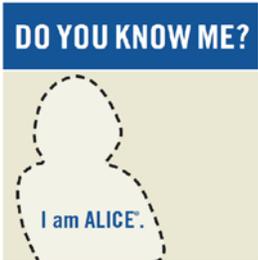


United Way ALICE Report for Louisiana

Executive Summary

January 27, 2016



Purpose of the United Way ALICE Report:

Through an effort led by the Louisiana Association of United Ways, 11 United Ways have collaborated to bring the first United Way ALICE Report for Louisiana to better understand and raise awareness about the economic challenges faced by hard working Louisiana families.

The United Way ALICE Report for Louisiana provides a range of research-based data — from state-level to town-level so challenges can best be identified and solutions can be suggested and measured at every scale.

The Report provides no “silver bullet” or single solution to solve the complex challenges ALICE faces every day. The United Way ALICE Report for Louisiana can be a vital tool to confront challenging policy, budgetary or planning at state, parish or community-based tables.

What is ALICE?

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

- ALICE represents the growing number of individuals and families who are working but are unable to afford the basic necessities of housing, food, childcare, health care and transportation. (ALICE workers earn above the federal poverty level.)
- In Louisiana, 40 percent of households struggle to afford the basics necessities and live below the ALICE Threshold —21 percent of Louisiana households are ALICE and 19 percent live in poverty. This translates to 695,719 households in Louisiana struggling to make ends meet.
- We see ALICE every day. They are cashiers, child care workers, food service personnel, librarians, bank tellers, health care aides, repair technicians, landscapers and auto mechanics — people you cross paths with on a daily basis.

Access to the Report:

Starting on January 27th, the United Way ALICE Report for Louisiana will be downloadable on www.unitedwaynela.org. A state interactive map with parish-level ALICE data will also be hosted on www.launitedway.org.

Uses for the United Way ALICE Report for Louisiana:

- Increases understanding about the challenges faced by families and individuals in our communities
- Provides more current and robust data to identify the minimum income ALICE needs to afford the basics
- Informs a dialogue about how to help change the course for ALICE and people in poverty
- Supports the work of nonprofits, government and businesses to create solutions
- Provides a tool to measure programs
- Serves a source of research-based data for community planning and formulating policy solutions

About the United Way ALICE Research Advisory Committee (RAC):

A 19-member committee served from every region of Louisiana. These volunteers advised the ALICE Research Team and contributed data to the report. After release, these members can assist in communicating the research of ALICE and may refer to ALICE as it relates to their work/research. See back page for a complete list of RAC members.

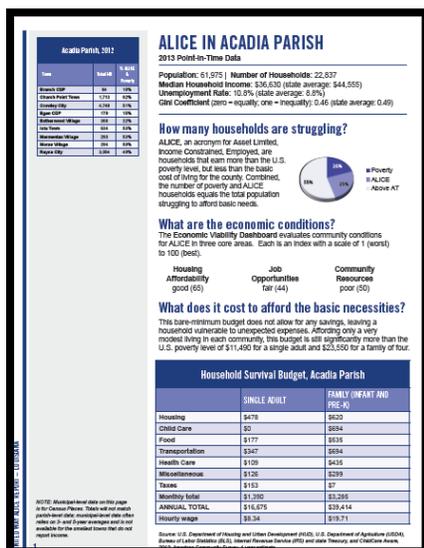
Who is struggling in Louisiana?

- 40 percent of Louisiana households struggled to afford the basic household necessities in 2013.
- While the Federal Poverty Level reports 19 percent of Louisiana households face financial hardship, an additional 21 percent qualify as ALICE.
- Louisiana's three largest cities — New Orleans, Baton Rouge and Shreveport — each have more than 44 percent of households living below the ALICE Threshold.
- 85 percent of Louisiana's 579 parish subdivisions have more than 30 percent of households living on an income below the ALICE threshold.
- Households living below the ALICE Threshold make up between 22 percent and 66 percent of the population in every parish in Louisiana. Of these households, ALICE households make up between 12 percent and 32 percent of the population in every parish (These households earn above the poverty level but below the Household Survival Budget.)
- In Louisiana, 52 percent of jobs pay less than \$15 per hour, and 71 percent pay less than \$20 per hour.
- Nearly one-third of senior households in Louisiana qualify as ALICE.
- According to the Corporation for Enterprise Development, 13.9 percent of Louisiana households are unbanked and 24.5 percent are underbanked.

How much does it cost to live in Louisiana?

- The average Household Survival Budget (calculation created for the ALICE report) for a Louisiana family of four is \$42,444 — nearly double the U.S. family poverty level of \$23,550. Single Household Survival Budget \$17,304 with the poverty level set at \$11,490.
- The Household Stability Budget for a Louisiana family is \$82,860 per year for a family of four — 95 percent higher than the Household Survival Budget.
- Childcare represents a Louisiana family's greatest expense: an average of \$961 per month for two children in licensed and accredited childcare or \$791 for registered home-based care.

The United Way ALICE Report, Appendix J, provides the following measures for each parish of Louisiana:



Household Survival Budget calculates the actual cost of basic necessities. These include housing, childcare, food, transportation and health care.

ALICE Threshold is the average level of income that a household needs in order to afford the basics, as defined by the Household Survival Budget for each parish. The Threshold provides a realistic measure for income inadequacy.

ALICE Income Assessment is the calculation of all sources of income, resources and assistance for ALICE and poverty-level households in Louisiana. This assessment reveals a shortfall, the unfilled gap, between what these households bring in and what is needed for them to reach the ALICE Threshold.

Economic Viability Dashboard uses three indexes to evaluate the economic conditions that matter most to ALICE households — housing affordability, job opportunity and community support — in each parish.

Key Messages to help describe ALICE:

- ALICE has a difficult time affording the basics of housing, food, health care, childcare and transportation, despite working.
- ALICE represents hardworking, tax-paying individuals who get up every day to go to work but who aren't sure how they will make ends meet.
- ALICE lives paycheck-to-paycheck, unable to set aside savings for an emergency and forced to make short-term choices that can result in long-term consequences.
- ALICE is vulnerable to just one emergency — one health emergency, one car repair, one harsh storm. When that emergency occurs, ALICE may not be able to get to work, which has a domino effect.

ALICE households earn above the poverty level but below the Household Survival Budget.

Households living under the ALICE Threshold include both ALICE and households in poverty.

Quotes from local members of the ALICE Research Advisory Committee (See next page for a complete list of ALICE Research Advisory Committee Members):

Robert Eisenstadt, Ph. D., Professor of Economics and Director of ULM Center for Business and Economic Research, University of Louisiana at Monroe

“Louisiana’s [Association of] United Ways is to be congratulated on the completion of their United Way ALICE Report for Louisiana: A timely and necessary analysis that goes well beyond the Federal measures of poverty to provide a thoroughly comprehensive analysis of household financial hardship. The data presentation alone merits a permanent spot on my computer desktop.”

Dave N. Norris Jr., Ph.D., Chief Innovation Officer, Louisiana Tech University

“The United Way ALICE Report for Louisiana reveals the reality of families living and working with economic distress in Louisiana. It is an essential resource for anyone concerned with alleviating that distress to promote a more prosperous future for Louisiana.

Sponsors and Friends of ALICE in Louisiana:

Special thanks to the **Entergy Corporation** for serving as our lead state sponsor to the United Way ALICE report for Louisiana and representing Louisiana on the National ALICE Advisory Council (NAAC). Louisiana Friends of ALICE include **JPMorgan Chase**, also supporting the United Way ALICE Report for Louisiana.

About the Louisiana Association of United Ways:

The Louisiana Association of United Ways (LAUW) is an association of seven regional United Ways serving 49 parishes throughout Louisiana. Our mission is to integrate action and resources for the common good. We work across our communities to tackle challenges that affect individuals, families and whole communities — challenges that are ultimately bigger than any of us and impact our entire state. We are part of a global network of more than 1,800 United Ways, servicing communities in 41 countries.

The full United Way ALICE Report for Louisiana is available for viewing or download at www.unitedwaynela.org.

An interactive parish map is also available at www.launitedway.org.



Roles of the United Way ALICE Research Advisory Committee (RAC)

This dynamic and talented 19-member committee comes from every region of Louisiana. These volunteers advise the ALICE Research Team and contribute data to the report. After release, these members can assist in communicating the research of ALICE and may refer to ALICE as it relates to their work/research. The members of the Louisiana United Way Research Advisory Committee are listed as contributors to our report.

Roster of our Louisiana United Way ALICE Research Advisory Committee (RAC)

Dr. Gary Asmus
Client Services Manager
Workforce Opportunity Services

Robin A. Barnes
Executive Vice President & COO
Greater New Orleans, Inc.

Ali R. Bustamante
Economic Policy Specialist
Jesuit Social Research Institute
Loyola University New Orleans

Dr. Steven Dick
Statistician/Analyst
Picard Center for Child Development

Barry Erwin
President
Council for A Better Louisiana

Dr. Robert Eisenstadt
Professor of Economics and Director of ULM Center for
Business and Economic Research

Clair Hebert Marceaux, PCED
Director of Economic Development
Cameron Parish Policy Jury

John L. LaCour, M.S.W, retired
Director of Health Sciences
Cecil J. Picard Center for Child Development
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HCM Strategists

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New Orleans Business Alliance

Patty Riddlebarger
Director of Corporate Responsibility
Entergy Corporation

Bill Rodier
Executive Director
St. Landry Parish Economic Development

Adrienne C. Slack
Vice President & Regional Executive
Federal Reserve Bank of Atlanta-New Orleans Branch

Dr. Monty Sullivan
System President
Louisiana Community and Technical College System

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**Louisiana Association
of United Ways**