



2020 ILLINOIS ALICE UPDATE

DEAR MEMBERS,

In March, our United Way of Illinois team met at the State Capitol in Springfield to present our 2019 ALICE report to the state legislature. This 2019 report, based on 2017 data, revealed:

36%

of Illinois households are walking a financial tightrope, with incomes that **can't afford the cost of living.***

40%

of Households in Illinois **do NOT have any money set aside** to cover a 'rainy day.*'

56%

of jobs statewide **pay less than \$20 per hour**, significantly less than what is needed for a family survival budget.

County by county, and zip code by zip code, the ALICE research team has shown us just how much it costs to meet the basic needs of households and just how hard Illinoisans are working to afford the high cost of living.

Today, we are sharing the [2020 ALICE report](#) based on 2018 data. We all know that the COVID-19 pandemic has impacted our communities in a multitude of ways, however, we don't have access to that data yet. We can only imagine the devastating impact this pandemic has had on our neighbors who were living at or below the ALICE Survival budget prior to the recent economic crisis. Nonetheless, the 2018 data in the 2020 ALICE report did reveal some interesting findings:

ALICE HOUSEHOLDS ARE INCREASING

2018 data showed a 2% increase in families living below survival budgets.

The number of households unable to afford household essentials had been growing over time before the pandemic began. The percentage of households living below the ALICE Survival Threshold increased from 33% in 2017 to 35% by 2018.

HIGH RISK SENIORS

Illinois' population is aging, and 46% of Illinois seniors live below the ALICE threshold.

Between 2010 and 2018, there was a 23% increase in the number of households headed by someone over the age of 65. And, seniors continue to be hit hard. Senior households are dealing with unstable incomes due to a volatile stock market which has drastically reduced income and resources for many seniors. Illinois seniors, who have increased susceptibility to COVID-19 health complications, are becoming increasingly isolated due to the closing of senior centers, houses of worship, and other community organizations. Here are few additional data points on Illinois seniors:

- White senior population in Illinois is older than other racial/ethnic groups and will continue to account for an increasing share of the senior population. By race/ethnicity, seniors constitute 7% of Asian households, 8% of Hispanic households, 18% of Black households, and 28% of White households.
- Having lived through a decade of financial challenges, more Illinoisans will become ALICE as they age. In 2018, seniors comprised 26% of total households in the state, with nearly half (47%) living below the ALICE Threshold.
- Seniors make up a larger portion of households in rural areas, where they will continue to face additional challenges accessing transportation, health care, and caregiving.
- The percentage of senior renters is increasing, especially in urban areas. For instance, in Cook County, the number of renters in the 65–74 age group increased by 30% between 2012 and 2017.

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



United Way
of Illinois



PAID BY THE HOUR

A record number of Illinois workers—53%—are hourly workers.

With a nationwide increase in gig workers, by 2018, the state of Illinois reported record-low unemployment. However, the low unemployment concealed three trends that expose ALICE workers to greater financial risk—growth in the number of low-wage jobs, minimal increases in wages, more fluctuations in job hours and schedules, and benefits that make it harder to budget and plan.

GIG WORKERS AND SIDE HUSTLES

In 2019, nearly half (45%) of working adults in the U.S. reported having a side gig outside of their primary job.

Many of these opportunities, such as rideshare driving, have all but disappeared with social distancing and most were not covered by unemployment insurance. With more people out of work, there will be more competition on internet job platforms, making it harder for gig workers to find and maintain earnings.

THE DIGITAL DIVIDE

33% of households with income below the ALICE Threshold did not have an internet subscription.

From remote work and distance learning to telemedicine and social connectivity, the critical importance of access to high-speed internet has been revealed by this crisis—as has the persistent “digital divide” by income. With less access to the internet and to computers, ALICE workers will have difficulty working from home even if offered the option.

OUTBOUND MIGRATION

Illinois ranked 49th for population growth.

Working-age adults (25–64) are leaving Illinois. The loss of millennials (age 18–34)—one of the largest population bubbles—has been especially significant in our state. In four years (2011–2015), 81,000 millennials, their dependents and their income taxes left the state. The only state with higher rate of migration is West Virginia.

There is a lot of useful information in the new 2020 ALICE Reports. We encourage you to use this as a jumping off point for familiarizing yourself with your local UW ALICE profile. Our investment in this multi-pronged tool is meant to support your local UWs work of fundraising, community building, and positioning you as a resource to illuminate the challenges and opportunities that exist to support everyone in your communities. The new reports are located on our website and can be found here.

Respectfully Submitted,



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