

News Release

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Groundbreaking Study Reveals One in Three Pacific Northwest Households Struggle to Afford Basics

United Way ALICE® Report details size and scope of financial hardship in Idaho, Oregon and Washington.

United Ways of the Pacific Northwest Vice-Chair Dona Ponepinto; University of Washington, Research Advisory Committee Member Dr. Ali Modarres of University of Washington Tacoma, and families representing ALICE in the northwest are available for interviews.

OLYMPIA, WA, – There are 1.6 million Pacific Northwest households unable to afford the region's high cost of living, with conditions still lagging behind pre-recession levels, according to the United Way ALICE Report released today by United Ways of the Pacific Northwest.

ALICE – **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed; Study of Financial Hardship places a spotlight on a large population of hardworking residents who work at low-paying jobs, have little or no savings, and are one emergency from falling into poverty. The Report is the most comprehensive depiction of financial need in the region to date, using the latest data from a variety of sources, including the U.S. Census. The Report unveils new measures, based on present-day income levels and expenses, which quantify the size of who in the Pacific Northwest's workforce is struggling financially, and why.

A total of 982,835 Pacific Northwest households fall into what United Way calls the ALICE population. These are households earning more than the official U.S. poverty level, but less than the basic cost of living. This number is more than the official poverty rate, which accounts for a total of 660,933 households in the region. Combined, ALICE and poverty households, account for 37 percent of all households in Idaho (38% in Oregon and 32% in Washington).

“We all know ALICE,” said United Ways of the Pacific Northwest President and CEO Jim Cooper. “ALICE is the recent college graduate unable to afford to live on his or her own, the young family strapped by child care costs and the mid-career professional now underemployed. These folks are vital to our state’s future economic well-being, and they face barriers beyond their control frustrating their ability to become financially stable.”

In conjunction with the United Ways of the Pacific Northwest, local United Way organizations in Idaho, Oregon and Washington have joined a grassroots movement of some 250 United Ways in 10 states to use the same methodology for documenting financial need. The reports build on a United Way study first developed in New Jersey. United Way ALICE Reports provide county-by-county and town-level data, and analysis of how many households are struggling, including the obstacles ALICE households face on the road to financial independence.

“This report provides the objective data that explains why so many residents are struggling to survive and the challenges they face in attempting to make ends meet,” said the report’s lead researcher, United Way *ALICE Project* National Director Stephanie Hoopes, Ph.D. “Until now, the true picture of need in local communities and states has been understated and obscured by misleading averages and outdated poverty statistics.”

“United Way’s ALICE Study nicely corroborates our recent Prosperity Project’s client data in Whatcom County. Both reports demonstrate many local families and individuals are struggling to pay for basic survival necessities. And this hardship is not restricted to any one area or demographic in our community. We know when families are living in poverty, or even above the poverty line, they cannot save for unexpected, urgent needs, future college funds, or retirement. These families may include our friends, neighbors, or employees, and their struggle affects everyone,” said Greg Winer, Executive Director of the Opportunity Council

The United Way ALICE Report reveals:

- More than half of all jobs in Pacific Northwest pay less than \$40,000 a year and low- income jobs are projected to dominate the state’s economy for the foreseeable future.
- ALICE is men and women, young and old, of all races, largely mirroring the state’s basic demographic make-up, though Black and Hispanic households are over represented as a percentage of ALICE households. More than one third are within their prime wage-earning years of 45 to 64 years old.
- In 81% of the Pacific Northwest’s 608 county subdivisions at least 30% of households are unable to make ends meet. The average income needed in order to survive in the Pacific Northwest depends on local conditions and ranges from \$46,176 in Idaho to \$50,796 in Oregon to \$52,152 in Washington, and for a single adult from \$16,660 in Idaho to \$18,240 in Oregon to \$17,280 in Washington, more than double the official U.S. poverty rate. Despite the combination of ALICE’s wages and some public assistance, ALICE households still face an average 25 percent income gap, across the region, in order to reach financial stability.

- In Whatcom County: A total of 24 percent of Whatcom County households fall into what United Way calls the ALICE population. These are households earning more than the official U.S. poverty level, but less than the basic cost of living. This number is more than the official poverty rate, which accounts for 18 percent of households in Whatcom County. Combined, ALICE and poverty households, account for 42 percent of households in Whatcom County.

“ALICE often is forced to make choices that compromise health and safety in order to make ends meet,” Jim Cooper said. “This puts both ALICE and the wider community at risk of long-term societal and economic repercussions,” he added.

“When ALICE chooses unlicensed child care or longer commutes or emergency room health care in order to put food on the table we all suffer the consequences with future costs to our education system, heavier traffic and higher premiums,” Cooper said. “United Way is committed to looking beyond the emergency Band-Aids and providing long-term solutions that will strengthen our communities.”

“The information gathered from the ALICE Study is a crucial component in our work towards achieving community-wide goals in Education, Income, and Health. It takes more than one program focusing on one issue to change these community challenges, that’s why United Way is working with a variety of projects and programs to build a better life for ALICE and our entire community,” Said Peter Theisen, President/CEO of United Way of Whatcom County.

United Way is focused on providing the basic foundation in the areas of education, financial stability and health to help improve the lives of both ALICE and those in poverty, for the long-term benefit of the wider community.

The United Way ALICE Report was funded in part by corporate sponsors including AT&T, Atlantic Health System, Deloitte, Entergy, Novartis and The UPS Foundation.

For more information or to find data about ALICE in local communities, visit www.UnitedWayALICE.org.

About United Way of Whatcom County

United Way of Whatcom County’s mission is to improve lives by mobilizing the caring power of our communities to advance the common good. They provide leadership that galvanizes and connects a diverse set of individuals and institutions, and mobilizes human and financial resources, to create long-term social change by advancing Education, Income, and Health for all. United Way of Whatcom County’s goals for the community involve: helping children/youth achieve their potential through academic success, ensuring individuals/families achieve financial stability and economic independence, and building individuals who are healthy and avoid risky behaviors. To learn more

about United Way of Whatcom County visit www.unitedwaywhatcom.org or check out their Facebook page at <http://www.facebook.com/UnitedWayWhatcom>

About United Ways of the Pacific Northwest

United Ways of the Pacific Northwest (UWPNW) is the regional trade association for local United Ways in Washington, Oregon and Idaho. United Ways in the Pacific Northwest are committed to improving lives by mobilizing the caring power of communities to advance the common good in the areas of education, income and health. United Ways of the Pacific Northwest and local United Ways believe that to keep our communities strong, we need to prioritize services to help vulnerable populations, notably children and seniors.

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