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Despite Bigger Paychecks, Struggling Households in Washington Continue to Increase

New ALICE Update shows wage growth was no match for inflation after a decade of falling behind

BELLINGHAM, WASHINGTON — Though wages for the lowest paid jobs have risen across the country at the fastest rate in four decades, the number of households struggling to get by in Washington grew by nearly 33,000 from 2021 to 2022. As a result, a total of 1.06 million households or 35% were living paycheck to paycheck, according to a new Update from United Way of Whatcom County and its research partner United For ALICE.

That calculation includes the 312,012 Washington households in poverty as well as another 747,889 defined as **ALICE** (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mloyed), earning above the Federal Poverty Level but less than what's needed to survive in the current economy. ALICE workers include child care providers, home health aides and cashiers — those working low-wage jobs, with little or no savings and one emergency from poverty.

ALICE in the Crosscurrents: An Update on Financial Hardship in Washington shows that while wages were increasing, so too were costs. For a family of four with an infant and a preschooler, the basic costs to live and work in Washington, excluding tax credits, rose from \$92,532 in 2021 to \$95,244 a year later. Compounding the issue in 2022 was the loss of up to \$15,000 in federal child tax credits and stimulus payments that this family had access to in 2021.

“There is no doubt bigger paychecks helped, but inflation and the loss of pandemic supports converged to keep ALICE households trapped— and making really tough choices,” said United Way of Whatcom County CEO Kristi Birkeland. “In any given month, folks are being forced to choose between things like paying rent or buying food. These hardworking families are desperately trying to make ends meet, but the cost of living is consistently outpacing wages and resources. This latest data is a reminder that while we have made some progress, our work is far from over.”

The findings in this one-year period are consistent with a more than decade-long trend: Since the end of the Great Recession, despite some ups and downs, the number of ALICE households in Washington has been steadily growing. From 2010 to 2022, the total number of households rose by 18%, households in poverty increased by 1% — and the number of ALICE households grew by 44%.

“The data is showing persistent and widespread financial hardship — a red flag that the current system isn’t working for ALICE,” said Stephanie Hoopes, Ph.D., United For ALICE National Director. “Current policy has not been enough to break down the barriers that trap ALICE households in financial hardship, from lack of access to housing and child care that’s affordable, to inadequate community supports such as broadband internet.”

Additional insights include:

- From 2010 to 2022, people age 65 and over made up the fastest-growing age group in Washington — and the group with the largest increase (70%) in the number of households struggling to make ends meet.
- Racial disparities persisted in the rates of financial hardship; 49% of Black and 46% of Hispanic households in Washington were either in poverty or ALICE in 2022, compared to 33% of white households.
- Food assistance continued to elude many vulnerable families in Washington. Partly due to the SNAP income eligibility level in the state (200% of the Federal Poverty Level), only 43% of all Washington households in poverty and 19% of all ALICE households participated in SNAP in 2022.

According to the new update, 38% of all Whatcom County households are living paycheck to paycheck. While this is a drop from 39% in 2021, local households have yet to return to levels seen in 2019 when 33% of all households were struggling to get by.

To read the Update and access online, interactive dashboards that provide data on financial hardship at the county, state, and national levels, visit UnitedForALICE.org/Washington.

About United Way of Whatcom County

United Way of Whatcom County fights for the financial stability of every person in our community. By funding a collaborative network of nonprofits, United Way helps individuals and families in our community meet basic needs, improve their economic mobility, and break the cycle of poverty. One gift to United Way supports 25 local nonprofits, including Dolly Parton’s Imagination Library, a literacy program that sends books to kids from birth to age five in Whatcom County— at no cost to families. To learn more about United Way of Whatcom County’s work, go to unitedwaywhatcom.org.

About United For ALICE

United For ALICE is a U.S. research organization driving innovation, research and action to improve life across the country for ALICE (Asset Limited, Income Constrained, Employed) and for all. Through the development of the ALICE measurements, a comprehensive, unbiased picture of financial hardship has emerged. Harnessing this data and research on the mismatch between low-paying jobs and the cost of survival, ALICE partners convene, advocate and collaborate on solutions that promote financial stability at local, state and national levels. This grassroots ALICE movement, led by United Way of Northern New Jersey, has spread to 31 states and includes United Ways, corporations, nonprofits and foundations in Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawai’i, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Texas, Virginia, Washington, Washington, D.C., West Virginia and Wisconsin; we are United For ALICE. For more information, visit: UnitedForALICE.org.

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