

**THE STATE OF
ALICE IN »**

THE UNITED STATES



**2025 Update on
Financial Hardship**



INTRODUCING ALICE®



ALICE Households

The number of households in financial hardship in the U.S. is undercounted by official measures. In 2023, based on the Federal Poverty Level (FPL), 13% of U.S. households were defined as being in poverty. Yet this measure failed to account for an additional 29% of U.S. households – more than twice as many – that were also experiencing financial hardship. These households are **ALICE: Asset Limited, Income Constrained, Employed** – earning above the FPL, but not enough to afford basic expenses in the county where they live.

Between ALICE households and households living in poverty, **an estimated 42% of households in the U.S. were below the ALICE Threshold in 2023.** Rates [ranged from](#) 33% in North Dakota to 50% in Louisiana. Households below the Threshold are forced to make impossible choices – like deciding whether to pay for utilities or a car repair, whether to buy food or fill a prescription. Yet they often earn too much to qualify for public assistance.

We all know ALICE. Households below the ALICE Threshold live in every county across the U.S. and encompass all demographic groups. Workers below the ALICE Threshold often perform the jobs that keep our economy functioning smoothly – they are child care providers, food service workers, cashiers, personal care aides, delivery drivers, and more. Yet they struggle to make ends meet for their own families.

ALICE Measures

The ALICE measures were developed by [United For ALICE](#) to answer the pressing need for a more accurate picture of financial hardship. The [FPL guidelines](#) do not consider the wide variation in cost of living by location (except for a slightly higher state-level FPL for Alaska and Hawai'i). Nor have they been updated to reflect the changing economic realities since the guidelines were [developed in the 1960s](#). As a result, the FPL has become outdated and sharply underestimates the true extent of financial hardship in the U.S.

Two pillars of the ALICE measures are household costs and income. The [ALICE Household Survival Budget](#) calculates the cost of household basics for every county in the U.S., relying on a wide range of publicly available sources as outlined on page 5. Change over time in the cost of these household basics is tracked in the [ALICE Essentials Index](#).

Household costs are compared to income to determine if households are **below the ALICE Threshold**. For household income, ALICE measures rely on the U.S. Census Bureau's [American Community Survey](#) (ACS) – both household tabulated data and individual data from the [Public Use Microdata Sample](#) (PUMS) records. To provide additional details on household assets, this Report also includes analysis of the [Federal Reserve Board's Survey of Household Economics and Decisionmaking](#) (SHED) (2023).

United For ALICE

Launched in 2009 with a study of financial hardship in one New Jersey county, the nonpartisan [United For ALICE movement](#) has grown to include 35 states and the District of Columbia. With a commitment to [racial and economic justice](#), United For ALICE partners use the ALICE data to give voice to the challenges ALICE households face. Together, they inspire action, strategies, and policies to ensure that all households have enough income for necessities and can save for unexpected expenses and future goals like homeownership, further education, and retirement.

Learn more about how the ALICE data is being used to inform strategies and solutions across our partner states in the [ALICE in Action](#) Database.

ALICE OVER TIME

United For ALICE has been tracking financial hardship since the Great Recession (2007–2010), when the percentage of households below the ALICE Threshold increased from 32% to 41% of all U.S. households. Since then, the rate of financial hardship has remained largely unchanged (41% to 43% of all U.S. households). Through periods of economic growth, recovery, and change, a sizable portion of the population has struggled to meet their basic needs.

The data included in this Report spans 2010 to 2023 (latest available) and therefore does not reflect policy or funding changes that have occurred since. However, the ALICE research provides an important baseline and context to inform current conversations and decision making.



KEY FINDINGS

Financial hardship: In 2023, of the 130.5 million households in the U.S., 13% (17 million) were below the Federal Poverty Level (FPL), and another 29% (38 million) were ALICE – households with income above the FPL, but not enough to afford the ALICE Household Survival Budget for their household composition and location. **Combining these two groups, 42% (55 million) of households in the U.S. were below the ALICE Threshold** (Figure 1).

The cost of basics: Across the U.S., the ALICE Household Survival Budget for a family of four with two adults, an infant, and a preschooler in 2023 ranged from \$75,384 in Allen County, Indiana (which includes the city of Fort Wayne), to \$87,888 in Duval County, Florida (primarily the city of Jacksonville), to \$131,952 in Queens County, New York (the New York City borough of Queens). In all locations, actual costs were much higher than the FPL (\$14,580 for an individual and \$30,000 for a family of four). Basic costs varied substantially [by state and county](#).

ALICE demographics: There were households below the ALICE Threshold across all demographic groups in the U.S. However, due to [systemic racism](#), [ageism](#), [gender discrimination](#), and [geographic barriers](#) that limit many families' access to resources and opportunities, certain groups were more likely to experience financial hardship. These groups included Black households (58% below the Threshold), American Indian/Alaska Native households (55%), and Hispanic households (52%); households headed by people under age 25 (67%) or age 65 and older (52%); and single-parent-headed households (75% single-female-headed, 56% single-male-headed).

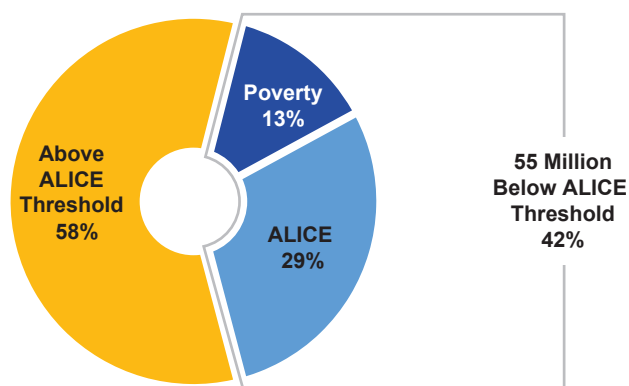
ALICE in the labor force: Of the 20 most common occupations in the U.S. in 2023, 11 paid less than \$20 per hour; the number varied by state, ranging from four occupations in Washington State to 17 in West Virginia. And of all workers in these 20 occupations, 33% lived in households below the ALICE Threshold, with rates as high as 53% for home health and personal care aides and 49% for cashiers.

National trends: Between 2010 and 2023, the total number of households in the U.S. increased by 14% while the number of households in poverty increased slightly, by 3%. The number of ALICE households, however, increased by 24%. Behind these overall trends, there were important changes in the numbers of

families with children and 65+ households. In addition, housing affordability continued to be a challenge, and basic costs continued to outpace wages in low-wage jobs.

Stable households, stronger communities: Investing in households below the ALICE Threshold not only makes a substantial difference for individuals and families but also boosts the economy through increased consumer spending and contributions to the tax base, and improves the quality of life for the wider community.

Figure 1. Forty-Two Percent of U.S. Households Faced Financial Hardship in 2023



Sources: ALICE Threshold, 2010–2023; U.S. Census Bureau, American Community Survey, 2023

KEY TERMS

- **ALICE:** Asset Limited, Income Constrained, Employed – households with income above the Federal Poverty Level (FPL) but less than the basic cost of living in their county
- **ALICE Household Survival Budget:** Reflects the minimum costs of household necessities (housing, child care, food, transportation, health care, and technology) plus taxes, adjusted for all U.S. counties and various household compositions
- **ALICE Threshold:** Derived from the Household Survival Budget, the minimum average income that a household needs to afford basic costs, calculated for all U.S. counties
- **Below ALICE Threshold:** Includes households in poverty and ALICE households combined

Data Notes: The income data used in this Report rely on ACS estimates. The ACS is based on a representative sample of housing units and people; therefore, these estimates have a [degree of uncertainty](#). Some data points are geographic averages, others are one- or five-year averages depending on population size. Percentages are rounded to whole numbers, sometimes resulting in percentages totaling 99% or 101%. ALICE analysis includes households regardless of work status, as employment is fluid and most households have members who are working, have worked, are out on disability, or are looking for work. ALICE analysis includes families and roommates but does not include people who are unhoused or living in group quarters (such as college residence halls, skilled nursing facilities, and military barracks).

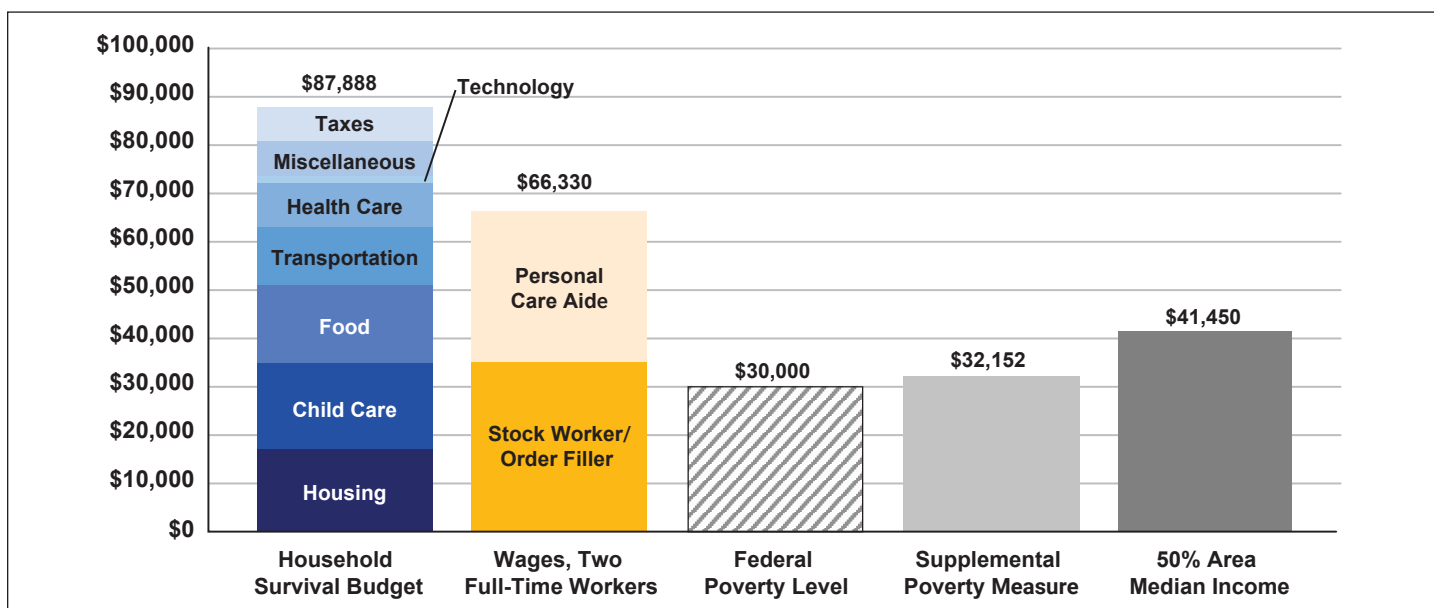
BASIC COSTS: THE ALICE HOUSEHOLD SURVIVAL BUDGET

Because the cost of living varies across as well as within states, **the ALICE Household Survival Budget is calculated for all U.S. counties and various household compositions.** This budget reflects the minimum cost to live and work in today's economy. For example, the cost of basics for a family of four was below the national average at \$75,384 in Allen County, Indiana (primarily the city of Fort Wayne), near the national average at \$87,888 in Duval County, Florida (primarily the city of Jacksonville), and above the national average at \$131,952 in Queens County, New York (the New York City borough of Queens). (See the Budget Overview on page 5 for more detail, and use the [ALICE Budget and Income Status Tool](#) to find budgets by household composition and county.)

Figure 2 illustrates the mismatch between costs, wages, and official measures of financial hardship. It includes ALICE Household Survival Budget costs for a family in Duval County, Florida (home of Jacksonville) with two adults, an infant, and a preschooler (totaling \$87,888 annually) and the combined full-time wages of two common occupations in Florida – a personal care aide and a stock worker/order filler (totaling \$66,330 annually). Figure 2 also compares costs and income to three governmental measures of financial hardship:

- **The Federal Poverty Level (FPL):** The FPL relies on an [outdated methodology](#) for household costs; it does not account for cost-of-living differences across the continental U.S., or within states; and it is increased annually by the Consumer Price Index, which underestimates inflation in essential costs (as demonstrated by the [ALICE Essentials Index](#)). In 2023, the [FPL](#) was \$14,580 for a single adult and \$30,000 for a family of four.
- **The Supplemental Poverty Measure (SPM):** First published by the U.S. Census Bureau in 2011, the SPM is based on the costs of food, clothing, shelter, and utilities. In 2023, the SPM threshold for a renter household with two adults and two children in Florida was \$32,152.
- **Area Median Income (AMI):** The AMI is the midpoint of income distribution within a geographic area (half of households earn more, half earn less). Percentages of AMI are used for federal housing assistance; very low-income households earn less than 50% of AMI, the typical threshold for Section 8 eligibility. AMI is based on income, not costs, so it does not capture whether households can afford basic expenses. In Florida in 2023, for a four-person household, 50% of AMI was \$41,450 – higher than the FPL and SPM, but still well below the Household Survival Budget.

Figure 2. Basic Costs Exceeded Wages of Common Jobs and Official Measures of Hardship
Annual Budget, Wages, and Official Measures of Financial Hardship, Family of Four, Duval County, Florida, 2023



Note: Personal care aides monitor the condition of people with disabilities or chronic illnesses and help them with daily living activities. Stock workers/order fillers receive, store, and issue merchandise, materials, equipment, and other items from stockrooms, warehouses, or storage yards, and may operate power equipment to fill orders.

Sources: ALICE Household Survival Budget, 2023; Bureau of Labor Statistics–Occupational Employment Statistics, 2023; U.S. Census Bureau, Supplemental Poverty Measure, 2023; U.S. Department of Housing and Urban Development, [Area Median Income](#) (State Income Limits), 2023

ALICE Household Survival Budget		2 Adults, 1 Infant, 1 Preschooler, 2023		
	Budget Item Description and Sources (See Methodology for more details)	Allen County, IN	Duval County, FL	Queens County, NY
Housing	110% of Fair Market Rent (FMR) for an efficiency, one-bedroom, or two-bedroom apartment (based on family size), including utilities, adjusted in metro areas using Small Area FMR Source: U.S. Department of Housing and Urban Development (HUD) Update: As of 2023, based on HUD's new FMR policy, housing costs are calculated using 110% of FMR to more accurately reflect the rental market. Small Area FMR is used in metro areas, where rents are higher than 110% of FMR. In prior years, costs used standard FMR and were adjusted in metro areas using ACS housing costs. To avoid reporting artificial rent decreases, 2022 rents are used if higher than 2023 rents.	\$1,023	\$1,433	\$2,830
Child Care	Cost for registered Family Child Care Homes for infants (0–2 years), preschool-age children (3–4 years), and school-age children (5–12 years) Source: State agencies responsible for reporting child care rates	\$1,192	\$1,479	\$2,812
Food	USDA Thrifty Food Plan by age, with county variation from Feeding America Sources: Feeding America; U.S. Department of Agriculture (USDA)	\$1,190	\$1,349	\$1,516
Transportation	Operating costs for a car (average daily miles by age, cost per mile, license, fees, and insurance), or public transportation where viable Sources: AAA, Federal Highway Administration, National Association of Insurance Commissioners (NAIC) (car); Consumer Expenditure Survey (CEX) (public transportation) Update: The source for insurance premiums changed from the Zebra to NAIC in 2023; rates are similar and updated more frequently.	\$938	\$996	\$402
Health Care	Health insurance premiums based on employer-sponsored plans plus out-of-pocket costs for households with \$40,000–\$69,999 annual income by age, weighted with the poor-health multiplier. For the ALICE 65+ Survival Budget, cost of Medicare Parts A and B, out-of-pocket costs, plus average out-of-pocket spending for the top five chronic diseases as reported by CMS. Sources: Centers for Medicare & Medicaid Services (CMS); CEX (health); Medical Expenditure Panel Survey (MEPS)	\$690	\$759	\$775
Technology	Basic broadband internet at home and a smartphone plan with unlimited data for each adult in a household Sources: Consumer Reports; USTelecom	\$116	\$116	\$116
Miscellaneous	Cost overruns estimated at 10% of the budget, excluding taxes, to cover one-time unanticipated costs within the other categories	\$515	\$613	\$845
Taxes	Federal payroll taxes (Social Security and Medicare) and federal, state, and local income taxes owed on household income to cover the Survival Budget, as well as the federal Child Tax Credit and the Child and Dependent Care Tax Credit Sources: Internal Revenue Service; Tax Foundation; calculated for United For ALICE by the Federal Reserve Bank of Atlanta (FRBA) Note: 2022 tax data was revised by FRBA for this update.	\$618	\$579	\$1,700
Monthly Total		\$6,282	\$7,324	\$10,996
Annual Total		\$75,384	\$87,888	\$131,952
Hourly Full-Time Earnings Needed to Support the Household Survival Budget*		\$37.69	\$43.94	\$65.98

*Represents the earnings needed at 40 hours/week, 50 weeks/year to support the annual total, including taxes.

FINANCIAL HARDSHIP BY DEMOGRAPHIC GROUP

There are households below the ALICE Threshold across the U.S., and they reflect a wide range of demographics and household types (Figure 3). However, some groups had a higher rate of financial hardship in 2023, a result of factors including [systemic racism](#), [ageism](#), [gender discrimination](#), and [geographic barriers](#) that limit many families' access to resources and opportunities for financial stability:



- **Age:** In 2023, the youngest and oldest households had the highest rates of financial hardship: nationally, 67% of households headed by someone under age 25 and 52% of households headed by someone age 65 and over lived below the ALICE Threshold. By comparison, rates were lower for those in their prime working years, with 37% of households headed by people age 25–44 and 36% of households headed by those age 45–64 living below the Threshold.
- **Race/ethnicity:** Rates of financial hardship differed substantially by race/ethnicity in the U.S. In 2023, the largest number of households below the ALICE Threshold were White (30.9 million), making up 37% of all White

households. Hispanic households were the next largest group below the Threshold (9.8 million), yet they made up 52% of all Hispanic households. There were also 9.1 million Black households below the Threshold, making up 58% of all Black households – the highest rate among the largest racial groups.

Smaller demographic groups also had high rates of hardship: 55% of American Indian/Alaska Native households, 49% of Native Hawaiian/Pacific Islander households, and 48% of households headed by someone of Two or More Races were below the Threshold. Asian households had the lowest rate of financial hardship (35%), which still represented more than one-third of Asian households living below the Threshold.

- **Household type:** In 2023, 40% of single or cohabiting households without children headed by someone under age 65 – the most common household type – were below the ALICE Threshold in the U.S. Among families with children, 36% were below the Threshold. And longstanding disparities in financial hardship by household type remained: 75% of single-female-headed families and 56% of single-male-headed families were below the Threshold, compared to 20% of married-parent families.
- **Location:** In 2023, across the U.S., the rate of financial hardship varied by region: 38% in the Midwest, 43% each in the West and Northeast, and 44% in the South. Hardship was similar in rural and urban areas of the U.S. (44% and 42%, respectively), yet wider variation was found in some states. For example, in Florida, 53% of rural households were below the Threshold, compared to 46% in urban areas. Financial hardship also varied within states between counties. Georgia had the greatest county variation, ranging from 25% below the Threshold in Oconee County to 83% in Wheeler County. And there can be substantial variation even within counties: For example, in Essex County, New Jersey, the percentage of households below the Threshold ranged from 8% in ZIP code 07078 (Short Hills) to 78% in ZIP code 07108 (Newark).

INTERACTIVE ALICE DATA

More ALICE data is available online. View [national data](#) by race/ethnicity, age of householder, household type, and county. See all available geographies and more with the [ALICE Mapping Tool](#).

Figure 3. Financial Hardship Varied Substantially by Demographic Group

Key Demographic Groups, United States, 2023

	Total	Below ALICE Threshold	<div> <div>Poverty</div> <div>ALICE</div> <div>Above ALICE Threshold</div> </div>		
ALL HOUSEHOLDS	130,465,667	54,835,387	13%	29%	58%
AGE					
Under 25 Years	5,129,300	3,460,886	32%	36%	33%
25 to 44 Years	42,932,596	16,018,209	12%	25%	63%
45 to 64 Years	46,316,415	16,702,390	11%	25%	64%
65 Years and Over	36,087,356	18,653,902	13%	39%	48%
RACE/ETHNICITY					
American Indian/ Alaska Native	6,806,264	2,395,590	13%	41%	45%
Asian	15,751,911	9,108,452	8%	28%	65%
Black	18,957,657	9,823,949	16%	42%	42%
Hispanic	177,360	87,122	9%	42%	48%
Native Hawaiian/ Pacific Islander	11,463,270	5,473,922	10%	40%	51%
Two or More Races	82,877,437	30,865,354	9%	39%	52%
White	82,877,437	30,865,354	7%	30%	63%
HOUSEHOLD TYPE					
Married With Children	22,836,069	4,620,236	6%	14%	80%
Single-Female- Headed With Children	7,784,814	5,821,916	39%	36%	25%
Single-Male-Headed With Children	2,913,968	1,641,979	19%	37%	44%
Single or Cohabiting, Under 65, no Children	60,843,460	24,097,354	11%	28%	60%
RURAL/URBAN					
Rural	19,166,904	8,510,997	15%	29%	56%
Urban	111,298,763	46,324,390	12%	29%	58%

Note: The groups shown in this figure are based on head of household and overlap across categories. Within the race/ethnicity category, all racial categories except Two or More Races are for one race alone. Race and ethnicity are overlapping categories; in this Report, the American Indian/Alaska Native, Asian, Black, Native Hawaiian (includes other Pacific Islanders), and Two or More Races groups may include Hispanic households. The White group includes only White, non-Hispanic households. The Hispanic group may include households of any race. Because household poverty data is not available for the American Community Survey's race/ethnicity categories, annual income below \$15,000 is used as a proxy. Counties are defined as rural or urban based on the USDA's designation of metropolitan or non-metropolitan at the census tract level. Counties with 50% or more of the population in metropolitan tracts are designated as urban; those with 50% or more of the population in non-metropolitan tracts are designated as rural.

Sources: ALICE Threshold, 2023; U.S. Census Bureau, American Community Survey, 2023

ALICE IN THE LABOR FORCE

Workers below the ALICE Threshold increasingly bear the brunt of economic change and uncertainty as the workforce shifts to incorporate new [technology and automation](#) and as employers increase [reliance on non-standard work arrangements](#) – like [hourly paid work](#), [part-time employment](#), and [gig work](#). These [arrangements](#) make it easier to [reduce work hours or cut employment](#) altogether when the economy ebbs (which happened to a large degree during the COVID-19 pandemic) and expand them when demand increases (which happens seasonally for a range of industries such as hospitality, recreation, and retail sales).

Wages vary substantially across the country. For example, the median hourly wage in the U.S. for [home health and personal](#)

[care aides](#) was \$16.12 in 2023, but ranged from \$11.66 in Houston to \$18.74 in Boston. In 2023, of the 20 most common occupations in the U.S. as reported by the Bureau of Labor Statistics (BLS), 11 still paid less than \$20 per hour (ranging from four occupations in Washington State to 17 in West Virginia). And with differences in the cost of living, \$20 per hour goes further in some places than in others. Of the workers in the 20 most common occupations, nationally, 33% were living in households below the ALICE Threshold. Occupations with the largest share of workers in households below the Threshold included home health and personal care aides (53%), cashiers (49%), janitors and cleaners (46%), fast food and counter workers (45%), and waiters and waitresses (44%) (Figure 4).

Figure 4. A Large Share of Workers in the 20 Most Common Occupations Were Below the ALICE Threshold

Labor Characteristics, Most Common Occupations, United States, 2023

Most Common Occupations	Total Employment (BLS)	Percent of Workers Below ALICE Threshold (ACS PUMS)	Median Hourly Wage (BLS)
Home Health and Personal Care Aides	3,689,350	53%	\$16.12
Retail Salespersons	3,684,740	33%	\$16.19
Fast Food and Counter Workers	3,676,580	45%	\$14.20
Delivery Drivers/Sales Workers	3,511,470	32%	\$23.14
General and Operations Managers	3,507,810	11%	\$48.69
Cashiers	3,298,660	49%	\$14.29
Registered Nurses	3,175,390	10%	\$41.38
Laborers and Movers, Hand	3,008,300	40%	\$18.10
Stockers and Order Fillers	2,872,680	40%	\$17.50
Customer Service Representatives	2,858,710	33%	\$19.08
Office Clerks	2,496,370	30%	\$19.46
Waiters and Waitresses	2,237,850	44%	\$15.36
Janitors and Cleaners	2,172,500	46%	\$16.84
Secretaries and Administrative Assistants	1,785,430	24%	\$21.29
Software Developers	1,656,880	5%	\$63.59
Administrative Support Supervisors	1,504,570	17%	\$30.50
Maintenance and Repair Workers	1,503,150	25%	\$22.45
Bookkeeping, Accounting, and Auditing Clerks	1,501,910	22%	\$22.81
Accountants and Auditors	1,435,770	10%	\$38.41
Cooks	1,412,350	52%	\$17.20

Note: BLS = Bureau of Labor Statistics; ACS PUMS = American Community Survey Public Use Microdata Sample. This figure includes all workers with income from these occupations (full-time, part-time, and freelance). [ALICE Threshold status](#) is determined by comparing workers' total household income to the ALICE Household Survival Budget for their household composition and location.

Sources: ALICE Threshold, 2023; Bureau of Labor Statistics—Occupational Employment Statistics, 2023; U.S. Census Bureau, American Community Survey, PUMS, 2023

THE LABOR LANDSCAPE

Full- and part-time work: Though the majority of adults in the U.S. were working in 2023, and most households had at least one worker, only 22% of the population age 16 and over had the security of a full-time job with a salary. Of those in the labor force (blue bars in Figure 5), 60% were paid hourly and/or worked part time. Workers who are paid by the hour are more likely to have fluctuations in income due to [schedule changes and variable hours](#), and they are [less likely to receive benefits](#), such as health insurance, paid time off, family leave, or retirement plans.

Unemployment: In 2023, 3% of people age 16 and over in the U.S. were unemployed – not currently working but looking for work in the prior four weeks (light blue bar in Figure 5). The unemployment rate for workers below the ALICE Threshold is often notably higher than the official rate for all workers. To see more data on workers below the ALICE Threshold in your community, visit [UnitedForALICE.org/ALICE-EVD](#).

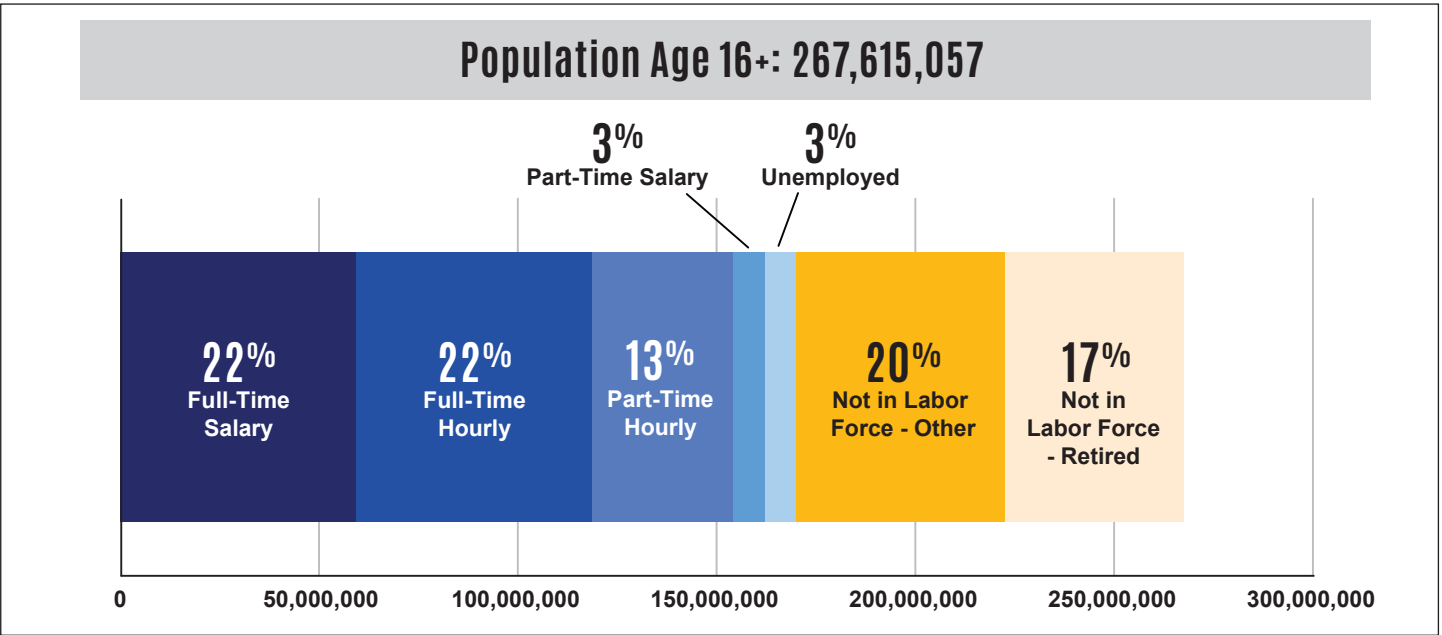
Out of the labor force: Another 37% of people age 16 and over were out of the labor force in 2023 (gold bars in Figure 5), including those who were retired (17%) and those who were out of the labor force for other reasons, such as disability, health issues, caregiving responsibilities, or student status (20%).

SPOTLIGHT ON SAVINGS AND ASSETS

When a household's income falls short of covering basic costs, it is often impossible to save for emergencies, retirement, or other future needs. According to the [Federal Reserve Board's Survey of Household Economics and Decisionmaking](#) (SHED), in 2023, respondents below the ALICE Threshold in the U.S. were far less likely than those above the Threshold to have savings that could cover three months of expenses in the event of an emergency (33% vs. 71%), or to have retirement assets (40% vs. 88%). Additionally, non-retirees below the Threshold were less likely to say that their retirement savings plan was on track (12%, vs. 36% above the Threshold).

The aging U.S. population, the fact that [people are living longer](#) and will need more retirement income, and the inability to save for retirement are all contributing factors to the growing number of 65+ households below the ALICE Threshold (up 44% from 2010 to 2023). Research suggests that this problem will grow; comparing the [National Retirement Risk Index](#) to people's [perception of their own retirement preparedness](#) shows that only 40% of people are prepared and know it. The rest are not: 20% are not on track and know it, 28% are not concerned enough about their risk, and 15% are overly concerned.

Figure 5. Less Than One-Fourth of People Worked Salaried, Full-Time Jobs
Labor Status, Population Age 16+, United States, 2023



Note: Full-time represents a minimum of 35 hours per week at one or more jobs for 48 weeks per year.
Sources: Federal Reserve Bank of St. Louis, 2023; U.S. Census Bureau, American Community Survey, 2023

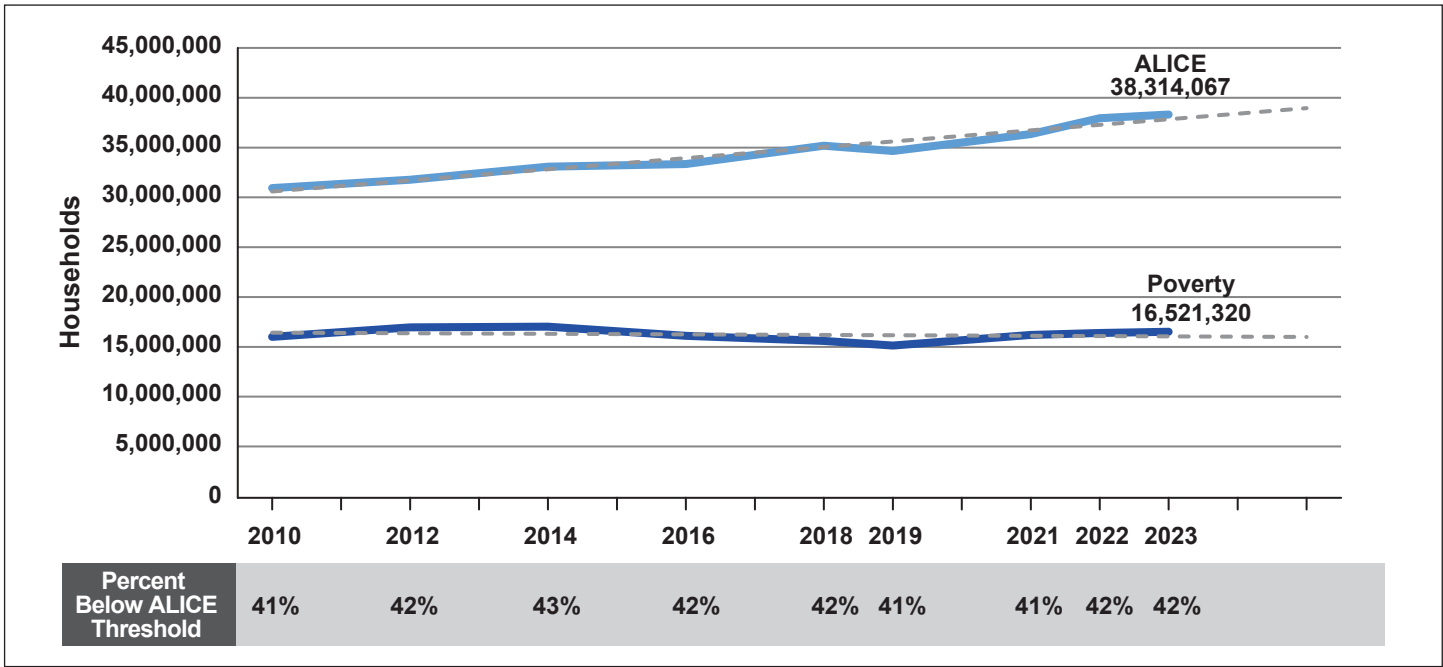
TRENDS IN THE U.S.

For more than a decade, the number of ALICE households in the U.S. has been on the rise as wages have failed to keep up with the cost of household basics. When prices increase faster than wages, purchasing power decreases. This is especially challenging for ALICE households that are already struggling to make ends meet.

From 2010 to 2023:

- The total number of households in the U.S. increased by 14%. During the same time, the number of ALICE households increased at nearly double the rate of total households (24%), while households in poverty increased only 3% (Figure 6).
- The demographic groups with the largest percentage increase in the number of households below the ALICE Threshold included single or cohabiting households under age 65 with no children; households headed by people age 65+; and single-male-headed households with children.
- By state, Utah, Texas, Florida, Delaware, and Idaho experienced the largest percentage increase in total households. Maryland, Wyoming, Alaska, Delaware, and Louisiana had the largest percentage increase in households in poverty. And Washington State, Arizona, Colorado, Idaho, and Wyoming had the largest percentage increase in ALICE households.

Figure 6. The Number of ALICE Households has Trended Upward Over Time
Number of Households by Income, United States, 2010–2023



Note: The gray dashed trend lines in this figure highlight the general direction of the point-in-time data for the years shown. These lines indicate whether the numbers of ALICE and poverty-level households have been generally increasing, decreasing, or remaining flat. The ALICE trend line is statistically significant at $p < 0.0001$; however, the Poverty trend line is not statistically significant.

Sources: ALICE Threshold, 2010–2023; U.S. Census Bureau, American Community Survey, 2010–2023

Families with children: Nationally, the total number of households with children under age 18 declined slightly (by 3%) from 2010 to 2023, as did the number of these households below the ALICE Threshold (down 6%). These trends were driven by married-parent and single-female-headed households; however, for single-male-headed households, both the number and share below the Threshold increased.

Among families with children, trends varied by state. For example, in Florida, the total number of households with children increased from 2010 to 2023, as did the number of these households below the Threshold; in Texas, the total number of households with children increased while the number experiencing financial hardship remained flat; and in Connecticut, the total number of households with children decreased, while the number below the Threshold increased.

Older Americans: With the [aging of the Baby Boomer generation](#), households headed by people age 65 and over were the fastest-growing age group in the U.S. (up 46% between 2010 and 2023). They were also the age group with the most substantial increase in the number of households below the ALICE Threshold (reaching 52% of all 65+ households in 2023).

Wages: Across the country, [wages increased from 2018 to 2023](#), growing fastest in 2022, but generally have not been enough to make up for years of falling behind. For example, in Indiana in 2010, [retail sales workers](#) – selling goods ranging from clothes to appliances to cars – earned a median wage of \$9.21 per hour

(\$19,160 annually for full-time work). This worker's household fell \$9,738 short of the annual Household Survival Budget for a family with one adult and one school-age child in Allen County (\$28,898). By 2023, the median wage for this occupation increased by 57%, to \$14.45 per hour (\$30,060 annually, full-time). Yet the annual Household Survival Budget for one adult and one school-age child also grew (to \$41,064), leaving these essential workers \$11,004 short of covering basic costs – further behind than they were in 2010.

Housing: [Housing costs continued to be a challenge](#) for households below the ALICE Threshold. In 2023, 27% of all renter households below the Threshold across the U.S. paid 30% to 49% of their income on housing, and an additional 43% paid half of their income or more. **Combined, 70% of all renter households below the Threshold in the U.S. were rent burdened** (paying 30% or more of their income on rent and utilities) similar to the rate in 2021. For homeowners below the Threshold, 53% were housing burdened (paying 30% or more of their income on homeowner costs, including mortgage payments, utilities, and homeowner's insurance), up slightly from 50% in 2021.

By state, rent burden for households below the ALICE Threshold varied from 53% in West Virginia to 78% in Colorado and Florida. For homeowner households below the Threshold, cost burden rates ranged from 33% in West Virginia to 69% in New Jersey.



» HEAR ALICE VOICES

ALICE is speaking. Are we listening? Visit ALICEvoices.org to hear firsthand insights from ALICE workers and families – or tell your own story.

STABLE HOUSEHOLDS, STRONGER COMMUNITIES

The U.S. economy relies on ALICE workers, and our communities depend on ALICE family members, neighbors, and volunteers. Yet households below the ALICE Threshold – 55 million across the U.S. – did not earn enough to cover basic costs in 2023.

But what if all households had enough income to cover their basic needs? With more income, consumer spending would increase and contributions to the tax base would grow. This investment would spur economic activity, with benefits for the economy and the wider community.

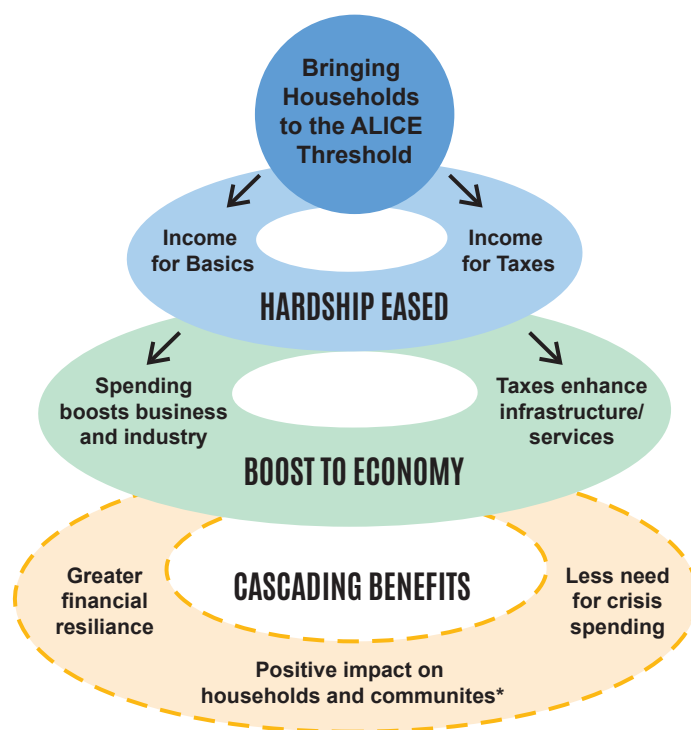
This illustration is intended to spur discussion of how to fill the gap. Bringing all households to the ALICE Threshold would require effort and investment from multiple sectors, including government, nonprofit, business, and philanthropy.

A boost to economic growth: The underlying principle is that increasing income for low-income households spurs economic growth, because these households are more likely to [spend additional income](#) to cover costs of basics and pay additional taxes.

Increased spending in the local economy has a [multiplier effect](#). This analysis uses the [2023 economic multipliers](#) (similar to [Congressional Budget Office](#) estimates) from Mark Zandi, Chief Economist at [Moody's Analytics](#), for additional household income spending on food (1.57), utilities (1.27), and other necessities (1.42). For instance, every dollar [spent on food](#) spurs an additional 57 cents in business growth in the retail, agriculture, trucking, and rail freight industries.








There are also economic multipliers for the additional income taxes that households below the ALICE Threshold would pay. Zandi estimates economic multipliers for tax revenue spent on aid to state and local governments (1.27) and transportation infrastructure (1.23), meaning that every dollar households below the Threshold pay in additional taxes would fuel economic growth.

Improved quality of life: Beyond these economic contributions, there are cascading benefits of meeting basic needs (Figure 7). **If all households are on a more solid financial footing, communities can look beyond crisis spending and poverty alleviation toward broader community well-being.** For example, funding that went toward emergency housing or food assistance could be redirected to create more affordable housing and locally grown food systems for the long term. Funding could also be used to enhance opportunities for civic engagement, arts, and recreation. Together, these investments can improve physical and mental health and overall quality of life – not just for ALICE families, but for entire communities, states, and the nation as a whole.



* See Figure 7 for additional details/sources related to the benefits of meeting basic needs.

Figure 7. Cascading Benefits of Meeting Basic Needs

If households have sufficient income for...	Benefits for ALICE Households	Benefits for the Wider Community
 Safe, Affordable Housing	Improved physical and mental health through safer environments and reduced stress ; improved educational performance and outcomes for children; greater stability for household members; a means to build wealth and racial equity for homeowners	Expanded and updated housing stock , reduced systemic housing inequities ; lower health care costs ; reduced homelessness ; increased opportunities for jobs and more money spent in local communities
 Quality Child Care and Education	Increased labor force participation , lifetime earnings and retirement security for women ; health benefits for children , school readiness , improved educational attainment and graduation rates ; improved performance in higher education ; higher lifetime earnings	Reduced racial/ethnic inequalities in learning and development ; positive health, education, and economic outcomes for children and families ; stronger community economies ; more homebuyers and higher property values through availability of quality child care
 Adequate Food	Decreased food insecurity; improved health (especially for children and adults age 65 and over); decreased likelihood of developmental delays and behavioral problems in school	Lower health care costs ; improved school and workplace productivity; less spending on emergency food services ; greater equity by gender, race/ethnicity and immigration status
 Reliable Transportation	Decreased transportation insecurity ; improved access to work/job opportunities , school and child care , health care and social services, food/retail markets , and support systems (friends, family, faith communities)	Improved air quality and reduced gasoline consumption/carbon emissions ; increased economic opportunity through returns on investment ; a more diverse labor market ; decreased income disparities ; more integrated neighborhoods
 Quality Health Care	Better mental and physical health (including increased life expectancy); improved access to preventive care ; fewer missed days of work and school ; decreased need for emergency services ; lower share of income spent on health	Decreased health care spending and strain on emergency services; reduced racial/ethnic disparities in insurance coverage and access to care ; fewer communicable diseases; improved workplace productivity ; decreased wealth-health gap ; better outcomes during health crises
 Reliable Technology	Improved access to job opportunities ; expanded access to health information and telemedicine services ; increased job and academic performance	Closing the “ digital divide ” in access to technology by income; increased economic development ; increased connectivity and social inclusion that helps reduce social, economic, and political disparities
 Savings	Ability to withstand emergencies without impacting long-term financial stability; greater asset accumulation over time (e.g., interest on savings ; ability to invest in education, property, or finance a secure retirement)	Less spending on public services to cover basic needs like health care, food, and housing — especially for unexpected or emergency expenses

We All Have a Role to Play

Our vision is a country where ALICE families not only have sufficient income to afford the basics but can also save and invest in their future. This is a vision not only for ALICE, but for the nation as a whole. The information presented in this Report can help stakeholders prioritize economic prosperity for all. We all have a role to play:

Community members:

- Raise awareness of ALICE through ALICE [news](#) and [videos](#) or [share your experiences](#)
- [Connect with your local United Way](#) for advocacy, support, and volunteer opportunities
- Advocate for the continuation of current government datasets (e.g., American Community Survey, Fair Market Rents). Consistent data over time is crucial for informed decision-making, effective policy implementation, and accountability.

Policymakers and nonprofits:

- Explore ALICE by district using the [Legislative District Tool](#)
- [Map ALICE by location](#) to pinpoint need and identify gaps in community resources
- Use interactive tools from the Federal Reserve Bank of Atlanta (which use ALICE budgets), including the [Policy Rules Database](#) and the [Career Ladder Identifier and Financial Forecaster](#)
- See examples of [policies, practices, and programs](#) United For ALICE partners have implemented using ALICE data













Employers:

- [Implement strategies](#) that support the well-being and retention of ALICE workers while also boosting engagement, productivity, and the bottom line
- Advocate for community resources that support your employees – from affordable housing to quality child care



ALICE ONLINE

Visit UnitedForALICE.org to explore interactive data and resources. Click the icons below to get started.

 National Overview National data and state comparison	 National Reports Read ALICE Reports with national data on various topics	 ALICE Essentials Index Data on change over time in the cost of household basics
 Mapping Tool NEW Explore data for all available geographies (state, county, municipality, ZIP code)	 Income Status Tool NEW Input income, household type, and location to see household ALICE status	 Legislative District Tool See data by state upper and lower chambers and congressional district
 Economic Viability Dashboard Key data on work, housing, and community resources	 Wage Tool Identify counties where select hourly wages can support basic costs	 ALICE in Focus A closer look at hardship for children, people with disabilities, and veterans
 Methodology Sources and calculations used in the ALICE research	 Research Advisory Committees Learn about the members and roles of these critical groups	 National ALICE Team Meet members of the United For ALICE staff
 ALICE Voices NEW Hear directly from ALICE or share your own ALICE story	 ALICE in Action NEW Programs, practices, and policy changes implemented by the ALICE network	 ALICE Videos Videos that highlight ALICE stories, research, and partner impact

NATIONAL COMPARISON: INCOME STATUS, 2023

STATE	RANK	TOTAL	HOUSEHOLD INCOME STATUS		
	(1 = lowest % Below ALICE Threshold)	Number of Households	Households in Poverty	ALICE Households	% Households Below ALICE Threshold
U.S.		130,465,667	16,521,320	38,314,067	42%
Alabama	47	2,024,236	324,705	604,048	46%
Alaska	3	270,644	25,892	64,758	33%
Arizona	39	2,902,613	364,922	918,202	44%
Arkansas	40	1,212,992	192,032	345,062	44%
California	46	13,693,616	1,642,955	4,639,401	46%
Colorado	12	2,402,297	230,499	652,002	37%
Connecticut	27	1,442,969	160,037	420,483	40%
Delaware	25	412,048	43,295	122,269	40%
District of Columbia	2	334,673	44,824	67,156	33%
Florida	48	8,944,469	1,129,685	3,033,439	47%
Georgia	42	4,087,735	561,879	1,282,611	45%
Hawaii	43	493,920	51,115	173,064	45%
Idaho	30	721,351	75,682	221,268	41%
Illinois	13	5,068,029	620,588	1,261,149	37%
Indiana	17	2,730,489	337,484	713,547	38%
Iowa	11	1,320,745	151,884	330,895	37%
Kansas	16	1,174,788	137,344	311,258	38%
Kentucky	38	1,808,144	299,959	498,488	44%
Louisiana	51	1,819,905	351,248	554,557	50%
Maine	28	605,199	67,219	177,879	40%
Maryland	21	2,376,785	236,153	698,562	39%
Massachusetts	35	2,799,709	317,591	876,753	43%
Michigan	29	4,076,984	555,965	1,117,590	41%
Minnesota	6	2,322,755	219,267	584,716	35%
Mississippi	50	1,147,097	221,155	345,210	49%
Missouri	23	2,524,385	320,027	688,622	40%
Montana	14	467,558	57,552	119,941	38%
Nebraska	7	803,424	92,426	188,071	35%
Nevada	36	1,222,034	147,005	385,854	44%
New Hampshire	9	564,142	45,593	151,926	35%
New Jersey	20	3,538,131	359,444	1,018,576	39%
New Mexico	45	842,325	141,634	243,853	46%
New York	49	7,787,200	1,120,465	2,590,349	48%
North Carolina	32	4,352,607	557,477	1,265,052	42%
North Dakota	1	330,139	36,905	72,665	33%
Ohio	18	4,894,153	661,888	1,223,429	39%
Oklahoma	41	1,572,192	244,654	456,798	45%
Oregon	33	1,738,333	208,441	528,716	42%
Pennsylvania	24	5,308,845	660,390	1,465,590	40%
Rhode Island	22	440,675	51,069	122,439	39%
South Carolina	34	2,156,513	306,059	608,829	42%
South Dakota	10	367,063	41,592	91,103	36%
Tennessee	37	2,852,754	396,857	849,126	44%
Texas	31	11,178,972	1,480,119	3,199,414	42%
Utah	4	1,153,293	107,824	279,066	34%
Vermont	26	272,239	28,609	80,780	40%
Virginia	19	3,368,535	351,398	956,236	39%
Washington	15	3,094,073	320,701	854,530	38%
West Virginia	44	726,214	122,054	209,725	46%
Wisconsin	8	2,474,496	270,316	593,843	35%
Wyoming	5	241,180	27,442	55,167	34%



ABOUT UNITED FOR ALICE AND OUR PARTNERS

The State of ALICE in the United States: 2025 Update on Financial Hardship is brought to you by [United For ALICE](#), a driver of innovative research and action to promote financial stability for **ALICE**® (Asset Limited, Income Constrained, Employed) households. With a commitment to [racial and economic justice](#), United For ALICE and United Ways across the U.S. share this work with foundations, government, corporations, and other nonprofits to inform policy and promote positive change for ALICE households.

The grassroots ALICE movement, developed by United Way of Northern New Jersey, has spread to 35 states and the District of Columbia. Learn more about the ALICE movement [here](#).

To create the ALICE Reports, our [team of researchers](#) works with [Research Advisory Committees](#) composed of experts from our partner states. This work is guided by our rigorous [methodology](#), which is updated biennially with experts from across our Research Advisory Committees.

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