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**New COVID-19 Report: 60% of Low-Income Households Lost Job Earnings vs. 40% of Higher-Income Households During Pandemic**

***Report uncovers data confirming stark disparities by income levels and race for job losses, health challenges and child care struggles during the pandemic***

**MORRISTOWN, N.J.** – Low-income households reported losing employment income at a markedly higher rate during the pandemic — 60% — in comparison with a 40% rate for middle class and high-income households, according to a new report released today by United For ALICE.

*The Pandemic Divide: An ALICE Analysis of National COVID Surveys* explores four national surveys through the lens of the ALICE Threshold of Financial Survival, the minimum income needed to live and work in today's economy. **ALICE** stands for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mloyed and represents households that earn more than the official U.S. poverty level, but less than what it costs to make ends meet. Combined with those in poverty, these struggling households accounted for 51 million households nationwide as the pandemic hit.

The report uncovers that households below the ALICE Threshold fared significantly worse during the pandemic than those with higher incomes – as reported in surveys conducted between March 2020 and May 2021 by the U.S. Census, Federal Reserve Board, University of Southern California and United For ALICE.

Even with government supports in play, households below the ALICE Threshold reported higher levels of job loss, child care struggles and health challenges than those earning an income that affords the basics, according to the report's analysis. In addition, racial inequities are evident within the data, as Black and Hispanic households reported harsher experiences at every turn.

“When you dig deeper than the national average, which paints a somewhat optimistic picture of COVID-19 recovery, it's clear that households below the ALICE Threshold travelled a much more difficult path – financially and emotionally,” said the report's lead researcher, United For ALICE Director Stephanie Hoopes, Ph.D. “What we're seeing also validates the ALICE Threshold as a meaningful measurement of financial hardship, given the significant differences between households on either side of it.”

The report takes a detailed look at these two divergent paths as they pertain to:

- **Child Care:** Parents below the ALICE Threshold were more likely than those with higher incomes to be working reduced hours (24% vs. 16%) or have had to quit a job (17% vs. 3%) due to child care disruptions or virtual schooling for their children.

- **Rainy Day Funds:** The percentage of Hispanic and Black households below the ALICE Threshold with emergency savings decreased during the pandemic from 28% to 27% and from 27% to 25%, respectively, while remaining flat at 36% for White households. While the percentage of households with savings increased for all groups above the ALICE Threshold, racial disparities persisted – with financially stable Hispanic and Black households trailing their White counterparts.
- **Mental Health:** Forty-four percent of respondents below the ALICE Threshold reported showing elevated symptoms of anxiety and depression during the pandemic, compared to 35% of those above the ALICE Threshold.
- **Meeting Expenses:** Stimulus payments were used in different ways, with low-income households typically using their first payment to cover basic needs such as food, utilities and rent. Their second stimulus payment was most often used to pay down debt. By contrast, those above the Threshold were more likely to put their stimulus funds into savings or investments, or to make a charitable donation.
- **Financial Stability:** In July 2020, about 42% of respondents below the ALICE Threshold reported that they were either “just getting by” or “finding it difficult to get by,” compared to less than 10% above the Threshold.
- **Retirement Savings:** Among respondents below the ALICE Threshold, 46% each of Black and Hispanic respondents reported during the pandemic they had less than \$10,000 in retirement savings compared to 42% of White respondents. At the other end of the spectrum, 57% of White respondents above the ALICE Threshold had savings of \$100,000 or more compared to 44% of Hispanic and 32% of Black respondents.
- **Employment:** In addition to ALICE households reporting higher rates of job loss, large racial and ethnic gaps emerged. For example, below the ALICE Threshold, Hispanic and AIAN/Hawaiian/Pacific Islander respondents reported the highest rates of job loss during the pandemic at 42%, followed by Black households at 38%, White respondents at 33% and Asian respondents at 32%.

“*The Pandemic Divide* shows how interconnected the struggles are for families below the ALICE Threshold; job loss leads to food insecurity, which leads to health problems, which compromises a return to work,” said Kiran Handa Gaudioso, president of United For ALICE. “As the pandemic continues to drag on, and the struggles of these households continue to worsen, it reinforces that the time for change is now. No one solution will help ALICE workers achieve financial stability; it will require everyone to do their part to create meaningful change across the board.”

To read the full report, visit [UnitedForALICE.org/Covid2019](https://UnitedForALICE.org/Covid2019).

### **About United For ALICE**

United For ALICE is a driver of 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 24 states and includes United Ways, corporations, nonprofits and foundations in Arkansas, Connecticut, Delaware, Florida, Hawai'i, Idaho, Illinois, Indiana, Iowa, Louisiana, Maryland, Michigan, Mississippi, New Jersey, New York, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington, West Virginia and Wisconsin; we are United For ALICE. For more information, visit: [UnitedForALICE.org](http://UnitedForALICE.org).

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