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New Inflation Tracker: Cost of Basics Rising Faster Than CPI

ALICE Essentials Index reveals the country's retail salespeople lost \$26,000 in buying power over 15 years

MORRISTOWN, N.J. — The cost of six household essentials has risen at a faster clip than inflation, leaving low-wage workers priced out of affording the basics, according to United For ALICE, a U.S. research organization driving solutions to financial hardship from headquarters in New Jersey.

Over the course of 15 years, low-wage jobs didn't keep up with the increased cost of essentials. Workers in retail sales, the most common occupation in the U.S., saw an average \$26,000 loss of buying power — more than a year's earnings, according to findings within the [ALICE Essentials Index](#).

The gulf that grew between wages and the cost of basics affects the 52.5 million or 41% of U.S. households that can't make ends meet, according to United For ALICE calculations. This includes households in poverty and those that are **ALICE** (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed), earning above the Federal Poverty Level but less than the cost of basics.

"The ALICE Essentials Index shows that no matter how hard ALICE families worked, they were priced out of financial stability," said United For ALICE President Kiran Handa Gaudioso. "ALICE was grappling with a surge in inflation before the rest of us. We need to do better for our essential workers and factor these insights into delivering stronger supports for vulnerable families."

Between 2007 and 2023, the ALICE Essentials Index shows basics rising in price by 69% with projections for 2022 and 2023. In contrast, inflation — as measured by the national Consumer Price Index (CPI) — rose 48% during that time.

The ALICE Essentials Index tracks the rising cost of essentials, including housing, child care, food, health care, transportation and a smartphone plan. In contrast, CPI tracks inflation across more than 200 categories of goods and services, including luxury items, such as power boats and landscaping services. Yet, CPI is used to calculate increases in critical supports for low-income families, including Social Security and Medicaid.

"ALICE doesn't buy power boats or hire landscapers — ALICE is doing the landscaping," said United For ALICE National Director Stephanie Hoopes, Ph.D. "ALICE is simply trying to afford

safe housing and dinner on the table. The ALICE Essentials Index recognizes this disconnect and provides a new, targeted inflation measure that could help guide eligibility and increases in assistance programs.”

To learn more about the ALICE Essentials Index, and to explore the online dashboards, visit UnitedForALICE.org/Essentials-Index.

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 27 states and includes United Ways, corporations, nonprofits and foundations in Arkansas, Connecticut, Delaware, Florida, Georgia, Hawai'i, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Mississippi, New Jersey, New York, Ohio, Oregon, Pennsylvania, 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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