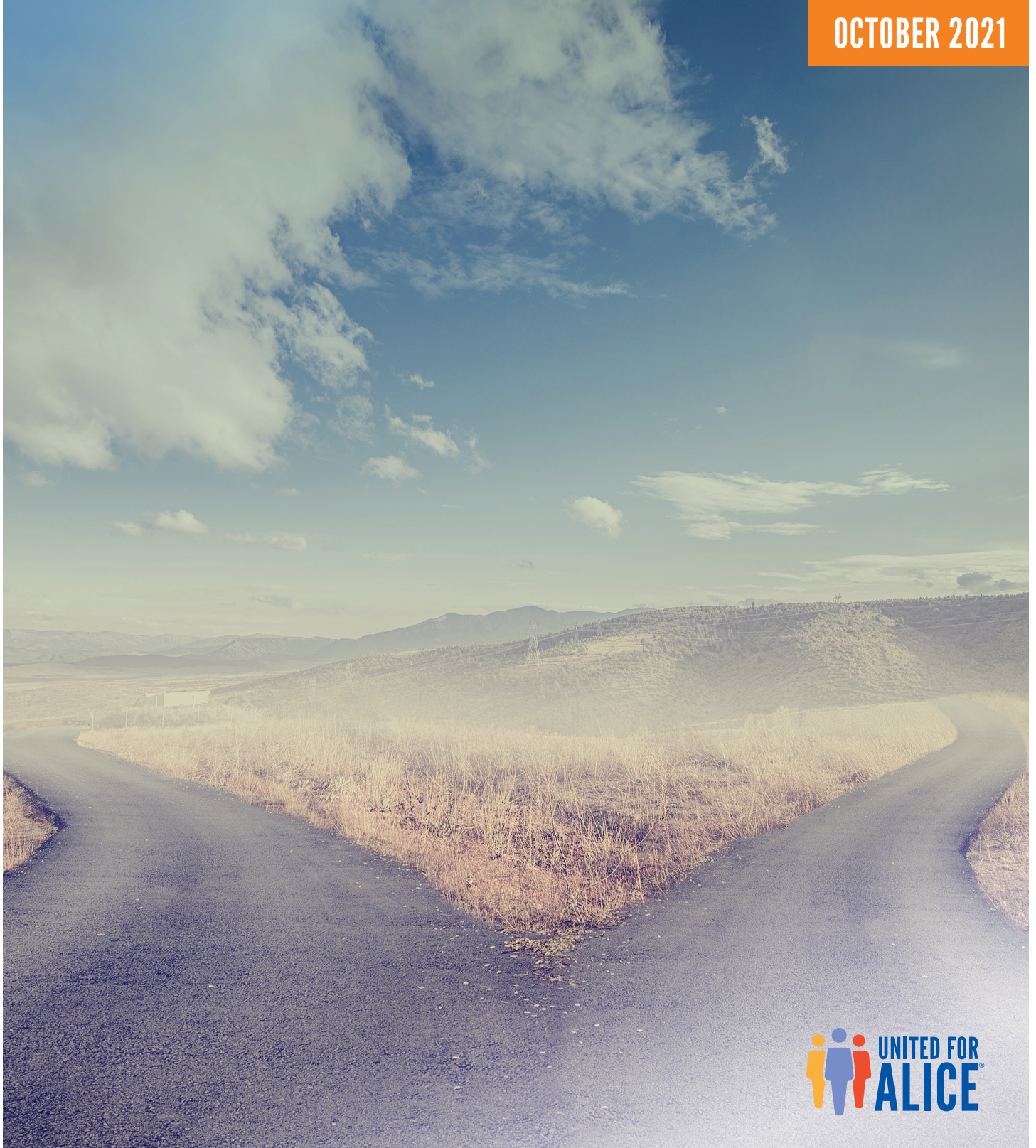


THE PANDEMIC DIVIDE:

An ALICE Analysis of National COVID Surveys

OCTOBER 2021



WHAT IS UNITED FOR ALICE?

United For ALICE is a driver of innovation, research, and action around financial hardship. At its core is **ALICE: Asset Limited, Income Constrained, Employed** – a measure of households that earn above the Federal Poverty Level but below the cost of household basics. The ALICE research drills down to the local level for both household incomes and costs, showing the mismatch between low-paying jobs and what it takes to survive financially, county by county and state by state.

This research is bolstered by external advisory committees of experts in fields ranging from health care and child care to labor and technology. The ALICE research team collaborates with a state-level committee in each partner state, and it draws on those experts nationwide for a biennial Methodology Review. This collaborative model ensures that all ALICE products and tools are based on unbiased data that is transparent, replicable, current, and incorporates local context.

With this data and research, ALICE partners convene, advocate, and innovate in their communities to highlight the issues faced by ALICE households, and to build solutions that promote financial stability.

KEY TERMS

ALICE: Asset Limited, Income Constrained, Employed – households with income above the Federal Poverty Level but below the basic cost of living.

Household Survival Budget: The lowest-cost options for household basics (housing, child care, food, transportation, health care, and a smartphone plan, plus taxes and a small contingency). Calculated at the county level for various household types.

ALICE Threshold of Financial Survival (the ALICE Threshold): The average income that a household needs to afford the household basics defined by the Household Survival Budget for each county.

Below ALICE Threshold: Includes both poverty-level and ALICE households – all households unable to afford the basics.

ALICE Essentials Index: A national standardized measure of the change over time in the costs of household basics included in the Household Survival Budget.

ALICE ONLINE

Visit UnitedForALICE.org for more details about ALICE, including:



Interactive Data

Learn about the extent of financial hardship and ALICE demographics at the national, state, and local level



ALICE Reports

Read United For ALICE national and partner state Reports, as well Reports on other special topics



ALICE Essentials Index

See change over time in the cost of household essentials, compared to other rates of inflation



ALICE Wage Tool

Explore how wage levels impact ALICE and what wages different occupations pay by location



COVID Tracker

See COVID-19 cases mapped with ALICE data, and learn more about the impacts of COVID on ALICE



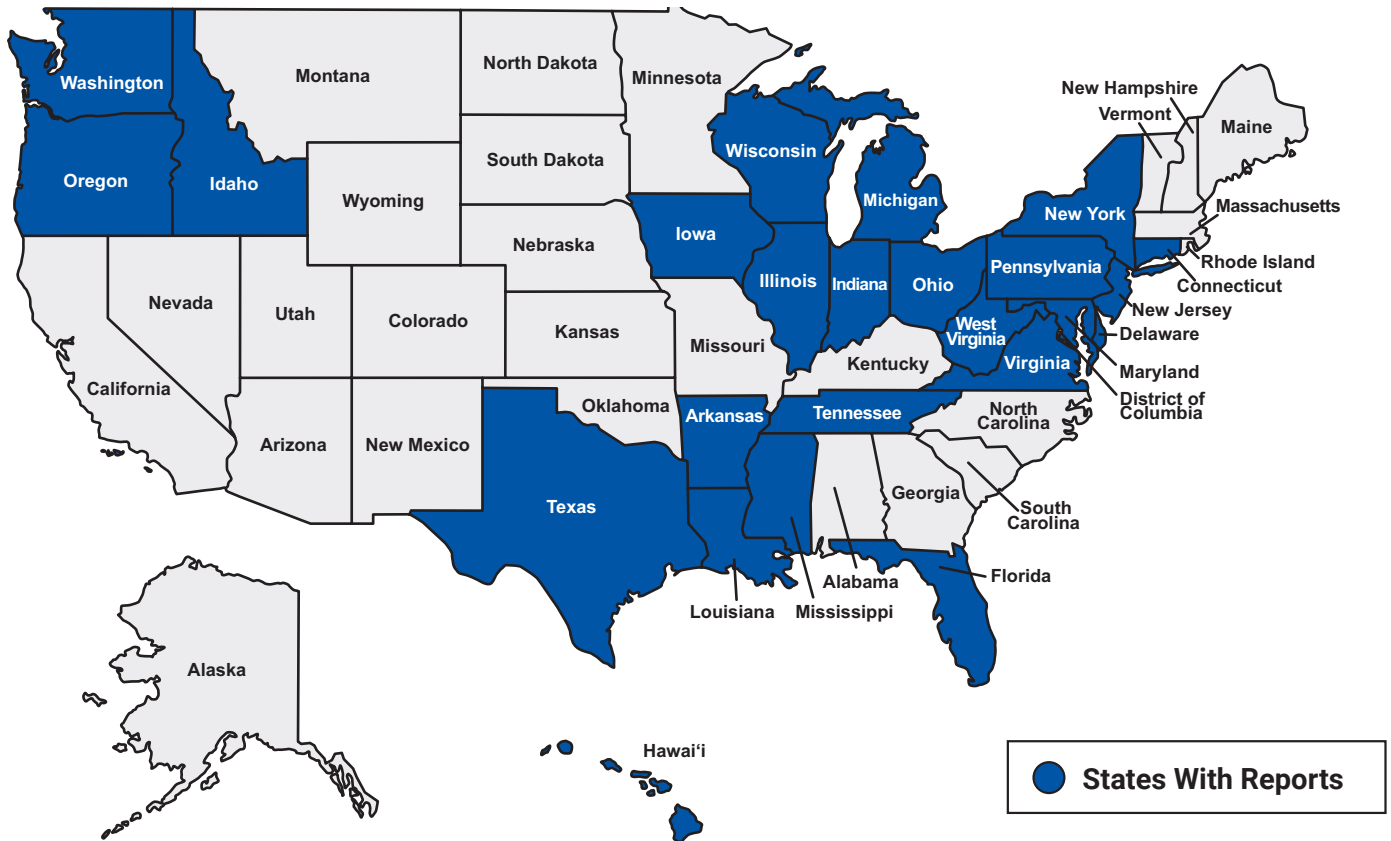
Methodology

Read an overview of the sources and calculations used in the ALICE research

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UNITED FOR ALICE STATES AND PARTNERS

Over the last decade, United For ALICE has grown from a study of financial hardship in Morris County, NJ, to a grassroots movement that includes United Ways, corporations, foundations, and nonprofits in 24 states. Learn more about our partners at UnitedForALICE.org/Governance.



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INTRODUCTION: A TALE OF TWO PANDEMICS

There are many emerging stories about the impact of the COVID-19 pandemic in the U.S. over the past 18 months. Some are stories of job loss, rising food insecurity, housing instability, and health concerns.¹ Others point to an economy in full recovery – new businesses opening at a record rate, household debt at a near low, savings rates and home prices rising, and the stock market at an all-time high.² All of these stories are true. The highs and lows of the pandemic have been experienced very differently across the U.S. population – and initial reports indicate that a key differentiator is income.³

United For ALICE, a driver of research, innovation, and action on financial hardship in the U.S., shines a light on the challenges of **ALICE: Asset Limited, Income Constrained, Employed** – households that struggle to make ends meet and have little or no savings, but often make too much to qualify for public assistance. The ALICE Threshold of Financial Survival draws a line between survival (the bare minimum needed to live and work in the modern economy) and stability; it is based on the ALICE Household Survival Budget (the lowest-cost options for housing, child care, food, transportation, health care, and a smartphone plan for all household types in each U.S. county).

Many of the economic indicators that are used to guide policy are averages of households at all income levels. These averages conceal the harsh realities millions of families faced during the pandemic. By contrast, the ALICE Threshold delineates two categories of households that experienced the pandemic in very different ways:

- **Below the ALICE Threshold:** households with income that is too low to cover the Household Survival Budget for their household type in the counties where they live. This group includes ALICE households and households with income below the Federal Poverty Level (FPL).
- **Above the ALICE Threshold:** households with income greater than the cost of the Survival Budget for their household type in the counties where they live.

Using the ALICE Threshold as its framework, this Report analyzes three nationally representative surveys about household experiences during COVID-19, as well as findings from a series of non-representative local ALICE COVID-19 Impact Surveys:

- Federal Reserve Board’s Survey of Household Economics and Decisionmaking (SHED)
- University of Southern California’s Understanding America Study’s Understanding Coronavirus in America survey (UAS COVID survey)
- U.S. Census Bureau’s COVID-19 Household Pulse Survey (Household Pulse Survey)
- United For ALICE’s COVID-19 Impact Surveys conducted with state and local partners (United For ALICE Surveys)

“ Together, the survey results show that households below the ALICE Threshold fared significantly worse than households above the Threshold – financially, physically, and emotionally – during the pandemic.”

Together, the survey results show that households below the ALICE Threshold fared significantly worse than households above the Threshold – financially, physically, and emotionally – during the pandemic. Even with the added protective measures of eviction moratoria and housing and food assistance programs, conditions worsened for households below the ALICE Threshold from March 2020 to May 2021.



Overall, the survey data included in this Report reveals that during the pandemic, experiences and realities diverged for households above and below the ALICE Threshold. Compared to households above the ALICE Threshold, those below the ALICE Threshold were more likely to have:

- **Struggled financially:**

- Reported that they were “just getting by” or “finding it difficult to get by”
- Were less likely to have reported “living comfortably”

- **Had few savings or assets:**

- Had no rainy day funds, even before the pandemic started
- Had no assets or retirement savings, or had a much lower amount
- Saw a decrease in the funds usually in their checking/savings accounts
- Were renters rather than homeowners

- **Faced disruptions in employment:**

- Lost a job, experienced a temporary layoff, or worked fewer hours
- Were not employed in full-time, salaried jobs
- Worked in hourly paid jobs, had employment gaps, or were underemployed
- Wanted to work, or if they were already working, wanted to work more hours

- **Faced barriers to work:**

- Had caregiving demands
- Faced health issues
- Had few paid sick days available

- **Faced additional concerns as parents:**

- Worked reduced hours or quit a job because their children’s classes were not completely in-person or access to child care was disrupted
- Faced food insecurity
- Had concerns about paying housing expenses, paying off debts, and facing non-COVID-19-related medical issues
- Didn’t always have a computer or other digital device available to children for educational purposes

- **Experienced more mental and physical health challenges:**
 - Had a household member with a health issue
 - Faced elevated symptoms of anxiety and depression
 - Had health issues that increased concerns about paying housing expenses, providing food, paying off debt, and losing a job
- **Needed alternative sources of income to make ends meet:**
 - Didn't have the same income sources as before the pandemic
 - Used stimulus payments and unemployment benefits to cover basic needs
 - Relied on public and private assistance
 - Borrowed from friends and family

These surveys also provide an alarming look at the breakdown of pandemic experiences by race/ethnicity. The differences here are even starker than when looking at income alone, giving credence to concerns that the pandemic is exacerbating racial inequities across all facets of life. The analysis reveals that, in particular, Black and Hispanic households have been negatively impacted by the pandemic.

The combined analysis of these surveys represents a new and fruitful frontier for understanding ALICE households. With questions on a variety of topics not previously covered by ALICE research, these surveys offer new insights into the challenges ALICE households face and the strategies they employ to get by. The surveys also provide additional validation for the ALICE Threshold as a meaningful measure, as most survey questions revealed significant differences between households above and below the Threshold.

ALICE BEFORE THE PANDEMIC

It is precisely the challenges that ALICE families were facing before the pandemic that made them so vulnerable to the health and economic crises of COVID-19. Before the pandemic, ALICE households already faced persistent challenges related to income, basic expenses, employment, and savings and credit, and for many households these issues were compounded by systemic racism and discrimination. These challenges are detailed in the national 2020 ALICE Report *On Uneven Ground: ALICE and Financial Hardship in the U.S.* and outlined below:

- ALICE never recovered from the Great Recession.
- ALICE was already struggling to afford essential household items – and the costs of these basics continue to rise.
- Employment growth over the last decade has been concentrated in low-wage jobs.
- ALICE earns too little to save, yet too much to qualify for many public and private assistance programs.
- Many households face systemic barriers to financial stability.
- Households face additional expenses not captured by the Household Survival Budget.
- ALICE households are more vulnerable in times of crisis, as they feel the economic impact almost immediately.

SURVEY DATA & METHODOLOGY

This Report presents the results from three nationally representative surveys using an ALICE lens, as well as findings from a series of local surveys conducted by United For ALICE and our partners:

- The October 2019 and November 2020 Full Surveys and July 2020 Supplementary Survey of Household Economics and Decisionmaking from the Board of Governors of the Federal Reserve (SHED) (see Appendix A)
- The ongoing biweekly Understanding America Study's Understanding Coronavirus in America ("Covid") survey conducted by the University of Southern California's Center for Economic and Social Research (UAS COVID survey) (see Appendix B)
- The ongoing weekly/biweekly COVID-19 Household Pulse Survey conducted by the U.S. Census Bureau (Household Pulse Survey) (see Appendix C)
- September 2020 to June 2021 United For ALICE COVID-19 Impact Surveys conducted in 18 locations with state and local United Ways and their community partners, with more than 45,000 respondents (United For ALICE Surveys) (see Appendix D)

There are differences between the surveys that are noted in the text and fully detailed in the appendices. Notably, the surveys varied in survey dates, sample size, and the time point used for income determination. In addition, the SHED, the UAS COVID survey, and the Household Pulse Survey are representative samples, so the weighted results are reported for population or households (according to the question). The United For ALICE Surveys are non-representative convenience samples, so results are reported for respondents only.

Survey Dates: For ongoing surveys, the weeks and/or waves chosen for analysis were based on 1) when the question being analyzed was asked (not all questions are repeated in each iteration of the ongoing surveys), and 2) if the question was asked multiple times, whether the data is presented over time or a specific week is selected based on relevance to the topic (e.g., weeks when school was in session for questions about parents' work impacts), or to match the time period for which a related question was asked in one of the other surveys.

ALICE Threshold of Financial Survival (the ALICE Threshold): With the raw data from these surveys, we were able to determine whether the survey participants were above or below the ALICE Threshold using three key criteria: 1) household income, 2) location, and 3) household composition. Location and family composition were used to identify the appropriate Household Survival Budget (based on 2018 United For ALICE data), which was then compared to the respondent's household income to determine whether they were above or below the ALICE Threshold.

Significance Testing: The differences reported between the responses of respondents above and below the ALICE Threshold were statistically significant (not attributed to chance) at a 95% confidence level. Depending on the type of question, chi-squared tests, Welch's t-tests (two-tailed), and ranked t-tests (in cases where Welch's t-tests assumptions were not met) were used.

Analysis by Race/Ethnicity: Where possible, we share data by race/ethnicity, with the following groups included in this Report:

- AIAN/Hawaiian/Pacific Islander – American Indian or Alaska Native, Native Hawaiian, or Pacific Islander
- Asian – further breakdown of this broad group was not possible due to lack of data on country of origin
- Black – reported here as non-Hispanic, though in many areas of the country there is substantial overlap between race and Hispanic ethnicity
- Hispanic – includes respondents identifying as Spanish, Hispanic, or Latinx
- White – reported here as non-Hispanic, though in many areas of the country there is substantial overlap between race and Hispanic ethnicity

The groupings and the ability to break down respondents by race/ethnicity differed across surveys. See the appendices and the notes shown below figures for more details.

To access the data used in this Report, download the Report Crosstabs at UnitedForALICE.org/National-Reports

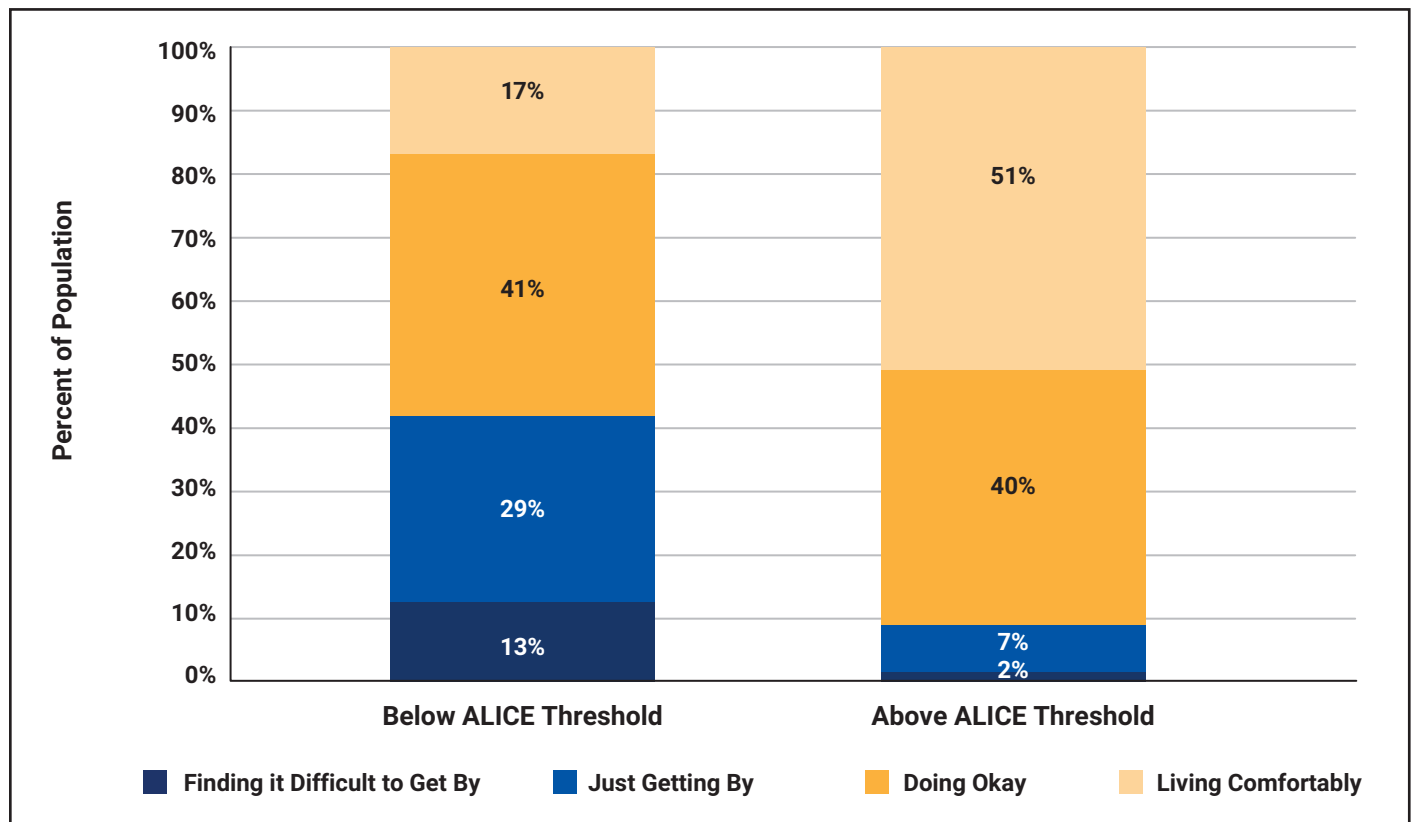
THE FINANCIAL IMPACT OF COVID-19

For many households, overall household finances were constricted during the pandemic, and it became more difficult to meet basic needs. There were a variety of reasons for this: reduced income or other employment impacts, school closures, gaps in access to health care, new or worsening health problems, decreased social support during quarantine, and other issues.⁴ While all households were undoubtedly affected in some way, it is not surprising that those who were already struggling to make ends meet before the pandemic fared worse.

The serious financial impact of the pandemic has been concealed by summary statistics. For example, according to the Federal Reserve SHED, there was a slight increase in the percentage of households struggling to get by financially at the beginning of the pandemic (from 25% in October 2019 to 27% in April 2020), but rates improved, falling to below pre-pandemic levels by July 2020 (23%).⁵ Similarly, the percentage of households reporting that they were “living comfortably” decreased slightly at the beginning of the pandemic (from 36% in October 2019 to 29% in April 2020) but improved by July 2020 (ending at 37%).

But behind the averages of all respondents, two very different trajectories emerged for people with household income above and below the ALICE Threshold. In July 2020, when total responses suggested full recovery, the reality was quite different: When asked in the SHED how they were managing financially overall, 42% of respondents below the ALICE Threshold were struggling, compared to less than 10% of those above the Threshold (29% vs. 7% were “just getting by” and 13% vs. 2% were “finding it difficult to get by”). Conversely, respondents above the ALICE Threshold were significantly more likely than those below the Threshold to say that they were “living comfortably” (51% vs. 17%) (Figure 1).

Figure 1.
Managing Financially by the ALICE Threshold

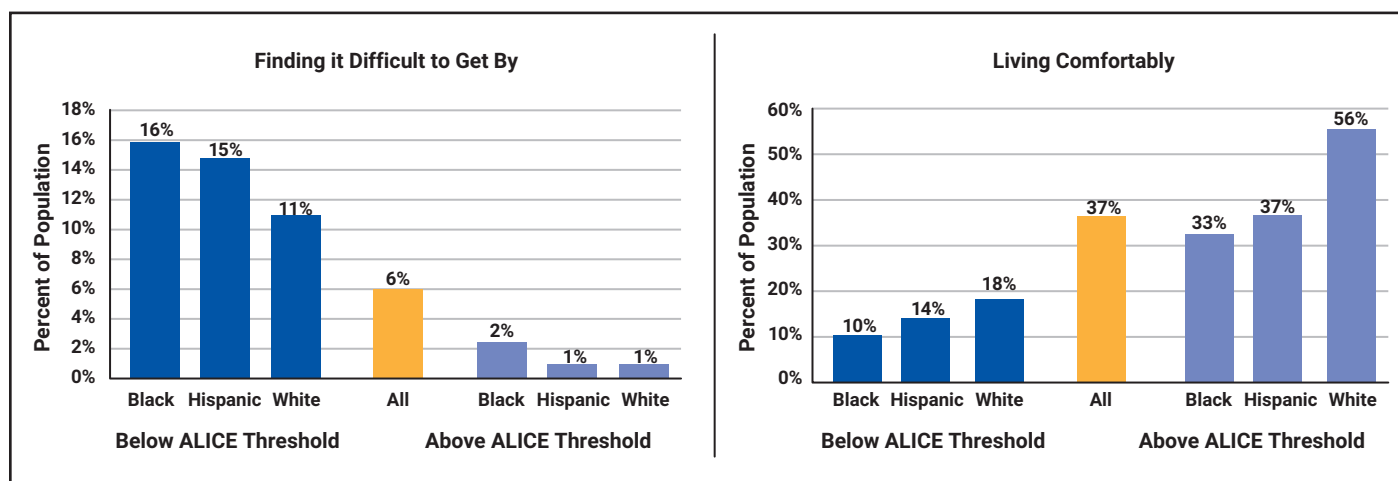


Question: Overall, which of the following best describes how you are managing financially these days?

Source: ALICE Threshold, 2018; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), July 2020

The gap between those struggling financially during the pandemic and those living comfortably was even wider by race/ethnicity. According to the July 2020 SHED, Black and Hispanic respondents below the ALICE Threshold were significantly more likely to report that they were “finding it difficult to get by” (16% and 15%, respectively) compared to White respondents (11%) and especially to respondents of all race/ethnicities above the ALICE Threshold (less than 3%). On the other end of the spectrum, above the ALICE Threshold, White respondents were significantly more likely to report that they were “living comfortably” (56%) compared to Black and Hispanic respondents (33% and 37%) (Figure 2).

Figure 2.
Managing Financially by the ALICE Threshold and Race/Ethnicity



Question: Overall, which of the following best describes how you are managing financially these days?

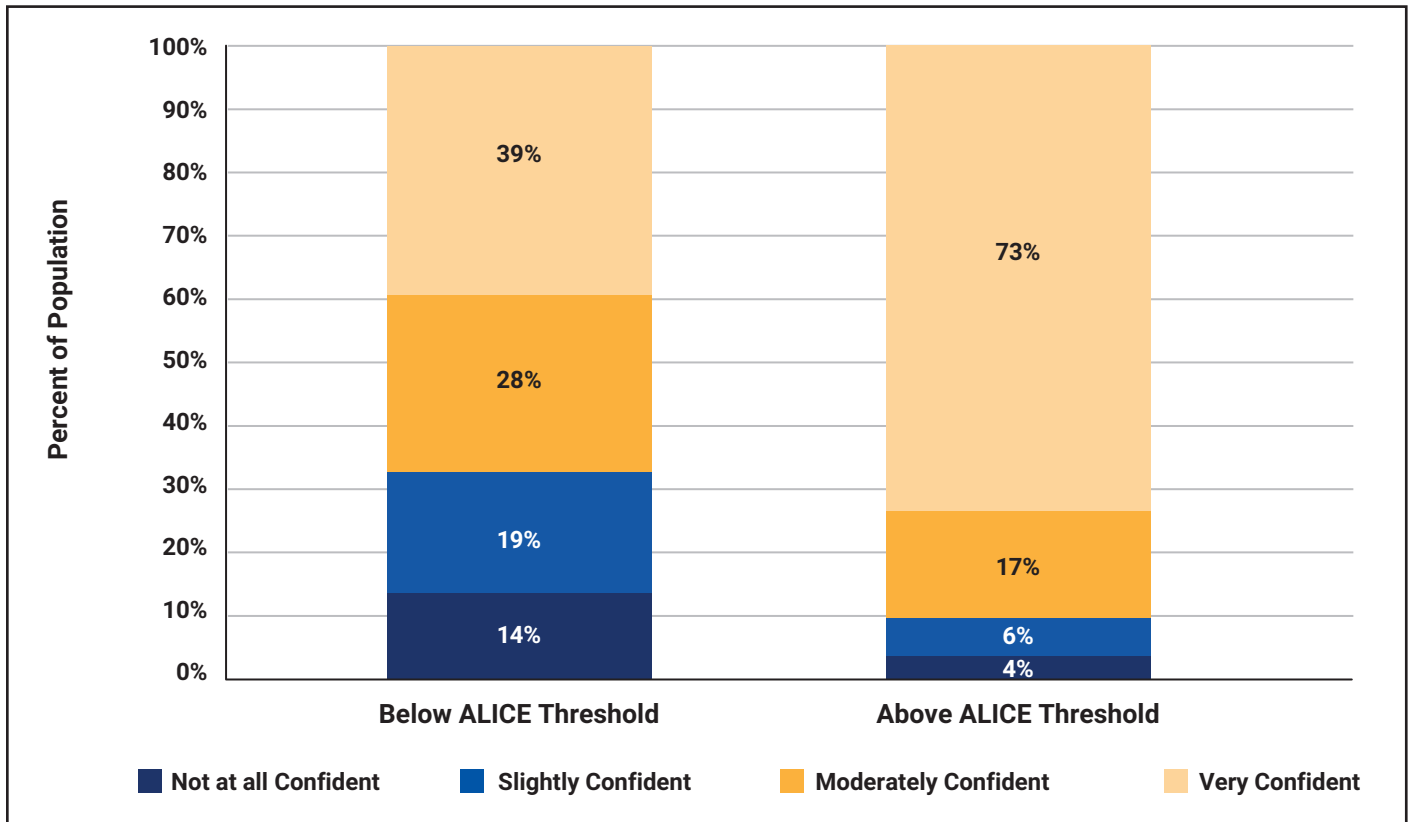
Note: Groupings include Black non-Hispanic, Hispanic, and White non-Hispanic respondents.

Source: ALICE Threshold, 2018; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), July 2020

Ability to Afford Basic Expenses: The subjective experiences of how households are managing financially during the pandemic were reflected in their ability to cover the cost of household basics:

- Respondents below the ALICE Threshold were almost three times more likely to report difficulty paying for household expenses. Over half (52%) of respondents below the ALICE Threshold said that it was “somewhat difficult” or “very difficult” to pay for usual household expenses (including but not limited to food, rent or mortgage, car payments, medical expenses, and student loans), a significantly higher percentage than respondents above the ALICE Threshold, at 19% (Household Pulse Survey, August 19–August 31, 2020).
- The majority of households below the ALICE Threshold had difficulty meeting at least one basic need in the Household Survival Budget. Only 23% reported that their household had no trouble meeting basic needs, compared to more than two-thirds (69%) of those above the Threshold who reported no trouble meeting basic needs (United For ALICE Surveys, February–June 2021).
- By race, Black respondents were significantly more likely to report that it was “somewhat difficult” or “very difficult” to pay for usual household expenses (47%), compared to White or Asian respondents (29% and 31%, respectively), and the difference was even greater when considering ALICE Threshold status. Sixty-one percent of Black respondents below the ALICE Threshold had difficulty paying usual household expenses, a significantly higher percentage than White or Asian respondents (Household Pulse Survey, August 19–August 31, 2020)
- Only 39% of respondents below the ALICE Threshold said in July 2020 that they were very confident they would be able to pay all their bills in full in August, compared to 73% of respondents above the ALICE Threshold (SHED, July 2020) (Figure 3).

Figure 3.
Ability to Pay Bills in Full by the ALICE Threshold



Question: How confident are you that you will be able to pay all of your bills in full in August?

Source: ALICE Threshold, 2018; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), July 2020

Breaking down expenses further exposes the depth and breadth of the financial challenges households faced during the pandemic and provides context for the differences in pandemic impacts between households above and below the ALICE Threshold, as discussed in subsequent sections.

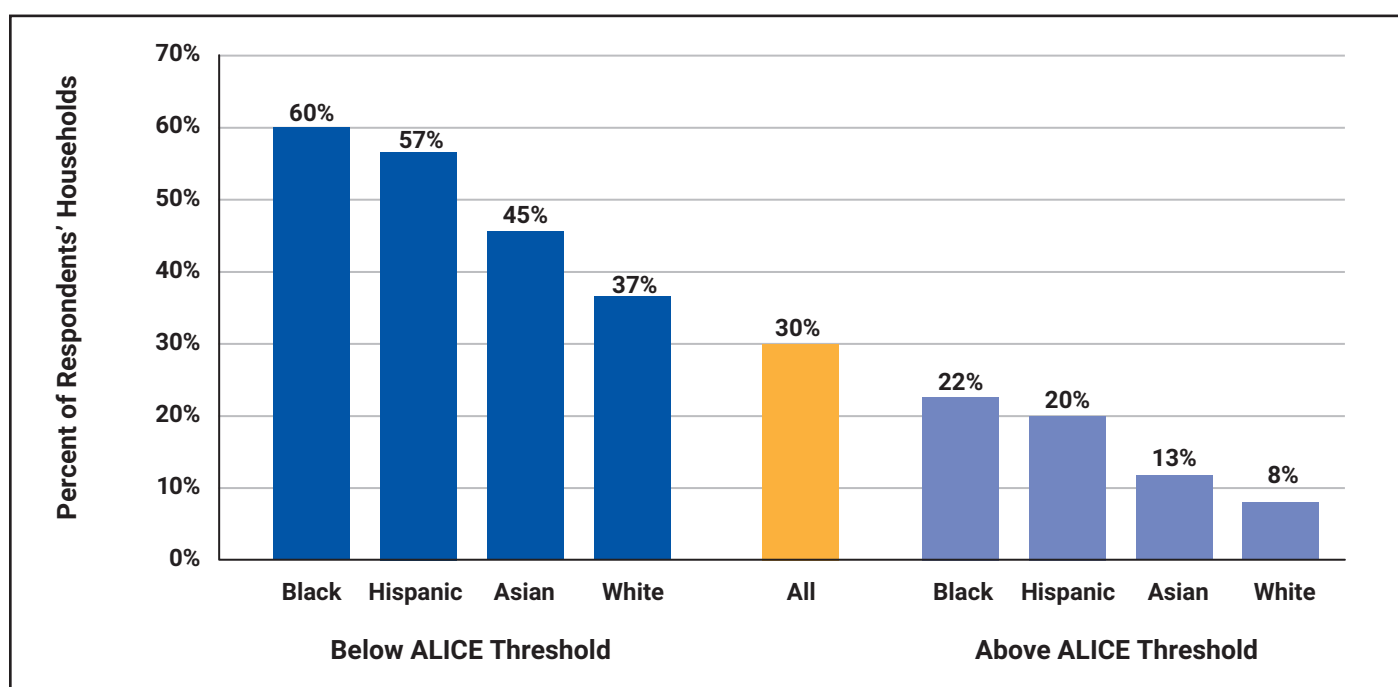
Ability to Afford Housing: Because housing provides underlying stability for all other facets of daily life, difficulties paying housing expenses were a substantial concern for many during the pandemic:

- Among UAS COVID survey respondents below the ALICE Threshold, 17% reported in August 2020 that they thought there was more than a 25% chance that they would be evicted, go into foreclosure, or be forced by a landlord to move in the next 30 days, compared to only 4% of those above the Threshold.
- Among renters, households below the ALICE Threshold were significantly more likely to have asked their landlords for permission to delay or reduce payment of rent than those above the Threshold (18% vs. 13%) (UAS COVID survey, May 2020).
- Among renter households below the ALICE Threshold, those headed by someone of color were more likely to report being behind on rent (29% of Black respondents, 23% of Asian respondents, and 22% of Hispanic respondents, compared to 17% of White respondents) (Household Pulse Survey, August 19–31, 2020).
- These differences between groups also played out over time: From August 2020 to May 2021, renter households below the ALICE Threshold were significantly more likely to report that they were not caught up on rent payments than those above the ALICE Threshold (fluctuating between 19% and 28% of renters below the ALICE Threshold vs. between 7% and 11% of renters above the Threshold) (Household Pulse Survey, August 19–August 31, 2020 and May 12–24, 2021).

Given these difficulties, it is not surprising that meeting housing needs was the concern most often selected by respondents below the ALICE Threshold in the United For ALICE Surveys (conducted February to June 2021): 68% of respondents below the ALICE Threshold said that they were concerned about paying for housing expenses during the pandemic and 36% said it was their biggest concern. In contrast, the concern most often selected by respondents above the ALICE Threshold was contracting COVID-19 (78%) — only 21% said that paying housing expenses was a concern, and even fewer (9%) said that it was their biggest concern.

Respondents below the ALICE Threshold were significantly more likely than those above the Threshold to say that they had difficulty meeting housing needs during the pandemic (51% vs. 12%). Additionally, the percentage of households struggling to meet their housing expenses was significantly higher among Black (60%) and Hispanic (57%) households below the ALICE Threshold, compared to 37% of White households below the Threshold (Figure 4).

Figure 4.
Difficulty Meeting Housing Needs by the ALICE Threshold and Race/Ethnicity



Question: Since March 1, 2020, has your household had trouble meeting any of the following needs? ["Difficulty meeting housing needs" selected]

Note: All racial groups include respondents who selected that race alone. The Hispanic ethnic group includes respondents who selected "Spanish, Hispanic, or Latinx" alone or in combination with one or more racial groups.

Source: ALICE Threshold, 2018; United For ALICE COVID Impact Surveys, September 2020–June 2021

Ability to Afford Non-Housing Expenses: Housing was not the only budget category that posed a challenge to struggling households during the pandemic. Respondents below the ALICE Threshold were significantly more likely than those above the Threshold to say that they had difficulty meeting non-housing expenses, including food needs (39% vs. 8%), health care needs (22% vs. 12%), technology needs (16% vs. 8%), and transportation needs (15% vs. 3%). (See the "Challenges for Families With Children" section for more details on child care needs.)

SAVINGS AND ASSETS

A defining feature of ALICE households is in the phrase “asset limited.” As the previous section highlights, ALICE families struggle to meet their households’ immediate, basic needs, which makes saving for an emergency — let alone for the future — a difficult task. As a result, ALICE families can neither build assets nor catch up to those who already have assets (especially those who have been building them for generations). But until now, there has not been definitive data on savings and assets specifically for households below the ALICE Threshold. Analysis of the SHED helps fill this gap.

Savings for a Rainy Day: It has been widely reported that savings increased during the pandemic.⁶ One indicator of this was in the SHED’s question about whether respondents had set aside emergency or “rainy day funds” that would cover their expenses for three months in case of sickness, job loss, economic downturn, or other emergencies. In October 2019, just over half of all respondents (53%) reported having these funds; by November 2020, that share had increased to 55% (Figure 5).

Yet this average conceals a huge gulf between those above and below the ALICE Threshold. Only one-third of respondents below the ALICE Threshold reported having rainy day funds, with the percentage dropping from 33% in October 2019 to 32% by November 2020. In contrast, more than two-thirds of those above the Threshold had rainy day funds, and that share increased from 68% to 71% during the pandemic.

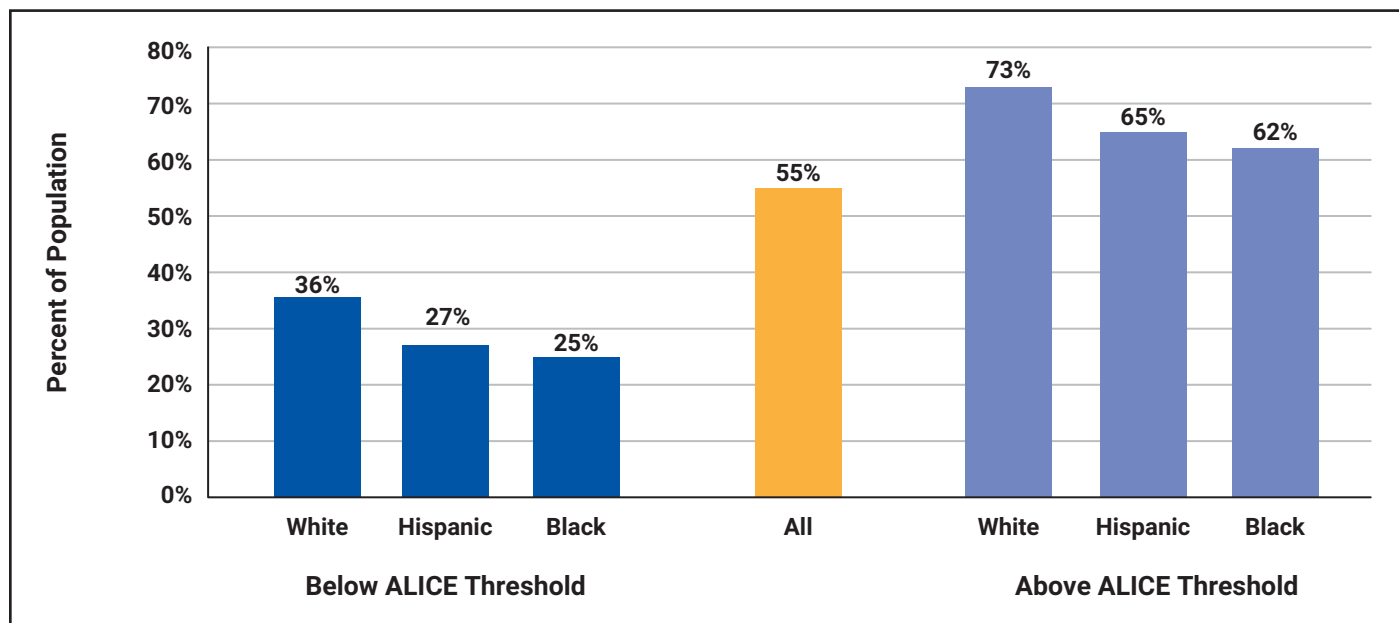
The gap by race/ethnicity was even greater, with White respondents significantly more likely to report that they had savings for an emergency than Black and Hispanic respondents — both above and below the ALICE Threshold (Figure 5). From October 2019 to November 2020, the percentage of respondents below the ALICE Threshold with savings decreased for Hispanic respondents (from 28% to 27%) and Black respondents (from 27% to 25%) while remaining flat at 36% for White respondents. In contrast, the percentage of respondents with savings increased for all groups above the ALICE Threshold, narrowing the racial/ethnic gap slightly: 73% for White respondents (up from 70% in October 2019) vs. 65% for Hispanic respondents (up from 57%) and 62% for Black respondents (up from 55%) (SHED, October 2019; SHED, November 2020).

“ Because of the loss of work of two of the three people in my household... we cannot pay our bills, car loans, etc. Our three credit cards have been cancelled due to nonpayment, damaging our credit score. There are things happening that I never thought could so quickly destroy your life. ”

— United For ALICE Survey respondent, Tennessee

Figure 5.

Rainy Day Funds to Cover Three Months' Expenses by the ALICE Threshold and Race/Ethnicity



Question: Have you set aside emergency or rainy day funds that would cover your expenses for 3 months in the case of sickness, job loss, economic downturn, or other emergencies?

Note: Groupings include Black, non-Hispanic, Hispanic, and White non-Hispanic respondents.

Source: ALICE Threshold, 2018; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), November 2020

Covering New and/or Unexpected Expenses: Not having a financial cushion makes ALICE households more vulnerable to the effects of disasters from floods, hurricanes, and wildfires to pandemics, and crises ranging from illness to car accidents. ALICE families feel the economic impact almost immediately – if they can't work, they lose pay, and if they get sick, there are unbudgeted medical bills to pay.

The overall picture of the pandemic reported in the 2020 SHED, however, was one of financial stability. On average, most households found that their monthly income increased or stayed the same and their monthly spending decreased or stayed the same; as a result, their checking account balance increased or stayed the same compared to one year prior (pre-pandemic, November 2019).

Breaking down the responses by income levels, however, reveals a different experience for those below the ALICE Threshold than for those above it:

- **Monthly income decreased** for 26% of households below the ALICE Threshold vs. 14% above the Threshold
- **Monthly spending increased** for 24% of households below the ALICE Threshold vs. 16% above the Threshold
- **The amount of money usually in checking/savings accounts (after paying monthly bills) decreased** for 33% of households below the ALICE Threshold vs. 15% above the Threshold

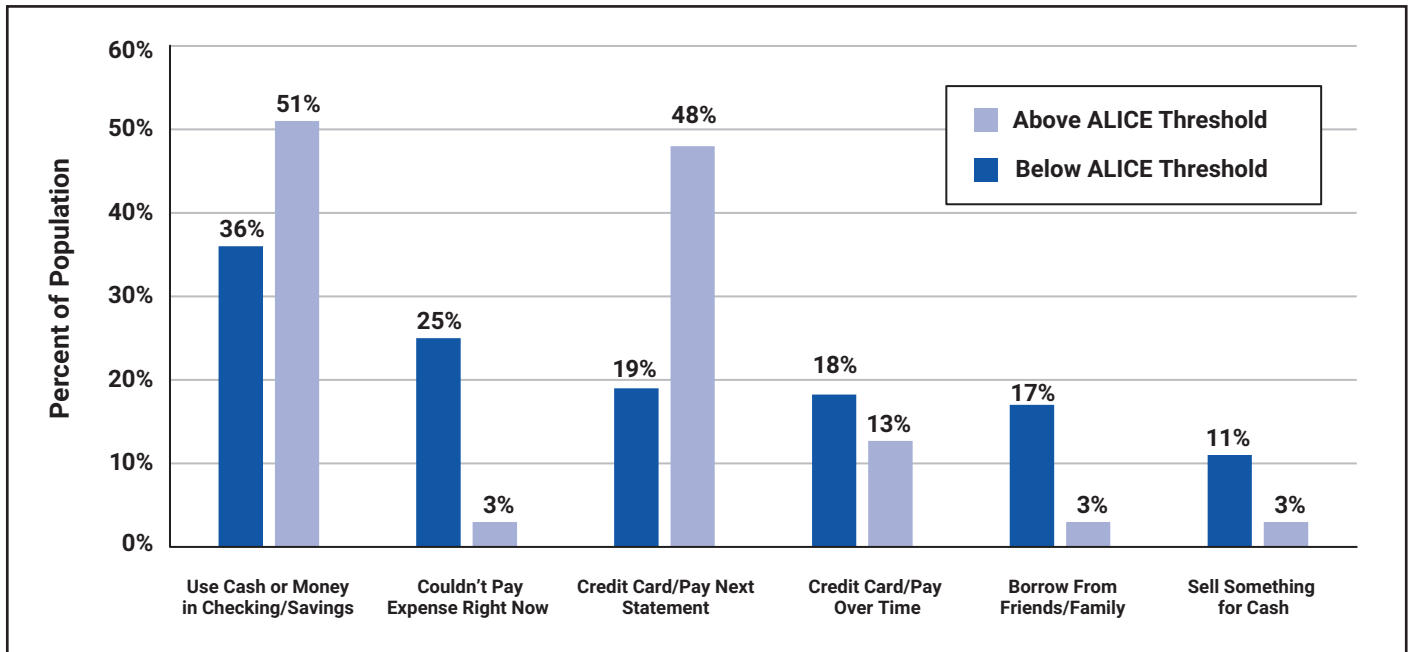
The November 2020 SHED provides insight into how households cover unexpected expenses. Respondents were asked, "If you had an unexpected emergency expense that costs \$400, how would you pay for this expense?" (Figure 6). Responses differed for households above and below the ALICE Threshold:

- Respondents above the ALICE Threshold were significantly more likely than those below to say that they would pay the expense with the money currently in their checking/savings account or with cash (51% vs. 36%) or put it on their credit card and pay it off in full at the next statement (48% vs. 19%).

- Respondents below the ALICE Threshold were significantly more likely than those above to say that they would put the expense on credit and pay over time (18% vs. 13%), borrow from friends or family (17% vs. 3%), sell something (11% vs. 3%), use a bank loan or line of credit (3% vs. 2%), or use a payday loan, deposit advance, or overdraft (2% vs. 1%).
- Among respondents below the ALICE Threshold, 25% said that they wouldn't be able to pay for the expense right now, while only 3% of those above the Threshold said that they wouldn't be able to pay.

Figure 6.

How Respondents Would Cover a \$400 Emergency Expense by the ALICE Threshold



Question: Suppose that you have an emergency expense that costs \$400. Based on your current financial situation, how would you pay for this expense?

Note: Respondents could select all that apply

Source: ALICE Threshold, 2018; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), November 2020

Responses also differed by race/ethnicity. Among respondents below the ALICE Threshold:

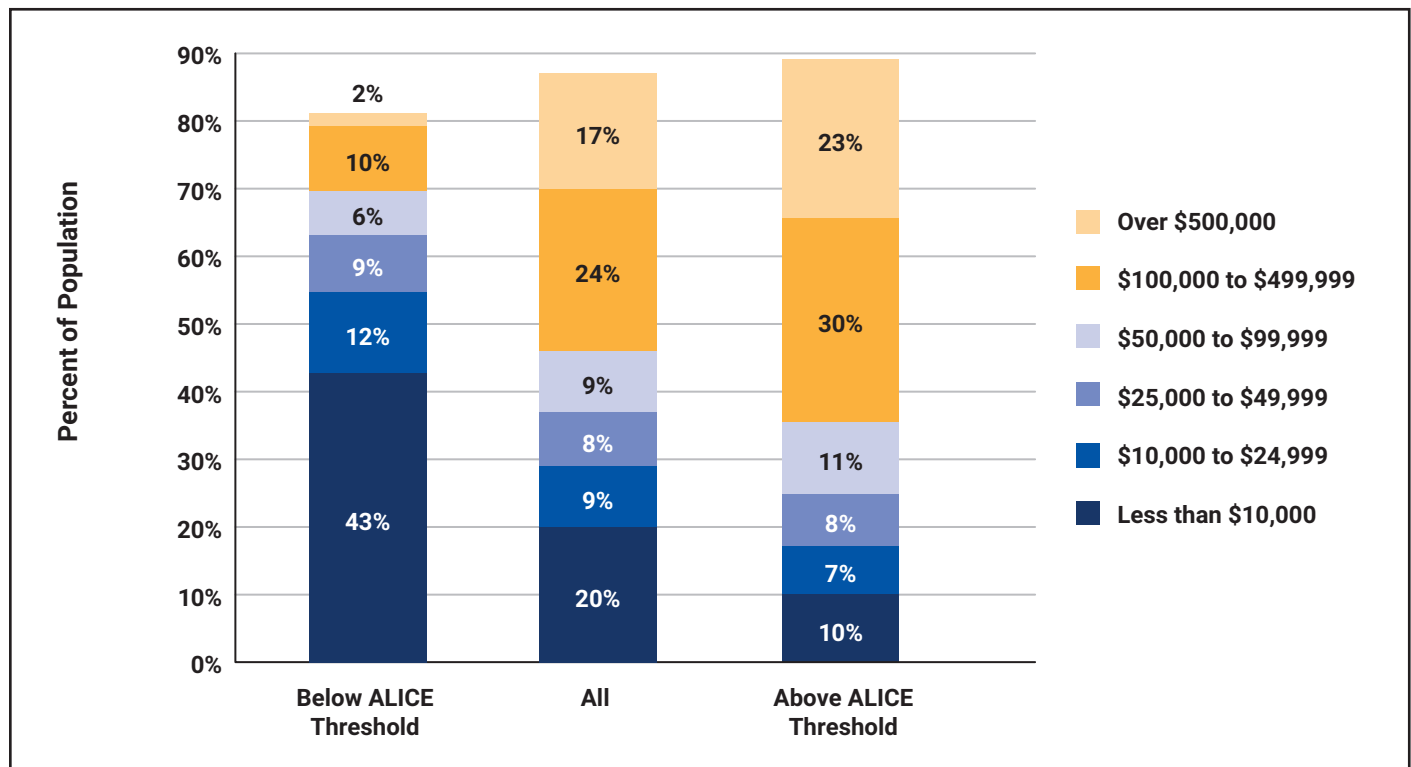
- White respondents were significantly more likely to say that they would pay the expense with the money currently in their checking/savings account or with cash than Black or Hispanic respondents (39% vs. 32% and 34%, respectively) or put it on their credit card and pay it off in full at the next statement (23% vs. 11% or 14%, respectively).
- Hispanic respondents were significantly more likely to say that they would put the expense on credit and pay over time than White or Black respondents (22% vs. 17% each), borrow from friends or family (23% vs. 15% and 17% respectively), or sell something (17% vs. 8% and 12%, respectively).
- Black respondents were significantly more likely to say that they wouldn't be able to pay for the expense right now (37%) compared to 27% of Hispanic respondents and 22% of White respondents.

Bank Accounts: The way that households save (or don't) varied across households above and below the ALICE Threshold and by race/ethnicity. According to the October 2019 SHED, across all households, most had a checking, savings, or money market account (94%); however, those above the ALICE Threshold were significantly more likely to have one (99% versus 90%). The percentage of households with a bank account (savings or checking) varied further by race/ethnicity:

- **Gaps between racial/ethnic groups:** Almost all White households (97%) had a bank account, compared to 87% of Black households.
- **Gaps within races/ethnicities:** For White households, 100% above the ALICE Threshold had a bank account vs. 94% below the Threshold. For Hispanic households, the rates were 99% for those above the Threshold vs. 87% for those below, and for Black households, 99% for those above the Threshold vs. 82% for those below.

Retirement Savings: A lack of savings also limits future possibilities. Sending a child to college, putting a down payment on a house, or building a nest egg for retirement become unattainable dreams. The 2020 SHED provides more concrete data on retirement savings, yet the gap by income status is concealed by the totals. For example, of the total population, 20% of respondents reported having less than \$10,000 in savings for retirement in November 2020. However, most respondents below the ALICE Threshold (43%) had less than \$10,000 in savings and only 12% had more than \$100,000. At the other end of the spectrum, nearly one-third (30%) of those above the ALICE Threshold had \$100,000 to \$500,000, and almost another quarter (23%) had more than \$500,000 saved (Figure 7).

Figure 7.
Amount Saved for Retirement by the ALICE Threshold



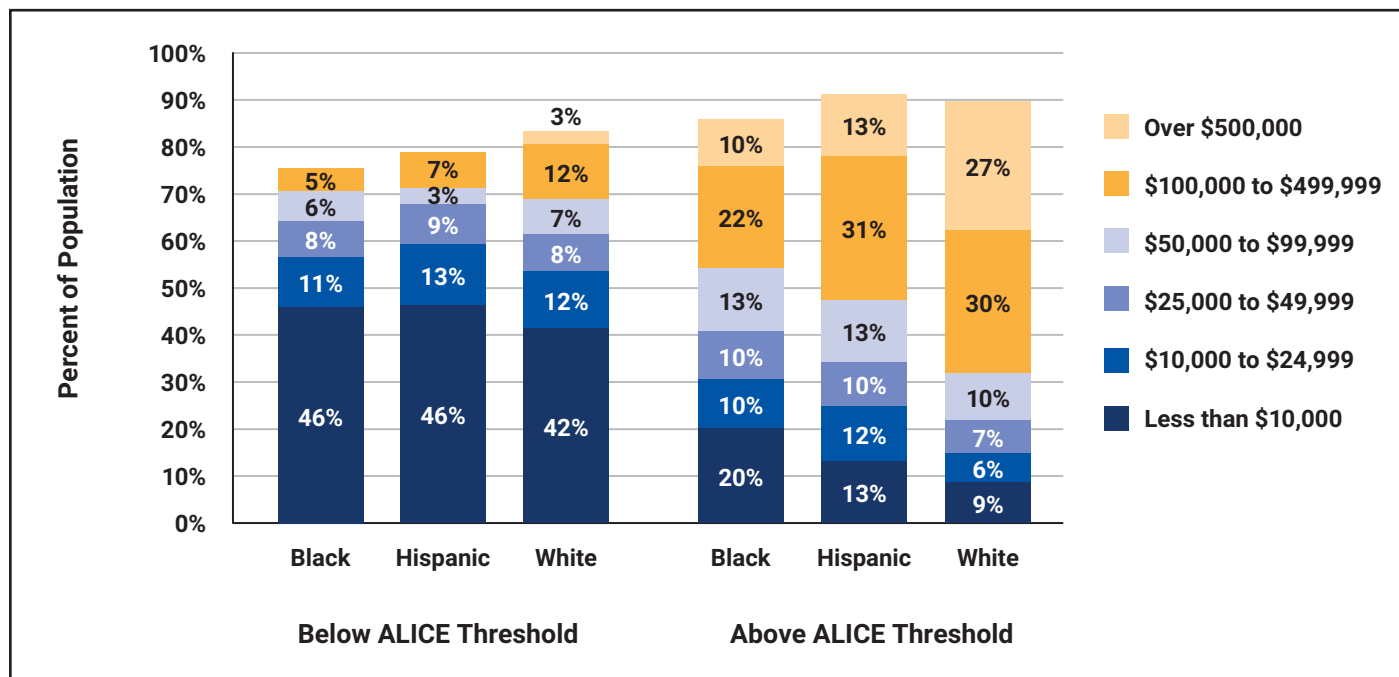
Question: Approximately how much money do you currently have saved for retirement?

Note: Respondents who selected "Don't Know" are not shown.

Source: ALICE Threshold, 2018; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), November 2020

The gaps in retirement savings were even greater by race/ethnicity. Among those below the ALICE Threshold, Black and Hispanic respondents were significantly more likely to report having less than \$10,000 in savings compared to White respondents (46% each vs. 42%). And at the other end of the spectrum, White respondents above the ALICE Threshold were significantly more likely to have savings of \$100,000 or more compared to Hispanic or Black respondents above the Threshold (57% vs. 44% and 32%, respectively) (Figure 8).

Figure 8.
Amount Saved for Retirement by the ALICE Threshold and Race/Ethnicity



Question: Approximately how much money do you currently have saved for retirement?

Note: Groupings include Black, non-Hispanic, Hispanic, and White non-Hispanic respondents. Respondents who selected "Don't Know" are not shown.

Source: ALICE Threshold, 2018; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), November 2020

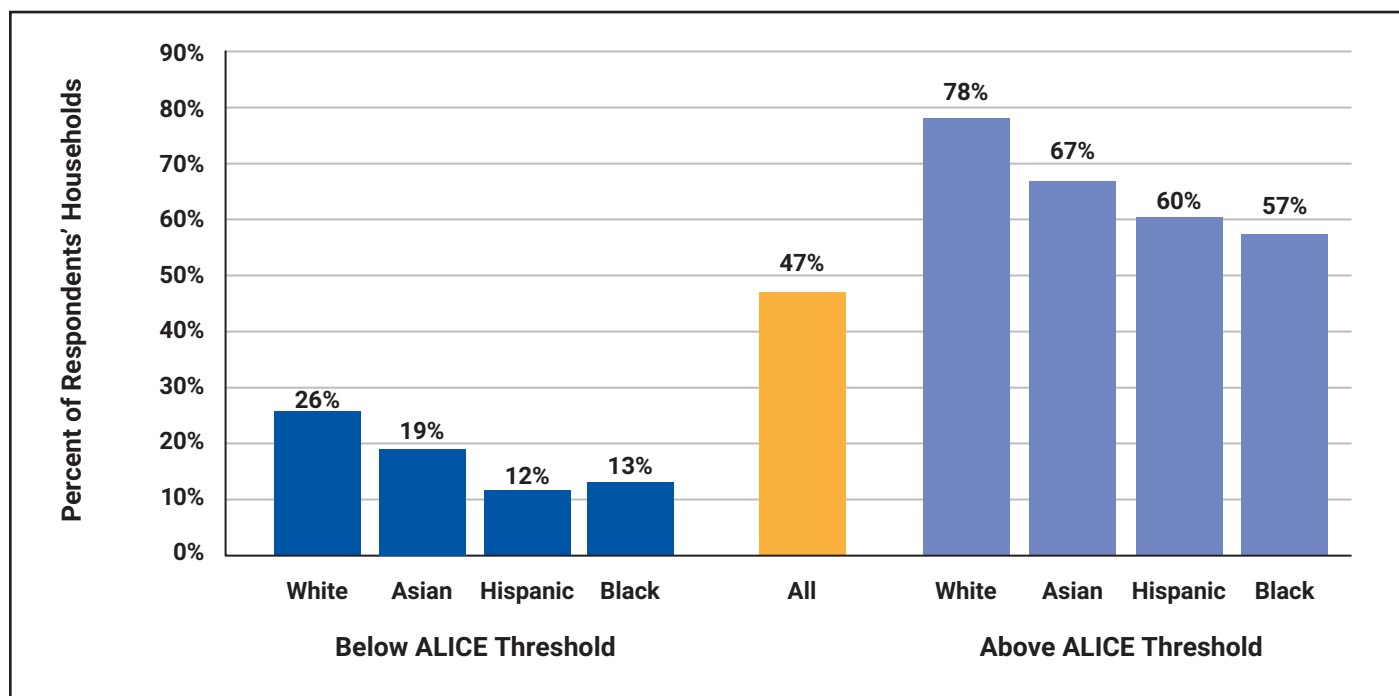
Investments: Given these differences in the amount of retirement savings between households above and below the ALICE Threshold and by race/ethnicity, it is not surprising that gaps exist in whether households have and use related financial tools – assets such as 401(k)s, IRAs, or other investments that produce income (like stocks or rental properties).

According to the November 2020 SHED, respondents above the ALICE Threshold were significantly more likely to have the following retirement assets compared to those below the Threshold:

- **401(k): 74% vs. 29%**
- **IRA: 48% vs. 14%**
- **Pension: 31% vs. 9%**
- **Business or real estate that will provide income in retirement: 14% vs. 3%**
- **Additional retirement savings: 68% vs. 28%⁷**

United For ALICE Surveys show substantial racial/ethnic disparities in investment asset ownership. Overall, almost half of respondents reported having a 401(k), IRA, or other investment, concealing huge gulfs between those above and below the ALICE Threshold and by race/ethnicity. White respondents were significantly more likely to have investments than Asian, Hispanic, or Black respondents; and for each race/ethnicity, those above the ALICE Threshold were at least three times as likely to have investments as those below (Figure 9).

Figure 9.
Investments by the ALICE Threshold and Race/Ethnicity



Question: Which of the following assets does your household have? ["Have a 401(k), IRA, or other investment" selected]

Note: All racial groups include respondents who selected that race alone. The Hispanic ethnic group includes respondents who selected "Spanish, Hispanic, or Latinx" alone or in combination with one or more racial groups.

Source: ALICE Threshold, 2018; United For ALICE COVID Impact Surveys, September 2020–June 2021

Vehicles: ALICE households depend on reliable transportation to reach jobs, schools and child care, health care, stores, and more. Yet vehicles are not an effective means of accumulating wealth because the value of a car normally decreases over time. Results from the United For ALICE Surveys suggest substantial disparities in vehicle ownership between households above and below the ALICE Threshold and by race/ethnicity.

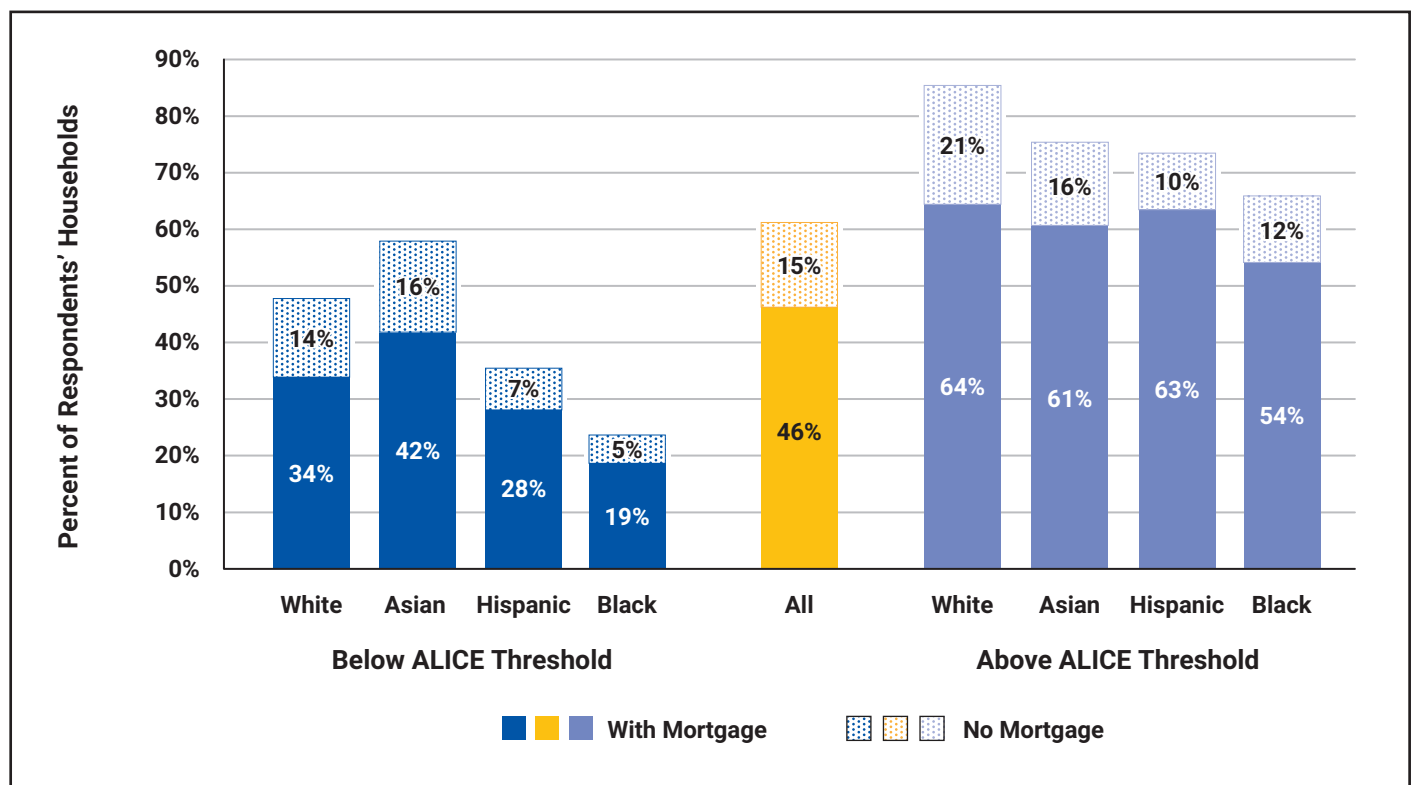
Almost all respondents above the ALICE Threshold, of all races and ethnicities, reported that their household owns a vehicle (91%). Vehicle ownership was less universal for respondents below the ALICE Threshold (75%), with substantial gaps by race/ethnicity: White (81%), Asian (67%), Hispanic (68%), and Black (63%). There were also gaps in ownership with or without an auto loan within every race/ethnicity.

Homeownership: The next most common asset is a home – perhaps the most important asset in providing financial stability and a means for low-income families to accumulate wealth. Homeownership can increase both financial and social stability for families. But with less income to save for a down payment, build credit, and qualify for a mortgage, it's not surprising that households below the ALICE Threshold had significantly lower homeownership rates than those above (41% vs 82%) (United For ALICE Surveys).

The results of the United For ALICE Surveys also revealed stark differences in homeownership by race/ethnicity at all income levels for those both with and without a mortgage (Figure 10):

- Homeownership for Black and Hispanic respondents' households was significantly lower than for other groups:
 - Below ALICE Threshold: 24% of Black and 35% of Hispanic households vs. 48% of White and 58% of Asian households
 - Above ALICE Threshold: 65% of Black and 73% of Hispanic vs. 77% of Asian and 85% of White households
- Black and Hispanic respondents' households were significantly less likely to own their homes without a mortgage:
 - Below ALICE Threshold: 5% of Black and 7% of Hispanic households vs. 14% of White and 16% of Asian households
 - Above ALICE Threshold: 10% of Hispanic and 12% of Black households vs. 16% of Asian and 21% of White households

Figure 10.
Homeownership by the ALICE Threshold and Race/Ethnicity



Question: Which of the following assets does your household have? ["Own your home with a mortgage" or "own your home with NO mortgage" selected]

Note: All racial groups include respondents who selected that race alone. The Hispanic ethnic group includes respondents who selected "Spanish, Hispanic, or Latinx" alone or in combination with one or more racial groups.

Source: ALICE Threshold, 2018; United For ALICE COVID Impact Surveys, September 2020–June 2021

EMPLOYMENT CHANGES AND CHALLENGES

With shutdowns, business restrictions, and mask mandates in place to curb the spread of COVID-19, many workers and businesses struggled throughout the pandemic. Along with case counts and deaths, the unemployment rate has been one of the most closely watched metrics of the pandemic as a barometer for the state of the economy. In April 2020, the unemployment rate reached 14.8% — the highest rate observed since this measure was established in 1948.⁸ By February 2021, almost half (48%) of respondents to the Household Pulse Survey reported that someone in their household had experienced a loss of employment income during the pandemic. Yet even these alarming statistics capture only part of the enormous shift in employment experienced during the pandemic, and in so doing, they conceal the disproportionate hardship experienced by most families with income below the ALICE Threshold.

In addition to greater job loss, workers with income below the ALICE Threshold were more likely to have trouble finding a new job. For those who were able to continue working, they were more likely to have their hours and wages reduced or to be required to work on-site, and less likely to receive paid sick days.

Job Loss and Unemployment: By the beginning of 2021, 60% of households with income below the ALICE Threshold had experienced a loss of employment income, compared to 40% of households above the Threshold (Household Pulse Survey, January 20–February 1, 2021).

As the pandemic unfolded, employment and labor-force status fluctuated, with trends differing by household income (Figure 11). According to the UAS COVID survey, while workers of all incomes faced a steep decline in work from March to April 2020, respondents with household income below the ALICE Threshold were both less likely to have had a job before the pandemic and less likely to return to work as the economy rebounded in late 2020. Respondents from households below the ALICE Threshold also:

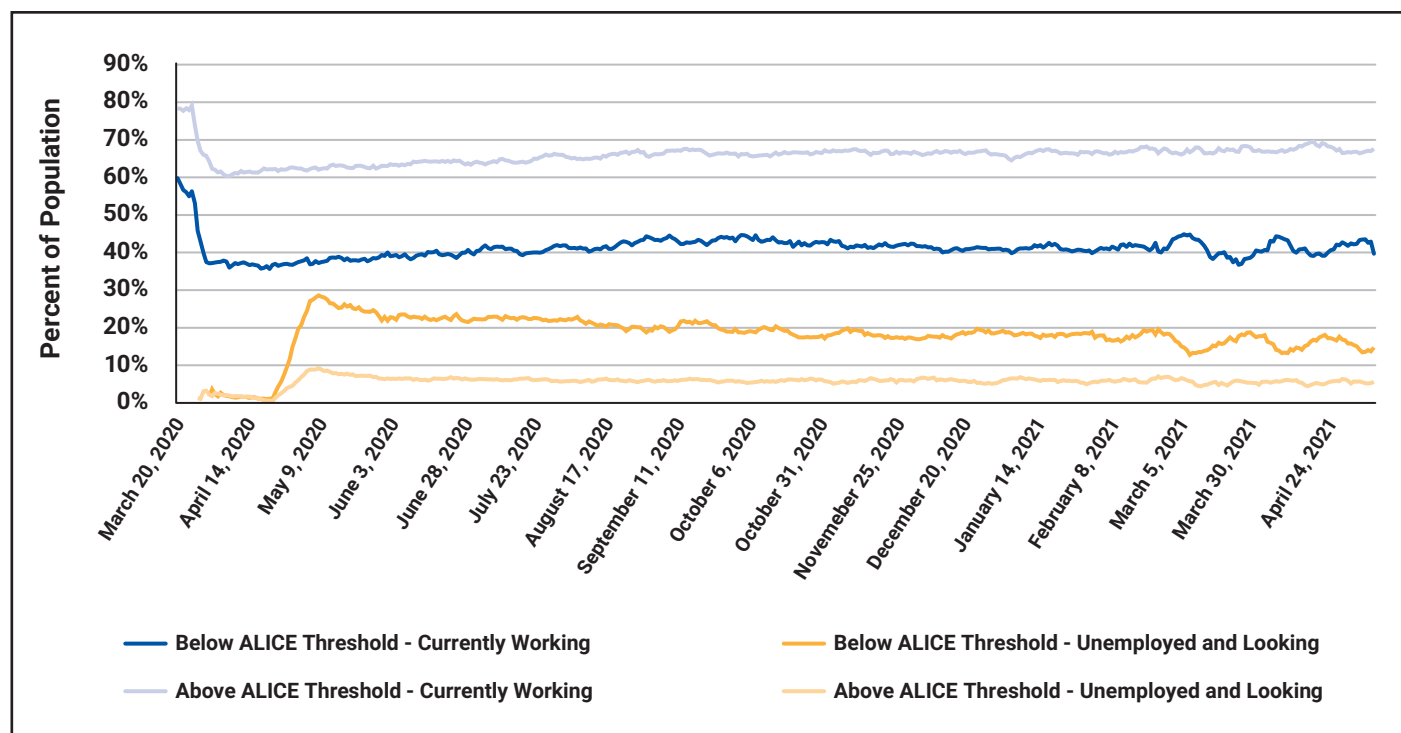
- **Faced a bumpy ride:** Pre-pandemic, 56% of respondents reported that they were working. That rate dropped to 37% in April 2020, before rebounding slightly to 42% by May 2021.
- **Were more likely to be looking for work:** 28% of respondents reported that they were looking for work in May 2020, a rate that steadily declined to 14% by April 2021.
- **Were more likely to report being out of the labor force:** This rate rose from 10% in April 2020 to 14% in April 2021.
- **Were more likely to report being retired:** Retirement increased from 18% in April 2020 to 25% in April 2021.

In contrast, respondents with household income above the ALICE Threshold were more likely to have had a job before the pandemic and to return to work more quickly. These respondents:

- **Had more job stability:** More than three in four respondents above the ALICE Threshold were working in March 2020. That percentage fell to 61% in April 2020 and then rebounded by September 2020 to 67%, where it remained through May 2021.
- **Were less likely to be looking for work:** The share of respondents looking for work was 2% in April 2020. It rose to 9% in May 2020 but fell quickly to below 6% and remained there through May 2021.
- **Were less likely to report being out of the labor force:** This rate remained flat at less than 5% throughout this period.
- **Were less likely to report being retired:** Retirement remained flat at approximately 20% throughout this period.

Figure 11.

Labor Status Over Time by the ALICE Threshold, March 20, 2020–April 24, 2021



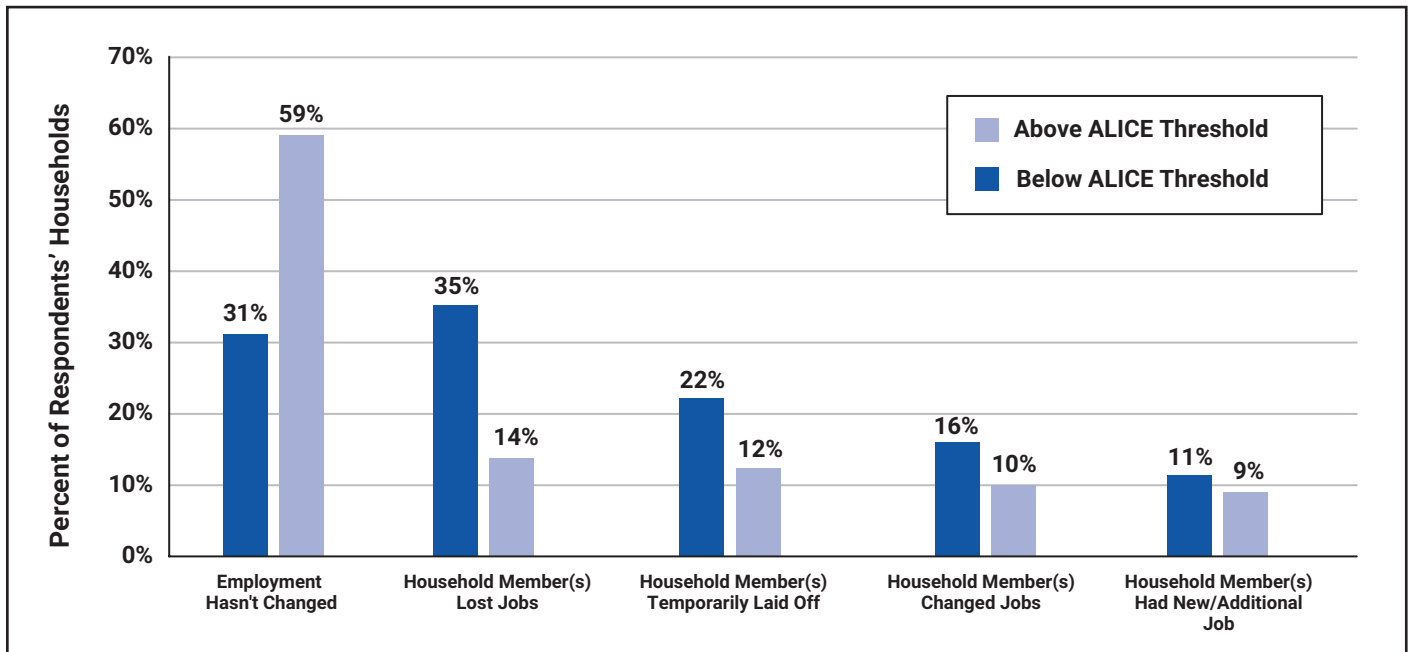
Question: Labor Status ["Currently working" or "Unemployed, looking" selected]

Source: ALICE Threshold, 2018; University of Southern California, Understanding America Study's Understanding Coronavirus in America Survey, March 20, 2020–April 24, 2021

Results from the United For ALICE Surveys also highlight similar and substantial differences in employment among household members based on ALICE Threshold status. **Households below the ALICE Threshold were significantly more likely to experience a disruption in their employment.** Only 31% of respondents below the ALICE Threshold reported no employment change, while households above the Threshold had twice as much employment stability, with almost 60% reporting no change (Figure 12). In addition, respondents below the ALICE Threshold were significantly more likely to report that they or a household member:

- **Lost a job:** 35% of respondents below the ALICE Threshold said that someone in their household lost a job (vs. 14% of respondents above the Threshold).
- **Experienced a temporary layoff:** 22% of respondents below the ALICE Threshold reported that someone in their household was temporarily laid off (vs. 12% of respondents above the Threshold).
- **Started a new job:** 11% of respondents below the ALICE Threshold reported that someone in their household started a new or additional job (vs. 9% of respondents above the Threshold).
- **Changed jobs:** 16% of respondents below the ALICE Threshold reported that someone in their household changed jobs (vs. 10% of respondents above the Threshold).

Figure 12.
Changes in Employment Status by the ALICE Threshold



Note: Respondents could select all that apply and were asked to report employment impacts for themselves or for other household members.

Source: ALICE Threshold, 2018; United For ALICE COVID Impact Surveys, September 2020 - June 2021

There were also significant gaps in employment stability by race/ethnicity. White and Asian respondents were less likely to report that someone in their household had a change in employment status during the pandemic:

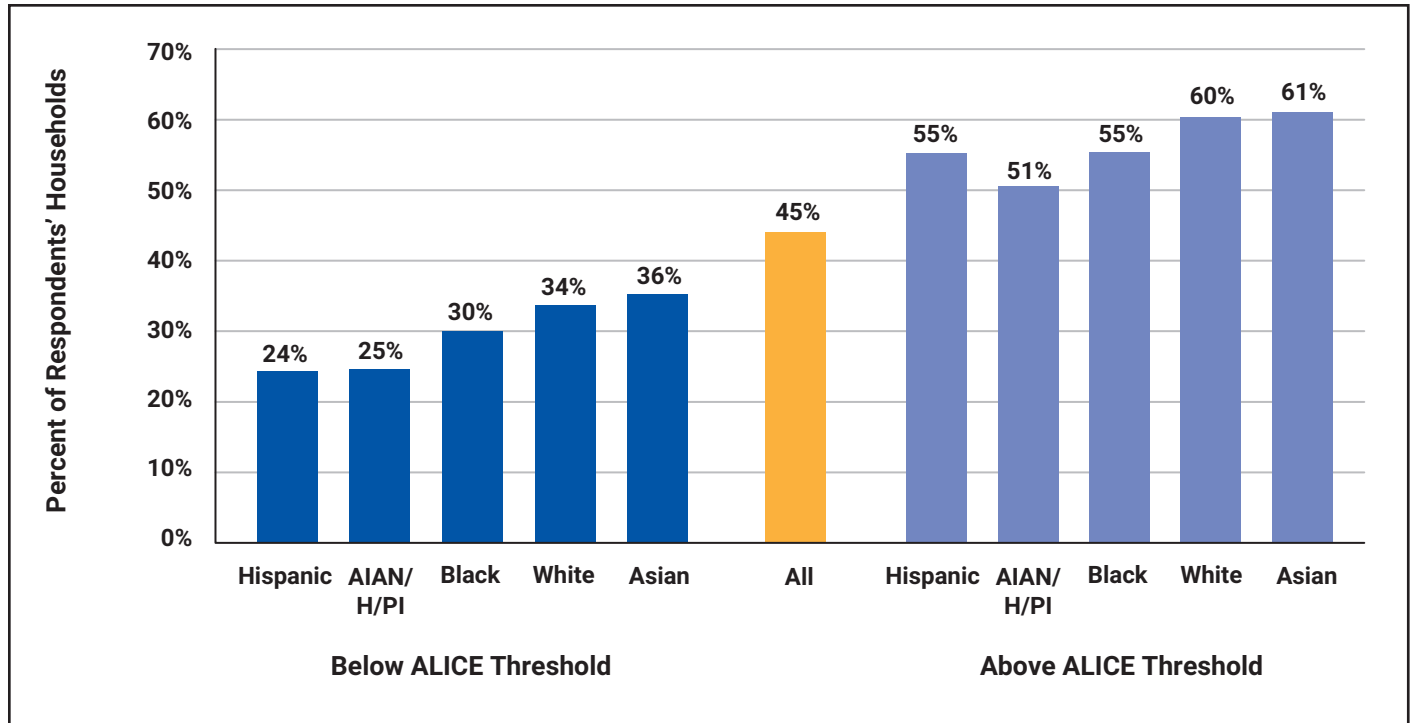
- **No change in employment:** Approximately half of White and Asian respondents reported that no one in their household had a change in employment (49% and 45%, respectively), compared to approximately one-third of Black (37%), Hispanic (34%), and AIAN/Hawaiian/Pacific Islander (34%) respondents.
- **Job loss:** Less than one-quarter of Asian and White respondents reported that no one in their household lost a job during the pandemic (24% and 21%, respectively), compared to approximately one-third of Hispanic (35%), AIAN/Hawaiian/Pacific Islander (34%), and Black (32%) respondents.

“ This pandemic has completely impacted my family. One [household member] completely lost a job, no unemployment [insurance], and can't find another job. One is working less hours and cannot afford anything. I go hungry so my kids can eat. Food stamps got taken away because of what I make... ”

– United For ALICE Survey respondent, Shenandoah Valley, Virginia

The largest gaps in employment change during the pandemic, however, emerge when looking at employment differences by race/ethnicity and income together. Across all five racial/ethnic groups in Figures 13 and 14, the most significant differences were found when comparing households above and below the ALICE Threshold. There were also gaps by race and ethnicity both above and below the Threshold. For example, Hispanic, AIAN/Hawaiian/Pacific Islander, and Black respondents were significantly less likely to report no change to their employment than White and Asian respondents, and though there was less change overall for respondents above the ALICE Threshold, the gaps by race/ethnicity persisted (Figure 13).

Figure 13.
No Changes in Employment Status by the ALICE Threshold and Race/Ethnicity



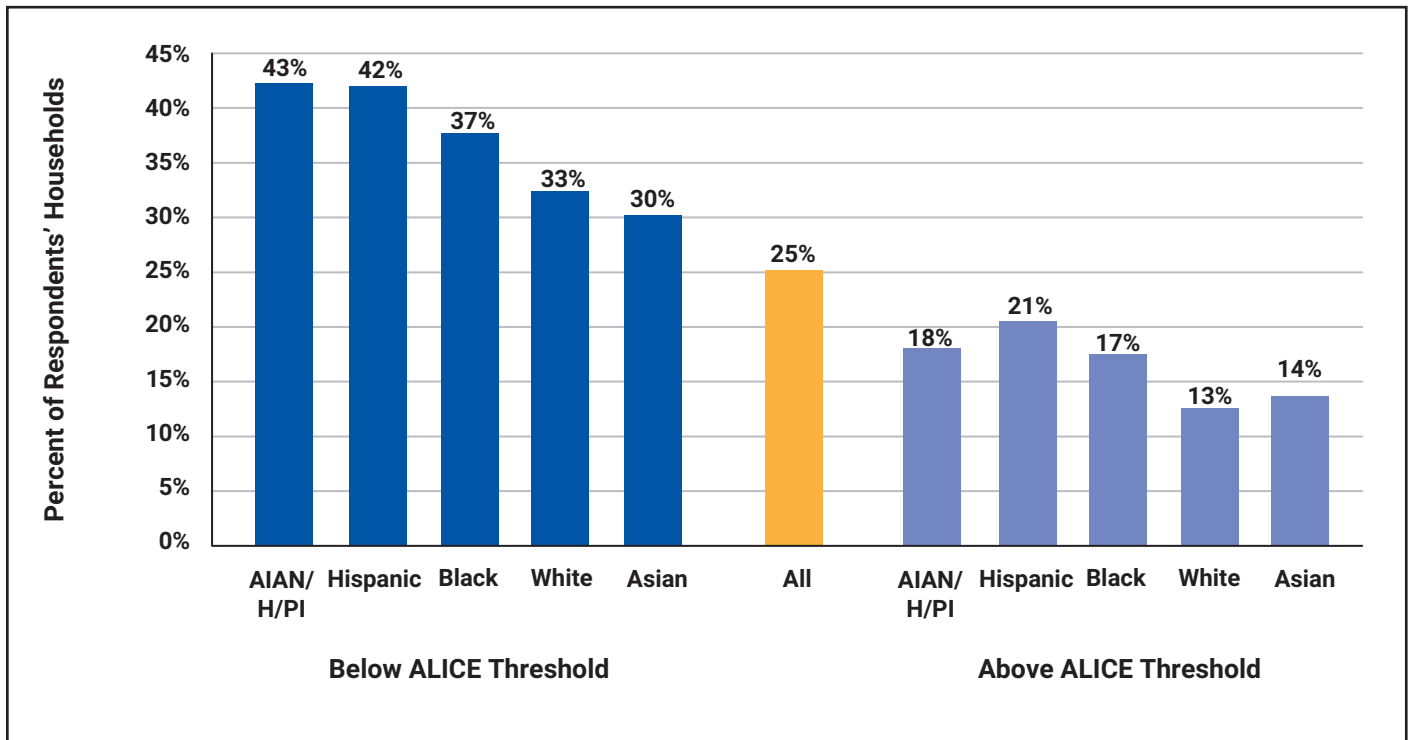
Question: Since March 1, 2020, has employment changed for any household members? ["Employment hasn't changed for any household members" selected]

Note: Respondents could select all that apply (except "employment hasn't changed," which was exclusive) and were asked to report employment impacts for themselves or for other household members. All racial groups include respondents who selected that race alone, except for "AIAN/H/PI," which includes respondents who selected "American Indian or Alaska Native" or "Native Hawaiian or Pacific Islander" alone or in combination with other races (non-Hispanic). The Hispanic ethnic group includes respondents who selected "Spanish, Hispanic, or Latinx" alone or in combination with one or more racial groups.

Source: ALICE Threshold, 2018; United For ALICE COVID Impact Surveys, September 2020–June 2021

Similarly, Hispanic, AIAN/Hawaiian/Pacific Islander, and Black respondents below the ALICE Threshold were significantly more likely to report that one or more household members lost a job than White and Asian respondents, and though there was less job loss overall among respondents above the ALICE Threshold, those disparities persisted (Figure 14).

Figure 14.
Job Loss by Race/Ethnicity and ALICE Threshold Status



Question: Since March 1, 2020, has employment changed for any household members? ["One or more household members lost a job" selected]

Note: Respondents could select all that apply and were asked to report employment impacts for themselves or for other household members. All racial groups include respondents who selected that race alone, except for "AIAN/H/PI," which includes respondents who selected "American Indian or Alaska Native" or "Native Hawaiian or Pacific Islander" alone or in combination with other races (non-Hispanic). The Hispanic ethnic group includes respondents who selected "Spanish, Hispanic, or Latinx" alone or in combination with one or more racial groups.

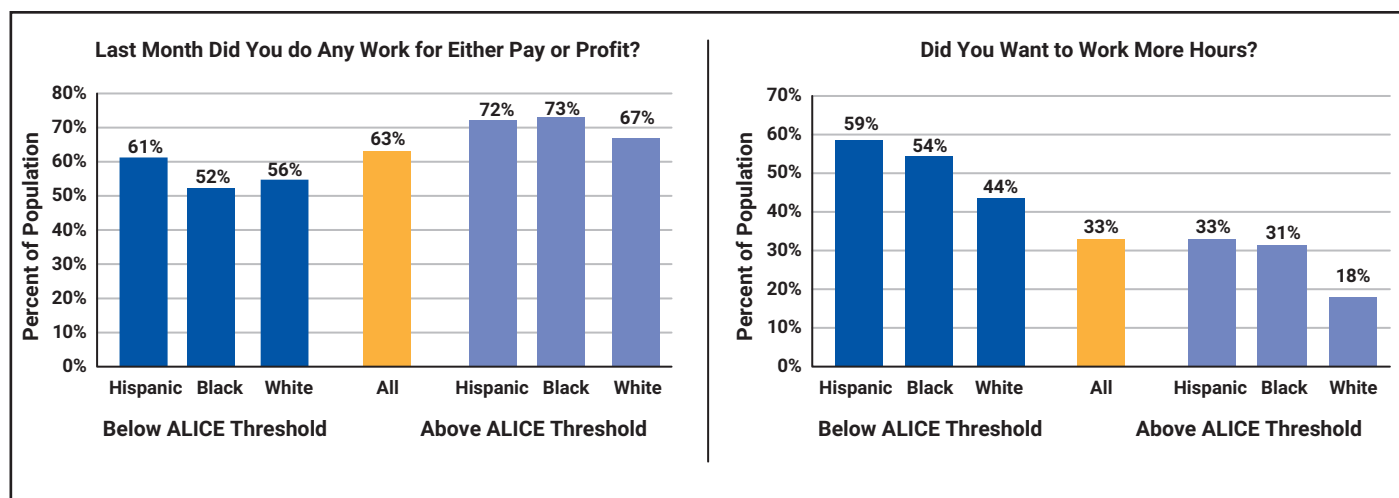
Source: ALICE Threshold, 2018; United For ALICE COVID Impact Surveys, September 2020–June 2021

“ My household member would still have a business (co-owned a tour bus company) if everything wasn’t shut down due to this pandemic. He had to shut it down, liquidate everything, and lost a lot of money. He still has buses he is making payments on and no business. ”

– United For ALICE Survey respondent, Arkansas

Employment and opportunities to work were at the heart of the differences by income as well as by race/ethnicity. Responses from the SHED reveal that across all races/ethnicities, households below the ALICE Threshold were significantly less likely to report that they did any work for pay or profit in the previous month than those above the Threshold. The follow-up question reveals a significant difference by race/ethnicity: Black and Hispanic respondents below the ALICE Threshold were significantly more likely to say that they wanted to work, or if they were already working, wanted to work more hours (54% and 59%, respectively), compared with White respondents (44%) (Figure 15).

Figure 15.
Current Work and Desire to Work More by the ALICE Threshold and Race/Ethnicity



Questions: Last month, did you do any work for either pay or profit? And: At any time during the past month, did you want to work/work more hours?

Note: Groupings include Black non-Hispanic, Hispanic, and White non-Hispanic respondents.

Source: ALICE Threshold, 2018; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), October 2019

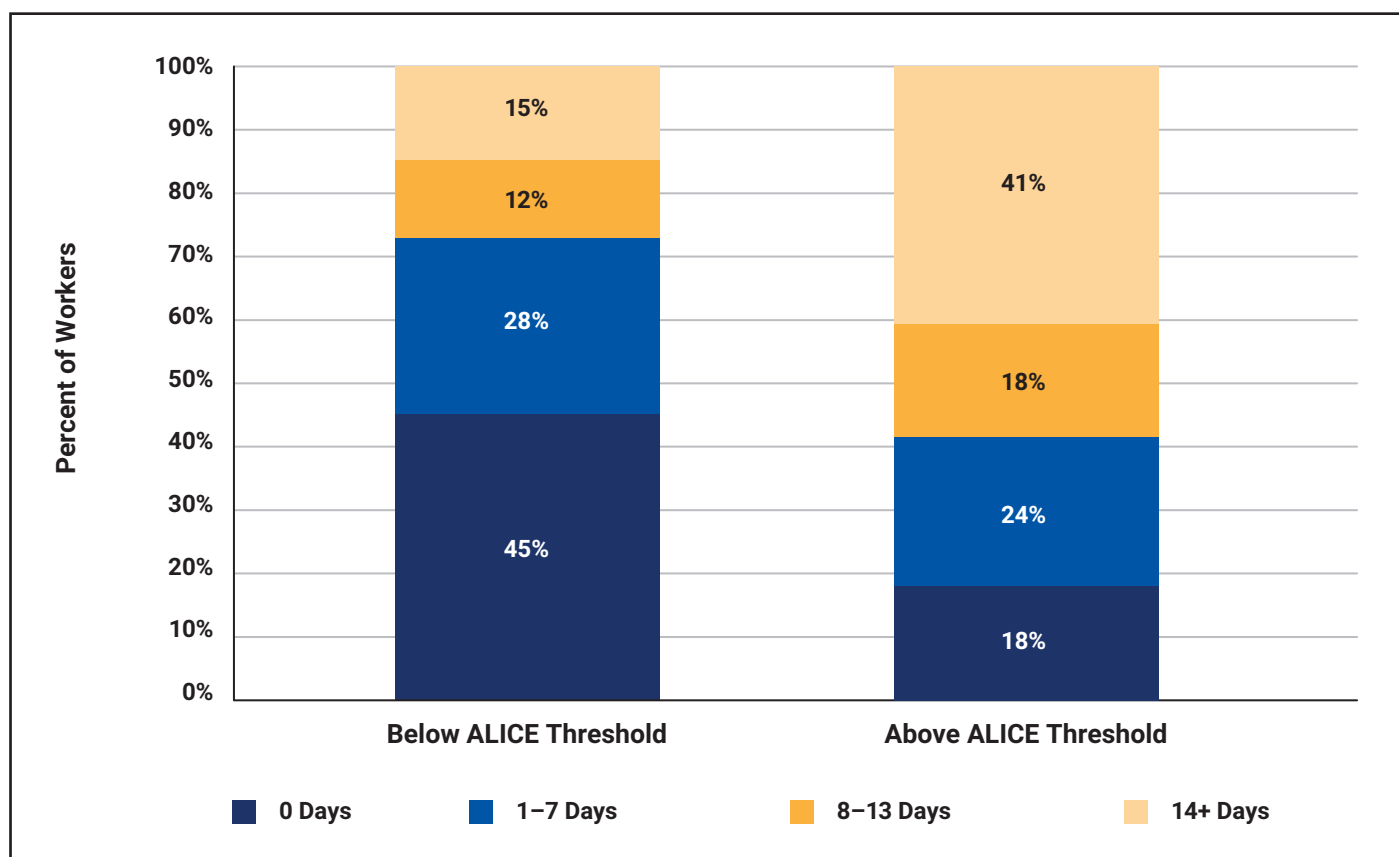
Barriers to work: For more insight into the situations of people looking for work, the United For ALICE Surveys asked jobseekers about the barriers they had been facing during the pandemic. For respondents both above and below the ALICE Threshold, “trouble finding a job” was the most reported barrier (53% of all respondents), and both groups reported difficulties finding a job that pays enough (46% of all respondents). Beyond the top two barriers, however, there were differences between households above and below the ALICE Threshold. Jobseekers below the ALICE Threshold were significantly more likely than jobseekers above the Threshold to report that the following five factors were barriers to securing employment:

- Caregiving for a child, older adult, or person with special needs (48% vs. 20%)
- Concerns about contracting COVID-19 (38% vs. 30%)
- Existing health issues (19% vs. 14%)
- Transportation issues (17% vs. 6%)
- Internet/computer issues (9% vs. 5%)

Similarly, the Household Pulse Survey found that among non-retired respondents who had not worked in the previous seven days (surveyed between January 20 and February 1, 2021, when case counts were increasing rapidly across the country), health issues were a major reason why respondents reported not working. Of these respondents, 20% with household incomes below the ALICE Threshold and 13% above the Threshold said that they were not working because they were sick or disabled (8% and 6%, respectively, reported that they were sick with COVID-19).

Lack of Paid Sick Days: The UAS COVID survey sheds light on why these differences in employment status might exist, especially during a public health crisis. Workers with household income below the ALICE Threshold were significantly less likely to report that they had any paid sick days (45% said that they had no paid sick time), while workers with household income above the Threshold were significantly more likely to report having more than 14 sick days (41%) (Figure 16). See the “Mental and Physical Health” section of this Report for more detailed information on this topic.

Figure 16.
Allowable Sick Days by the ALICE Threshold



Question: If you get sick, how many days can you stay home from your job and still get paid?

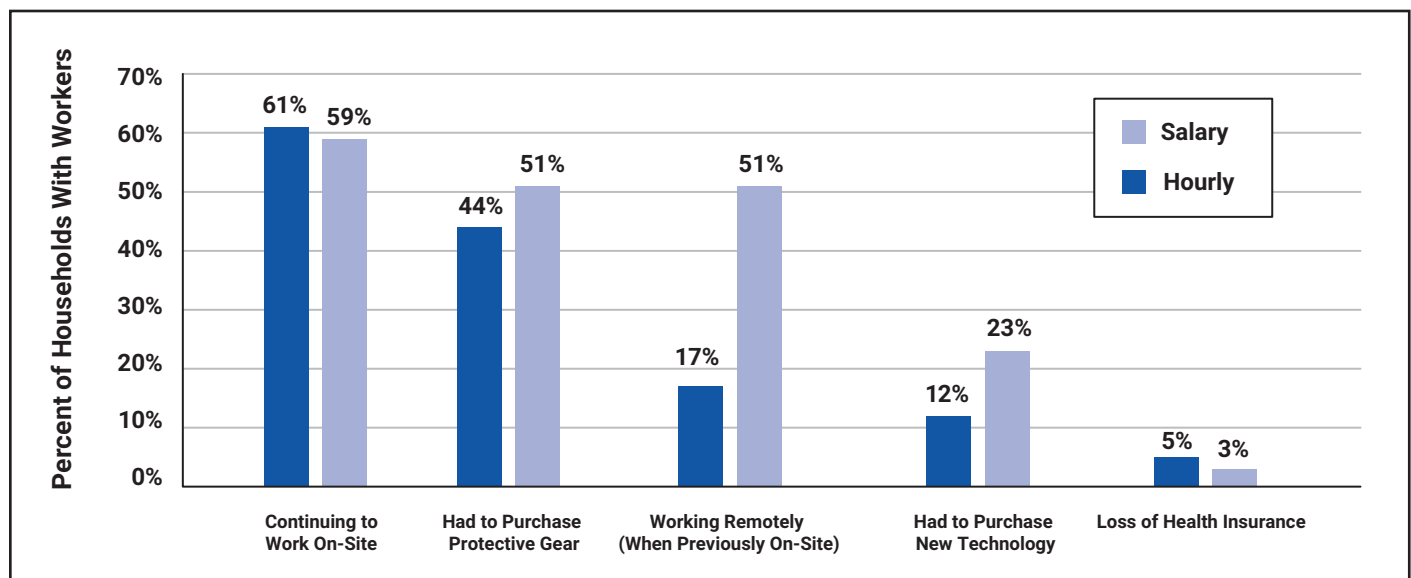
Source: ALICE Threshold, 2018; University of Southern California, Understanding America Study's Understanding Coronavirus in America Survey, Wave 24 Fielded February 2, 2021–March 3, 2021

The lack of paid sick days is an especially critical issue for workers with household income below the ALICE Threshold, as they were less likely to report being able to work from home. Throughout the pandemic, less than 15% of workers below the ALICE Threshold reported that their employer instructed them to work from home. For workers above the ALICE Threshold, the rate declined over time, falling from 55% in April 2020 to 30% in May 2021, but it was always significantly higher than the rate for workers below the Threshold (UAS COVID survey).

Hourly vs. Salaried Work: ALICE workers are more likely to work in hourly paid jobs than in salaried jobs. According to the United For ALICE COVID Surveys, among those working during the pandemic, employment impacts differed for workers in hourly paid jobs compared to salaried positions (Figure 17), which may also help explain differences in benefits, like paid sick days, and in caregiving issues. Respondents with household income below the ALICE Threshold were significantly more likely than those above the Threshold to rely on income from hourly paid work (70% vs. 45%), and significantly less likely to have household members who work for a salary (25% vs. 69%).

This dichotomy led to differences in the ability to work remotely: Only 17% of those below the ALICE Threshold were able to shift to remote work when the pandemic started, compared to over half (51%) of salaried workers. That, in turn, led to significant differences in the need to purchase protective gear and new technology (Figure 17).

Figure 17.
Pandemic Employment Impacts, Hourly vs. Salary Work



Questions: For adults in your household who work for a salary, which of the following have occurred as a result of the COVID-19 pandemic? And For adults in your household who work in jobs that are paid by the hour, which of the following have occurred as a result of the COVID-19 pandemic?

Note: Respondents could select all that apply and were asked to report employment impacts for themselves and other household members.

Source: United For ALICE COVID Impact Surveys, September 2020–June 2021

Hourly vs. Salaried Work Above and Below the ALICE Threshold: Within these two employment groups (hourly vs. salary), there were significant differences by income. Notably, among households with hourly paid workers, **respondents below the ALICE Threshold were significantly more likely to be working fewer hours than before the pandemic (34% vs. 24%)** and significantly less likely to be working remotely (11% vs. 20%). Among households with salaried workers, respondents below the ALICE Threshold were significantly less likely to be working remotely (28% vs. 50%).

Households with hourly paid workers who worked fewer hours overwhelmingly reported that it was because their employer had less business or needed fewer workers (73% below the ALICE Threshold and 79% above the Threshold). Respondents below the ALICE Threshold also faced additional challenges: They were significantly more likely to say that they were working fewer hours due to caregiving needs (28% vs. 14%), fear of catching or spreading COVID-19 (23% vs. 14%), health issues (11% vs. 5%), and limited computer or internet access (2% vs. 1%).

CHALLENGES FOR FAMILIES WITH CHILDREN

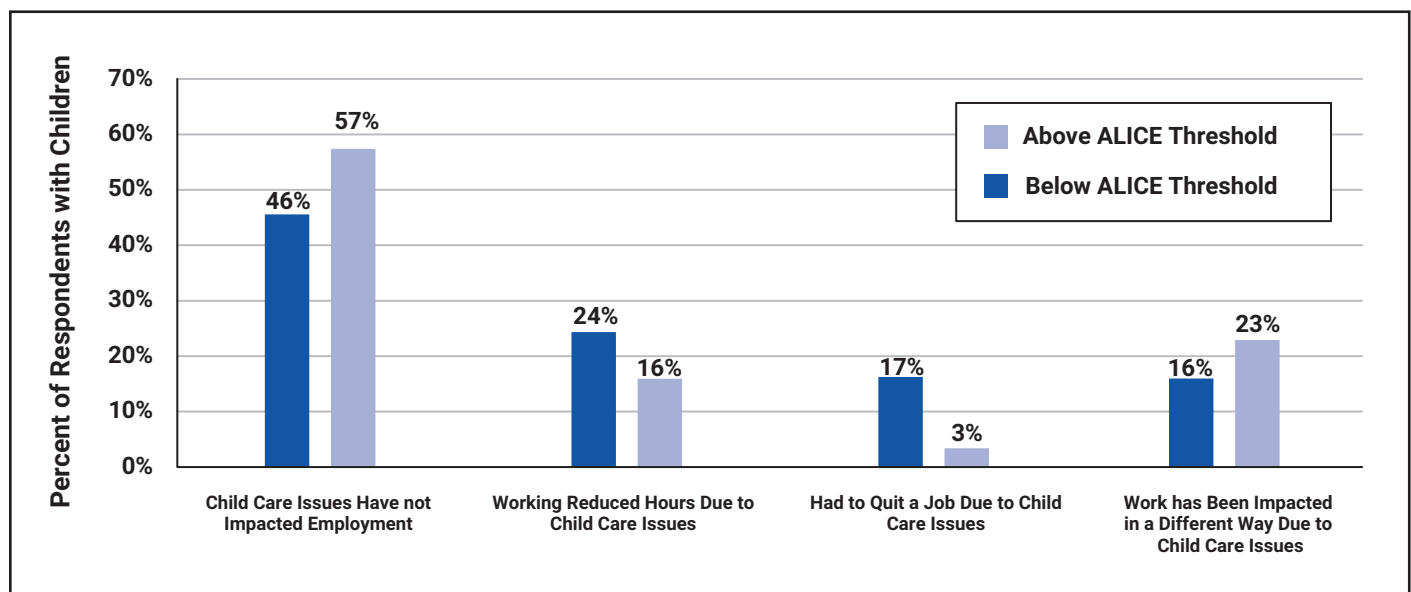
Families with children were among the hardest hit by the pandemic. With the closure of child care centers and schools, there was significant disruption to learning, working, and family activity. Children have had to adjust to new child care and education structures and settings, parents have had to juggle work (remote and in-person), and child care providers have had to adapt to smaller groups and new protocols. The November 2020 SHED revealed that three out of five parents (60%) reported that their access to child care had been disrupted since the onset of the pandemic.

Impacts on Parent Work: Results from the UAS COVID survey confirm that the pandemic created challenges for parents with school-aged children at all income levels. At the beginning of the pandemic, almost 40% of parents reported that school closures made it difficult to both work and do other household tasks. Additionally, 40% said that they were not satisfied with how much their children were learning (in April and May 2020).

By November 2020, households below the ALICE Threshold with children faced more employment challenges than those above the Threshold because their children’s classes were not completely in-person, or because access to child care was disrupted. These households were more likely than those above the ALICE Threshold to report that these child care issues led to their working less (23% vs. 16%) or not working (21% vs. 6%) (SHED, November 2020).

The United For ALICE Surveys found similar gaps (Figure 18). Respondents above the ALICE Threshold with children were significantly less likely to report that child care issues had an impact on employment than respondents below the Threshold (57% vs. 46%). Respondents below the ALICE Threshold were significantly more likely to say that they were working reduced hours (24% vs. 16%) or that they had to quit a job (17% vs. 3%) due to child care issues.

Figure 18.
Child Care Impacts on Household Employment by the ALICE Threshold



Question: Since March 1, 2020, how have child care issues impacted household members’ ability to work?

Note: Respondents could select all that apply and were asked to report employment impacts for themselves or for other household members.

Source: ALICE Threshold, 2018; United For ALICE COVID Impact Surveys, September 2020–June 2021

Food Insecurity: Families with children also faced unique challenges in meeting basic needs, most notably with the most fundamental need — food. Access to and affordability of food was a challenge for many throughout the pandemic, especially for households below the ALICE Threshold with children, and reported across all surveys:

- Among respondents below the ALICE Threshold with children, 41% reported that “sometimes” or “often” their children were not eating enough because the household couldn’t afford enough food. While this was less common in higher-income households, a substantial 17% of respondents above the ALICE Threshold also struggled to afford food for their children (Household Pulse Survey, January 20– February 1, 2021).
- Among respondents below the ALICE Threshold with children, 56% reported that they were concerned about having enough food for the household compared to 15% of respondents above the Threshold (United For ALICE Surveys).
- Black and Hispanic respondents below the ALICE threshold were more likely to report difficulty affording food for their children during the pandemic (49% of both Black and Hispanic respondents, compared to 35% of White respondents) (Household Pulse Survey, January 20– February 1, 2021).
- Results from the UAS COVID survey confirm that among families with children, households below the ALICE Threshold were significantly more likely to report facing food insecurity due to lack of meals provided at school (21% vs. 7%).

“ I am a single mom of three kids. I work a full-time, 12-hour night shift job at a long-term nursing home. It's a struggle to sleep for work, help with school work, and maintain a normal life for my kids. ”

– United For ALICE Survey respondent, Shenandoah Valley, Virginia

Other Concerns for Families With Children: Beyond food needs, United For ALICE Survey respondents below the ALICE Threshold with children were also significantly more likely than respondents above the Threshold to say that they were concerned about:

- Paying housing expenses (71% vs. 22%)
- Paying off debts (50% vs. 27%)
- A reduction in hours/wages for household members who were working (42% vs. 23%)
- Loss of jobs (41% vs. 20%)
- Non-COVID-19-related medical issues (28% vs. 21%)

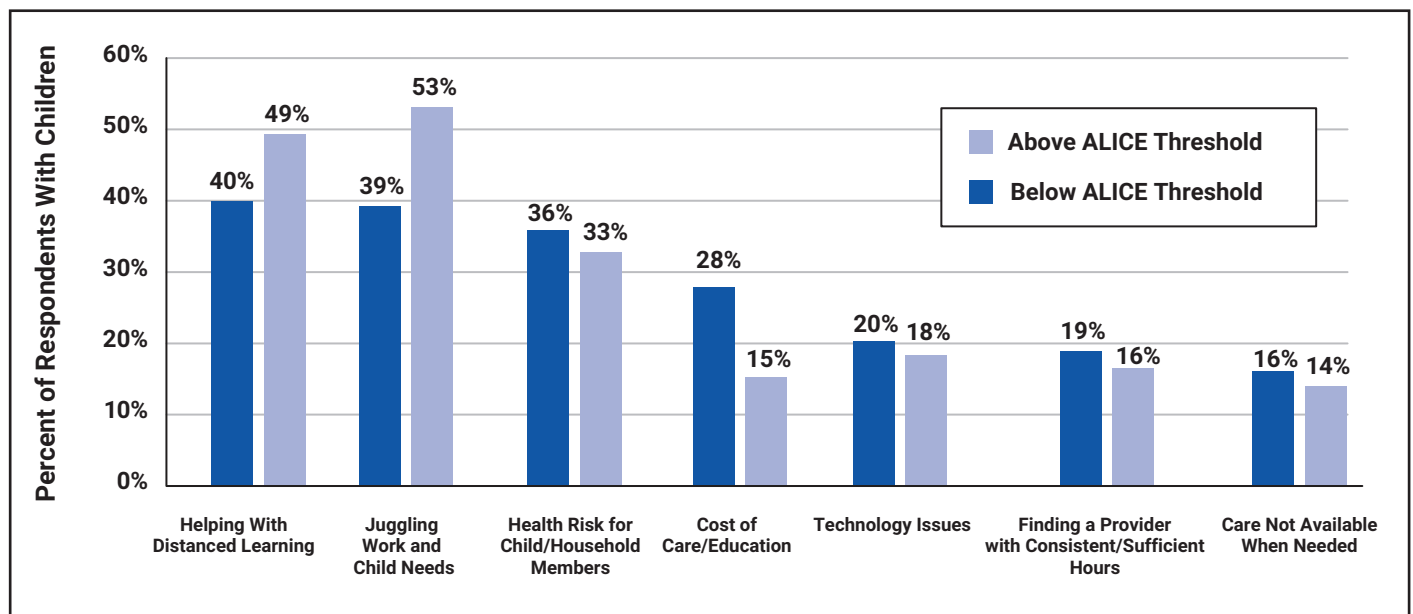
Technology for Families With Children: As internet and device access became increasingly important for work and learning during the pandemic, households below the ALICE Threshold with children reported concerns about access to technology.

- For families with children in school, those below the ALICE Threshold were less likely to always have a computer or other digital device available for educational purposes. At the beginning of the pandemic (Spring 2020), the percentage of respondents below the ALICE Threshold who said they “usually or always” had technology available for educational purposes hovered around 80%; by the following school year, that percentage rose to 90%. For those above the ALICE Threshold, the percentage was 96% throughout (Household Pulse Survey, April 23, 2020–March 29, 2021, excluding June and August 2020).
- Respondents below the ALICE Threshold with children were significantly more likely to have concerns about internet and device access (20% vs. 18%) (United For ALICE Surveys) (Figure 19).

Child Care and Learning Issues: The pandemic brought about substantial changes in child care and education, which created new challenges for families with children (Figure 19):

- Respondents below the ALICE Threshold with children were significantly more likely to be concerned about health risks for children/household members (36% vs. 33%), the cost of child care/education (28% vs. 15%), finding a provider with consistent/sufficient hours (19% vs. 16%) and that care would not be available when needed (16% vs. 14%).
- While helping with distanced learning and juggling work and child needs were the top concerns for both groups, respondents above the ALICE Threshold with children were significantly more likely to have these concerns (53% vs. 39% for juggling work and child needs and 49% vs. 40% for helping with distanced learning).

Figure 19.
Household Child Care and Education Issues or Concerns by the ALICE Threshold



Question: Since March 1, 2020, as a result of the COVID-19 pandemic, what child care issues or concerns or issues have members of your household had?

Note: Respondents could select all that apply.

Source: ALICE Threshold, 2018; United For ALICE COVID Impact Surveys, September 2020–June 2021

“ Our biggest concern is the limited number of child care facilities in our rural area and that has prevented my husband from being able to return to work. The few childcare facilities in our area have been struggling with COVID-19 outbreaks, where they have had sporadic available hours. I am an essential worker for the state, working remotely, and carry the health insurance for our family, therefore I have been the one that has remained employed. ”

– United For ALICE Survey respondent, Indiana

PHYSICAL AND MENTAL HEALTH

The health impacts of COVID-19 are the most obvious outcomes of the pandemic, with the virus both directly and indirectly affecting physical and mental wellness. The virus had taken the lives of at least 710,000 people in the U.S. and infected over 44 million as of October 2021, and in the process it both uncovered and worsened disparities in health care quality, access, and affordability – most notably by income and race/ethnicity.⁹ Simultaneously, the uncertainty, grief, and isolation of the pandemic have contributed to new or worsening mental health issues for many.¹⁰

Respondents below the ALICE threshold were significantly more likely than those above the Threshold to report that they or a household member had ever had a documented health issue. Gaps in reported health issues also existed by race/ethnicity:

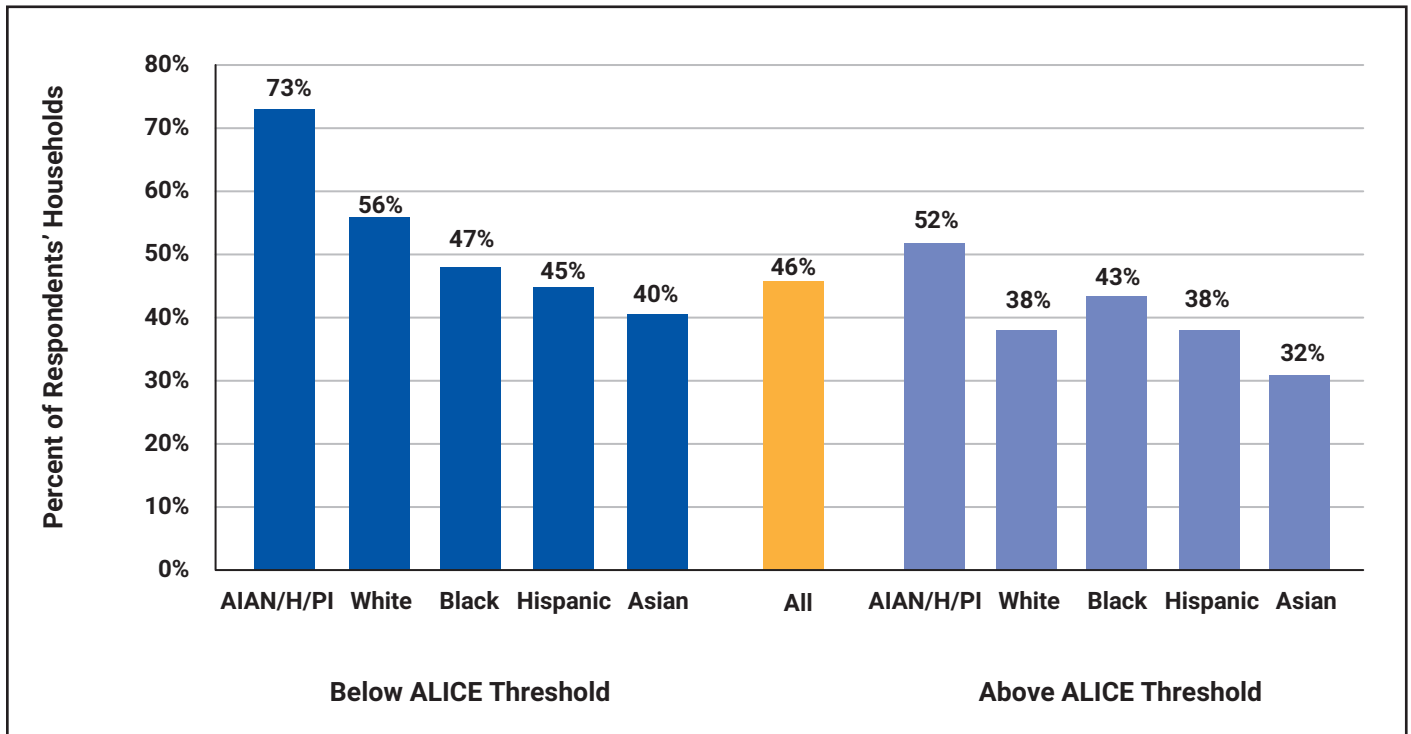
- **Mental health:** According to the UAS COVID survey, almost one-third (30%) of respondents had been told by a doctor, nurse, or other health professional that they had a mental health issue like depression or Post Traumatic Stress Disorder (PTSD). This rate was significantly higher for respondents below the ALICE Threshold at 35%, compared to 25% for those above the Threshold (Wave 24 Fielded February 2, 2021–March 3, 2021).
- **Physical health:** Over half of UAS COVID survey respondents (53%) said they had a doctor-diagnosed physical health condition like high blood pressure or diabetes. This rate was high for both groups, and significantly higher for households below the ALICE Threshold (55%) than for respondents above the Threshold (51%).
- **Differences by race/ethnicity:** AIAN/Hawaiian/Pacific Islander respondents below the ALICE Threshold were the most likely to report a significant health issue at almost three in four households (73%). In addition, just over half (52%) of respondents in this group above the ALICE Threshold reported a significant health issue. These extraordinarily high percentages warrant additional research. Among households below the ALICE Threshold, there were significant health issues for more than half (56%) of White respondents, compared to 47% of Black respondents, 45% of Hispanic respondents, and 40% of Asian respondents (Figure 20).

“ We have kept our small children home instead of daycare and had to balance one parent now working full time remotely and the other still needing to report to an office several times a week – the mental toll of the pandemic has been incredible. The anxiety, stress, sadness, and depression...is like nothing I ever could have predicted. ”

– United For ALICE Survey respondent, Greater Fredericksburg Region, Virginia

Figure 20.

Presence of a Significant Health Issue by the ALICE Threshold and Race/Ethnicity



Question: Do you or anyone in your household have a serious health issue or disability? ["Chronic health condition, such as diabetes or a heart condition," "mental disability," "physical disability," or "other serious health issue or disability" selected]

Note: All racial groups include respondents who selected that race alone, except for "AIAN/H/PI," which includes respondents who selected "American Indian or Alaska Native" or "Native Hawaiian or Pacific Islander" alone or in combination with other races (non-Hispanic). The Hispanic ethnic group includes respondents who selected "Spanish, Hispanic, or Latinx" alone or in combination with one or more racial groups.

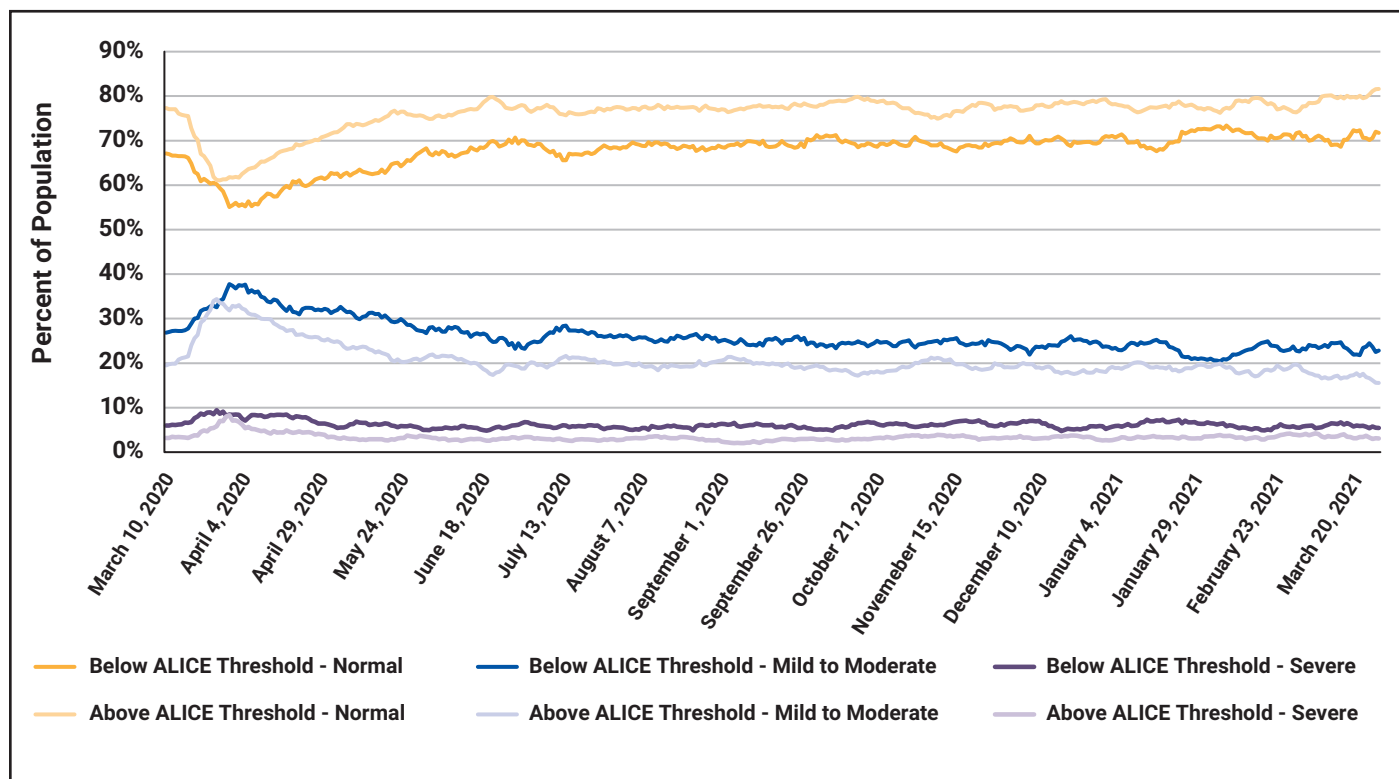
Source: ALICE Threshold, 2018; United For ALICE COVID Impact Surveys, September 2020–June 2021

Results from the UAS COVID survey also illuminated how mental health has been impacted over time during the pandemic. As shown in Figure 21, the percentage of respondents with mild to moderate symptoms of anxiety and depression peaked in April 2020, while the percentage of respondents with no or few symptoms ("normal" symptomology) dropped. The percentage with mild to moderate symptoms gradually decreased through mid-June 2020 and then remained relatively flat through March 2021.

At almost every point, however, there were significant differences between households above and below the ALICE Threshold. Respondents below the ALICE Threshold were more likely to have mild to moderate or severe symptoms, while respondents above the Threshold were more likely to have few or no symptoms. For example, in April 2020, 44% of respondents below the ALICE Threshold had symptoms above the normal range, significantly higher than the 35% of respondents above the Threshold. By March 2021, rates were lower for both groups, but the gap persisted (29% vs. 19%).

Figure 21.

Symptoms of Anxiety and Depression by the ALICE Threshold, March 10, 2020–March 20, 2021



Note: Mental health groupings shown in this figure are based on responses to the Patient Health Questionnaire-4, a four-question diagnostic survey that measures the core symptoms and signs of depression and anxiety.¹¹

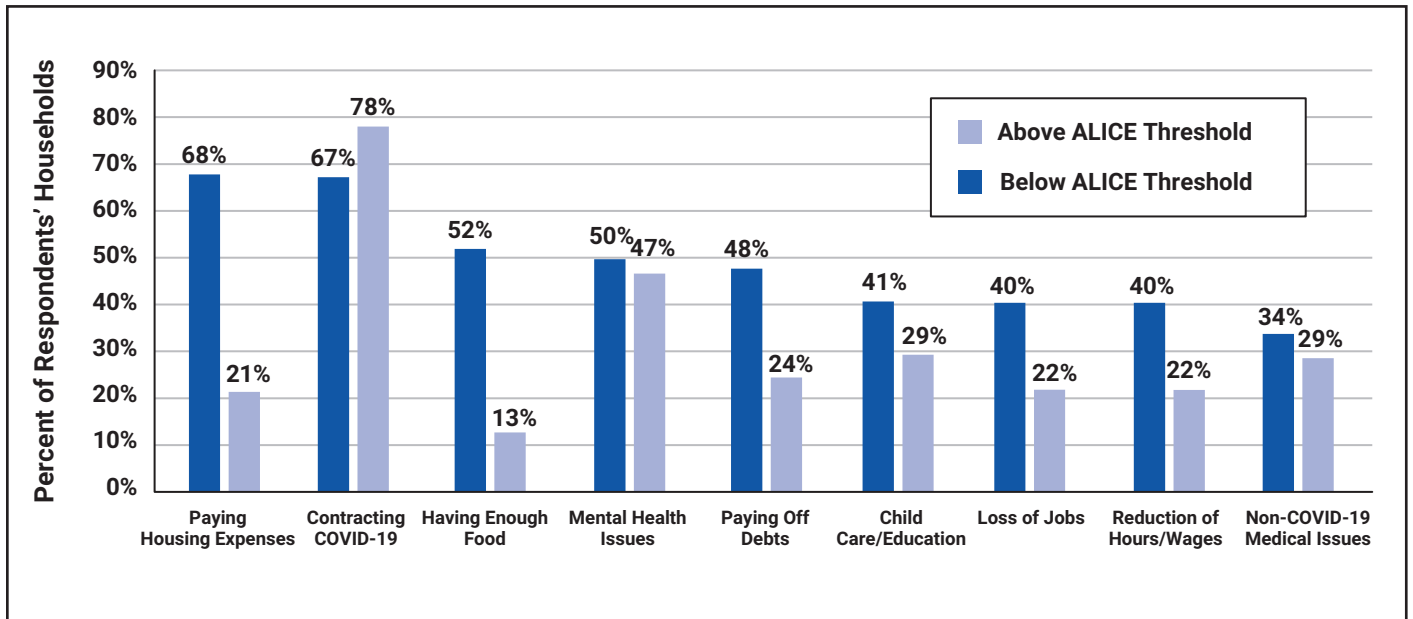
Source: ALICE Threshold, 2018; University of Southern California, Understanding America Study's Understanding Coronavirus in America Survey, March 10, 2020–March 20, 2021

Concerns During the Pandemic: The United For ALICE Surveys provide important insight into the specific worries and concerns that households dealt with during the pandemic and how they differed by income (Figure 22). Across all respondents, the most frequently selected concern was contracting COVID-19 (73%). However, this was significantly more likely to be a concern for respondents above the ALICE Threshold than for those below the Threshold (78% vs. 67%). On the other hand, households below the ALICE Threshold were significantly more likely to be concerned about paying housing expenses (68% vs. 21%), having enough food for the household (52% vs. 13%), paying off debts (48% vs. 24%), child care/education (41% vs. 29%), losing one or more jobs (40% vs. 22%), reduction of hours/wages (40% vs. 22%), and non-COVID-19-related medical issues (34% vs. 29%).

“ Mental health for me personally is poor due to the changes associated from shifting to at-home work, juggling distance learning, adapting to ‘new normal’, learning new technology, and losing the sanctuary of my home (every room is now work/office). ”

– United For ALICE Survey respondent, Florida

Figure 22.
Household Concerns During the Pandemic by the ALICE Threshold



Question: What are your household's concerns during the COVID-19 pandemic?

Note: Respondents could select all that apply. Child care impacts are out of all households, not just households with children.

Source: ALICE Threshold, 2018; United For ALICE COVID Impact Surveys, September 2020–June 2021

When respondents to the United For ALICE Surveys were asked a follow-up question about their biggest concern, the top three responses included worries about contracting COVID-19 (37% of all respondents), paying housing expenses (23% of all respondents), and mental health issues (9% of all respondents). However, the choice and ranking of the biggest household concerns differed by income. The top three concerns for respondents below the ALICE Threshold were paying housing expenses (36%), contracting COVID-19 (25%), and mental health issues (7%). For respondents above the Threshold, the top three concerns were contracting COVID-19 (50%), mental health issues (11%), and child care/education (10%).

Drilling down further, responses by health status provided great insight into who was struggling simply to meet basic needs. Households below the ALICE Threshold with health issues were significantly more likely to be concerned about paying housing expenses (69%), providing food for the household (56%), and paying off debts during the pandemic (48%) than either households below the Threshold without health issues or households above the Threshold with health issues (Figure 23) (United For ALICE Surveys).

Figure 23.

Household Concerns During the Pandemic by ALICE Threshold and Health Status

Households	Paying Housing Expenses	Providing Enough Food for the Household	Paying Off Debts
WITH HEALTH ISSUES			
Below ALICE Threshold	69%	56%	48%
Above ALICE Threshold	26%	17%	29%
WITHOUT HEALTH ISSUES			
Below ALICE Threshold	66%	48%	47%
Above ALICE Threshold	18%	10%	22%

Question: What are your household's concerns during the COVID-19 pandemic?

Source: ALICE Threshold, 2018; United For ALICE COVID Impact Surveys, September 2020–June 2021

In addition, over half (51%) of households below the ALICE Threshold with a health issue said that someone in their household was looking for work during the pandemic (compared to 27% of households above the Threshold with a health issue and 37% of all respondents). These households also faced additional barriers to securing employment. Job-seeking households below the ALICE Threshold with health issues were significantly more likely than job-seeking households above the Threshold with health issues to say that caregiving needs (for a child, older adult, or person with special needs) were a barrier to securing employment (54% vs. 24%). They were also significantly more likely to report other barriers to securing a job including concerns about contracting COVID-19 (44% vs. 36%), existing health issues (31% vs. 26%), transportation issues (20% vs. 9%), and internet access/computer issues (11% vs. 6%).

“ I had a credit card maxed out and lost my health insurance because I couldn’t pay for it. All jobs require either reliable transportation or Internet speeds of 10/5 and I have neither, and have no way to obtain either. I literally don’t have enough money to work. This is not how I thought my life would be at 55. I barely have enough food. I can’t even worry about retiring in 20 years. ”

– United For ALICE Survey respondent, Florida

HOW HOUSEHOLDS MET EXPENSES

With insufficient income and little or no savings, households below the ALICE Threshold struggled before the pandemic, often pushed into difficult, no-win choices to make ends meet. The pandemic added to this stress by further destabilizing ALICE worker income, as well as adding new and unexpected expenses. This section provides the first detailed analysis of the different resources that households above and below the ALICE Threshold had access to and used to get by during the pandemic.

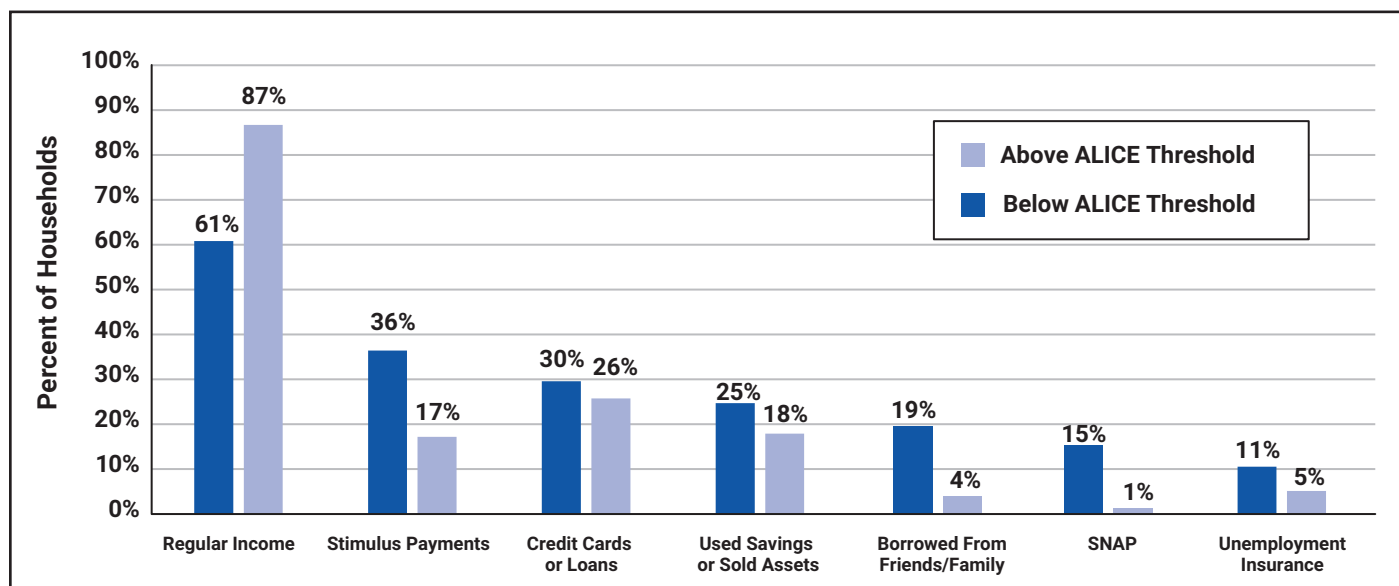
Well into the pandemic (May 2021), the Household Pulse Survey asked respondents to select which of the following actions they or their household members took to meet spending needs over the previous seven days (Figure 24). Most households used regular income sources like those received before the pandemic to cover spending needs, but those above the ALICE Threshold were significantly more likely to use regular income than those below the Threshold (87% vs. 61%).

To cover spending needs, 74% of households below the ALICE Threshold reported using additional income sources (other than regular income sources, like those used before the pandemic) compared to 46% of households above the Threshold. Households below the ALICE Threshold were significantly more likely to have used:

- Stimulus payments (36% vs. 17%)
- Credit cards or loans (30% vs. 26%)
- Money from savings or selling assets (25% vs. 18%)
- Supplemental Nutrition Assistance Program (SNAP) benefits (15% vs. 1%)
- Unemployment insurance (UI) benefit payments (11% vs. 5%)
- Money borrowed from friends and family (19% vs. 4%)

Figure 24.

Ways Households Met Spending Needs by the ALICE Threshold, May 2021



Question: Thinking about your experience in the last 7 days, which of the following did you or your household members use to meet your spending needs?

Note: Respondents could select all that apply.

Source: ALICE Threshold, 2018; U.S. Census Bureau, Household Pulse Survey, Week 30: May 12–May 24, 2021

Significant gaps also existed by race/ethnicity. Most notably, White households below the ALICE Threshold were more likely to have used regular income sources, like those received before the pandemic, to cover spending needs (63%, vs. 57% of Asian and 54% of Black and 51% of Hispanic households). In addition, Black households below the ALICE Threshold were more likely to have borrowed from friends or family (27%, vs. 22% of Hispanic, 18% of White, and 16% of Asian households) and used SNAP benefits (23%, vs. 13% of Hispanic, 14% of White, and 5% of Asian households).

Responses over time to the Household Pulse Survey (April 2020 to May 2021) show that households below the ALICE Threshold experienced more disruptions for a longer period than those above the Threshold. This was especially pronounced for use of regular income sources to cover spending needs, borrowing from friends and family, and UI benefit payments:

- **Regular income sources:** Respondents below the ALICE Threshold were significantly less likely to have used regular income to cover spending needs, with the percentage ranging from 52% to 61%, while the percentage of households above the Threshold using regular income sources remained above 80% throughout this period.
- **Borrowing from friends and family:** Respondents below the ALICE Threshold were significantly more likely to have borrowed from friends or family to cover spending needs, with the percentage ranging from 17% to 29%, while the percentage of households above the Threshold who borrowed from family or friends stayed at or below 6% throughout the period.
- **Unemployment Insurance (UI) benefits:** The percentage of respondents below the ALICE Threshold who used UI benefit payments increased to 20% in August, October, and November 2020, then slowly declined to 11%, while the percentage of households above the Threshold who used UI benefit payments reached 12% in July and August 2020, then declined to 5%.

“ The unemployment [insurance] we received for my husband put us over the limit for qualifying for the EITC for 2020...Without the new stimulus payment coming this week we would not have been able to cover our household bills and expenses. ”

– United For ALICE Survey respondent, Maryland

The November 2020 SHED also asked about community-based support that households received during the pandemic. Respondents below the ALICE Threshold were significantly more likely to report that they received:

- Free groceries or meals through a food pantry, religious, or community organization (22% vs. 4%)
- Financial assistance from friends or family members not living with them (15% vs. 3%)
- Financial assistance from a religious or community organization (4% vs. 1%)

Similar gaps in income were found in the actions participants reported in the United For ALICE Surveys (although at higher rates in this non-representative sample). For respondents below the ALICE Threshold, the top five most selected actions were applying for government assistance programs like SNAP, Temporary Assistance for Needy Families (TANF), and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) (43%); receiving food from a food pantry/bank (40%); applying for unemployment (40%); borrowing from family or friends (36%); or taking money out of a savings account (33%). For respondents above the ALICE Threshold, fewer actions were taken and the top actions differed – taking money out of a savings account (28%) was most selected, followed by applying for unemployment (19%), increasing a balance on a credit card (19%), and finding a new way to make money (11%). Among respondents above the ALICE Threshold, 39% said that they did not take any of these actions to get by (compared to only 9% of respondents below the ALICE Threshold).

Finally, the Household Pulse Survey provides additional insights into how households used their government-issued Economic Stimulus Payments (\$1,200 for an individual in April 2020, \$600 in December 2020/January 2021, and \$1,400 in March 2021). Based on income limits, 78% of all households and 100% of households below the ALICE Threshold were eligible to receive these payments.¹² The ways in which households used these payments spotlights the differing needs and priorities of households above and below the ALICE Threshold:

- **First stimulus payment** (Household Pulse Survey, July 16–July 21, 2020):
 - Of those who reported receiving a stimulus payment at the time of the survey, households below the ALICE Threshold were significantly more likely than households above the ALICE Threshold to “mostly spend” their stimulus payment (84% vs. 66%) and significantly less likely to add it to savings (4% vs. 17%) or use it to pay off debts (12% vs. 16%).
 - Households below the ALICE Threshold were more likely to use the first stimulus payment to cover basic needs: They were significantly more likely than households above the ALICE Threshold to report using it to pay for food (78% vs. 63%); telecommunications and utilities, including natural gas, electricity, cable, internet, or a cellphone (63% vs. 45%); rent (45% vs. 17%); or vehicle payments (29% vs. 22%).
 - Households above the ALICE Threshold were more likely to put the stimulus funds into savings or investments (19% vs. 8%) or to make a charitable donation (7% vs. 3%). Both groups were similarly likely to report using it to pay down credit card debt, student loans, or other debts (24% vs. 23%).
- **Subsequent stimulus payments:** (Household Pulse Survey, January 20–February 1, 2021):
 - By late January/early February 2021, when most households had received a second stimulus payment, households below the ALICE Threshold had largely shifted from spending the payment (down sharply to 25%) to using it to pay down debt (up sharply to 59%). This percentage was significantly higher than that of households above the ALICE Threshold who used it to pay off debt (44%).
 - Black and Hispanic households below the ALICE Threshold were more likely to use their stimulus payments to pay off debt than White or Asian households below the Threshold (69% and 65%, respectively, vs. 58% and 42%, respectively) and less likely to add to savings (10% and 13%, respectively, vs. 17% and 19%, respectively).

“ Direct financial support for families facing crisis is needed right now. There just isn’t enough support out there to help folks who haven’t ever faced this kind of need before. Cash in hand would change my family’s life, but we haven’t found any we qualify for yet. ”

– United For ALICE Survey respondent, Arkansas

CONCLUSION: ALICE AT A CROSSROADS

The ALICE analysis of the four surveys presented in this Report shows that those who went into the pandemic struggling —starting out with low incomes, low-wage jobs, and little or no savings — were the most vulnerable to the dual impact of the health crisis and the ensuing economic disruption. The differences between how households above and below the ALICE Threshold experienced the pandemic are striking.

Who did better and worse? The November 2020 SHED asked respondents to consider their current financial standing in comparison to 12 months earlier. Respondents below the ALICE Threshold were significantly more likely to report being somewhat or much worse off than those above the ALICE Threshold (34% vs. 17%).

But 19% of respondents below the ALICE Threshold reported being much better off or somewhat better off. Characteristics of this group provide some insight into what helps families to be more financially stable (Figure 25):

- Respondents below the ALICE Threshold who reported being somewhat or much better off were more likely to have worked full time, received a raise or promotion, started a new job, had insurance through an employer or union, maintained a savings or checking account, kept rainy day funds, had a retirement plan on track, and been very confident in approval for credit.
- Those below the Threshold who reported being somewhat or much worse off were more likely to have worked part time, been laid off or lost a job, had household income that varied quite often from month to month, rented rather than owned a home, had to pay an unexpected medical bill out of pocket, owed outstanding credit card debt, had medical debt, set aside no rainy day funds, and not been confident in approval for credit.

Figure 25.
Characteristics of Those Better and Worse Off

Household Characteristics	Respondents Below the ALICE Threshold: Household Financial Status Compared to 12 Months Prior (November 2020–November 2021)	
	MUCH BETTER OFF OR SOMEWHAT BETTER OFF	MUCH WORSE OFF OR SOMEWHAT WORSE OFF
Employment	<ul style="list-style-type: none"> • Full-time job • Received a raise or promotion • Started a new job 	<ul style="list-style-type: none"> • Part-time job • Laid off or lost a job • Household income that varied quite often from month to month
Housing Tenure		<ul style="list-style-type: none"> • Rent
Health Insurance	<ul style="list-style-type: none"> • Insurance through employer or union 	<ul style="list-style-type: none"> • Paid unexpected medical bill out of pocket
Savings, Assets and Debt	<ul style="list-style-type: none"> • Savings or checking account • Rainy day funds • Retirement plan on track 	<ul style="list-style-type: none"> • Unpaid balance on credit card • Medical debt • No rainy day funds
Access to Credit	<ul style="list-style-type: none"> • Very confident in approval chances 	<ul style="list-style-type: none"> • Not confident in approval chances

Note: Differences between groups were significant.

Source: ALICE Threshold, 2018; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), November 2020

Directions for future research: The four surveys analyzed in this Report provide additional insight into the numerous and varied barriers to financial stability that households below the ALICE Threshold face, and they highlight areas for future research. Six barriers that stand out are:

- 1. Factors that lead to stability:** The correlations between characteristics of those who did better or worse during the pandemic suggest important areas for additional research to understand the cause and effect for each factor as well as the impact of a combination of factors. There also needs to be greater understanding of the impact of these factors over time and of long-term sustainability.
- 2. The role of public assistance:** Respondents below the ALICE Threshold who reported being much worse off or somewhat worse off financially were also more likely to report that their household received TANF, SNAP, Supplemental Security Income (SSI), free or reduced-price lunch, stimulus payments, unemployment insurance, Medicare/Medicaid, or free groceries or meals — an indicator that public assistance was reaching those most in need. These households also reported that they were more likely to receive financial assistance from friends or family.

With the release of 2020 decennial census data, news headlines have touted that increased public assistance during the pandemic has reduced poverty.¹³ But if pandemic relief measures are only temporary, many households will fall back into poverty. The ALICE measures demonstrate that insufficient income extends well beyond the official poverty measures, and survey results confirm that even households that were eligible for public assistance continued to struggle during the pandemic. Additional research is needed to understand whether public assistance can serve only as a stopgap measure during a crisis, or whether it can be structured so that it helps households reach long-term financial stability.

- 3. Race/ethnicity:** The consistent discrepancies by race/ethnicity for households above and below the ALICE Threshold strongly suggest that barriers by race/ethnicity are in fact barriers to financial stability in the U.S. today. Additional research is needed to understand how these barriers are perpetuated.

To do so, additional data is needed, especially for smaller racial/ethnic groups including Two or More Races, American Indian or Alaska Native, and Native Hawaiian and Pacific Islander.

- 4. Health:** Households below the ALICE Threshold were more likely to have a member with a serious health issue. These households were also more likely to experience job loss and to have someone in the household looking for work during the pandemic. They also faced additional barriers to securing employment such as caregiving needs (for a child, older adult, or person with special needs), having trouble finding a job, and not being able to find a job that pays enough.

There were significant health issues among more than half (56%) of White respondents below the ALICE Threshold, compared to 47% of Black respondents, 45% of Hispanic respondents, and 40% of Asian respondents.

Additional research is needed to understand how and where else health and race/ethnicity overlap. In particular, the extraordinarily high prevalence of AIAN/Hawaiian/Pacific Islander respondents below the ALICE Threshold with a significant health issue (73%) needs more attention.

“ In addition to the financial impact that this pandemic has had in our community, we have started and will continue to see the emotional scars that the community at large will have once things start to be a little normal again. ”

*– United For ALICE Survey respondent,
Miami-Dade County, Florida*

5. **Additional discrepancies:** In addition to racial/ethnic groups, there are other demographic groups that have long faced barriers to financial security. Additional work is needed in both data collection and analysis to understand the impact of COVID-19 and economic disruption on groups including women; veterans; lesbian, gay, bisexual, transgender, and queer (LGBTQ+) people; recent immigrants by country of origin; undocumented workers; formerly incarcerated people; and people with disabilities.

6. **Long term tracking:** Given what we have learned from previous disasters, it is clear that it can take years for ALICE families to recover financially. Tracking families over time is essential to understanding which supports and policies make a difference. In addition, the long-term health impacts for those who contracted COVID-19 will need to be followed closely since the effects of the virus over time are not yet fully understood, though early research suggests potential for ongoing multi-organ impacts or autoimmune conditions.¹⁴ Chronic health issues will also create additional expenses and employment impacts for individuals and their family caregivers.

DIG DEEPER: UNITED FOR ALICE TOOLS AND RESOURCES

- **Meet ALICE in your community [on our website](#)**, with topline ALICE data on every U.S. county and more detailed data for our 24 United For ALICE partner states.
- **Read about the trends over the last decade that contributed to a growing number of ALICE households nationwide** in our 2020 report, *[On Uneven Ground: ALICE and Financial Hardship in the U.S.](#)*
- **Learn about change over time in the cost of household essentials** through a United For ALICE signature measure, the [ALICE Essentials Index](#).
- **See COVID-19 cases and deaths mapped with ALICE data** using our [ALICE & COVID-19 Tracker](#).
- **Explore how wage levels impact ALICE households** and what wages different occupations pay by location using the [ALICE Wage Tool](#).
- **Learn more about the difficult decisions that households face when they can't afford the basics** in our Report, *[The Consequences of Insufficient Household Income](#)*.
- **Gain deeper understanding of the United For ALICE methodology** in our [Methodology Overview](#).
- **Connect to your [local United Way](#)** for support and volunteer opportunities.

APPENDIX A

FEDERAL RESERVE BOARD'S SURVEY OF HOUSEHOLD ECONOMICS AND DECISIONMAKING (SHED)

Overview

Since 2013, the Federal Reserve Board has conducted the Survey of Household Economics and Decisionmaking (SHED), which evaluates the economic well-being of U.S. households and identifies potential risks to their financial stability. The survey includes modules on a range of topics of current relevance to financial well-being, including credit access and behaviors, savings, retirement, economic fragility, and education and student loans.

For more information: <https://www.federalreserve.gov/publications/report-economic-well-being-us-households.htm>

Who Conducted the Survey?

The Board of Governors of the Federal Reserve System

Data Collection Method

Online survey using a nationally representative panel (Ipsos Knowledge Panel)

Frequency/Timing

Surveys included in this analysis were:

- Survey of Household Economics and Decisionmaking conducted in October 2019
- COVID-19 supplemental survey conducted in July 2020 (focused on pandemic impacts)
- Survey of Household Economics and Decisionmaking conducted in November 2020

Sample Size

N-November 2020= 11,648; N-July 2020= 4,174; N-October 2019= 12,173

ALICE Calculations and Considerations

The ALICE Threshold status of survey participants' households were determined using three key components: 1) household income, 2) location, and 3) household composition. Location and family composition were used to identify the appropriate Household Survival Budget (based on 2018 United For ALICE data), which was then compared to the respondent's household income to determine their ALICE Threshold status.

HOW AND WHEN INCOME DATA WAS COLLECTED

Each panelist's income bracket was collected upon their joining the Ipsos Knowledge Panel and published under the variable "I40". For the October 2019 survey, all income information was prior to the pandemic, and the July 2020 supplemental SHED surveyed the same respondents so did not ask for income data again. Since panelists rotate through, roughly one-third of the panel is new each year, for the November 2020 roughly one-third of respondents' income information was collected during the pandemic.

Which of the following categories best describes the total income that you (and your spouse / and your partner) received from all sources, before taxes and deductions, in the past 12 months?

- | | |
|-------------------------|---------------------------|
| 1) \$0 to \$4,999 | 6) \$50,000 to \$74,999 |
| 2) \$5,000 to \$14,999 | 7) \$75,000 to \$99,999 |
| 3) \$15,000 to \$24,999 | 8) \$100,000 to \$149,999 |
| 4) \$25,000 to \$39,999 | 9) \$150,000 to \$199,999 |
| 5) \$40,000 to \$49,999 | 10) \$200,000 or higher |

LOCATION

Each panelist's state of residence was collected upon their joining the Ipsos Knowledge Panel and published under the variable "ppstaten". Smaller geographies (like county or ZIP code) were either not collected or not published. Therefore, the state average Household Survival Budget for each household type was matched to each respondent to determine if their income was above or below the ALICE Threshold.

HOUSEHOLD COMPOSITION

Each panelist's household composition (presence of household members by age) was collected upon their joining the Ipsos Knowledge Panel and published in the following five variables by age:

Presence of Household Members Children 0–1 (ppt01)

Presence of Household Members Children 2–5 (ppt25)

Presence of Household Members Children 6–12 (ppt612)

Presence of Household Members Children 13–17 (ppt1317)

Presence of Household Members Adults 18+ (ppt18ov)

Households were assigned Household Survival Budgets based on their composition. Children aged 0–1 years were assigned infant costs, children 2–5 were assigned preschooler costs, children 6–12 and children 13–17 were assigned school-aged costs. Adults were broken down into non-seniors and seniors.

Race/Ethnicity

The racial/ethnic groupings included in this dataset are as follows:

2+ Races, Non-Hispanic (N-November 2020= 371; N-July 2020= 60; N-October 2019= 400)

Black, Non-Hispanic (N-November 2020= 1,158; N-July 2020= 468; N-October 2019= 1,228)

Hispanic (N-November 2020= 1,423; N-July 2020= 567; N-October 2019= 1,456)

Other, Non-Hispanic (N-November 2020= 571; N-July 2020= 255; N-October 2019= 564)

White, Non-Hispanic (N-November 2020= 8,125; N-July 2020= 2,824; N-October 2019= 8,525)

APPENDIX B

UNIVERSITY OF SOUTHERN CALIFORNIA CENTER FOR ECONOMIC AND SOCIAL RESEARCH'S UNDERSTANDING AMERICA STUDY'S UNDERSTANDING CORONAVIRUS IN AMERICA ("COVID") SURVEY (UAS COVID SURVEY)

Acknowledgement

The project described in this paper relies on data from survey(s) administered by the Understanding America Study, which is maintained by the Center for Economic and Social Research (CESR) at the University of Southern California. The content of this paper is solely the responsibility of the authors and does not necessarily represent the official views of USC or UAS. The collection of the UAS COVID-19 tracking data is supported in part by the Bill & Melinda Gates Foundation and by grant U01AG054580 from the National Institute on Aging, and many others.

Overview

The Understanding America Survey, conducted by the University of Southern California, is a nationally representative, probability-based online panel of adults who were drawn from the more than 9,000 members of the UAS. The margin of sampling error is plus or minus 1 percentage point.

Link for more information: <https://uasdata.usc.edu/index.php>

Who Conducted the Survey?

The University of Southern California Dornsife Center for Economic and Social Research

Data Collection Method

The study relies on an "Internet Panel," which means that respondents answer surveys on a computer, tablet, or smartphone, wherever they are and whenever they wish to participate.

Frequency/Timing

Per UAS: "The first survey was fielded on March 10, 2020. The survey was in the field until April 1. In contrast to later waves, all respondents were invited on March 10. The distribution of responses over the survey period is therefore not random and concentrated in the first part of the survey period (see the Survey Methods tab on the [COVID-19 Pulse site](#)). As of April 1, a new survey is fielded every two weeks. Each day one-fourteenth of the respondents are invited to take the survey. Since respondents have two weeks to answer the survey, the total field period is four weeks, so that responses during the last two weeks of a field period of one survey overlap with responses in the first two weeks of the subsequent survey. For more information about survey waves, see <https://uasdata.usc.edu/index.php>"

Sample Size

Surveys are ongoing with approximately 7,000 people participating in each wave.

ALICE Calculations and Considerations

The ALICE Threshold status of each survey participant's household was determined using three key components: 1) household income, 2) location, and 3) household composition. Location and family composition were used to identify the appropriate Household Survival Budget (based on 2018 United For ALICE data), which was then compared to the respondent's household income to determine their ALICE Threshold status.

HOW AND WHEN INCOME DATA WAS COLLECTED

Income was collected when respondents joined the panel (updated quarterly) using the following income brackets:

- | | |
|----------------------|------------------------|
| 1) Less than \$5,000 | 9) 30,000 to 34,999 |
| 2) 5,000 to 7,499 | 10) 35,000 to 39,999 |
| 3) 7,500 to 9,999 | 11) 40,000 to 49,999 |
| 4) 10,000 to 12,499 | 12) 50,000 to 59,999 |
| 5) 12,500 to 14,999 | 13) 60,000 to 74,999 |
| 6) 15,000 to 19,999 | 14) 75,000 to 99,999 |
| 7) 20,000 to 24,999 | 15) 100,000 to 149,999 |
| 8) 25,000 to 29,999 | 16) 150,000 or more |

LOCATION

Each respondent's state of residence was collected and published under the variable "STATERESIDE". Smaller geographies (like county or ZIP code) were either not collected or not published. Therefore, the state average Household Survival Budget for each household type was matched to each respondent to determine if their income was above or below the ALICE Threshold.

HOUSEHOLD COMPOSITION

Household composition (presence of household members by age) was collected and reported using the following variable:

HHMEMBERAGE_1-18 up to 18 individuals in a household by age

Race/Ethnicity

The racial/ethnic groupings included in this dataset include Hispanic, non-Hispanic, American Indian/Alaska Native, Asian, Black, Native Hawaiian/Pacific Islander, and White. Race/ethnicity data for this dataset is not used in this Report.

APPENDIX C

U.S. CENSUS BUREAU COVID-19 HOUSEHOLD PULSE SURVEY (HOUSEHOLD PULSE SURVEY)

Overview

To help understand the social and economic impacts of COVID-19 on American households in near real-time, the U.S. Census Bureau developed the Household Pulse Survey in partnership with five federal statistical partner agencies: the Bureau of Labor Statistics, the National Center for Health Statistics, the United States Department of Agriculture's Economic Research Service, the National Center for Education Statistics, and the Department of Housing and Urban Development. The survey was designed to meet the goal of accurate and timely weekly estimates.

Link for more information:

<https://www.census.gov/programs-surveys/household-pulse-survey/technical-documentation.html>

Who Conducted the Survey?

U.S. Census Bureau

Data Collection Method

The Household Pulse Survey is a 20-minute online survey. Respondents are selected from housing units in the Census Bureau's Master Address File (MAF) where at least one email address or cell phone number is known. Sampled households are sent the survey link by email and text if both are available, by email if no cellphone number is available, and by text if no email is available. Because personal visits are not possible during COVID19, follow-up is pursued with the emails and/or cell phones associated with the address until a response is received. Once a complete interview is obtained from a household, that household remains in the sample for up to two additional weekly interviewing periods.

Sample Size

N-Week 12 (July 16–July 21, 2020)= 86,792; N-Week 13 (August 19–August 31, 2020)= 109,051; N-Week 23 (January 20–February 1, 2021)= 80,567; N-Week 30 (May 12–24, 2021)= 72,897

Frequency/Timing

Phase 1 began April 23, 2020, and ended on July 21, 2020, and was collected weekly. Phase 2 began August 19, 2020, and was collected biweekly, as with all subsequent phases. Phase 3.2 is currently underway and is scheduled to continue until October 2021.

ALICE Calculations and Considerations

The ALICE Threshold status of each survey participant's household was determined using three key components: 1) household income, 2) location, and 3) household composition. Location and family composition were used to identify the appropriate Household Survival Budget (based on 2018 United For ALICE data), which was then compared to the respondent's household income to determine their ALICE Threshold status.

HOW AND WHEN INCOME DATA WAS COLLECTED

Participants answered the following question (respondents' 2019 household income before taxes was used to capture pre-COVID-19 income):

In 2019, what was your total household income before taxes?

- | | |
|------------------------|--------------------------|
| 1) Less than \$25,000 | 5) \$75,000 - \$99,999 |
| 2) \$25,000 - \$34,999 | 6) \$100,000 - \$149,999 |
| 3) \$35,000 - \$49,999 | 7) \$150,000 - \$199,999 |
| 4) \$50,000 - \$74,999 | 8) \$200,000 and above |

LOCATION

Each respondent's state of residence was collected and published under the variable "EST_ST". Metropolitan Statistical Area was also collected but was not a reliable variable for calculating ALICE Threshold status, as data was missing for non-metropolitan areas. Smaller geographies (like county or ZIP code) were either not collected or not published. Thus, the state average Household Survival Budget for each household type was matched to each respondent to determine if their income was above or below the ALICE Threshold.

HOUSEHOLD COMPOSITION

Each panelist's household composition (presence of household members by age) was collected in the surveys and reported using the following two variables:

Total number of people under 18-years-old in household (THHLD_NUMKID)

Recode for the number of Adults in the household (THHLD_NUMADLT)

Respondents were assigned Household Survival Budgets based on their responses. The specific ages of children were not reported; therefore, all children were assigned the budget costs for a school-age child. Adults were assigned adult costs as indicated by the respondent.

Race/Ethnicity

The racial/ethnic groupings included in this dataset are as follows:

Hispanic (N-Week 13 (August 19–August 31, 2020)= 10,208; N-Week 23 (January 20–February 1, 2021)= 7,943)

Non-Hispanic (N-Week 13 (August 19–August 31, 2020)= 98,843; N-Week 23 (January 20–February 1, 2021)= 72,624)

Asian, Alone (N-Week 13 (August 19–August 31, 2020)= 5,722; N-Week 23 (January 20–February 1, 2021)= 3,968)

Black, Alone (N-Week 13 (August 19–August 31, 2020)= 9,366; N-Week 23 (January 20–February 1, 2021)= 6,153)

White, Alone (N-Week 13 (August 19–August 31, 2020)= 88,545; N-Week 23 (January 20–February 1, 2021)= 66,522)

Any other race alone, or race in combination (N-Week 13 (August 19–August 31, 2020)= 5,418; N-Week 23 (January 20–February 1, 2021)= 3,924)

APPENDIX D

UNITED FOR ALICE COVID-19 IMPACT SURVEYS (UNITED FOR ALICE SURVEYS)

Overview

From September 2020 to June 2021, over 45,000 people responded to state surveys in Arkansas, Florida, Indiana, Maryland, New York, and Tennessee, and regional surveys in Franklin County, Ohio (Columbus), Roanoke Valley, Virginia, Shenandoah Valley, Virginia, and the Greater Fredericksburg Region, Virginia, about how their households have been impacted by the COVID-19 pandemic since March 1, 2020. The surveys were conducted by United Ways and local collaborators in partnership with United For ALICE. These surveys relied on convenience sampling and are not a representative sample of the national population. However, the respondents match national demographics in terms of race/ethnicity, age, and urban/rural location. With this caveat, the combined results of these surveys provide important insights into the issues ALICE households faced during the pandemic.

For more information: contact Info@UnitedForALICE.org

Who Conducted the Survey?

United For ALICE, in partnership with state and local United Ways

Data Collection Method

Online surveys

Frequency/Timing

Surveys were conducted between September 2020 and June 2021

Sample Size

N = 45,057

ALICE Calculations and Considerations

The ALICE Threshold status of each participant's household was determined using three key components: 1) household income, 2) location, and 3) household composition. Location and family composition were used to identify the appropriate Household Survival Budget (based on 2018 United For ALICE data), which was then compared to the respondent's household income to determine their ALICE Threshold status.

HOW AND WHEN INCOME DATA WAS COLLECTED

Participants answered the following question (2019 or 2020 was used as the reference year, depending on when the survey was in the field):

What was your household income last year before taxes?

- | | |
|-------------------------|---------------------------|
| 1) Less than \$25,000 | 5) \$75,000 to \$99,999 |
| 2) \$25,000 to \$34,999 | 6) \$100,000 to \$149,999 |
| 3) \$35,000 to \$49,999 | 7) \$150,000 or more |
| 4) \$50,000 to \$74,999 | |

LOCATION

Respondents were asked to provide their zip code and county of residence. The county-level Household Survival Budget for each household type was matched to each respondent to determine if their income was above or below the ALICE Threshold.

HOUSEHOLD COMPOSITION

Each respondent's household composition (presence of household members by age) was collected using the following question:

How many children, adults, and seniors are in your household – including yourself?

Adults (18 to 64 years old)

Seniors (65 years or older)

Children (0 to 5 years old)

Children (6 to 17 years old)

Race/Ethnicity

The racial/ethnic groupings included in this dataset are as follows:

American Indian or Alaska Native, Native Hawaiian or Pacific Islander, alone or in combination with other races; non-Hispanic (N= 576)

Asian, alone (N= 536)

Black or African American, alone (N= 6,073)

Spanish, Hispanic, or Latinx, alone or in combination (N= 5,022)

White, alone (N= 30,216)

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- b. Pension with a defined benefit through an employer that will pay a fixed monthly amount in retirement
- c. IRA or Roth IRA
- d. Savings outside a retirement account
- e. Own a business or real estate that will provide income in retirement
- f. Other retirement savings

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