

DEEPER DIVE: FINANCIAL INSTABILITY, POVERTY, AND ALICE

HIGHLIGHTS OF THIS DEEPER DIVE:

- In Tampa Bay, nearly 770,000 households – 43% of the total – have incomes below the ALICE threshold and can thus be described as in a state of financial instability.
- Financial instability varies widely within the communities of Tampa Bay, and within household types. Households headed by an individual 65+ years of age are more likely to experience financial instability in Hillsborough, Pinellas, and Polk counties, relative to other household types, and vis-à-vis the rest of the region.

Prosperity has many definitions, but certainly a set of circumstances that result in daily choices between paying for monthly utilities or rent, or between quality child care or nutritious food, would not easily be included in those definitions. “Survival” is rarely employed as a synonym for “prosperity.” In Tampa Bay, and in communities across the nation, many working residents are faced with the tough choices listed above – and others – and as a result are unable to build their personal finances. Through a national research effort, last published in 2018, United Way has given this segment of the population a name: ALICE.

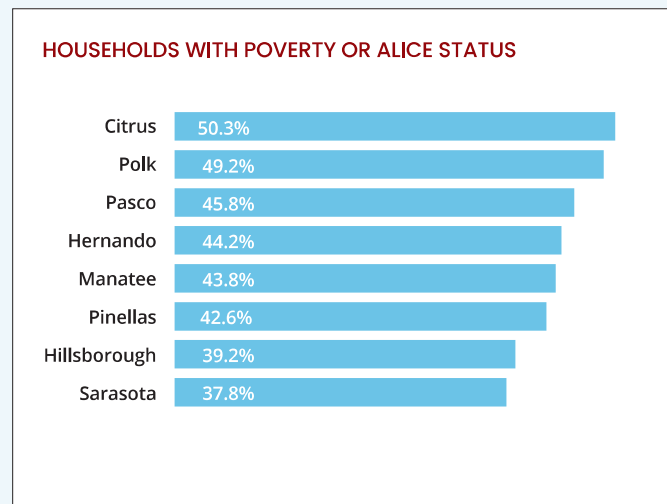
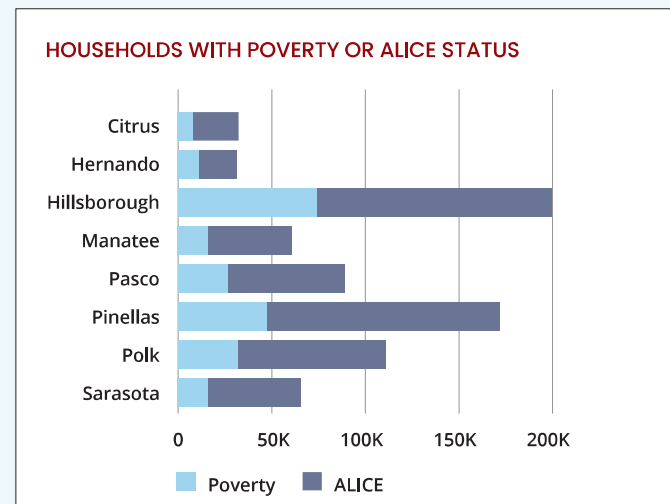
ALICE is an acronym for Asset Limited, Income Constrained, Employed, and identifies, on a market-by-market basis, the share of the working population (at a household level) that is working, finds themselves above the uniformly defined federal poverty line, but also generally unable to make ends meet based on a basket of necessary household goods and services. These expenses, at a bare minimum standard, are dubbed in the research as the Household Survival Budget and include: Housing, Child Care (for families with children), Food, Transportation, Health Care, Technology, Taxes, and a Miscellaneous contingency fund.

“Financially unstable households are at greatest risk for a host of negative related outcomes, including lower educational attainment and increased residential transience.”

1. HOUSEHOLDS WITH FINANCIAL INSTABILITY OR ALICE STATUS

In Tampa Bay, the number and share of ALICE and below poverty rate households vary from community to community. These financially unstable households are at greatest risk for a host of negative related outcomes, including lower educational attainment and increased residential transience.

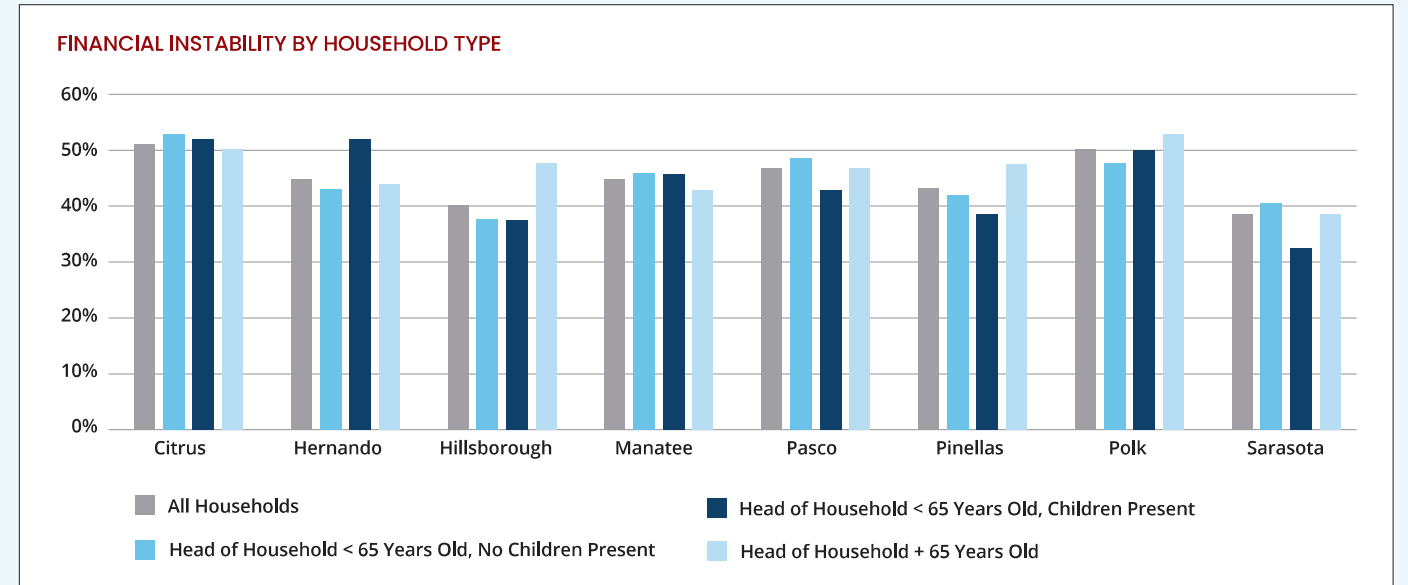
The charts below present – for each of Tampa Bay’s counties – the number of households below the poverty line and the ALICE threshold and the percentage of households classified as financially unstable.



2. FINANCIAL INSTABILITY BY HOUSEHOLD TYPE

All told, nearly 770,000 Tampa Bay households exist in a state of financial instability. While relatively smaller shares of their household population, at 39.2% and 42.6% respectively, Hillsborough and Pinellas counties account for nearly half (374,000) of the financially unstable households in the Tampa Bay region. The sheer volume of these households requires a great deal of support from various social and civic agencies. Conversely, while the share of financially unstable households may be larger in other counties, their relatively smaller populations of residents and business typically makes it more difficult for a robust set of social services to exist. Financially unstable households can be further described by living arrangement.

The chart below describes, all households as well as for three distinct household types, the share of financial instability (ALICE or poverty) prevalent in each Tampa Bay County.



In Hillsborough, Pinellas, and – to a lesser extent – Polk counties, the share of households headed by individuals 65 years of age and older is the largest segment of the financially unstable household mix. In this light, financial assistance policies and programs in those communities might be aligned towards special needs of that population group.

