



# MAKING CHOICES

## WHAT WOULD YOU DO?

Meet **ALICE®** (Asset Limited, Income Constrained, Employed). You may not know it, but you already know many ALICES. They are our child care workers, bank tellers, home health aides, store clerks and office assistants – all workers we cannot live without.

ALICE gets up each day to go to work, but doesn't earn enough to cover even the most basic essentials. Each month is a juggling act as ALICE tries to stretch an inadequate income to meet household needs. Unable to set aside savings, just one emergency – one health crisis, one car repair, one harsh storm – and ALICE's precarious situation can quickly spiral out of control.

When the dollars run out, ALICE is forced to make difficult short-term choices that can result in long-term consequences: Pay the heating bill or rent, purchase essential medications or put dinner on the table, move to a place that is cheaper, but spend more time commuting and adding miles to an already aging car.

These choices are not easy. So, what would you do?

GIVE. ADVOCATE. VOLUNTEER.

United Way  
of Northern New Jersey

UnitedWayNNJ.org/ALICE



EXPENSE	POVERTY	SURVIVAL	SUSTAINABLE
<b>Housing</b> 	Rented shared apartment in a bad area ○ ○ ○	Rented 2 bedroom apartment ○ ○ ○ ○ ○ ○ ○ ○	3 bedroom house with mortgage ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
<b>Child care</b> 	Unqualified neighbor or relative (P/T) ○ ○	Unlicensed child care ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Accredited child care center ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
<b>Food</b> 	Food pantry supplements ○	Thrifty food plan ○ ○ ○ ○	Moderate food plan +1 meal out ○ ○ ○ ○ ○ ○ ○ ○
<b>Transportation</b> 	Limited public and walking ○	Public OR 1 car ○ ○ ○ ○	Public and 1 car OR 2 cars ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
<b>Health care</b> 	Use emergency room & clinics ○	Nominal out-of-pocket expense ○ ○ ○ ○	Employer sponsored health plan ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
<b>Miscellaneous</b> 	Clothing ○	Cell phone, clothing, cable ○ ○ ○ ○	Smart phone, internet, cable, clothing ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
<b>Savings</b> 	None	None	Nominal ○ ○ ○ ○ ○ ○ ○ ○ ○ ○
<b>Taxes</b> 	Income taxes (EITC credit) ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Income taxes ○ ○ ○ ○ ○ ○ ○ ○ ○ ○	Income taxes ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ ○

# WHAT DOES IT TAKE?

A family of four (2 adults, 1 infant, 1 preschooler) living in New Jersey knows that the cost of living is high, even for the basic necessities. But how much does it really take for this family to make ends meet? More importantly, how much does it take for this family to thrive?

## Household Survival Budget

This budget follows the original intent of the U.S. poverty rate – to be a standard for temporary sustainability. This budget identifies the minimum cost option for each of the five essentials – housing, child care, food, transportation, and health care –in New Jersey.

The small “miscellaneous” category covers overflow from the five basic categories; it is not enough to provide for clothes, cell phone, automotive or appliance repairs. There is no room in the budget for a financial indulgence – holiday gifts, dinner at a restaurant, tickets to the movies, or travel – something many households take for granted. As such, a family on a Household Survival Budget is just surviving... or ALICE.

## Sustainable Household Budget

This budget, however, highlights how much more income is needed to support, and sustain, an economically viable household in New Jersey. The biggest difference in the two budgets is that this level includes the ability to accrue savings, a crucial component to self-sufficiency. Savings allows a household to provide preventative care and maintenance for their house, car, and health as needed, and to have a cushion in the event of an unforeseen incident.

As you will see from this comparison, the Sustainable Household Budget is moderate, not extravagant, and still totals \$111,876 for a family. This is almost double the Household Survival Budget and very close to the New Jersey average median income of \$107,236 for a family with two children.



EXPENSE	POVERTY	SURVIVAL	SUSTAINABLE
<b>Housing</b>			
Rented, shared apartment in a bad area	\$614		
Rented 2 bedroom apartment (Fair Market Rate)		\$1,217	
3 bedroom house with mortgage			\$1,877
<b>Child care</b>			
Unqualified neighbor or relative (part-time)	\$400		
Unlicensed child care		\$1,319	
Accredited child care center			\$1,702
<b>Food</b>			
Food pantry supplements	\$330		
Thrifty food plan		\$548	
Moderate food plan plus 1 meal out			\$756
<b>Transportation</b>			
Limited public and walking	\$100		
Public OR 1 car		\$463	
Public and 1 car or 2 cars			\$1,494
<b>Health care</b>			
Use emergency room and clinics	\$115		
Nominal out-of-pocket expense		\$397	
Employer-sponsored health plan			\$896
Miscellaneous	\$184	\$443	\$673
Savings	\$0	\$0	\$673
Taxes	\$100	\$488	\$1,253
<b>MONTHLY TOTAL</b>	<b>\$1,843</b>	<b>\$4,875</b>	<b>\$9,323</b>
<b>ANNUAL TOTAL</b>	<b>\$22,113</b>	<b>\$58,500</b>	<b>\$111,876</b>
<b>REQUIRED HOURLY WAGE FOR TWO WORKERS</b>	<b>\$5.53</b>	<b>\$14.62</b>	<b>\$27.97</b>