



## ALICE RECOVERY FUND: RESPONDING TO COVID-19 CRISIS IN NJ

### ALICE: A VULNERABLE POPULATION

The state of emergency created by the coronavirus COVID-19 is exposing critical shortcomings in our economy, health care system, and public education. The top prescription for combatting the spread of the virus – social distancing – demands working from home, keeping children out of school, and limiting person-to-person contact. These actions, while necessary for fighting the virus, put a substantial segment of our working population at serious financial risk. These are workers who don't have health insurance, are afraid to call out sick for fear of losing their job, and whose children receive daily meals at school.

This vulnerable population is called **ALICE**, an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed. ALICE households earn above the Federal Poverty Level, but not enough to afford household necessities. With little ability to save, there is no room in their budgets for such an emergency. They often earn too much to qualify for government assistance and have no safety net. **In New Jersey**, 1.2 million households have incomes below the ALICE Threshold. That translates to two out of five New Jersey households that are walking a financial tightrope.

Recent government actions will provide important support for states and businesses as well as those already eligible for public assistance. Fast-tracking unemployment insurance and expanding benefits such as paid sick and medical leave will help many ALICE workers, but unmet needs will remain. The most significant gap will be for households ineligible for public assistance, self-employed/independent contractors, and those who incur additional expenses or reduced work schedules. The strain on these already fragile households will surpass the short-term crisis.

### GIVE TODAY

United Way of Northern New Jersey created the **ALICE Recovery Fund** (#ALICErecovery) and is working in partnership with United Way of Hunterdon County to address emerging needs of ALICE households in the northern New Jersey region related to the COVID-19 pandemic.

#### How you can help: Donate at [UnitedWayNNJ.org/ALICErecovery](https://UnitedWayNNJ.org/ALICErecovery)

The Fund is open to residents of Bergen, Hunterdon, Morris, Somerset, Sussex, and Warren counties, as well as Suburban Essex which includes the Caldwells, Cedar Grove, Essex Fells, Fairfield, Glen Ridge, Livingston, Millburn-Short Hills, Montclair, Roseland, and Verona.

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## PHILANTHROPY'S ROLE

Government assistance alone will not stem the impact of this crisis; nonprofits and the philanthropic sector have an equally important role. Potential areas of focus for this effort could include:

- Infrastructure support for organizations such as food pantries so that they remain fully stocked
- Needs not covered by government plan, i.e. rent, utilities, phone, and health care
- Families not eligible for government assistance, such as SNAP, WIC, free or reduced breakfast and lunch
- Self-employed workers and independent contractors, i.e. uber drivers, cleaners, realtors, tutors
- Workers with income reduced by the economic disruption, i.e. sales reps, waitresses
- Workers who cannot work remotely and incur additional expenses, i.e. health care workers who have to pay for child care for their children while schools are closed, or grocery store workers without public transportation

## THE IMPACTS OF COVID-19 ON ALICE

Different segments of the ALICE demographic face unique challenges that will impact how our response is structured and delivered to meet the needs of our state. The following information will inform our strategy and rollout plan:

**ALICE KEEPS OUR ECONOMY HUMMING:** ALICE workers play an essential role in the economy, building and repairing our infrastructure and educating and caring for our current and future workforce. ALICE health care workers are especially needed to care for COVID-19 patients. Yet many ALICE workers do not have basic employee protections – such as annual salary, health coverage, and other benefits.

- Half of all jobs in New Jersey and across the country are hourly paid.
- Service sector jobs must work on-site; security guards and cashiers cannot perform their jobs remotely.
- With less access to the internet and computers, ALICE workers will have difficulty working from home.
- If public transportation is closed, some ALICE workers may have trouble getting to work and/or incur additional costs to get to work.

**ALICE FAMILIES WITH CHILDREN FACE ADDITIONAL HARDSHIPS:** Nearly one-third of families with children in New Jersey have income below the ALICE Threshold. They are especially vulnerable to the disruptions that accompany child care, school, and university closures.

- Young children will not have their regular routine, including meals, socialization, and early education.
- In households without backup child care options, one parent will not be able to work.
- In New Jersey, 24% of households below the ALICE Threshold do not have internet access, compromising participation in e-learning.
- Parents who need to work cannot stay at home with their children, leading to health and safety issues for unsupervised children, especially young children.
- ALICE families will lose access to other supports, such as free breakfasts and lunches provided at school.

**ALICE SENIORS FACE GREATER RISKS:** The age group most susceptible to serious illness from COVID-19 is people over 60 years old. Nearly half of seniors in New Jersey (48%) have income below the ALICE Threshold; they have no extra income and little or no savings to cover extra health care costs.

- When senior centers close, ALICE seniors and their families must navigate additional burdens, such as:
    - Caregiving responsibilities, which are costly in time and/or money
    - Lack of other supports, such as hot meals and social activity
    - Social isolation, which can cause or exacerbate depression
  - Nursing homes are dependent on ALICE workers to provide regular care critical; patients will suffer if ALICE workers become sick and cannot work.
  - Despite doing physically and mentally demanding work, ALICE health care workers are paid low-wages and only for the hours they work; and especially during COVID-19, they are at risk of illness themselves.
  - There are also possible supply-chain side effects of the global pandemic; for example, many needed medications have had or may have their supply from China disrupted.
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