# ALICE IN THE CROSSCURRENTS

AN UPDATE ON FINANCIAL HARDSHIP IN THE D.C. METRO AREA

In 2022, financial hardship in the D.C. Metropolitan Statistical Area continued to be shaped by the conflicting economic forces of the pandemic, and remained substantially undercounted by official measures.

These powerful crosscurrents — COVID-19, inflation, wage growth, and the expansion and expiration of pandemic public assistance — impacted how many households in the D.C. Metro Area were below the ALICE Threshold of Financial Survival.

Between 2021 and 2022, the number of households in poverty in the D.C. Metro Area decreased by 14,178 (down to 8% of all households). Yet the number of ALICE households increased by 51,329 (up to 27% of all households). **In 2022, of the 2,375,332 households in the D.C. Metro Area, 815,598 — 34%* — were below the ALICE Threshold.**

Total Households in D.C. Metro Area = 2.4 Million
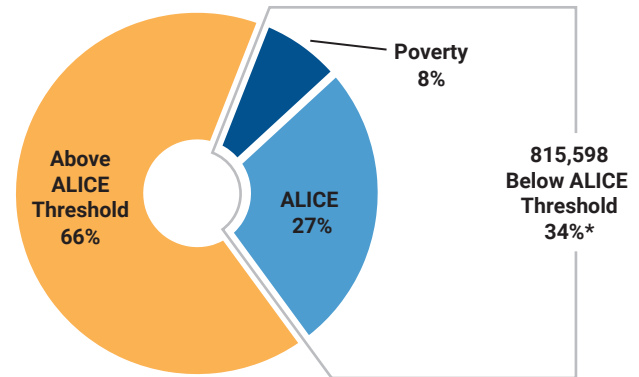
Poverty 8%
Above ALICE Threshold 66%
ALICE 27%
815,598 Below ALICE Threshold 34%*

In the D.C. Metro Area in 2022, out of 2,375,332 households, there were 185,525 (7.8%) in poverty plus 630,073 (26.5%) that were ALICE, totaling 815,598 (34.3%) below the ALICE Threshold, which is rounded to 34% in this Update.

With the latest data from the American Community Survey (2022), the U.S. Census Bureau's Household Pulse Survey (2023), and the Federal Reserve Board's Survey of Household Economics and Decisionmaking (SHED) (2022), this Update highlights the conflicting forces that continue to present opportunities for, and barriers to, financial stability in the D.C. Metro Area.

KEY TERMS

- **D.C. Metro Area (the Washington-Arlington-Alexandria, D.C.-VA-MD-WV Metropolitan Statistical Area):** District of Columbia; Arlington, Clarke, Culpepper, Fairfax, Fauquier, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren Counties, and Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park Cities in Virginia; Charles, Frederick, Montgomery, and Prince George's Counties in Maryland; and Jefferson County in West Virginia

- **ALICE:** **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed — households that earn above the Federal Poverty Level (FPL) but cannot afford the basic cost of living in their county, and often do not qualify for public assistance

- **ALICE Household Survival Budget:** Reflects the minimum costs of household necessities in the D.C. Metro Area (housing, child care, food, transportation, health care, and technology) plus taxes, adjusted for different counties and household types

- **ALICE Threshold of Financial Survival:** Derived from the Household Survival Budget, the minimum average income that a household needs to afford basic costs, calculated for all U.S. counties

- **Below ALICE Threshold:** Includes households in poverty and ALICE households combined

- **ALICE Essentials Index:** A measure of the average change over time in the costs of essential goods and services

UNITED FOR ALICE®

United Way

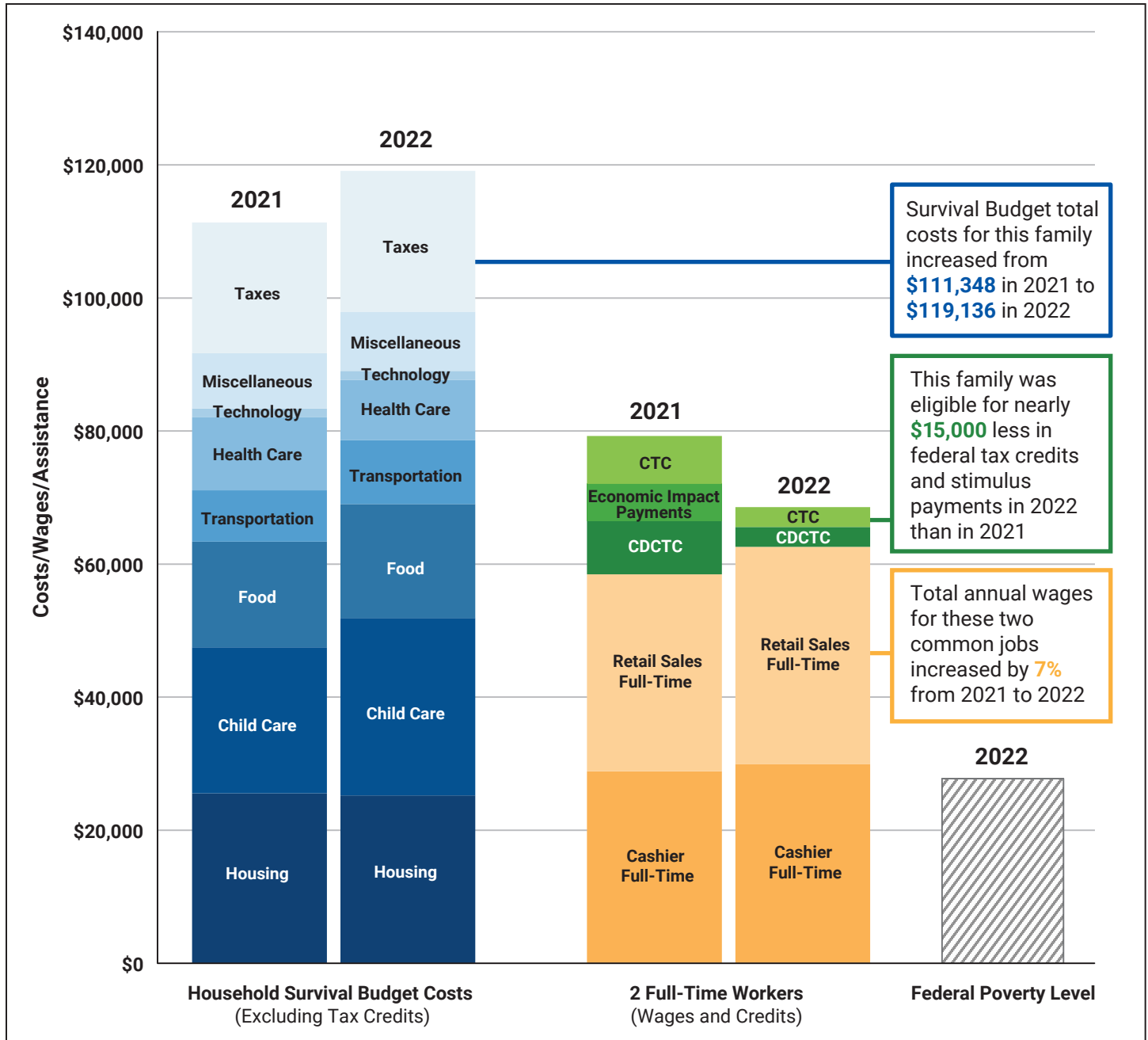**United Way of the National Capital Area**

HOUSEHOLD COSTS, PUBLIC ASSISTANCE, AND WAGES

Financial hardship among households in the D.C. Metro Area shifted from 2021 to 2022 based primarily on three factors:

- **Costs:** From 2021 to 2022, the ALICE Household Survival Budget for a single adult in the D.C. Metro Area increased from $45,540 to $46,188 (up 1.4%), well above the FPL of $13,590. For a family of four with an infant and a preschooler, the budget (including tax credits) increased from $96,108 to $113,868 (up 18.5%), more than four times the FPL of $27,750. Excluding tax credits, costs for a family of four totaled $119,136 in 2022, up from $111,348 in 2021. (More data on inflation is available in the ALICE Essentials Index June 2024 Update.)

- **Public assistance:** Pandemic assistance had the most pronounced effects on families with children. The Economic Impact Payments and the expansions of the Child Tax Credit (CTC) and the Child and Dependent Care Tax Credit (CDCTC) helped many ALICE families through 2021. But this assistance was substantially reduced when the 2021 American Rescue Plan expired, stimulus payments ended, and tax credits reverted to 2020 levels. In 2022, a family of four with an infant and a preschooler in the D.C. Metro Area was eligible for approximately $15,000 less in maximum federal tax credits and stimulus payments than in 2021.

- **Wages:** As pandemic assistance wound down, wages increased for most low-wage jobs. For example, median retail sales wages in the D.C. Metro Area increased from $14.24 per hour in 2021 to $15.70 per hour in 2022.
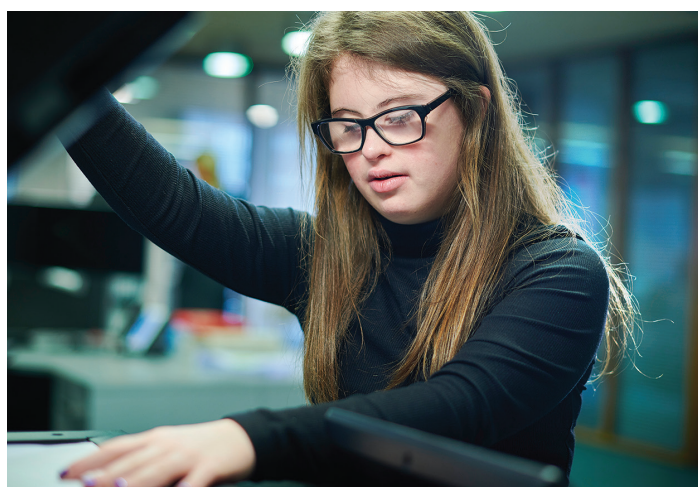
Comparison of Costs, Public Assistance, and Wages, Family of Four, D.C. Metro Area, 2021 and 2022

Household Survival Budget Costs (Excluding Tax Credits)

2021 bar (top to bottom): Taxes, Miscellaneous, Technology, Health Care, Transportation, Food, Child Care, Housing

2022 bar (top to bottom): Taxes, Miscellaneous, Technology, Health Care, Transportation, Food, Child Care, Housing

2 Full-Time Workers (Wages and Credits)

2021 bar (top to bottom): CTC, Economic Impact Payments, CDCTC, Retail Sales Full-Time, Cashier Full-Time

2022 bar (top to bottom): CTC, CDCTC, Retail Sales Full-Time, Cashier Full-Time

Federal Poverty Level — 2022

Callout boxes:
- Survival Budget total costs for this family increased from **$111,348** in 2021 to **$119,136** in 2022
- This family was eligible for nearly **$15,000** less in federal tax credits and stimulus payments in 2022 than in 2021
- Total annual wages for these two common jobs increased by **7%** from 2021 to 2022

Note: CTC = Child Tax Credit, CDCTC = Child and Dependent Care Tax Credit. Full-time income is calculated based on 40 hours per week.

Sources: ALICE Threshold, 2021 and 2022; Bureau of Labor Statistics—Occupational Employment Statistics, 2021 and 2022; Internal Revenue Service, tax credits—CTC, CDCTC, EITC, 2021 and 2022; U.S. Department of the Treasury, 2022 and 2023

See page 13 for Household Survival Budget sources and visit UnitedForALICE.org/Household-Budgets/DC-Metro to see the Household Survival Budget for all counties and for any household composition.

Across the country, between 2019 and 2022, wages for the lowest-paid jobs increased at a faster rate than at any point since 1979. This was in part due to a tighter labor market in which workers reevaluated their employment situation in the wake of the pandemic and inflation, and employers had to offer more competitive wages to attract and retain them.

While wage increases for most low-wage jobs helped fill the gap when pandemic assistance ended, they were not enough to make up for years of falling behind. In 2022, of the 20 most common occupations in the D.C. Metro Area as reported by the Bureau of Labor Statistics (BLS), 35% still paid less than $20 per hour. And of the workers in these 20 most common occupations, 24% were below the ALICE Threshold in 2022. Occupations with the largest share of ALICE workers included janitors and cleaners, home health and personal care aides, cashiers, and stockers/order fillers.

Labor Characteristics of Most Common Occupations, D.C. Metro Area, 2019–2022

Most Common Occupations	Total Employment, 2022 (BLS)	Percent of Workers Below ALICE Threshold, 2022 (ACS PUMS)	Median Hourly Wage, 2022 (BLS)	Percent Change in Wage, 2019–2022 (BLS)
General and Operations Managers	96,210	14%	72.97	8%
Business Operations Specialists	73,490	9%	50.82	N/A
Management Analysts	71,400	8%	56.71	14%
Software Developers	69,360	5%	67.23	N/A
Retail Salespersons	61,180	36%	17.61	38%
Cashiers	59,310	48%	15.21	28%
Fast Food and Counter Workers	56,650	35%	15.12	22%
Janitors and Cleaners	52,120	54%	17.34	20%
Lawyers	46,710	4%	101.85	29%
Office Clerks	44,730	34%	22.52	22%
Registered Nurses	44,120	13%	44.61	14%
Accountants and Auditors	43,670	11%	48.98	19%
Customer Service Representatives	41,060	28%	22.02	19%
Stockers and Order Fillers	39,100	41%	17.83	31%
Security Guards	38,130	30%	23.65	23%
Waiters and Waitresses	38,070	40%	19.91	69%
Secretaries and Administrative Assistants	37,080	28%	24.44	9%
Home Health and Personal Care Aides	35,610	49%	15.70	12%
Elementary School Teachers	31,350	13%	39.77	4%
Sales Representatives of Services	29,860	9%	42.83	35%

Note: The 2019 median wages for Business Operations Specialists and Software Developers are missing/renamed in the Bureau of Labor Statistics—Occupational Employment Statistics dataset, therefore we cannot calculate the percent change in wage, 2019–2022. BLS = Bureau of Labor Statistics; ACS PUMS = American Community Survey Public Use Microdata Sample. Occupation titles and percent of workers below the ALICE Threshold come from ACS PUMS. ALICE Threshold status is determined by comparing workers' household income to the Household Survival Budget for their household composition and location. Employment and wage numbers are from BLS and are matched to the closest PUMS occupation title (which are generally broader than those in BLS).

Sources: ALICE Threshold, 2022; Bureau of Labor Statistics—Occupational Employment Statistics, 2022; U.S. Census Bureau, American Community Survey, PUMS, 2019 and 2022

To see the most common occupations for workers below the ALICE Threshold in your community, visit UnitedForALICE.org/ALICE-EVD. For more data on jobs by hourly wages and full-time, part-time, and hourly work schedules, visit UnitedForALICE.org/Labor-Force/DC-Metro.

Financial Hardship Over Time

The extent of financial hardship in the D.C. Metro Area has shifted over time. Following the Great Recession, the number of ALICE households grew steadily through 2016, and then declined through 2019. The number of households in poverty followed a similar trajectory during the same period (2010–2019).

When zooming in to the period around the COVID-19 pandemic (2019–2021), the number of ALICE households remained relatively flat, while the number of households in poverty increased.

With this latest update (2021–2022), the number of households in poverty declined slightly, while the number of ALICE households increased substantially.

By 2022, 8% (185,525) of all households were below the FPL, and 27% (630,073) of all households were ALICE — a combined 34%* (815,598) of households struggling to make ends meet.

Over the full period of 2010–2022, total households in the Metro D.C. Area increased by 17%, the number of households in poverty increased by 22%, and ALICE households increased by 11%.

This consistent trend — a growing number of households that are struggling financially, often ineligible for public assistance, and undercounted by official measures — represents a major vulnerability in our economic system. It also suggests that overall social and economic policies are falling short in addressing the root causes of financial instability.

In the D.C. Metro Area in 2022, out of 2,375,332 households, there were 185,525 (7.8%) in poverty plus 630,073 (26.5%) that were ALICE, totaling 815,598 (34.3%) below the ALICE Threshold, which is rounded to 34% in this Update.

Households by Income, D.C. Metro Area, 2010–2022

Percent Below ALICE Threshold	35%	35%	36%	37%	35%	33%	33%	34%
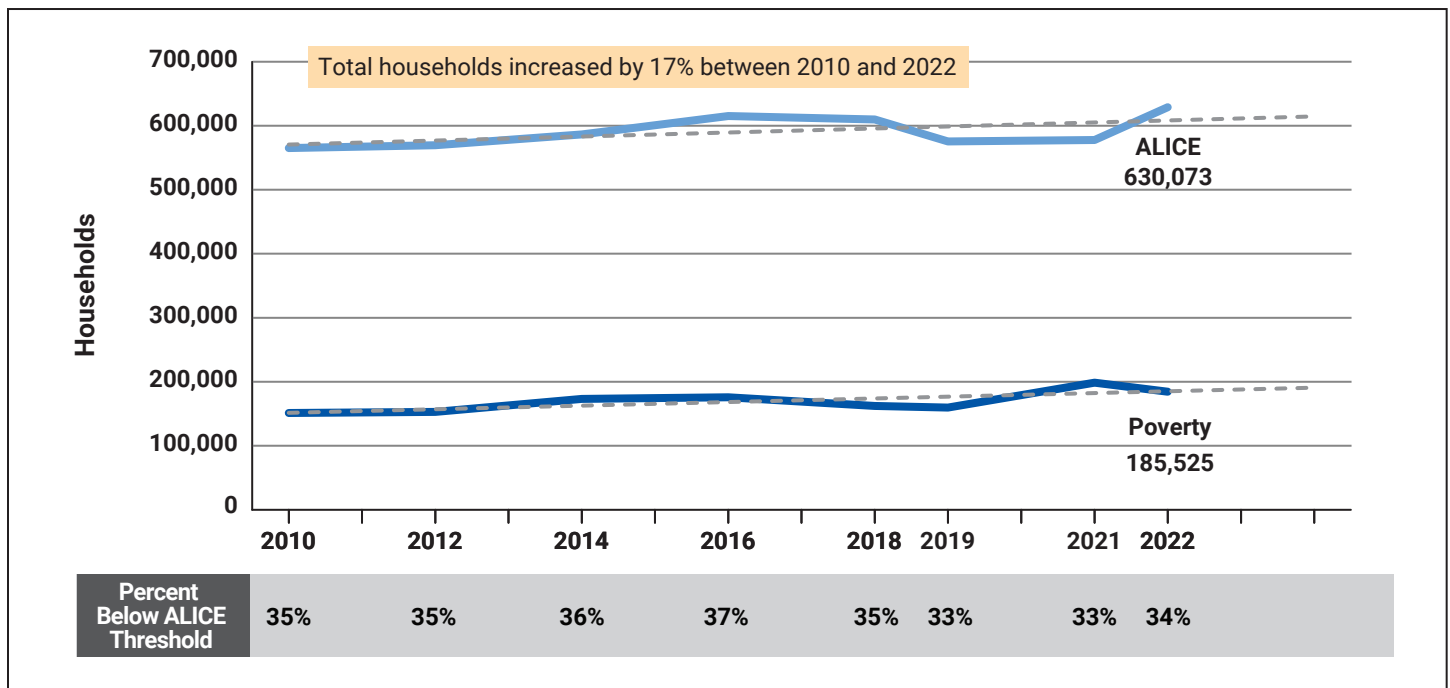
Note: The gray dashed trend lines in this figure highlight the general direction of the point-in-time data for the years shown. These lines indicate whether the numbers of ALICE and Poverty-Level households have been generally increasing, decreasing, or remaining flat. The Poverty trend line is statistically significant at p<0.05; however, the ALICE trend line is not statistically significant, and caution should be used when making predictions.

Sources: ALICE Threshold, 2010–2022; U.S. Census Bureau, American Community Survey, 2010–2022

To see additional data on financial hardship over time in the D.C. Metro Area, visit UnitedForALICE.org/DC-Metro.

SPOTLIGHT ON ALICE DEMOGRAPHICS

Families With Children

While recent attention has focused on the rising Supplemental Poverty Rate for children following the expansion and reversal of Child Tax Credits during and after the pandemic, longer-term trends tell a more nuanced story.

The total number of households with children in the D.C. Metro Area has been increasing (up 4% from 2010 to 2022). This trend has been driven by married-parent households, which grew in number from 451,673 in 2010 to 486,438 in 2022 (up 8%), and single-male-headed households, which increased from 42,914 in 2010 to 45,883 in 2022 (up 7%). At the same time, the number of single-female-headed households fell from 137,769 in 2010 to 126,764 in 2022 (down 8%).

During the same period (2010–2022), the number of households with children below the ALICE Threshold increased for married-parent households (up 7%) but decreased for both single-male-headed and single-female-headed households (down 2% and 14%, respectively).

By 2022, 31% of all families with children in the D.C. Metro Area were below the ALICE Threshold. And longstanding disparities in financial hardship by household type remained: 66% of single-female-headed families and 56% of single-male-headed families were below the ALICE Threshold in 2022, compared to 19% of married-parent families.

THE COST OF CHILD CARE

Child care remains one of the highest Survival Budget costs for households with children, and the child care system is still feeling the impact of the COVID-19 pandemic. Provider shortages and lack of affordable care present fewer options for parents. According to the October 2023 Household Pulse Survey, when families in the South Atlantic Census Region (which includes the D.C. Metro Area) were asked what they did when child care was closed, unavailable, or unaffordable, the most common responses for respondents below the ALICE Threshold were to cut work hours (33%), take unpaid leave (32%), or supervise one or more children while working (26%).

# Households Headed by People Age 65 and Over

With the aging of the Baby Boomer generation, households headed by people age 65 and over are the fastest-growing age group in the D.C. Metro Area (up 60% between 2010 and 2022). They are also the age group with the most substantial increase in the number of households below the ALICE Threshold (up 51% during the same period).

In 2022, 44% of the D.C. Metro Area's 65+ households were below the ALICE Threshold (235,477), up sharply from 156,013 in 2010. While Social Security helps reduce the poverty rate for households headed by older adults (9% in the D.C. Metro Area in 2022), benefits have not been enough

to help bring older adults to financial stability. As a result, for more than a decade, a substantial number of these households have been ALICE (35% in 2022). In 2022, monthly costs for the ALICE 65+ Survival Budget for one adult in the D.C. Metro Area were $2,583 more than the average Social Security payment and $3,104 more than the FPL.

With increasing costs and insufficient retirement savings, many older adults have needed to continue working. In 2022, 61% of people age 65 and over living below the ALICE Threshold in the D.C. Metro Area did not have retirement savings beyond Social Security, and 15% were working.

Monthly ALICE 65+ Survival Budget Total, Average Monthly Social Security Payments, and the Federal Poverty Level, D.C. Metro Area, 2022
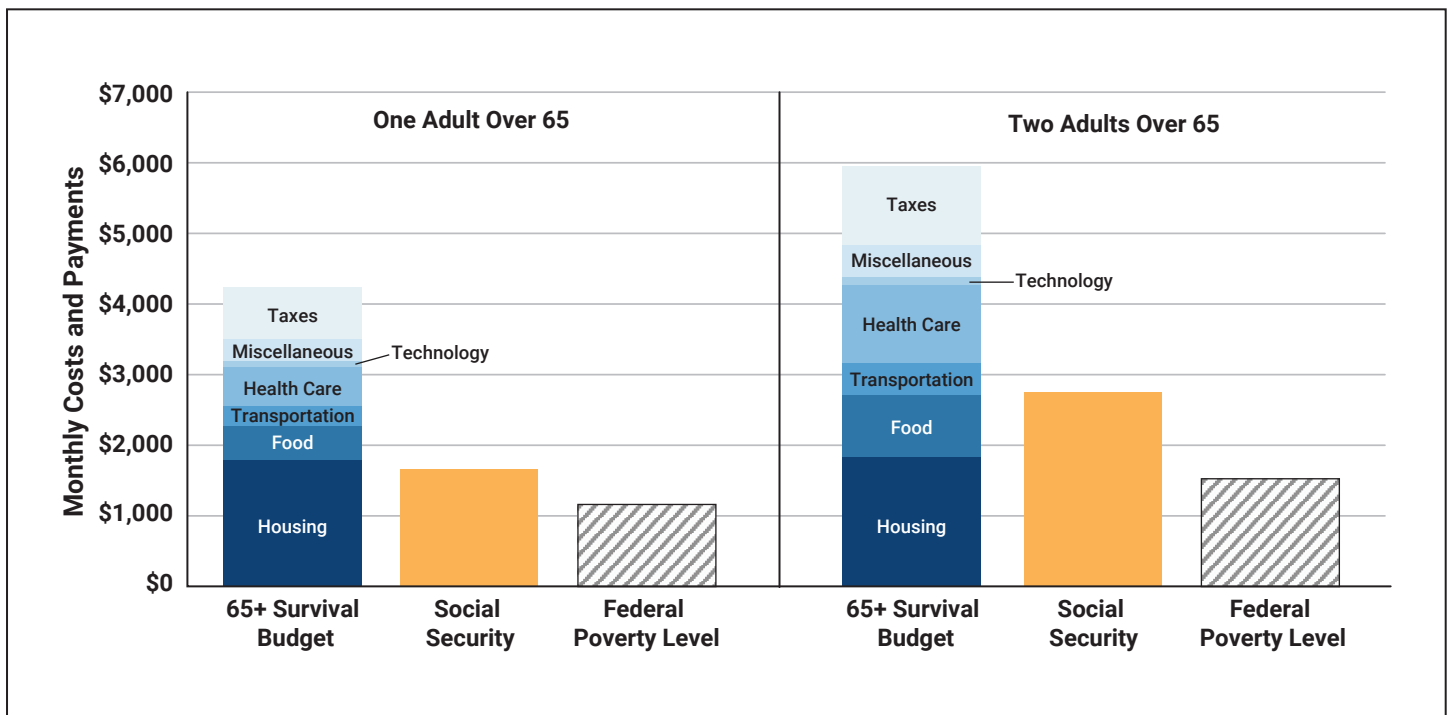
Note: See page 13 for a breakdown of monthly ALICE 65+ Survival Budget costs.

Sources: ALICE 65+ Survival Budget, 2022 (see the ALICE Methodology for details); Social Security Administration, 2022

Black, Hispanic, and Indigenous Households

Rates of financial hardship differ substantially by race/ethnicity in the D.C. Metro Area due to persistent systemic racism, discrimination, and geographic barriers that limit many families' access to resources and opportunities for financial stability. In 2022, 48% of American Indian/Alaska Native, 46% of Hispanic, and 45% of Black households, as well as 36% of households headed by someone of Two or More Races, were below the ALICE Threshold in the D.C. Metro Area, compared to 31% of Asian, 31% of Native Hawaiian/Pacific Islander, and 26% of White households. The challenges of the pandemic also disproportionately impacted Black and Hispanic households, especially with regard to health and employment.

- **Health:** According to the Federal Reserve SHED (October 2022), in the South Atlantic Census Region, 37% of Black and 37% of Hispanic respondents reported that during the previous year they went without health care (prescription medicine, seeing a doctor, mental health care, or dental care) because they couldn't afford it, compared to 27% of White respondents. Rates were even higher for respondents below the ALICE Threshold: 48% for Black, 44% for Hispanic, and 42% for White respondents. With these gaps in care and greater exposure to risk in on-site essential jobs, rates of infection and death due to COVID-19 were higher among American Indian/Alaska Native, Black, and Hispanic people than among White people throughout most of the pandemic.

- **Employment:** Black and Hispanic workers were more likely than White workers to experience disruption in employment during the pandemic. And gaps in employment persisted, especially within the District itself: In 2022, the Black-White unemployment gap in Washington, D.C. was the worst in the nation, with 9.6% of Black workers not working but looking for work, compared to 1.4% of White workers.

Household Financial Status and Key Demographics, D.C. Metro Area, 2022

	Total	Below ALICE Threshold	■ Poverty	■ ALICE	■ Above ALICE Threshold
ALL HOUSEHOLDS	**2,375,332**	**815,598**	8%	27%	66%
AGE					
Under 25 Years	74,998	50,591	29%	39%	33%
25 to 44 Years	875,336	281,768	7%	25%	68%
45 to 64 Years	893,284	247,762	6%	22%	72%
65 Years and Over	531,714	235,477	9%	35%	56%
RACE/ETHNICITY					
American Indian/ Alaska Native	7,946	3,781	9%	39%	52%
Asian	229,508	70,101	5%	25%	69%
Black	606,602	271,868	9%	36%	55%
Hispanic	284,050	130,571	5%	41%	54%
Native Hawaiian/ Pacific Islander	1,285	395	9%	22%	69%
Two or More Races	144,103	51,502	6%	30%	64%
White	1,132,046	299,250	4%	23%	74%
HOUSEHOLD TYPE					
Married With Children	486,438	94,364	4%	16%	81%
Single-Female-Headed With Children	126,764	83,299	26%	40%	34%
Single-Male-Headed With Children	45,883	25,711	11%	45%	44%
Single or Cohabiting, Under 65, no Children	1,184,533	376,747	7%	25%	68%
RURAL/URBAN					
Rural	33,423	12,327	10%	27%	63%
Urban	2,341,909	803,271	8%	27%	66%

Note: The groups shown in this figure are based on head of household and overlap across categories. Within the race/ethnicity category, all racial categories except Two or More Races are for one race alone. Race and ethnicity are overlapping categories; in this Update, the American Indian/Alaska Native, Asian, Black, Native Hawaiian (includes other Pacific Islanders), and Two or More Races groups may include Hispanic households. The White group includes only White, non-Hispanic households. The Hispanic group may include households of any race. Because household poverty data is not available for the American Community Survey's race/ethnicity categories, annual income below $15,000 is used as a proxy. Counties are defined as rural or urban based on the USDA's designation of metropolitan or non-metropolitan at the census tract level. Counties with 50% or more of the population in metropolitan tracts are designated as urban; those with 50% or more of the population in non-metropolitan tracts are designated as rural. In the D.C. Metro Area in 2022, out of 2,375,332 households, there were 185,525 (7.8%) in poverty plus 630,073 (26.5%) that were ALICE, totaling 815,598 (34.3%) below the ALICE Threshold, which is rounded to 34% in this Update.

Sources: ALICE Threshold, 2022; American Community Survey, 2022

ALICE REMAINS IN THE CROSSCURRENTS

Many ALICE households face ongoing distress because they have not recovered from the Great Recession, debt accumulation, a job loss, or other major challenges. Many are working hard and still struggling to find safe housing, quality child care, nutritious food, accessible health care, and reliable transportation that they can afford. Rising wages and pandemic assistance mitigated some of the financial impact of business disruptions, a health crisis, and rising inflation that characterized the past few years. Yet 34% of households in the D.C. Metro Area were still struggling in 2022. Insights from the Federal Reserve SHED and the Household Pulse Survey help explain why:

Inflation is Hitting ALICE Harder

- **The cost of basics** is increasing faster than the overall rate of inflation, as reported by the ALICE Essentials Index. And it continues to be difficult for ALICE to keep up with bills. According to the Household Pulse Survey, 50% of households below the ALICE Threshold in the D.C. Metro Area reported that it was somewhat or very difficult to pay for usual items such as food, rent or mortgage, car payments, and medical expenses in October 2023 — down from 56% in August 2020, yet still substantial.

- **Housing costs** are on the rise in many parts of the D.C. Metro Area, and the impact is greater for those who were already struggling financially. According to the SHED, in 2022, 41% of households below the ALICE Threshold in the South Atlantic Census Region reported that their rent or mortgage had increased in the prior 12 months (compared to 30% of households above the Threshold).

Changes in Public Assistance Impact ALICE

- **Food assistance:** Increased need for food assistance was a hallmark of the pandemic. Food pantries experienced a substantial increase in demand for services, and Supplemental Nutrition Assistance Program (SNAP) eligibility criteria broadened and monthly payments increased (through February 2023). In 2022, the need remained high, with one in six Americans (49 million) receiving private charitable food assistance — down from the height of the pandemic, but still up markedly from 40 million in 2019. In part due to SNAP income eligibility levels, public food assistance was not accessible to all households that were struggling financially: In the D.C. Metro Area, only 32% of all households in poverty and 15% of all ALICE households participated in SNAP in 2022. Among all eligible people, estimated SNAP participation rates were higher.

- **Rent:** With rising costs, the expiration of pandemic rental assistance in the District and surrounding areas, and the end of eviction moratoria, many households in the D.C. Metro Area continued to struggle to pay their rent. According to the Household Pulse Survey, 21% of renter households below the ALICE Threshold in the D.C. Metro Area were behind on rent payments in October 2023, up from 16% in August 2020. In 2022 in the D.C. Metro Area, 72% of households below the ALICE Threshold were rent burdened (paying more than 30% of their income on rent) and 44% were severely rent burdened (paying more than 50% of their income on rent).

ALICE is Less Prepared for Crises and Retirement

- **ALICE struggles to save:** According to the SHED, 57% of respondents in the South Atlantic Census Region had emergency savings in 2022 (up from 54% in 2019). Yet only 40% of households below the ALICE Threshold had emergency savings (or rainy day funds) that would cover their expenses for three months in the event of sickness, job loss, economic downturn, or another emergency in 2022, up from 31% in 2019.

- **ALICE faces unexpected medical expenses:** According to the SHED, 24% of respondents below the ALICE Threshold in the South Atlantic Census Region incurred an unexpected major medical expense that they had to pay for out of pocket because it was not completely paid for by insurance in 2022, similar to the rate in 2021 (23%). Medical debt generally reflects poorer health and lower rates of health care coverage, and can lead to lower credit scores and additional financial hardship. Additionally, the consequences of medical debt are not experienced equally; those with lower incomes and people of color are more likely than their counterparts to be contacted by collection agencies and denied future care.

- **Financial hardship impedes retirement savings:** According to the SHED, in 2022, 23% of all non-retired adults and 33% of non-retired adults above the ALICE Threshold in the South Atlantic Census Region reported that their retirement savings plan was currently on track. Yet only 11% of those below the Threshold reported the same.

- **Financial hardship takes a toll on mental health**: The negative impact of financial stress on mental health has been well established. According to the Household Pulse Survey, 19% of respondents below the ALICE Threshold in the South Atlantic Census Region reported feeling nervous, anxious, or on edge nearly every day over the prior two weeks in October 2023 — down slightly from August 2020 (22%), yet still much higher than for those above the Threshold (11% in 2023).

This research shows a clear trend in our communities and our economy: Financial hardship is widespread, and it's not going away. The current system is not working for ALICE. The narrative in this Update helps make the case for innovative, cross-sector change in the D.C. Metro Area and across the U.S. The data, tools, and resources on the United For ALICE website can equip business, government, education, and nonprofit leaders to make data-informed decisions that address the root causes of financial hardship. Collaborative effort at all levels — local, state, and federal — will be needed to change the trajectory for ALICE households.

ALICE ONLINE

Visit UnitedForALICE.org to explore interactive data and resources. Click the icons below to get started.

Interactive Maps Data at the state, county, municipal, and ZIP-code levels	**ALICE Demographics** Information about ALICE households by age, race/ethnicity, household type, and location	**County Reports** An in-depth look at ALICE data, county by county
Data Sheet Spreadsheet of ALICE data over time and by location	**ALICE Household Budgets** ALICE Household Survival and Stability Budgets for the state and one or more counties	**ALICE Essentials Index** Key data on the increase in the cost of household basics over time
Legislative District Tool ALICE data by legislative district, including state upper and lower chambers and congressional districts	**National Overview** National ALICE data and a comparison of financial hardship across U.S. states	**Economic Viability Dashboard** Key data on the local economic conditions that matter most to ALICE households: Work, Housing, and Community Resources
Research Advisory Committees Information about the members and role of these critical groups	**ALICE Methodology** Overview of the sources and calculations used in the ALICE research	**Equity for ALICE** Creating equity for ALICE by illustrating how structural racism and systemic barriers limit life outcomes, and working to remove those barriers so that all people can participate fully in all aspects of our social and economic systems
ALICE Voices Are you ALICE? Use this tool to share your story	**ALICE in Action** Programs, practices, and policy changes implemented by partners across the United For ALICE network	**ALICE Videos** Videos that highlight the ALICE research and partner network

ALICE RESEARCH & METHODOLOGY

The Household Survival Budget calculates the cost of household essentials for jurisdictions in the D.C. Metro Area and relies on a wide range of public data sources, listed below. For household income, the ALICE measures rely on the U.S. Census Bureau's American Community Survey (ACS) — both household tabulated data and individual data from the Public Use Microdata Sample (PUMS) records. Household costs are compared to household income to determine if households are below the ALICE Threshold.

The latest ALICE Methodology review was completed in the summer of 2023. Methodology enhancements include:

- **Health care costs:** A "poor health multiplier" is used to capture the additional costs lower-income households incur for being in poor or fair health. Based on the latest research, out-of-pocket costs in the health care line item are increased by 19% (a more conservative estimate than the 30% used in prior years).

- **Broadband added:** To reflect the finding that the majority of Americans now have home broadband, basic broadband internet has been added to technology costs. The smartphone plan has been updated to include an unlimited (albeit less expensive than the previous 10GB version) smartphone plan for each adult in the household.

- **Determining ALICE status:** For 2021 data and years prior, the ALICE Threshold was rounded to the nearest ACS income bracket (e.g., Threshold of $32,500 corresponded to bracket $30,000–$34,999; **all** households in that bracket were below the ALICE Threshold). Starting this year (2022 data), the Threshold is calculated in proportion to where it falls within the bracket (e.g., if Threshold is $32,500, **half** of households in the bracket are below the Threshold).

ALICE Household Survival Budget, D.C. Metro Area, 2022			
	Single Adult (Age 18–64)	Single Adult (Age 65+)	2 Adults, 1 Infant, 1 Preschooler
Monthly Costs			
Housing – Rent	$1,631	$1,631	$1,791
Housing – Utilities	$163	$163	$310
Child Care	-	-	$2,225
Food	$523	$483	$1,425
Transportation	$319	$277	$801
Health Care	$191	$555	$754
Technology	$86	$86	$116
Miscellaneous	$291	$320	$742
Tax Before Credits	$645	$725	$1,764
Monthly Total	$3,849	$4,240	$9,928
ANNUAL TOTAL Before Tax Credits	$46,188	$50,880	$119,136
Tax Credits (CTC and CDCTC)	$0	$0	($5,268)
ANNUAL TOTAL With Tax Credits	**$46,188**	**$50,880**	**$113,868**
Full-Time Hourly Wage	***$23.09***	***$25.44***	***$56.93***

Note: CTC = Child Tax Credit, CDCTC = Child and Dependent Care Tax Credit. Full-time hourly wage represents the wage needed at 40 hours per week to support the annual total, with credits. For the family of four, this represents the combined wage needed for two workers. Many households incur higher costs, especially for housing, as units may not be available at Fair Market Rent.

Sources: AAA, 2022; Agency for Healthcare Research and Quality, 2022; American Community Survey, 2022; Bureau of Labor Statistics, 2022—Consumer Expenditure Surveys; Bureau of Labor Statistics, 2022—Occupational Employment Statistics; Centers for Medicare & Medicaid Services, 2023—Medicare - Chronic Conditions; Centers for Medicare & Medicaid Services, 2020—Medicare Current Beneficiary Survey; Centers for Medicare & Medicaid Services, 2023; D.C. Office of the State Superintendent of Education, 2022; Federal Reserve Bank of Atlanta—Policy Rules Database; Federal Highway Administration, 2017; Feeding America, 2023; Frank, 2022; Internal Revenue Service, 2022; Maryland Family Network, 2021; Medicare.gov; The Zebra, 2022; U.S. Department of Agriculture, 2022—Official USDA Food Plans; U.S. Department of Housing and Urban Development, 2022—Fair Market Rents; USTelecom, 2022.; Virginia Department of Education, 2023; West Virginia Department of Health & Human Services, 2020.

To view ALICE Household Survival Budgets for all counties and for any household composition, visit UnitedForALICE.org/Household-Budgets/DC-Metro.

Data Notes: The income data used in this Update rely on ACS estimates. The ACS is based on a representative sample, rather than all housing units and people; therefore, these estimates have a degree of uncertainty. Some data points are geographic averages, others are one- or five-year averages depending on population size (see the Data Sheet for details). Percentages are rounded to whole numbers, sometimes resulting in percentages totaling 99% or 101%. ALICE analysis includes households regardless of work status, as employment is fluid and most households have members who are working, have worked, are out on disability, or are looking for work. ALICE analysis does not include people who are unhoused or living in group quarters.

ABOUT UNITED FOR ALICE AND OUR PARTNERS

ALICE in the Crosscurrents: An Update on Financial Hardship in the D.C. Metro Area is brought to you by United Way of the National Capital Area in partnership with United For ALICE, a driver of innovative research and action around financial hardship for ALICE households. With a commitment to racial and economic justice, United For ALICE and United Ways across the D.C. Metro Area share this work with foundations, government, corporations, and other nonprofits to inform policy and promote positive change for ALICE households. The grassroots ALICE movement, developed by United Way of Northern New Jersey, has spread to 31 states and the District of Columbia. Learn more about the ALICE movement here.

To create the ALICE Reports, our team of researchers works with Research Advisory Committees composed of experts from our partner states. This work is guided by our rigorous methodology, which is updated biennially with experts from across our Research Advisory Committees.

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United Way of the National Capital Area

To learn more about how you can get involved in advocating and creating change for ALICE in the D.C. Metro Area, contact: **Scott Mengebier** at smengebier@uwnca.org.

To access interactive ALICE data and resources for Washington, D.C., go to UnitedForALICE.org/DC-Metro.