

INTRODUCING ALICE

Despite being employed, many individuals and families in Louisiana do not earn enough to afford the five basic household necessities of housing, child care, food, transportation, and health care. Even though they are working, their income does not cover the cost of living in the state and they often require public assistance to survive.

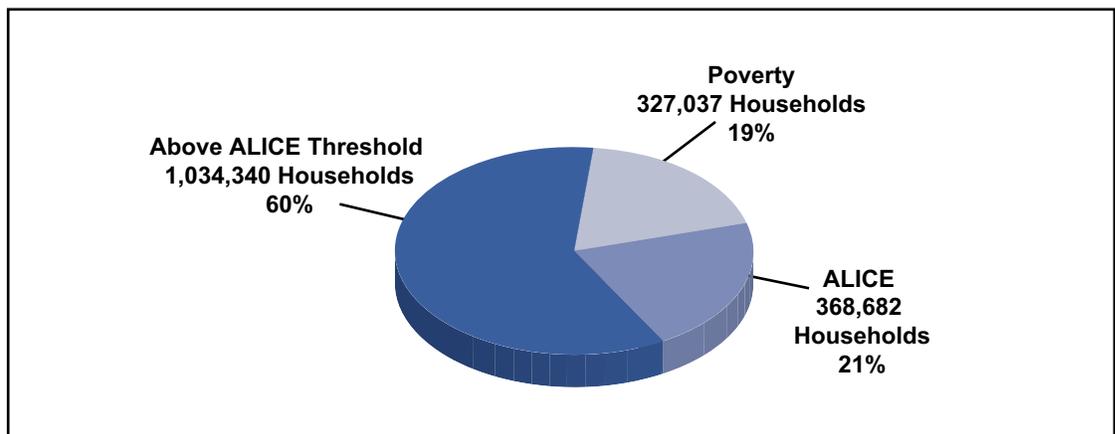
Until recently, this group of people was loosely referred to as the working poor, or technically, as the lowest two income quintiles. The term “**ALICE**” – **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed – more clearly defines this population as households with income above the official Federal Poverty Level but below a newly defined basic survival income level. These ALICE households are as diverse as the general population, composed of women and men, young and old, of all races and ethnicities.

THE ALICE THRESHOLD

In Louisiana, where the cost of living is low, it is still important to have a current and realistic standard that reflects the true cost of economic survival and compares it to household incomes across each parish. **The ALICE Threshold** is a realistic standard developed from the **Household Survival Budget**, a measure that estimates the minimal cost of the five basic household necessities – housing, child care, food, transportation, and health care. **Based on calculations from the American Community Survey and the ALICE Threshold, 695,719 households in Louisiana – 40 percent – are either in poverty or qualify as ALICE** (Figure 1).

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Figure 1.
Household Income, Louisiana, 2013



Source: American Community Survey, 2013, and the ALICE Threshold, 2013

Based on the Household Survival Budget and average household size, the ALICE Threshold is calculated in each parish for two sets of households: those headed by someone younger than 65 years old, and those headed by someone 65 years and older. Because the basic cost of living varies across the state, the ALICE Threshold for Louisiana households headed by someone under 65 years old ranges from **\$35,000 to \$60,000** per year. For older households, the ALICE Threshold ranges from **\$25,000 to \$30,000** per year. The methodology for the ALICE Threshold is presented in Appendix B; ALICE Thresholds for each parish are listed in Appendix J, ALICE Parish Pages.