

**MEET ALICE**



In Florida, ALICE keeps our state’s economic engine humming. ALICE, an acronym for Asset Limited, Income Constrained, Employed - the key word is “employed” - gives a name to nearly 33 percent of our state’s population. These hard workers do not earn enough to support their own families and are regularly forced to make tough choices like deciding between quality childcare or paying the rent, which have long-term consequences not only for their families, but for all Florida’s residents.

**WE KNOW ALICE**

While ALICE households exist across all demographic groups, the pandemic exposed and widened gaps in rates of hardship by race/ethnicity, age, and household composition. In Florida, White households are more likely to live below the ALICE Threshold, however the percentage is higher in households for other groups. Florida’s youngest and oldest households have the highest rates of hardship with 71% of households headed by someone under age 25 and 53% of senior households living below the threshold.



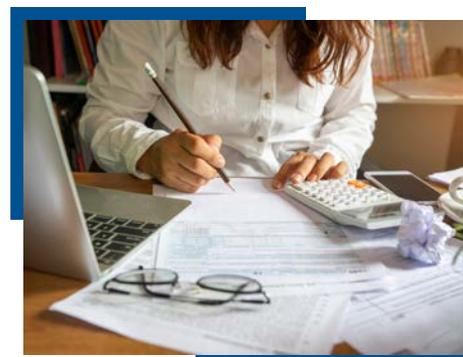
**ALICE AT WORK**

In Florida, nearly 70% of jobs pay \$20 or less per hour but make up a majority of our workforce. Many of these positions were celebrated as essential heroes during the COVID-19 pandemic from working in childcare to healthcare to keeping us safe in our homes and workplaces, but they do so much more, including everything from staffing our state’s robust tourism and retail marketplace to servicing the nearly 8 million automobiles owned by Floridians.



**ALICE & INFLATION**

The annual ALICE Household Survival Budget including only the basic costs needed to live and work in Florida, rose by 12% for a single adult, by 11% for a senior citizen, and by 7% for a family of four with two small children in the most recent report. With the increasingly high rate of inflation, things continue to get worse for many.



# CAPITOL DAYS

2024 SESSION

*Why we're here and what we're advocating for.*



## FINANCIAL STABILITY

Help over 72,000 families and individuals within Florida's ALICE population, receive more than \$76 million in tax refunds, more than \$20 million in Earned-Income Tax Credits (EITC), and education tax credits for Floridans pursuing higher education.

- **INVEST** \$1.8 million to enhance opportunity for free tax preparation statewide in all 67 counties.
- **ENHANCE SERVICES** to underserved populations in the state's hardest-to-reach areas.
- **INCREASE CAPACITY**, while improving quality and accuracy.



## HOUSING ATTAINABILITY

Identify and support opportunities to address attainable housing in our state. In collaboration with Florida's network of United Ways and many others, United Way of Florida was pleased to support the landmark Live Local Act (LLA) passed in 2023. We applaud the pivotal steps toward mitigating Florida's housing issues and continued effort.

- **FOCUS** resources on programs incentivizing the construction of affordable rental units.
- **SUPPORT** legislation that would expand access to home ownership programs.



## BEHAVIORAL HEALTHCARE ACCESSIBILITY

Support efforts to expand behavioral healthcare access for Florida's ALICE (Asset Limited, Income Constrained, Employed) families, by increasing reimbursement rates for providers and enacting policy changes that promote workforce development.

- **INCREASE** reimbursement rates significantly for behavioral healthcare across the board which would help address these issues and improve access to care for more families.
- **ENHANCE** Florida's behavioral health talent pipeline.



## CHILDCARE AFFORDABILITY

Support efforts to make childcare more affordable for Florida's ALICE families including increased eligibility for School Readiness and new tax incentives and exemptions for businesses that support access to childcare for employees.

- **INCREASE** initial eligibility of School Readiness to provide subsidies to make childcare affordable for low-income families.
- **CREATE** incentives for private sector investment.
- **SUPPORT** state investments to increase access to extended early learning programs.

Help over 72,000 families and individuals, within Florida's ALICE (Asset Limited, Income Constrained, Employed) population receive more than \$76 million in tax refunds, more than \$20 million in Earned-Income Tax Credits (EITC), and education tax credits for Floridans pursuing higher education.

### WHAT CAN BE DONE?

- **INVEST \$1.8 million in state funding**, matched by \$1.8 million from United Way, to offer enhanced opportunities for free tax preparation statewide in all 67 counties.
- **ENHANCE SERVICES to underserved populations** in the state's hardest-to-reach areas building capacity, stronger relationships and setting the stage for financial literacy programming and services for residents of all communities.
- **INCREASE CAPACITY, while improving quality and accuracy**, by expanding electronic filing and increasing recruitment and training of volunteers.

Annually, thousands of IRS-certified volunteers at more than 300 tax preparation sites are mobilized by United Way, AARP, the Military and VITA to provide reliable tax preparation assistance to Florida's ALICE families, veterans, the elderly and the disabled enabling them to meet tax obligations and receive the highest refund for which they are eligible. In 2023, this resulted in 72,632 tax returns filed and \$76+ million in tax refunds including \$20+ million in EITC.

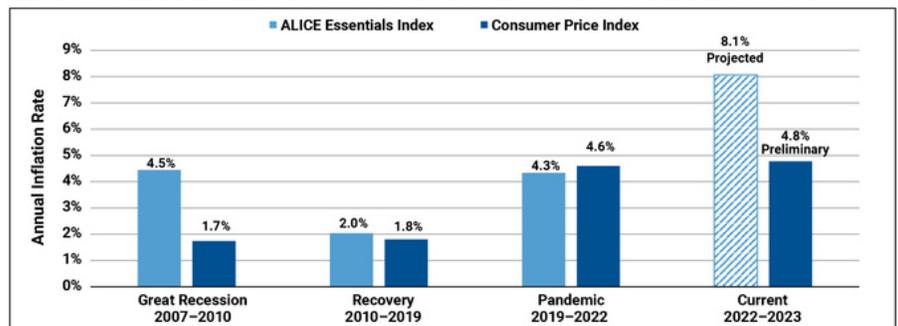
### WHY IT IS IMPORTANT?

Research credits the bi-partisan EITC as one of the best and most effective anti-poverty tools in our nation, but it is extremely underutilized. The work-based tax refund allows ALICE families to recover hard-earned wages, but more than \$1.2 billion in potential EITC tax credits are unclaimed by Florida ALICE households each year. Sadly, these funds are "left on the table" in Washinton D.C.

EITC users spend refunds on essential household items generating sales tax revenue for our state. In 2022, the average Florida taxpayer receiving EITC through VITA had a household gross income of \$32,000 and received \$1,500 in refunds -- enough to pay for preventative healthcare, family groceries, housing costs or car repairs.

The 2023 Legislature appropriated \$1.2 million to United Way to provide income tax preparation assistance to 30,000 ALICE workers during the 2024 tax season. This investment, matched with \$1.8 million by United Way, is anticipated to generate \$24 million in refunds for these hard-working Floridians (including \$6.5 million in EITCs) and an estimated \$1.2 million in state and local sales taxes.

Figure 2. Annual Inflation Rate, Florida ALICE Essentials Index vs. National CPI, 2007–2023\*



Identify and support opportunities to address attainable housing in our state. In collaboration with Florida's network of United Ways and many others, United Way of Florida was pleased to support the landmark Live Local Act (LLA) passed in 2023. We applaud the pivotal steps toward mitigating Florida's housing issues and continued efforts.

### WHAT CAN BE DONE?

- **FOCUS resources** on programs incentivizing the construction of affordable rental units.
- **SUPPORT legislation** that would expand access to home ownership programs.



### WHY IT IS IMPORTANT?

**The relentless escalation of housing costs, affecting both renters and homeowners, casts a profound shadow over Florida's ALICE (Asset Limited, Income Constrained, Employed) families,** underscoring the gravity of the state's housing crisis. Florida's housing crisis has propelled the state into one of the nation's most expensive places to live and has triggered a notable surge in cost burdened and extremely cost burdened households. This predicament is exacerbated by a rapidly growing population, escalating insurance costs, and an influx of out-of-state investors purchasing homes for rental purposes.

According to the National Low Income Housing Coalition, the Fair Market Rent (FMR) for a 2-bedroom apartment in Florida is a staggering \$1,591 monthly requiring a family to earn \$5,302 per month or \$63,622 annually to afford the apartment at FMR rate and not spend more than 30% of their income on housing costs. The US Department of Housing and Urban Development defines cost burdened as monthly housing costs, including utilities, that exceed 30% of monthly income.

**Affordability isn't confined to renters; it also challenges homeowners.** With the average median income of \$69,679 in Florida's three major metropolitan areas, homeowners allocate close to half of their annual income toward housing costs, according to the Home Ownership Affordability Monitor from the Federal Reserve Bank of Atlanta.

The Florida Legislature took action with the LLA, strategically designed to invigorate housing development efforts through tax incentives, local pre-emptions, and record funding for affordable housing programs. It offers a comprehensive framework and diverse measures to tackle housing challenges and facilitate affordable housing development statewide. Florida's United Way network supports components of the LLA and recognizes the positive steps toward housing concerns.

Support efforts to expand behavioral healthcare access for Florida's ALICE (Asset Limited, Income Constrained, Employed) families, by increasing reimbursement rates for providers and enacting policy changes that promote workforce development.

### WHAT CAN BE DONE?

- **INCREASE reimbursement rates** significantly for behavioral healthcare across the board to help address these issues and improve access to care for more families.
- **ENHANCE Florida's behavioral health talent pipeline** by considering steps such as streamlining licensure requirements for clinical social workers and other needed professionals and making additional investments in training programs and workforce development initiatives.



### WHY IS IT IMPORTANT?

Florida is ranked #1 in the nation with nearly 3 million adults, or 17.49%, experiencing mental illness. In terms of overall prevalence of mental health and substance abuse issues, Florida is in the top ten. Unfortunately, our state also ranks 46th for access to behavioral health care. There is currently a 550-to-1 ratio of residents to mental health providers in Florida, among the highest in the nation. Because there are not enough providers to meet the growing demand for quality behavioral health services, many families experience difficulty finding care, and this is especially true for Florida's ALICE population.

Root causes of this problem are complicated and numerous. How providers are reimbursed for services is, in part, related to the issue. Reimbursement rates, including Medicaid, remain lower than the cost of care. Consequently, many providers—specifically those who serve lower-income populations—face difficulty attracting and retaining qualified professionals who can earn substantially more in private practice. This has an overall negative effect on Florida's behavioral health workforce. Because economic insecurity is a social determinant of mental health, the resulting lack of services is especially harmful to members of Florida's ALICE population, who may need help but cannot afford the added cost of seeing a private provider.

During the last session, the Legislature did increase Medicaid reimbursement rates for behavioral health care, however the 15% increase only applied to four procedure codes, none of which resolved the issues noted above.

Support efforts to make childcare more affordable for Florida's ALICE (Asset Limited, Income Constrained, Employed) families including increased eligibility for School Readiness and new tax incentives and exemptions for businesses that support access to childcare for employees.

### WHAT CAN BE DONE?

- **INCREASE initial eligibility of School Readiness to provide subsidies, making childcare affordable for low-income families.** With minimum wage increases, many two-parent families with lower wages do not currently qualify for childcare subsidy. Increasing the initial eligibility above the current state statute of 150% of Federal Poverty Level will support economic mobility by enabling families to access affordable childcare while increasing their educational attainment or working.
- **CREATE incentives for private sector investment.** Policies that promote private sector investment in early education and childcare support both child development and talent needed by businesses. Tax incentives and exemptions can be developed for businesses to provide employee childcare benefits and contribute to quality early education programs.
- **SUPPORT state investments** to further increase access to extended early learning programs.



### WHY IT IS IMPORTANT?

- **Childcare is a key support for Florida's workforce.** Parents make up 51% of the workforce and 35% of those parents have young children. If childcare is not affordable and accessible, parents' ability to participate in the labor force can be compromised.
- **Childcare challenges result in a multibillion-dollar loss to Florida's economy.** According to the Florida Chamber report, *Untapped Potential in FL*, \$911 million in tax revenue is annually missed due to childcare issues. Childcare related absenteeism and employee turnover cost employers \$3.47 billion per year.
- **Businesses need talent.** With nearly 500,000 open jobs in Florida, childcare is critical to both the recruitment and retention of our workforce and is needed to support and develop sustainable talent for a healthy state economy.

Annually, Florida's average cost of childcare for young children is greater than in-state tuition at a public university. Compounded by rising rents and price increases for essentials like food, healthcare, and transportation, childcare expenses threaten access to quality early-learning experiences and decrease labor force participation for parents.