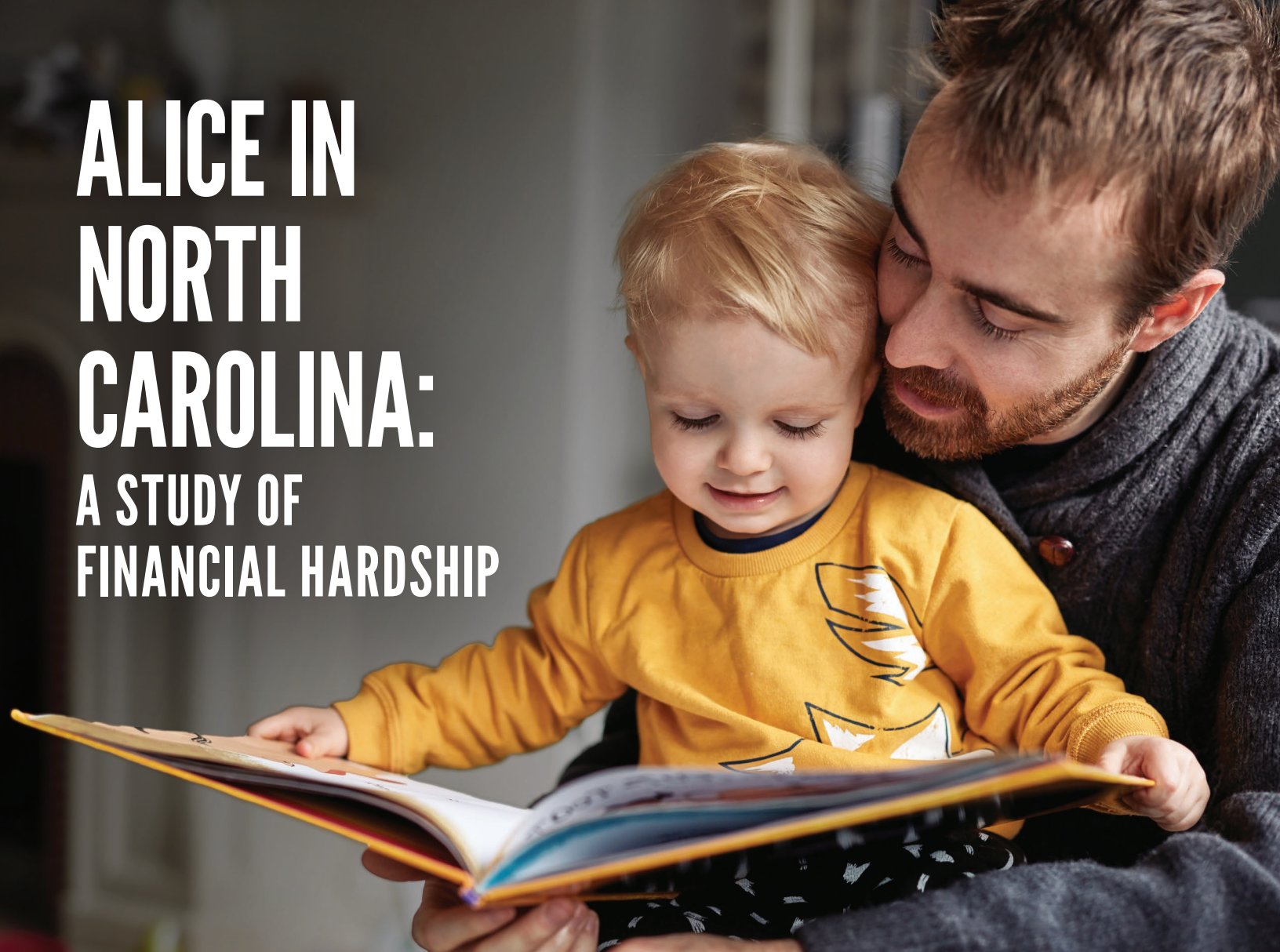


ALICE IN NORTH CAROLINA: A STUDY OF FINANCIAL HARDSHIP



**ALICE: Asset Limited, Income
Constrained, Employed**

2024 Report | UnitedForALICE.org



United Way of
North Carolina

ABOUT UNITED FOR ALICE AND OUR PARTNERS

ALICE in North Carolina: A Study of Financial Hardship is brought to you by [United Way of North Carolina](#) in partnership with [United For ALICE](#), a driver of innovative research and action around financial hardship for **ALICE®** (Asset Limited, Income Constrained, Employed) households. With a commitment to [racial and economic justice](#), United For ALICE and United Ways across North Carolina 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 For ALICE partners with [United Way of North Carolina](#) to bring this research to the state, and this work is sponsored by Carolinas Credit Union Foundation.



United Way of
North Carolina



To learn more about how you can get involved in advocating and creating change for ALICE in North Carolina, contact: Brittany Pruitt Fletcher, bpruittfletcher@unitedwaync.org.

LETTER TO THE COMMUNITY

Dear Fellow North Carolinians,

North Carolina is a vibrant and growing state known for its Research Triangle, top-tier universities, and breathtaking landscapes from the Blue Ridge Mountains to the Outer Banks. Yet behind this growth lies a population often overlooked: hardworking individuals and families living paycheck to paycheck, just one unexpected expense away from a crisis.

These individuals are known as **ALICE** — **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed. ALICE households earn above the Federal Poverty Level but still struggle to afford basic needs in their communities. They are the essential workers we depend on daily — teachers, childcare providers, healthcare aides, infrastructure workers, and many more.

Despite their critical contributions, ALICE households are often invisible to policymakers and the broader community. Every month, they face impossible choices: childcare or rent, groceries or a medical bill. One emergency could push them further into financial instability.

Today, we invite you to talk about ALICE and make their struggles visible. Together we can work toward a future in which all North Carolinians can achieve financial stability.

This inaugural ALICE Report highlights the reality for the 40% of North Carolina households that work hard but struggle to get ahead. It offers a comprehensive snapshot to inform and equip community leaders, nonprofits, and policymakers with the tools needed to support ALICE families and help them thrive.

For years, United Way of North Carolina and the 47 local United Ways across the state have been dedicated to removing barriers to financial stability. Through the United for ALICE framework, we're expanding our efforts to ensure equitable access to healthcare, emergency savings, and educational resources for future generations.

This report is made possible by United Way of North Carolina; our presenting sponsor, Carolinas Credit Union Foundation; and the many volunteers, donors, nonprofit partners, and leaders supporting our local United Ways. Their dedication allows us to turn data into action, improving lives and building a stronger, more resilient North Carolina.

We invite you to join us on this journey. Together, we can uplift ALICE families and create a brighter future for all.

Sincerely,

A handwritten signature in black ink that reads "Brittany" followed by a stylized heart symbol.

Brittany Pruitt Fletcher
President & CEO
United Way of North Carolina

ALICE ONLINE

Visit UnitedForALICE.org to explore the interactive data and resources that accompany this Report. 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 Excel spreadsheet with 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 the ALICE Voices tool to share your story	 ALICE in Action Programs, practices, and policy changes implemented by partners across the United For ALICE network	 ALICE Videos See videos that highlight the ALICE research and partner network



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ALICE RESEARCH & METHODOLOGY

This ALICE Report for North Carolina provides the most comprehensive look at the population called **ALICE** — households that have income above the [Federal Poverty Level \(FPL\)](#) but struggle to afford household basics. This Report includes a detailed point-in-time snapshot of economic conditions across the state in 2022, as well as key data and trends from the Great Recession through the COVID-19 pandemic and beyond. **To help inform program and policy decisions, United For ALICE is committed to providing the most up-to-date local data possible on financial hardship in North Carolina and across the U.S.**

Two pillars of the ALICE measures are household costs and income. The **Household Survival Budget** (see figure on page 4) calculates the cost of household essentials for each county in North Carolina and relies on a wide range of public data sources for the budget items of housing, child care, food, transportation, health care, and technology, plus taxes and cost overruns estimated at 10% of the budget, excluding taxes. These budgets are calculated at the county level as counties are the smallest jurisdiction for which there is reliable data across the country.

Household costs are compared to household income from the [U.S. Census Bureau's American Community Survey \(ACS\)](#) to determine if households are **below the ALICE Threshold**. This category includes both households in **poverty**, with income

below the FPL, and those that are **ALICE**, with income above the FPL but below the cost of basics.

Our standard ALICE income data is based on ACS population estimates — both [household tabulated data](#) and individual data from the [Public Use Microdata Sample \(PUMS\)](#) records. In addition, this Report includes our analysis of two surveys that capture the experiences of a nationally representative sample of households:

- [Federal Reserve Board's Survey of Household Economics and Decisionmaking \(SHED\)](#), October 2019; November 2020; November 2021; and October 2022
- [U.S. Census Bureau's COVID-19 Household Pulse Survey \(Household Pulse Survey\)](#), part of the Census Experimental Series, which captures short-turnaround results and therefore should be interpreted with some caution. Time periods include August 19–August 31, 2020; September 14–November 14, 2022; and August 23–October 30, 2023

Learn more about our methodology at UnitedForALICE.org/Methodology.

Data Notes: The income data used in this Report rely on ACS estimates. The ACS is based on a representative sample of 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.

KEY TERMS

- **ALICE: Asset Limited, Income Constrained, Employed** – households that earn above the Federal Poverty Level (FPL) but cannot afford the basic cost of living in their county. Despite struggling to make ends meet, ALICE households often do not qualify for public assistance.
- **ALICE Household Survival Budget:** Reflects the minimum costs of household necessities in North Carolina (housing, child care, food, transportation, health care, and technology) plus taxes, adjusted by county and household type
- **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



ALICE Household Survival Budget

Description and Sources

	Housing Fair Market Rent (40 th percentile) for an efficiency, one-bedroom, or two-bedroom apartment (based on family size), including utilities, adjusted in metro areas using the American Community Survey (ACS) Sources: ACS metro housing costs; U.S. Department of Housing and Urban Development
	Child Care Cost for registered Family Child Care Homes for infants (0–2 years), preschool-age (3–4 years), and school-age children (5–12 years) Source: North Carolina Department of Early Care and Learning, 2022
	Food USDA Thrifty Food Plan by age, with county variation from Feeding America Sources: Feeding America; U.S. Department of Agriculture (USDA)
	Transportation Operating costs for a car (average daily miles by age, cost per mile, license, fees, and insurance), or public transportation where viable Sources: AAA, Federal Highway Administration, The Zebra (car); CEX (public transportation)
	Health Care Health insurance premiums based on employer-sponsored plans plus out-of-pocket costs for households with \$40,000–\$69,999 annual income by age, weighted with the poor-health multiplier. For the ALICE 65+ Budget, cost of Medicare Parts A and B, out-of-pocket costs, plus average out-of-pocket spending for the top five chronic diseases as reported by CMS. Sources: Centers for Medicare & Medicaid Services (CMS); CEX (health); Medical Expenditure Panel Survey (MEPS)
	Technology Basic broadband internet at home and a smartphone plan with unlimited data for each adult in a household Sources: Consumer Reports; USTelecom
	Miscellaneous Cost overruns estimated at 10% of the budget, excluding taxes, to cover one-time unanticipated costs within the other categories
	Taxes Federal, state, and local taxes owed on the amount of income to cover the Survival Budget, as well as tax credits, including the Child Tax Credit (CTC) and the Child and Dependent Care Tax Credit (CDCTC) Sources: Internal Revenue Service; Tax Foundation

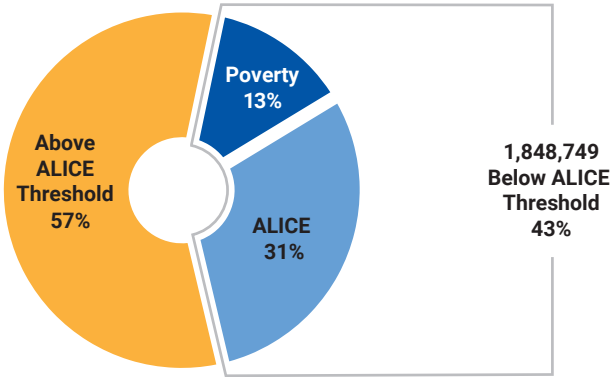
ALICE IN NORTH CAROLINA: EXECUTIVE SUMMARY

The number of households in financial hardship in North Carolina continues to be undercounted by official measures. According to the Federal Poverty Level (FPL), 13% of households in North Carolina (550,381) were in poverty in 2022. Yet United For ALICE data estimates that another 31% (1,298,368 households) – more than twice as many – were ALICE (Asset Limited, Income Constrained, Employed). ALICE households earn above the FPL, but not enough to afford the basics in the communities where they live.

The reality is that out of the 4,252,548 households in North Carolina, 1,848,749 – 43%* – had income below the ALICE Threshold of Financial Survival in 2022. These included both households in poverty and ALICE households.

The crux of the problem is a mismatch between earnings and the cost of basics. The **ALICE Household Survival Budget** for a North Carolina family of four in 2022 was \$78,576, well above the FPL of \$27,750 and full-time earnings for most low-wage jobs in the state. For example, retail salespersons (one of the most common occupations in North Carolina) earned a median hourly wage of \$13.55. This wage fell short of the full-time hourly wage needed to support the ALICE Household Survival Budget for one adult (\$14.04 per hour) and

Total Households in North Carolina= 4.3 Million



*In 2022, out of 4,252,548 households, there were 550,381 (12.6%) in poverty plus 1,298,368 (30.5%) that were ALICE, which totals 1,848,749 (43.4%) below the ALICE Threshold and rounds to 43% in this Report.

the combined hourly wage of two workers needed to support the budget for a family of four (combined wage of \$39.29 per hour). Even the median hourly wage across all occupations in the state (\$20.10) was only a few dollars above the wage needed to support the single adult Survival Budget and only 91 cents more than the combined wage for two workers needed to support the budget for a family of four.

ALICE Household Survival Budget, North Carolina, 2022			
	Single Adult	Single 65+	2 Adults, 1 Infant, 1 Preschooler
Monthly Costs			
Housing – Rent + Utilities	\$713	\$713	\$898
Child Care	-	-	\$1,284
Food	\$447	\$412	\$1,217
Transportation	\$399	\$335	\$1,049
Health Care	\$196	\$525	\$805
Technology	\$86	\$86	\$116
Miscellaneous	\$184	\$207	\$537
Tax Before Credits	\$315	\$378	\$1,092
Monthly Total	\$2,340	\$2,656	\$6,998
ANNUAL TOTAL Before Tax Credits	\$28,080	\$31,872	\$83,976
Tax Credits (CTC and CDCTC)	0	0	(\$5,400)
ANNUAL TOTAL With Tax Credits	\$28,080	\$31,872	\$78,576
Full-Time Hourly Wage	\$14.04	\$15.94	\$39.29

Note: Tax Credits include the Child Tax Credit (CTC) and the Child and Dependent Care Tax Credit (CDCTC). Full-time hourly wage represents the wage needed at 40 hours per week to support the annual total, with credits. For a family of four, this represents the combined wage needed for two workers. The Household Survival Budget is a conservative bare-minimum budget. Many households incur higher costs, especially for housing, and available units may be listed for rent well above Fair Market Rent.

Sources: AAA, 2022; American Community Survey, 2022; Bureau of Labor Statistics, 2022—Consumer Expenditure Surveys; 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; Federal Highway Administration, 2017; Feeding America, 2023; Internal Revenue Service, 2022; Medicare.gov; North Carolina Department of Early Care and Learning, 2022; 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.

To see the Household Survival Budget for all counties in North Carolina, go to UnitedForALICE.org/Household-Budgets/North-Carolina

Key Findings

- **The cost of basic needs in North Carolina:** In 2022, the cost of household basics (housing, child care, food, transportation, health care, and technology) plus taxes, was \$28,080 for a single adult and \$78,576 for a family of four with two adults, an infant, and a preschooler — much higher than the FPL across all North Carolina counties. Costs varied widely by county: For example, the Household Survival Budget for a family of four was lowest at \$66,348 per year in Alleghany County and highest at \$110,640 per year in Orange County.
- **Crosscurrents of the pandemic:** From 2021 to 2022, the cost of basics increased, as did wages, while pandemic assistance waned. For example, a family of four in North Carolina with two adults working full time in two of the state's most common occupations (retail salesperson and cashier) saw annual costs increase from \$66,828 to \$78,576, combined wages go up by 5% (if both adults continued to work full-time), and total federal assistance decrease by nearly \$15,000. Amid these crosscurrents, this family was not able to afford the basics in 2021 or 2022.
- **Demographics:** There are households below the ALICE Threshold across all demographic groups in North Carolina. However, certain groups are disproportionately represented due to [systemic racism](#), [ageism](#), [gender discrimination](#), and [geographic barriers](#) that limit many families' access to resources and opportunities for financial stability.
 - » For example, by race/ethnicity, 62% of American Indian/Alaska Native, 58% of Black, and 54% of Hispanic households were below the Threshold in North Carolina in 2022, compared to 38% of White and 29% of Asian households.
 - » By age, households headed by people under age 25 or over age 65 had the highest percentage below the Threshold, at 67% and 52%, respectively.
 - » By household type, single-female-headed families with children were more likely to be below the Threshold (79%) than single-male-headed (63%) or married-parent households (21%). Among single or cohabiting households without children, 41% were below the Threshold.
 - » By location, households in predominantly rural counties were more likely to be below the ALICE Threshold (49%) than those in predominantly urban counties (42%).
- **ALICE and financial hardship over time:** Despite some ups and downs in rates of financial hardship since the end of the Great Recession (2010–2022), the trend is clear: The number of ALICE households in North Carolina has been steadily growing, and the percentage of households below the ALICE Threshold has remained at more than 40% for the past decade. From 2010 to 2022, the total number of households in the state increased by 16%, the number of households in poverty decreased by 5%,



and the number of ALICE households increased by a substantial 38%. By 2022, 550,381 households were below the FPL, and 1,298,368 were ALICE — a combined 1,848,749 (43%) of all households in the state.

- **Inflation and household essentials:** The cost of basics as measured by the ALICE Essentials Index has been increasing faster (3.4% annually between 2007 and 2023 in North Carolina) than the Consumer Price Index that measures the increase in cost of a much larger basket of goods and services (2.5%). With this gap, it is impossible for ALICE workers to catch up. For example, in 2010, child care workers in North Carolina earned a median wage of \$8.86 an hour (\$18,430 annually for full-time work), falling \$11,099 short of the annual [Household Survival Budget](#) for a family with one adult and one school-age child (\$29,529). By 2022 (latest cost data available), the median wage for child care workers in North Carolina increased by 45%, to \$12.87 an hour (\$26,770 annually, full-time). Yet the annual Household Survival Budget for one adult and one school-age child in North Carolina also grew (to \$43,464), leaving these essential workers \$16,694 short of basic costs — even further behind than they were in 2010.
- **Work and wages:** Of the 20 most common occupations in North Carolina, 14 paid less than \$20 per hour in 2022. Many (85%) of these most common jobs saw an increase in the median wage between 2019 and 2022; for example, the median wage for a retail salesperson in North Carolina increased from \$11.19 to \$13.55 per hour. Yet even with the wage increase, 36% of the state's 114,630 retail sales workers still lived below the ALICE Threshold in 2022.
- **Savings and assets:** During the pandemic, rates of emergency savings increased on average in North Carolina, but those rates differed by income. According to the Federal Reserve SHED, in October 2022, 37% of households below the ALICE Threshold had emergency savings or rainy day funds (to cover expenses for three months in the event of sickness, job loss, economic downturn or another emergency), compared to 69% of households above the Threshold. Similarly, 43% of households below the Threshold had retirement assets in 2022, compared to 72% of those above.
- **Beyond 2022:** With the expiration of most pandemic assistance while significant challenges remain, there are warning signs that the economic situation for North Carolina households below the ALICE Threshold has worsened since 2021, including sustained high levels of food insufficiency, limited savings and assets, continued difficulty paying bills, and feelings of anxiety and depression.



DEFINING FINANCIAL HARDSHIP IN NORTH CAROLINA

Traditional economic measures systematically underestimate both the actual cost of basic needs and the number of households that can afford them, concealing important aspects of the local and national economy. Two ALICE tools provide a more accurate estimate of the cost of living and a clearer way to track how many households are struggling.

The **ALICE Household Budgets** capture the cost of the necessities households need to live and work in the current economy in each county, and the [ALICE Threshold of Financial Survival](#) provides a measure to track ALICE and poverty-level households over time by location. This section explores these tools and highlights the challenges ALICE families face in meeting needs.

The Cost of Basics

United For ALICE provides two basic budgets: the ALICE Household Survival Budget and the ALICE Household Stability Budget. Both budgets are available for all North Carolina counties and can be calculated for various household types.

The **ALICE Household Survival Budget** is an estimate of the minimal total cost of household essentials — housing, child care, food, transportation, health care, and technology — plus taxes and a miscellaneous contingency fund equal to 10% of the budget. It does not include savings, auto repairs, cable service, travel, laundry costs, or amenities such as holiday gifts or dinner at a restaurant that are out of reach for many ALICE families.

This budget varies by location due to differences in local costs. In 2022, household essentials were least expensive for a family of four in Alleghany County (\$66,348 per year) and for a single adult in Cleveland County (\$24,072 per year). Essentials were most expensive for a family of four in Orange County (\$110,640 per year) and for a single adult in Buncombe County (at \$44,412 per year). A Household Survival Budget for each county in North Carolina is presented in the County Reports on our website: UnitedForALICE.org/Household-Budgets/North-Carolina

THE FEDERAL POVERTY LEVEL (FPL)

Compared to the Household Survival Budget, the FPL is drastically inadequate in capturing the true extent of financial hardship. Unlike the ALICE budgets, the FPL is not based on the cost of contemporary household necessities, and except for Alaska and Hawai'i, it is not adjusted to reflect cost-of-living differences. Nor does it adjust for different ages of household members. The FPL is increased annually based on the Bureau of Labor Statistics' (BLS) Consumer Price Index (CPI), and those increases are the same for all U.S. households of a given size. By contrast, the household costs in the Survival Budget are updated annually and reflect differences by location, household size, and household type.

Yet despite its inadequacies, the FPL continues to be the standard for determining the number and proportion of people living in poverty in the U.S. **With the FPL as the primary way for policymakers and local stakeholders to gauge the extent of financial hardship in their communities, a huge portion of struggling U.S. households go unrecognized.**

For comparison to a more sustainable budget, the **ALICE Household Stability Budget** estimates the higher costs of maintaining a more stable household over time and includes a savings category equal to 10% of the budget.

The actual cost of household basics in every county in North Carolina is well above the FPL for all household sizes and types (Figure 1). In 2022, the FPL was \$13,590 for a single adult, compared to an average of \$28,080 for the annual ALICE Household Survival Budget across North Carolina. The cost differential was even larger for families: The FPL for a four-person family was \$27,750 in 2022 in North Carolina, while the Household Survival Budget for a family with two adults, an infant, and a four-year-old was \$78,576. And both budgets were substantially lower than the average ALICE Household Stability Budget for North Carolina, which reached \$47,568 for a single adult and \$124,500 for a family of four.

Figure 1. ALICE Household Budgets and Federal Poverty Level, North Carolina, 2022

	Federal Poverty Level Census income thresholds that vary by household size but not geography to determine who is in poverty	ALICE Household Survival Budget The cost of the essentials needed to live and work in the current economy, by household type and location	ALICE Household Stability Budget The cost of supporting and sustaining an economically viable household over time, including a contingency for savings
Single Adult			
Monthly Total	\$1,133	\$2,340	\$3,964
Annual Total	\$13,590	\$28,080	\$47,568
Family of Four			
Monthly Total	\$2,313	\$6,548	\$10,375
Annual Total	\$27,750	\$78,576	\$124,500

Note: Family of four includes two adults and two children in child care (one infant, one four-year-old). Monthly and annual budget totals are after tax credits.

Sources: ALICE Household Survival Budget, 2022; Assistant Secretary for Planning and Evaluation (ASPE), HHS poverty guidelines for 2022, U.S. Department of Health and Human Services, 2022

ALICE BUDGETS FOR ALL COUNTIES AND HOUSEHOLD TYPES

Itemized ALICE Household Survival and Stability Budgets are available for all North Carolina counties (and groups of counties) at UnitedForALICE.org/County-Reports/North-Carolina

Not Enough Income to Cover Basic Costs

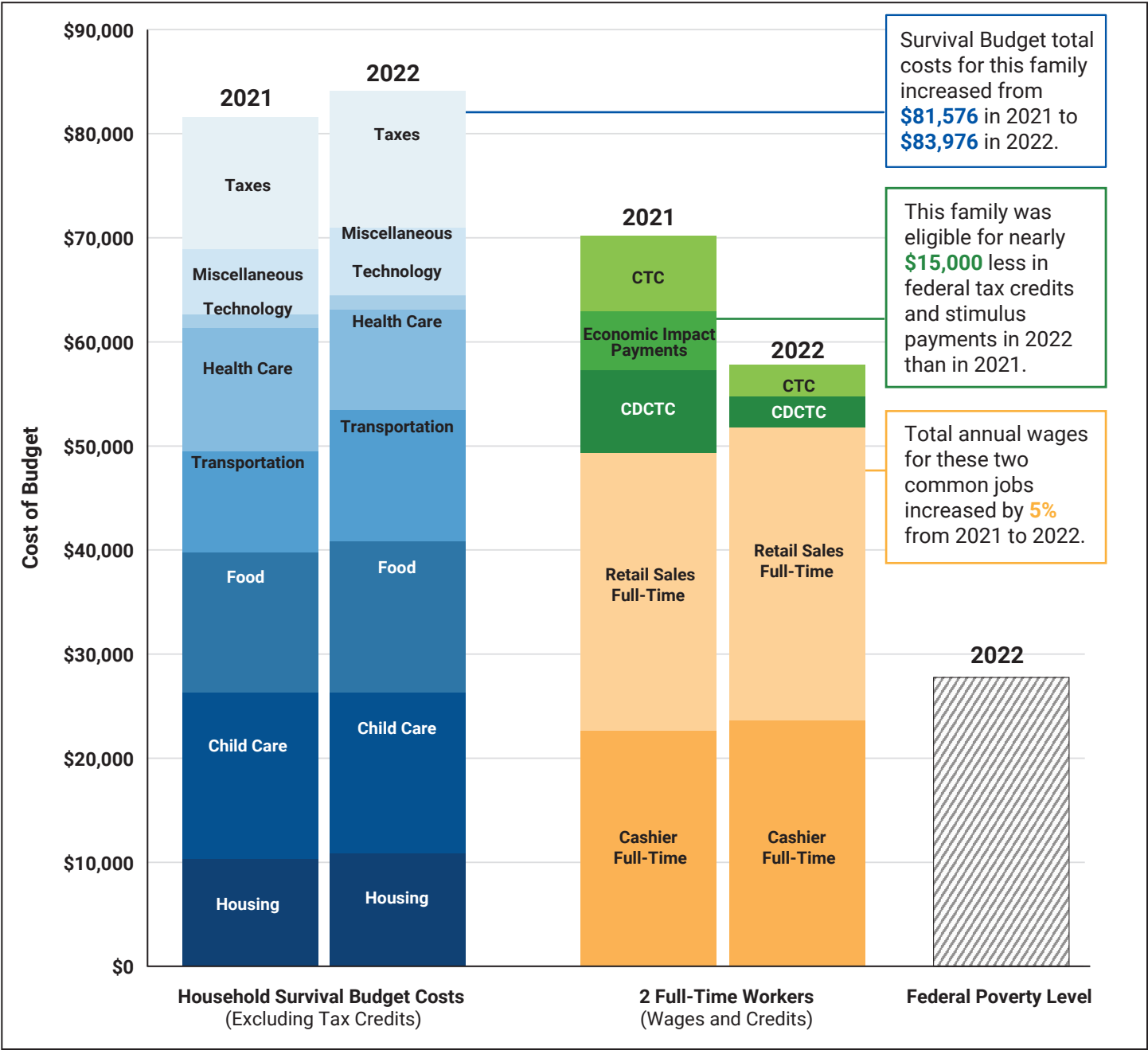
When wages cannot cover basic household costs, families struggle to make ends meet. Workers below the ALICE Threshold perform jobs that keep North Carolina’s economy running smoothly, such as cashiers, nursing assistants, office clerks, servers, laborers, and security guards. The pandemic highlighted the importance of these in-person, on-site jobs. Yet despite wage increases through the pandemic and into 2022, many workers still could not cover the increased cost of household basics, and their families continued to struggle to make ends meet.

Public assistance also shifted during the pandemic, with 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.

Figure 2 shows an example of how these economic forces — costs, wages, and federal public assistance — impacted a family of four in North Carolina in 2021 and 2022. This family with an infant, a preschooler, and two parents working full time in two of the state’s most common occupations (retail salesperson and cashier) saw annual household costs increase from \$81,576 in 2021 to \$83,976 in 2022; combined wages go up by 5% (\$10.90 to \$11.36 for cashier and \$12.82 to \$13.55 for retail salesperson); and total federal assistance decrease by nearly \$15,000. Amid these crosscurrents, this family was not able to afford household basics in 2021 or 2022.

Figure 2. Comparison of Costs, Public Assistance, and Wages, Family of Four, North Carolina, 2021 and 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; U.S. Department of the Treasury, 2022 and 2023

See page 3 for Household Survival Budget sources and visit UnitedForALICE.org/Household-Budgets/North-Carolina to see the Household Survival Budget for all counties and for any household type.

WHO IS ALICE? DEMOGRAPHICS

The pandemic exposed and exacerbated disparities and vulnerabilities that have long existed in North Carolina, with substantial differences in rates of hardship by race/ethnicity, age, household type, and location. It also brought ALICE to the forefront, as essential workers showed up to low-paid, on-site jobs despite the risks to their own and their families' health and safety. Even as we move further away from the height of the pandemic, its ripple effects continue to impact the most vulnerable households in North Carolina — those below the ALICE Threshold.

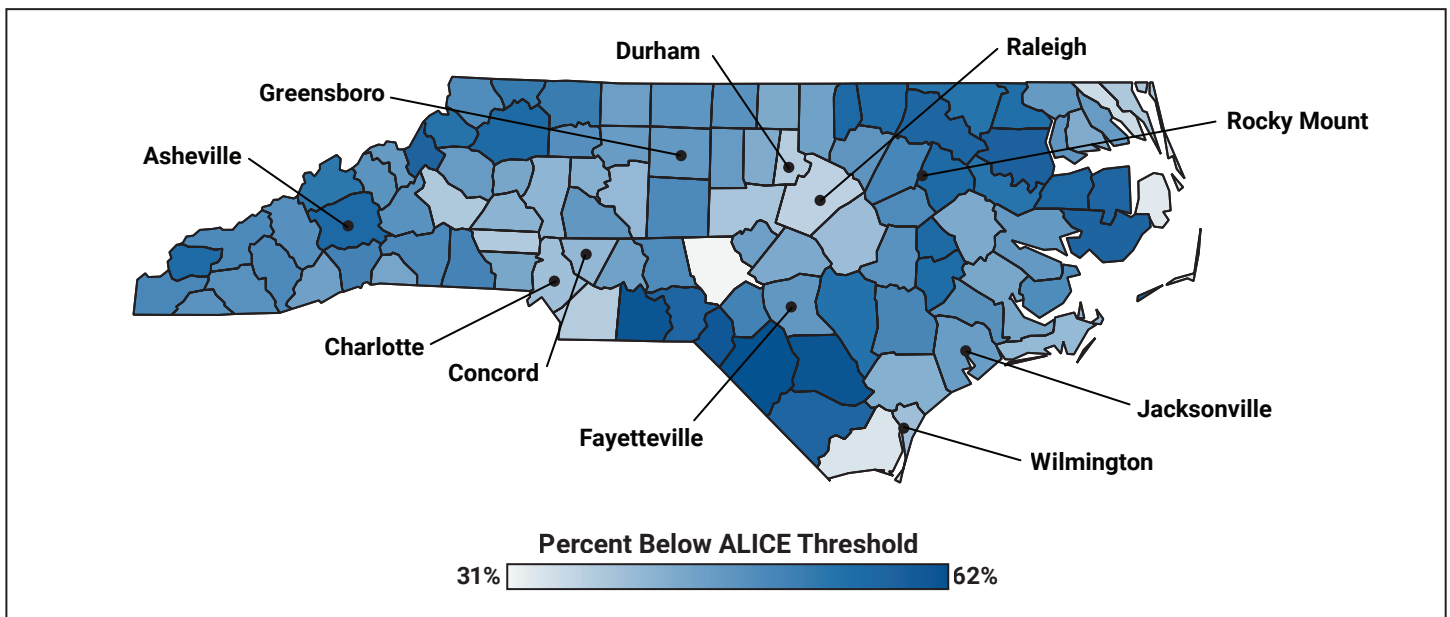
(Figure 3). In 2022, the percentage of households below the ALICE Threshold ranged from 31% in Moore County to 62% in Aston, Bladen, and Robeson counties. But even greater variation was found within some counties. For example, in the county with the highest number of total households in the state, Mecklenburg County, the share of households below the ALICE Threshold ranged from 18% in Steele Creek to 54% in Pineville. For more county detail, visit the County Reports on our website: UnitedForALICE.org/County-Reports/North-Carolina

Financial Hardship by Location

Financial hardship in North Carolina varies by location — from region to region, county to county, and even within counties from one ZIP code to the next, depending on opportunities for employment, labor force participation, and the cost of living

In addition, nearly 3,378,000 North Carolina households lived in predominantly urban counties in 2022, and 42% of these households were below the ALICE Threshold. For the 874,598 households living in predominantly rural counties, the rate below the Threshold was even higher (49%).

Figure 3. Financial Hardship by County, North Carolina, 2022



Note: For more details, see the County Comparison: Income Status, 2022 table at the end of this Report. To see interactive ALICE maps, go to UnitedForALICE.org/Maps/North-Carolina

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

Financial Hardship by Age, Household Type, and Race/Ethnicity

In North Carolina in 2022, rates of financial hardship differed substantially between groups, a result of multiple factors including [systemic racism](#), [ageism](#), [gender discrimination](#), and [geographic barriers](#) that limit many families' access to resources and opportunities for financial stability:

- **Age:** By age of householder, the youngest and oldest (Figure 4) households had the highest rates of financial hardship in 2022: 67% of households headed by someone under age 25 and 52% of households headed by someone age 65 and over lived below the ALICE Threshold in North Carolina. By comparison, rates were lower for those in their prime working years, with 40% of households headed by people age 25–44 and 38% of households headed by those age 45–64 living below the Threshold.
- **Race/ethnicity:** Rates of financial hardship differ substantially by race/ethnicity in North Carolina. In 2022, the largest number of households below the ALICE Threshold were White (1,066,303), making up 38% of all White households. Black households were the next largest group below the Threshold (516,123), yet they made up 58% of all Black households. There were also 150,633 Hispanic households below the Threshold, making up 54% of all Hispanic households. Other smaller groups also had high rates of hardship: 62% of American/Indian Alaska Native households, 49% of Native Hawaiian/

Pacific Islander households, and 46% of households headed by someone of Two or More Races were below the Threshold.

- **Household type:** In 2022, 41% of single or cohabiting households without children headed by someone under age 65 — the most common household type in the state — were below the ALICE Threshold. Among families with children, 38% were below the ALICE Threshold. And longstanding disparities in financial hardship by family type remained: 79% of single-female-headed families and 63% of single-male-headed families were below the Threshold in 2022, compared to 21% of married-parent families.
- **Urban/rural:** There is a [geographic divide](#) in North Carolina that reflects a decade or longer trend of declining population and slow economic growth in rural areas. The rate of financial hardship is higher in rural areas, where almost half of all households are below the ALICE Threshold (49%), compared to 42% for urban areas.

Figure 4 paints a clear picture of the rates of hardship for different demographic groups compared to the North Carolina average. For all households in North Carolina, 13% were in poverty and 31% were ALICE in 2022.



Figure 4. Household Financial Status and Key Demographics, North Carolina, 2022

	Total	Below ALICE Threshold	Poverty ALICE Above ALICE Threshold		
ALL HOUSEHOLDS	4,252,548	1,848,749	13%	31%	57%
AGE					
Under 25 Years	188,167	126,660	29%	38%	33%
25 to 44 Years	1,373,662	545,088	13%	27%	60%
45 to 64 Years	1,541,479	579,487	11%	26%	62%
65 Years and Over	1,149,240	597,514	12%	40%	48%
RACE/ETHNICITY					
American Indian/ Alaska Native	40,391	25,185	19%	43%	38%
Asian	106,720	31,035	6%	23%	71%
Black	883,326	516,123	15%	43%	42%
Hispanic	279,123	150,633	9%	45%	46%
Native Hawaiian/ Pacific Islander	2,555	1,261	8%	42%	51%
Two or More Races	167,663	77,795	10%	36%	54%
White	2,781,570	1,066,303	7%	31%	62%
HOUSEHOLD TYPE					
Married With Children	731,205	149,976	6%	14%	79%
Single-Female- Headed With Children	269,896	213,033	44%	35%	21%
Single-Male-Headed With Children	84,640	53,141	21%	42%	37%
Single or Cohabiting, Under 65, no Children	2,017,567	835,085	11%	30%	59%
RURAL/URBAN					
Rural	874,598	429,967	17%	32%	51%
Urban	3,377,950	1,418,782	12%	30%	58%

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 Report, 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 2022, out of 4,252,548 households, there were 550,381 (12.6%) in poverty plus 1,298,368 (30.5%) that were ALICE, which totals 1,848,749 (43.4%) below the ALICE Threshold and rounds to 43% in this Report.

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

Demographic Trends

Population change: Population growth in the U.S. slowed in the years leading up to the pandemic and reached a historic low in 2021 due to COVID-related deaths, postponement of having children, and more restrictive policies on immigration. Yet by 2023, [population growth](#) had returned to pre-pandemic levels. North Carolina remained one of the top ten most populous U.S. states, and top five for numeric growth.

This recent growth continues a more than decade-long trend. The total number of households in North Carolina increased by 16% from 2010 to 2022. During this period, while the number of households in poverty decreased by 5%, the number of ALICE households increased by a substantial 38%, outpacing overall growth.

Age: Though there were fewer total households headed by those under age 25 in North Carolina compared to other age groups, the number of younger households experiencing financial hardship has grown. The total number of households headed by someone under age 25 increased by 13% from 2010 to 2022, and their rate below the Threshold increased by 7%.

The number of households headed by people age 25–44 and by people age 45–64 increased from 2010 to 2022, up 6% and 8%, respectively. The number of households below the ALICE Threshold also increased for both age groups, up 10% for households headed by those age 25–44 and up 15% for households headed by those age 45–64.

HOUSEHOLDS HEADED BY PEOPLE AGE 65+

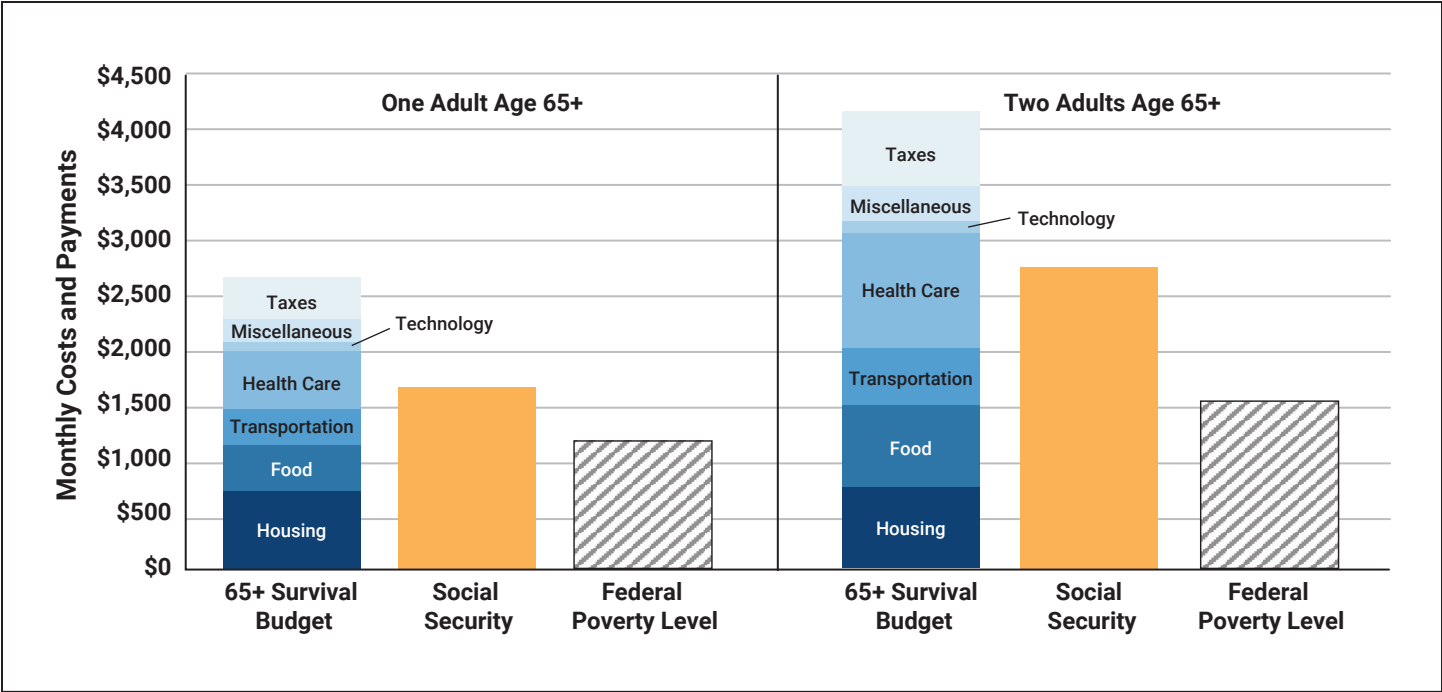
While Social Security helps [reduce the poverty rate for households headed by older adults](#) (12% in North Carolina in 2022), benefits have not been enough to cover the costs in the ALICE 65+ Survival Budget and bring older adults to financial stability. As a result, for more than a decade, a substantial number of North Carolina's 65+ households have been ALICE (40% in 2022 — the highest share of any age group). In 2022, monthly costs for the ALICE 65+ Survival budget for one adult in North Carolina were nearly \$1,000 more than the [average Social Security payment](#) of \$1,657 (Figure 5).

And with increasing costs and insufficient retirement savings, many older adults have needed to continue working. In 2022, over 548,000 people age 65 and over living below the ALICE Threshold in North Carolina did not have retirement savings beyond Social Security, and over 75,000 were working.

With the [aging of the Baby Boomer generation](#), households headed by people age 65 and over are the fastest-growing age group in North Carolina (up 48% between 2010 and 2022). They are also the age group with the most substantial increase in the number of households below the ALICE Threshold (also up 48% during the same period).



Figure 5. Monthly ALICE 65+ Survival Budget Total, Average Monthly Social Security Payments, and the Federal Poverty Level, North Carolina, 2022



Note: See page 4 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; U.S. Department of Health and Human Services, 2022

Household type: North Carolina’s most common household type, under age 65 single or cohabiting households without children, grew from 2010 to 2022 (up 12%), and the share of these households below the ALICE Threshold also increased (up 17%).

In contrast, the number of households with children under age 18 in North Carolina held steady (down only 1% from 2010 to 2022). As shown in Figure 6, during this period, the number of married-parent households grew slightly, from 720,441 to 731,205 (up 1%), while single-female-headed households fell in number, from 289,714 to 269,896 (down 7%). At the same time, the number of single-male-headed households held relatively steady, at 84,281 in 2010 and 84,640 in 2022 (a less than 1% change).

During the same period, for all three groups, the number of households in poverty decreased, while the number of ALICE households increased. For example, for single-female-headed households, the number in poverty decreased 22%

(from 150,819 to 117,672) and the number who were ALICE increased 51% (from 63,358 to 95,361). Together, the total below the Threshold remained relatively unchanged (down 1%), at 214,177 in 2010 and 213,033 in 2022. The net result for all family types was a 4% increase in the total number of North Carolina households with children below the ALICE Threshold between 2010 and 2022.

Even during the pandemic, when additional state and federal funding was allocated to families with children, rates of hardship barely changed (though the starting points differed substantially by family type): The percentage of married-parent households below the ALICE Threshold was 20% in 2019 and 21% in 2022; the rate for single-female-headed households was the same at both time points (79%); and the rate for single-male-headed households shifted only slightly (from 61% to 63%).

Figure 6. Households With Children, North Carolina, 2022

	Married-Parent	Single-Female-Headed	Single-Male-Headed
Percent Change 2010 to 2022			
Total Households	▲ Increased 1%	▼ Decreased 7%	Flat
Households in Poverty	▼ Decreased 34%	▼ Decreased 22%	▼ Decreased 34%
ALICE Households	▲ Increased 56%	▲ Increased 51%	▲ Increased 50%
Households Below ALICE Threshold	▲ Increased 10%	▼ Decreased 1%	▲ Increased 5%
Percent Below ALICE Threshold, 2022	21%	79%	63%

Sources: ALICE Threshold, 2010–2022; American Community Survey, 2010–2022

Race/ethnicity: [Research on inequality](#) continues to show substantial disparities in hardship by race/ethnicity in North Carolina and across the U.S. Due to a change in the way the Census asks about race/ethnicity, this Report is not able to accurately capture change over time for this category in the total number or share of households below the ALICE Threshold. Starting in 2020, the U.S. Census Bureau changed how it asks about and codes [data on race and Hispanic origin](#). These changes help the Census and ACS provide a more complete picture of the U.S. population, especially for people who self-identify as multiracial or multiethnic. But as a result, the [Census urges caution](#) when comparing race data between years before and after 2020. For example, in North Carolina, the huge increase in the Census count of people of [Two or More Races](#) (also referred to now as Multiracial) — 186% from 2019 to 2022 — is a combination of actual growth in this population and improvements to Census questions and coding. (Note: The number of Multiracial households below the ALICE Threshold also increased at a high rate, 160%).

Migration: For the past three decades, population growth in North Carolina has been driven by [migration into the state](#) (accounting for about two thirds of net population growth). More recently, between 2021 and 2022, that contribution was even higher: Net migration accounted for an estimated 95% of

state population growth, with gains largely from other states, including California, New York and other northeastern states, Virginia, Florida, and Texas.

Between 2010 and 2022, the counties in North Carolina with the largest percentage increase in total number of households included Brunswick, Cabarrus, Johnson, Mecklenburg, and Wake counties, while Anson, Bertie, Bladen, Tyrrell, and Graham counties had the largest percentage decrease. In predominantly rural counties, the total number of households increased by 3% from 2010 to 2022, and the number of households below the ALICE Threshold increased by 9%. In predominantly urban counties, the total number of households increased by 20%, and the number of households below the Threshold increased by 26%.

In 2022, foreign-born residents accounted for 9% of the population in North Carolina, similar to the rate in 2010 (8%), with the largest number of immigrants being from China, India, and Mexico. The [counties](#) with the largest numbers of immigrants included Durham, Forsyth, Guilford, Mecklenburg, and Wake.

WHY ARE THERE SO MANY ALICE HOUSEHOLDS?

Over the last decade, the number of ALICE households in North Carolina has been on the rise as wages have failed to keep up with inflation and the rising cost of household basics. ALICE and poverty-level households struggle to afford basic necessities – housing, child care, food, transportation, health care, and technology. Public assistance has filled in some of the gaps, especially during the pandemic, but it has never been enough to bring all families to financial stability.

This consistent trend – a growing number of households that are struggling financially, undercounted by official measures and largely ineligible for public assistance – 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.

households below the ALICE Threshold increased from 33% in 2007 to 41% in 2010, and it never returned to pre-Recession levels in the decade that followed.

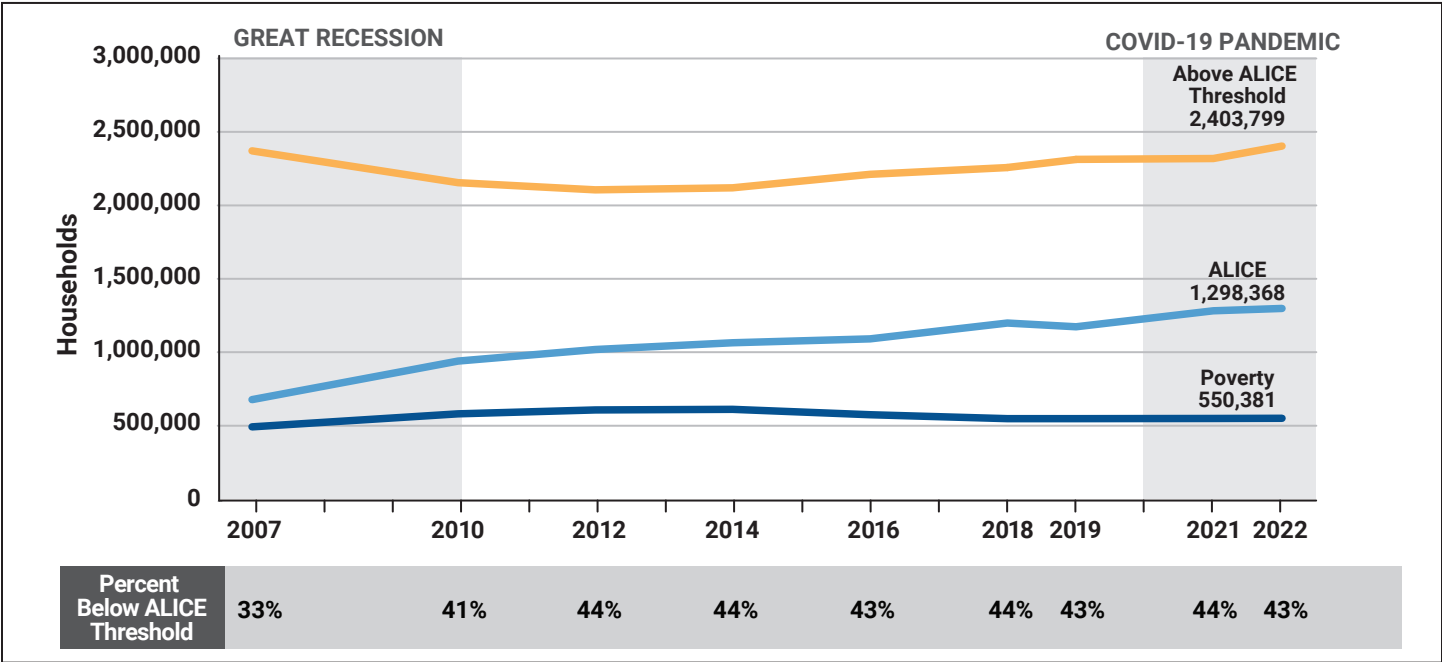
Since 2010, despite some ups and downs in rates of financial hardship, the trend has been clear: The number of ALICE households in North Carolina has been steadily growing. From 2010 to 2022, the total number of households in the state increased by 16%, households in poverty decreased by 5%, and the number of ALICE households increased by 38%.

Narrowing the focus to the period around the COVID-19 pandemic, there was surprisingly little change in the rate of financial hardship in North Carolina (43% of households were below the ALICE Threshold in both 2019 and 2022). Yet the number of ALICE households continued to grow.

Financial Hardship Over Time

Rates of financial hardship in North Carolina have shifted over time (Figure 7). During the last major economic disruption – the Great Recession – the percentage of North Carolina

Figure 7. Households by Income, North Carolina, 2007–2022



Sources: ALICE Threshold, 2007–2022; U.S. Census Bureau, American Community Survey, 2007–2022

The ALICE Essentials Index

Inflation is one of the most widely utilized indicators of the health of the U.S. economy. When prices increase faster than wages, the stock market, and other sources of income, people's purchasing power decreases and economies struggle. This is especially challenging for families on a tight budget or a fixed income, like households below the ALICE Threshold.

The standard measure of inflation in the U.S., the Bureau of Labor Statistics' **Consumer Price Index** (CPI), tracks the retail price of select goods and services purchased by consumers in [75 urban areas](#) and is composed of [more than 200 categories](#), including food and beverages, housing, apparel, transportation, medical care, recreation, education, and communication services.

The CPI is often used as the North Star to guide economic policies, including monetary policy, benchmark increases for Social Security, retirement benefits for veterans and federal civil service retirees, FPL calculations, and eligibility for government assistance programs.

Yet despite being used to guide policy for low-income households, the CPI doesn't accurately portray rates of

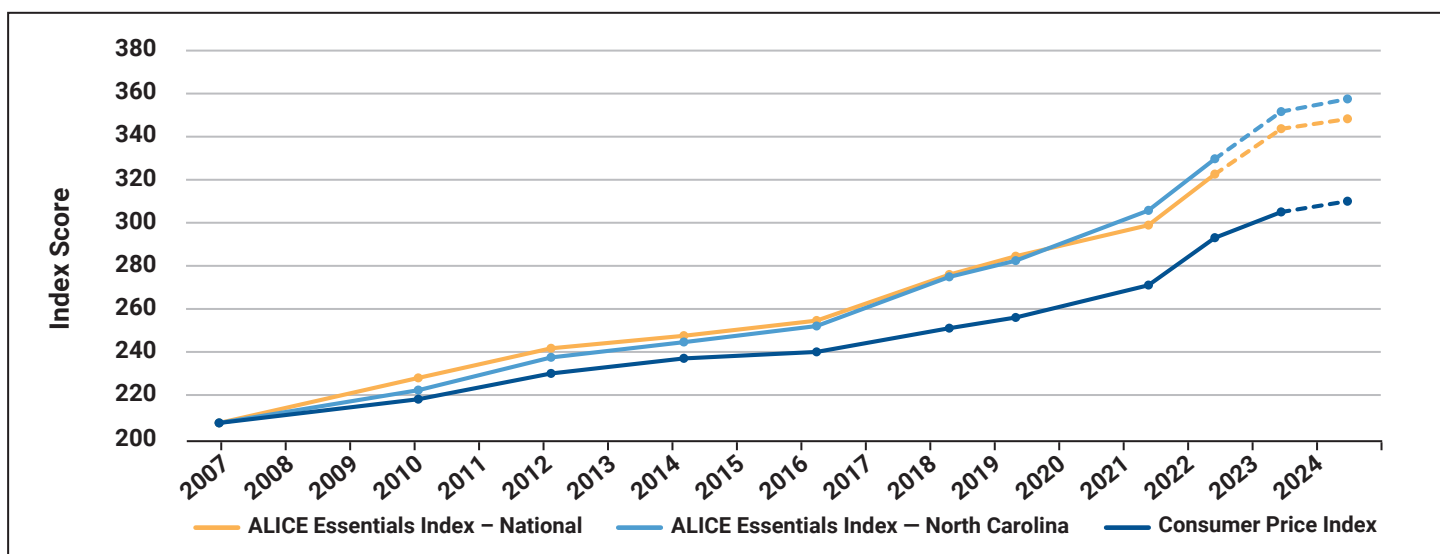
inflation for the purchases that these households most often make. The CPI measures the change in prices of all goods and services that people at all income levels purchase, from haircuts to plane tickets — and by doing so, it conceals the changes in prices of the smaller number of goods and services that are essential to meeting basic needs for households below the ALICE Threshold.

The [ALICE Essentials Index](#) aims to fill this gap and bring the reality of ALICE household costs to the forefront. The Index tracks only the cost of six categories of basic goods and services essential to living and working in the current economy: housing, child care, food, transportation, health care, and basic smartphone and home broadband internet plans. And it shows that the rise in the cost of household basics far outpaces increases in the cost of the CPI's larger basket of goods and services.

The national ALICE Essentials Index and the North Carolina ALICE Essentials Index have increased faster than the national CPI over the last decade (Figure 8):

- The National ALICE Essentials Index has outpaced the broader CPI since 2007. Costs for both measures

Figure 8. North Carolina ALICE Essentials Index, National ALICE Essentials Index, and National CPI, 2007–2024



Note: In this figure, the ALICE Essentials Index was adjusted to the CPI base value of 207 in 2007. Inflation comparison is 2007–2022; rates for 2023 and 2024 are projections.

Sources: ALICE Essentials Index, 2007–2022; Bureau of Labor Statistics—Consumer Price Index, 2007–2023. For more information, visit UnitedForALICE.org/Essentials-Index.

increased at a faster pace following the COVID-19 pandemic, peaking between 2021 and 2023. During this period, the ALICE Essentials Index increased at an annual rate of 7.3% compared to 6.1% for the CPI — both much faster than the annual rates during the Great Recession (3.3% annual increase for the ALICE Essentials Index and 1.7% for CPI from 2007 to 2010). During this period of higher inflation, many consumers cut or tightened spending in response. But **ALICE households had already been struggling with the higher rates of inflation associated with essential goods for years.** And since they only purchase necessities, they have little to no leeway to tighten spending.

- In North Carolina, the state ALICE Essentials Index has largely mirrored the National ALICE Essentials Index over time. However, since 2019, the state rate of increase has surpassed the national rate.

These increases in the costs of basics mean that ALICE workers struggle to keep up. Wages, especially in low-wage jobs, have increased both nationally and statewide for the first time in over a decade. But with the increase in the cost of basic goods, many workers' wages can't catch up. For example, in 2010, child care workers in North Carolina earned a median wage of \$8.86 an hour (\$18,430 annually for full-time work), falling \$11,099 short of the annual Household Survival Budget for a family with one adult and one school-age child (\$29,529). By 2022, the median wage for child care workers in

North Carolina increased by 45% to \$12.87 an hour (\$26,770 annually, full-time). Yet the annual Household Survival Budget for one adult and one school-age child also grew (to \$43,464), leaving these essential workers nearly \$16,700 short of basic costs — even further behind than they were in 2010.

POLICY, PROGRAMS, AND THE CPI

Because the CPI is used to annually adjust the federal tax brackets and FPL guidelines for inflation, gaps between the CPI and the rising cost of household basics are making it increasingly hard for adjustments to public assistance program eligibility levels to keep up. This diminishes the reach and effectiveness of public assistance and other social programs, with tangible hardship for recipients: For example, only one in four households eligible for [federal housing assistance](#) actually receive it. This is especially true for those programs most relevant to ALICE households, [including](#) Social Security and Supplemental Security Income (SSI) benefits, retirement benefits for veterans and civil servants, the Supplemental Nutrition Assistance Program (SNAP), school lunch programs, Medicaid, and tax credits. Households that depend on these public assistance programs have seen the value of their benefits erode over time as costs have risen.

Limits of Traditional Public Assistance Programs

Without public assistance, ALICE households would face even greater hardship and many more would be in poverty, especially during economic downturns. Programs like the Supplemental Nutrition Assistance Program (SNAP), the Earned Income Tax Credit (EITC), Medicaid, Supplemental Security Income (SSI), Temporary Assistance to Needy Families (TANF), and, increasingly, food banks and other community supports provide a critical safety net for basic household well-being.

Yet traditional public assistance does not reach all people in all households that are struggling financially. Due to [income and asset limits](#), most ALICE households are not able to participate in public assistance programs. Other barriers that prevent participation even for eligible households include [lack of](#)

[information](#) about programs, [language barriers](#), [stigma](#), and the [administrative burden](#) of accessing benefits. In addition, income and asset limits for public assistance can create "[benefits cliffs](#)" that limit economic mobility.

In North Carolina in 2022:

- **Food assistance:** According to Feeding America, the prevalence of [food insecurity](#) varied across North Carolina counties in 2022, with the highest rates in rural counties. In part due to the eligibility requirements of SNAP in North Carolina in 2022 ([gross monthly income](#) at or below 200% of the FPL and less than \$3,000 in assets for most households), public food assistance was not accessible

to all households that were struggling financially. Only 42% of all North Carolina households in poverty and 21% of all ALICE households participated in SNAP in 2022. Among all eligible people, estimated [SNAP participation rates were higher](#). Food pantries experienced a substantial [increase in demand for services](#) when the nationwide pandemic-related benefits and emergency allotments expired at the end of February 2023.

- **Cash assistance:** The percentage of North Carolina households below the ALICE Threshold receiving direct cash assistance from programs like [TANF](#) was even smaller than the share receiving SNAP (3% of households in poverty and 2% of ALICE households).
- **Participation in SSI:** This assistance program serves people with disabilities and those 65 and older with limited financial resources. To be eligible, applicants cannot have assets greater than \$2,000 for an individual and \$3,000 for a married couple — a level that has not been updated in nearly 40 years, and that creates a substantial barrier to saving and wealth-building for people with disabilities and their families. In North Carolina, only 3% of people below the ALICE Threshold and 12% of people with a disability living below the Threshold participated in SSI in 2022.
- **Health insurance:** In 2022, 36% of all households below the ALICE Threshold in North Carolina participated in CHIP or Medicaid, lower than the national rate of 46%. In 2022, North Carolina had not yet [expanded Medicaid](#),

although by December 1, 2023, Medicaid expansion had been adopted and implemented. Research shows that Medicaid expansion for adults leads to better access to care and improved health outcomes for the adults who obtained coverage, as well as for their children. Currently, North Carolinians can apply for Medicaid coverage through the [Federally-Facilitated Marketplace](#).

- **Housing assistance:** Paying for housing continued to be a top concern for low-income households, particularly with rising costs, the expiration of pandemic rental assistance, and the end of COVID-19 state and federal eviction bans. By mid-2022, [eviction filings](#) in the state were back to pre-pandemic levels. At the same time, 63% of North Carolina households below the ALICE Threshold were rent burdened (paying more than 30% of their income on rent) and 36% were severely rent burdened (paying more than 50% of their income on rent). Rent burden not only impacts housing stability, but also has far-reaching health implications, including increased risk for depression, anxiety, chronic diseases, and mortality.



WHERE DOES ALICE FIT IN THE LABOR LANDSCAPE?

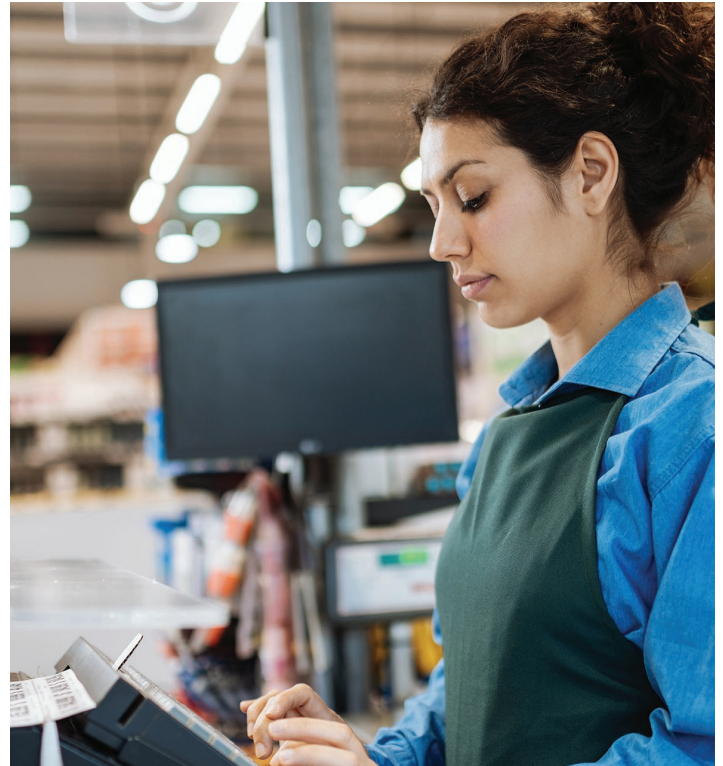
Increasingly, workers below the ALICE Threshold serve as the reservoir for the labor force — in North Carolina and across the U.S. — through work arrangements that leave them with more economic risk and fewer job protections. Following the Great Recession, employers have increasingly relied on [hourly paid, part-time, at-will, and project-based employees](#), making it easier to reduce workers' hours or cut their employment altogether when the economy ebbs (which happened to a large degree when the pandemic hit) and expand them when demand increases (which happens seasonally for a range of industries such as travel, recreation, and retail sales).

This section will provide additional context about who is participating in the labor force; the impact of full-time versus part-time employment, unemployment and underemployment; and wage growth and disparities in North Carolina.

As recently as the second quarter of 2024, the North Carolina economy was the [11th largest in terms of GDP](#). The state's economy is fueled by a well-rounded range of industries. The [top five industries based on employment](#) in 2022 were trade, transportation, and utilities; government; professional and business services; education and health services; and leisure and hospitality.

With both a strong higher education system — including notable research universities, historically Black colleges and universities (HBCUs), and a network of community colleges — and growth in the technology sector, North Carolina is also a leading state for innovative research and development. This is especially the case in areas such as transportation, biotechnology, clean energy, and aerospace. The [Research Triangle](#) of Raleigh-Durham-Chapel Hill is home to the largest research park in North America. Also of note, [Charlotte](#) is the second largest banking center in the country (after New York City).

Across most industry sectors, the economy [rebounded strongly](#) after the pandemic in terms of employment, wages, and building/construction. Two of the largest industry sectors — education and health services, and leisure and hospitality



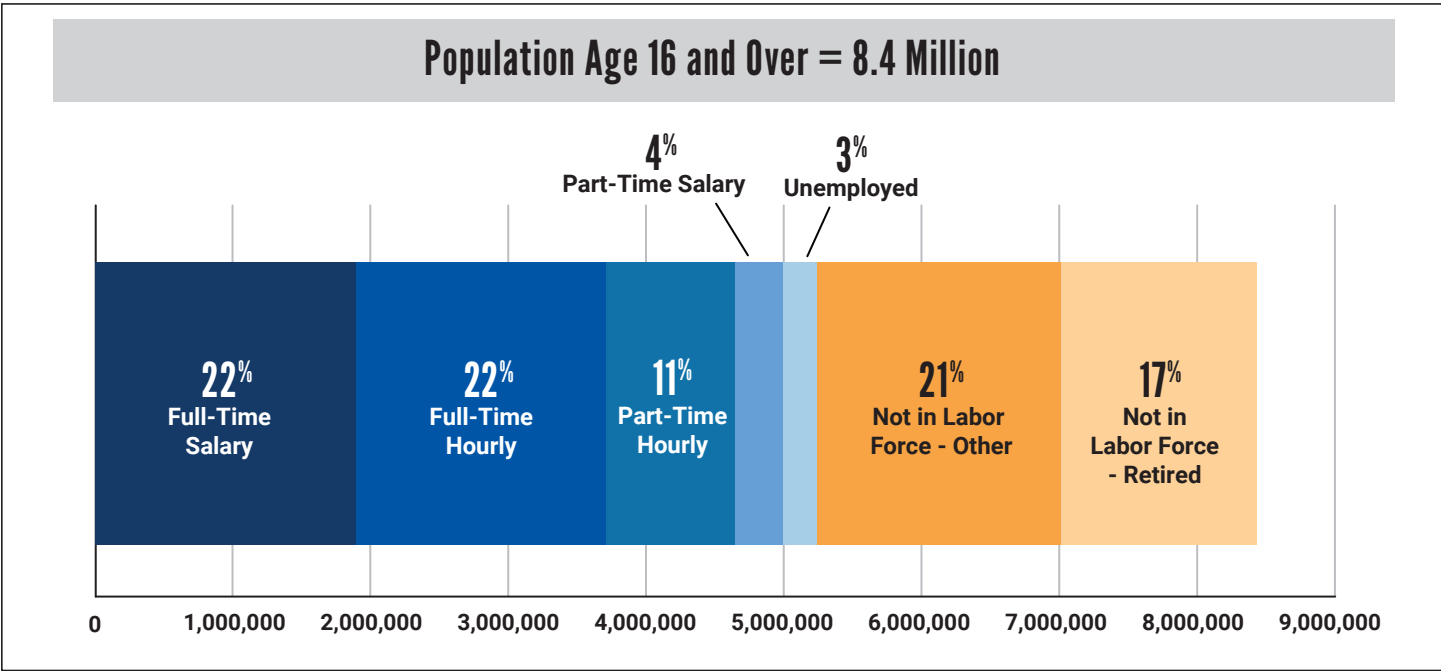
— also rebounded, but still have a high concentration of low-wage jobs. Therefore, growth in these sectors does not necessarily improve worker financial stability.

There are also substantial [differences in trends by region](#) of the state. For example, two counties — Wake and Mecklenburg — accounted for [half of all GDP growth](#) in the state from 2011 to 2020. Meanwhile, many [rural areas have struggled](#) with declining populations and the workers and resources needed to fuel economic growth and prosperity. The [western counties of the state](#) face substantial challenges including layoffs and plant closures in mining, manufacturing, and processing, along with shortages of affordable housing and child care.

Inside the Labor Force

Figure 9 is an overview of the labor status of North Carolina’s population age 16 and over in 2022. Of these 8,431,434 people, 62% were in the labor force (blue bars, including full-time, part-time, and unemployed) and 38% were out of the labor force (gold bars). [Reasons adults were out of the labor force included](#) caregiving responsibilities, a health issue, a disability, being a student, and retirement.

Figure 9. Labor Status, 16+ Population, North Carolina, 2022



Note: Data for full- and part-time jobs is only available at the national level; these national rates (49% of full-time workers and 73% of part-time workers paid hourly) have been applied to the total North Carolina workforce to calculate the breakdown shown in this figure. Full-time represents a minimum of 35 hours per week at one or more jobs for 48 weeks per year.

Sources: American Community Survey, 2022; Federal Reserve Bank of St. Louis, 2022

Full-time and part-time work: Though the majority of adults in North Carolina were working in 2022, and most households had at least one worker, only 22% of the 16+ population had the security of a full-time job with a salary. Of those in the labor force, over half (53%) were paid hourly and/or worked part time. During the pandemic, there was a substantial dip in the [number of full-time workers](#) nationwide; that number has been steadily increasing since the low point in 2020, yet in 2022 still fell short of the pre-pandemic number.

Unemployment: Overall in 2022, the labor market had rebounded from the record-breaking unemployment (not currently working but looking for work in the last four weeks) and [drop in total employment](#) that occurred at the start of the pandemic. The unemployment rate was 3% in North Carolina

in 2022, a stark contrast to unemployment at the height of the pandemic (14.2% in April 2020). Yet the unemployment rate for workers below the ALICE Threshold in 2022 was much higher, at 8%. In addition, [long-term unemployment](#) for all workers nationwide remained stubbornly high; one in five unemployed workers were out of work for more than 27 weeks in 2023, the same rate as in 2019.

Nationally, over the last five years, Black and Hispanic workers experienced a [rise in wages and a drop in unemployment rates](#), a departure from U.S. labor market norms. In 2022, the gaps between Black and White unemployment and labor force participation rates were near historic lows. Yet nationally and in North Carolina, gaps in employment have persisted. As recently as the second quarter of 2024, the [unemployment](#)

[rate](#) among people age 16+ in North Carolina was higher for Black workers (6.0%) and Hispanic workers (3.8%) than for White workers (2.7%).

Underemployment: Many workers are unable to work full time due to family responsibilities, being in school or training, illness, disability, or child care problems. Others work part time because their hours have been reduced; still others want to work more but struggle to find and secure full-time employment. In North Carolina in 2022, the [underemployment rate](#) that captured these workers was 7.1%, almost twice the traditional unemployment rate (3.7%), and similar to the underemployment rate before the pandemic (7.3% in 2019). North Carolina had the highest underemployment rate in 2022 compared to neighboring states (5.7% in Virginia, 6.1% in both Georgia and Tennessee, and 6.5% in South Carolina).

Underemployment was particularly notable among parents: In North Carolina, one in four children (25%) lived in families that [lacked secure full-time employment](#) in 2022.

Nationally in 2022, 14% of people age 25 to 55 years were “[part-time for economic reasons](#)” (available for full-time work but working part time). There were also differences by race/ethnicity: Hispanic men had the highest involuntary part-time rate at 36%, followed by Black men (29%) and White men (24%). Rates were lower for women: 17% of Hispanic women, 16% of Black women, and 9% of White women were working part time for economic reasons in 2022.

Out of the Labor Force

People out of the labor force include those who are retired (17% of the 16+ population in North Carolina in 2022). With an aging population, this percentage continues to increase over time. Many older workers were also forced to retire earlier than planned during the pandemic. Nationally, according to the Federal Reserve SHED in November 2021, 26% of adults who retired within the year prior to the survey, and 15% of those who reported that they retired one to two years earlier, said factors related to COVID-19 contributed to when they retired. Excess retirements related to the pandemic in the U.S. were experienced across all demographic groups, according to a 2022 report by the Federal Reserve, yet early retirees were more likely to be age 65 and older, White, and college-educated, which may in part be explained by their better financial position prior to the pandemic.

Yet with increasing costs and insufficient retirement savings, many older adults have needed to continue working. In 2022, according to the American Community Survey, nearly 548,400 people age 65 and over living below the ALICE Threshold in North Carolina did not have retirement savings beyond Social Security, and nearly 75,400 were working.

Of the 16+ population in North Carolina, 21% were out of the labor force for reasons other than retirement, including disability, health issues, caregiving responsibilities, and education.

Wages for the Most Common Occupations

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 minimum wage increases in some states also contributed to this effect, that wasn't the case in North Carolina; the state's minimum wage workers are paid the federal minimum wage (which has been \$7.25 per hour since

2010). But overall, low-wage jobs in North Carolina still saw notable wage increases from 2019 to 2022.

While wage increases helped fill the gap when pandemic assistance ended, they were not enough to make up for years of falling behind. As documented in the ALICE Essentials Index, wages have not kept pace with the cost of essential goods for more than a decade, stretching ALICE workers' household income even further. In 2022, of the 20 most common occupations in North Carolina as reported by the Bureau of Labor Statistics (BLS), 70% still paid less than \$20

per hour. The wage to cover the ALICE Household Survival Budget for a single adult in North Carolina was \$14.04 per hour working full-time, or for a family with two adults and two children, a combined wage of \$39.29 per hour.

most common occupation, 52% were struggling. Occupations with the largest share of ALICE workers included cooks, cashiers, waiters/waitresses, fast food/counter workers, and personal care aides (Figure 10).

Of the workers in the 20 most common occupations, 34% were below the ALICE Threshold in 2022. Among cooks, the

Figure 10. Labor Characteristics of Most Common Occupations, North Carolina, 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)
Cooks	146,120	52%	\$12.83	23%
Cashiers	127,220	52%	\$11.36	18%
Laborers and Movers, Hand	123,040	46%	\$15.89	21%
Driver/Sales Workers and Truck Drivers	119,430	33%	\$16.73	-7%
Retail Salespersons	114,630	36%	\$13.55	21%
Registered Nurses	104,300	10%	\$36.75	18%
Stockers and Order Fillers	92,560	43%	\$14.68	17%
Customer Service Representatives	89,500	34%	\$17.42	5%
General and Operations Managers	89,160	13%	\$48.09	-7%
Office Clerks, General	71,810	25%	\$17.14	12%
Waiters and Waitresses	69,440	51%	\$10.15	9%
Elementary and Middle School Teachers	64,140	18%	\$23.98	3%
Fast Food and Counter Workers	63,890	50%	\$11.39	23%
Personal Care Aides	58,800	49%	\$12.06	17%
Sales Representatives, Wholesale and Manufacturing	58,470	13%	\$39.51	21%
Software Developers	57,690	6%	\$60.83	N/A
Nursing Assistants	54,260	46%	\$15.31	21%
Bookkeeping, Accounting, and Auditing Clerks	49,590	26%	\$20.41	9%
Secretaries and Administrative Assistants	48,050	24%	\$18.73	5%
Maintenance And Repair Workers, General	45,770	21%	\$19.66	6%

Note: 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 type and location. Employment and wage numbers are from BLS and are matched to the closest ACS PUMS occupation title (which are generally broader than those in BLS). The 2019 median wage for Software Developers is missing/renamed in the Bureau of Labor Statistics—Occupational Employment Statistics dataset, therefore we cannot calculate the percent change in wage, 2019–2022.

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/North-Carolina.

Where ALICE Works Matters

Occupations and employers matter for workers; some jobs have greater earning potential and pathways for advancement. Even within one occupation, key features of employment can [differ by employer](#), with a wide variation in wage levels, job security, predictability of schedules, opportunities for advancement, and benefits.

Over the last few years, low-wage workers have seen the biggest increase in wages in more than a decade. Yet in the face of inflation, many workers below the ALICE Threshold confront ongoing challenges, especially when dealing with unreliable work arrangements, juggling multiple jobs, or facing instability of small businesses, as outlined below.

- **Gig and contract work:** According to McKinsey's 2022 [American Opportunity Survey](#), more than one-third (36%) of U.S. workers identify as a gig, contract, freelance, or temporary worker. While there are benefits to these work arrangements, such as flexibility, work-life balance, and ability to work remotely, these workers are more likely to receive [lower wages](#) and have [fluctuations in their schedules and income](#). They are also [less likely to receive benefits](#) such as health insurance, paid time off, family leave, or retirement benefits (especially if they work fewer than 30 hours per week at a single job). Nationally, companies spent an average of [31% of compensation on benefits](#) in 2022 for civilian workers; not providing these represents significant savings to the employer.
- **Multiple jobs:** Many low-income workers rely on multiple jobs to make ends meet. Traditional measures of employment have focused on the number of jobs held by a worker; for example, the BLS estimates that only [5% of workers held two or more jobs](#) in 2022. However, in the current economy, a worker may have many sources of income that are not necessarily considered a "job" by agencies like the BLS. According to a 2022 Lending Tree survey, 44% of adults report having a side hustle, with 71% of these workers saying that without this extra income they aren't certain they would still be able to pay all their bills.
- **Small business employers:** In 2022, 44% of the private-sector workforce in North Carolina worked in a small business — defined by the BLS as a firm with fewer

than 500 workers. The nearly 1 million [small businesses in North Carolina](#) have been an important engine for growth in the state economy, driving job creation, innovation, and wealth. However, [small businesses are more vulnerable](#) to changes in demand, price of materials, and transportation costs, as well as to [cyberattacks](#) and [natural disasters](#). And because they have fewer resources, they are more likely to [pay lower wages](#) overall and [offer fewer benefits](#), meaning that they are more likely to employ ALICE workers.

Small businesses were hit hard during the pandemic and have [unique concerns and challenges](#) as the economy continues to recover, including inflation, revenue generation, paying taxes, rising interest rates, supply chain breakdown, and increased vulnerability to cyberattacks and natural disasters.

CHILD CARE WORKERS

The child care sector is [a crucial part of the U.S. economy, but it operates under conflicting pressures](#). Child care provides children with nurture and support for healthy development; it provides adult workers with jobs, but at persistently low wages; and it enables parents to work, yet it also consumes a sizable part of working parents' budgets.

The pandemic brought to the forefront the crisis in child care availability and cost, in North Carolina and across the U.S.:

- For families with two children in care, child care is often the most expensive item in their budget — even more expensive than housing.
- Child care workers are the workforce behind the workforce, yet many of these workers struggle to make ends meet for their own families: With a median hourly wage of \$12.87 in North Carolina in 2022, 45% were below the ALICE Threshold.
- With staffing and demand fluctuations, many child care providers went out of business during the pandemic. Lack of care remains an [obstacle for working parents](#).

Wage Disparities in the Workforce

Disparities in wages exist by sex, race/ethnicity, disability status, sexual orientation, gender identity, and immigration status. While wage gaps have narrowed in some places, they persist across North Carolina:

- **Sex:** In 2023, among all North Carolina workers with earnings, [women earned 87 cents](#) for every dollar paid to men, slightly better than the national disparity (83 cents for every dollar paid to men).
- **Race/ethnicity:** Nationally, the [wage gap](#) between Black and White workers shrank in both 2022 and 2023. Yet income disparities remain, as this improvement follows decades of wage stagnation. As recently as the [fourth quarter of 2023](#), among full-time workers, median weekly earnings were \$884 for Hispanic, \$967 for Black, \$1,157 for White, and \$1,528 for Asian workers.
- **Disability:** Workers with disabilities earn less overall than those without disabilities (although among people working similar jobs and schedules, the gap is smaller), and people with disabilities are less likely to earn a full-time wage. Compared to workers without a disability, workers with a disability are nearly twice as likely to [work part-time](#) (29% vs. 16%). Additional disparities were revealed in our [ALICE in Focus: People with Disabilities](#) research. In 2022, 28% of full-time workers with disabilities in North Carolina were below the ALICE Threshold, compared to 23% of full-time workers without disabilities. For people with disabilities who worked part time, the rate of financial hardship was 47%, compared to 43% for part-time workers without disabilities in the state.

- **Sexual orientation and gender identity:** Nationwide in 2021, lesbian, gay, bisexual, transgender, and queer (LGBTQ+) workers earned 90 cents [for every dollar the average full-time worker earned](#). In addition, more than one-third of LGBTQ+ workers say they have [experienced discrimination in the workplace](#).
- **Immigration status:** In 2022, [workers born outside of the U.S.](#) accounted for 18% of the U.S. civilian labor force. [Median usual weekly earnings](#) of full-time wage and salary workers born outside of the U.S. were 87% of the earnings of their U.S.-born counterparts (\$945 vs. \$1,087). In a [2023 nationally representative survey](#), immigrants in the U.S. reported experiencing discrimination and hostility, difficulty making ends meet, and being overqualified for their jobs, uninsured, and uncertain about shifting immigration laws.

Wage gaps are even more substantial for workers with multiple marginalized identities. For example, in North Carolina in 2023, when [factoring in gender](#), Asian women were paid 71 cents for every dollar paid to White, non-Hispanic men in 2022; Black women were paid 61 cents; Latinas were paid 47 cents. [These differences persist](#) even when controlling for education and work experience. For many LGBTQ+ workers with multiple marginalized identities, [wage gaps are more substantial](#). For every dollar a worker earned on average in the U.S. in 2021, women in the LGBTQ+ community earned 87 cents, non-binary workers and transgender men earned 70 cents, and transgender women earned 60 cents.

The ALICE Economic Viability Dashboard

United For ALICE's [Economic Viability Dashboard](#) provides key data on the local economic conditions that matter most to ALICE households: work, housing, and community resources. The Dashboard's mapping, profile, and comparison features can help communities and policymakers identify the gaps that ALICE workers and families face in reaching financial stability. Then, the Action Planner puts that data to use by quantifying gaps and pairing them with promising practices, so that public and corporate policymakers can remove barriers and make structural changes needed to ensure that ALICE households' basic needs are met.



DOES ALICE HAVE SAVINGS AND ASSETS?

It has been widely reported that U.S. household [savings increased](#) during the pandemic , but that national average conceals different experiences by state and even more so by income level. This section reviews access to three types of savings and assets — rainy day funds, retirements assets, and homeownership — and their relationship to rates of financial hardship.

Savings and assets provide a cushion for workers when there is an unexpected emergency — anything from a car repair to a medical crisis — as well as allowing families to save for the future — higher education, homeownership, or retirement. But for families below the ALICE Threshold, saving is difficult, and an emergency can mean having to deplete whatever savings they have. This often leads to difficult trade-offs such as having to forgo basic needs or having to rely on credit cards and accumulating debt. And due to persistent gaps in access to assets, financial tools, and credit, lower-income households — and households of color in particular — are more likely to be [targeted by predatory lenders](#) and to [incur excessive fees or interest rates on borrowing](#). As a result, ALICE families often do not have the means to build assets, let alone catch up to

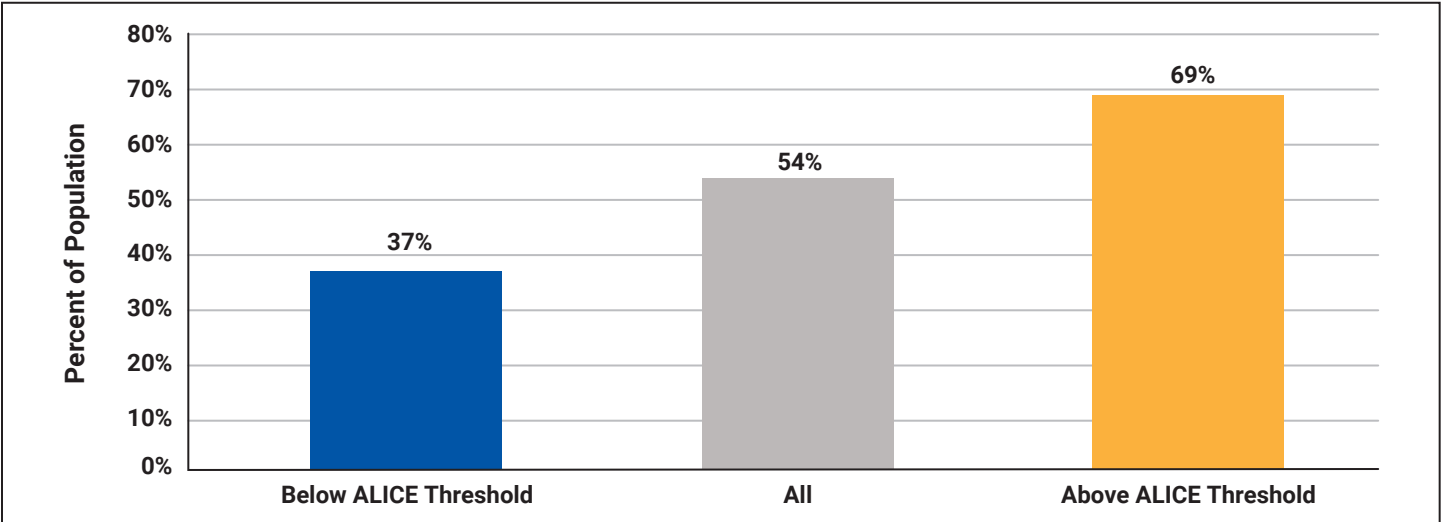
families who already have assets (especially those who have been building them for generations).

Rainy Day Funds

One of the best-known questions in the SHED survey asks whether respondents had set aside emergency savings or rainy day funds that would cover their expenses for three months in case of sickness, job loss, economic downturn, or other emergencies. The overall rate in North Carolina, 54% in October 2022, obscures the large difference by income: Only 37% of North Carolina respondents below the ALICE Threshold reported having rainy day funds, compared to 69% of those above the Threshold (Figure 11).

These rates shifted slightly during the pandemic: Savings among respondents above the Threshold in North Carolina increased (from 64% in 2019 to 69% in 2022) while the rate for those below the Threshold also increased, but from a much lower starting point (from 32% in 2019 to 37% in 2022).

Figure 11. Funds to Cover Three Months’ Expenses by the ALICE Threshold, North Carolina, 2022



Question: Have you set aside emergency or rainy day funds that would cover your expenses for three months in the case of sickness, job loss, economic downturn, or other emergencies?

Sources: ALICE Threshold, 2022; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), October 2022

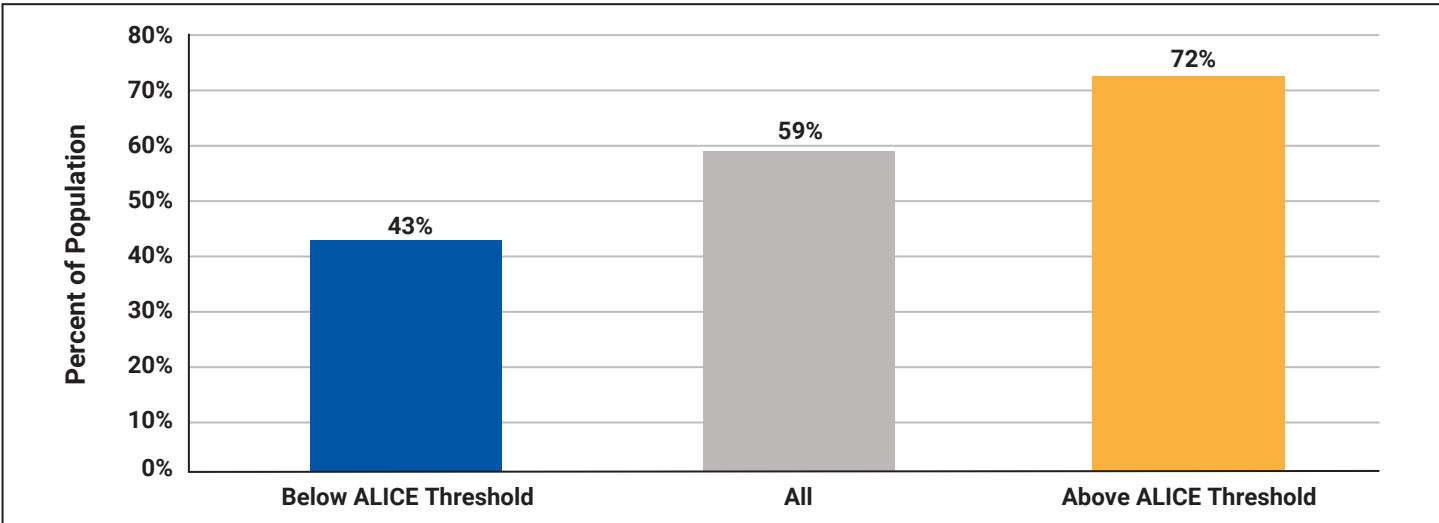
Nationally, there were also substantial differences by income and race/ethnicity in rainy day funds (this data is not available at the state level, but it is likely these disparities were mirrored in North Carolina). In 2022, White and Hispanic respondents below the ALICE Threshold had higher rates of emergency savings (42% and 36%, respectively) than Black respondents below the Threshold (33%). Rates were higher overall for respondents above the Threshold, yet gaps remained (74% for White, 63% for Hispanic, and 60% for Black respondents). Each of these racial/ethnic groups made gains during the pandemic, with Hispanic respondents both above and below the Threshold showing the largest increase in emergency savings. From October 2019 to October 2022, the percentage of Hispanic respondents below the Threshold with rainy day funds increased from 28% to 36%, and the percentage of Hispanic respondents above the Threshold with these funds increased from 57% to 63%.

Retirement Assets

[Retirement assets](#) include 401(k)s, IRAs, pensions, or business or real estate holdings that provide income in retirement. Overall, 59% of North Carolina respondents reported having these funds in October 2022, up from 50% in October 2019. Yet these averages conceal the disparity in retirement assets between households above and below the ALICE Threshold in North Carolina (Figure 12).

Before the pandemic, in October 2019, 31% of respondents below the Threshold in North Carolina had retirement assets, according to the SHED. That rate increased to 43% by October 2022. For those above the Threshold, 65% had retirement assets in October 2019 and that rate increased to 72% by October 2022.

Figure 12. Retirement Assets by the ALICE Threshold, North Carolina, 2022



Question: Do you currently have each of the following types of retirement savings? Selected at least one: 401(k); IRA; pension; savings outside a retirement account, business, or real estate holding that will provide income in retirement; other retirement savings

Sources: ALICE Threshold, 2022; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), October 2022

Homeownership

In addition to savings and retirement security, [homeownership](#) is another means for families to build wealth. Housing stability provides a foundation for better school and work performance, as well as improved access to health care and healthy food. Yet for many households below the ALICE Threshold, owning a home is out of reach. In 2022, 53% of North Carolina households below the ALICE Threshold owned their home, much lower than the rate for

those above the Threshold (76%). In addition, almost half (45%) of homeowners below the Threshold were housing cost burdened (paying more than 30% of their income on housing) compared to only 8% above the Threshold. Gaps in homeownership rates were even wider by race and ethnicity. To see data for your community, explore the [ALICE Economic Viability Dashboard](#).

BEYOND 2022: WHAT CHALLENGES DOES ALICE FACE?

Many ALICE and poverty-level 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, 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 43% of households in North Carolina were still struggling in 2022 — [ranking](#) North Carolina 34th among all states and the District of Columbia in financial hardship (with 1st representing the lowest rate of hardship).

The most recent insights from the SHED (through October 2022) and the Household Pulse Survey (through October 2023) help explain the pervasiveness of hardship and the risks it poses to ALICE households. These surveys also provide an alarming look at the breakdown of hardship by race/ethnicity, sex, sexual orientation and gender identity, and disability status. The differences here are even starker than when looking at income alone, giving credence to concerns that the pandemic exacerbated inequities across all facets of life. The national analysis reveals that Black, Hispanic, female, and LGBT respondents, as well as those with disabilities, face additional obstacles to achieving financial stability. The

gaps in North Carolina are similar to the national averages, but due to the small sample size, data are not available for all demographic groups.

Ongoing Risks

Food insufficiency: Rates of food insufficiency have [remained elevated](#) since the beginning of the pandemic. In the August 2020 Household Pulse Survey, respondents below the ALICE Threshold in North Carolina were more than seven times as likely to report that their household sometimes or often did not have enough food in the prior seven days as respondents above the Threshold (22% vs. 3%). By August–October 2023, the rates remained similar (20% vs. 3%).

Nationally, some demographic groups experienced higher than average food insufficiency (Figure 13). These gaps also exist in North Carolina (data not available for all groups). For example, in 2023 in North Carolina, 22% of female, 20% of Black, and 35% of respondents with disabilities below the Threshold reported facing food insufficiency, compared to 11% of all state respondents.

Figure 13. Food Insufficiency, Above and Below the ALICE Threshold, United States, 2023

Food Insufficiency, National			
	Below the ALICE Threshold	Above the ALICE Threshold	National Average
Black	28%	7%	12%
Hispanic	22%	4%	
Female	20%	3%	
With a Disability	34%	10%	
LGBT	24%	6%	

Question: In the last seven days, which of these statements best describes the food eaten in your household? Selected: Sometimes or often not enough

Note: Black respondents are non-Hispanic; the Hispanic group did not have a large enough sample size to include in this analysis; the "With a Disability" group includes respondents who have one or more vision, hearing, cognitive, mobility, or self-care difficulties; the "LGBT" group includes respondents who identify as gay or lesbian, bisexual, and/or transgender.

Sources: ALICE Threshold, 2022; U.S. Census Bureau, Household Pulse Survey, August 23, 2023–October 30, 2023, Phase 3.10

For households with children in North Carolina, in August 2020, respondents below the ALICE Threshold were five times more likely than respondents above the Threshold to report that often or sometimes their children were not eating enough because they couldn't afford enough food (21% vs. 4%). By August–October 2023, rates improved slightly for households below the Threshold (18%) yet still remained substantially higher than for those above (4%).

Adding to concerns about North Carolinians experiencing food insufficiency, temporary [pandemic-related SNAP benefits increases](#) ended in September 2021 and [emergency allotments](#) ended in February 2023. Additionally, stricter work rules for participation in SNAP, including the [expansion of work requirements](#) up to age 59, may create additional barriers to access, particularly for [older low-income people](#). With these changes, more families will need to rely on the charitable food system that was designed for emergencies, but is increasingly [an ongoing necessity](#).

! Ongoing housing crisis: According to the SHED, in 2022, 40% of households below the ALICE Threshold in North Carolina reported that their rent or mortgage had increased in the prior 12 months (compared to 29% of households above the Threshold).

In addition, according to the Household Pulse Survey, in August–October 2023, 14% of North Carolina renters below the Threshold and 6% of renters above the Threshold were behind on their rent. There was also an increase in eviction filings and in the number of veterans and unaccompanied youth experiencing homelessness in North Carolina between 2022 and 2023. During the same period, the overall sheltered homeless population went up while the unsheltered homeless population went down.

! Struggling to pay bills: During the height of the pandemic, in August 2020, 46% of households below the ALICE Threshold in North Carolina said it was somewhat or very difficult to pay for usual items such as food, rent or mortgage, car payments, and medical expenses, according to the Household Pulse Survey. That rate increased to 55% by August–October 2023. Yet both these rates are more than double the rates for respondents above the Threshold (17% in August 2020 and 20% in August–October 2023).

! Facing lack of savings and medical debt: As mentioned earlier, according to the SHED, in 2022, only 37% of families below the ALICE Threshold in North Carolina had set aside 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, just over half the rate for those above the Threshold (69%). In addition, nearly one in four respondents below the ALICE Threshold reported that they incurred an unexpected major medical expense that they had to pay for out of pocket because it was not entirely paid for by insurance. Medical debt generally reflects [poorer health](#) and lower rates of health care coverage, and can lead to [lower credit scores](#) and [additional financial hardship](#). However, the state recently put forth a plan that would [address medical debt](#) in the state by purchasing it directly from providers and collection agencies using federal Medicaid funding.

! Physical health: With government support for expanded health services ending, in the wake of three years of reduced preventative care, health concerns are increasing for families in North Carolina and across the U.S. According to the SHED (October 2022), in the South Atlantic [Census Region](#) (which includes North Carolina), 44% of respondents below the ALICE Threshold 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 18% of respondents above the Threshold.

! Mental health: The negative impact of financial stress on mental health has been [well established](#), so it is not surprising that people below the ALICE Threshold in North Carolina were more likely to report mental health challenges than those above the Threshold. According to the Household Pulse Survey, in August 2020, 19% of respondents below the Threshold and 14% above the Threshold reported feeling nervous, anxious, or on edge nearly every day over the last two weeks. By August–October 2023, the rate for respondents below the Threshold held steady (at 20%) while dropping to 11% for those above.

Nationally, some demographic groups experienced higher than average rates of feeling nervous, anxious, or on edge (Figure 14). These gaps also exist in North

Carolina (data not available for all groups). For example, in 2023, 38% of respondents with disabilities below the Threshold and 19% of female respondents below the Threshold reported feeling nervous, anxious, or on edge nearly every day over the prior two weeks, compared to 15% of all North Carolina residents.

In addition, all respondents below the Threshold in North Carolina were at least twice as likely to report feeling down, depressed, or hopeless at both timepoints

(12% in both 2020 and 2022) as respondents above the Threshold (6% in 2020 and 5% in 2022).

The lack of mental health resources during the pandemic has been [widely recognized](#), and awareness is increasing, especially with the launch of the [Nationwide Suicide and Crisis Lifeline](#) (988). But there remains a severe [shortage of mental health resources](#), especially for low-income families, and mental health providers struggle to meet [increased demand](#).

Figure 14. Feeling Nervous, Anxious, or On Edge, Above and Below the ALICE Threshold, United States, 2023

Feeling Nervous, Anxious, or On Edge, National			
	Below the ALICE Threshold	Above the ALICE Threshold	National Average
Black	16%	10%	15%
Hispanic	18%	13%	
Female	20%	12%	
With a Disability	38%	31%	
LGBT	36%	23%	

Question: Over the last two weeks, how often have you been bothered by feeling nervous, anxious, or on edge? Selected: Nearly every day

Note: Black respondents are non-Hispanic; the Hispanic group includes respondents of Hispanic, Latino, or Spanish origin of any race; the "With a Disability" group includes respondents who have one or more vision, hearing, cognitive, mobility, or self-care difficulties; the "LGBT" group includes respondents who identify as gay or lesbian, bisexual, and/or transgender.

Sources: ALICE Threshold, 2022; U.S. Census Bureau, Household Pulse Survey, August 23, 2023–October 30, 2023, Phase 3.1

ALICE is More Vulnerable in Times of Crisis

With little access to resources and credit, and few or no savings or assets, ALICE and poverty-level households are more vulnerable to the effects of disasters and crises. From natural disasters to pandemics, to the more common household-level crises like a broken-down car or a sudden health issue, ALICE families feel the economic impact almost immediately. If hourly paid workers can't work, they lose pay; without insurance, if there is damage to their home or car, there are immediate repair bills; and without a generator, if the power goes out, they need money to replace spoiled food supplies.

Because of its location, North Carolina is prone to severe weather, most notably hurricanes, floods, and thunderstorms — producing an average of around 30 [tornadoes](#) a year. In

2023 alone, [property damage](#) from tornadoes was just over \$300 million — the highest amount in three decades.

Environmental disasters can also lead to contamination of air, soil, and groundwater with highly toxic compounds such as [PFAS](#) that have been linked to serious health problems including cancer, hormone disruption, reproductive problems, immune suppression, and decreased vaccine response. As recently as August 2024, 7,457 locations in 50 states, District of Columbia, and four U.S. territories have [soil contaminated with PFAS](#) (up from 2,858 in 2022). In North Carolina, there are 10 confirmed contaminated sites.

HURRICANE HELENE

On September 26, 2024, [Hurricane Helene](#) made landfall on the Gulf Coast of Florida, and over the course of three days created a [wide swath of destruction](#) across Florida, Tennessee, Georgia, North Carolina, South Carolina, and Virginia. High winds, flooding, and tornadoes caused historic infrastructure damage and the death of over 230 people — making it the deadliest hurricane in the U.S. since Hurricane Maria in 2017.

In many ways, North Carolina was uniquely impacted by the disaster. Thirty-nine counties (home to more than [40% of the North Carolina population](#)) were ultimately designated by FEMA for federal disaster assistance, and about half of all deaths attributed to Helene occurred in the state. [Direct damage](#) alone is estimated at more than \$41 billion, with over 100,000 homes (many not covered by flood insurance) experiencing severe or catastrophic damage. [Additional impacts](#) include disruption to emergency services and health care facilities, loss of communication services, and road and bridge closures. The communities hardest hit by the disaster [may have an especially difficult time recovering](#), as counties in declared disaster zones also tend to have a higher share of mobile homes, older residents, and people with disabilities, as well as lower household incomes and lower rates of health insurance coverage than other parts of the state.

Financially insecure households and households of color disproportionately bear the impact of crises and disasters:

- In North Carolina and nationwide, as a result of historic and ongoing issues of environmental justice — like the legacy of redlining on exposure to air pollution and oil- and gas-related contaminants — Black and low-income communities are [more likely to be located](#) near polluting industrial facilities, hazardous chemical facilities, and contaminated waste sites. As a result, they face [greater exposure to toxic pollution and incur greater health risks](#) than residents of wealthier and predominantly White communities.
- ALICE households are also more likely to live in [housing units and communities that are at increased risk](#) for flooding, fire, and other hazards, primarily because those areas are more affordable, but they have [fewer](#)

[resources to prepare for, withstand, or recover from these disasters](#). Nationally, according to the Household Pulse Survey (August–October 2023), one month after a natural disaster, respondents below the Threshold who were displaced were at least twice as likely as those above the Threshold to be experiencing a shortage of food (51% vs. 23%) and drinkable water (31% vs. 15%).

- ALICE workers are essential for crisis recovery and rebuilding from natural disasters. Many ALICE workers performed essential jobs during the pandemic — caring for COVID-19 patients, working in food service, grocery stores, and warehouse and fulfillment centers — despite unsafe working conditions. Similarly, in the aftermath of hurricanes and wildfires, ALICE workers are essential for debris removal, housing repairs, and rebuilding basic infrastructure. Yet these jobs are nearly impossible to do if workers and their families are in crisis themselves.

MAPPING ALICE WITH COMMUNITY RESOURCES AND INDICATORS OF WELL-BEING

Mapping where ALICE lives along with the location of community resources — such as public libraries or health care facilities — can help identify gaps by town, ZIP code, county, or state. View ALICE data by geography along with the locations of key resources at UnitedForALICE.org/Maps/North-Carolina.

ALICE data can also be mapped alongside other datasets. Visit UnitedForALICE.org/Indicators/North-Carolina to see relationships between financial hardship and other key indicators of well-being, such as internet access.

DATA FOR ACTION: A VISION FOR ALICE IN NORTH CAROLINA

The strength of the North Carolina economy is inextricably tied to the financial stability of all residents. As the pandemic has shown, ALICE workers are critical to the smooth running of the economy, during times of crisis and beyond. And, in turn, the stability of ALICE and poverty-level families depends on their being able to fully participate in that economy.

The pandemic highlighted the ability of government policymakers and business managers to respond to changing conditions quickly. The 2022 ALICE data may surprise some readers who were expecting much worse. But 2022 was a unique year — and the continuing stresses facing ALICE families are both a call to action and a challenge to complacency.

In North Carolina and across the U.S., intervention is needed across the board — in business, government, nonprofit, and educational institutions — to set the groundwork for a more equitable future for ALICE. The ALICE research and data can be used to generate solutions to these problems, helping ALICE households and creating equity across communities.

To make these decisions, it is important to understand both the barriers to and facilitators of financial stability. The factors that work to widen or close the gap between living below the ALICE Threshold and being financially stable are outlined in Figure 15.

Good data is the essential foundation for effective policy. The measures of cost of living and financial hardship, demographic data, and wage and labor force statistics presented in this Report can help stakeholders identify and track financial hardship over time; provide language to raise awareness about the challenges ALICE households face; frame appropriate questions; and make data-driven decisions. The ALICE data can help policymakers and community organizations identify gaps in community resources. It can also guide employers in finding additional ways to support ALICE workers for increased productivity, both in times of economic growth and in periods of economic recovery. Learn more about the many innovative ways the ALICE data is being used to create positive change on our [ALICE in Action](#) web page.

Our vision is a country where ALICE families not only have sufficient income to afford the basics but can also save and invest in their future. Having enough income for safe and affordable housing, adequate food, reliable transportation, quality child and health care, and sufficient technology not only has the immediate impact of fulfilling essential needs, but also creates a ripple effect: When ALICE households can afford the basics, there is a significant positive impact on local communities and the wider economy. This is a vision not only for ALICE, but for the nation as a whole.



Figure 15. Benefits of Sufficient Income

If households have sufficient income for...	Benefits for ALICE Households	Benefits for the Wider Community
 Safe, Affordable Housing	Improved physical and mental health through safer environments and reduced stress ; improved educational performance and outcomes for children; greater stability for household members; a means to build wealth and racial equity for homeowners	Expanded and updated housing stock , reduced systemic housing inequities ; lower health care costs ; reduced homelessness ; increased opportunities for jobs and more money spent in local communities
 Quality Child Care and Education	Increased labor force participation ; lifetime earnings and retirement security for women ; health benefits for children , school readiness , improved educational attainment and graduation rates ; improved performance in higher education ; higher lifetime earnings	Decreased racial/ethnic and socioeconomic performance gaps; high return on investment from early education to high school and beyond
 Adequate Food	Decreased food insecurity; improved health (especially for children and adults age 65 and over); decreased likelihood of developmental delays and behavioral problems in school	Lower health care costs ; improved school and workplace productivity; less spending on emergency food services ; greater equity by gender, race/ethnicity and immigration status
 Reliable Transportation	Decreased transportation insecurity ; improved access to work/job opportunities , school and child care , health care and social services, food/retail markets , and support systems (friends, family, faith communities)	Improved air quality and reduced gasoline consumption/carbon emissions; increased economic opportunity through returns on investment ; a more diverse labor market ; decreased income disparities ; more integrated neighborhoods
 Quality Health Care	Better mental and physical health (including increased life expectancy); improved access to preventive care ; fewer missed days of work/school ; decreased need for emergency services ; lower share of income spent on health	Decreased health care spending and strain on emergency services; reduced racial/ethnic disparities in insurance coverage and access to care ; fewer communicable diseases ; improved workplace productivity ; decreased wealth- health gap ; better outcomes during health crises
 Reliable Technology	Improved access to job opportunities ; expanded access to health information and telemedicine services ; increased job and academic performance	Closing the “ digital divide ” in access to technology by income; increased economic development ; increased opportunities for civic participation
 Savings	Ability to withstand emergencies without impacting long-term financial stability; greater asset accumulation over time (e.g., interest on savings ; ability to invest in education, property, or finance a secure retirement)	Less spending on public services to cover basic needs like health care, food, and housing – especially for unexpected or emergency expenses

COUNTY COMPARISON: INCOME STATUS, 2022

North Carolina Counties, 2022		
County	Households	% ALICE + Poverty
Alamance	70,125	46%
Alexander	13,761	43%
Alleghany	4,937	53%
Anson	8,266	62%
Ashe	11,823	48%
Avery	6,481	58%
Beaufort	18,972	46%
Bertie	6,984	59%
Bladen	11,386	62%
Brunswick	69,478	33%
Buncombe	103,428	57%
Burke	37,296	37%
Cabarrus	87,195	40%
Caldwell	33,429	46%
Camden	3,871	34%
Carteret	31,294	40%
Caswell	8,507	48%
Catawba	67,237	41%
Chatham	31,131	38%
Cherokee	12,758	50%
Chowan	6,216	47%
Clay	4,892	47%
Cleveland	38,712	51%
Columbus	19,185	58%
Craven	42,575	43%
Cumberland	132,366	46%

North Carolina Counties, 2022		
County	Households	% ALICE + Poverty
Currituck	11,108	38%
Dare	16,081	32%
Davidson	68,813	40%
Davie	16,468	42%
Duplin	20,289	50%
Durham	140,637	36%
Edgecombe	19,350	56%
Forsyth	156,738	45%
Franklin	26,473	47%
Gaston	95,687	43%
Gates	4,144	46%
Graham	3,179	56%
Granville	21,505	44%
Greene	6,793	56%
Guilford	220,704	46%
Halifax	20,139	58%
Harnett	50,584	43%
Haywood	26,481	48%
Henderson	52,076	51%
Hertford	8,353	55%
Hoke	18,481	51%
Hyde	2,002	58%
Iredell	74,346	41%
Jackson	17,737	49%
Johnston	85,906	39%
Jones	3,815	48%

North Carolina Counties, 2022

County	Households	% ALICE + Poverty
Lee	24,050	45%
Lenoir	22,665	56%
Lincoln	34,910	37%
Macon	17,386	48%
Madison	8,447	53%
Martin	9,332	54%
McDowell	18,184	48%
Mecklenburg	472,427	39%
Mitchell	6,479	46%
Montgomery	9,505	49%
Moore	44,625	31%
Nash	38,214	50%
New Hanover	103,978	39%
Northampton	7,463	54%
Onslow	75,898	45%
Orange	58,048	42%
Pamlico	5,130	49%
Pasquotank	15,422	46%
Pender	23,258	42%
Perquimans	5,568	42%
Person	16,139	43%
Pitt	74,938	43%
Polk	8,541	44%
Randolph	58,218	49%
Richmond	16,605	58%
Robeson	43,716	62%
Rockingham	39,830	47%

North Carolina Counties, 2022

County	Households	% ALICE + Poverty
Rowan	58,190	46%
Rutherford	26,273	49%
Sampson	21,395	54%
Scotland	12,224	61%
Stanly	23,773	44%
Stokes	18,993	45%
Surry	31,038	52%
Swain	5,684	49%
Transylvania	14,353	45%
Tyrrell	1,351	58%
Union	84,214	37%
Vance	16,123	57%
Wake	445,464	36%
Warren	7,686	56%
Washington	4,897	57%
Watauga	21,194	54%
Wayne	47,283	47%
Wilkes	26,947	57%
Wilson	33,587	49%
Yadkin	14,850	48%
Yancey	7,859	47%

NATIONAL COMPARISON: INCOME STATUS, 2022

STATE	RANK (1 = lowest % Below ALICE Threshold)	TOTAL Number of Households	HOUSEHOLD INCOME STATUS		
			% Households in Poverty	% ALICE Households	% Households Below ALICE Threshold
United States	—	128,946,680	13%	29%	42%
Alabama	46	1,987,602	16%	30%	47%
Alaska	1	269,282	10%	23%	33%
Arizona	26	2,848,273	12%	29%	41%
Arkansas	47	1,201,499	16%	31%	47%
California	42	13,543,043	12%	33%	45%
North Carolina	13	2,357,045	9%	28%	37%
Connecticut	20	1,430,904	11%	29%	39%
Delaware	16	402,334	9%	29%	38%
District of Columbia	8	326,970	12%	24%	36%
Florida	44	8,800,279	13%	33%	46%
Georgia	48	4,021,382	13%	35%	48%
Hawaii	35	493,567	11%	33%	44%
Idaho	33	701,293	11%	32%	43%
Illinois	12	5,040,533	12%	24%	37%
Indiana	23	2,701,433	13%	27%	40%
Iowa	14	1,307,751	11%	26%	37%
Kansas	18	1,162,920	12%	27%	39%
Kentucky	41	1,795,489	16%	28%	45%
Louisiana	50	1,799,695	19%	32%	50%
Maine	29	594,358	12%	30%	42%
Maryland	19	2,367,020	10%	29%	39%
Massachusetts	30	2,795,534	12%	30%	42%
Michigan	28	4,056,442	13%	28%	41%
Minnesota	10	2,303,607	10%	26%	36%
Mississippi	51	1,128,883	19%	33%	52%
Missouri	31	2,497,872	14%	29%	42%
Montana	22	458,390	12%	28%	40%
Nebraska	15	790,858	11%	26%	38%
Nevada	36	1,194,930	12%	31%	44%
New Hampshire	7	554,084	8%	28%	36%
New Jersey	9	3,512,465	10%	26%	36%
New Mexico	45	833,912	17%	30%	47%
New York	43	7,758,644	15%	31%	46%
North Carolina	34	4,252,548	13%	31%	43%
North Dakota	2	324,612	12%	23%	34%
Ohio	17	4,857,452	14%	25%	39%
Oklahoma	40	1,552,422	15%	29%	45%
Oregon	39	1,712,073	12%	33%	45%
Pennsylvania	25	5,279,632	12%	28%	41%
Rhode Island	21	444,870	12%	27%	39%
South Carolina	38	2,122,865	14%	30%	44%
South Dakota	11	359,412	11%	25%	36%
Tennessee	37	2,805,838	13%	30%	44%
Texas	32	10,985,596	14%	29%	43%
Utah	6	1,117,344	9%	27%	35%
Vermont	27	268,646	11%	30%	41%
Virginia	24	3,338,674	11%	29%	40%
Washington	3	3,064,367	10%	24%	35%
West Virginia	49	720,668	17%	31%	48%
Wisconsin	5	2,466,060	11%	24%	35%
Wyoming	4	235,308	11%	24%	35%

NEXT STEPS

Capturing the true extent of financial hardship in North Carolina is critical for the appropriate allocation of funds for programs in areas such as education, health care, food access, housing, and employment. There is a lot more to be done to change the trajectory for households struggling to make ends meet. How can you help?

Learn more and help to raise awareness of the struggles ALICE households face with:

- The interactive ALICE in North Carolina web pages:
 - » [County Reports](#)
 - » [Household budgets](#)
 - » [Maps with data for local geographies](#)
 - » [Demographics](#)
 - » [Labor force data](#)
 - » [ALICE data alongside additional Indicators of Well-Being](#)

Connect with stakeholders:

- [Contact your local United Way](#) for support and volunteer opportunities.
- Connect with members of the state [Research Advisory Committees](#) that support this work.
- Find your state and federal representatives and see ALICE household data by legislative district with our [ALICE Legislative District Tool](#).

Turn the ALICE data into action in your state, county, or community:

- Use the ALICE metrics to highlight the challenges ALICE households face, to inspire action and to generate innovative solutions that promote financial stability.
- Armed with the ALICE data, advocate for policy change, apply for grant funding, allocate funding for programs and services targeted at ALICE households, etc.
- Learn more on our [ALICE in Action](#) web page about programs, practices, and policies to improve access to affordable housing, high-quality child care and education, healthy food, health care, transportation, workforce training, and more.
- Make the case for ALICE with interactive tools from the Federal Reserve Bank of Atlanta that are based on the Household Survival Budget, including the [Policy Rules Database](#) to model benefits cliffs, and the [Career Ladder Identifier and Financial Forecaster](#) to map changes in benefits along a career path.

Be an ally and advocate for better data:

- Advocate for more accurate data collection by the [U.S. Census Bureau](#) for people who have been [historically undercounted](#), including (but not limited to) people with disabilities, people experiencing homelessness, people of color, people who identify as LGBTQ+, and people in low-income and hard-to-count geographic areas.
- Support the [implementation](#) of a single combined question for race and ethnicity. Research shows this change will yield a more accurate portrait of how the U.S. population self-identifies, especially for people who self-identify as multiracial or multiethnic.

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