

# LIFTING UP OUR COMMUNITIES 2025-26 Public Policy Roadmap







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# A FOREWORD FROM OUR PRESIDENT

From strengthening local resilience to advancing health, youth opportunity, and financial security, United Way is mobilizing communities to action so all can thrive. This begins with identifying our communities' needs and convening business, government, and nonprofit partners to find responsive and scalable solutions that are practical and sustainable.

Each day, individuals throughout Pennsylvania go to work and still struggle to access basic necessities for themselves and their families. Referred to as **A**sset **L**imited, Income **C**onstrained, **E**mployed (ALICE), these households often have no safety net and are living paycheck-to-paycheck. In Pennsylvania, ALICE represents nearly 1.5 million (28%) working households that cannot afford housing, child care, food, transportation, health care, a basic smartphone plan and broadband access. Despite facing these financial challenges, ALICE often does not qualify for public assistance and is one emergency away from financial disaster.

ALICE is in every Pennsylvania community, working in essential jobs across a variety of sectors including child care, home healthcare, retail, restaurant/hospitality, and more. When combined with Pennsylvania households who live in poverty, over 2.1 million families are living below the ALICE Threshold, which is a staggering 41% of Pennsylvania's population. Our friends, family members, coworkers, and neighbors are faced with a variety of financial challenges that some of us may take for granted.

United Way mobilizes communities to action so all can thrive. We utilize the ALICE Survival Threshold as a roadmap to support our Pennsylvania communities. For a full description of the ALICE Project, visit <a href="http://www.uwp.org/alice">http://www.uwp.org/alice</a>. Together, we can address challenges at every level, from training parents for careers that support their families to advancing policies that boost our entire economy.

On behalf of United Way of Pennsylvania's 42-member United Ways, and one United Fund, and our Board of Directors, I am pleased to share with you United Way of Pennsylvania's 2025-26 Public Policy Roadmap.

Sincerely,

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Kristen Rotz

# **FINANCIAL SECURITY**

#### Creating a stronger financial future for every generation

## **ENACTING THE WORKING PENNSYLVANIANS TAX CREDIT**

The 2024 ALICE Report reveals that two-out-of-five Pennsylvania (41%) households were living paycheck-to-paycheck in 2022. From 2021 to 2022, the total number of households in Pennsylvania grew by 1%, however, ALICE households grew by 6%. One of the greatest contributors to this was the expiration of federal tax credit enhancements included in the American Rescue Plan Act (ARPA). For many working households, refundable tax credits help close basic needs gaps by providing additional financial resources.

To help working families make ends meet, the United Way of Pennsylvania supports the return of federal tax credits enacted in 2021, including the extended Child Tax Credit, and the enhanced Earned Income Tax Credit (EITC). UWP also encourages the General Assembly to enact a refundable EITC at the state level, the Working Pennsylvanians Tax Credit, to benefit Pennsylvania households.

United Way of Pennsylvania has backed legislation supporting a state Working Pennsylvanians Tax Credit at 25% of the federal EITC. That would provide an average benefit of around \$600. The likely economic benefits amount to at least \$1.2 billion per year. For every \$1 spent on a 25% Working Pennsylvanians Tax Credit, the commonwealth will see \$1 back in economic growth and \$2 in savings on social spending.

### **United Way Supports**

- Enactment of a refundable Working Pennsylvanians Tax Credit of at least 25% of the value of the federal EITC.
- Extending the Child Tax Credit to provide additional tax relief to households with children, and federal Earned Income Tax Credit to provide more tax relief to working adults without children.





# **ADDRESSING HOUSING NEEDS ACROSS PENNSYLVANIA**

According to United for ALICE, 66% of renters living below the ALICE threshold in Pennsylvania were rent burdened, spending more than 30% of income on housing, and 41% were severely rent burdened, spending more than 50% of income on housing, in 2022. As noted in the most recent ALICE Report, the Household Pulse survey indicated that 20% of renter households below the ALICE Threshold in Pennsylvania were behind on rent payments in October 2023, the same rate as in August 2020

Homeownership is also a large task for ALICE households as 53% of homeowners in Pennsylvania were living below the ALICE Threshold in 2022. In 2022, 35% of households below the ALICE Threshold in Pennsylvania reported that their rent or mortgage had increased in the prior 12 months (compared to 22% of households above the Threshold).

Housing continues to be a challenge as evidenced by the fact that from January 1, 2024, through December 31, 2024, PA 211 made 289,282 referral programs and services related to housing so. For households without child care needs, housing is the largest cost item in the ALICE survival budget. Accordingly, United Way of Pennsylvania supports community-based solutions that address access to affordable housing.

#### **United Way Supports**

- Federal and state investments in the development and rehabilitation of affordable housing units through public-private partnerships.
- Initiatives aimed at increasing rental assistance programs and reducing energy costs for ALICE households.
- Local government implementation of zoning changes that support the development of innovative housing and streamline the permitting process for affordable housing projects.
- The enforcement of fair housing laws and educational initiatives to combat discrimination, ensuring equitable access to housing for all individuals.
- Enhancement of emergency shelter services and transitional housing programs that provide stable pathways to housing.





# **WORKFORCE DEVELOPMENT AND FINANCIAL RESILIENCY**

Together, we can address challenges at every level, from training parents for careers that support their families to advancing policies that boost our entire economy. To do so, we must lift up ALICE households, who are essential to the Pennsylvania economy and to Pennsylvania businesses, which require a stable workforce to grow and thrive.

In 2022, of the 20 most common occupations in Pennsylvania, 65% still paid less than \$20 per hour. And of the workers in these 20 most common occupations, 29% were below the ALICE Threshold in 2022. Those jobs included personal care aides, cooks, wait staff, fast food and counter workers, nursing assistants, child care teachers and cashiers.

### **United Way Supports**

- Job training and career development, and workforce retention policies such as Employer Resource Networks (ERN).
- Workforce development initiatives that help more of Pennsylvania's population achieve jobs that provide family- sustaining wages and lift them to a level of financial sustainability.
- Investments in workforce development, job training and skill-building to ensure workers have skills necessary to access and succeed in good jobs that businesses need to fill.
- Amendments to state law which protect Pennsylvania's service recipients and service providers by ensuring that federal dollars allocated to the Commonwealth and state dollars for essential services that directly impact the health and safety of Pennsylvanians, continue to be paid during a budget impasse.
- Fair and adequate funding for human services.





### ENABLING FULL WORKFORCE PARTICIPATION THROUGH ACCESS TO HIGH-QUALITY, AFFORDABLE CHILD CARE

United Ways are committed to strategies that remove barriers to work and help Pennsylvanians access family-sustaining incomes. ALICE households are essential to the Pennsylvania economy, and business requires an adequate, skilled and stable workforce to grow. However, without access to child care, parents cannot consistently and regularly participate in the workforce, which adversely impacts household income and limits economic mobility. As Pennsylvania's population ages, our economic growth is connected to all eligible workers having the means and opportunity to participate in the workforce to their fullest potential.

Recent <u>research from Ready Nation and Council for a Strong America</u> highlighted the impact of Pennsylvania's child care crisis on working mothers. Single female-headed households are the most disproportionately impacted among the ALICE population. According to the Ready Nation Report, the annual economic impact of the child care crisis is about \$2.4 billion in Pennsylvania. As a percentage of earnings, the financial impact of inadequate child care equates to 12% of working mothers' annual earnings. Individually, working mothers lose about \$5,620 in earning annually due to inadequate child care. Businesses lose \$2,250 annually in reduced revenue and in extra recruitment costs per working mother. Taxpayers lose \$1,440 annually in lower federal and state/local taxes per working mother.

In Pennsylvania, wages for child care teachers average about \$15.15 per hour. With many individuals leaving the sector for higher pay, lower stress jobs, providers are closing classrooms. Closed classrooms are forcing some households to make difficult financial decisions, such as reducing hours or leaving the workforce, which will impact their long-term financial security.

### **United Way Supports**

- Investment of state dollars in recruitment and retention of the child care workforce.
- New programs that help reduce the cost of child care for households transitioning off of child care subsidies.
- Changes to the existing copayment schedule for subsidy that smooth the benefits cliff and improve opportunities for financial security
- Implementation of cost-of-care models for subsidy reimbursement that allow providers to pay living wages to the workforce.





# **COMMUNITY RESILIENCY**

#### Addressing urgent needs today for a better tomorrow

## FUNDING PA 211 TO IMPROVE ACCESS

Available 24/7/365, PA 211 is a one-stop connection for all Pennsylvanians, regardless of income, to receive information and referral for a multitude of health and human service's needs. Every day, PA 211 provides ALICE with resources to help navigate barriers, such as housing insecurity. From January 1, 2024, to December 31, 2024, PA 211 engaged in 249,90 interactions, and PA211.org was utilized for over 1.6 million searches for a variety of supports and services. In the same timeframe, PA 211 made 704,410 referrals. Additionally, PA 211 possesses the most comprehensive community resource database in the Commonwealth, containing approximately 35,000 services, available through guided web search, phone, and text, allowing ALICE to better connect with the services they need when it is convenient for their schedule.

#### **United Way Supports**

- Increased investment of state funds to continue a public-private partnership, strengthen PA 211, and ensure consistent experience for every user in the state.
- Exploring ways to increase the efficiency of state and local governments by contracting to provide services currently offered through government- operated information phone hotlines.
- Leveraging PA 211's community data to help Pennsylvania address social determinants of health and build resource coordination platforms.
- Providing data for workforce development and health and human service planning at the state and local level.
- Partnering with state and local government entities to save taxpayer dollars by connecting Pennsylvanians to the right services.





# **DIGITAL EQUITY**

According to the most recent research, 63% of ALICE households have access to highspeed internet. In a world that increasingly relies on technology for education, work, healthcare, and support, high-speed internet is a necessity.

### **United Way Supports**

- Continued investment and education in broadband and digital technology to build out broadband infrastructure that prioritizes Pennsylvania's unserved and under-served communities.
- Digital literacy and education that emphasizes the proper and effective use of digital technology for personal enrichment.

## **AFFORDABLE AND RELIABLE TRANSPORTATION**

In many communities across Pennsylvania, it is nearly impossible to maintain a job without having reliable transportation. Lack of accessible and affordable transportation options impacts ALICE's ability to consistently work, and, in some cases, maintain employment.

### **United Way Supports**

• Policies, programs, and infrastructure investments that remove transportation barriers for low-income individuals and families.





# YOUTH OPPORTUNITY

Helping young people realize their full potential

## HIGH-QUALITY CHILDHOOD EDUCATION AND OUT OF SCHOOL ACTIVITIES

United Way's goals include increasing school readiness, ensuring that children read at grade level by third grade, successful completion of middle school, and increasing high school graduation rates. Local United Ways advance these goals by funding high quality early education slots, summer learning programs, truancy prevention, and after school programs. United Way of PA supports policies which increase access to quality and affordable early learning and out of school time activities to ensure that parents can return to work and support the economy. Both are essential to maintaining our workforce and developing a qualified workforce for Pennsylvania's future.

### **United Way Supports**

- Consistent access to high quality and affordable early learning for all children through increased funding for Pre-K and Head Start programs with investments targeted to at-risk kids.
- Increased funding for Child Care Services to continue to provide reliable, high quality and affordable child care.
- Workforce development initiatives that include opportunities for child care workers, both in Pre-K and high-quality child care settings to further their training and career.
- Increased state and federal funding for the Child Care Development Block Grant to support the healthy development and school readiness needs of children.
- Creation of a forum for out of school time program funders, providers, schools, and policy makers to identify stable sources of funding, evaluate quality program standards, and foster partnerships.
- Aligning out of school activities with Pennsylvania's projected work force needs to prepare Pennsylvania's children for high-demand, family sustaining jobs.





# **HEALTHY COMMUNITY**

#### Improving health and well-being for all

# **HEALTH CARE FOR ALL**

United Way of Pennsylvania advocates for policies and funding that encourage and assist the well-being of families and children. Pennsylvanians at every stage of life must have access to health care coverage that is affordable and adequate. Inequities in the social determinants of health, such as poverty, living below the ALICE Threshold, and healthcare access continue to adversely impact our communities.

### **United Way Supports**

- Ensuring all children have access to health care by building on the successes of Medicaid and CHIP.
- Increased public sector funding for Medicaid and CHIP and targeted investments for at-risk families.
- Leveraging PA 211's community data to help Pennsylvania address social determinants of health and build resource coordination platforms.
- Providing data for workforce development and health and human service planning at the state and local level.
- Partnering with state and local government entities to save taxpayer dollars by connecting Pennsylvanians to the right services.





# **FOOD INSECURITY AND NUTRITION PROGRAMS**

United Ways work with many community organizations and programs to solve food insecurity, but we must strengthen our investments in essential food programs, such as Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to ensure that every Pennsylvanian has access to food.

### **United Way Supports**

• Protecting, strengthening, and increasing access to SNAP and WIC and enhancing benefits to keep up with rising costs.





# **ABOUT UNITED WAY OF PENNSYLVANIA**

United Way of Pennsylvania is a 501(c)(3) organization with a mission to champion United Way as a leader and partner in building financially resilient families and thriving communities throughout Pennsylvania. United Way mobilizes communities to action so all can thrive.

True to our founding spirit, whenever there is a need in our communities, United Way is there. We bring a comprehensive approach to every challenge, actively listening and responding to local needs. Our reach across tens of thousands of communities means we can share innovations and scale impact to improve lives around the world.

From strengthening local resilience to advancing health, youth opportunity, and financial security, we're working towards a future where every person in every community can reach their full potential. Additionally, United Way commits to advocate for policy change which will help more Pennsylvania families and communities achieve the basic building blocks of a good quality of life in Pennsylvania. United Way of Pennsylvania is a membership organization which serves as the voice for 42-member United Ways and 1 United Fund across the Commonwealth.

# For more information about United Way of PA's priorities, please contact:

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