



United Way  
of Pennsylvania

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## **Pennsylvania's 2024-2025 Budget Fails to Deliver for ALICE Families Living Paycheck to Paycheck**

United Way of Pennsylvania's President Kristen Rotz, issued the following statement on behalf of the organization, stunned by the lack of strategic investments for ALICE (Asset-Limited, Income Constrained, Employed) workers. These households make up 41% of Pennsylvania, and they are an essential workforce that powers Pennsylvania's economy.

"Pennsylvania's new state budget fails ALICE on multiple fronts – it does not provide targeted, meaningful tax relief that these workers need. A refundable Working Pennsylvanians Tax Credit would return some of the hard-earned tax dollars that inflation-ravaged households, who are living paycheck to paycheck, and need help to pay their bills.

This budget also fails to deliver any public investment that addresses the shortage of available child care in Pennsylvania. This further stymies our economy and the profitability of businesses who can't attract and retain a workforce. For Pennsylvania to address its workforce needs, an adequate supply of high-quality, affordable care is a necessity. Without it, the number of hours some parents/caretakers can work are limited, and in some cases, participation in the workforce is completely unattainable. Our economy can't afford to have otherwise eligible and qualified workers held on the sidelines of the workforce due to a problem that has viable solutions.

While the average income of many households has increased due to growth in wages and a competitive labor market, the costs of household essentials have increased at a rate that eclipses their earnings gains. This means there are more ALICE households struggling to make ends meet, despite wage growth. It's the cruel illusion of getting ahead while falling further behind.

These households, who generally earn too much to qualify for most public programs, and encounter steep benefit cliffs as their income increases when they do qualify, have few places to turn for assistance, but PA 211 is that place. Unfortunately, the state budget fails to provide any funding increases to support 211's capacity to have a sufficient number of resource navigators available to support legislators' constituents who may have opportunities to access services that are funded by more flexible resources like charitable organizations and faith-

based organizations. At a time when we anticipate increased requests for housing and utility services, it will take more time for those ALICE households to get through to 211, wasting one of the most precious resource that working households have, the resource of time. Wait times will also increase for vulnerable low-income Pennsylvanians who are homeless or immediately at risk of homelessness. With local communities across PA investing more than \$4 million in this system, the commonwealth has failed put forward a fair share of investment in this public-private partnership by level-funding PA 211 at \$750,000.”

While this state budget fails to achieve the proper support for our most vulnerable Pennsylvanians, the United Way of Pennsylvania remains hopeful that our continued work with the legislature will yield the outcomes needed for ALICE households in the commonwealth.

### **About United Way of Pennsylvania (UWP)**

United Way of Pennsylvania is a 501(c)(3) organization with a mission to champion United Way as a leader and partner in building more financially resilient families and thriving communities throughout Pennsylvania. United Way of Pennsylvania envisions an inclusive, impactful and collaborative network of United Ways working with business, community, faith and government leaders to advance equitable access to health, education and financial stability for all Pennsylvanians.

United Way is committed to raising charitable dollars that are invested in community impact work which addresses needs specific to the local community. In many cases, these funds support public-private partnerships that further leverage state taxpayer dollars.

United Way also 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. UWP is a membership organization which serves as the voice for 41 member United Ways and 1 United Fund across the Commonwealth.

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