

# ALICE Activity: Financial Stability

## Comparing a Survival Household Budget to a Sustainable Household Budget

How will you invest your resources? Will you have enough?

- Make a copy of the activity sheet for everyone or have people work in teams.
- Read the description of ALICE from the budgeting sheet. Ask if anyone knows what percentage of people in Whatcom County live at or below the poverty line (16%). The Federal Poverty Level for a family of four is \$24,600. This is an outdated measure and clearly not enough to get by on. In Whatcom County, an additional 22% of people are working and living above the Federal Poverty Line but still not able to cover the basic costs of living which include rent, child care, food, transportation, healthcare and taxes.
- To start the activity, give each person or team their “paycheck” for the month, which is equal to 15 small candies. (M&Ms, Skittles and Smarties all work well. Smarties come in rolls of 15, which is handy.)
- Tell each person or team that the candies represent their *entire* monthly budget. There are no more candies.
- For the purpose of this activity, each person or team is to pretend they are married with two children (a preschooler and an infant).
- Both adults in the household are working full time. Their combined income is around \$60,000, which is enough to get by, but not necessarily enough to handle an unexpected turn of events.
- Tell the group to allocate their candy budget across the various categories according to what they think is most important. (They will find that they only have enough to fill up the survival budget.)
- Now let the group know that there has been a change. One person’s hours were reduced at work due to staff downsizing. Tell your team they must remove 4 candies from the monthly budget and re-allocate resources.
- Once the group has settled on their new budget, tell them the preschooler has two cavities, one of which is infected. The family has no dental insurance, so they will have to pay out of pocket. Remove 1 more candy from the budget.
- On the way to the dentist, you get rear-ended at a stoplight. No one is seriously injured, but your car is no longer drivable. You have insurance, but there is a \$1000 deductible and your rates might increase. Will you pay for repairs & insurance or go without reliable transportation?

This activity isn’t real, but for many of our friends and neighbors, the struggles are. Approximately 38% of Whatcom County is living at or below the survival threshold. These hard working people are trying to make ends meet but need some help to become financially stable and sustainable.

United Way works with a variety of programs designed to help get ALICE individuals and families back on solid ground, and the great news is that you can help. All you have to do is **LIVE UNITED!**

So congratulate yourself for making great things happen in our community and eat your candies!