

**MICHIGAN ASSOCIATION
OF UNITED WAYS**

330 Marshall Street, Suite 211
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Members of the House Labor, Economic Opportunity, and Lifelong Learning & Labor Committees,

The Michigan Association of United Ways is the collective voice of 33 local United Ways who serve the state of Michigan. We use our voice to call for effective public policy to better the health, education, and financial stability of every person in every community, especially what we call "ALICE" families, an acronym that stands for Asset-Limited, Income-Constrained, and Employed.

The ALICE Project collects transparent and comparable national data on the cost of essential needs, including child care, into a conservative cost model that we call the "survival budget". We then compare that with household income data to create an estimate of how many households have the income needed to meet the "survival budget" for an average household in their area. We call this measure the "ALICE threshold". **We believe that reaching and exceeding ALICE threshold should be our state's standard for financial stability for a family.** Our study finds that for the most recent year, 2021, almost 40% of Michigan household incomes fell below the "ALICE threshold".

United Ways across Michigan are not only providers of basic needs from clothing to nutrition and school supplies, we are also proud partners in our state's child care system, in various regions operating tri-share hubs, connecting families with child care providers and assistance, supporting workforce-building efforts, and more. In our work, we recognize that child care is both a heavy burden for individual families and simultaneously a low-paying career for child care professionals.

And while child care is many families' most expensive cost, **child care workers earned a median hourly wage of \$11.53 in Michigan in 2021, which we estimate put nearly one third of providers below the ALICE Threshold.** Our reality in Michigan is that United Ways' basic needs programming serves not only hardworking ALICE parents but also the professionals who care for their children. We must work to change this reality.

While we applaud recent state actions to expand high-quality child care and early education options for children, including higher rates and eligibility, expanded GSRP, and other system reforms and investments like tri-share, **we encourage continued action to ensure that child care, from birth through school-age years, is a viable career that doesn't leave a provider's family below the ALICE threshold while growing affordability for working ALICE families.**

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The Michigan Association of United Ways provides leadership in policy influence and capacity building to affect positive change in local communities.