

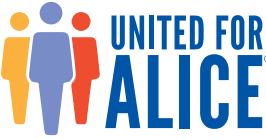
ALICE IN TENNESSEE: A FINANCIAL HARDSHIP STUDY

LIVE UNITED

SUMNER COUNTY DATA

.....

2020 TENNESSEE REPORT



United Ways of Tennessee

ALICE IN THE TIME OF COVID-19



The release of this ALICE Report for Tennessee comes during an unprecedented crisis – the COVID-19 pandemic. While our world changed significantly in March 2020 with the impact of this global, dual health and economic crisis, ALICE remains central to the story in every U.S. county and state. The pandemic has exposed exactly the issues of economic fragility, widespread hardship, and growing disparities – particularly by race and ethnicity – that United For ALICE and the ALICE data work to reveal.

That exposure makes the ALICE data and analysis more important than ever. The ALICE Report for Tennessee presents the latest ALICE data available – a point-in-time snapshot of economic conditions across the state in 2018. By showing how many Tennessee households were struggling then, the ALICE Research provides the backstory for why the COVID-19 crisis is having such a devastating economic impact. The ALICE data is especially important now to help stakeholders identify the most vulnerable in their communities, and direct programming and resources to assist them throughout the pandemic and the recovery that follows. And as Tennessee moves forward, this data can be used to estimate the impact of the crisis over time, providing an important baseline for changes to come.

This crisis is fast-moving and quickly evolving. To stay abreast of the impact of COVID-19 on ALICE households and their communities, visit our website at UnitedForALICE.org/COVID19 for updates.

UNITED WAYS OF TENNESSEE

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United Way of Loudon County

United Way of Maury County

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United Way of Sevier County

United Way of Sumner County

United Way of the East Tennessee Highlands

United Way of the Greater Clarksville Region

United Way of the Mid-South

United Way of the Ocoee Region

United Way of West Tennessee

United Way of Wilson County and the Upper Cumberland

Learn more about ALICE in Tennessee: www.uwtn.org

Tennessee State Partner

Special thanks to the Tennessee Afterschool Network for helping to bring the message of ALICE to the state of Tennessee.



Acknowledgments

United Ways of Tennessee thank our sponsors, partners, and community stakeholders throughout the state for their support and commitment to this 2020 ALICE Report for Tennessee. It is our hope that this Report will help raise awareness of the 47% of households in the state who live in poverty or who are **ALICE** – **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed. Our goal is to inform and inspire policy and action to improve the lives of ALICE families.

To learn more about how you can get involved in advocating and creating change for ALICE in Tennessee, contact: **Mary Graham**, mary.graham@uwtn.org

To access the ALICE data and resources for Tennessee, go to UnitedForALICE.org/Tennessee



ALICE RESEARCH

ALICE Reports provide high-quality, research-based information to foster a better understanding of who is struggling in our communities. To produce the ALICE Report for Tennessee, our team of researchers collaborated with a Research Advisory Committee composed of experts from across the state. Research Advisory Committee members from our partner states also periodically review the ALICE Methodology. This collaborative model ensures that the ALICE Reports present unbiased data that is replicable, easily updated on a regular basis, and sensitive to local context.

Learn more about the ALICE Research Team on our website at UnitedForALICE.org/ALICE-Team

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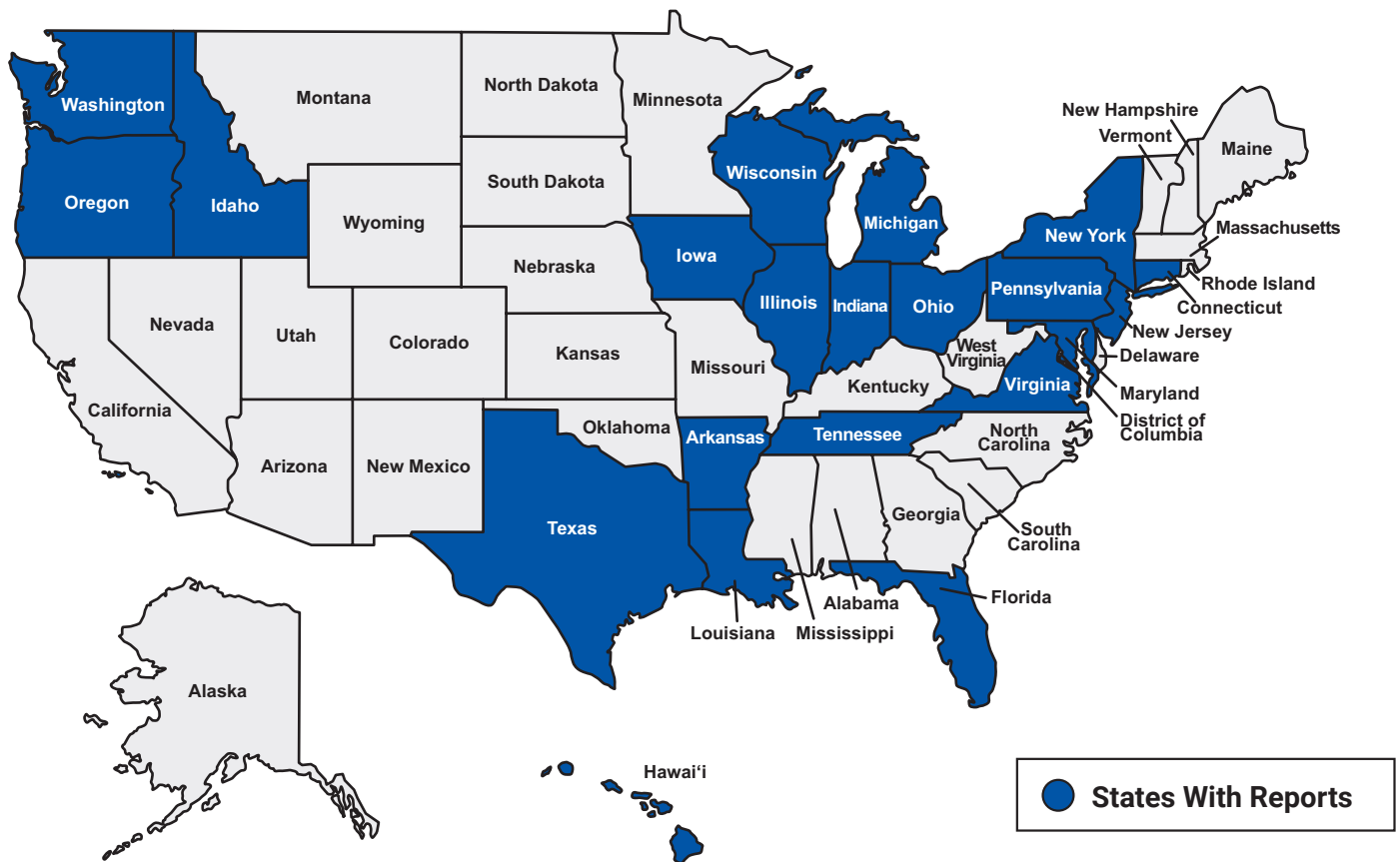
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Southern Adventist University

ALICE: A GRASSROOTS MOVEMENT

This body of research provides a framework, language, and tools to measure and understand the struggles of a population called **ALICE** – an acronym for **A**sset Limited, **I**ncome **C**onstrained, **E**mployed. ALICE represents the growing number of households in our communities that do not earn enough to afford basic necessities. Partnering with United Ways, nonprofits, academic institutions, corporations, and other state organizations, this research initiative provides data to stimulate meaningful discussion, attract new partners, and ultimately inform strategies for positive change.

Based on the overwhelming success of this research in identifying and articulating the needs of this vulnerable population, this work has grown from a pilot in Morris County, New Jersey to 21 states and more than 648 United Ways. Together, United For ALICE partners can evaluate current initiatives and discover innovative approaches to improve life for ALICE and the wider community. To access Reports from all states, visit UnitedForALICE.org



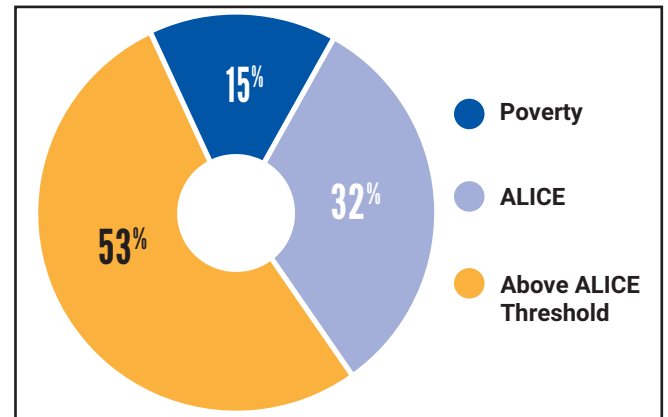
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ASSET LIMITED, INCOME CONSTRAINED, EMPLOYED

From 2010 to 2018, Tennessee showed steady economic improvements according to traditional measures. Unemployment in the state and across the U.S. fell to historic lows, GDP grew, and wages rose slightly. Yet in 2018, eight years after the end of the Great Recession, 47% of Tennessee's 2,607,078 households still struggled to make ends meet. And while 15% of these households were living below the Federal Poverty Level (FPL), another 32% – more than twice as many – were **ALICE** households: **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed. These households earned above the FPL, but not enough to afford basic household necessities.



This Report provides new data and tools that explain the persistent level of hardship faced by ALICE households, revealing aspects of the Tennessee economy not tracked by traditional economic measures. The Report highlights three critical trends:

- **The cost of living is increasing for ALICE households.** From 2007 to 2018, the cost of household essentials (housing, child care, food, transportation, health care, and technology) increased faster than the cost of other goods and services. The ALICE Essentials Index, a new tool that measures change over time in the cost of essentials, increased at an average rate of 3.4% annually nationwide over the past decade, while the official rate of inflation was 1.8%.
- **Worker vulnerability is increasing while wages stagnate in ALICE jobs.** By 2018, a near-record-low number of people were reported to be unemployed. However, that low unemployment concealed three trends that expose ALICE workers to greater risk: growth in the number of low-wage jobs, minimal increases in wages, and more fluctuations in job hours, schedules, and benefits that make it harder to budget and plan. These trends were clear in 2018: A record 54% of Tennessee workers were paid by the hour as opposed to salaried. And 63% of all jobs in the state paid less than \$20 per hour, with more than half paying less than \$15 hourly.
- **The number of ALICE households has increased in Tennessee** as a result of rising costs and stagnant wages. There are more ALICE households than households in poverty, and the number of ALICE households is increasing at a faster rate. The FPL, with its minimal and uniform national estimate of the cost of living, far underestimates the number of households that cannot afford to live and work in the modern economy. In Tennessee, the percentage of households that were ALICE rose from 19% in 2007 to 32% in 2018. By contrast, those in poverty increased from 15% in 2007 to a high of 17% in 2012, and then returned to 15% in 2016, where it remained in 2018.

This Report provides critical measures that assess Tennessee's economy from four perspectives: They track financial hardship over time and across demographic groups; quantify the basic cost of living in Tennessee; assess job trends; and identify gaps in assistance and community resources. These measures also debunk assumptions and stereotypes about low-income workers and families. ALICE households are as diverse as the general population, composed of people of all ages, genders, races, and ethnicities, living in rural, urban, and suburban areas.

The Report concludes with an analysis of the economic benefits if all households had income above the ALICE Threshold. Not only would there be a significant positive impact on families and their communities, but the state economy would also benefit. In fact, the added value to the Tennessee GDP would be approximately \$78 billion.

This Report and its measures are tools to help stakeholders ask the right questions, reduce vulnerabilities, remove obstacles to advancement, identify gaps in community resources, build a stronger workforce, and implement programs and policies that help put financial stability within reach for ALICE households. With the magnitude of financial hardship revealed, these actions can help move all households toward a more equitable economy, and ensure that no one is left behind in harder times.

GLOSSARY

ALICE is an acronym that stands for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed – households with income above the Federal Poverty Level but below the basic cost of living. A household consists of all the people who occupy a housing unit. In this Report, households do not include those living in group quarters such as a dorm, nursing home, or prison.

The **Household Survival Budget** estimates the actual bare-minimum costs of basic necessities (housing, child care, food, transportation, health care, and a basic smartphone plan) in Tennessee, adjusted for different counties and household types.

The **Senior Survival Budget** incorporates specific cost estimates for seniors for food, transportation, and health care, reflecting key differences in household expenses by age.

The **Household Stability Budget** calculates the costs of supporting and sustaining an economically viable household over time, including a contingency for savings.

The **ALICE Threshold** is the average income that a household needs to afford the basic necessities defined by the Household Survival Budget for each county in Tennessee. Households **Below the ALICE Threshold** include both ALICE and poverty-level households.

The **ALICE Essentials Index** is a measure of the average change over time in the costs of the essential goods and services that households need to live and work in the modern economy – housing, child care, food, transportation, health care, and a smartphone plan.

ALICE ONLINE

Visit UnitedForALICE.org for more details about ALICE, including:



Interactive Maps

Data at the state, county, municipal, ZIP code, and congressional district levels



Research Advisory Committee

Learn about the members and role of this critical group



Additional Reports

Explore The ALICE Essentials Index and The Consequences of Insufficient Household Income



Demographic Data

Information about ALICE households by age, race/ethnicity, and household type



Data Spreadsheet

Download the ALICE data



Jobs Graphs

Details about where ALICE works



County Profiles

Detailed data about ALICE households in each county



Methodology

Overview of the sources and calculations used in the ALICE research



More About United For ALICE

See our partners, press coverage, learning communities, etc.

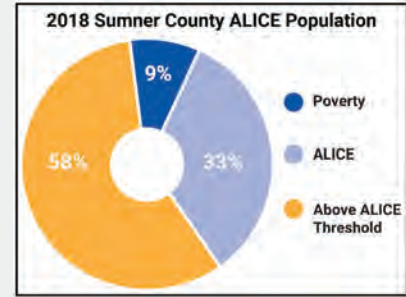
TENNESSEE • 2018 SUMNER COUNTY PROFILE

Counties are the core geography for ALICE data: They reveal variations often masked by statewide averages, and the data is reported regularly and reliably.

ALICE IN SUMNER COUNTY

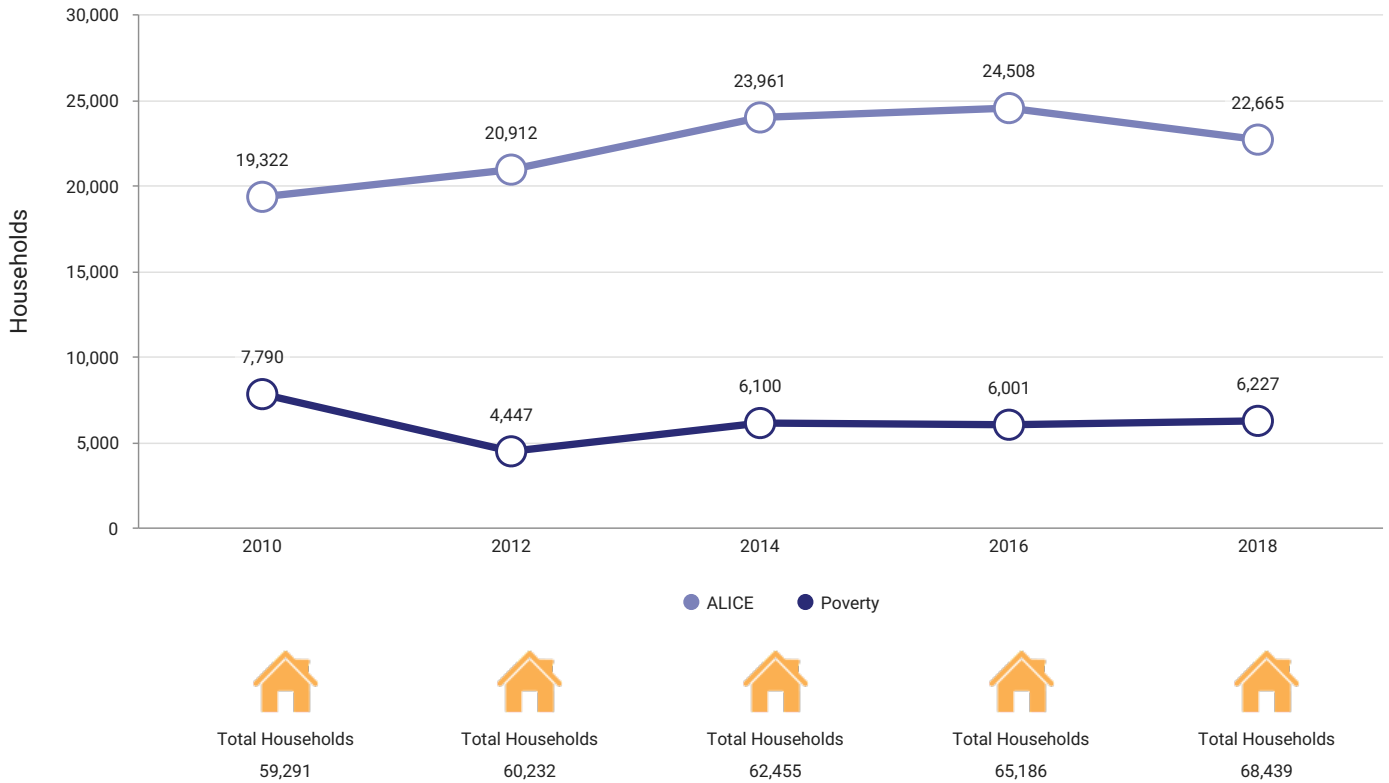
2018 Point-in-Time-Data

Population: 187,149 **Number of Households:** 68,439
Median Household Income: \$65,948 (state average: \$52,375)
Unemployment Rate: 2.8% (state average: 5.5%)
ALICE Households: 33.0% (state average: 32.0%)
Households in Poverty: 9.0% (state average: 15.0%)



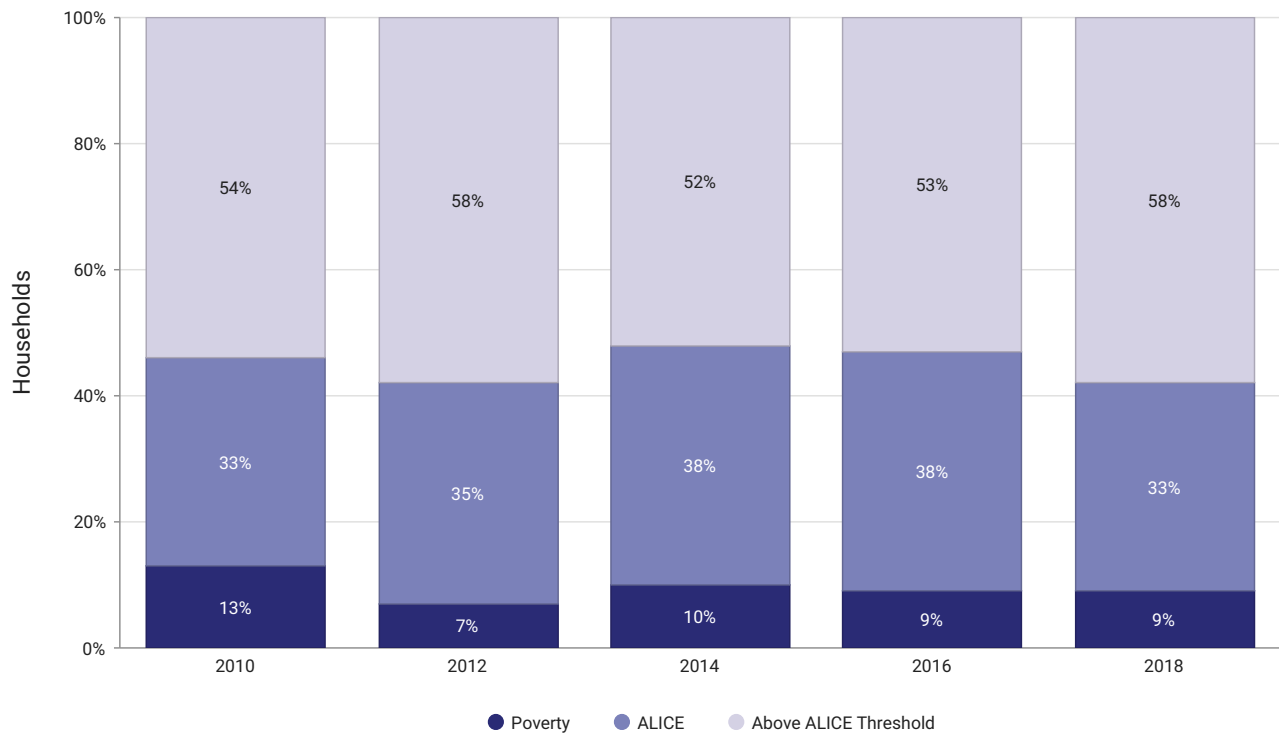
How Has the Number of ALICE Households Changed in Sumner County Over Time?

ALICE is an acronym for **ALICE** – **A**sset **L**imited, **I**ncome **C**onstrained, **E**mloyed – households that earn more than the Federal Poverty Level, but less than the basic cost of living for the county (the ALICE Threshold). While conditions have improved for some households, many continue to struggle, especially as wages fail to keep pace with the cost of household essentials (housing, child care, food, transportation, health care, and a basic smartphone plan).



Sources: ALICE Threshold, 2007-2018; American Community Survey, 2007-2018

ALICE and Poverty in Sumner County Over Time...continued



2010-2018 Sumner County Poverty & ALICE Households

Year	County	Total Households	Number of Households Below Poverty	% Households Below Poverty Level	Number of ALICE Households	% ALICE Households	Households Below ALICE Threshold	% Households Below ALICE Threshold
2010	Sumner	59,291	7,790	13.1%	19,322	32.6%	27,112	45.7%
2012	Sumner	60,232	4,447	7.4%	20,912	34.7%	25,359	42.1%
2014	Sumner	62,455	6,100	9.8%	23,961	38.4%	30,061	48.1%
2016	Sumner	65,186	6,001	9.2%	24,508	37.6%	30,509	46.8%
2018	Sumner	68,439	6,227	9.1%	22,665	33.1%	28,892	42.2%

Sources: ALICE Threshold, 2007-2018; American Community Survey, 2007-2018

Asset Limited, Income Constrained, Employed

UnitedForALICE.org



How Does the Number of ALICE Households Vary Within Sumner County?

There is significant variation in the number of households who live below the ALICE Threshold within the county.

2018 Sumner County Poverty & ALICE Households by Place

Year	Place	Total Households	Number of Households Below Poverty	% Households Below Poverty Level	Number of ALICE Households	% ALICE Households	Households Below ALICE Threshold	% Households Below ALICE Threshold
2018	Castalian Springs	207	10	4.8%	124	59.9%	134	64.7%
2018	Cottontown	125	11	8.8%	27	21.6%	38	30.4%
2018	Gallatin	13,667	1,671	12.2%	5,339	39.1%	7,010	51.3%
2018	Goodlettsville	6,868	911	13.3%	2,368	34.5%	3,279	47.7%
2018	Hendersonville	21,238	1,443	6.8%	7,040	33.1%	8,483	39.9%
2018	Portland	4,343	649	14.9%	1,661	38.2%	2,310	53.2%
2018	Shackle Island	1,052	22	2.1%	240	22.8%	262	24.9%
2018	Walnut Grove	339	7	2.1%	163	48.1%	170	50.1%
2018	Westmoreland	914	242	26.5%	365	39.9%	607	66.4%
2018	White House	4,212	332	7.9%	1,314	31.2%	1,646	39.1%

2018 Sumner County Poverty & ALICE Households by ZIP Code

Year	ZIP Code	Total Households	Number of Households Below Poverty	% Households Below Poverty Level	Number of ALICE Households	% ALICE Households	Households Below ALICE Threshold	% Households Below ALICE Threshold
2018	37022	2,163	241	11.1%	920	42.5%	1,161	53.7%
2018	37031	1,607	148	9.2%	621	38.6%	769	47.9%
2018	37048	2,334	104	4.5%	809	34.7%	913	39.1%
2018	37066	18,699	1,937	10.4%	6,998	37.4%	8,935	47.8%
2018	37072	12,681	1,566	12.3%	3,981	31.4%	5,547	43.7%
2018	37075	24,276	1,619	6.7%	7,677	31.6%	9,296	38.3%
2018	37148	8,335	1,034	12.4%	3,253	39.0%	4,287	51.4%
2018	37186	3,429	731	21.3%	1,292	37.7%	2,023	59.0%
2018	37188	5,517	450	8.2%	1,668	30.2%	2,118	38.4%

2018 Sumner County Poverty & ALICE Households by County Commission District

Year	County Commission District	Total Households	Number of Households Below Poverty	% Households Below Poverty Level	Number of ALICE Households	% ALICE Households	Households Below ALICE Threshold	% Households Below ALICE Threshold
2018	District 1	4,826	817	16.9%	1,961	40.6%	2,778	57.6%
2018	District 2	5,290	733	13.9%	2,044	38.6%	2,777	52.5%
2018	District 3	5,135	365	7.1%	1,872	36.5%	2,237	43.6%
2018	District 4	6,274	587	9.4%	2,311	36.8%	2,898	46.2%
2018	District 5	5,096	1,052	20.6%	2,422	47.5%	3,474	68.2%
2018	District 6	6,413	254	4.0%	1,721	26.8%	1,975	30.8%
2018	District 7	6,023	333	5.5%	1,603	26.6%	1,936	32.1%
2018	District 8	5,604	512	9.1%	2,438	43.5%	2,950	52.6%
2018	District 9	5,060	203	4.0%	1,565	30.9%	1,768	34.9%
2018	District 10	5,236	509	9.7%	1,503	28.7%	2,012	38.4%
2018	District 11	5,280	464	8.8%	1,403	26.6%	1,867	35.4%
2018	District 12	5,408	273	5.0%	2,056	38.0%	2,329	43.1%

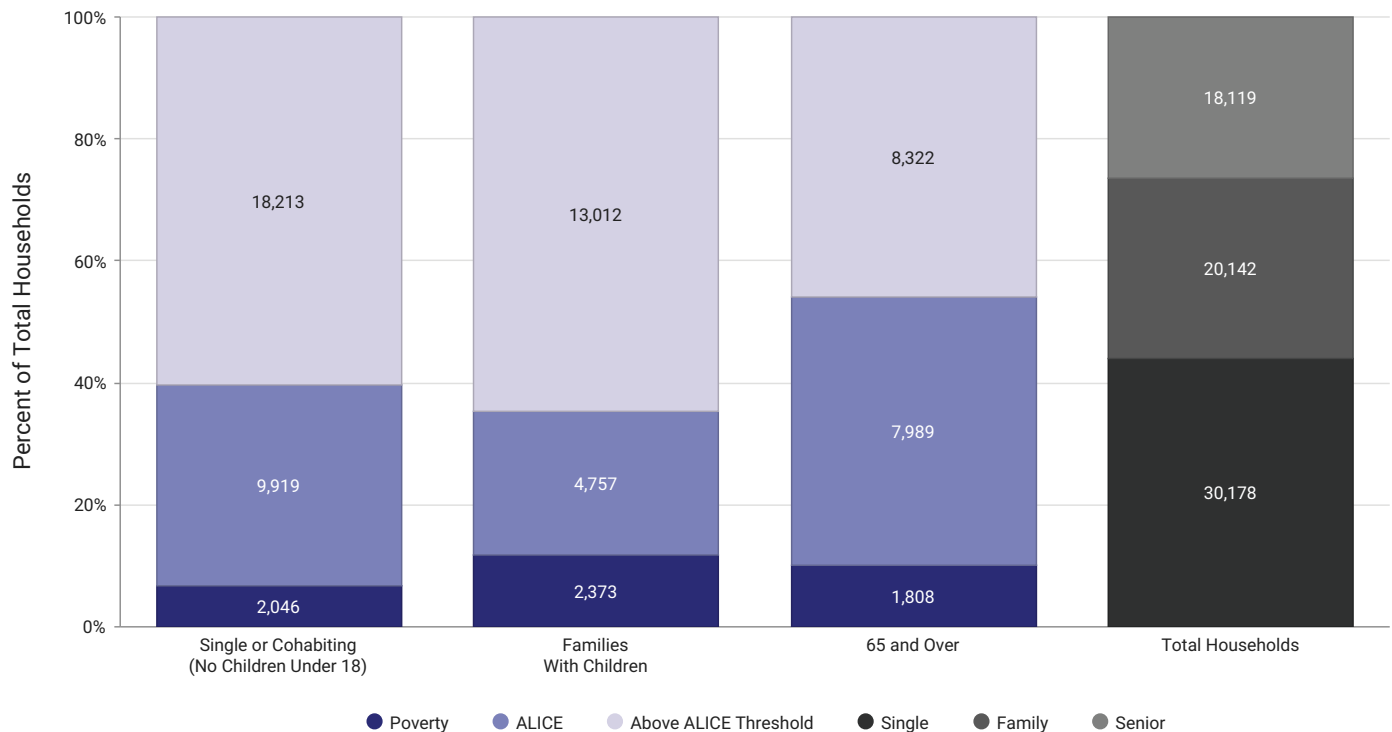
Source: ALICE Threshold, 2018; American Community Survey, 2018

TENNESSEE • 2018 DEMOGRAPHICS

ALICE households live in every county in Tennessee – urban, suburban, and rural – and they include people of all genders, ages, and races/ethnicities, across all family types. However, some groups are more likely to be ALICE than others.

What Types of Households Are Struggling in Sumner County?

In the past few decades, there have been major shifts in household composition. The share of American adults who have never been married is at a historic high, as is the number of senior households. There is also a growing number of people who live alone or with roommates, and an increasing share of grown children who live with their parents. Yet all types of households continue to struggle. ALICE and poverty-level households exist across all of these living arrangements.



Sources: ALICE Threshold, 2007-2018; American Community Survey, 2007-2018

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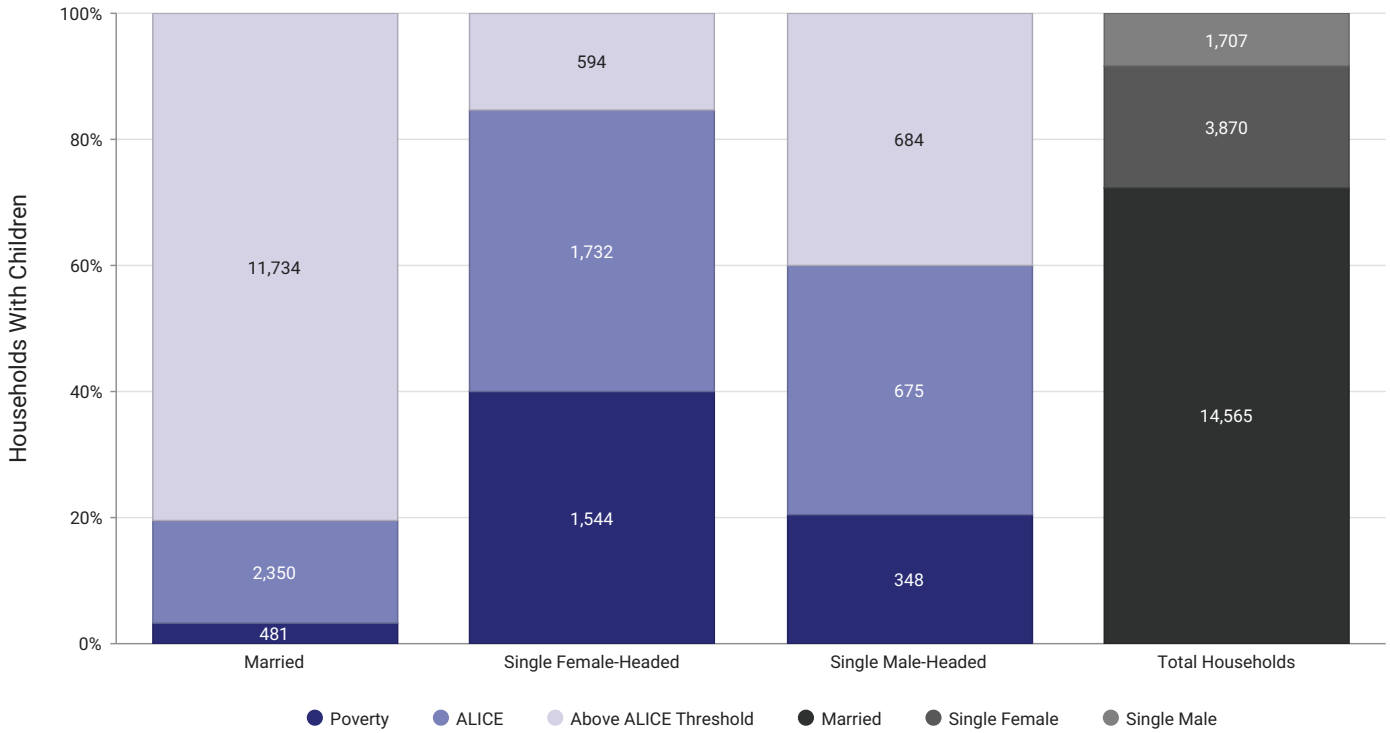
UnitedForALICE.org



How many families with children are struggling?

Children add significant expense to a family budget, so it is not surprising that many families with children live below the ALICE Threshold. Though more families are headed by married parents, families with a single parent are more likely to have income below the ALICE Threshold.

Families With Children, Sumner County, Tennessee, 2018

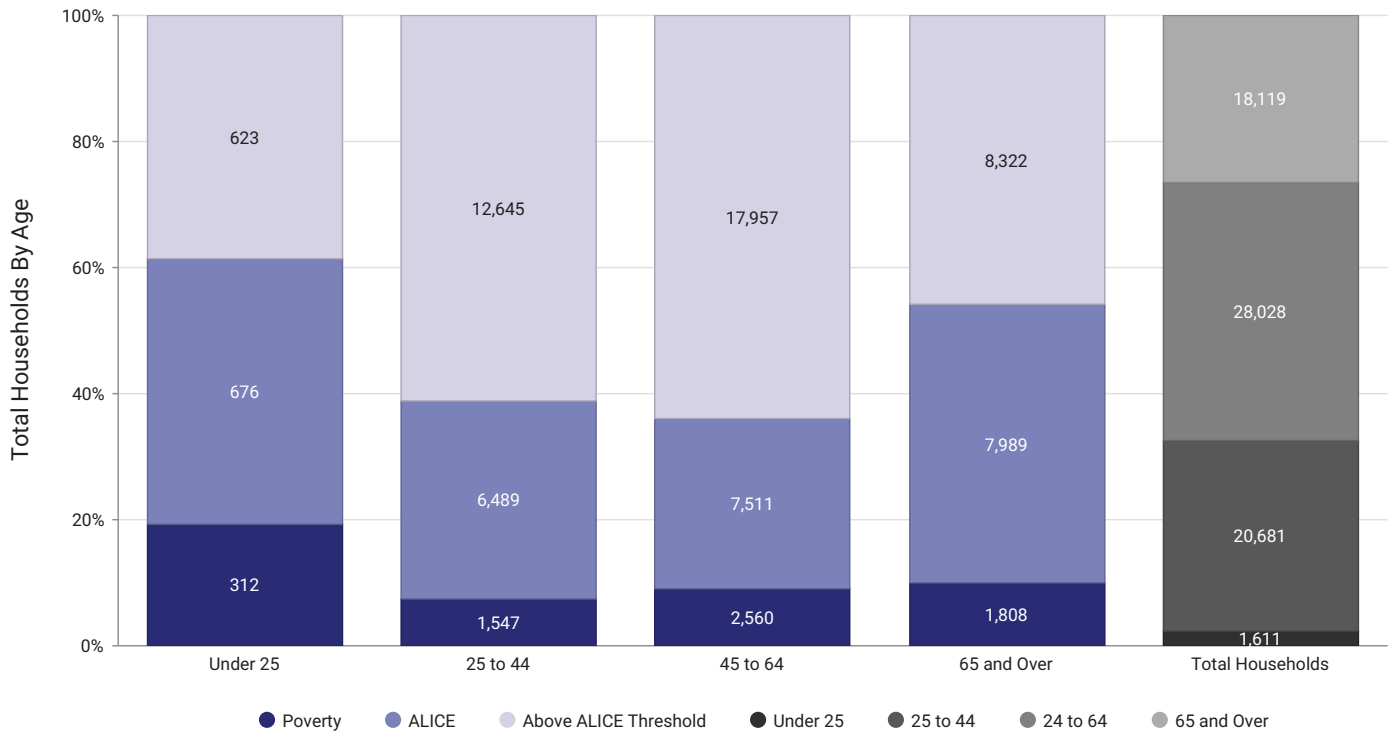


Sources: ALICE Threshold, 2007-2018; American Community Survey, 2007-2018

What are the differences in ALICE households by age?

There are ALICE households in every age bracket. The youngest group (people under 25) is more likely to be in poverty, and both the youngest and the oldest (people 65 and older) groups are more likely to be ALICE.

Households by Age, Sumner County, Tennessee, 2018

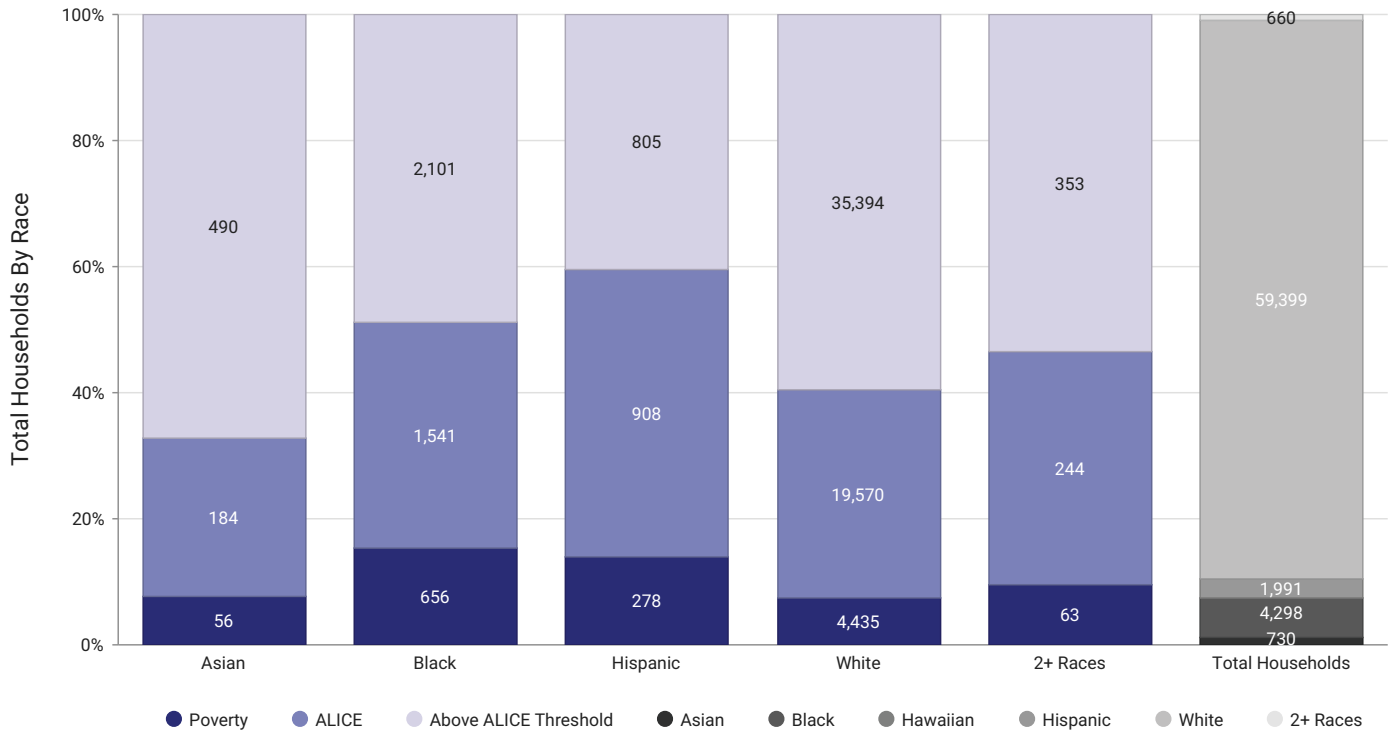


Sources: ALICE Threshold, 2007-2018; American Community Survey, 2007-2018

What are the races and ethnicities of ALICE households?

Overall, the races and ethnicities of ALICE households mirror those of the total state population. Yet some groups still face economic and systemic barriers that limit their earnings and make them more likely to live below the ALICE Threshold.

Households by Race/Ethnicity, Sumner County, Tennessee, 2018



Note: All racial categories except Two or More Races are for one race alone. Race and ethnicity are overlapping categories; in this figure, the Asian, Black, 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.

Sources: ALICE Threshold, 2018; American Community Survey, 2018

TENNESSEE • HOUSEHOLD BUDGETS 2018

Traditional economic measures systematically underestimate the actual cost of basic needs and how quickly they increase over time, concealing important aspects of the local and national economy. To better capture the reality of how much households need to live and work in the modern economy in each Tennessee county, United For ALICE provides three basic budgets, each of which can be calculated for various household types:

The ALICE Household Survival Budget

The minimal estimate of the total cost of household essentials — housing, child care, food, transportation, health care, and a smartphone plan, plus taxes and a miscellaneous contingency fund equal to 10% of the budget.

The Senior Survival Budget

Adjusts the Household Survival Budget to reflect the fact that seniors have lower food costs than younger adults, travel fewer miles for work and family responsibilities, and have increasing health needs and out of pocket health care expenses.

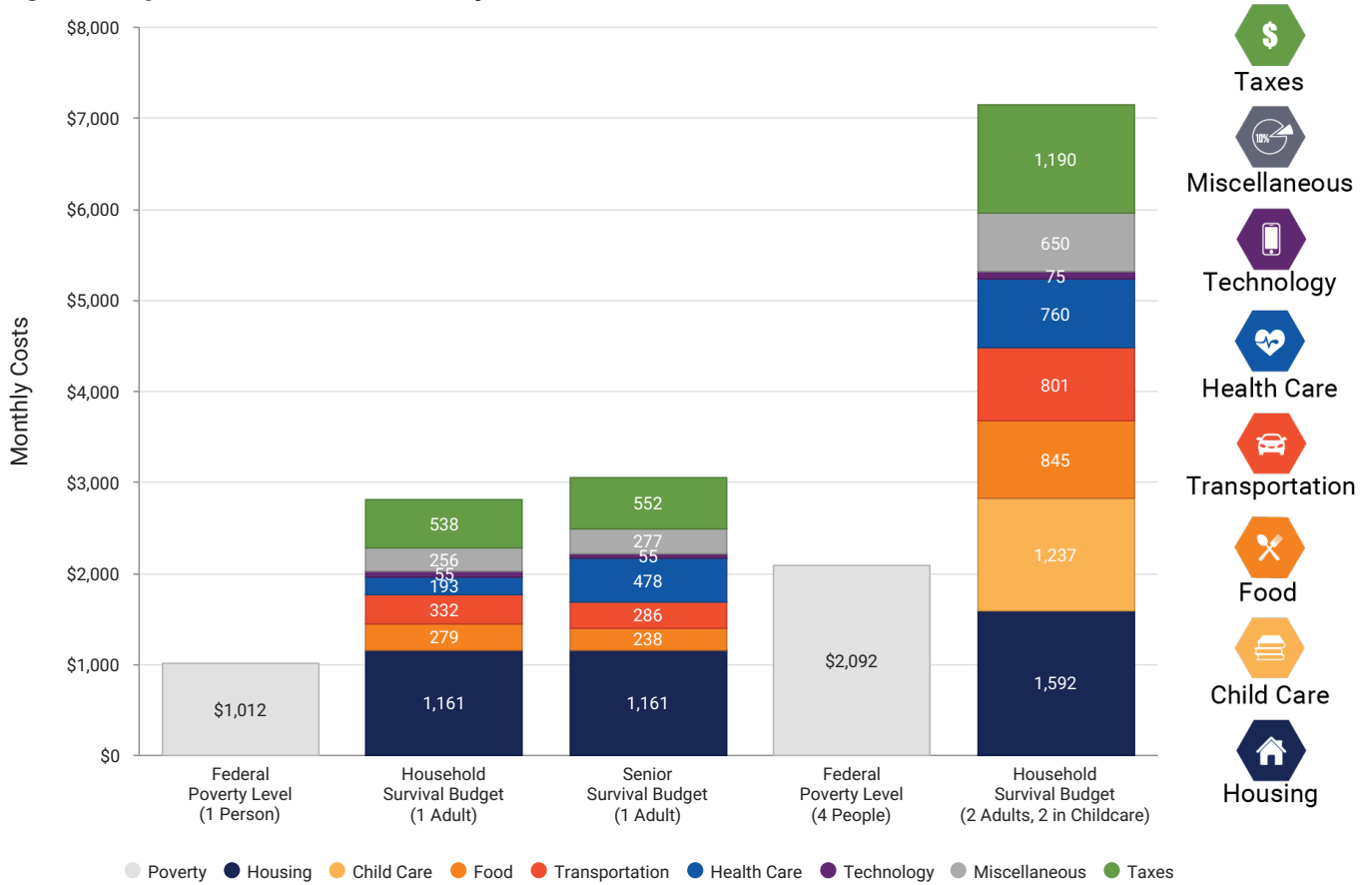
The ALICE Household Stability Budget

Posits a more sustainable budget model that estimates the higher costs of maintaining a viable household over time, including a 10% savings category that can be used in an emergency, for additional education, or to buy a home.

ALICE Budgets Differ by Household Type and Location

The map and figure below show how the ALICE budgets differ by household type and location, and how they compare to the Federal Poverty Level.

Budget Comparison, Sumner County, Tennessee, 2018



For ALICE Survival Budget sources, see the 2020 Methodology Overview on the Methodology tab

Why Do So Many Households Struggle in Sumner County?

The cost of household basics outpaces wages...

The Household Survival Budget reflects the bare minimum cost to live and work in the modern economy and includes housing, child care, food, transportation, health care, technology (a smartphone plan), and taxes. It does not include savings for emergencies or future goals like college or retirement. In 2018, household costs were well above the Federal Poverty Level of \$12,140 for a single adult and \$25,100 for a family of four.

ALICE Household Survival Budget, Sumner County, Tennessee, 2018						
	Single Adult	Two Adults	Two Adults Two School-Age Children	Two Adults, Two in Child Care	Single Senior	Two Seniors
Housing	\$1,161	\$1,296	\$1,592	\$1,592	\$1,161	\$1,296
Child Care	\$0	\$0	\$451	\$1,237	\$0	\$0
Food	\$279	\$580	\$968	\$845	\$238	\$494
Transportation	\$332	\$504	\$801	\$801	\$286	\$412
Health Care	\$193	\$517	\$760	\$760	\$478	\$956
Technology	\$55	\$75	\$75	\$75	\$55	\$75
Miscellaneous	\$256	\$374	\$560	\$650	\$277	\$401
Taxes	\$538	\$772	\$955	\$1,190	\$552	\$776
Monthly Total	\$2,814	\$4,118	\$6,162	\$7,150	\$3,047	\$4,410
Annual Total	\$33,768	\$49,416	\$73,944	\$85,800	\$36,564	\$52,920
Hourly Wage	\$16.88	\$24.71	\$36.97	\$42.90	\$18.28	\$26.46

Note: The budget for two adults and two in childcare includes costs for one infant and one preschooler

For ALICE Survival Budget sources, see the 2020 Methodology Overview on the Methodology tab

Additional Household Sizes, Sumner County, Tennessee, 2018

The ALICE Household Survival Budget can also be customized for different household sizes using the numbers below:

Add 1 Adult	Add 1 Senior (65+)	Add 1 Infant	Add 1 Preschooler	Add 1 School-Age Child
\$17,812	\$18,522	\$18,397	\$17,991	\$12,264

Note: Add the dollar amounts shown in this table to the annual totals in the table above to create customized household compositions. To calculate the new hourly wage needed, divide the annual total by 40, then 50.

For ALICE Survival Budget sources, see the 2020 Methodology Overview on the Methodology tab

ALICE Household Stability Budget, Sumner County, Tennessee, 2018

	Single Adult	Two Adults	Two Adults Two School-Age Children	Two Adults, Two in Child Care
Housing	\$1,620	\$1,990	\$1,313	\$1,313
Child Care	\$0	\$0	\$547	\$1,458
Food	\$562	\$1,141	\$2,030	\$1,773
Transportation	\$812	\$1,010	\$1,331	\$1,331
Health Care	\$165	\$431	\$651	\$651
Technology	\$125	\$145	\$145	\$145
Miscellaneous	\$443	\$618	\$776	\$880
Savings	\$443	\$618	\$776	\$880
Taxes	\$1,150	\$1,467	\$1,741	\$2,131
Monthly Total	\$5,320	\$7,420	\$9,310	\$10,562
Annual Total	\$63,840	\$89,040	\$111,720	\$126,744
Hourly Wage	\$31.92	\$44.52	\$55.86	\$63.37

Note: The budget for two adults and two in childcare includes costs for one infant and one preschooler
 For ALICE Survival Budget sources, see the 2020 Methodology Overview on the Methodology tab

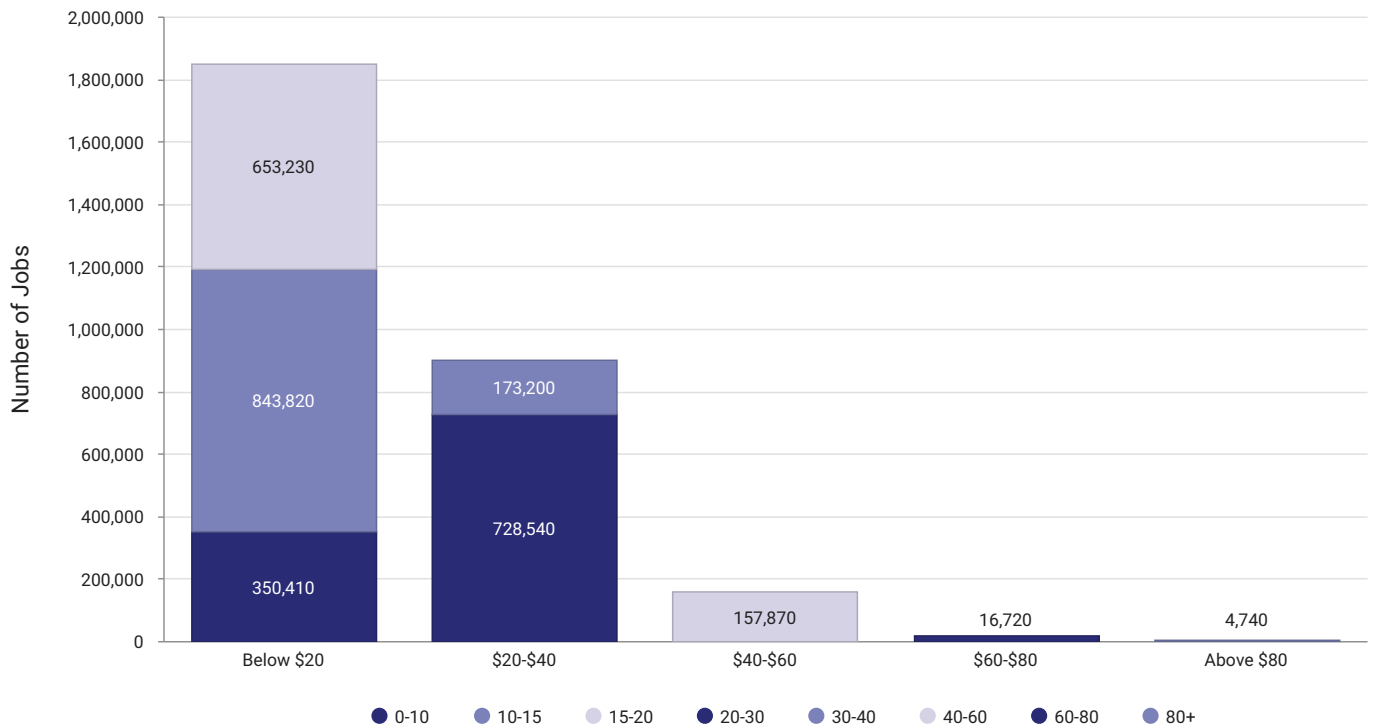
TENNESSEE • LABOR FORCE

ALICE workers play an essential role in the state economy but have not benefitted from many of the state’s recent economic gains – a reality that is not captured by traditional economic measures. This page breaks down labor force data in new ways, and in so doing highlights the challenges ALICE workers face, including:

- The declining power of wages to keep up with the cost of living
- A growing dependence on hourly wages
- A historically high number of adults out of the labor force
- Increased economic risk for workers

The majority of hourly jobs in the state paid less than \$20 per hour in 2018, making it difficult for many households to make ends meet, even with two workers employed full time.

Number of Jobs by Hourly Wage, Tennessee, 2018



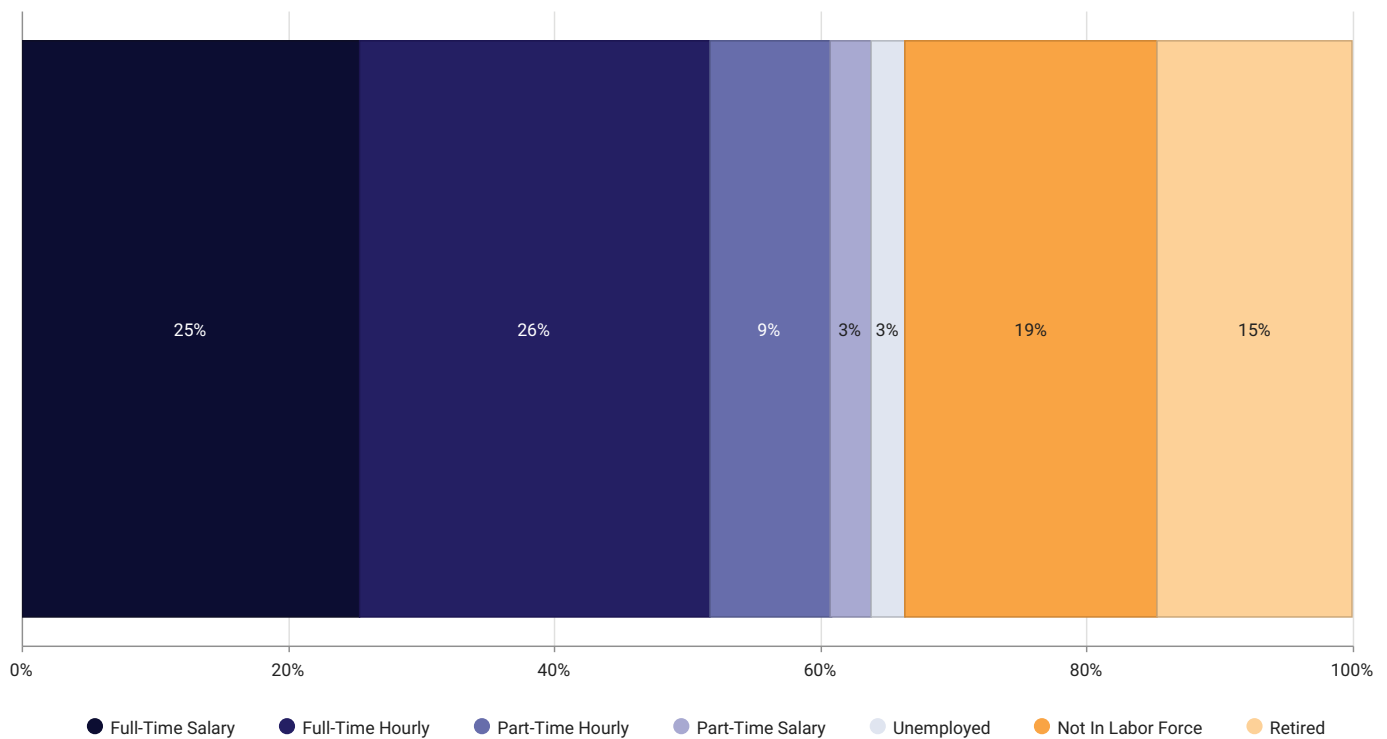
Sources: American Community Survey, 2018; Federal Reserve Bank of St. Louis, 2018

...and the labor landscape in Sumner County is challenging for ALICE workers.

The overview of the labor status of adults over the age of 16 in 2018 (below) reveals two key characteristics of the state labor force:

- **A large (and growing) number of workers are paid hourly.** Workers who are paid by the hour are more likely to have fluctuations in income due to frequent schedule changes and variable hours, and they are less likely to receive benefits, such as health insurance, paid time off, family leave, or retirement benefits.
- **A historically high number of workers are out of the labor force.** This has helped keep wages low: When more workers are available, employers have less incentive to raise wages to attract employees. Many workers are out of the labor force due to retirement; other reasons include school, health issues/disability, and family caregiving responsibilities.

Labor Status, Population 16 and Over, Sumner County, Tennessee, 2018

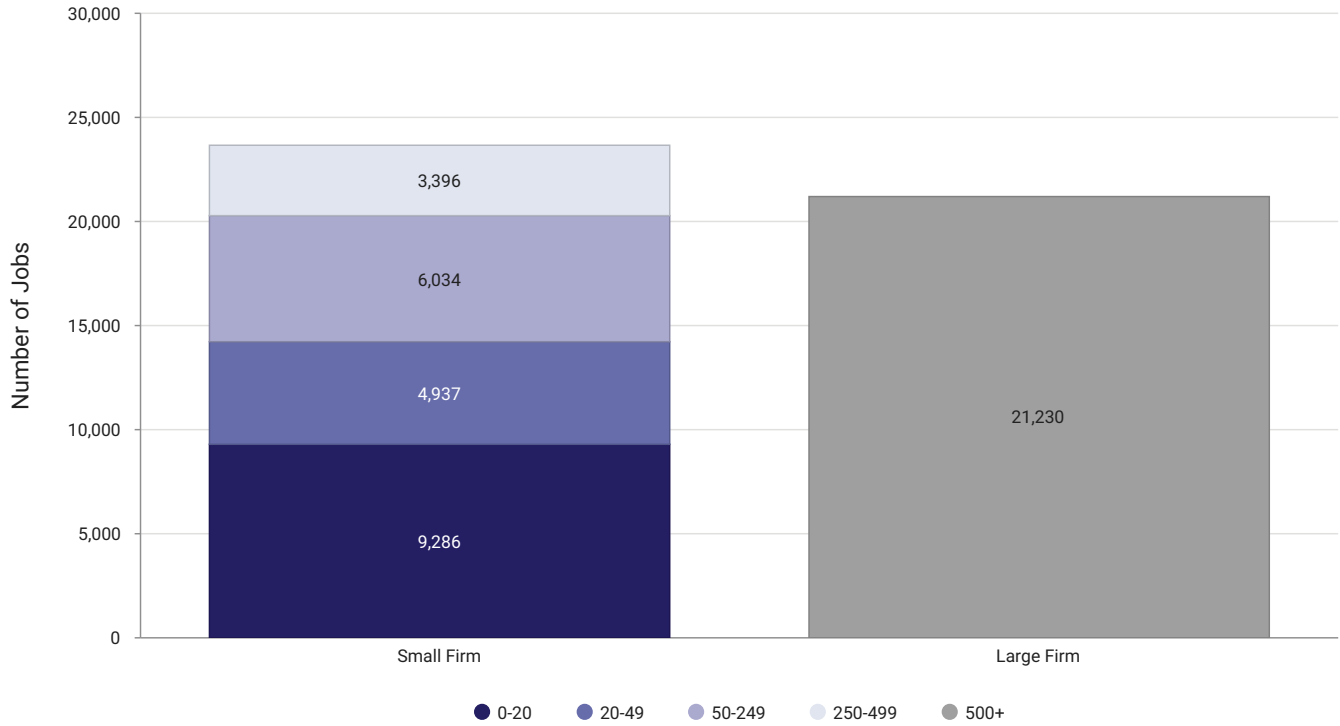


Note: Data for hourly full- and part-time jobs is only available at the national level; these national rates (51% of full-time workers paid hourly and 75% of part-time workers paid hourly) have been applied to the workforce at the county-level to calculate the breakdown shown in this figure. Because this figure sums county-level data (some using 1-year estimates and some using 5-year estimates), the state percentages may differ slightly from those shown in the 2020 Report. Full-time represents 35 hours per week or more at one or more jobs for 48 weeks per year.

Sources: American Community Survey, 2018; Federal Reserve Bank of St. Louis, 2018

Finally, where you work matters. Employment and wages vary by firm size. Large firms tend to offer higher wages and are more likely to offer benefits; medium-size firms pay more but typically employ the fewest workers; and smaller businesses can account for more jobs overall, especially in rural areas, but may pay less and offer fewer benefits. Small firms are also less stable, with almost an equal number starting up and closing down each year.

Employment by Firm Size With Average Annual Wages, Sumner County, Tennessee, 2018



Sources: Bureau of Labor Statistics, 2018

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