

For Immediate Release

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COVID-19 Hit as Record Number of ALICE Families Were Priced Out of Survival

United Ways of Tennessee Releases Pre-COVID-19 Report and Launches Statewide Impact Survey

Gallatin, Tennessee — When COVID-19 hit, more than 800,000 Tennessee households were already one emergency away from financial ruin — a 10-year record high — setting the stage for the unprecedented economic impact of the crisis, according to the state’s latest ALICE Report, released on Labor Day by United Ways of Tennessee, in partnership with United For ALICE. ALICE stands for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed and represents households that are working but cannot afford the basic necessities of housing, food, childcare, health care, transportation, and a smartphone. To read a copy of the state report, review Sumner County data, and find links to county-by-county and town-level data on the size and demographics of ALICE as well as the community conditions and costs faced by ALICE households, visit <https://www.unitedwaysumner.org/alice>.

This latest Tennessee ALICE Report paints the picture of a crisis in the making with an 85% increase in our state’s ALICE households over 10 years, fueled by high-priced basics and stagnant wages. With this data in hand on where families were prior, United Ways of Tennessee is launching a COVID-19 Impact Survey to better understand the effects of the pandemic on households. The survey can be accessed through end of September at: https://unitedwaynnj.iad1.qualtrics.com/jfe/form/SV_74CF5MumkY467OJ.

“We’ve known that our economy was increasingly reliant on these families we call ALICE, who are financially vulnerable to one emergency,” said Mary Graham, president of United Ways of Tennessee. “COVID-19 became that one universal emergency. ALICE families are facing the greatest health and financial risks today, as they are the workers who don’t have health insurance, have no paid sick days, and whose children receive daily meals at school. We encourage all Tennesseans to complete this survey.”

“No matter how hard ALICE families in our community worked, the gap between their wages and the cost of basics just has shown little to no improvement in Sumner County over the past 10 years,” said United Way of Sumner County Executive Director Steve Doremus. “These already fragile ALICE households are now facing an even deeper financial hole due to the state of emergency created by COVID-19.”

“We want all in our community to complete the survey,” Doremus said. “This data will help us identify trends and needs, and enable our United Way to work with our partners and stakeholders to provide resources and support for ALICE families during this difficult time.”

In 2018, of Sumner County’s 68,439 households, more than 22,600 were ALICE-- unable to afford the basics for survival, despite working. That’s in addition to the 6,200 households that were in poverty. Since 2010, the percentage of Sumner County households below the poverty line has improved from 13.1% in 2010 to 9.1% in 2018. During the same period, the

percentage of Sumner County ALICE households increased slightly from 32.6% to 33.1%, reaching a peak of 38.4% in 2014.

ALICE in Tennessee: A Financial Hardship Study shows that in 2018, the cost of survival statewide ranged annually from \$23,064 for a single adult, to \$25,716 for a senior citizen and \$65,040 for a family of four with an infant and a preschooler. Putting this in perspective, the median hourly wage for a retail salesperson, the most common occupation in Tennessee, was \$11.09, or \$22,180 per year — less than all the budgets.

This mismatch between wages and costs is revealed by a new measurement debuting in this report, called the ALICE Essentials Index. This Index chronicles how the cost of housing, child care, food, transportation, health care and a smartphone plan rose at nearly twice the rate of inflation, as measured by the Consumer Price Index. The result is that in 2018, two parents working full time needed to earn \$16.26 an hour in order to afford the Household Survival Budget for a family of four. That's up from a wage of \$10.23 an hour affording that budget in 2007. During the same period, the number of low-wage jobs nearly doubled (up 113%).

“The ALICE Essentials Index shows that, through no fault of their own, ALICE families have been priced out of economic stability, setting the stage for the scope of this crisis,” said United For ALICE National Director Stephanie Hoopes, Ph.D. “Using the Consumer Price Index alone to measure inflation provides an incomplete picture of the cost of living, severely underestimating the mounting financial pressures on ALICE families.”

About United Ways of Tennessee

United Ways of Tennessee (UWTN) is the association of 32 United Ways, coming together for collective action to fight for the health, education and financial stability of everyone living in our state. As Tennessee's leading community solutions provider, we are the driving force behind many initiatives that provide solutions to the most critical needs.

About United Way of Sumner County

United Way of Sumner County was created in 1977 as an independent, locally managed, non-profit organization to meet needs in our community. As the hub of a network that connects givers, advocates, and volunteers with local businesses, schools, government, and human service programs, United Way of Sumner County's mission is to improve the quality of life in Sumner County as a place to grow up, raise a family, work, achieve dreams, and grow older. Our vision is to create positive change by bringing people together to accomplish that mission.

About United For ALICE

United For ALICE is a driver of innovation, shining a light on the challenges ALICE (Asset Limited, Income Constrained, Employed) households face and finding collaborative solutions. Through a standardized methodology that assesses the cost of living in every county, this project provides a comprehensive measure of financial hardship across the U.S. Equipped with this data, ALICE partners convene, advocate, and innovate in their local communities to highlight the issues faced by ALICE households and to generate solutions that promote financial stability. The grassroots movement represents United Ways, corporations, nonprofits and foundations in Arkansas, Connecticut, Florida, Hawai'i, Idaho, Illinois, Indiana, Iowa, Louisiana, Maryland, Michigan, New Jersey, New York, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Virginia, Washington and Wisconsin; we are United For ALICE. For more information, visit: UnitedForALICE.org.

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