

ALICE IN THE CROSSCURRENTS



COVID AND FINANCIAL HARDSHIP IN TENNESSEE

2023 Report | UnitedForALICE.org



United Ways of Tennessee

ABOUT UNITED FOR ALICE AND OUR PARTNERS

ALICE in the Crosscurrents: COVID and Financial Hardship in Tennessee is produced by [United Ways of Tennessee](#) in partnership with [United For ALICE](#), a driver of innovative research and action around financial hardship for **ALICE (Asset Limited, Income Constrained, Employed)** households. With a commitment to [racial and economic justice](#), this research is shared with foundations, government, corporations, and other nonprofits, to inform policy and promote positive change. The grassroots ALICE movement, led by United Way of Northern New Jersey, has spread to 27 states and the District of Columbia. Learn more about the ALICE movement [here](#).

To create the ALICE Reports, our [team of researchers](#) works with [Research Advisory Committees](#) composed of experts from our partner states. This work is guided by our rigorous [methodology](#), which is updated biennially with experts from across our Research Advisory Committees.

Director and Lead Researcher: Stephanie Hoopes, Ph.D.

ALICE Research Team: Andrew Abrahamson; Ashley Anglin, Ph.D.; Catherine Connelly, D.M.H., M.A.; Max Holdsworth, M.A.; Dana Isaac; Dan Treglia, Ph.D.
Research Fellows: Daniel Assamah and Kathleen Lopez.

State Research Advisory Committee: Sarah Henderson, M.P.H., The Sycamore Institute; Ira Murray, Ph.D., Vanderbilt University; Rose Naccarato, Ph.D., Tennessee Commission on Children and Youth; John Rees, M.U.R.P., Federal Reserve Bank of Atlanta*, Nashville Branch; Katy Spurlock, M.S.S.W., M.B.A., The Urban Child Institute; Matthew Tolbert, Ph.D., M.S., Southern Adventist University; Matthew Young, Department of Human Services.

* The Federal Reserve Bank of Atlanta (FRBA) contributes research, data analysis, and tools to the public. FRBA does not advocate for or against specific programs or activities at the federal, state, or local levels.

United For ALICE partners with [United Ways of Tennessee](#) to bring this research to Tennessee and this work is sponsored by the Tennessee Afterschool Network.



United Ways of Tennessee



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

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



TABLE OF CONTENTS

- ALICE Research in a Time of Change 1
- The ALICE Household Survival Budget 2
- ALICE in Tennessee: Executive Summary 4
- The Competing Forces of the COVID Economy 6
- The Impact of the COVID Economy on:
 - ALICE Demographics and Equity 7
 - Work and Wages 11
 - Pandemic Assistance 14
 - Savings and Assets 17
- Beyond 2021: Economic Challenges Ahead for ALICE 19
- County Comparison: Income Status, 2021 23
- National Comparison: Income Status, 2021 27
- Next Steps 28

ALICE RESEARCH IN A TIME OF CHANGE

This ALICE Report provides the first look at the extent of financial hardship in Tennessee using ALICE metrics since the COVID-19 pandemic began. The pandemic has disrupted longstanding patterns in how and where people live, work, study, save, and spend their time. And the story of ALICE and the pandemic is still unfolding as this Report is being written, amid an ongoing health crisis and an economic and public policy landscape that continues to shift. In a time of change, United For ALICE remains committed to providing the most up-to-date local data possible on financial hardship in Tennessee and across the U.S.

Two pillars of the ALICE measures are household costs and income. The **Household Survival Budget** calculates the cost of household essentials for each county in Tennessee and relies on a wide range of sources for the budget items of housing, child care, food, transportation, health care, and a smartphone plan, plus taxes.

For household income, the ALICE measures rely on the U.S. Census Bureau's American Community Survey (ACS). The ACS experienced such significant [disruption in data collection](#) in 2020 that the Census Bureau released only experimental estimates, which are not included in our analysis. By 2021, standard Census data collection had resumed.

Household costs are compared to household income to determine if households are **below the ALICE Threshold**. This includes both households in **Poverty**, with income below the Federal Poverty Level (FPL), and those that are **ALICE**, with income above the FPL but below the cost of basics.

Our standard ALICE data is based on the ACS – both [household tabulated data](#) and individual data from

KEY TERMS

- **ALICE: Asset Limited, Income Constrained, Employed** – households that earn above the Federal Poverty Level (FPL) but cannot afford the basic cost of living in their county. Despite struggling to make ends meet, ALICE households often do not qualify for public assistance.
- **ALICE Threshold of Financial Survival:** Derived from the Household Survival Budget, the minimum average income that a household needs to afford housing, child care, food, transportation, health care, and a smartphone plan, plus taxes. Calculated for all U.S. states and counties.
- **Below ALICE Threshold:** Includes people in poverty-level and ALICE households combined.

the [Public Use Microdata Sample](#) (PUMS) records. In addition, this Report includes our analysis of two surveys that capture the experiences of a nationally representative sample of households during the pandemic:

- [Federal Reserve Board's Survey of Household Economics and Decisionmaking \(SHED\)](#), October, 2019; November, 2020; and November, 2021
- [U.S. Census Bureau's COVID-19 Household Pulse Survey](#) (Household Pulse Survey), August 19–August 31, 2020; September 14–November 14, 2022; and December 9–December 19, 2022

Learn more about our methodology at: UnitedForALICE.org/Methodology

Data Notes: The data used in this Report are estimates; some are geographic averages, others are one- or five-year averages depending on population size. Percentages are rounded to whole numbers, sometimes resulting in percentages totaling 99% or 101%. ALICE analysis includes all households, regardless of work status, as employment is fluid and most households have members who are working, have worked, or are looking for work.

THE ALICE HOUSEHOLD SURVIVAL BUDGET

The ALICE Household Survival Budget is the foundation of the ALICE research. This budget calculates the bare-minimum cost of the household basics needed to live and work in the modern economy by household composition, in every county.

When compared to the more accurate cost of living included in the Household Survival Budget, the Federal Poverty Level (FPL) is drastically inadequate. Unlike the ALICE budgets, the FPL is not based on the cost of contemporary household necessities, and except for Alaska and Hawai'i, it is not adjusted to reflect cost-of-living differences across the U.S. Nor does it adjust for different ages of household members. The FPL is increased annually based on the Bureau of Labor Statistics' (BLS) Consumer Price Index (CPI), and those increases are the same for all U.S. households of a given size. By contrast, the actual household costs in the Survival Budget have increased at different rates

depending on location, household size, and household composition.

Yet despite its inadequacies, the FPL continues to be the standard for determining the number and proportion of people living in poverty in the U.S. **With the FPL as the primary way for policymakers and local stakeholders to gauge the extent of financial hardship in their communities, a huge portion of struggling U.S. households go unrecognized.**









Across Tennessee, for all household sizes and in all locations, the FPL is well below the Household Survival Budget. In 2021, the FPL was \$26,500 for a family of four. In contrast, Figure 1 shows that the average cost of living for a family of four in Tennessee was \$57,240, more than two times higher than the FPL; and nearly two times higher than the average household costs for a single adult. Increases were mitigated by child tax credits in 2021 for families with children.

Figure 1. ALICE Household Survival Budget and Federal Poverty Level, Tennessee, 2021

| | Federal Poverty Level <i>Census income thresholds that vary by household size but not geography to determine who is in poverty</i> | ALICE Household Survival Budget <i>The cost of the essentials needed to live and work in the modern economy, by household type and location</i> |
|----------------------------------|--|---|
| Family of Four | | |
| Monthly Total | \$2,208 | \$4,770 |
| Annual Total | \$26,500 | \$57,240 |
| Percent Change, 2019–2021 | 3% | 8% |
| Single Adult | | |
| Monthly Total | \$1,073 | \$2,098 |
| Annual Total | \$12,880 | \$25,176 |
| Percent Change, 2019–2021 | 3% | 14% |

Note: Percent change is pre-tax.

Sources: ALICE Household Survival Budget, 2021; Assistant Secretary for Planning and Evaluation (ASPE), HHS poverty guidelines for 2021, U.S. Department of Health and Human Services

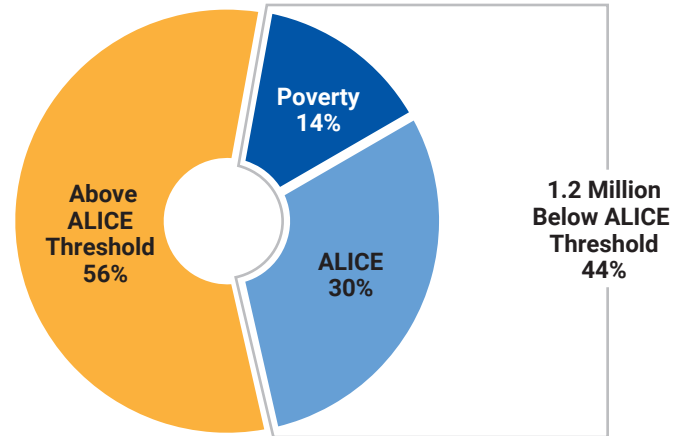
| ALICE Household Survival Budget | | Average Monthly Costs, Tennessee, 2021 | |
|---|---|--|--|
| | Description, Update, and Sources | One Adult | Family of Four |
| Housing  | Rent: Fair Market Rent (40 th percentile) for an efficiency, one-bedroom, or two-bedroom apartment (based on family size), adjusted in metro areas using the American Community Survey (ACS) – minus utilities Utilities: As captured by the Community Expenditure Survey (CEX) Update: Costs of rent and utilities are now shown separately. Sources: ACS metro housing costs and U.S. Department of Housing and Urban Development (rent); CEX (utilities) | \$500 rent + \$154 utilities | \$564 rent + \$292 utilities |
| Child Care  | Cost for registered Family Child Care Homes for infants (0–2 years), preschool-age (3–4), and school-age children (5–12) Source: Tennessee Department of Human Services, 2021 | \$ - | \$932 |
| Food  | USDA Thrifty Food Plan by age with county variation from Feeding America Update: A change in legislation requires the USDA Thrifty Food Plans to reflect the cost for resource-constrained households to purchase a healthy, practical diet, starting in 2021, increasing costs from prior years. Sources: Feeding America; U.S. Department of Agriculture (USDA) | \$416 | \$1,135 |
| Transportation  | Operating costs for a car (average daily miles by age, cost per mile, license, fees, and insurance), or public transportation where viable Update: The decline in public transportation use during the pandemic reduced the average expenditure , yet the cost for workers who had to use it to commute remained the same. To reflect this, the budget uses 2019 average CEX spending. Sources: AAA, Federal Highway Administration, The Zebra (car); CEX (public transportation) | \$328 | \$804 |
| Health Care  | Health insurance premiums based on employer-sponsored plans plus out-of-pocket costs for households with \$40,000–\$69,000 annual income by age, weighted with the poor-health multiplier. For the senior budget, cost of Medicare Part A and B, out-of-pocket costs, plus average out-of-pocket spending for the top five chronic diseases as reported by CMS. Sources: Centers for Medicare and Medicaid Services (CMS); CEX (health); Medical Expenditure Panel Survey (MEPS) | \$226 | \$809 |
| Technology  | Smartphone plan with 10GB of data for each adult in a household Update: Costs were upgraded from a 5GB to a 10GB monthly data plan to reflect the increased need for internet access. Source: Consumer Reports | \$75 | \$110 |
| Miscellaneous  | Cost overruns estimated at 10% of the budget, excluding taxes, to cover one-time unanticipated costs within the other categories | \$170 | \$465 |
| Taxes  | Federal, state, and local taxes owed on the amount of income to cover the Survival Budget, as well as tax credits, including the Child Tax Credit (CTC) and the Child and Dependent Care Tax Credit (CDCTC) Update: Due to the significant effect of the expanded tax credits in 2021, total taxes before credits and the credits are both listed. Sources: Internal Revenue Service; Tax Foundation | \$229 | \$723 Tax before CTC and CDCTC -\$1,064 CTC and CDCTC |
| Monthly Total | | \$2,098 | \$4,770 |

To see the Household Survival Budget for other household compositions at the state and county levels, go to UnitedForALICE.org/Household-Budgets/Tennessee.

ALICE IN TENNESSEE: EXECUTIVE SUMMARY

The number of households in financial hardship in Tennessee continues to be undercounted in official measures. According to the FPL, 14% of households in Tennessee (380,879) were in poverty in 2021. Yet [United For ALICE](#) data shows that another 30% (816,021 households) – more than twice as many – were ALICE (Asset Limited, Income Constrained, Employed). ALICE households earn above the FPL, but not enough to afford the basics in the communities where they live.

The reality is that of the 2.7 million households in Tennessee, 1,196,900 – 44% – had income below the [ALICE Threshold of Financial Survival](#) in 2021. These included both households in poverty and ALICE households.



The crux of the problem is a mismatch between earnings and the cost of basics. For example, 49% of cashiers (one of the most common occupations in Tennessee) were below the ALICE Threshold in 2021. These workers earned a median hourly wage of \$10.93 – not even enough to cover the ALICE Household Survival Budget for one worker employed full time (\$12.59 per hour), much less for a family with children, even with two adults working (combined wage of \$28.62 per hour). From 2019 to 2021, the cost of basics increased across Tennessee and remained well above the FPL. For a family of four in 2021, the FPL was \$26,500 while the **ALICE Household Survival Budget** was \$57,240. Between 2019 and 2021, the average annual costs (excluding taxes) increased 14% for a single adult, 12% for a single senior, and 8% for a family of four.

| ALICE Household Survival Budget, Tennessee Average, 2021 | | | |
|--|-----------------|-----------------|-----------------------------------|
| | Single Adult | Single Senior | 2 Adults, 1 Infant, 1 Preschooler |
| Monthly Costs | | | |
| Housing – Rent | \$500 | \$500 | \$564 |
| Housing – Utilities | \$154 | \$154 | \$292 |
| Child Care | - | - | \$932 |
| Food | \$416 | \$384 | \$1,135 |
| Transportation | \$328 | \$281 | \$804 |
| Health Care | \$226 | \$501 | \$809 |
| Technology | \$75 | \$75 | \$110 |
| Miscellaneous | \$170 | \$190 | \$465 |
| Tax Before Credits | \$229 | \$269 | \$723 |
| Monthly Total | \$2,098 | \$2,354 | \$5,834 |
| ANNUAL TOTAL Before Credits | \$25,176 | \$28,248 | \$70,008 |
| Tax Credits (CTC and CDCTC) | - | - | (\$12,768) |
| ANNUAL TOTAL with Credits | \$25,176 | \$28,248 | \$57,240 |
| Full-Time Hourly Wage | \$12.59 | \$14.12 | \$28.62 |

Note: CTC = Child Tax Credit, CDCTC = Child and Dependent Care Tax Credit. Percent change is pre-tax. Full-time hourly wage represents the wage needed at 40 hours per week to support the annual total, with credits. For the family of four, this represents the combined wage needed for two workers. Many households incur higher costs, especially for housing, as units may not be available at Fair Market Rent. To view ALICE Household Survival Budgets for all counties and for any household composition, visit UnitedForALICE.org/Household-Budgets/Tennessee.

Sources: AAA, 2021; Agency for Healthcare Research and Quality, 2021; American Community Survey, 2021; Bureau of Labor Statistics, 2021—Consumer Expenditure Surveys; Bureau of Labor Statistics, 2021—Occupational Employment Statistics; Centers for Medicare & Medicaid Services, 2021—Medicare - Chronic Conditions; Centers for Medicare & Medicaid Services, 2021—Medicare Current Beneficiary Survey; Centers for Medicare & Medicaid Services, 2021; Federal Highway Administration, 2017; Feeding America, 2022; Fowler, 2021; Internal Revenue Service, 2021; Internal Revenue Service—FICA, 2021; Medicare.gov; Scarborough, 2021; Tax Foundation, 2021; Tennessee Department of Human Services, 2021; The Zebra, 2022; U.S. Department of Agriculture, 2021—Official USDA Food Plans; U.S. Department of Housing and Urban Development, 2021—Fair Market Rents; Walczak, 2021.

This Report details the impact of competing economic forces and public policy interventions during the pandemic on ALICE households in Tennessee in 2021. It also presents research showing that the impact of the pandemic on financial security continued beyond 2021.

Key findings include:

- **Financial hardship over time:** ALICE households are especially vulnerable to national economic disruptions. The number of households below the ALICE Threshold in Tennessee increased dramatically after the Great Recession (2007–2010) and remained at this elevated level through 2018. By 2019, that number had just started to taper down – and then the pandemic hit. From 2019 to 2021, the total number of households increased by 4%, while the number of households below the ALICE Threshold decreased by 1%.
- **Demographics:** There are households below the ALICE Threshold across all demographic groups. However, disparities exist in the rates of financial hardship due to [persistent racism](#), [ageism](#), [gender discrimination](#), and geographic [barriers](#) that limit many families’ access to resources and opportunities for financial stability. For example, by race/ethnicity, 59% of Black and 55% of Hispanic households were below the ALICE Threshold in Tennessee in 2021, compared to 40% of White households. By age of householder, the youngest (under age 25) and oldest (age 65+) households faced the highest rates of hardship, at 72% and 53%, respectively. And by household composition, single-parent families with children were more likely to be below the Threshold than married-parent households or single/cohabiting households without children.
- **Work and wages:** Of the 20 most common occupations in Tennessee in 2021, 70% paid less than \$20 per hour. Most of these saw an increase

in the median wage; for example, the median wage for stockers and order filers increased by 13% from 2019 to 2021 to \$14.01 per hour. But given that wages had stagnated for a decade, many top jobs still had a substantial percentage of workers who lived below the ALICE Threshold in 2021.

- **Pandemic assistance:** Public assistance programs were temporarily expanded in 2021, but not quite enough to bring most households below the ALICE Threshold to financial stability. For example, in Tennessee, a family of four with two parents working full time in two of the most common occupations (retail salesperson and cashier) were just short of being able to afford the Household Survival Budget in 2021, even with the additional support of the expanded Child Tax Credit, the Child Dependent Care Tax Credit, and the Economic Impact Payments.
- **Savings and assets:** Emergency savings rates differed by income. According to SHED, only 40% of households below the ALICE Threshold had emergency savings or rainy day funds in October 2019 compared to 68% of households above the Threshold. By November 2021, rates decreased further to 39% for households below the Threshold, and 62% for those above. Similarly, only 31% of households below the Threshold had retirement savings in 2021, compared to 59% of those above.
- **Beyond 2021:** With pandemic assistance waning while significant challenges remain, there are warning signs that the economic situation for households below the ALICE Threshold has worsened since 2021, including sustained high levels of food insufficiency, feelings of anxiety and depression, and continued difficulty paying bills.

THE COMPETING FORCES OF THE COVID ECONOMY

Competing forces have made it difficult to predict the net impact of the pandemic on household financial stability. When the pandemic hit, businesses, child care providers, schools, and community services were closed, some permanently; others went remote for months or longer. [The loss of jobs and wages was not experienced equally](#); those who could work remotely fared better than those who were required to be on-site. Initially, costs for many basics declined, but disruptions to the [supply chain](#) and higher wages to retain workers then [pushed prices up](#) – by 7.5% annually across the U.S. in 2021, compared to less than 3% annually in the [prior 10 years](#) – straining ALICE households even more.

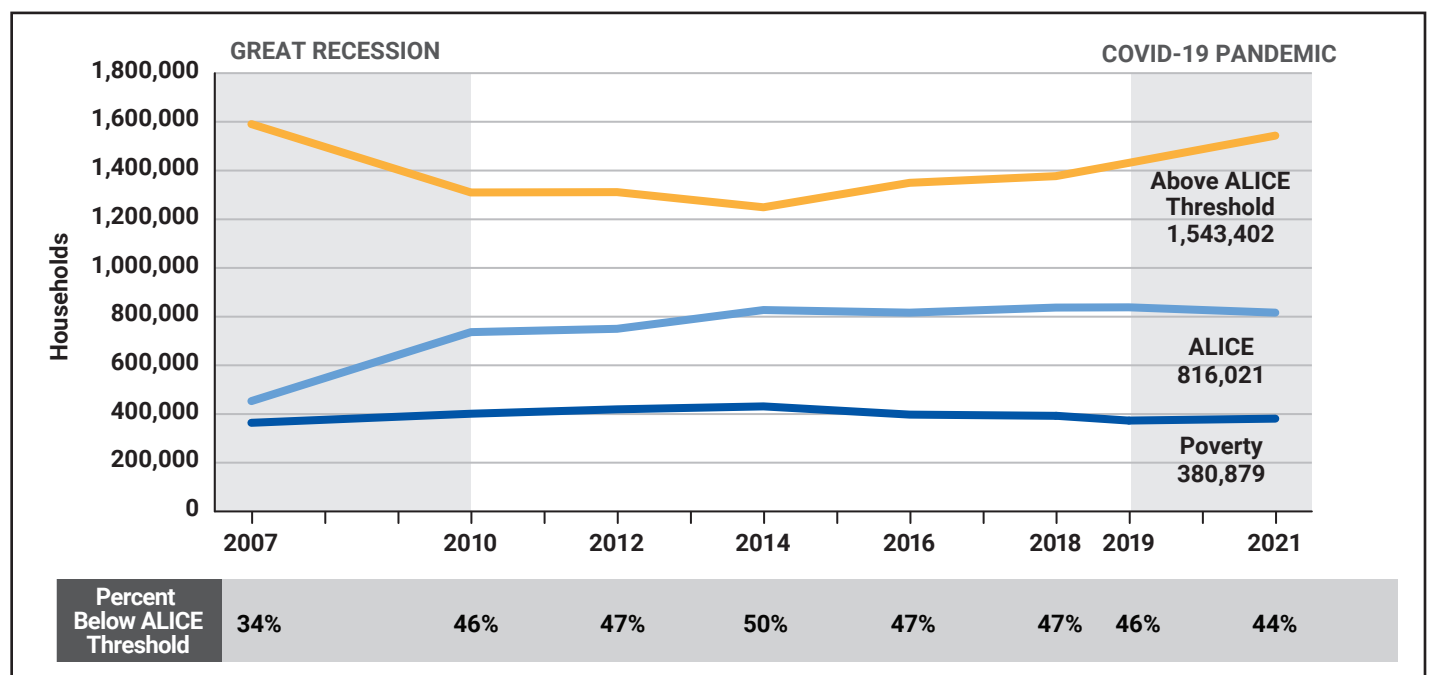
Yet other forces provided economic benefits for many households. In 2021, [average weekly wages](#) across all industries were up 7.3% in Tennessee from 2020, and up 5.6% nationally (the second-fastest national increase in the past two decades). In addition, [emergency pandemic measures](#) and [economic policies](#) provided critical support for ALICE families, including housing assistance, expanded unemployment insurance, stimulus

checks, enhanced tax credits, and a nationwide eviction moratorium.

These measures made a difference, helping to mitigate the financial impact of the pandemic for Tennessee households (Figure 2). During the last major economic disruption – the Great Recession – the percentage of Tennessee households below the ALICE Threshold increased sharply, from 34% in 2007 to 46% in 2010. The share of households below the Threshold continued to climb, reaching a peak of 50% of households in 2014 before tapering down and returning to the 2010 post-recession level of 46% in 2019.

Between 2019 and 2021, despite the pandemic, the percentage of households living below the ALICE Threshold continued to decline, decreasing slightly from 46% to 44%. During the same period, the total number of households in Tennessee increased by 4%, and the total number of households below the ALICE Threshold remained stable, decreasing by just 1% (from 1,211,160 to 1,196,900).

Figure 2. Households by Income, Tennessee, 2007–2021



Sources: ALICE Threshold, 2007–2021; U.S. Census Bureau, American Community Survey, 2007–2021

THE IMPACT OF THE COVID ECONOMY ON... ALICE DEMOGRAPHICS AND EQUITY

Overall, the total number of Tennessee households that were struggling decreased from 2019 to 2021. Yet, this state average conceals the impact of the pandemic across different demographic groups (Figure 3). In many cases, the pandemic exposed and exacerbated disparities and vulnerabilities that have long existed in our society, with substantial differences in rates of hardship by race/ethnicity, age, and household composition.

In Tennessee in 2021, Black households, young households, and single-parent households had the highest rates below the ALICE Threshold. White households, working-age households, and married-parent households with children had the lowest rates below the Threshold.

The largest racial/ethnic groups in Tennessee still accounted for the largest number of households below the ALICE Threshold in 2021. Yet rates of financial hardship differed substantially across demographic groups, a result of multiple factors including [persistent racism](#), [ageism](#), [gender discrimination](#), and geographic [barriers](#) that limit many families' access to resources and opportunities for financial stability:

- In 2021, the largest number of households below the ALICE Threshold in Tennessee were White (836,814), with 40% of households living in financial hardship. And while the number of struggling households was lower for other groups, the percentage of those households was higher (except for Asian households). Fifty-nine percent (259,712)

of Black households and 55% (55,148) of Hispanic households were below the Threshold.

- By age of householder, the youngest and the oldest households had the highest rates of hardship, with 72% of households headed by someone under age 25 and 53% of senior households (headed by someone age 65+) living below the Threshold in Tennessee. By comparison, 40% of households headed by people age 25–44 and 37% of households headed by those 45–64 were below the Threshold.
- By household composition, single parents were most likely to be below the ALICE Threshold, with 78% of single-female-headed households and 62% of single-male-headed households struggling to make ends meet. Rates of financial hardship were lower for married-parent households (19%). For single or cohabiting households without children, 42% were below the Threshold in 2021.
- By location, the rate of financial hardship was higher in predominantly rural counties of Tennessee (46%), compared to predominantly urban counties (43%).

Figure 3 paints a clear picture of the rates of hardship for different demographic groups compared to the Tennessee average. For all households in the state, 14% were in poverty and 30% were ALICE in 2021.

Figure 3. Household Financial Status and Key Demographics, Tennessee, 2021

| | Total | Below ALICE Threshold | ■ Poverty ■ ALICE ■ Above ALICE Theshold |
|--|-----------|-----------------------|---|
| ALL HOUSEHOLDS | 2,740,302 | 1,196,900 | 14% 30% 56% |
| AGE | | | |
| Under 25 Years | 115,160 | 82,406 | 35% 36% 28% |
| 25 to 44 Years | 890,548 | 355,029 | 14% 26% 60% |
| 45 to 64 Years | 1,004,284 | 375,868 | 13% 24% 63% |
| Seniors (65+) | 730,310 | 383,597 | 12% 41% 47% |
| RACE/ETHNICITY | | | |
| American Indian/ Alaska Native | 5,925 | 3,100 | 17% 35% 48% |
| Asian | 39,256 | 12,268 | 8% 23% 69% |
| Black | 443,397 | 259,712 | 18% 41% 41% |
| Hispanic | 101,164 | 55,148 | 10% 45% 45% |
| Native Hawaiian/ Pacific Islander | 1,060 | 591 | 16% 40% 44% |
| Two or More Races | 71,301 | 35,271 | 12% 37% 51% |
| White | 2,077,904 | 836,814 | 10% 31% 60% |
| HOUSEHOLD TYPE | | | |
| Married With Children | 458,430 | 89,372 | 7% 12% 81% |
| Single-Female- Headed With Children | 176,780 | 138,197 | 45% 33% 22% |
| Single-Male-Headed With Children | 63,233 | 39,092 | 22% 39% 38% |
| Single or Cohabiting, Under 65, no Children | 1,311,549 | 546,642 | 13% 29% 58% |
| URBAN/RURAL | | | |
| Rural | 669,392 | 306,295 | 16% 30% 54% |
| Urban | 2,070,910 | 890,605 | 13% 30% 57% |

Note: The groups shown in this figure overlap across categories. Within the race/ethnicity category, all racial categories except Two or More Races are for one race alone. Race and ethnicity are overlapping categories; in this Report, the American Indian/Alaska Native, Asian, Black, Native 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. Counties are defined as rural or urban based on the USDA's designation of metropolitan or non-metropolitan at the census tract level. Counties with 50% or more of the population in metropolitan tracts are designated as urban; those with 50% or more of the population in non-metropolitan tracts are designated as rural.

Sources: ALICE Threshold, 2019 and 2021; American Community Survey, 2019 and 2021

Changes in Population and Financial Hardship (2019–2021)

In the decade preceding the pandemic, population growth in the U.S. had started to slow due to a decrease in the number of births and international migration, and an increase in deaths associated with the aging population. The pandemic [exacerbated the national slowdown](#), and in 2021 population growth in the U.S. reached a [historic low](#) due to a sharp increase in COVID-related deaths, postponement of having children, and more restrictive policies on immigration.

The pandemic also affected domestic migration, which contributed to population shifts nationally and in Tennessee. Between 2020 and 2021, the percentage of the [population that moved](#) from one residence to another within the U.S. dropped from 9.3% to 8.4%. People moved for a [variety of reasons](#), which included relocating to places where the cost of living was lower (especially for [housing](#) and [taxes](#)), and/or to less [densely populated locations](#).

In Tennessee, the pandemic also impacted where people lived, who they lived with, and the demographics of households.

Location: In Tennessee from 2019 to 2021, the counties with the largest percent increase in total households included Blount, Davidson, Montgomery, Sumner, and Van Buren, while the counties with the most substantial percentage decrease in total households were Lake and Morgan. Counties with the largest percent increase in financial hardship were Chester and Sequatchie counties, while Greene, Humphreys, and Smith counties

experienced the largest percent decrease in households below the Threshold from 2019 to 2021. (See additional county-level data [on the ALICE website](#) and in the “County Comparison” section of this Report.)

Overall, the total number of households in predominantly urban counties increased 5%, while rural counties experienced very minimal growth (1%). The rate of financial hardship was higher in rural counties (46%), than in urban counties (43%).

Age: By number, from 2019 to 2021, households in all age groups experienced growth in total number of households. However, when looking at the share of households below the ALICE Threshold for each group, changes in rates of financial hardship varied. The youngest households (under age 25) saw the largest increase, rising from 69% below the Threshold in 2019 to 72% below the Threshold in 2021. There was minimal change for senior households (age 65+) which increased slightly from 52% to 53% below the Threshold from 2019 to 2021. In contrast, households headed by those in their prime working years showed improvement; households headed by those age 25 to 44 decreased from 44% below the Threshold in 2019 to 40% below in 2021, and those age 45 to 64 decreased from 40% below the Threshold to 37%.

Household composition: The share of married-parent households below the ALICE Threshold in the state fell from 23% in 2019 to 19% in 2021. The percentage of single-male headed households below the Threshold fell from 68% to 62% in this same time period, and the percentage for households headed by a single female dropped slightly, from 79% to 78%. Single or cohabiting households without children also experienced a decrease in hardship, from 45% below the Threshold in 2019 to 42% in 2021.

URBAN AND RURAL CHANGE IN TENNESSEE (2019–2021)

- 1% increase in total number of households in rural counties
- 5% increase in total number of households in urban counties

Race/ethnicity: This Report is not able to accurately capture change over time by race/ethnicity in the total number or share of households below the ALICE Threshold. Starting in 2020, the U.S. Census Bureau changed how it asks about and codes data on [race and Hispanic origin](#). These changes help the Census and ACS provide a more complete picture of the U.S. population, especially for people who self-identify as multiracial or multiethnic. But as a result, the [Census urges caution](#) when comparing race data between years before and after 2020. For example, in Tennessee, the huge increase in the Census count of people of [Two or More Races](#) (also referred to now as Multiracial), — an increase of 100% from 2019 to 2021 — is a combination of actual growth in this population and improvements to Census questions and coding. (Note: The number of Multiracial households below the ALICE Threshold increased by 79%).

Immigration: The pandemic not only imposed new barriers to international migration but also had a significant impact on immigrant communities across the U.S. According to the [Migration Policy Institute](#), as a result of immigration processing delays and bans on international travel, the number of visas issued in the U.S. dropped by half between 2019 and 2020. In Tennessee in 2021, 5% of the population were immigrants, unchanged from 2019, with the largest number of immigrants originating from Guatemala, India, and Mexico. The counties with the largest number of immigrants were Davidson County and Shelby County.

ALICE DATA ONLINE

Visit UnitedForALICE.org/Tennessee to see interactive maps and data on:

- Financial hardship over time at the state and county levels
- State and county ALICE demographics
- ALICE household budgets
- The labor landscape in Tennessee

THE IMPACT OF THE COVID ECONOMY ON... WORK AND WAGES

Overall, in 2021, the labor market was rebounding from the record-breaking unemployment and [drop in total employment](#) that occurred at the start of the pandemic. The unemployment rate was 4.1% in Tennessee in 2021, a stark contrast to unemployment at the height of the pandemic (15.9% in April 2020). In addition, [average weekly wages](#) across all industries in Tennessee increased 7.3% from 2020 to 2021. This was driven by increased demand for [essential workers](#), as well as by "The Great Resignation" — while some workers left the labor force, over time many more changed jobs to find better pay as well as work-life balance.

It was also a unique year for low-wage jobs and workers. In 2021, low-wage workers across the country experienced [faster wage growth than middle- and high-wage workers](#), although from a much lower starting point. Research from [Opportunity Insights](#) shows that the number of low-wage jobs fell in Tennessee: In December 2021, there were 10.6% fewer jobs paying less than \$29,000 per year than at the start of the pandemic — some became higher paying jobs, others went away altogether.

[State Unemployment Insurance](#) (UI) helps individuals who lost jobs — before, during, and after the pandemic. In 2021, \$321.7 million was paid to individuals under Tennessee's regular unemployment insurance program, and an additional \$112 thousand was paid in Extended

Unemployment Benefits, available during periods of specified high unemployment.

During the pandemic, these standard UI benefits were expanded by the [Cares Act, the American Rescue Plan, and the Continued Assistance Act](#), which included [four temporary programs](#). The most utilized was the Federal Pandemic Unemployment Compensation (FPUC) program, which provided a \$300 weekly supplement to all UI benefits (down from the \$600 weekly supplement included in the original 2020 authorization). Additional programs extended the weeks of eligibility for people who exhausted regular UI benefits, and expanded eligibility to people who were not otherwise eligible for UI benefits (including workers who were self-employed, independent contractors, or gig economy workers). Nationally, these temporary UI measures enacted in response to the COVID-19 pandemic ended in September 2021; however, Tennessee [opted out](#) of these programs in July 2021.

For low-wage workers, the increases in wages and UI benefits were important developments during the pandemic. But they are only part of the story; ALICE workers still faced significant challenges:

- Better pay and work opportunities were helpful, but not enough to recoup years of being squeezed by the increasing cost of basics, especially for those who struggled to secure full-time employment. As documented in the [ALICE Essentials Index](#), the cost

THE ALICE ECONOMIC VIABILITY DASHBOARD — COMING FALL 2023

The Economic Viability Dashboard (EVD) will provide key data on the local economic conditions that matter most to ALICE households: Housing Affordability, Job Opportunities, and Community Resources. The EVD mapping, profile, and comparison features will help stakeholders identify the gaps that ALICE workers and families face in reaching financial stability. Then, the Action Toolkit puts that data to use by quantifying gaps and pairing them with promising solutions.

of essential goods had already been outpacing wages for more than a decade, stretching ALICE workers' household income even further.

- Many frontline and essential jobs became [hazardous and difficult](#) during the pandemic. In addition to increased exposure to COVID-19, many workers were required to work more days and hours, skip lunch and breaks, stand for hours, and work while sick. Others were [gig workers](#), forced to work more hours to fill income gaps. Without protective gear, health insurance, or even sick days, there were [increases in mortality](#) compared with previous years, especially for food- and agriculture-sector workers.
- Underemployment became an increasing problem. Many workers were unable to work full time due to family responsibilities, being in school or training, illness, disability, or child care problems. Others were working part time because their hours had been reduced; still others were unable to find full-time jobs. In 2021 in Tennessee the [underemployment rate](#) that captures these workers was 7.2%, nearly twice the traditional unemployment rate (4.1%), and higher than the underemployment rate before the pandemic (5.8% in 2019).
- Many older workers were also forced to [retire earlier than planned](#). Nationally, according to SHED in November 2021, 25% of adults who retired within the year prior to the survey, and 15% of those who reported that they retired one to two years earlier, said factors related to COVID-19 contributed to when they retired.
- Nationally, those most impacted by [unemployment, job disruption](#), and difficult working conditions were [immigrants](#) and workers who were American Indian/Alaska Native, Black, Native Hawaiian/Pacific Islander, Hispanic, or of Two or More Races.

Wages for the Most Common Occupations

In 2021, the impact of the pandemic on workers' wages and wage gains did not translate uniformly across all jobs and sectors in terms of the share of households that were still left below the ALICE Threshold.

Of the 20 most common occupations in Tennessee in 2021, 70% paid less than \$20 per hour. Most of these saw an increase in the median wage; for example, the median wage for stockers and order fillers increased 13% to \$14.01 per hour from 2019 to 2021. But given that wages had stagnated for the previous decade, 42% of stockers and order fillers lived below the ALICE Threshold in 2021 (Figure 4). The wage to cover the ALICE Household Survival Budget for a single adult was \$12.59 per hour working full time, or for a family with two adults and two children, a combined wage of \$28.62 per hour.

While there were ALICE workers in all sectors, of the most common occupations, those with the highest percentage of workers below the ALICE Threshold in Tennessee in 2021 were fast food and counter workers; cashiers; personal care aides; cooks; and waiters and waitresses.

CHILD CARE WORKERS

The pandemic brought to the forefront the crisis in child care availability and cost. For families with two children in care, child care is often the most expensive item in their budget, even more expensive than housing. Child care workers are the workforce behind the workforce, yet many struggle to make ends meet for their own families: With a median hourly wage of \$11.00 in Tennessee in 2021, 43% were below the ALICE Threshold. And with staffing and demand fluctuations, many child care providers went out of business during the pandemic. Lack of care remains an [obstacle for working parents](#).

Figure 4. Top Occupations, Employment, Wages, and Percentage Below ALICE Threshold, Tennessee, 2021

| Occupation | Total Employment (BLS) | Median Hourly Wage (BLS) | Percent Median Wage Change From 2019 (BLS) | Percent Workers Below ALICE Threshold (ACS PUMS) |
|--|-------------------------------|---------------------------------|---|---|
| Driver/Sales Workers and Truck Drivers | 103,060 | \$20.56 | 9% | 25% |
| Retail Salespersons | 82,570 | \$12.45 | 10% | 30% |
| Laborers and Movers, Hand | 78,430 | \$14.42 | 3% | 38% |
| Stockers and Order Fillers | 73,840 | \$14.01 | 13% | 42% |
| Cooks | 68,440 | \$12.22 | 14% | 47% |
| Customer Service Representatives | 68,340 | \$17.33 | 12% | 31% |
| Cashiers | 64,590 | \$10.93 | 8% | 49% |
| Registered Nurses | 62,250 | \$30.00 | 2% | 9% |
| General and Operations Managers | 56,130 | \$47.88 | 11% | 15% |
| Office Clerks, General | 52,600 | \$14.45 | -3% | 27% |
| Fast Food and Counter Workers | 50,730 | \$9.99 | 7% | 54% |
| Office And Administrative Support Supervisors | 50,230 | \$27.01 | 10% | 14% |
| Waiters and Waitresses | 46,510 | \$8.76 | -1% | 47% |
| Bookkeeping, Accounting, and Auditing Clerks | 41,800 | \$18.29 | -3% | 23% |
| Elementary and Middle School Teachers | 38,210 | \$24.06 | -4% | 15% |
| Secretaries and Administrative Assistants | 37,330 | \$17.74 | 4% | 22% |
| Personal Care Aides | 29,090 | \$11.24 | 7% | 48% |
| Retail Sales Supervisors | 28,060 | \$18.16 | -3% | 30% |
| Sales Representatives, Wholesale and Manufacturing | 27,910 | \$27.61 | -1% | 12% |
| Maintenance and Repair Workers | 27,050 | \$18.18 | 1% | 21% |

Sources: ALICE Threshold, 2021; Bureau of Labor Statistics—Occupational Employment Statistics, 2021; U.S. Census Bureau, American Community Survey, PUMS, 2019 and 2021

To see more data on jobs by hourly wages and full-time, part-time, and hourly work schedules, visit UnitedForALICE.org/Labor-Force/Tennessee

THE IMPACT OF THE COVID ECONOMY ON... PANDEMIC ASSISTANCE

A prominent feature of the federal government’s response to the pandemic was a range of direct assistance programs, including:

- Economic Impact Payments (stimulus payments)
- The expanded Child Tax Credit (CTC) and Child and Dependent Care Tax Credit (CDCTC)
- Pandemic-specific unemployment insurance
- Emergency rental assistance

While ALICE households generally earn too much to qualify for traditional forms of public assistance like the Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF), almost all ALICE households qualified for the Economic Impact Payments, and ALICE families with children were eligible for the expanded CTC and CDCTC.

Figure 5 shows an example of the impact of pandemic assistance on a household’s ability to meet the cost of basics in 2021. The figure shows a family of four in Tennessee with two parents working full time in two of the most common occupations, retail salesperson and cashier (median wages of \$12.45 and \$10.93 per hour, respectively). This family fell short of being able to afford the Household Survival Budget in 2021, even with the temporarily increased credits and payments available to them: the CTC (\$3,600 for each child under age 6), the CDCTC (\$4,000 per child in child care), and the Economic Impact Payments (\$2,800 for married couples plus \$1,400 for each child). With both parents working full time, they were not eligible for [Treasury Emergency Rental Assistance](#) (ERA). This family’s annual income fell just short of the Household Survival Budget by \$578, or 1%.

If both parents worked part time (20 hours per week), they could receive ERA to cover their rent, as well as [SNAP](#) and the [Earned Income Tax Credit](#) (EITC), but they would still fall short in meeting the Survival Budget by \$4,481, or 7%.

Additional actions taken by the state of Tennessee in response to the pandemic can be found in the National Conference of State Legislatures’ [State Action on Coronavirus Database](#).

Pandemic Timeline

2020 State Annual [COVID-19 Deaths](#): 6,809

March 2020 – [National Emergency Declared](#)

Emergency Pandemic Unemployment Insurance (UI) benefits (including [PUA](#), [PEUC](#), [FPUC](#), and [MEUC](#))

States required to keep [Medicaid beneficiaries enrolled](#)

April 2020 – [Economic Impact Payments](#) of up to \$1,200 per adult for eligible individuals and \$500 per qualifying child

December 2020 – First [COVID-19 vaccinations](#) receive emergency use authorization from FDA

[Economic Impact Payments](#) of up to \$600 per adult for eligible individuals and up to \$600 per qualifying child

2021 State Annual [COVID-19 Deaths](#): 13,965

January to November 2021 – [Emergency rental assistance](#) provided on average \$4,345 to low-income households to pay rent or utility bills

March 2021 – [Economic Impact Payments](#) of up to \$1,400 for eligible individuals

July to December 2021 – [Child Tax Credit payments](#) (up to \$300 month per child); temporary [expansion of CTC ended nationally](#) in December

September 2021 – National end of all [Emergency Pandemic UI benefits](#)

October 2021 – End of CDC’s [eviction moratorium](#)
CDC approves vaccinations for [children age 5-11](#)

2022 State Annual [COVID-19 Deaths](#): 7,774

June 2022 – CDC approves vaccinations for [children under 5 years old](#)

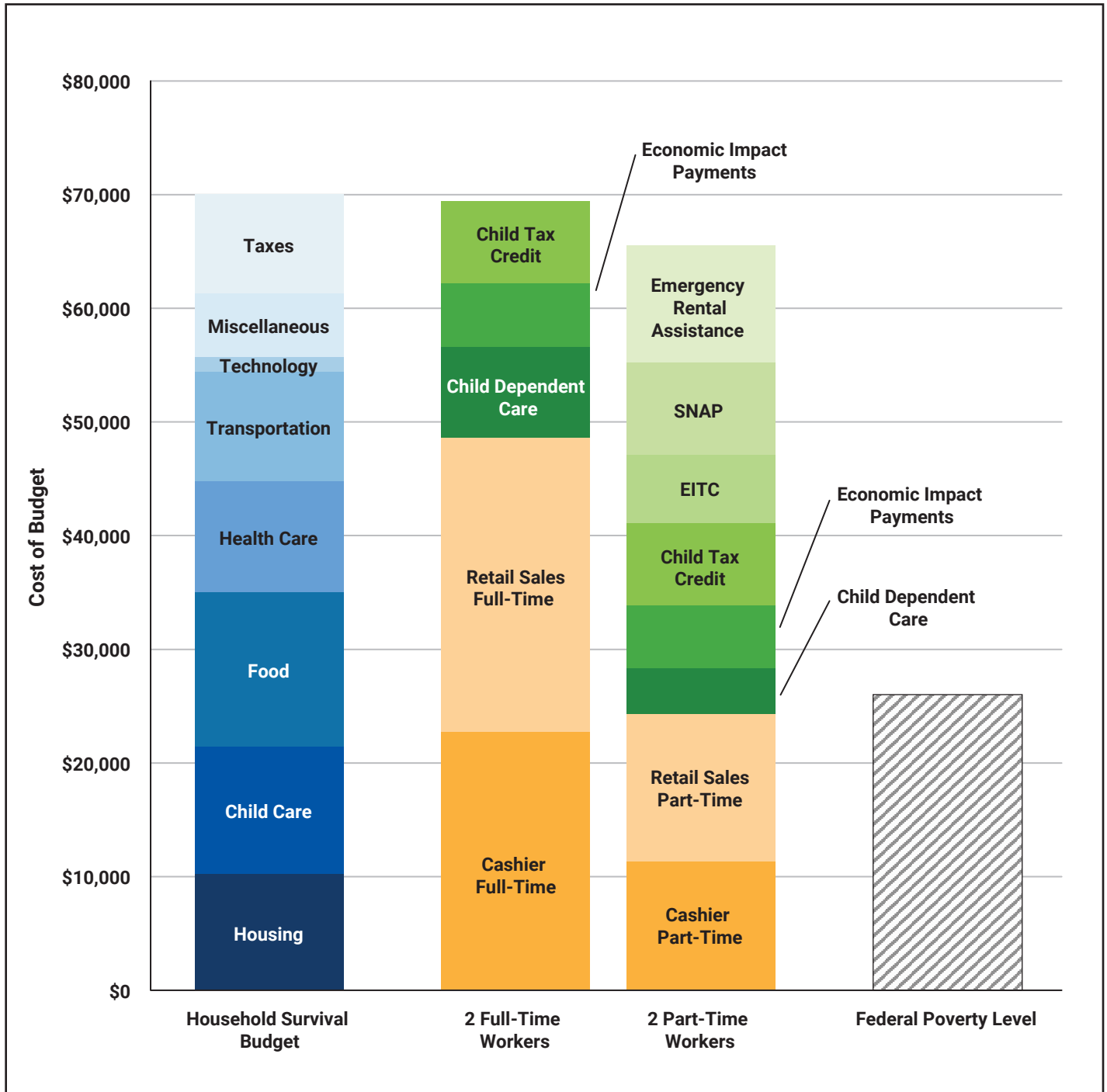
July 2022 – Federal rental assistance funds depleted in [many states](#)

December 2022 – Federal rental assistance funds depleted in [most states](#)

2023

May 11, 2023 – [Scheduled end](#) of the national emergency and public health emergency

Figure 5. Income and Expenses, Family of Four, Tennessee, 2021



Note: Full-time income is calculated based on 40 hours per week; part-time income is based on 20 hours per week.

Sources: ALICE Threshold, 2021; Bureau of Labor Statistics—Occupational Employment Statistics, 2021; Internal Revenue Service, tax credits – CTC, CDCTC, EITC, 2021; USDA, SNAP, 2021; U.S. Treasury, 2022

Participation in Assistance Programs

Traditional public assistance does not reach all people in households that are struggling financially. Due to [income and assets limits](#), most ALICE households are not able to participate in public assistance; and additional barriers, strict [program requirements](#), and [stigma](#) prevent even households in poverty from participating. In addition, income and asset limits for public assistance can create “[benefits cliffs](#)” that limit economic mobility.

In Tennessee in 2021:

- With increased food insecurity during the pandemic, the federal [SNAP](#) provided an [emergency allotments option](#) starting in 2020, that increased the amount of SNAP payments by about \$90 per month per household. Yet because the income eligibility threshold for SNAP was 130% of the FPL in Tennessee, the reach of emergency and regular SNAP benefits was limited: 41% of households in poverty and 15% of ALICE households participated in 2021 based on ACS PUMS data. However, it is important to note that while not all financially insecure households are eligible for SNAP, the program reached [91% of eligible households](#) in Tennessee.
 - The percentage of households below the ALICE Threshold receiving direct cash assistance from programs like [TANF](#) was even smaller (5% of households in poverty and 3% of ALICE households).
 - Participation in [SSI](#) – an assistance program only available for people with disabilities and seniors with limited financial resources – was also minimal, with 10% of all households below the ALICE Threshold and 17% of households with a member with a disability below the Threshold participating.
- To address the increased demands for health care during the pandemic, the federal government provided additional funding to states for Medicare and prohibited states from adding eligibility restrictions or terminating [Medicaid coverage](#) during the public health emergency. In 2021, 40% of all households below the ALICE Threshold in Tennessee participated in CHIP or Medicaid.
 - Paying for housing expenses was the top concern of households below the ALICE Threshold, as reported in the 2021 ALICE Report, [The Pandemic Divide](#). The federal [Emergency Rental Assistance Program](#) was critical in stabilizing millions of households by paying for rent, utilities, and home energy costs. Yet because of the strict requirements to qualify, many households struggling to afford rent were not eligible. Requirements included qualifying for unemployment benefits, experiencing a reduction in income, and one or more household members being at risk of homelessness. It is not surprising then that in the fall of 2022, 13% of adult renters in Tennessee were not caught up on rent, according to the Household Pulse.

In contrast, eligibility limits for the well-publicized stimulus payments and tax credits (Economic Impact Payments, CTC, and CDCTC) were well above those for traditional public assistance programs, making them available to most poverty-level and ALICE households.

However, even qualified households [experienced difficulties](#) getting their payments, especially those who were filing taxes for the first time, those without bank accounts or internet access, as well as families with mixed immigrant status or who were experiencing homelessness.

THE IMPACT OF THE COVID ECONOMY ON... SAVINGS AND ASSETS

It has been widely reported that U.S. household [savings increased](#) during the pandemic. Yet analysis of the data from the Federal Reserve SHED reveals that the national average conceals different experiences by state and even more so by income level in terms of rainy day funds and retirement assets.

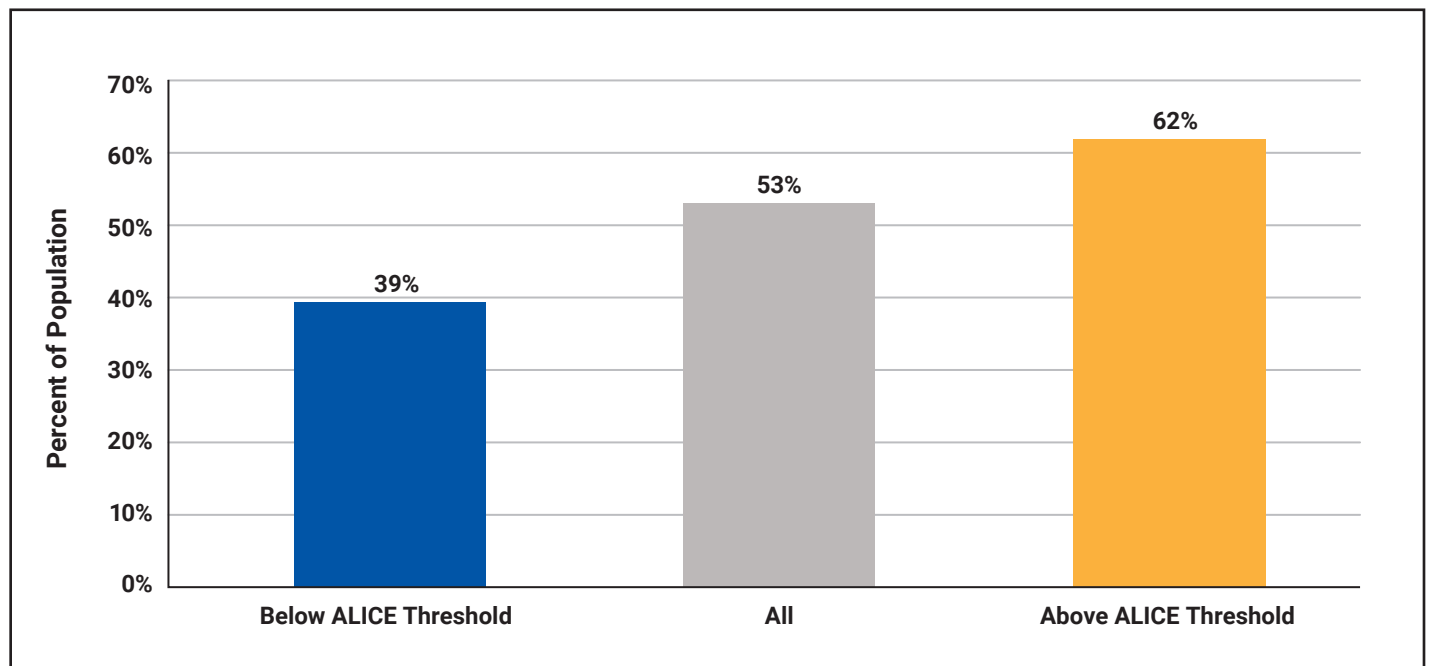
Rainy Day Funds

One of the best-known questions in the SHED survey asks whether respondents had set aside emergency savings or “rainy day funds” that would cover their expenses for three months in case of sickness, job loss, economic downturn, or other emergencies. In October 2019, 56% of Tennessee respondents reported having these funds; by

November 2020, that share had decreased to 54%, and by November 2021 it was even lower at 53% (Figure 6).

Yet only 39% of respondents below the ALICE Threshold in Tennessee reported having rainy day funds in November 2021, compared to 62% of respondents above the Threshold. Savings rates varied from 2019 to 2021 for those below and above the Threshold as well. In October 2019, 40% of respondents below the Threshold in Tennessee reported having rainy day funds, dropping to 29% by November 2020, then rising to 39% by November 2021. Whereas 68% of those above the Threshold in Tennessee had rainy day funds in October 2019, increasing to 76% in November 2020, and then dropping to 62% in November 2021.

Figure 6. Funds to Cover Three Months’ Expenses by the ALICE Threshold, Tennessee, 2021



Question: Have you set aside emergency or rainy day funds that would cover your expenses for three months in the case of sickness, job loss, economic downturn, or other emergencies?

Sources: ALICE Threshold, 2021; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), November 2021

Nationally, there were also substantial gaps by income and race/ethnicity in rainy day funds (this data is not available at the state level, but it is likely these disparities were mirrored in Tennessee). In 2021, White and Hispanic respondents below the ALICE Threshold had higher rates of emergency savings (42% and 41%, respectively) than Black respondents below the Threshold (32%). Rates were higher overall for respondents above the Threshold, yet gaps remained (77% for White, 71% for Hispanic, and 64% for Black respondents). Each of these racial/ethnic groups made gains during the pandemic, with Hispanic respondents both above and below the Threshold showing the largest increase in emergency savings. From October 2019 to November 2021, the percentage of Hispanic respondents below the Threshold with rainy day funds increased from 28% to 41%, and the percentage for Hispanic respondents above the Threshold with these funds increased from 57% to 71%.

Retirement Assets

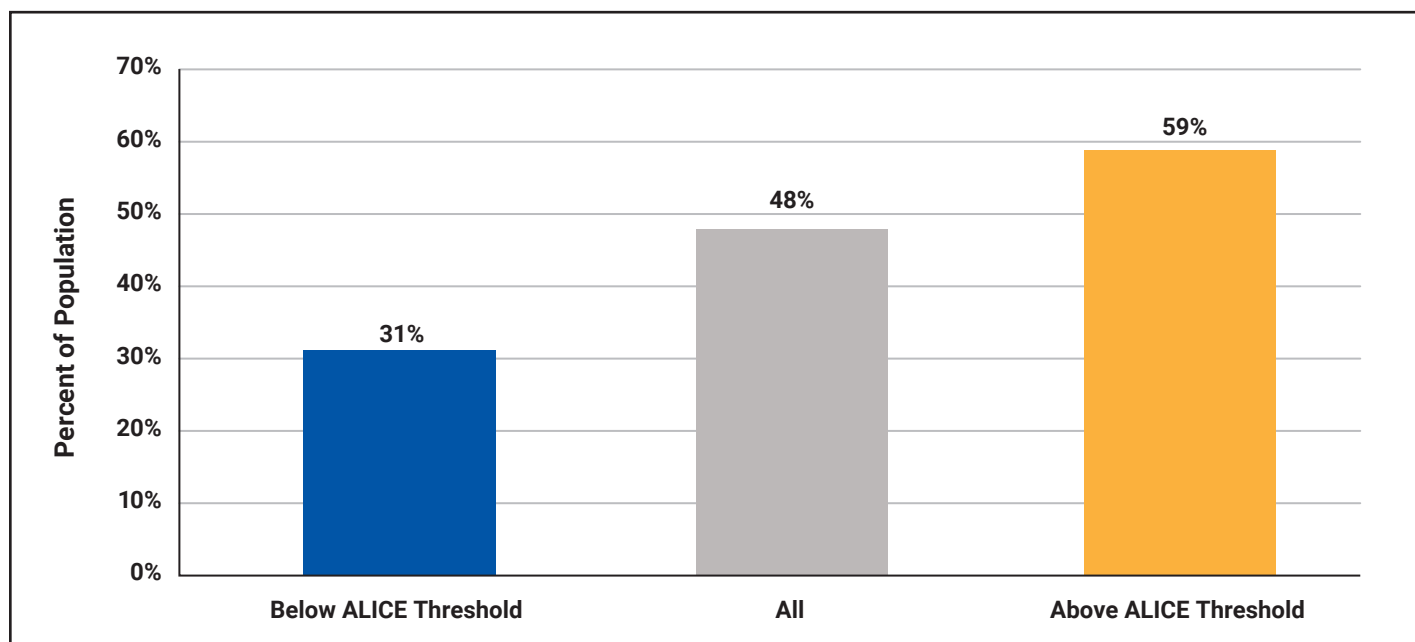
[Retirement assets](#) include 401(k)s, IRAs, pensions, or business or real estate holdings that provide income

in retirement. Overall, 54% of Tennessee respondents reported having these funds in October 2019. That rate remained unchanged through November 2020, then decreased to 48% by November 2021. Yet these averages conceal the disparity in retirement assets between households above and below the Threshold in Tennessee (Figure 7).

Prior to the pandemic, in October 2019, 47% of respondents below the Threshold in Tennessee had retirement savings, according to SHED. The rate dropped to 31% by November 2021. In October 2019, 60% of respondents above the Threshold in Tennessee had retirement assets; the rate decreased slightly to 59% by November 2021.

The [CARES Act](#) reduced penalties for early withdrawals from retirement accounts, thus making it easier for households to access retirement funds. Overall, 11% of non-retired adults in Tennessee tapped into their retirement savings in 2021, according to SHED. And according to a [national retirement survey](#), the majority of loans or hardship withdrawals in 2022 were taken by low-income households.

Figure 7. Retirement Assets by the ALICE Threshold, Tennessee, 2021



Question: Do you currently have each of the following types of retirement savings? Selected at least one: 401(k); IRA; pension; savings outside a retirement account, business, or real estate holding that will provide income in retirement; other retirement savings

Sources: ALICE Threshold, 2021; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), November 2021

BEYOND 2021: ECONOMIC CHALLENGES AHEAD FOR ALICE

The pandemic timeline shows a contracting economy in 2020 followed by a strong policy response in 2021. The government’s broad [pandemic response was effective](#) in preventing the kind of surge in financial hardship that was experienced during the Great Recession.

But 44% of households were still living below the ALICE Threshold in Tennessee in 2021. With COVID-19 continuing but pandemic relief benefits expiring, [initial data from 2022](#) suggests that the economic situation has in fact gotten worse for ALICE, which in turn puts the wider economy at risk.

An analysis of recent surveys reveals that households below the ALICE Threshold are still facing food insufficiency, difficulty paying bills, reduced savings, and feelings of anxiety and depression. These challenges were first reported in [The Pandemic Divide](#), and are updated here with the most recent data from SHED (through November 2021) and the Household Pulse Survey (through December 2022).

These surveys also provide a look at the breakdown of pandemic experiences by race, sex, sexual orientation

and gender identity, and disability status. The differences here are even starker than when looking at income alone, giving credence to concerns that the pandemic is exacerbating racial and other inequities across all facets of life.

Warning signs:

! Food insufficiency: ALICE families experiencing food insufficiency are a canary in the coal mine, indicating larger problems beyond food. Rates of food insufficiency have [remained elevated](#) since the beginning of the pandemic. In the August 2020 Household Pulse Survey, respondents below the ALICE Threshold in Tennessee were far more likely to report that their household sometimes or often did not have enough food in the prior seven days than respondents above the Threshold (22% vs. 3%); by November 2022, the rates were slightly improved for those below, but still four times the rate as those above (20% vs. 5%). Some demographic groups experienced higher than average food insufficiency (Figure 8). For example,

Figure 8. Food Insufficiency, Above and Below the ALICE Threshold, Tennessee, 2022

| Food Insufficiency | | | |
|--------------------|-----------------------|-----------------------|---------------|
| | Below ALICE Threshold | Above ALICE Threshold | State Average |
| Black | 40% | 3% | 12% |
| Female | 21% | 4% | |
| With a Disability | 35% | 7% | |
| LGBT | 32% | 3% | |

Question: In the last seven days, which of these statements best describes the food eaten in your household? Selected: Sometimes or often not enough

Note: Black respondents are non-Hispanic; the “With Disability” group includes respondents who have one or more vision, hearing, cognitive, mobility, or self-care difficulties; the “LGBT” group includes respondents that identify as gay or lesbian, bisexual, and/or transgender; the Hispanic group was too small to include in this analysis.

Sources: ALICE Threshold, 2021; U.S. Census Bureau, Household Pulse Survey, September 14, 2022–November 14, 2022, Phase 3.6

40% of Black respondents and 35% of respondents with disabilities below the Threshold reported not having enough food compared to 12% of all Tennessee households.

For households with children in Tennessee, in August 2020, respondents below the ALICE Threshold were more likely than respondents above the Threshold to report that often or sometimes their children were not eating enough because they couldn't afford enough food (23% vs. 8%); in November 2022 those rates were slightly lower for those below the Threshold, though still much higher than those above (21% vs. 8%).

With changes to the emergency pandemic food measures, including the [ending of SNAP emergency allotments](#), many families will need to rely on the charitable food system that was designed for emergencies, but is increasingly an [ongoing necessity](#).

! Learning loss: Following a year of widespread school closings and disrupted education, most students returned to in-person learning in the fall of 2021. The [learning loss](#) that accompanied remote learning has been widely reported. Not surprisingly, students in lower-income districts with fewer resources were hardest hit. Nationally, in 2021, 71% of parents below the Threshold said that their child was prepared for the academic year ahead, compared to 81% of parents above the Threshold. [The National Center for Education Statistics](#) (NCES) reported that nationally in 2022, scores for 9-year-old students declined five points in reading and seven points in mathematics compared to 2020 – the largest average score decline in reading since 1990, and the first-ever score decline in mathematics. Drops were even larger for low-income students as well as for Black and Hispanic students.

! Behind on rent payments: According to the Household Pulse Survey, renter households below the ALICE Threshold in Tennessee were more likely than those above the Threshold to report that they were not caught up on rent payments. In August

2020, 17% of renters below the Threshold and 5% of renters above the Threshold were not caught up; by November 2022, those rates decreased slightly to 15% for renters below the Threshold and increased to 8% of renters above the Threshold. Renters who fall behind on rent are at greater risk for eviction, especially since the federal moratorium on [evictions and foreclosures](#) and [state-level bans](#) have now expired, and funding for rental assistance is running out. As a result, [eviction filings are on the rise](#) and are likely to [increase in the near term](#).

! Struggling to pay bills: During the height of the pandemic, in August 2020, 45% of households below the ALICE Threshold in Tennessee said it was somewhat or very difficult to pay for usual items such as food, rent or mortgage, car payments, and medical expenses, according to the Household Pulse Survey. The rate increased to 58% by November 2022. These rates are much higher than for respondents above the Threshold (15% in August 2020 and 26% in November 2022).

! Facing lack of savings and medical debt: By the end of 2021, many ALICE families were struggling to save and were facing medical debt, making them more vulnerable to an emergency in the future. Only 39% of respondents to the SHED survey below the ALICE Threshold in Tennessee had set aside emergency savings or rainy-day funds that would cover their expenses for three months in the event of sickness, job loss, economic downturn, or another emergency. In addition, 25% of respondents below the Threshold had incurred an unexpected major medical expense that they had to pay for out of pocket because it was not completely paid for by insurance. Medical debt is associated with [poorer health](#) and health care coverage and can lead to [lower credit scores](#) and [additional financial hardship](#).

! Physical health: A [September 2020 national survey](#) found that 36% of adults (age 18 to 64) delayed or missed health care services, including dental care, primary care, or specialist visits; preventive health screenings; and medical tests. For those with one or more chronic conditions, a mental

health condition, or a lower income, the likelihood of postponing or forgoing care was even higher. Parents also postponed care for their children. In the fall of 2021, Tennessee households below the ALICE Threshold were more likely to report that they missed, delayed, or skipped their [child’s preventive check-up](#) in the last 12 months than households above the Threshold (42% vs. 27%, respectively). These delays, especially when coupled with preexisting conditions, can contribute to [more serious conditions in the future](#).

In addition, according to the November 2022 Household Pulse Survey, Tennessee respondents below the ALICE Threshold were more likely to report having symptoms of long COVID (such as fatigue, “brain fog,” difficulty breathing, heart palpitations, dizziness, or changes to taste/smell) lasting three months or longer that they did not have prior to having COVID-19 than respondents above the Threshold (34% vs. 27%).

! Mental health: With these sustained challenges, it’s not surprising that people below the ALICE Threshold in Tennessee were more likely to report feeling depressed or anxious than those above

the Threshold. According to the Household Pulse Survey, in August 2020, 29% of respondents below the Threshold and 14% above the Threshold reported feeling nervous, anxious, or on edge nearly every day over the last two weeks. These rates improved slightly for respondents below the Threshold as of November 2022 but were still high (26% and 14%, respectively). Respondents below the Threshold were also more likely to report feeling down, depressed, or hopeless at both timepoints (19% in 2020 and 17% in 2022) than respondents above the Threshold (9% in 2020 and 7% in 2022). Some demographic groups experienced substantially higher rates of feeling anxious than the state average (Figure 9).

The lack of mental health resources during the pandemic has been [widely recognized](#), and awareness is increasing, especially with the launch of the [Nationwide Suicide and Crisis Lifeline](#) (988). But there remains a severe [shortage of mental health resources](#), especially for low-income families, and mental health providers struggle to meet [increased demand](#).

Figure 9. Feeling Anxious, Above and Below the ALICE Threshold, Tennessee, 2022

| Feeling Nervous, Anxious, or on Edge | | | |
|--------------------------------------|-----------------------|-----------------------|---------------|
| | Below ALICE Threshold | Above ALICE Threshold | State Average |
| Black | 15% | 3% | 19% |
| Female | 26% | 14% | |
| With a Disability | 48% | 30% | |
| LGBT | 36% | 17% | |

Question: Over the last two weeks, how often have you been bothered by feeling nervous, anxious, or on edge? Selected: Nearly every day

Note: Black respondents are non-Hispanic; the “With Disability” group includes respondents who have one or more vision, hearing, cognitive, mobility, or self-care difficulties; the “LGBT” group includes respondents that identify as gay or lesbian, bisexual, and/or transgender; the Hispanic group was too small to include in this analysis.

Sources: ALICE Threshold, 2021; U.S. Census Bureau, Household Pulse Survey, September 14, 2022–November 14, 2022, Phase 3.6

From Warnings to Reality: ALICE Today

The strength of the Tennessee economy is inextricably tied to the financial stability of all residents. As the pandemic has shown, ALICE workers are critical to the smooth running of the economy, during times of crisis and beyond. And, in turn, the stability of ALICE families depends on their being able to fully participate in that economy. Leaving ALICE behind in the recovery sets households and the larger economy up for greater vulnerability to the next economic disruption.

This is already happening, at the same time that the [frequency and severity of natural disasters continue to increase](#). In places that experienced natural disasters in 2021 and 2022 – such as Hurricane Ian in Florida; wildfires in California, Idaho, and Utah; flooding in Kentucky and Missouri; and tornadoes in the southern U.S. – ALICE families faced [higher risks](#). The [impact of natural disasters is not equal across all communities](#);

lower income communities experience disproportionate vulnerability to, and consequences of, disasters, as well as reduced access to response and recovery resources. For example, according to the Household Pulse Survey (December 2022), in the aftermath of [Hurricane Ian in September 2022](#), respondents below the ALICE Threshold in Florida were more likely than households above the Threshold to be displaced from their home (9% vs. 6%). One month after the storm, respondents below the Threshold were three times more likely to be experiencing a shortage of food (39% vs. 13%) and drinkable water (42% vs. 12%).

The pandemic has highlighted the ability of government policymakers and business managers to respond to changing conditions quickly. The 2021 ALICE data may surprise some readers who were expecting much worse. But 2021 was a unique year – and these warning signs are both a call to action and a challenge to complacency. We ignore our essential workers at our economy's and our communities' peril.



COUNTY COMPARISON: INCOME STATUS, 2021

| Tennessee Counties, 2021 | | | Percent Change, 2019–2021 | |
|--------------------------|------------|-------------------|---------------------------|-------------------|
| County | Households | % ALICE + Poverty | # of Households | # ALICE + Poverty |
| Anderson | 31,735 | 39% | 5% | -10% |
| Bedford | 17,904 | 43% | 5% | -2% |
| Benton | 6,509 | 52% | -4% | -8% |
| Bledsoe | 4,901 | 46% | 0% | -12% |
| Blount | 55,446 | 37% | 9% | -10% |
| Bradley | 43,025 | 43% | 8% | 4% |
| Campbell | 15,744 | 48% | -3% | -9% |
| Cannon | 5,671 | 46% | 3% | 10% |
| Carroll | 10,988 | 49% | 0% | -3% |
| Carter | 23,547 | 51% | -1% | -10% |
| Cheatham | 15,366 | 41% | 2% | -13% |
| Chester | 6,108 | 52% | 1% | 21% |
| Claiborne | 13,410 | 51% | 1% | -3% |
| Clay | 2,973 | 60% | -2% | 6% |
| Cocke | 14,339 | 52% | 2% | -7% |
| Coffee | 22,417 | 42% | 4% | 2% |
| Crockett | 5,387 | 44% | -2% | -11% |
| Cumberland | 26,523 | 41% | 3% | -3% |
| Davidson | 316,273 | 45% | 9% | 6% |
| Decatur | 4,375 | 52% | -1% | -6% |
| DeKalb | 8,023 | 48% | 4% | 5% |
| Dickson | 19,663 | 46% | 2% | -14% |
| Dyer | 14,659 | 43% | -3% | -5% |
| Fayette | 15,932 | 35% | 2% | -8% |
| Fentress | 7,443 | 51% | 0% | -13% |
| Franklin | 16,467 | 43% | 1% | 3% |
| Gibson | 19,436 | 45% | 1% | -8% |
| Giles | 11,395 | 42% | -4% | -9% |

Tennessee Counties, 2021

Percent Change, 2019–2021

| County | Households | % ALICE + Poverty | # of Households | # ALICE + Poverty |
|------------|------------|-------------------|-----------------|-------------------|
| Grainger | 9,343 | 48% | 4% | 2% |
| Greene | 28,585 | 36% | 1% | -17% |
| Grundy | 4,833 | 51% | 0% | -11% |
| Hamblen | 24,471 | 50% | 0% | 2% |
| Hamilton | 151,676 | 39% | 2% | -4% |
| Hancock | 2,852 | 61% | 4% | 14% |
| Hardeman | 9,058 | 57% | 2% | 1% |
| Hardin | 10,787 | 48% | 6% | -2% |
| Hawkins | 22,777 | 49% | -2% | -6% |
| Haywood | 7,118 | 52% | -1% | -4% |
| Henderson | 10,823 | 47% | 1% | -3% |
| Henry | 12,938 | 50% | -3% | -5% |
| Hickman | 8,736 | 51% | 1% | -8% |
| Houston | 2,860 | 53% | -1% | -3% |
| Humphreys | 6,688 | 41% | -1% | -19% |
| Jackson | 4,523 | 51% | -1% | -13% |
| Jefferson | 20,419 | 42% | 1% | -10% |
| Johnson | 6,859 | 54% | 1% | -11% |
| Knox | 198,914 | 39% | 4% | -4% |
| Lake | 2,071 | 62% | -8% | 3% |
| Lauderdale | 9,144 | 54% | -5% | -4% |
| Lawrence | 16,483 | 50% | 3% | 3% |
| Lewis | 4,842 | 56% | 3% | 1% |
| Lincoln | 14,032 | 38% | 4% | -12% |
| Loudon | 21,801 | 37% | 5% | -4% |
| Macon | 9,266 | 49% | 1% | -9% |
| Madison | 39,730 | 45% | 2% | 7% |
| Marion | 11,718 | 43% | 2% | -5% |
| Marshall | 12,718 | 42% | 3% | 4% |
| Maury | 38,532 | 39% | 4% | 13% |

Tennessee Counties, 2021

Percent Change, 2019–2021

| County | Households | % ALICE + Poverty | # of Households | # ALICE + Poverty |
|------------|------------|-------------------|-----------------|-------------------|
| McMinn | 21,163 | 44% | 2% | -12% |
| McNairy | 9,818 | 53% | -2% | -5% |
| Meigs | 5,129 | 41% | 4% | -7% |
| Monroe | 18,574 | 46% | 3% | -6% |
| Montgomery | 84,145 | 45% | 9% | -3% |
| Moore | 2,475 | 32% | -5% | -7% |
| Morgan | 7,110 | 52% | -7% | -7% |
| Obion | 12,526 | 46% | -2% | -6% |
| Overton | 8,731 | 55% | -4% | 1% |
| Perry | 3,052 | 44% | -1% | -14% |
| Pickett | 2,161 | 53% | -5% | 5% |
| Polk | 7,006 | 49% | -5% | 2% |
| Putnam | 33,652 | 40% | 6% | -6% |
| Rhea | 12,756 | 47% | 5% | -8% |
| Roane | 21,773 | 38% | 4% | -7% |
| Robertson | 26,536 | 45% | 0% | 4% |
| Rutherford | 121,944 | 46% | 7% | -8% |
| Scott | 8,533 | 54% | -2% | 2% |
| Sequatchie | 5,866 | 55% | 6% | 22% |
| Sevier | 36,670 | 48% | -3% | 10% |
| Shelby | 366,593 | 46% | 4% | 2% |
| Smith | 7,473 | 39% | -2% | -16% |
| Stewart | 5,091 | 42% | -2% | -9% |
| Sullivan | 68,804 | 45% | 0% | 7% |
| Sumner | 77,760 | 42% | 11% | 14% |
| Tipton | 21,860 | 45% | 2% | 0% |
| Trousdale | 3,349 | 52% | 5% | -9% |
| Unicoi | 7,583 | 47% | -1% | -3% |
| Union | 7,411 | 48% | 0% | -6% |
| Van Buren | 2,412 | 49% | 13% | 8% |

| Tennessee Counties, 2021 | | | Percent Change, 2019–2021 | |
|--------------------------|------------|-------------------|---------------------------|-------------------|
| County | Households | % ALICE + Poverty | # of Households | # ALICE + Poverty |
| Warren | 15,790 | 46% | 0% | -11% |
| Washington | 56,752 | 41% | 2% | 2% |
| Wayne | 5,671 | 48% | -2% | -14% |
| Weakley | 13,213 | 50% | -3% | 0% |
| White | 10,306 | 50% | 3% | -8% |
| Williamson | 85,311 | 30% | 1% | -2% |
| Wilson | 55,047 | 43% | 7% | 5% |

NATIONAL COMPARISON: INCOME STATUS, 2021

| STATE | RANK (1 = lowest % Below ALICE Threshold) | TOTAL Number of Households | Household Income Status | | |
|----------------------|--|-------------------------------|-------------------------|--------------------|------------------------------------|
| | | | % Households in Poverty | % ALICE Households | % Households Below ALICE Threshold |
| United States | — | 126,903,920 | 13% | 29% | 41% |
| Alabama | 48 | 1,951,995 | 16% | 32% | 48% |
| Alaska | 1 | 266,391 | 10% | 22% | 32% |
| Arizona | 24 | 2,813,110 | 12% | 28% | 40% |
| Arkansas | 46 | 1,176,614 | 16% | 31% | 47% |
| California | 35 | 13,420,382 | 12% | 31% | 43% |
| Colorado | 13 | 2,297,529 | 10% | 27% | 37% |
| Connecticut | 19 | 1,428,313 | 10% | 28% | 39% |
| Delaware | 27 | 395,656 | 12% | 29% | 41% |
| District of Columbia | 31 | 319,565 | 15% | 28% | 42% |
| Florida | 44 | 8,533,422 | 13% | 32% | 45% |
| Georgia | 47 | 3,954,813 | 14% | 34% | 47% |
| Hawai'i | 29 | 490,101 | 12% | 30% | 41% |
| Idaho | 34 | 681,926 | 11% | 32% | 43% |
| Illinois | 10 | 4,981,919 | 12% | 24% | 36% |
| Indiana | 21 | 2,656,794 | 12% | 27% | 39% |
| Iowa | 9 | 1,293,028 | 11% | 24% | 36% |
| Kansas | 20 | 1,153,270 | 12% | 27% | 39% |
| Kentucky | 38 | 1,767,504 | 16% | 28% | 44% |
| Louisiana | 50 | 1,776,260 | 19% | 32% | 51% |
| Maine | 30 | 583,562 | 12% | 30% | 42% |
| Maryland | 15 | 2,352,331 | 10% | 28% | 38% |
| Massachusetts | 25 | 2,756,295 | 11% | 28% | 40% |
| Michigan | 22 | 4,029,761 | 13% | 26% | 39% |
| Minnesota | 8 | 2,254,997 | 10% | 26% | 35% |
| Mississippi | 51 | 1,116,509 | 20% | 32% | 52% |
| Missouri | 36 | 2,459,987 | 13% | 30% | 43% |
| Montana | 28 | 443,529 | 12% | 29% | 41% |
| Nebraska | 17 | 781,693 | 11% | 27% | 39% |
| Nevada | 42 | 1,189,085 | 14% | 31% | 45% |
| New Hampshire | 2 | 548,727 | 8% | 25% | 33% |
| New Jersey | 12 | 3,495,628 | 11% | 26% | 37% |
| New Mexico | 45 | 821,310 | 17% | 29% | 47% |
| New York | 40 | 7,635,201 | 14% | 30% | 44% |
| North Carolina | 41 | 4,150,059 | 13% | 31% | 44% |
| North Dakota | 6 | 322,588 | 11% | 23% | 34% |
| Ohio | 16 | 4,820,453 | 13% | 25% | 38% |
| Oklahoma | 43 | 1,536,903 | 15% | 30% | 45% |
| Oregon | 39 | 1,697,608 | 12% | 32% | 44% |
| Pennsylvania | 23 | 5,229,253 | 12% | 27% | 39% |
| Rhode Island | 18 | 435,782 | 12% | 27% | 39% |
| South Carolina | 33 | 2,037,203 | 15% | 29% | 43% |
| South Dakota | 11 | 352,363 | 11% | 26% | 36% |
| Tennessee | 37 | 2,740,302 | 14% | 30% | 44% |
| Texas | 32 | 10,705,476 | 14% | 29% | 43% |
| Utah | 5 | 1,087,978 | 9% | 25% | 34% |
| Vermont | 26 | 265,098 | 11% | 29% | 40% |
| Virginia | 14 | 3,300,111 | 10% | 28% | 38% |
| Washington | 4 | 3,013,644 | 10% | 24% | 34% |
| West Virginia | 49 | 711,392 | 17% | 31% | 48% |
| Wisconsin | 7 | 2,436,961 | 11% | 23% | 34% |
| Wyoming | 3 | 233,539 | 11% | 22% | 34% |

NEXT STEPS

Capturing the true extent of financial hardship in Tennessee is critical for the appropriate allocation of funds for programs in areas such as education, health care, food access, housing, and employment. There is a lot more to be done to change the trajectory for households struggling to make ends meet. How can you help?

Learn more and help to raise awareness of the struggles ALICE households face with:

- The interactive [ALICE in Tennessee webpages](#), to dig deeper into:
 - » [County Reports](#)
 - » [Household budgets](#)
 - » [Maps with data for local geographies](#)
 - » [Demographics](#)
 - » [Labor force data](#)
 - » [ALICE data alongside additional Indicators of Well-Being](#)

Connect with stakeholders:

- [Contact your local United Way](#) for support and volunteer opportunities.
- Connect with members of the state [Research Advisory Committees](#) that support this work.
- Find your state and federal representatives and see ALICE household data by legislative district with our [ALICE Legislative District Tool](#).

Turn the ALICE data into action in your state, county, or community:

- Use the ALICE metrics to highlight the challenges ALICE households face, to inspire action and

generate innovative solutions that promote financial stability.

- Armed with the ALICE data, advocate for policy change, apply for grant funding, allocate funding for programs and services targeted to ALICE households, etc.
- Learn more on our [ALICE in Action webpage](#) about the programs, practices, and policies to improve access to affordable housing, high quality child care and education, healthy food, health care, transportation, workforce training, and more.
- Demonstrate potential financial challenges that ALICE workers face with interactive tools from the Federal Reserve Bank of Atlanta that incorporate the Household Survival Budget. These tools, which include the [Policy Rules Database](#) and the [Career Ladder Identifier and Financial Forecaster](#), map changes in benefits along a career path and identify potential benefits cliffs.

Be an ally and advocate for better data:

- Advocate for more accurate data collection by the [U.S. Census Bureau](#) for people who have been [historically undercounted](#), including (but not limited to) people with disabilities, people experiencing homelessness, people of color, individuals who identify as LGBTQ+, and people in low-income and hard-to-count geographic areas.
- Support the [implementation](#) of a single combined question for race and ethnicity. Census [research](#) shows this change will yield a more accurate portrait of how the U.S. population self-identifies, especially for people who self-identify as multiracial or multiethnic.

Suggested Citation: United For ALICE. (2023). "ALICE in the Crosscurrents: COVID and Financial Hardship in Tennessee." [UnitedForALICE.org/Tennessee](#)

© Copyright 2009–2023 United Way of Northern New Jersey. All rights reserved.