

ALICE IN THE CROSSCURRENTS: COVID AND FINANCIAL HARDSHIP IN SUMNER COUNTY, TN

DID ALICE WEATHER THE ECONOMIC STORM?



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of Sumner County

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The COVID-19 pandemic, a global health and economic crisis, upended life as we knew it. It claimed the lives of millions and unleashed a storm of competing economic forces – which was a phenomenon rarely seen.

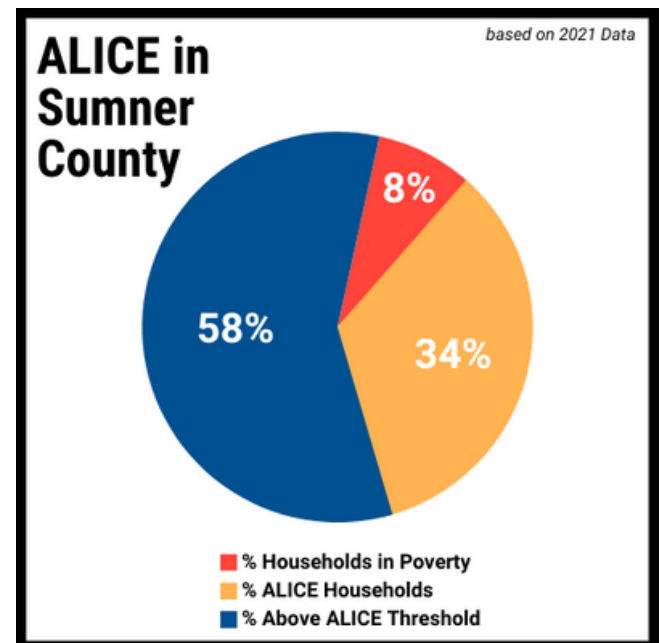
Among those in the eye of the storm was a population that the media, government officials, influencers, and many others referred to as the invisible, the forgotten. People who, hidden in plain sight, struggle daily to afford basics. At United Way, we have a name and a specific measure for them– **ALICE: Asset Limited, Income Constrained Employed**.

Our report, **ALICE in the Crosscurrents: Sumner County**, examines the extent of financial hardship in Sumner County using the first ALICE metrics available since the COVID-19 pandemic began.

Who is ALICE?

The number of households in financial hardship in Sumner County continues to be undercounted in official measures. According to the **Federal Poverty Level (FPL)**, only 8% of households in Sumner County (6,538) were in poverty in 2021. Yet, more than four times that, 34% (26,467 households), were ALICE, meaning that they earn above the FPL, but not enough to afford the basics in the communities where they live.

The reality is that of the 77,760 households in Sumner County, 33,005 (42%) had income below the ALICE Threshold of Financial Survival in 2021. These included both households in poverty and ALICE households.



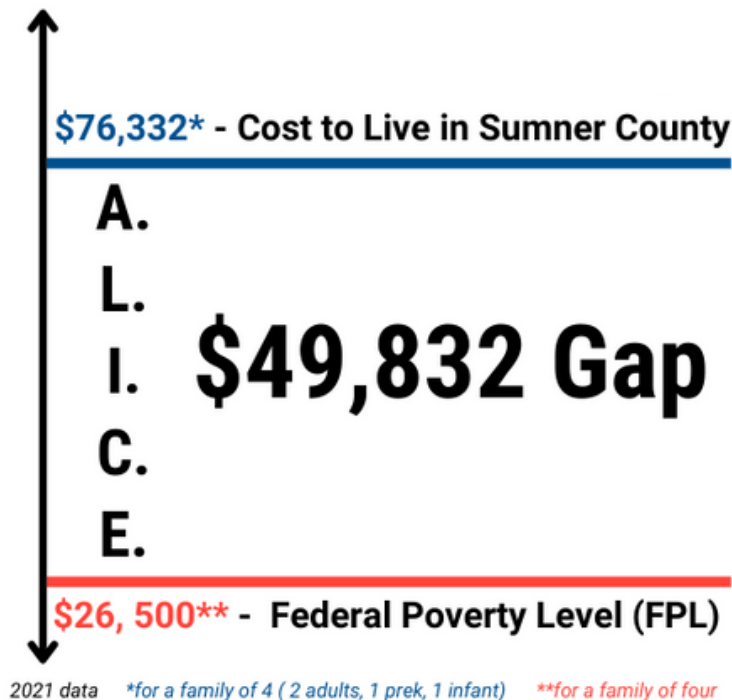
FPL vs. ALICE Household Survival Budget

The ALICE Household Survival Budget is the foundation of 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. It includes the essential costs of housing/utilities, child care, food, transportation, health care, technology, and taxes.

When compared to the more accurate cost of living included in the Household Survival Budget, the 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 Hawaii, 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 United States. **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, the average cost of living for a family of four with two children in childcare in Sumner County was \$76,332, almost three times higher than the FPL. This creates a gap of almost \$50,000 between the FPL and what it actually costs to live in Sumner County!**



Competing Economic 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 and those in poverty**, including increased SNAP benefits, expanded unemployment benefits, COVID rent relief packages, 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 Sumner County households.**

In fact, between 2018 and 2021, there was actually a decline in the percent of ALICE households in all but one of Sumner County zip codes. Westmoreland continued to have the highest percentage of those who were financially unstable. They increased by 1% from 59% below the ALICE Threshold in 2018 to 60% in 2021. All other Sumner County zip codes saw decreases anywhere from 2% in Gallatin to 14% in Castalian Springs, which showed the biggest improvement, going from 48% below the ALICE Threshold in 2018 to 34% in 2021.

2018 Data

(City)	County Subdivision	Total Households	% Below ALICE threshold	# Households
Westmoreland	37186	3,429	59%	2,023
Bethpage	37022	2,163	54%	1,168
Portland	37148	8,335	51%	4,251
Castalian Springs	37031	1,607	48%	771
Gallatin	37066	18,699	47%	8,789
Goodlettsville	37072	12,681	43%	5,453
Cottontown	37048	2,334	39%	910
Hendersonville	37075	24,276	39%	9,468
White House	37188	5,517	38%	2,096

Source: www.unitedforalice.org/county-profiles/tennessee, 2021 report with 2018 data

2021 Data

City	Zip Code	Total Households	% Below ALICE Threshold	# Households Below ALICE Threshold
Westmoreland	37186	3,651	60%	2,191
Portland	37148	8,820	47%	4,145
Bethpage	37022	2,281	46%	1,049
Gallatin	37066	22,478	45%	10,115
Castalian Springs	37031	1,645	34%	559
White House	37188	6,288	34%	2,133
Cottontown	37048	2,374	33%	783
Hendersonville	37075	26,699	31%	8,277
Goodlettsville	37072	13,324	31%	5,984

Source: www.unitedforalice.org/county-profiles/tennessee, 2023 report with 2021 data

Still Not Enough to Be Financially Stable

However, these numbers don't convey the whole problem. **While all the emergency measures to help our economy did cushion the blow for those living under the ALICE threshold, it wasn't enough to get them financially stable.**

In 2021, a family of four with a preschooler and an infant in childcare and two adults working full time in two of those most common jobs in Tennessee - a retail salesperson and a cashier - earned \$48,630. This meant that even AFTER the child tax care credits, they fell almost \$28,000 short of the \$76,332 needed to afford the basics in Sumner County.

Retail Salesperson* **Cashier***
\$25,896 + \$22,734



= \$48,630 - \$76,332
Household Income Cost to Live in Sumner Co.

State	County Name
Tennessee	Sumner County
Family Type	
2 Adult 1 Pre-Schooler 1 Infant	
ALICE Survival Budget - 2 Adult 1 Pre-Schooler 1 Infant	
Housing - Rent	\$1,580
Housing - Utilities	\$292
Child Care	\$1,135
Food	\$1,204
Transportation	\$804
Health Care	\$809
Technology	\$110
Miscellaneous	\$593
Tax Before Credits	\$1,002
Monthly Total	\$7,529
ANNUAL TOTAL Before Tax Credits	\$90,348
Tax Credits (CTC and CDCTC)	(\$14,016)
ANNUAL TOTAL With Tax Credits	\$76,332

\$27,702 SHORT

**working 2,080 hours per year*

Wages for the Most Common Occupations

For households that struggle to make ends meet across all demographic groups, the crux of the problem is a mismatch between earnings and the cost of basics. Despite an increase in the median wage among the 20 most common jobs in the state by 2021, **70% of these top 20 jobs still paid less than \$20 per hour**. Earning less than \$20 per hour wasn't enough for many workers to keep pace with the rising costs of essentials. As a result, many of these top jobs still had a substantial percentage of workers who were either ALICE or in poverty.

For example, 54% of the more than 50,000 Tennesseans working in Fast Food in 2021 were below the ALICE Threshold. 95% of the Top 20 jobs made less than what it costs for a family of four with one infant and one preschooler in childcare to afford the basics. In fact, 70% of the Top 20 jobs could not even afford what it costs for a single adult to live in Sumner county! Yet none of them made below the FPL for a single adult (\$12,880) meaning they would not qualify for most types of public assistance.



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The 20 Most Common Jobs in Tennessee

Occupation	Total Employment	Median Hourly Wage	% Median Wage Change Since 2019	% Below ALICE Threshold	Median Annual Salary (2,000 hours*)	Making less than \$76,332k/yr (survival budget for family of 4 with 2 in childcare)	Making less than \$39,876/yr (survival budget for 1 adult)
Driver/Sales Workers And Truck Drivers	103,060	\$20.56	9%	25%	\$41,120.00	yes	
Retail Salespersons	82,570	\$12.45	10%	30%	\$24,900.00	yes	yes
Laborers And Freight, Stock, And Material Movers, Hand	78,430	\$14.42	3%	38%	\$28,840.00	yes	yes
Stockers And Order Fillers	73,840	\$14.01	13%	42%	\$28,020.00	yes	yes
Cooks	68,440	\$12.22	14%	47%	\$24,440.00	yes	yes
Customer Service Representatives	68,340	\$17.33	12%	31%	\$34,660.00	yes	yes
Cashiers	64,590	\$10.93	8%	49%	\$21,860.00	yes	yes
Registered Nurses	62,250	\$30.00	2%	9%	\$60,000.00	yes	
General And Operations Managers	56,130	\$47.88	11%	15%	\$95,760.00		
Office Clerks, General	52,600	\$14.45	-3%	27%	\$28,900.00	yes	yes
Fast Food And Counter Workers	50,730	\$9.99	7%	54%	\$19,980.00	yes	yes
First-Line Supervisors Of Office And Administrative Support Workers	50,230	\$27.01	10%	14%	\$54,020.00	yes	
Waiters And Waitresses	46,510	\$8.76	1%	47%	\$17,520.00	yes	yes
Bookkeeping, Accounting, And Auditing Clerks	41,800	\$18.29	-3%	23%	\$36,580.00	yes	yes
Elementary And Middle School Teachers	38,210	\$24.06	-4%	15%	\$48,120.00	yes	
Secretaries And Administrative Assistants, Except Legal, Medical, And Executive	37,330	\$17.74	4%	22%	\$35,480.00	yes	yes
Personal Care Aides	29,090	\$11.24	7%	48%	\$22,480.00	yes	yes
First-Line Supervisors Of Retail Sales Workers	28,060	\$18.16	-3%	30%	\$36,320.00	yes	yes
Sales Representatives, Wholesale And Manufacturing	27,910	\$27.61	-1%	12%	\$55,220.00	yes	
Maintenance And Repair Workers, General	27,050	\$18.18	1%	21%	\$36,360.00	yes	yes

*based on 2,000 hours/yr (40 hrs/wk for 50 weeks)

The ALICE Essentials Index

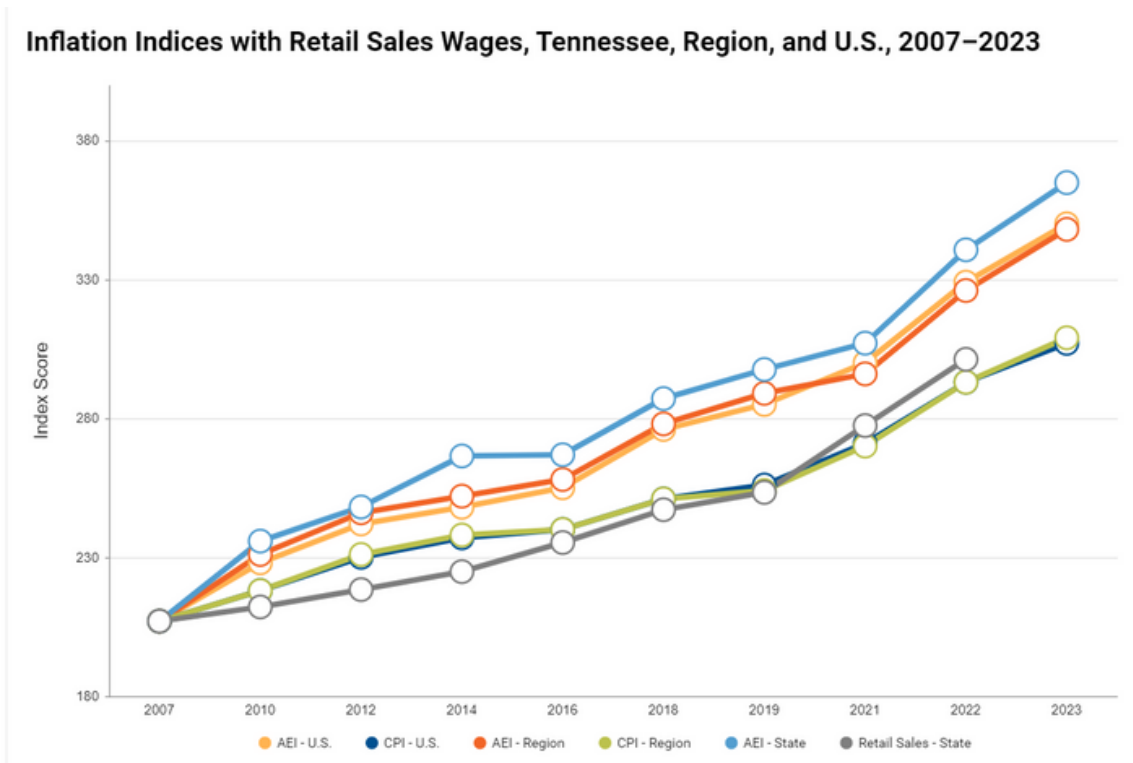
Understanding that ALICE earns just above the FPL, but less than the cost of basics, it's clear that ALICE can't afford luxury items like fancy jewelry, a long vacation, or sometimes, even a trip to the movies. But those are all items included in the more than 200 categories of goods and services that the **Consumer Price Index (CPI)** tracks. **The CPI is the traditional measure of inflation in our country and is used as a basis to guide economic policies like interest rates, to set the FPL, to determine eligibility for government assistance programs, and it even affects tax bracket determinations.**

However, because the CPI tracks such a large basket of goods, **it conceals the change in prices of the goods and services over time that are essential to meeting basic needs.**

The ALICE Essentials Index (AEI) is a much more targeted measure of inflation focusing specifically on the same six main categories of household essentials as the Household Survival Budget.

When we look at the rising cost of these basics from 2007 to 2023, we can see that **the ALICE Essentials Index has seen an average annual increase of 3.6% in Tennessee – outpacing the CPI, which has increased annually by only 2.5%.**

At the same time, while wages for ALICE workers have increased, overall they haven't kept up with the rising cost of basics. For instance, the median wage for a retail salesperson in Tennessee increased at a rate of 2.5% annually from 2007 to 2022 (the latest data available). **By 2021, the rate of increase for retail sales wages caught up to the rate for the CPI, but was still below the rate for the ALICE Essentials Index.**



With the cost of basics climbing higher, and ALICE wages failing to keep up, the result is that workers lose buying power. Little by little, from 2007 to 2022, it has added up, to the point that, for or a retail salesperson in Tennessee, **the sustained lag of wages behind the ALICE Essentials Index equates to a loss of over \$42,000 over the past 15 years – more than 1½ times their annual earnings!**

Components of the ALICE Household Survival Budget

Traditional economic measures underestimate the actual cost of basics. To better capture the reality of household costs in each Tennessee county, the ALICE study provides budgets that are tailored by county and household type. These budgets include housing/utilities, child care, food, transportation, health care, and technology (smartphone plan), plus taxes and a 10% miscellaneous category.

Housing



Child Care



Food



Transportation



Technology



Health Care



Taxes



Miscellaneous



The ALICE Household Survival budget is based on the **bare minimum cost** of household basics needed to live and work in the modern economy. It is very conservative and is not sustainable over time, nor is it meant to be a recommended budget. To better understand the components of the ALICE Household Survival Budget, we must consider the methodology behind this measure.

Housing



In the ALICE Household Survival Budget, housing encompasses both rent and utilities. Rent is based on the U.S. Department of Housing and Urban Development (HUD) Fair Market Rent (FMR) which is generally the 40th percentile of gross rents.

For a single adult, the ALICE Household Survival Budget looks at the FMR for getting an efficiency apartment. For a head of household with a child, or for a household with two adults, it looks at the FMR for a one-bedroom apartment. (That means a single parent would have to share a bedroom with their child.) For a family of three or four people, it's based on the FMR for a two-bedroom apartment.

However, the practical application is that housing at the 40th percentile fills up quickly and is often not available to those who need it most which means families often have to pick something more expensive than what is included in the Survival budget.

Utility costs in the ALICE Household Survival budget cover the costs of natural gas, electricity, fuel oil, water and other public services. The cost is adjusted by the number of people in the household.

But the practical application is that the cost of utilities is often higher for low-income households, many of which do not have resources to maintain or update furnaces, air conditioners, water heaters, etc. As a result, their units are less efficient and use larger – and costlier – amounts of energy than what is budgeted.

Child Care



The child care budget uses costs for registered Family Child Care Homes (a registered day care operated out of someone's home.) It classifies infants as ages 0–2 years, preschool as ages 3–4, and school-age as ages 5–12.

Children under five years old are assumed to need full-time year-round care, where full-year care means five days per week for 50 weeks per year. Costs for school-age children are based on the assumption that they need part-time care throughout the year. When available, the costs presented are the 75th percentile.

But the practical application is that, while Family Child Care Homes are the least expensive registered child care option, availability is limited in many communities, which means that households below the ALICE Threshold often pay more, travel farther, or sacrifice quality and safety to get child care. In addition, it is often a challenge to find care for children ages 5–12 during the summer.

Food



The food budget is based on the Thrifty Level (the lowest of four levels) of the U.S. Department of Agriculture (USDA) Food Plans.

However, the practical application is that, though the Thrifty Food Plan was designed to meet the nutritional requirements of a healthy diet, it includes foods that need considerable home preparation time with little waste, plus skill in both buying and preparing food. For those who lack this time and/or skill, food costs in this budget are likely to be underestimated.

Transportation



There really aren't any viable public transportation options in Sumner County, so the ALICE Household Survival budget is based on car transportation.

It includes minimum-liability car insurance; licensing fees; gas, oil, and other vehicle maintenance expenses, but not major repairs; and depreciation...for one car. It does not include lease payments or car loan payments as most ALICE families drive cars at least 10 years old.

Technology



Because cellphones have become essential to work in the United States, the cost of a smartphone plan is included in the Household Survival Budget for each adult. The cost is based on the cheapest available plan as reported by Consumer Reports.

But because of the dramatic increase in a need for connectivity and remote working, learning, and socializing options during the pandemic, the Household Survival Budget did expand this category to upgrade the basic smartphone plan to a 10GB monthly data plan for each adult in the household. The budget does not include the added expense of the phone itself.

However, the practical application is that many ALICE families cannot afford home internet service in addition to wireless service. This can be a disadvantage for remote working and learning needs.

Health Care



The health care estimate of the ALICE Household Survival Budget is made up of two separate components: 1) health insurance premiums, and 2) out-of-pocket costs, including copayments and medical services, prescription drugs, and medical supplies not covered by health insurance.

The ALICE Household Survival Budget focuses on average health care spending, but recognizes that this greatly underestimates the needs of many households. Studies show that low-income households are more likely to have someone in fair or poor health, which then adds 30% to 60% to family health care spending, even for people with employer-based coverage. To account for this, the ALICE Household Survival Budget includes a poor-health multiplier, using a conservative 30% increase to out-of-pocket costs.

The practical application is that health care is the budget item with the largest variation by household. Those who are healthy incur fewer costs, while households with a member with a serious health condition have significantly higher costs. The ALICE Household Survival budget is also based on employer-sponsored health insurance because it is still the most common form of coverage. However, many ALICE workers are in jobs that don't offer it and have to pay for private insurance or go uninsured.

Taxes



For taxes, the budget includes federal income taxes, payroll taxes, and federal and state tax credits.

Miscellaneous



Including a miscellaneous expense category is a standard practice in estimating basic household expenses. The Miscellaneous category for the ALICE Household Survival Budget includes 10% of the budget total (excluding taxes).



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It provides some recognition of the conservative nature of the Survival budget by making provision for some of the practical application items listed for each category. It is important to note that this category is used to cover cost overruns on basic budget items and **does NOT allow for any savings**.

The practical application is that having no savings leaves a family vulnerable to any unexpected expense, such as a costly car repair, natural disaster, or health issue.

Survival vs Stability: Comparison of Household Budgets

This year, our report includes details to clarify our budget information to differentiate between an **ALICE Household Survival Budget** and an **ALICE Household Stability Budget**. The objective of the ALICE Household Survival Budget is to calculate the bare minimum amount needed to live and work in the modern economy, while the **ALICE Household Stability Budget aims to show what is needed to support and sustain a secure and economically viable household**. Our methodology has demonstrated how difficult it is to maintain the ALICE Household Survival Budget. The ALICE Household Stability Budget, however, represents a more financially stable, less austere, and more practical standard of living than the Survival Budget. Some of the key differences include:

- **Housing** – instead of the 40th percentile for rent, the ALICE Household Stability Budget uses the median rent for the area. And, for two-parent families, instead of rent, it includes a mortgage for a moderately-priced house because home ownership leads to greater financial stability and is often less expense than renting.
- **Child Care** – instead of using Registered Family Child Care Homes, it uses licensed and accredited Child Care Centers which typically have greater availability.
- **Food** – instead of the Thrifty Food Plan, it uses the Moderate Food Plan and allows for some eating out.
- **Transportation** – instead of one car, it allows for two.
- **Health Care** – instead of costs for lower incomes, it includes costs for those with a higher wage and removes the poor health multiplier.
- **Technology** – it adds an allowance for home internet, in addition to cell phone plans.
- **Savings** – Unlike the ALICE Household Survival Budget, the ALICE Household Stability Budget includes a 10% savings allowance.



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Comparison of Sources for the ALICE Household Survival vs. Stability Budgets

Budget Category	Household Survival Budget	Household Stability Budget
Housing: Rent/Mortgage	Uses HUD's FMR (40th percentile) for an efficiency, one-bedroom, or two-bedroom apartment (based on family size.)	Uses HUD's median rent for single adults and single parents. Uses a moderate house with a mortgage for a two-parent family.
Housing: Utilities	Includes natural gas, electricity, fuel oil and other fuels, and water and other	Includes natural gas, electricity, fuel oil and other fuels, and water and other
Child Care	Registered Family Child Care Homes for an infant and a preschooler	Licensed and accredited child care center for an infant and a preschooler
Food	USDA's Thrifty Food Plan by age	USDA's Moderate Food Plan by age PLUS average cost of food away from home
Transportation	One car: Operating costs for a small or medium sedan (based on average daily miles by age, cost per mile, license, fees, and insurance costs)	Two cars: Operating costs for a small or medium SUV (based on average daily miles by age, cost per mile, license, fees, and insurance costs) and a small or medium sedan for two days a week
Health Care	Health insurance premiums based on employer-sponsored health insurance plus out-of-pocket costs for \$40K-\$69K households by age weighted with poor health multiplier.	Health insurance premiums based on employer-sponsored health insurance plus out-of-pocket costs for \$70K+ households by age with NO poor health multiplier.
Technology	Smartphone plan for 10GB of data for each adult in a household.	Smartphone plan for 10GB of data for each adult in a household PLUS basic home internet service.
Taxes	Federal and state taxes and tax credits	Federal and state taxes and tax credits
Savings	None	To ensure stability over time, monthly savings set at 10% of budget excluding taxes.
Misc.	Cost overruns, estimated at 10% of budget excluding taxes	Cost overruns, estimated at 10% of budget excluding taxes



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Below is the side-by-side comparison of the ALICE Household Survival Budget vs. the Stability Budget for our sample family of four with one preschooler and one infant.

Name	ALICE Household Survival Budget for Two Adults Two Childcare*	ALICE Household Stability Budget for Two Adults Two Childcare*
Housing - Rent	\$1,580	\$1,400
Housing - Utilities	\$292	\$292
Child Care	\$1,135	\$1,513
Food	\$1,204	\$1,848
Transportation	\$804	\$1,328
Health Care	\$809	\$713
Technology	\$110	\$160
Miscellaneous	\$593	\$725
Savings	\$0.00	\$725
Tax Payments	\$1,002	\$1,287
Tax Credits	(\$1,168)	(\$1,267)
Monthly Total	\$6,361	\$8,724
ANNUAL TOTAL	\$76,332	\$104,688
Hourly Wage	\$38.17	\$52.34

**1 preschooler, 1 infant*

Notice that Housing in the Stability Budget is actually LESS, listed at \$1,400 instead of \$1,580. This is because, as noted previously, a mortgage is often cheaper than renting. But the struggle for ALICE families is that it's very hard, if not impossible, to save enough money for a down payment. Also, many ALICE families don't have "excellent" or even "good" FICO credit scores, which makes interest rates higher or even prevents them altogether from securing a loan on their own.

So for this ALICE family to be in a financially stable position, they would need to earn \$104,688 per year.

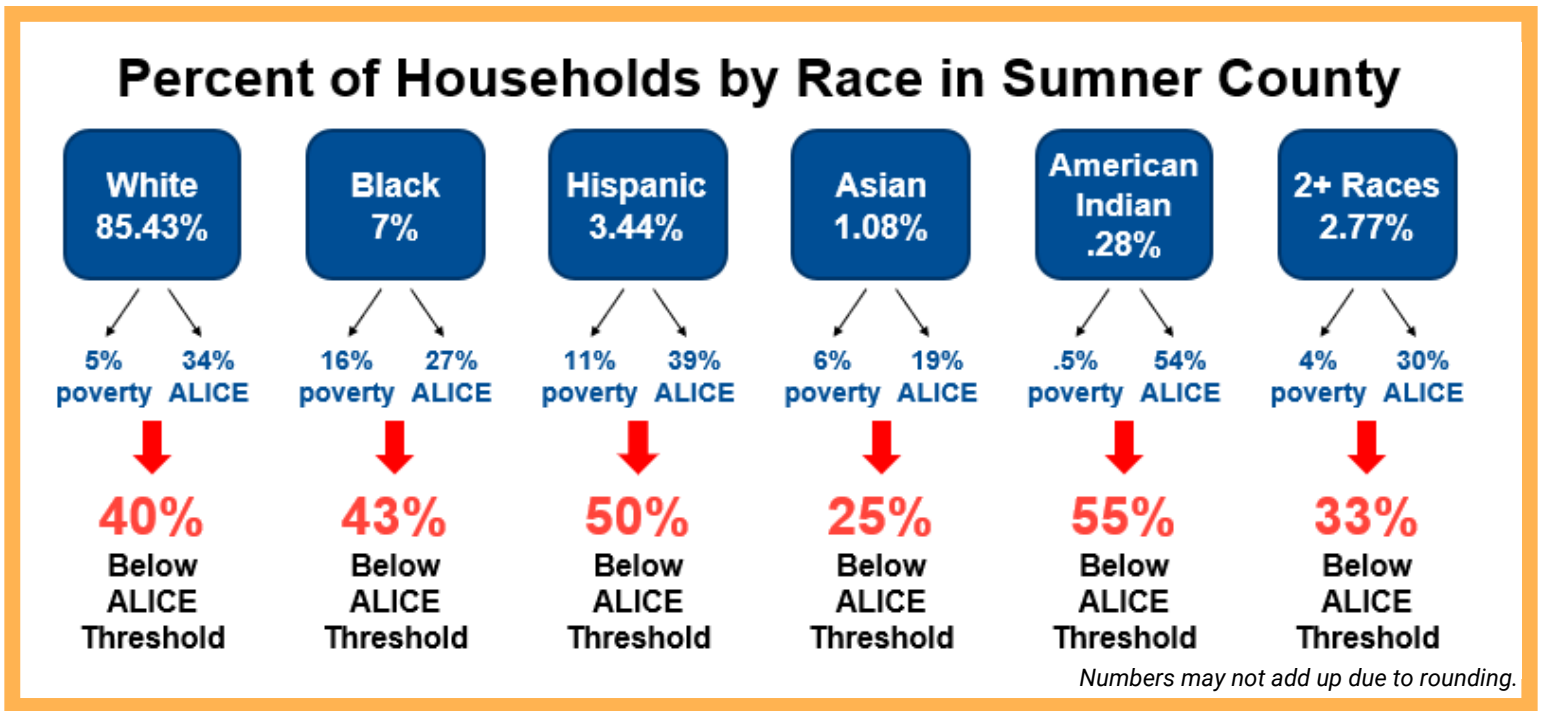
Additional Demographic Data

ALICE in the Crosscurrents also provides us with some additional demographic data about the extent of financial hardship across various groups within Sumner County.

ALICE by Race

Sumner County’s racial breakdown shows that 85% of households are white, followed by 7% of households being Black, and just over 3% of households being Hispanic. Less than 5% of households fall into other racial categories.

Out of the white households, 40% are below the ALICE threshold. 43% of Black households are below the ALICE threshold and half of Hispanic households are below the ALICE threshold. Although Sumner County’s smallest racial group is American Indian, they have the largest percent of households under the ALICE threshold with 55%.



ALICE by Age

When we look at the data by age, some may be surprised to see that the group struggling the most in Sumner County is Households Headed by Someone Age 18 – 25. An astounding 44% are living in poverty, plus another 37% are ALICE, for a total of **81% of those under 25 in Sumner County struggling to make ends meet!**

In the 25 to 44 age group, 1/3 are below the ALICE threshold. And in the 45 to 64 age group, 38% are struggling to get by.

When it comes to our seniors, age 65 and up, only 8% live in poverty, but another 47% are ALICE for a total of 55% of our seniors who are unable to pay for basic needs.

ALICE by Age

Under 25:	44% Poverty + 37% ALICE = 81%
25 to 44:	6% Poverty + 28% ALICE = 33%
45 to 64:	7% Poverty + 31% ALICE = 38%
65 and up:	8% Poverty + 47% ALICE = 55%

Numbers may not add up due to rounding.

ALICE by Household Type

The report also breaks down the data by household type. For singles or those cohabitating without children, 43% are living below the ALICE threshold. For those married with children, 15% are living below the ALICE threshold. When it comes to singles dads, 62% are struggling to get by. But, the group struggling the most is single moms with 71% of them unable to provide the basics.

ALICE by Household Type



Single or Cohabitating
(with no children)

43%

Below the ALICE Threshold



Single Male-Headed

62%

Below the ALICE Threshold



Married
(with children)

15%

Below the ALICE Threshold



Single Female-Headed

71%

Below the ALICE Threshold



ALICE Household Survival Budget by Family Type

When we look at the ALICE Household Survival Budget for some examples of family types within these demographic groups, it's easy to see WHY they are struggling.

A single adult with no children would need to earn almost \$40,000/year to pay for basics. A couple with no children would need just over \$53,000.

A family with two adults and an infant and preschooler would need to earn over \$76,000/yr to get by. If both kids were in school, the number would drop slightly to just over \$72,000. A family of six with two adults, an infant, a preschooler, plus two kids in school, would need to earn almost \$97,000/yr to cover the basics of the ALICE Household Survival Budget.

A single parent with one preschooler would need to earn almost \$52,000 to pay for essentials. If the child were in school, they would still need to earn over \$50,000 per year. A single parent with three kids: an infant, a preschooler, and one school-age child, would need to earn over \$74,000 to make ends meet.

Additional ALICE Survival Budget Examples by Family Type

Adults with No Children

Single Adult
\$39,876

Two Adults
\$53,268

Single Parent Families

with 1 Pre-K
\$51,960

with 1 School-age
\$50,388

with 1 Infant, 1 Pre-K and 1 School-age
\$74,040

2 Parent Families

with 1 Pre-K and 1 Infant
\$76,332

with 2 School-age
\$72,312

with 1 Infant, 1 Pre-K and 2 School-age
\$96,852

Senior Adults

Single Senior
\$42,996

Two Seniors
\$59,700

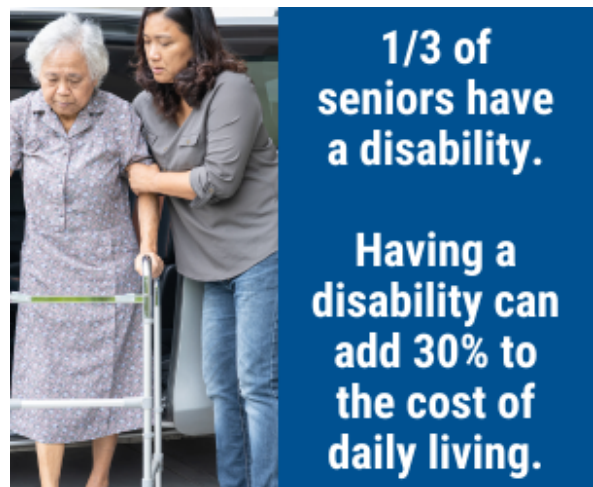
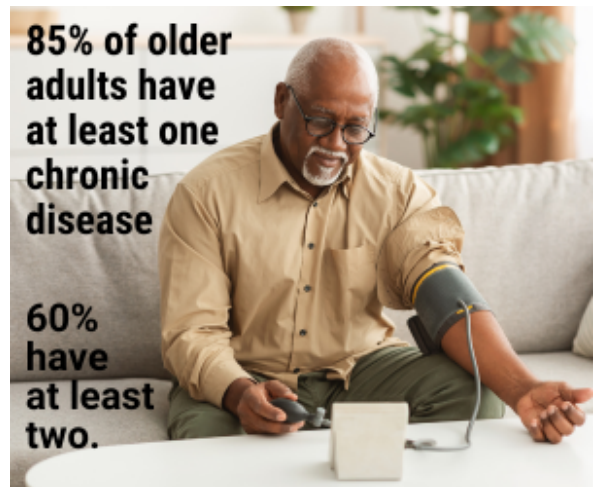
ALICE Senior Survival Budget

As people age, their household needs change. With more data available by age, the ALICE Household Survival Budget includes a budget for those 65 years and older. The Senior Survival Budget reflects the fact that seniors typically spend less on food than younger households, travel fewer miles for work and family responsibilities, and have increasing health needs, but also access to Medicare. It is worth noting that Social Security provides a valuable safety net ensuring that most seniors stay out of poverty, but it is not enough to afford even the basic Survival Budget costs faced by most seniors.


The health care costs in the ALICE Senior Survival Budget reflect two important differences for older Americans: the universal provision of Medicare, and increasing health care needs. The Senior Survival Budget uses the cost for Medicare Part A and B: It assumes that when seniors turn 65, they are enrolled in Medicare Part A, which is free, and elect to purchase Part B. While Part B is not required, most seniors enroll because the cost for the premium is significantly less than the out-of-pocket costs for those with only Part A. The Senior Survival Budget therefore includes average out-of-pocket costs, such as copayments, coinsurance, and deductibles for seniors with Medicare Part B. Out-of-pocket costs also include prescription drugs.

Because **85% of older adults have at least one chronic disease and over 60% have at least two**, the Senior Survival Budget assumes that each senior has one chronic condition. It uses the average cost of the top five chronic diseases: hypertension, arthritis, heart disease, cancer, and diabetes. However, the costs for seniors with two or more conditions are significantly higher than the costs included in this budget, and because poor health is significantly correlated with low income, this is likely the case for a disproportionate number of ALICE households.

Also, seniors may face additional costs not reflected in the Senior Survival Budget, depending on their disability status. **One-third of seniors have a disability** related to hearing, vision, cognitive ability, ambulation, self-care, or independent living. These add to basic needs, ranging from assistive devices and special transport to personal assistance and housing adaptation, and **can add 30% to the cost of daily living.**



The practical application for seniors is that out-of-pocket costs for prescription drugs are included in the budget because **89% of people 65 and older take one or more medications daily**. Yet seniors often skimp or forgo prescriptions altogether; **21% of seniors do not take their prescriptions due to cost**.



89% of people over 65 take one or more medications daily.

21% of seniors do not take their prescriptions due to cost.

With all this in mind, a single senior would need to earn almost \$43,000/yr to make ends meet and two seniors living together would need to earn almost \$60,000/yr.

ALICE by Legislative District

While the Federal Poverty Level is the basis for many public programs, looking at poverty alone excludes the 36.3 million households in the U.S. who are ALICE, earning above the poverty level but below the basic cost of living in their communities. This report provides data by legislative district to help policymakers and community stakeholders better understand how many households are actually struggling in their district. State House District 45 has the lowest percentage of households below the ALICE Threshold at 33% while State House District 35 and Congressional District 6 both have the highest at 46%.

Legislative District	# Households in Poverty	# ALICE Households	# Above ALICE Threshold	Total Households	# Below ALICE Threshold	% Below ALICE Threshold
State House District 35 - Slater	3,258	8,499	13,672	25,429	11,757	46%
State House District 44 - Lamberth	2,442	7,394	15,107	24,943	9,836	39%
State House District 45 - Garrett	1,551	6,982	17,082	25,615	8,533	33%
State Senate District 18 - Haile	7,251	22,875	45,861	75,987	30,126	40%
Congressional District 6 - Rose	40,740	98,147	164,746	303,633	138,887	46%

Help for ALICE

The struggles of ALICE are real, and part of the mission of United Way of Sumner County (UWSC) is to ensure that ALICE families know that there IS help available! By partnering with local funded partner agencies and providing additional FREE UWSC programs and services, **United Way of Sumner County is meeting the needs of ALICE:**

Housing



In Housing, we have help centers available all over the county that provide emergency assistance to families facing financial crisis to help them keep a roof over their heads and to keep the heat and air on! We also have programs to help families move towards home ownership and to provide critical home repairs to seniors, veterans, and those with disabilities. Plus we have partners who offer assistance to the unhoused.

Child Care



In Child Care, we have partners that offer childcare for infants and preschoolers on a sliding scale and partners that offer free after school and summer care for school-age children.

Food



In Food, our help centers also offer free food banks plus we have programs to deliver Meals-on-Wheels to seniors and to send home backpacks of food with school-age children so they won't go hungry over the weekend.

Transportation



In Transportation, we have partners that provide transportation to seniors.

Technology



In Technology, we have information on the Get Help page of our website to help people sign up for assistance to pay for internet service and laptop computers.

Health Care



In Health Care, we have partners who provide medical care on a sliding scale to those who are working, but uninsured. We also have a free prescription discount program called SingleCare that works with or without insurance to save on medications.

Taxes



For taxes, we offer My Free Taxes, an online service with a toll-free help line to let families do their taxes for free, including self-employed and gig workers, to ensure they get all the tax credits they deserve.



ALICE IN THE CROSSCURRENTS

SUMNER COUNTY



United Way
of Sumner County

Advocating for ALICE

We're working to make a difference for ALICE. YOU can help by being an advocate for ALICE:

1. Tell others about ALICE.
2. Consider ALICE when making policy, business, and workplace decisions.
3. Share United Way resources with families who could use assistance.
4. Invite UWSC to speak about ALICE to your work, community, and civic groups.

Sources

- ALICE in the Crosscurrents: Covid and Financial Hardship in Tennessee 2023 Report
- ALICE Research Methodology Overview & Rationale Biennial Update 2022, April 2023
- ALICE Essentials Index: Measuring Inflation for Basic Needs, 2023 National Report
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- <https://www.unitedforalice.org/state-overview/tennessee>
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- <https://www.unitedforalice.org/household-budgets/tennessee>
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