

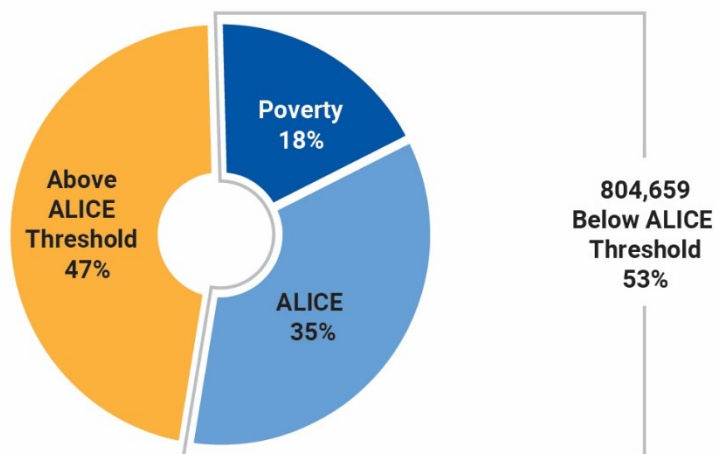
CHILDREN IN FINANCIAL HARDSHIP: TENNESSEE

The number of children living in financially insecure households in Tennessee continues to be systematically undercounted. According to the outdated Federal Poverty Level (FPL), 18% of children in Tennessee (271,518) lived in poverty in 2022. Yet [United For ALICE](#) data shows that another 35% (533,141) – nearly twice as many – were also growing up in financial hardship. These children live in households that are **ALICE®**: **A**sset Limited, **I**ncome **C**onstrained, **E**mloyed, earning above the FPL but not enough to afford the basics in their communities.

With poverty-level and ALICE households combined, a substantial **53% of the more than 1.5 million children in Tennessee lived in a household with income below the [ALICE Threshold of Financial Survival](#) in 2022**, ranking Tennessee 35th among all states and the District of Columbia (with 1st representing the lowest rate of children living in financial hardship). These households don't earn enough to afford housing, child care, food, transportation, health care, technology, and taxes – the basics needed to live and work in the current economy.

Children by Household Income, Tennessee, 2022

Total Number of Children in Tennessee = 1,531,592



Note: This research uses the U.S. Census Bureau's American Community Survey [Public Use Microdata Sample](#) (PUMS) and focuses on children, whose ALICE status is determined by their household's income compared to local cost of living. ALICE analysis includes households regardless of work status, as employment is fluid and most households have members who are working, have worked, are out on disability, or are looking for work. This analysis does not include children who are unhoused or living in group quarters. In this Brief, percentages are rounded to whole numbers for ease of reading, which may result in percentages totaling 99% or 101%. All numbers are presented in the [ALICE Children Data Dashboard](#).

Sources: ALICE Threshold, 2022; U.S. Census Bureau, American Community Survey, PUMS, 2022



KEY FINDINGS 2022

- More than half (53%) of children in Tennessee lived in households experiencing financial hardship. While 18% were below the FPL, an additional 35% were ALICE.
- By race/ethnicity, Hispanic and Black children continued to face greater hardship due to systemic barriers to financial stability: 72% of Hispanic children and 69% of Black children in Tennessee lived in households with income below the ALICE Threshold, compared to 45% of White children and 44% of Asian children.
- Having working adults in the household did not guarantee financial stability: 36% of Tennessee children in households with two adults in the labor force were still below the ALICE Threshold.
- Children below the ALICE Threshold often lacked access to crucial resources. Nearly 521,950 children below the Threshold in Tennessee did not participate in SNAP, and just over 194,675 had no high-speed internet access at home.

Since the first *ALICE in Focus: Children* brief (2019 data), the conflicting economic and social forces of the COVID-19 pandemic — inflation, wage growth, and the expansion and expiration of [pandemic public assistance](#) (especially relevant for households with children) — have impacted children and their families in various ways. As shown in our 2023 [ALICE in the Crosscurrents](#) Report, the situation for households below the ALICE Threshold improved in some respects and worsened in others, over the course of the pandemic and during its aftermath.

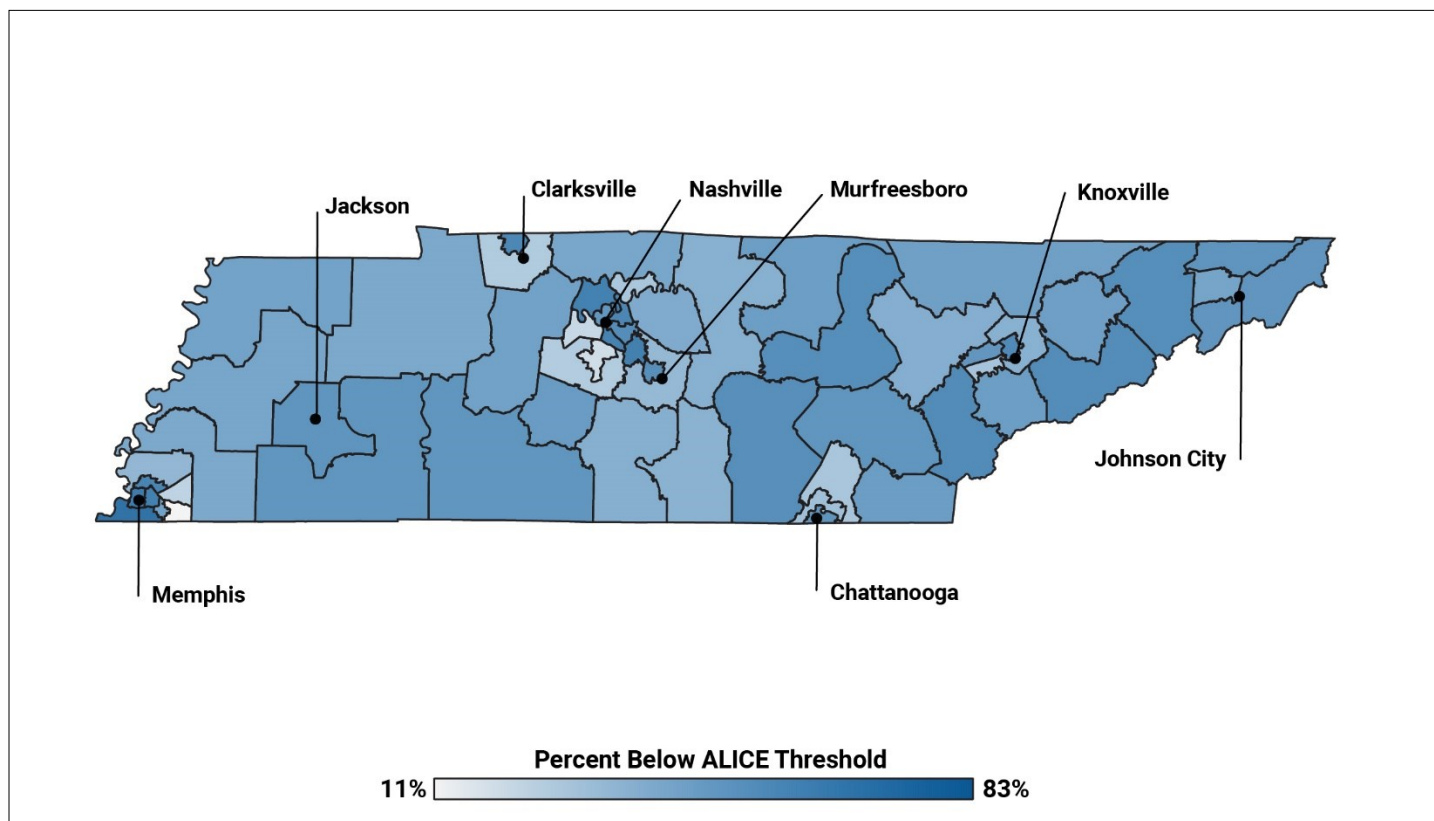
The expansion of the Child Tax Credit and the Child and Dependent Care Tax Credit helped many families with children get through the pandemic. From 2019 to 2022, the number of children living in financially insecure households decreased slightly in Tennessee, from 826,322 in 2019 to 804,659 in 2022. The share of children living in households below the ALICE Threshold also decreased, from 55% to 53%, driven largely by a decrease in households living in poverty.

There are children below the ALICE Threshold in [communities across the state](#) ([Public Use Microdata Areas](#), or PUMAs), at rates ranging from 11% in the Shelby County Southeast PUMA to 83% in the Memphis City Southwest PUMA. [Visit the ALICE Children Data Dashboard](#) to see additional data (for 2019 and 2022) and an interactive version of the state map.

TERMS AND DEFINITIONS

- **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 families often do not qualify for public assistance.
- **ALICE Household Survival Budget:** The minimum cost of household necessities (housing, child care, food, transportation, health care, and technology), plus taxes, adjusted for different counties and household types. While the FPL for a family of four in Tennessee in 2022 was \$27,750, the average bare-minimum cost of living for that family was \$70,416.
- **ALICE Threshold:** Derived from the Household Survival Budget, the minimum average income that a household needs to afford basic costs. Children **below the ALICE Threshold** include those in poverty-level and ALICE households combined.

Percentage of Children Below ALICE Threshold by PUMA, Tennessee, 2022



Sources: ALICE Threshold, 2022; U.S. Census Bureau, American Community Survey, PUMS, 2022

WHO ARE CHILDREN BELOW THE ALICE THRESHOLD?

A child's start in life impacts their long-term health, wellness, education, and career. Family financial stability is one of the strongest [predictors of current and future well-being](#). Financial instability not only contributes to daily experiences of [stress, trauma, and hardship](#) in the present, but it impedes a child's opportunity for [future success](#), including higher education, a higher income, and long-term asset building.

Children below the ALICE Threshold in Tennessee are those under age 18 living in households with income below the basic cost of living for their community. Children in Tennessee's financially insecure households are from all locations and demographic groups; are of all ages; are born in the U.S. or abroad; are of all abilities; are of all races/ethnicities; and live with parents or guardians who are married or single, working or not working, and English-speaking or non-English-speaking.

Demographics

The largest numbers of children below the ALICE Threshold were found in the state's largest demographic groups. Yet the rate of hardship ranged substantially across groups. **In Tennessee in 2022:**

Age: There were 134,740 infants/toddlers (age 0–2 years), 100,765 preschoolers (3–4 years), and 569,154 school-age children (5–17 years) living in households below the ALICE Threshold. The rate of financial hardship was higher for infants/toddlers (58%)

and preschool-age children (59%) than for school-age children (50%).

Race/ethnicity: By number, children below the ALICE Threshold were predominantly White (430,294), Black (179,558), and Hispanic (120,367). Yet due to [persistent discrimination and systemic barriers to financial stability](#), the share of children below the Threshold was higher for some groups: 77% of American Indian/Alaska Native children, 72% of Hispanic children, 69% of Black children, 66% of Native Hawaiian/Pacific Islander children, 55% of children of Two or More Races, 45% of White Children and 44% of Asian children were growing up in financial hardship.

Disability status: Children with a disability were more likely to live in households below the ALICE Threshold (68%) than those without a disability (52%). When any other member of the household had a disability, 67% of children lived below the Threshold, and the rate was comparable when a parent or guardian had a disability (68%).

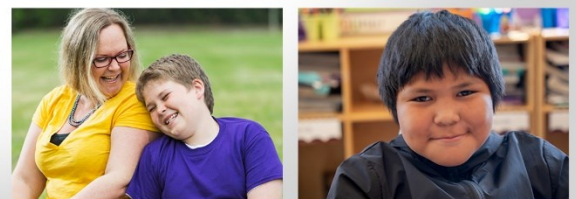
Nativity and language: Of the 42,152 children in Tennessee who were born outside the U.S. (3% of children in the state), 64% were below the ALICE Threshold, compared to 52% of those born in the U.S. Rates were even higher for the 51,699 children living in a family with limited English-speaking ability (3% of children in the state), with 87% below the Threshold.

ALICE CHILDREN DATA DASHBOARD

The ALICE Children Data Dashboard includes interactive data on children living in hardship by:

- State, regional, and local geographies
- Demographic categories including children's age, race/ethnicity, disability, and nativity
- Household characteristics
- Children's access to key resources
- Data year (toggle between 2019 and 2022 for all variables)

UnitedForALICE.org/Focus-Children



Children by Household Financial Status and Key Demographics, Tennessee, 2022

	TOTAL	BELOW ALICE THRESHOLD	POVERTY	ALICE	ABOVE ALICE THRESHOLD
ALL CHILDREN	1,531,592	804,659	18%	35%	47%
AGE					
Infant (0–2 Years)	231,826	134,740	19%	39%	42%
Preschool-Age (3–4 Years)	170,836	100,765	23%	36%	41%
School-Age (5–17 Years)	1,128,930	569,154	17%	34%	50%
RACE/ETHNICITY					
American Indian/Alaska Native	1,116	855	5%	72%	23%
Asian	29,606	13,068	13%	31%	56%
Black	260,494	179,558	30%	39%	31%
Hispanic	167,214	120,367	27%	45%	28%
Native Hawaiian/Pacific Islander	1,181	777	22%	44%	34%
Two or More Races	101,039	55,115	23%	32%	45%
White	960,963	430,294	12%	32%	55%
NATIVITY AND LANGUAGE					
Born in U.S.	1,489,440	777,700	17%	35%	48%
Born Outside U.S.	42,152	26,959	28%	36%	36%
English-Speaking Family	1,479,893	759,925	17%	34%	49%
Limited English-Speaking	51,699	44,734	35%	52%	13%
DISABILITY STATUS					
Child With a Disability	73,764	50,406	25%	43%	32%
Any Household Member With a Disability	344,790	229,621	25%	41%	33%

Note: The groups shown in this figure overlap across categories (Age, Race/Ethnicity, Nativity and Language, and Disability Status). All racial categories except Two or More Races are for one race alone. The Hispanic group may include children of any race. View more on the [ALICE Children Data Dashboard](#).

Sources: ALICE Threshold, 2022; U.S. Census Bureau, American Community Survey, PUMS, 2022

Household Characteristics

Most children in Tennessee live with at least one of their parents (biological or adoptive). Children may live with married or unmarried parents, single parents, grandparents, or guardians. Household composition — especially the number of working adults — has a substantial impact on children’s financial stability.

In Tennessee in 2022:

Living arrangements: The largest number of children below the ALICE Threshold were in married-couple households (391,904), followed by single-female-headed households (272,523). But the percentage of children below the Threshold varied by adults’ marital status and partnership type: 40% of children in all married-parent households (40% for different-sex and 47% for same-sex couples), 66% in unmarried-couple households, 66% in single-male-headed households, and 80% in single-female-headed households were growing up in hardship.

- **Children living with grandparents:** 13% of all Tennessee children (197,064) lived in a home with a grandparent, which included both multi-generational households and households where grandparents

were raising grandchildren on their own. Well over half (61%) of children in these households were below the ALICE Threshold.

Household work status: Most children (93%) lived in a household with at least one worker. As the number of workers in the family increased, the share of children below the ALICE Threshold decreased. In Tennessee, 80% of children living with one adult who was working were below the Threshold; with two adults and one worker, 64% were below the Threshold; and with two adults who were both working, 32% were below the Threshold. Among all families with two or more adults, two of whom were working, more than one-third (36%) of children were still below the Threshold in 2022, demonstrating that having working adults in the household does not guarantee financial stability.

While parents and guardians work in every sector, children below the ALICE Threshold are concentrated in families where adults work in occupations with low median hourly wages. These include some of the most common occupations in the state: For example, 67% of Tennessee children with an adult working as a cashier, earning a median wage of \$11.74 per hour, were below the Threshold in 2022.

Children by Household Financial Status and Household Characteristics, Tennessee, 2022

	TOTAL	BELOW ALICE THRESHOLD	POVERTY	ALICE	ABOVE ALICE THRESHOLD
ALL CHILDREN	1,531,592	804,659	18%	35%	47%
LIVING ARRANGEMENTS					
Grandparent Living With Grandchild	197,064	120,340	21%	40%	39%
Married-Couple Household	977,333	391,904	8%	33%	60%
Single-Female-Headed Household	341,443	272,523	39%	41%	20%
Single-Male-Headed Household	78,181	51,359	18%	48%	34%
HOUSEHOLD WORK STATUS					
One Adult, One Worker	206,705	164,966	38%	41%	20%
Two Adults, One Worker	343,524	219,153	21%	42%	36%
Two Adults, Two Workers	525,564	166,307	3%	29%	68%

Note: The groups shown in this figure overlap across categories (Living Arrangements and Household Work Status). “Grandparent Living With Grandchild” includes any arrangement where grandparents live with their grandchild, including where parents or other adults are present. For the Household Work Status category, the number of workers is defined as “workers in the family over the last 12 months” from when the survey was conducted. View more on the [ALICE Children Data Dashboard](#).

Sources: ALICE Threshold, 2022; U.S. Census Bureau, American Community Survey, PUMS, 2022

INTERCONNECTED BARRIERS TO WELL-BEING

Children below the ALICE Threshold are more likely to lack stable housing, quality child care and early education, private health insurance, high-speed home internet access, and reliable food access. When basic necessities are at risk, families have to make impossible decisions — like choosing to pay for food or quality child care, for medicine or utility bills. Decisions made in one area of the budget can have both [short- and long-term consequences](#) that ripple across all other areas.

In Tennessee in 2022:

Housing: Children in families without stable housing face greater risks for [poor physical health, increased family stress, social isolation, and lower academic performance](#). Among children below the ALICE Threshold in Tennessee, 52% were in families that rented and 48% were in families that owned their homes. Below the Threshold, families of Black children had the lowest homeownership rate (23%), followed by families of Hispanic children (35%), while families of Asian and White children had the highest rates (59% and 63%, respectively). Above the Threshold, the homeownership rates for families of Black and Hispanic children were higher (63% and 79%, respectively), but still substantially lower than for families of White children (86%) and Asian children (87%). Overall, 46% of children in renter households and 19% of children in homeowner households were in families that were cost burdened, paying 30% or more of household income on housing.



Education: Of all preschool-age children in Tennessee, 42% were enrolled in preschool, lower than the national average (47%). Preschool-age children below the ALICE Threshold were less likely than their peers above the Threshold to be enrolled in preschool (37% vs. 48%). School enrollment rates for teens age 15-17 however, were similar, with 96% below the Threshold enrolled compared to 97% of their peers above the Threshold.

Health insurance: Access to health insurance is critical to both [wellness and financial stability](#) for families below the ALICE Threshold, and [especially for children](#). While most children in Tennessee had health insurance (95%, the same as the national rate), 6% of children below the ALICE Threshold (45,955) did not have coverage. Children in families with income below the Threshold were also more likely to have public health insurance (56%), while those above the Threshold were far more likely to have private health insurance (83%).



Home internet: The availability of internet access and devices for education has become increasingly essential for young people, yet the [digital divide](#) by income and race/ethnicity persists. Most children in Tennessee (97%) had home internet access. However, children below the ALICE Threshold were somewhat less likely to have home internet access than those above the Threshold (95% vs. 99%) and considerably less likely to have high-speed internet, which is essential for work and online learning (76% vs. 88%). High-speed internet rates increased for all children in Tennessee through the pandemic, from 75% in 2019 to 82% in 2022. Yet just over 194,675 children below the Threshold in Tennessee still did not have high-speed internet at home in 2022.

High-speed internet rates were lower for some groups below the Threshold: 66% for Black children and 73% for Hispanic children, compared to 79% for White children in Tennessee. By location, the percentage of children below the ALICE Threshold with high-speed internet access was highest in the Hamilton County South PUMA and the Montgomery County PUMA (both at 95%) and lowest in the Memphis City (Central Riverside) PUMA (42%).

Food access: Households with children living below the ALICE Threshold were more likely to have difficulty putting food on the table. According to the [U.S. Census Household Pulse Survey](#), in 2022, 22% of Tennessee families below the Threshold with children reported that sometimes or often “children were not eating enough because we just couldn’t afford enough food,” nearly three times the rate for those above the Threshold (8%).

Public assistance: For a [variety of reasons](#), public assistance does not reach all children in households that are struggling. While most children in poverty are eligible for assistance, ALICE children live in households that often earn too much to qualify. For example, the income eligibility threshold in Tennessee for the Supplemental Nutrition Assistance Program (SNAP) is 130% of the FPL. Even though all children in poverty should be

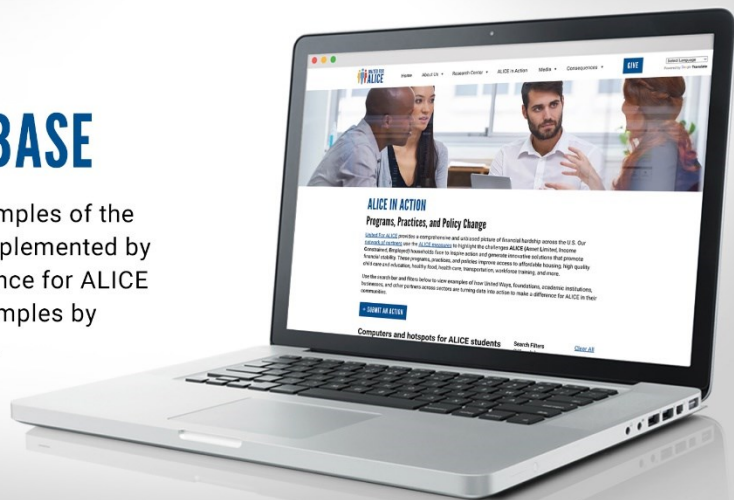
covered by SNAP, in Tennessee the program was utilized by only 58% of children in poverty (156,397) and a mere 24% of children in ALICE households (126,343) in 2022. Of all children below the ALICE Threshold in Tennessee, only 35% participated. This left a gap of nearly 521,950 children whose families were struggling to make ends meet but not participating in SNAP.

Intersectionality: For some children, multiple intersecting forms of discrimination and limited access to resources make household financial instability more likely. For example, 69% of Black children in Tennessee were below the ALICE Threshold in 2022. For Black children with a disability, the rate went up to 83%; and if the child’s family lived in a renter household the rate increased slightly to 84%.

ALICE IN ACTION DATABASE

The ALICE in Action Database includes examples of the programs, practices, and policy changes implemented by United for ALICE partners to make a difference for ALICE households in their communities. Filter examples by location, topic, target population, and more.

UnitedForALICE.org/ALICE-in-Action



Children by Household Financial Status and Key Indicators, All States, 2022

State (Rank)	Total	Household Income Status			Rent Burden	Preschool	Internet	SNAP
	Number of Children	% Poverty	% ALICE	% Below ALICE Threshold	% Below ALICE Threshold Paying 30% or More on Rent	% Preschool-Age Enrolled in School	% Below ALICE Threshold with High-Speed Internet Access	% Below ALICE Threshold Participating in SNAP
United States	72,094,339	16%	34%	50%	52%	47%	77%	39%
Alabama (42)	1,104,575	22%	32%	54%	48%	46%	72%	43%
Alaska (24)	173,285	14%	32%	46%	39%	41%	63%	32%
Arizona (37)	1,586,070	16%	37%	53%	52%	33%	77%	36%
Arkansas (40)	693,000	22%	32%	54%	44%	45%	70%	32%
California (48)	8,476,896	15%	42%	57%	58%	46%	80%	33%
Colorado (25)	1,207,812	10%	36%	46%	55%	52%	83%	29%
Connecticut (17)	728,030	12%	32%	44%	56%	64%	83%	36%
Delaware (11)	207,625	10%	31%	42%	39%	45%	82%	41%
D.C. (15)	123,619	16%	27%	43%	50%	78%	66%	64%
Florida (45)	4,285,475	17%	38%	55%	60%	49%	80%	38%
Georgia (46)	2,501,214	16%	39%	55%	50%	49%	76%	40%
Hawaii (31)	295,615	12%	37%	49%	56%	41%	82%	41%
Idaho (32)	464,228	13%	38%	51%	39%	42%	79%	23%
Illinois (16)	2,710,614	16%	27%	43%	50%	54%	76%	47%
Indiana (21)	1,562,606	15%	31%	46%	45%	42%	76%	32%
Iowa (6)	713,854	12%	28%	40%	45%	47%	77%	36%
Kansas (7)	684,065	13%	27%	41%	45%	47%	78%	24%
Kentucky (33)	1,001,572	21%	30%	51%	43%	37%	77%	42%
Louisiana (47)	1,055,445	24%	32%	56%	56%	54%	69%	49%
Maine (19)	242,867	10%	34%	44%	40%	38%	83%	34%
Maryland (27)	1,345,996	11%	35%	47%	55%	49%	79%	36%
Massachusetts (20)	1,331,435	11%	33%	45%	57%	58%	82%	45%
Michigan (28)	2,098,256	18%	29%	47%	52%	47%	78%	46%
Minnesota (5)	1,274,974	10%	29%	39%	49%	47%	80%	29%
Mississippi (50)	674,630	26%	32%	58%	49%	50%	66%	42%
Missouri (29)	1,358,979	16%	32%	48%	44%	43%	74%	36%
Montana (26)	233,024	13%	34%	46%	31%	31%	73%	23%
Nebraska (8)	472,831	12%	29%	41%	43%	45%	80%	30%
Nevada (49)	688,662	16%	41%	57%	57%	35%	75%	38%
New Hampshire (2)	248,473	6%	28%	34%	46%	55%	83%	27%
New Jersey (10)	1,986,050	13%	28%	42%	59%	67%	78%	37%
New Mexico (51)	453,284	23%	35%	58%	54%	39%	71%	55%
New York (41)	3,960,023	19%	35%	54%	55%	61%	74%	44%
North Carolina (39)	2,288,886	17%	36%	53%	47%	38%	77%	43%
North Dakota (1)	178,227	12%	21%	33%	24%	29%	71%	21%
Ohio (23)	2,550,190	18%	28%	46%	46%	43%	81%	44%
Oklahoma (44)	950,109	20%	35%	54%	45%	42%	72%	44%
Oregon (34)	830,894	13%	39%	52%	50%	46%	81%	43%
Pennsylvania (22)	2,605,028	16%	31%	46%	49%	45%	78%	45%
Rhode Island (13)	202,490	12%	31%	42%	49%	52%	80%	39%
South Carolina (38)	1,114,070	19%	34%	53%	48%	44%	76%	37%
South Dakota (4)	217,071	13%	26%	39%	30%	36%	77%	39%
Tennessee (35)	1,531,592	18%	35%	53%	46%	42%	76%	35%
Texas (36)	7,423,833	19%	34%	53%	55%	44%	73%	41%
Utah (14)	925,053	8%	34%	42%	45%	44%	84%	18%
Vermont (12)	113,366	11%	30%	42%	53%	70%	83%	30%
Virginia (30)	1,860,499	13%	36%	49%	49%	45%	76%	31%
Washington (18)	1,641,265	12%	32%	44%	52%	44%	80%	38%
West Virginia (43)	350,478	24%	30%	54%	43%	31%	78%	53%
Wisconsin (9)	1,236,815	13%	28%	41%	43%	41%	78%	42%
Wyoming (3)	129,389	13%	25%	38%	41%	45%	74%	29%

LEARN MORE AND TAKE ACTION

The challenges Tennessee’s ALICE families face are interconnected, and effective solutions must be, too. Working toward these solutions will require innovation and vision, both to recognize local factors and systematically address as many areas of financial struggle as possible.

Learn more with:

- The [ALICE Children Data Dashboard](#), to dig deeper into related topics, demographics, and sub-state geographies
- [Resources related to children and financial hardship](#), including the references linked in this Research Brief, as well as additional resources that offer important context and even deeper analysis
- [Household-level data on ALICE in Tennessee](#), including interactive maps, ALICE Household Survival Budgets, County Reports, demographics, and more
- The [ALICE Legislative District Tool](#), to see data by district, including state upper and lower chambers and congressional districts
- The [ALICE Wage Tool](#), to explore wage levels by geography and occupation
- The [ALICE Economic Viability Dashboard](#), which includes data on housing, work, and community supports for households below the ALICE Threshold
- The [ALICE Budget and Income Status Tool](#), where users can enter household details (income, household composition, and location) to see customized household costs and ALICE income status

Explore Promising Practices:

- See examples of programs, policies, and policy changes implemented by ALICE partners to support ALICE households in our interactive [ALICE in Action](#) database
- Visit the [Action Planner](#), which includes strategies related to housing, work, and community resources paired with key data on households below the ALICE Threshold

Connect with stakeholders:

- [Contact your local United Way](#) for support and volunteer opportunities
- See members of the [National ALICE Advisory Committee on Children](#)

United For ALICE is a driver of innovative research and action around financial hardship. The ALICE data and analysis are shared with United Ways, corporations, foundations, government, and nonprofits, to inform policy and promote positive change.

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

The **ALICE in Focus Series** utilizes ALICE measures – the Household Survival Budget and the ALICE Threshold – to analyze the U.S. Census Bureau’s American Community Survey (ACS) Public Use Microdata Sample (PUMS). Each “Focus” in the series highlights a different demographic group. For more details about the methodology for the ALICE in Focus Series, go to [UnitedForALICE.org/Methodology](#).

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