State policies that promote the economic security of our nation’s families can help offset larger economic and social conditions that make it difficult for families to get by and get ahead. This four-part profile provides data on Tennessee’s low-income children and families and highlights state policy choices regarding families’ work attachment and advancement, income adequacy, and asset development.

In Tennessee, there are 783,970 families, with 1,450,809 children. Among these children, 48 percent live in families that are low-income, defined as income below twice the federal poverty level (nationally, 45 percent of children live in low-income families). Young children are particularly likely to live in low-income families.

Low wages and a lack of higher education contribute to families having insufficient incomes. Nationally, 48 percent of low-income children have at least one parent who works full-time, year-round; in Tennessee, the figure is 46 percent.

Parents without a college education often struggle to earn enough to support a family, but only 22 percent of adults in Tennessee have a bachelor’s degree. A substantial portion of children in Tennessee whose parents only have a high school diploma--69 percent--are low income.

Children of foreign-born parents are also more likely to be low income than children of native-born parents.
State Choices to Promote Child Care Affordability and Access

Child Care and Development Fund (CCDF) Subsidies

- Earnings limit for a single-parent family of 3: $29,016/year
- Co-payment as percent of income for family of 3 at 150% FPL, 1 child in care: 8%
- Providers prohibited from charging additional fees: No
- Provider payment rates at least 75th percentile of market rate: No

State Child and Dependent Care Tax Credit

- Refundable credit available: No state credit
- Benefit structure: No state credit
- Max benefit for family with 2 qualifying children: No state credit

State Choices to Promote Access to Health Insurance

Public Health Insurance for Parents

- Applicant earnings limit for single parent with 2 children: $23,628/year
- Parents eligible up to same limit as children, single parent with 2 children: No
- Legal immigrants eligible for state-funded benefits when barred from federal: No
- Legal immigrants otherwise barred from benefits eligible for prenatal care: No

Public Health Insurance for Children

- Medicaid income eligibility limit as % of FPL for children ages 1-5 in family of 3: 133%
- Medicaid income eligibility limit as % of FPL for children ages 6-19 in family of 3: 100%
- SCHIP (separate program) income eligibility as % of FPL for children in family of 3: 250%
INCOME ADEQUACY

State Choices to Promote Access to Benefits for the Under- and Unemployed

Unemployment Insurance

- State counts most recent earnings when determining eligibility. No
- Eligible if seeking part-time work. No
- State has general provision recognizing "good cause" for quitting work. No

Temporary Assistance for Needy Families (TANF) Cash Assistance

- Earnings limit for a single-parent family of 3. $13,092/year

Official unemployment rate, 2007

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<th>U.S.</th>
<th>Tennessee</th>
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<tr>
<td>Rate</td>
<td>4.6%</td>
<td>4.7%</td>
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Part-time workers who want full-time work, 2003

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<tr>
<td>Rate</td>
<td>13%</td>
<td>12%</td>
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State Choices to Increase and Supplement Wages

Minimum Wage Standards

- Indexed to inflation. Not applicable

State Earned Income Tax Credit

- Refundable credit available. No state credit
- Percent of federal EITC. No state credit

State Choices to Reduce Tax Burdens

Income Tax Liability

- Income tax threshold for single-parent family of 3. No state income tax
- Income tax threshold for two-parent family of 4. No state income tax
- Income tax burden for single-parent family of 3 at 100% FPL. No state income tax

Income tax burden for two-parent family of 4 at 100% FPL. No state income tax
Median annual household income for family of four, 2006:

- **U.S.**: $70,354
- **Tennessee**: $60,143

Workers covered by a union, 1987 and 2007:

- **1987**
  - **U.S.**: 15%
  - **Tennessee**: 6%

- **2007**
  - **U.S.**: 19%
  - **Tennessee**: 13%
State Choices to Promote Access to Paid Leave

Family and Medical Leave

State provisions for paid leave

None

State Choices to Promote Adequate Benefits for the Under- and Unemployed

Unemployment Insurance

Minimum weekly benefit (no dependents)

$30/week

Additional dependent allowance provided

No

Weekly benefit amount is indexed to average weekly wage

No

Potential duration of benefits

13 - 26 weeks

Food Stamps

Legal immigrants eligible for state-funded benefits when barred from federal

No

Temporary Assistance for Needy Families (TANF) Cash Assistance

Annual maximum benefit for family of 3

$2,220/year

Treatment of child support income

State passes through and disregards some or all support for purposes of fill-the-gap budgeting.

Households facing hardships, 2006

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<tr>
<td>Households that are &quot;food insecure&quot;</td>
<td>13%</td>
<td>11%</td>
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<tr>
<td>Renting households that are &quot;housing insecure&quot;</td>
<td>48%</td>
<td>50%</td>
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**ASSET DEVELOPMENT AND PROTECTION**

### State Policy Choices to Promote Asset Development

**Individual Development Accounts**

State-supported IDA program in operation

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<td>Tennessee</td>
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### State Choices to Promote Asset Protection

**Public Health Insurance for Parents**

Assets disregarded for eligibility determination

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<td>Tennessee</td>
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**Public Health Insurance for Children**

Assets disregarded for Medicaid eligibility

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Assets disregarded for SCHIP (separate program) eligibility

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**Food Stamps**

Treatment of vehicles in asset test

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**Temporary Assistance for Needy Families (TANF) Cash Assistance**

Assets disregarded for eligibility determination

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DATA NOTES AND SOURCES

Data were compiled from 50-state sources. Some state policy decisions may have changed since these data were collected.

1. National data were calculated from the 2011 American Community Survey, representing information from 2011. State data were calculated from the 2009-2011 American Community Survey, representing information from the years 2009 to 2011.


3. If the state calculates co-payments based on the cost of care, figure reflects the co-payment for a 4-year-old in licensed, nonaccredited center care at the maximum state payment rate.


5. States were asked to report state reimbursement rates and the 75th percentile of market rates for their state’s most populous city, county, or region. Data reflect basic provider payment rates (higher rates may be available for particular types of care). Rates are considered below the 75th percentile if they are based on an out-dated market rate survey (more than 2 years old).


7. Tennessee was not enrolling eligible parents at any time between July 2007 and January 2009.

8. Figures reflect percent of children (under age 18) and the percent of adults under 65 who were covered by employer-based health insurance during at least part of the year.

9. Figures reflect percent of children (under age 18) and the percent of adults under 65 who were covered by employer-based health insurance during at least part of the year.

10. Figures reflect the percent of children (under age 18) and adults (ages 18-64) who did not have health insurance coverage at any point during the year.

11. States have the option of using federal SCHIP funds to provide prenatal care to immigrant women regardless of immigration status. They can also extend prenatal care to immigrant women using state funds.

12. Tennessee also has a Medicaid waiver program, but enrollment is closed to all new applicants.

13. Limit includes SCHIP-funded Medicaid expansions, where applicable.


15. Figures reflect the percent of children (under age 18) and adults (ages 18-64) who did not have health insurance coverage at any point during the year.

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18. In most states, the base period consists of the first 4 of the 5 most recently completed quarters. Some states allow claimants to use an alternative base period that includes more recent earnings.


20. A general “good cause” provision extends eligibility to persons who leave their jobs for “personal emergencies” or “compelling circumstances”, which should include—among others—child care conflicts, illness, domestic violence, and spousal relocation. Eligibility determinations, however, may vary in practice. States may also specifically recognize certain reasons as “good cause”;


22. Figures reflect the percent of children under age 18 and the percent of adults under 65 who were covered by employer-based health insurance during at least part of the year.

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for more information see Appendix B in Rebecca Smith, Rick McHugh, Andrew Stettner, and Nancy Segal, Between a Rock and a Hard Place: Confronting the Failure of State Unemployment Insurance Systems to Serve Women and Working Families, National Employment Law Project, 2003.

Rebecca Smith, Rick McHugh, Andrew Stettner, and Nancy Segal, Between a Rock and a Hard Place: Confronting the Failure of State Unemployment Insurance Systems to Serve Women and Working Families, National Employment Law Project, July 2003.


22. Figure reflects the percent of people age 16 and above who do not have a job but are available for and actively seeking work.

23. Figure reflects the percent of part-time workers who are available to work full-time, but usually work less than 35 hours per week due to slack work or unfavorable business conditions, inability to find full-time work, or seasonal declines in demand.

41. Figure reflects the percent of households who are homeowners.