CPPP CENTER for PUBLIC POLICY PRIORITIES

# Key Facts
# About Poverty and Income in Texas

U.S. Census American Community Survey (ACS)
2014 Data

# Why care about poverty?

Research shows living in poverty is connected to negative outcomes, both for individuals and society

- **Poverty is connected to people experiencing worse health outcomes.**
  - Mothers living in poverty are more likely to have low-birth weight babies, increasing babies' chances of developmental delays and disabilities.[1]
  - According to parent reports, children living in poverty have worse health than children not living in poverty.[2]
  - People living in poverty experience higher rates of chronic illness such as asthma, diabetes and heart disease.[3]

- **Poverty is connected to greater challenges in education.[4]**
  - Children living in poverty are less likely to complete high school, attend college and complete college.
  - Children living in poverty tend to perform less well on standardized tests.

- **Children who are born into poverty are more likely to live in poverty and less likely to have consistent employment as adults.[5]**

# 2014 Poverty Thresholds

The U.S. Census Bureau uses the federal poverty thresholds to estimate the number of poor people in the United States. People in families with incomes below these thresholds are considered to be “living below the poverty line.”

| Size of Family | Poverty Thresholds (total annual income) |
|---|---|
| One person (under 65) | **$12,316** |
| Family of Two (one adult, one child) | **$16,317** |
| Family of Three (one adult, two children) | **$19,073** |
| Family of Four (two adults, two children) | **$24,008** |

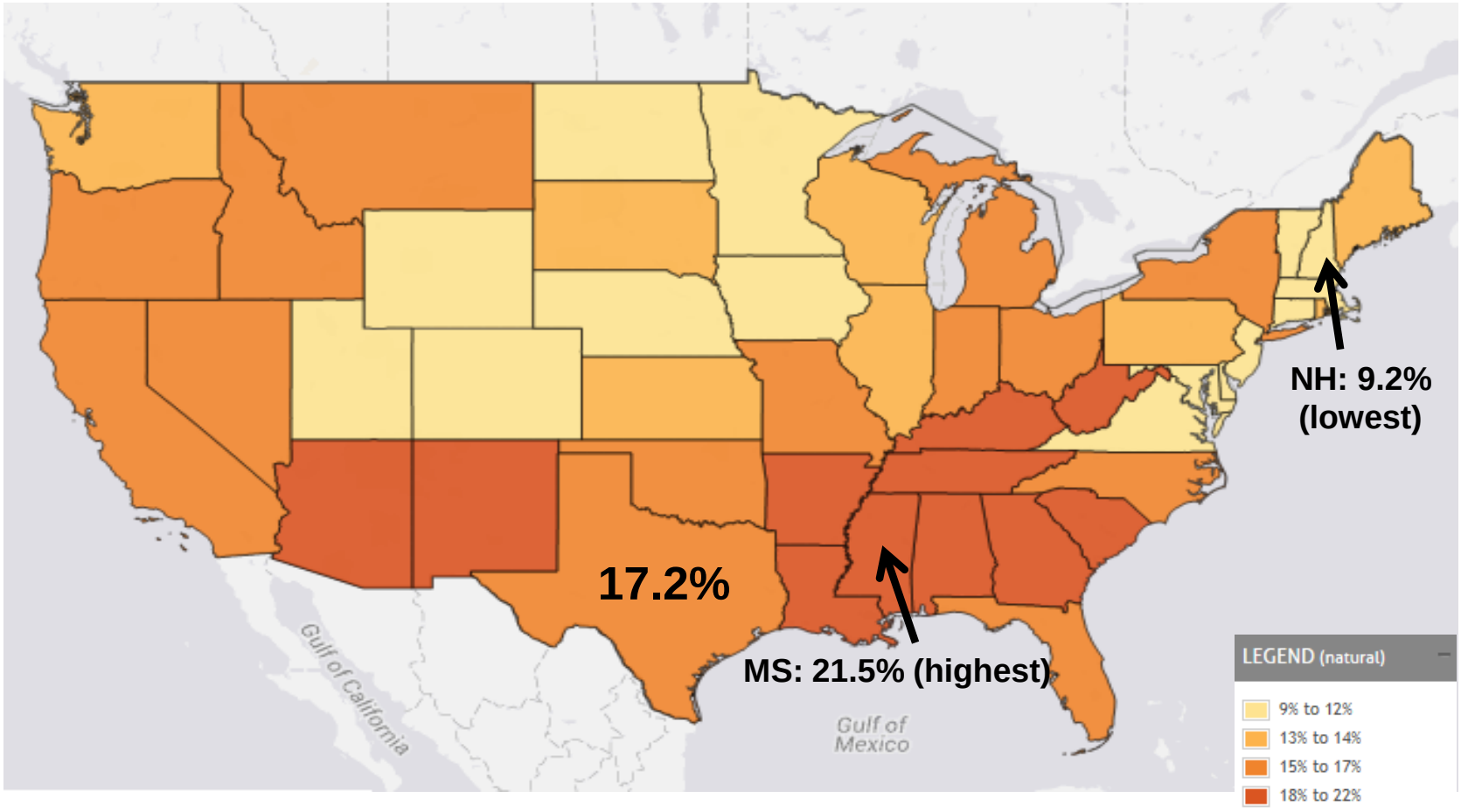
Slightly different from the thresholds, the Poverty Guidelines are used to determine eligibility for various government programs and services. To learn more, visit http://aspe.hhs.gov/poverty/index.cfm.



U.S Census Bureau. Poverty Thresholds. http://www.census.gov/hhes/www/poverty/data/threshld/index.html

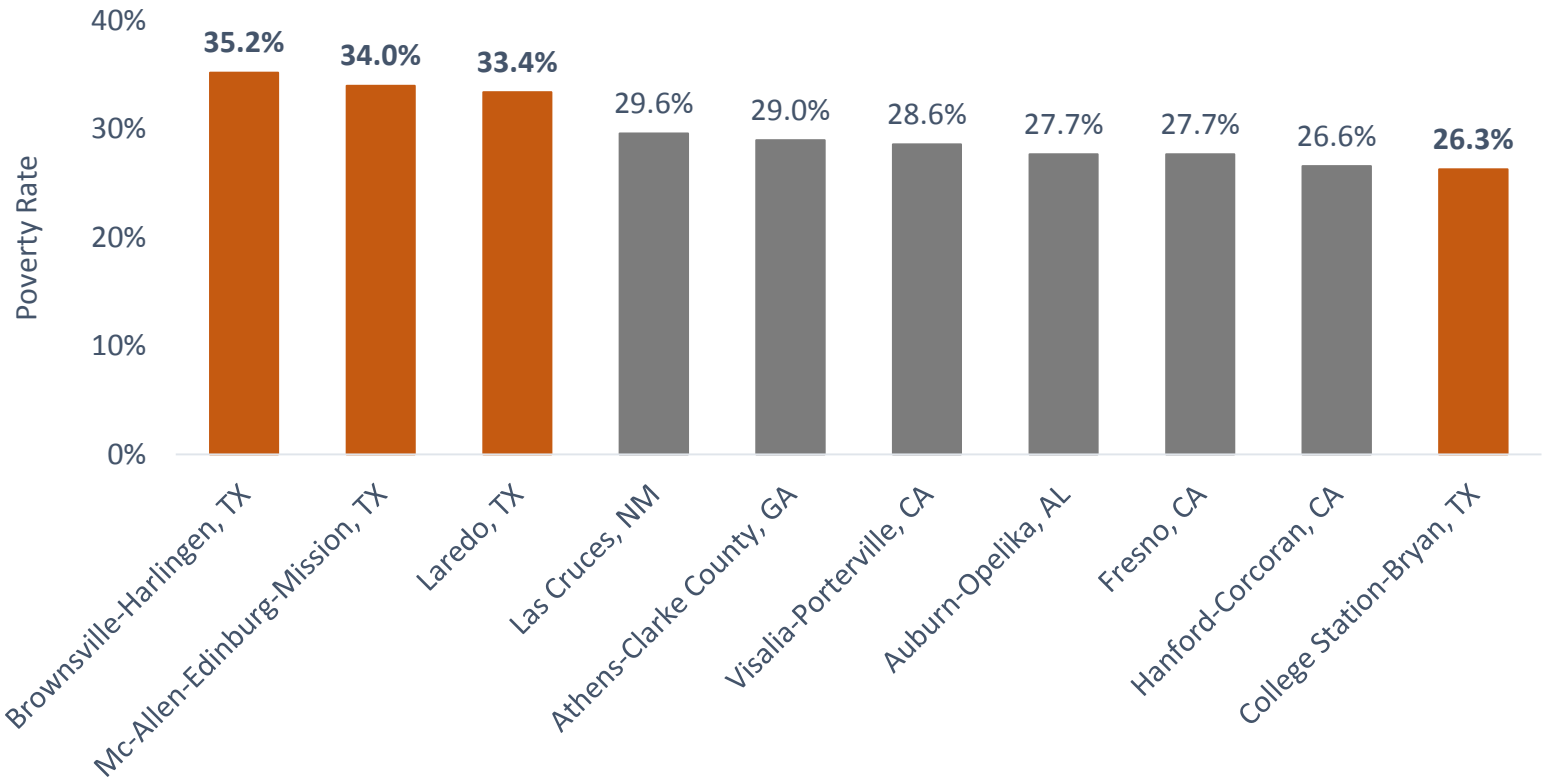
# Texas' Total Poverty Rate Ranks 38th in the U.S.

US poverty: 15.5%




ACS Table R1701, 1-Year Estimates (2014), KIDS COUNT Data Center.

# Rio Grande Valley Home to Three Poorest Metro Areas in the U.S.

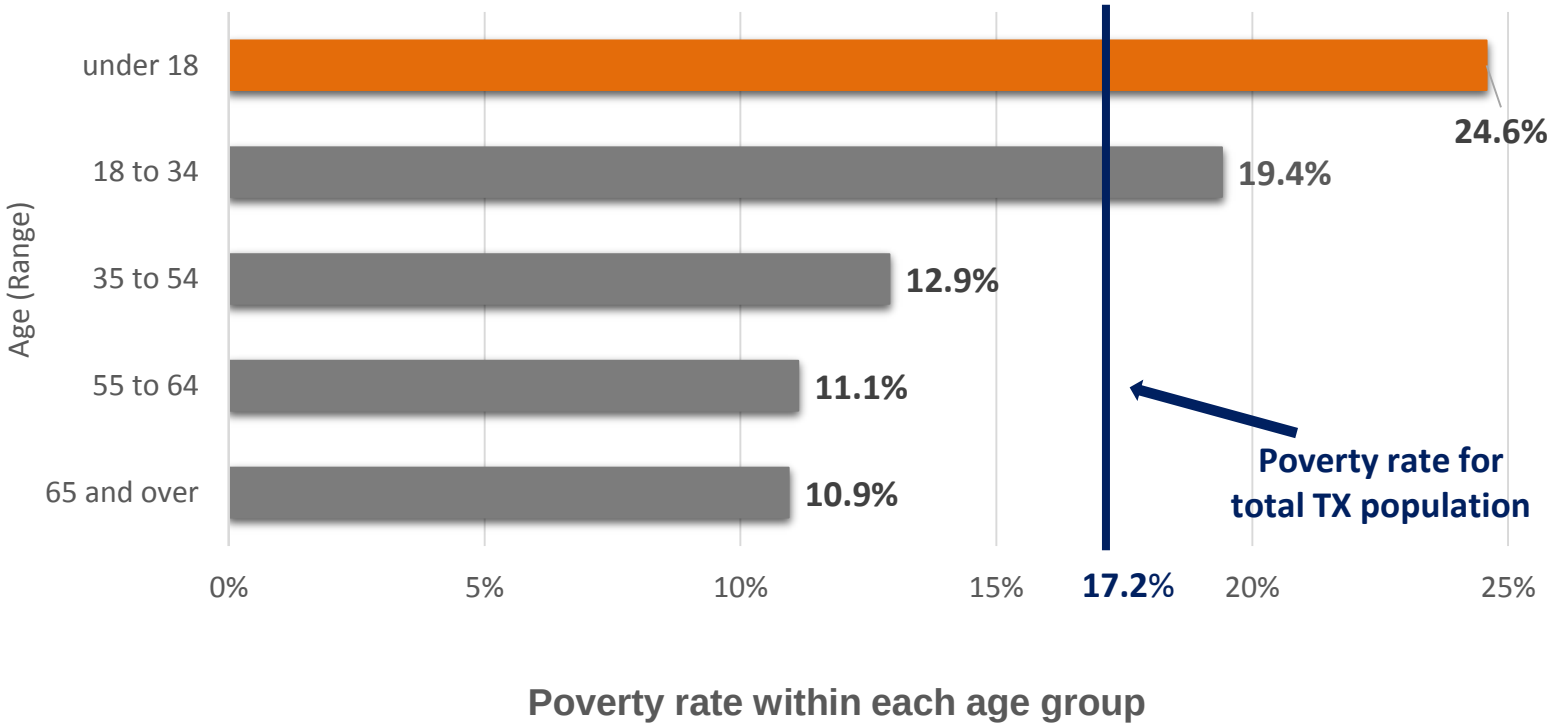





ACS Table GCT1701 (Metropolitan and Micropolitan Statistical Area), 1-Year Estimates (2014).

# Texas Children Hardest Hit by Poverty

In Texas, children have the highest poverty rate. The poverty rate of Texas children is **7.4 percentage points higher** than the poverty rate of the total Texas population.

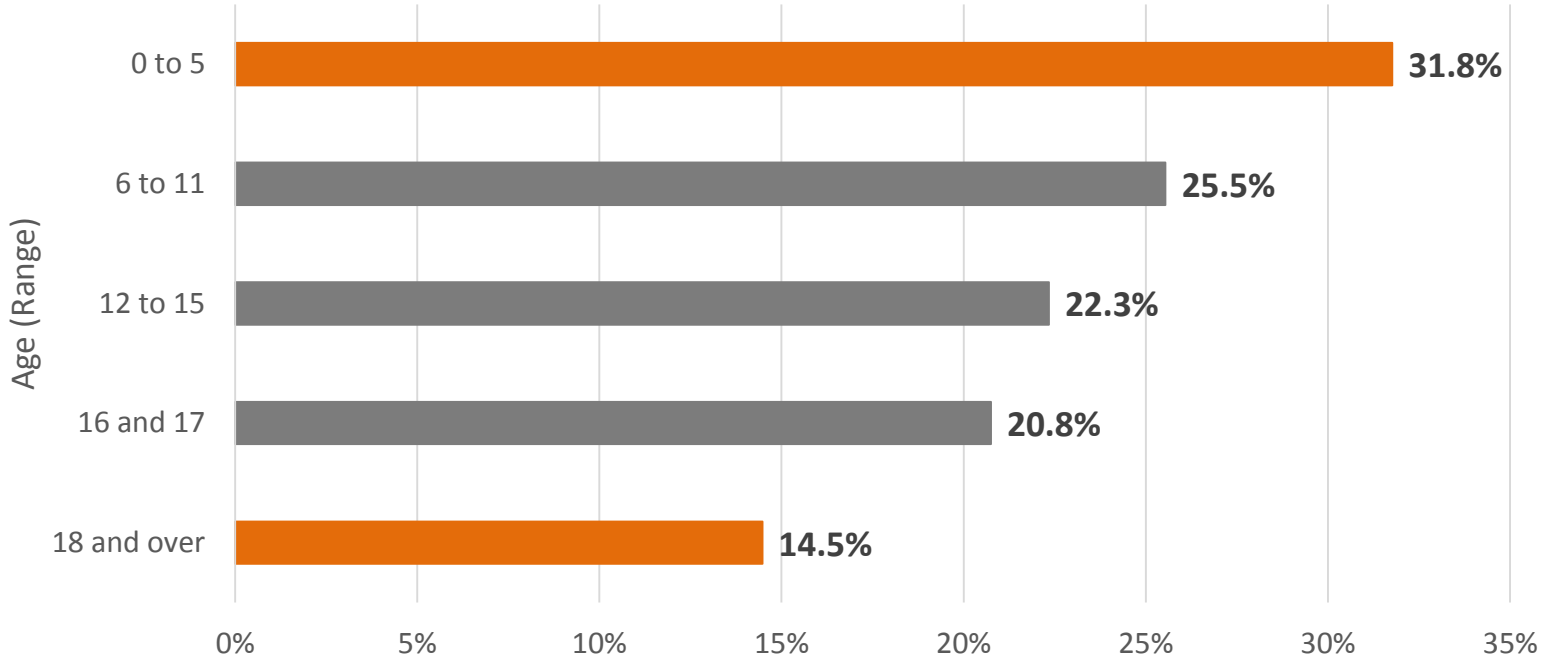





ACS Table B17001, 1-Year Estimates (2014).

# Texas Children Under 5 More Than Twice as Likely to Live in Poverty

In Texas, the poverty rate of children under 5 is **over twice** that of adults (18 and over)



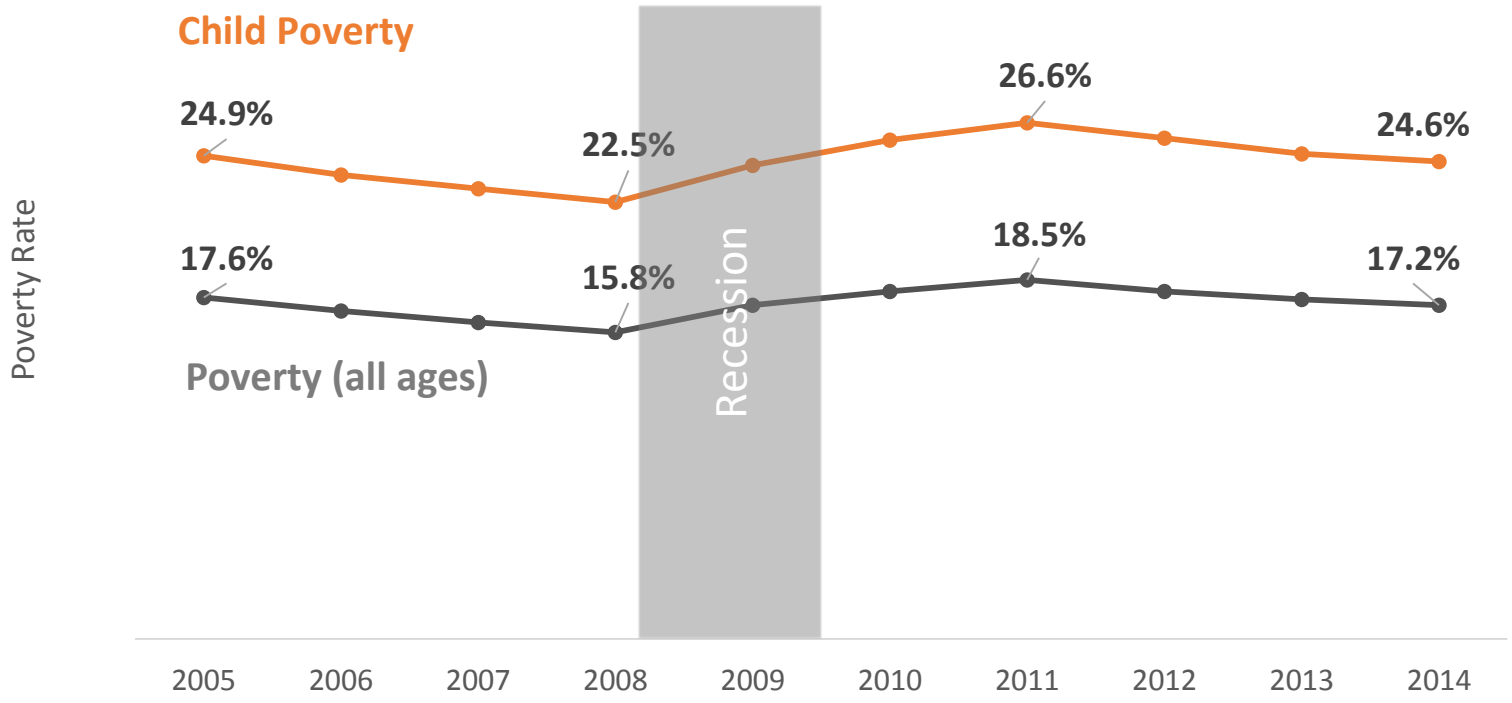

**Poverty rate within each age group from ages 0-17**



ACS Table B17001, 1-Year Estimates (2014).

# Texas Children Face Elevated Poverty Rates

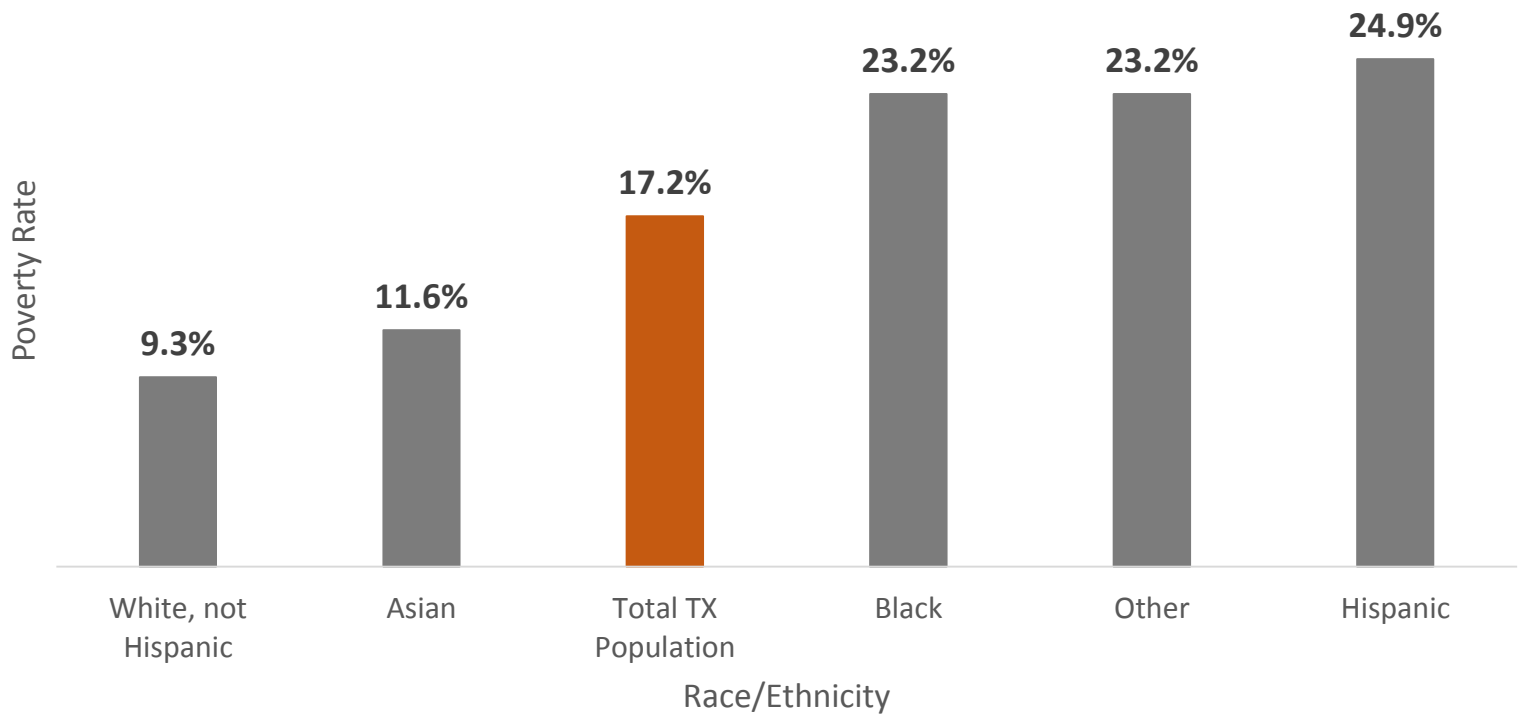
Texas child poverty rates consistently higher than total population poverty rates. Both rates increased after initial recession impact in 2008.






ACS Tables R1701 and R1704, 1-Year Estimates 2005-2014.

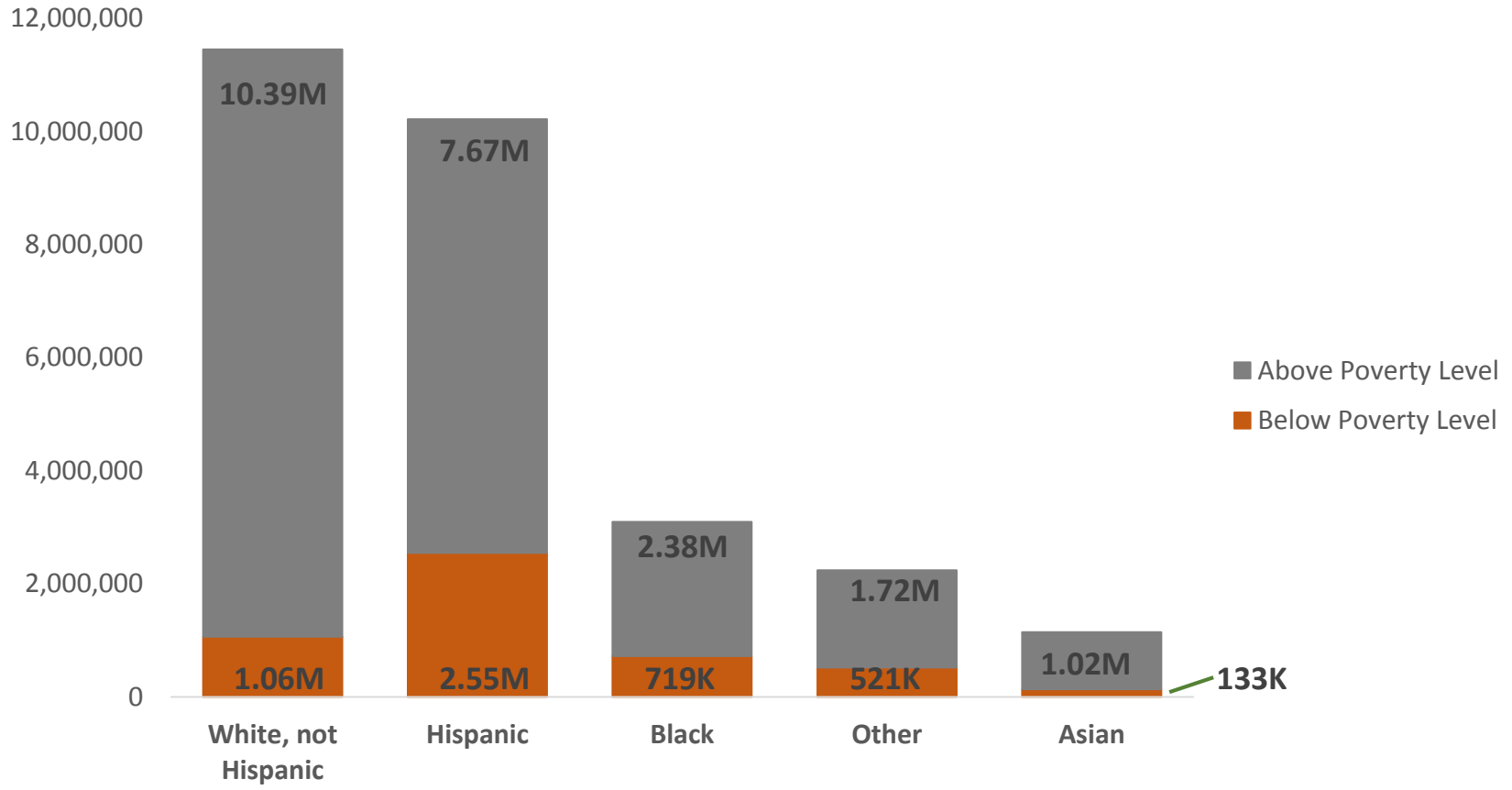
# Differences Persist in Texas in Poverty Rates among Racial and Ethnic Groups






ACS Table S1701, 1-Year Estimates (2014).

# More than 1 million White Texans, 2.5 million Hispanic Texans, live in poverty



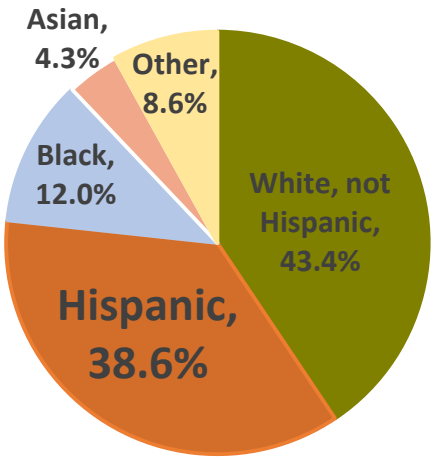



ACS Table S1701, 1-Year Estimates (2014).

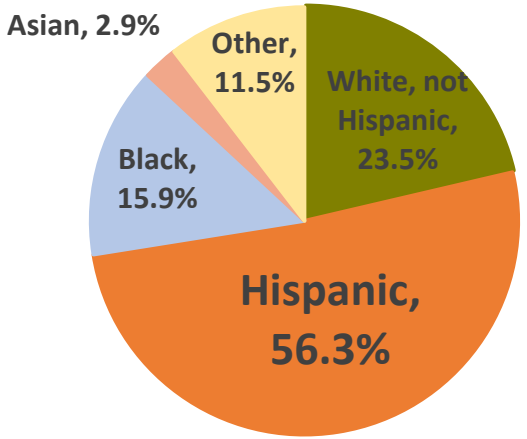
# Hispanics are Over-Represented in Texas Poverty Population

Hispanics represent 39% of all Texans, but 56% of poor Texans

Total Texas Population
by Race/Ethnicity




Texas Poverty Population
by Race/Ethnicity

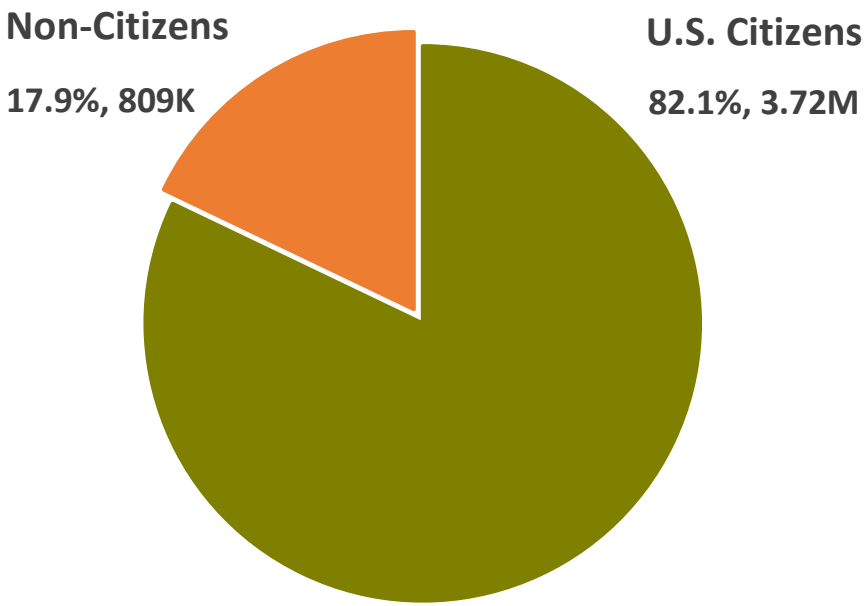





ACS Table S0601 and S1701, 1-Year Estimates (2014).

# Most Texans Living in Poverty are U.S. Citizens

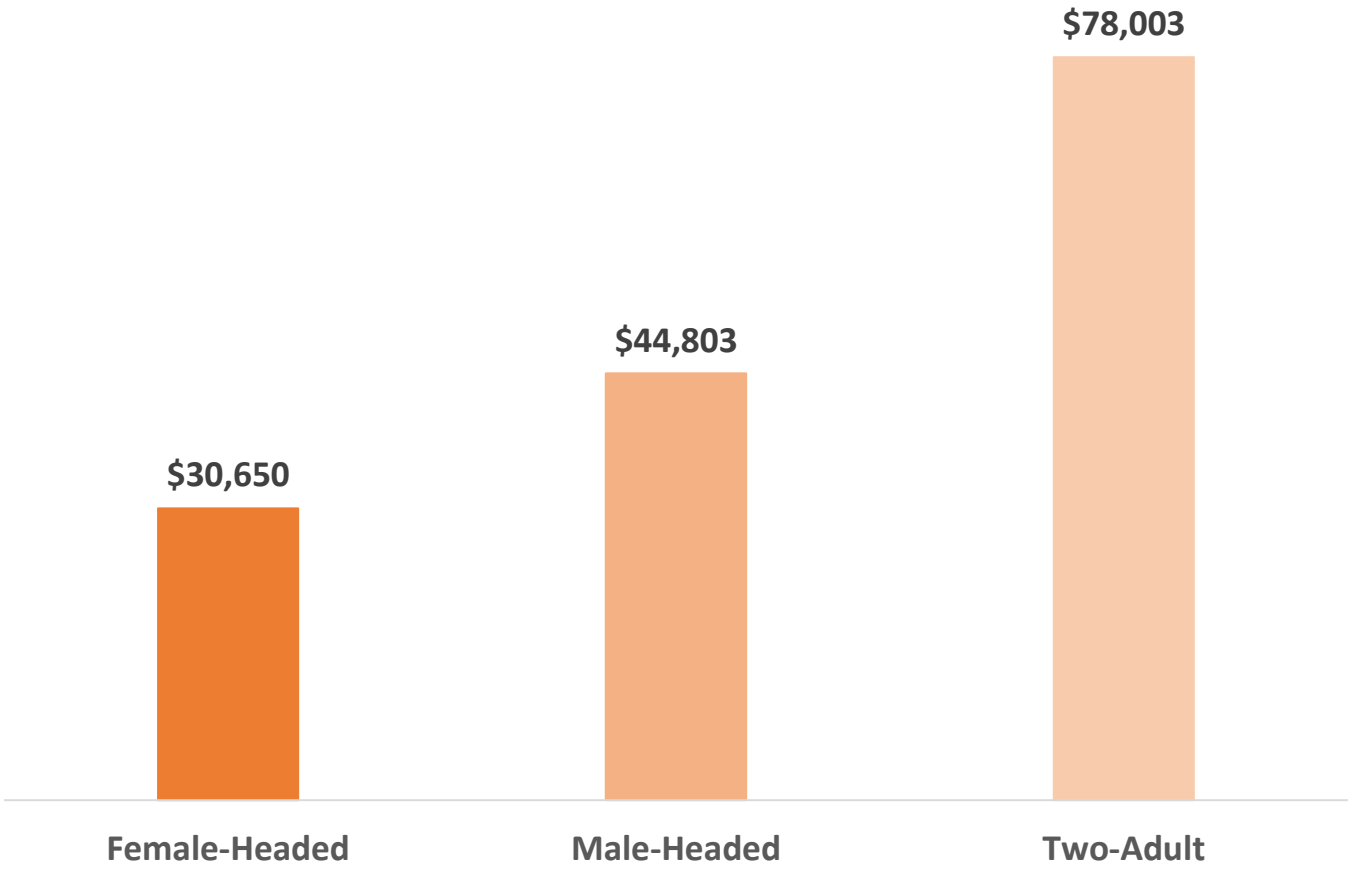
Citizenship status within Texas poverty population






ACS Table C17025, 1-Year Estimates (2014).

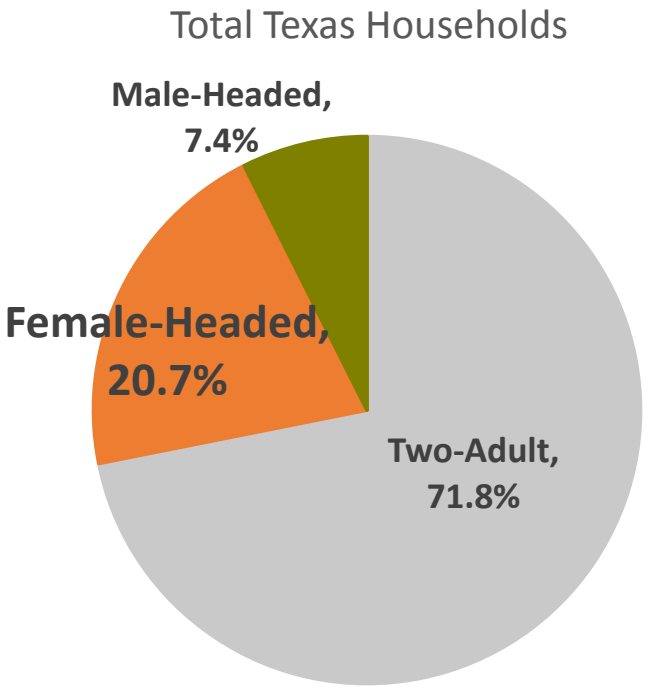
# Median Annual Household Income in Texas, by Household Type

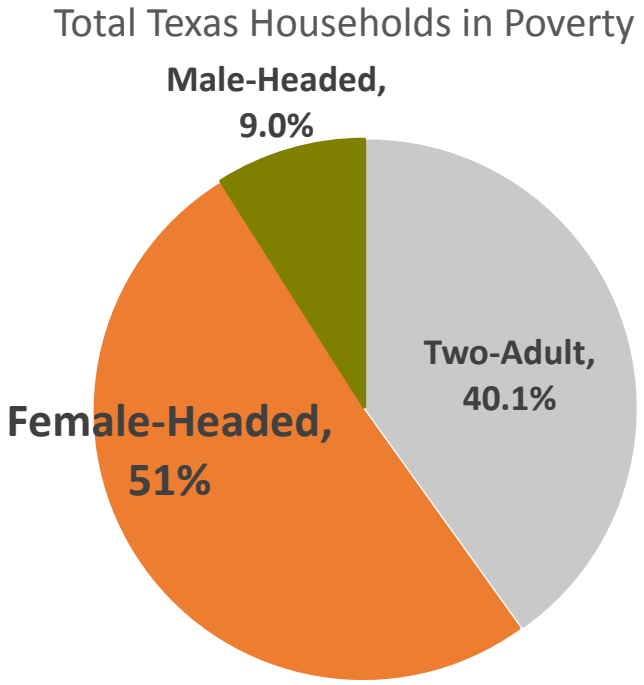





ACS Table B19126, 1-Year Estimates (2014).

# Female-Headed Households Over-Represented in Texas Poverty Population

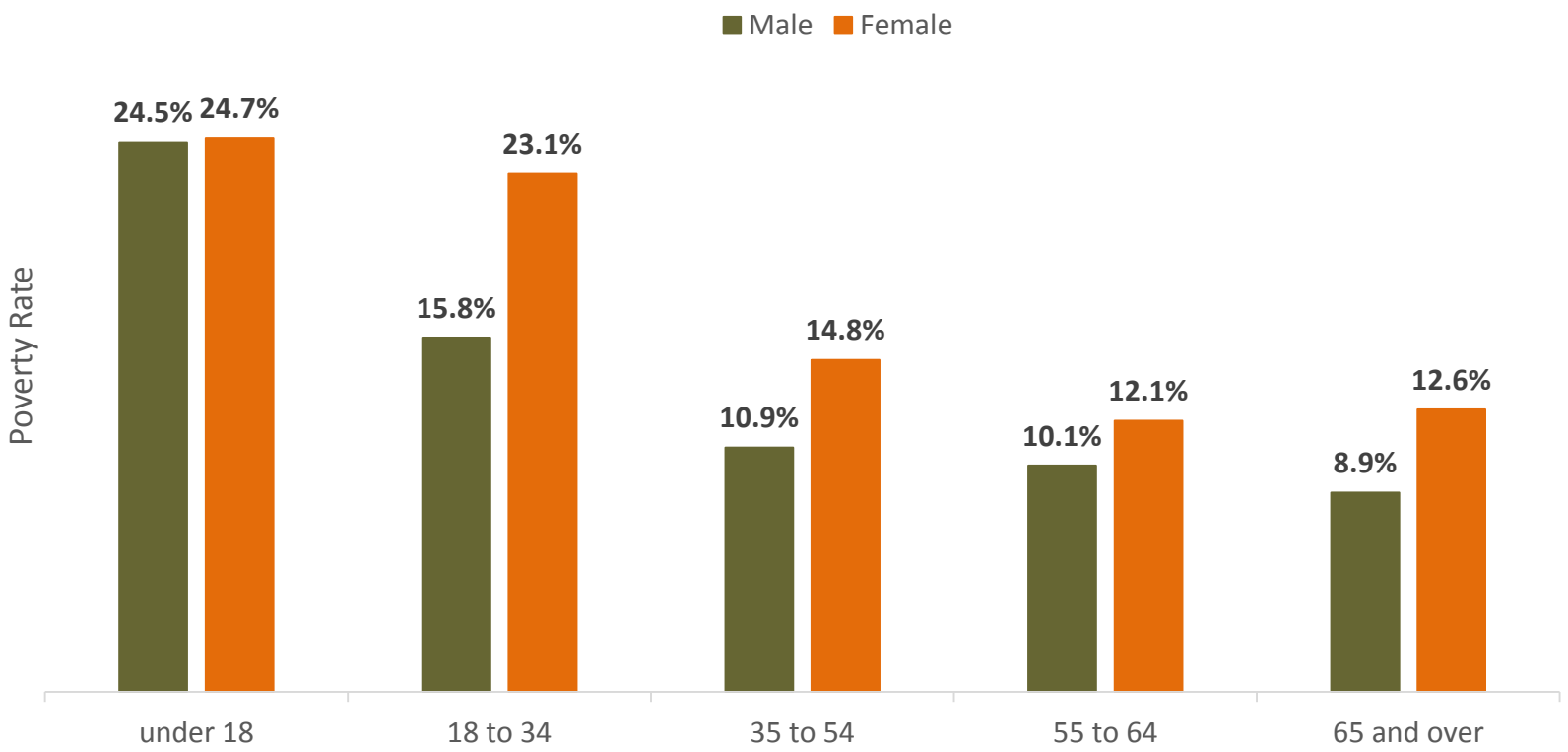





ACS Table B17023, 1-Year Estimates (2014).

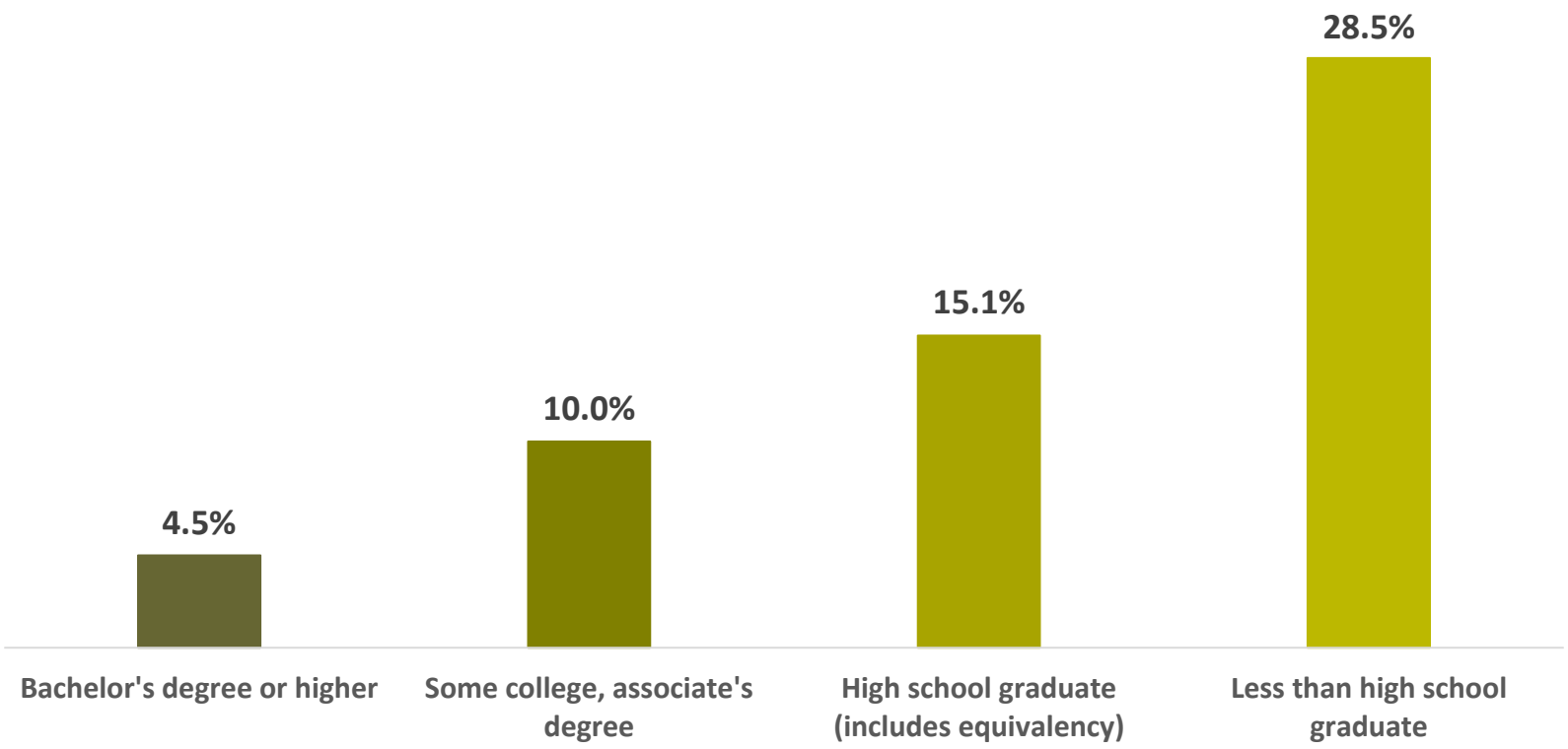
# Texas Women Have a Higher Poverty Rate Within Every Age Group






ACS Table B17001, 1-Year Estimates (2014).

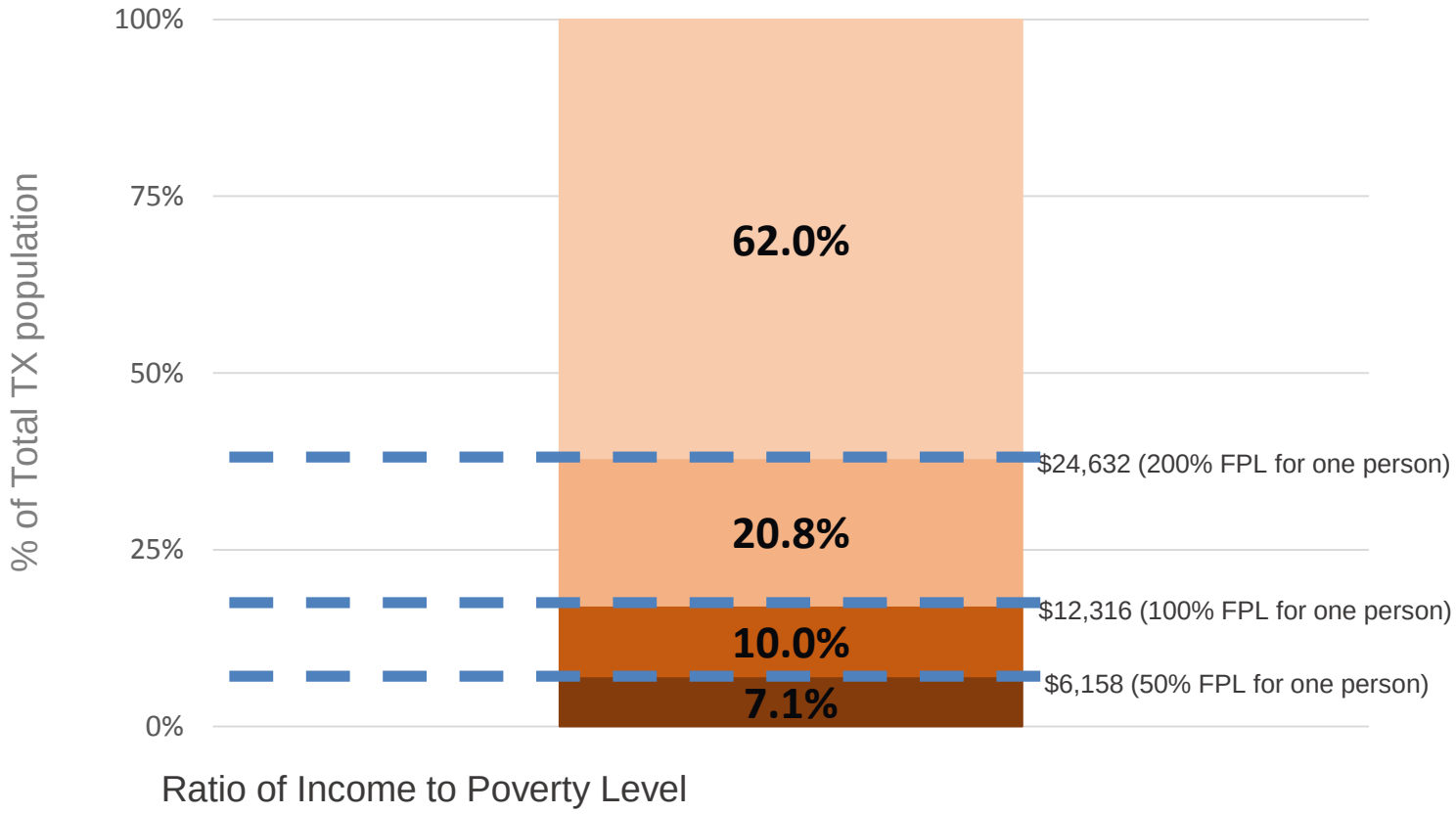
# In Texas, Poverty Strongly Linked to Level of Educational Attainment






ACS Table C17003, 1-Year Estimates (2014).

# **More than One-Third** of Texans Live Below 200% of the Federal Poverty Threshold

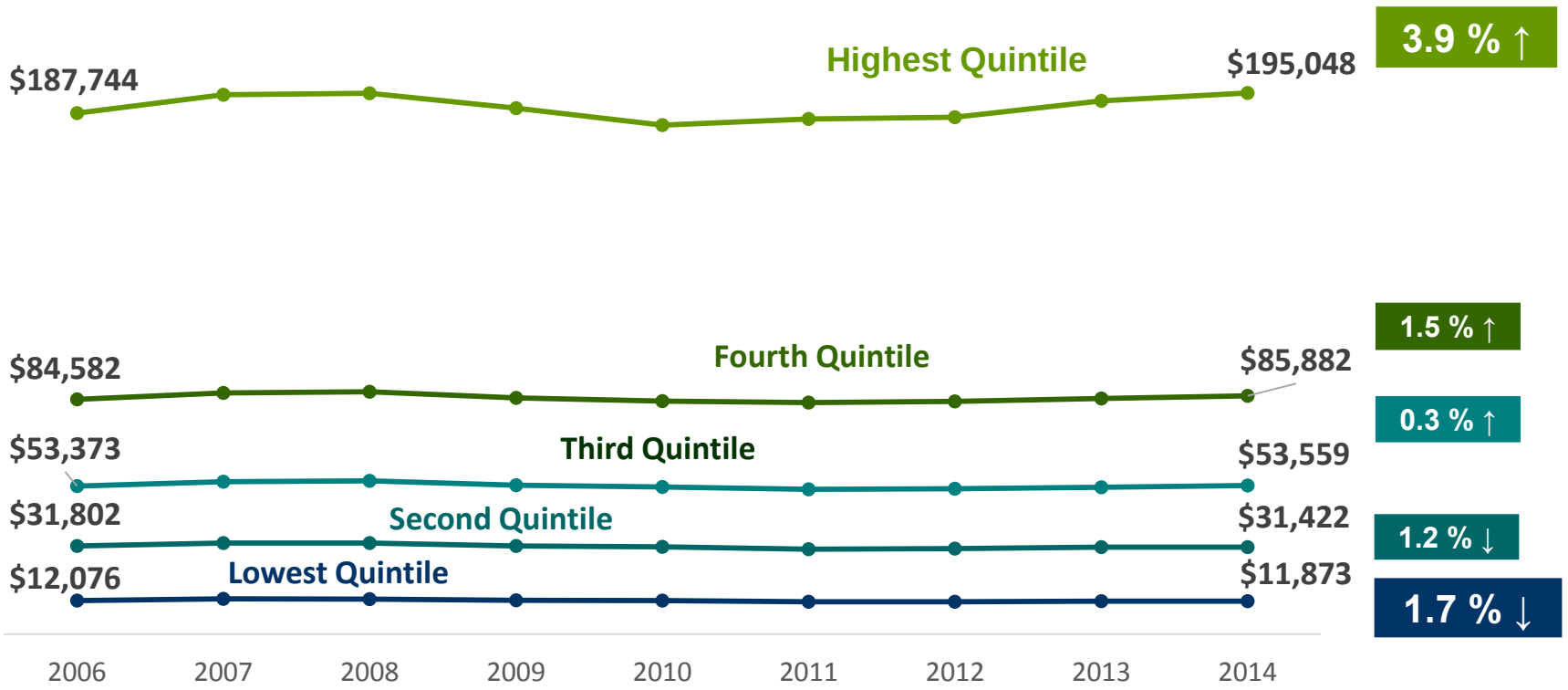





Note: 200% federal poverty line is $24,632 for one person; $32,634 for family of two; $38,146 for family of three.

ACS Table B17002, 1-Year Estimates (2014).

# From 2006-2014 Average Income Rose for only the Wealthiest Texas Households






ACS Table B19081, One-year estimates 2006-2014. Adjusted for inflation and expressed in 2014 dollars.

# Supplemental Poverty Measure (SPM)

The SPM provides a more correct poverty measure since it takes into account benefits that help people meet basic needs, such as:

SNAP benefits (food stamps), Social Security, refundable tax credits (Earned Income Tax Credit, Child Tax Credit), housing subsidies

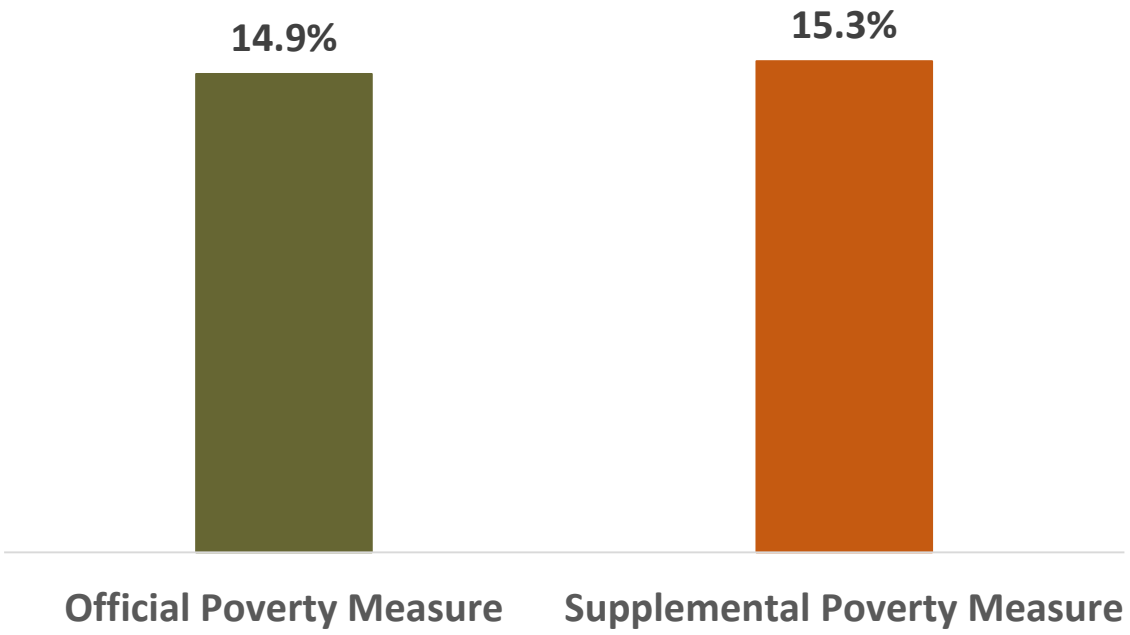
… and subtracts necessary expenses from income, such as…

Taxes, work expenses, medical out-of-pocket expenses, child care expenses, child support paid



Short, K. (2014). The Supplemental Poverty Measure: 2013. http://www.census.gov/hhes/povmeas/methodology/supplemental/overview.html

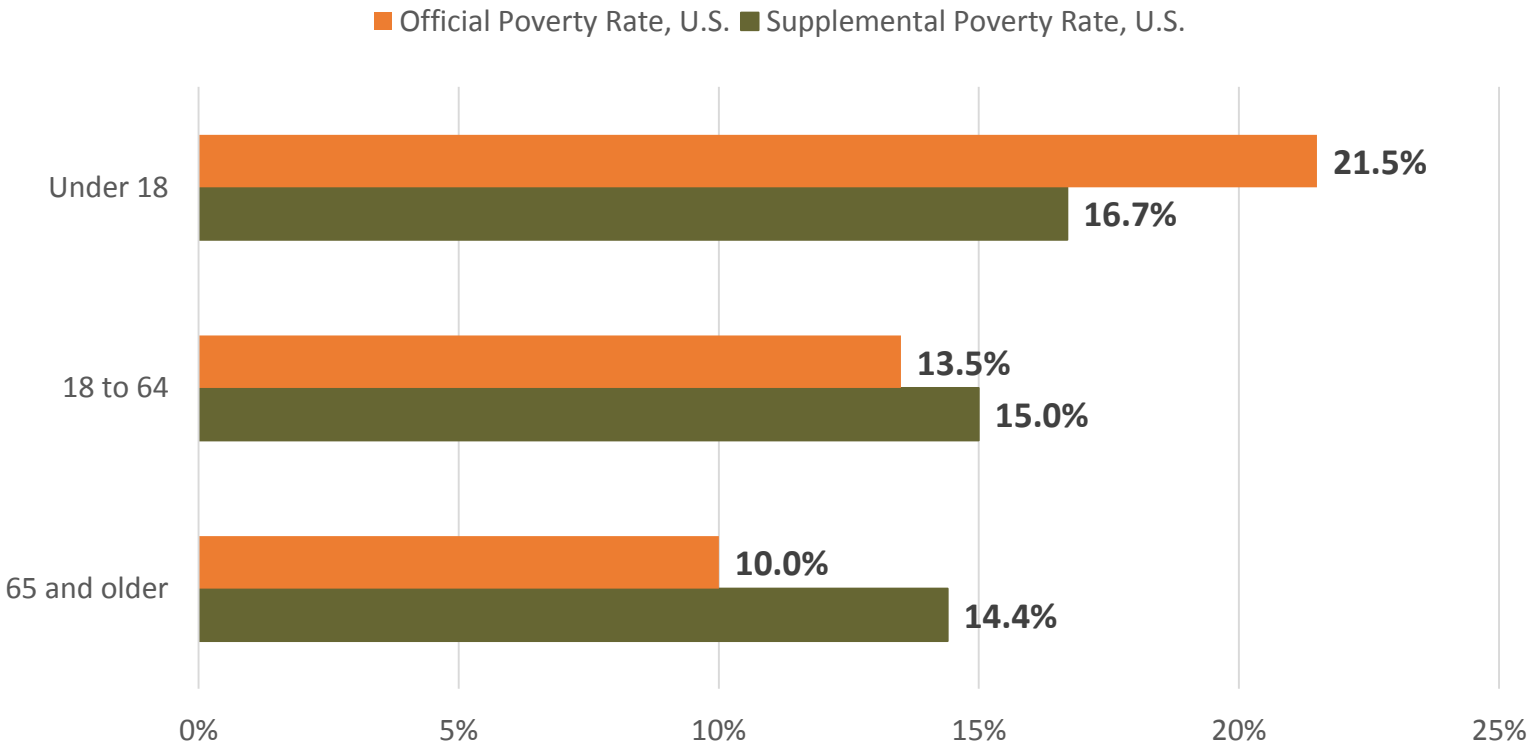
# The Overall U.S. Poverty Rate Rises Slightly When Factoring in Benefits and Expenses






Short, K. (2014). The Supplemental Poverty Measure: 2013. http://www.census.gov/hhes/povmeas/methodology/supplemental/overview.html

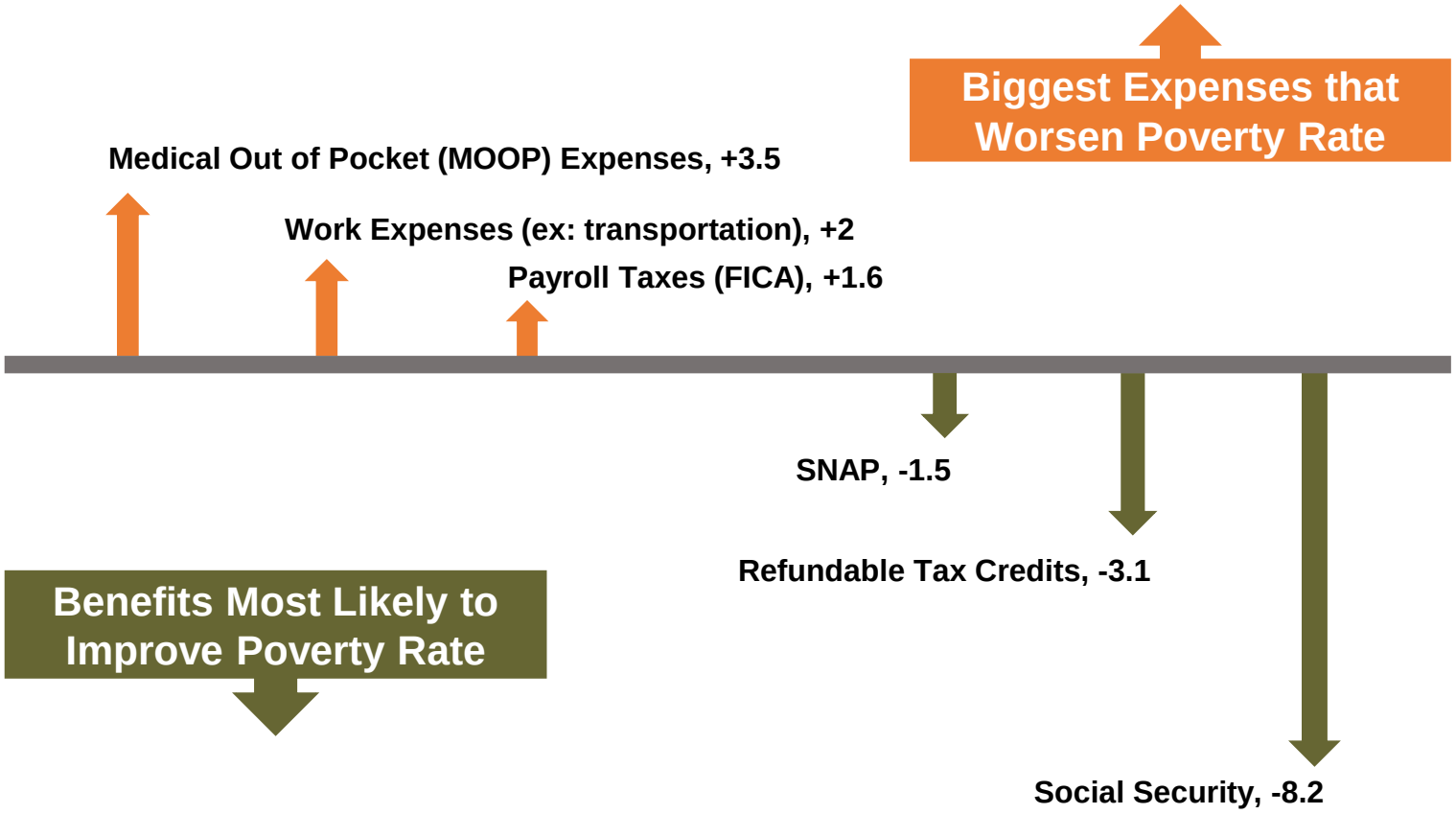
# Under the Supplemental Poverty Measure (SPM), national poverty rates **improve** for **children**, **worsen** for **adults and seniors**






Short, K. (2015). The Supplemental Poverty Measure: 2014. http://www.census.gov/hhes/povmeas/methodology/supplemental/overview.html

# Social Security has the strongest anti-poverty effect under the Supplemental Poverty Measure






Short, K. (2014). The Supplemental Poverty Measure: 2013. http://www.census.gov/hhes/povmeas/methodology/supplemental/overview.html

# End Notes


1. Strulley, K. W., Rehkopf, D. H, & Xuan, Z. (2010). Effects of prenatal poverty on infant health: State earned income tax credits and birth weight. *American Sociological Review, 75*(4), 534-562, Retrieved from http://www.irp.wisc.edu/newsevents/workshops/2011/participants/papers/15-Strully.pdf. For effects of low-birth weight on future health problems see Child Trends Databank (2014), Low and very low birth weight infants. Retrieved from http://www.childtrends.org/?indicators=low-and-very-low-birthweight-infants

2. U.S. Department of Health and Human Services, Health Resources and Services Administration, Maternal and Child Health Bureau. (2014). The health and well-being of children: A portrait of states and the nation, 2011-2012. Retrieved from http://mchb.hrsa.gov/nsch/2011-12/health/index.html

3. Currie. J., & Lin, W. (2007). Chipping away at health: More on the relationship between income and child health. *Health Affairs*, *26*(2), 331-44. Retrieved from http://www.princeton.edu/~jcurrie/publications/Currie_tables_galleys.pdf

4. Ladd, H. F. (2012). Education and Poverty: Confronting the Evidence, Presidential address to the Association for Public Policy Analysis and Management. *Journal of Policy Analysis and Management*, *31*(2), 203-227. Retrieved from http://fds.duke.edu/db/attachment/1979

5. Ratcliffe, C., & McKernan, S. (2010). Childhood poverty persistence: Facts and consequences. (Urban Institute's Brief Series, Perspectives on Low-income Working Families). Retrieved from http://www.urban.org/uploadedpdf/412126-child-poverty-persistence.pdf

6. **"Poverty thresholds** are used for calculating all official poverty population **statistics** — for instance, figures on the number of Americans in poverty each year. They are updated each year by the **Census Bureau**. Poverty thresholds since 1973 (and for selected earlier years) and weighted average poverty thresholds since 1959 are available on the Census Bureau's web site. For an example of how the Census Bureau applies the thresholds to a family's income to determine its poverty status, see "How the Census Bureau Measures Poverty" on the Census Bureau's web site. The **poverty guidelines** are a simplified version of the federal poverty thresholds used for **administrative** purposes — for instance, determining financial eligibility for certain federal programs. They are issued each year in the *Federal Register* by the **Department of Health and Human Services** (HHS)." **(http://aspe.hhs.gov/poverty/faq.cfm#thrifty)**

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**Center for Public Policy Priorities**
7020 Easy Wind Drive, Suite 200
Austin, TX 78752
**P** 512.320.0222 **F** 512.320.0227

CENTER *for* PUBLIC POLICY PRIORITIES

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**we believe** in a Texas that offers everyone

the chance to compete and **succeed** in life.

We envision a Texas where ***everyone*** is **healthy**,

***well-educated***, and financially **secure**.

We want **THE BEST TEXAS** – a proud state

that sets the bar nationally by expanding ***opportunity for all***.

CENTER *for* PUBLIC POLICY PRIORITIES

**CPPP is an independent public policy organization that uses data and analysis to advocate for solutions that enable Texans of all backgrounds to reach their full potential. We dare Texas to be the best state for hard-working people and their families.**

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- **Ensuring health and wellness**
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