Key Facts About Poverty and Income in Texas

U.S. Census American Community Survey 2013 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-birthweight 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
2013 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.”

<table>
<thead>
<tr>
<th>Size of Family</th>
<th>Poverty Thresholds (total annual income)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One person (Under 65)</td>
<td>$12,119</td>
</tr>
<tr>
<td>Family of Two (one adult, one child)</td>
<td>$16,057</td>
</tr>
<tr>
<td>Family of Three (one adult, two children)</td>
<td>$18,769</td>
</tr>
<tr>
<td>Family of Four (two adults, two children)</td>
<td>$23,624</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau.

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](http://aspe.hhs.gov/poverty/index.cfm).

Texas’ total poverty rate ranks 38th in U.S.
US poverty = 16%

ACS Table B17001, 1-Year Estimates (2013), KIDS COUNT Data Center
The Three Poorest Metropolitan Areas in the U.S. Are in Texas

Poverty Rate

- McAllen-Edinburg-Mission, TX: 34.3%
- Brownsville-Harlingen, TX: 32.5%
- Laredo, TX: 31.1%
- Visalia-Porterville, CA: 30.1%
- Fresno, CA: 28.8%
- Athens-Clarke County, GA: 28.6%
- College Station-Bryan, TX: 28.4%
- Las Cruces, NM: 27.8%
- Valdosta, GA: 26.9%
- Gainesville, FL: 26.8%

ACS Table GCT1701 (Metropolitan and Micropolitan Statistical Area), 1-Year Estimates (2013).
In Texas, Children Have the Highest Poverty Rate

The poverty rate of Texas children is **7.5 percentage points higher** than the poverty rate of the total Texas population.

<table>
<thead>
<tr>
<th>Age (Range)</th>
<th>Poverty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>under 18</td>
<td>25.0%</td>
</tr>
<tr>
<td>18 to 34</td>
<td>19.9%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>13.1%</td>
</tr>
<tr>
<td>55 to 64</td>
<td>11.4%</td>
</tr>
<tr>
<td>65 and over</td>
<td>11.0%</td>
</tr>
</tbody>
</table>
In Texas, the Poverty Rate of Children Under 5 is **Almost Double** That of Adults 18

- **0 to 5**: 27.3%
- **6 to 11**: 25.5%
- **12 to 15**: 22.7%
- **16 and 17**: 21.6%
- **18 and over**: 14.8%

Poverty rate within each age group from ages 0-17

ACS Table B17001, 1-Year Estimates (2013).
Texas Child Poverty Rates Consistently Higher than Total Population Poverty Rates

Both rates increased after initial recession impact in 2008

Poverty Rate

Child Poverty

- 2005: 24.9%
- 2006: 22.5%
- 2007: 15.8%
- 2008: 17.6%
- 2009: 18.5%
- 2010: 26.6%
- 2011: 25.0%
- 2012: 22.5%
- 2013: 25.0%

Poverty (all ages)

- 2005: 17.6%
- 2006: 15.8%
- 2007: 15.8%
- 2008: 18.5%
- 2009: 18.5%
- 2010: 18.5%
- 2011: 17.5%
- 2012: 17.5%
- 2013: 17.5%
Texas Women Have a Higher Poverty Rate Within Every Age Group

<table>
<thead>
<tr>
<th>Age (Range)</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>under 18</td>
<td>24.6%</td>
<td>25.5%</td>
</tr>
<tr>
<td>18 to 34</td>
<td>16.5%</td>
<td>23.4%</td>
</tr>
<tr>
<td>35 to 54</td>
<td>10.9%</td>
<td>15.2%</td>
</tr>
<tr>
<td>55 to 64</td>
<td>10.4%</td>
<td>12.3%</td>
</tr>
<tr>
<td>65 and over</td>
<td>9.1%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

ACS Table B17001, 1-Year Estimates (2013).
Texas Poverty Rates Strongly Linked to Race/Ethnicity

Poverty Rate

White, not Hispanic: 9.4%
Asian: 10.8%
Total TX Population: 17.5%
Black: 24.5%
Other: 25.0%
Hispanic: 25.5%

ACS Table S1701, 1-Year Estimates (2013).
Hispanics are Over-Represented in TX Poverty Population

Total TX Population by Race/Ethnicity  VS.  TX Poverty Population by Race/Ethnicity

- White, not Hispanic: 44.0%
- Hispanic: 38.5%
- Asian: 4.2%
- Black: 11.6%
- Other: 6.6%

- White, not Hispanic: 23.6%
- Hispanic: 56.1%
- Asian: 2.6%
- Black: 16.3%
- Other: 9.4%

ACS Table S1701, 1-Year Estimates (2013).
Number of Texans in Poverty by Race/Ethnicity

- White, not Hispanic: 10.3M
- Hispanic: 7.4M
- Black: 2.3M
- Other: 1.3M
- Asian: 960K

ACS Table S1701, 1-Year Estimates (2013).
Most Texans Living in Poverty are U.S. Citizens

Citizenship status within TX poverty population

- **Non-Citizens**: 17.4% (786K)
- **U.S. Citizens**: 82.6% (3.7M)

ACS Table C17025, 1-Year Estimates (2013).
Average Annual Household Income in TX, by Household Type

- Female-Headed: $30,286
- Male-Headed: $43,960
- Two-Parent: $75,978

ACS Table B17023, 1-Year Estimates (2013).
Female-Headed Households Over-Represented in TX Poverty Population

**Total** Texas Households **VS.** Total Texas Households **in Poverty**

- **Two-Parent** 72%
- **Male-Headed** 21%
- **Female-Headed** 7%

- **Two-Parent** 41%
- **Male-Headed** 9%
- **Female-Headed** 50%

ACS Table B17023, 1-Year Estimates (2013).
In Texas, Poverty Strongly Linked to Level of Educational Attainment

% in Poverty by Educational Attainment

- Bachelor’s degree or higher: 4%
- Some college, associate’s degree: 10%
- High school graduate, (includes equivalency): 15%
- Less than high school graduate: 29%

ACS Table C17003, 1-Year Estimates (2013).
More Than One-Third of Texans Live Below 200% of the Federal Poverty Threshold

For example, 2013 federal poverty level income thresholds for one person:

- $24,238 for one person
- $32,114 for family of two
- $37,502 for family of three

ACS Table B17002, 1-Year Estimates (2013).

Note: 200% federal poverty line is $24,238 for one person; $32,114 for family of two; $37,502 for family of three.
Average income has risen only for the wealthiest of Texas households

<table>
<thead>
<tr>
<th>Quintile</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest Quintile</td>
<td>$184,624</td>
<td></td>
<td></td>
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<td>$188,979</td>
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<tr>
<td>Fourth Quintile</td>
<td>$83,176</td>
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<td>$83,563</td>
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<tr>
<td>Third Quintile</td>
<td>$52,486</td>
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<td></td>
<td>$52,039</td>
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<tr>
<td>Second Quintile</td>
<td>$31,274</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$30,820</td>
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<tr>
<td>Lowest Quintile</td>
<td>$11,875</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$11,708</td>
</tr>
</tbody>
</table>

ACS Table B19081, One-year estimates 2006-2013. Adjusted for inflation and expressed in 2013 dollars.
The **Supplemental Poverty Measure (SPM)** is an alternative measure of poverty that includes benefits used to 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

Texas’ poverty rate drops when factoring in benefits and costs

17.2%  
Official Poverty Measure

15.9%  
Supplemental Poverty Measure
Under the Supplemental Poverty Measure (SPM), national poverty rates 
improve for **children**, worsen for **adults and seniors**

Under 18

- Official Poverty Rate, U.S.: 20%
- Supplemental Poverty Rate, U.S.: 16%

18 to 64

- Official Poverty Rate, U.S.: 15%
- Supplemental Poverty Rate, U.S.: 14%

65 and older

- Official Poverty Rate, U.S.: 15%
- Supplemental Poverty Rate, U.S.: 10%

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

National percentage point difference in SPM rates (all ages) after including each individual element, holding all else constant

- Social Security, $-8.6$
  - Refundable tax credits, $-2.9$
  - SNAP, $-1.6$
  - Payroll taxes (FICA), $+1.5$
  - Medical Out-of-Pocket Expenses, $+3.5$
  - Work expenses (ex: transportation), $+2.9$

End Notes


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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- Ensuring health and wellness
- Investing in Texas