

# Poverty and Income in Texas:

Findings from the 2015 American  
Community Survey

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# Poverty in Texas

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# Why care about poverty?

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

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## ❑ **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.<sup>1</sup>
- According to parent reports, children living in poverty have worse health than children not living in poverty.<sup>2</sup>
- People living in poverty experience higher rates of chronic illness such as asthma, diabetes and heart disease.<sup>3</sup>

## ❑ **Poverty is connected to greater challenges in education.<sup>4</sup>**

- 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.<sup>5</sup>**

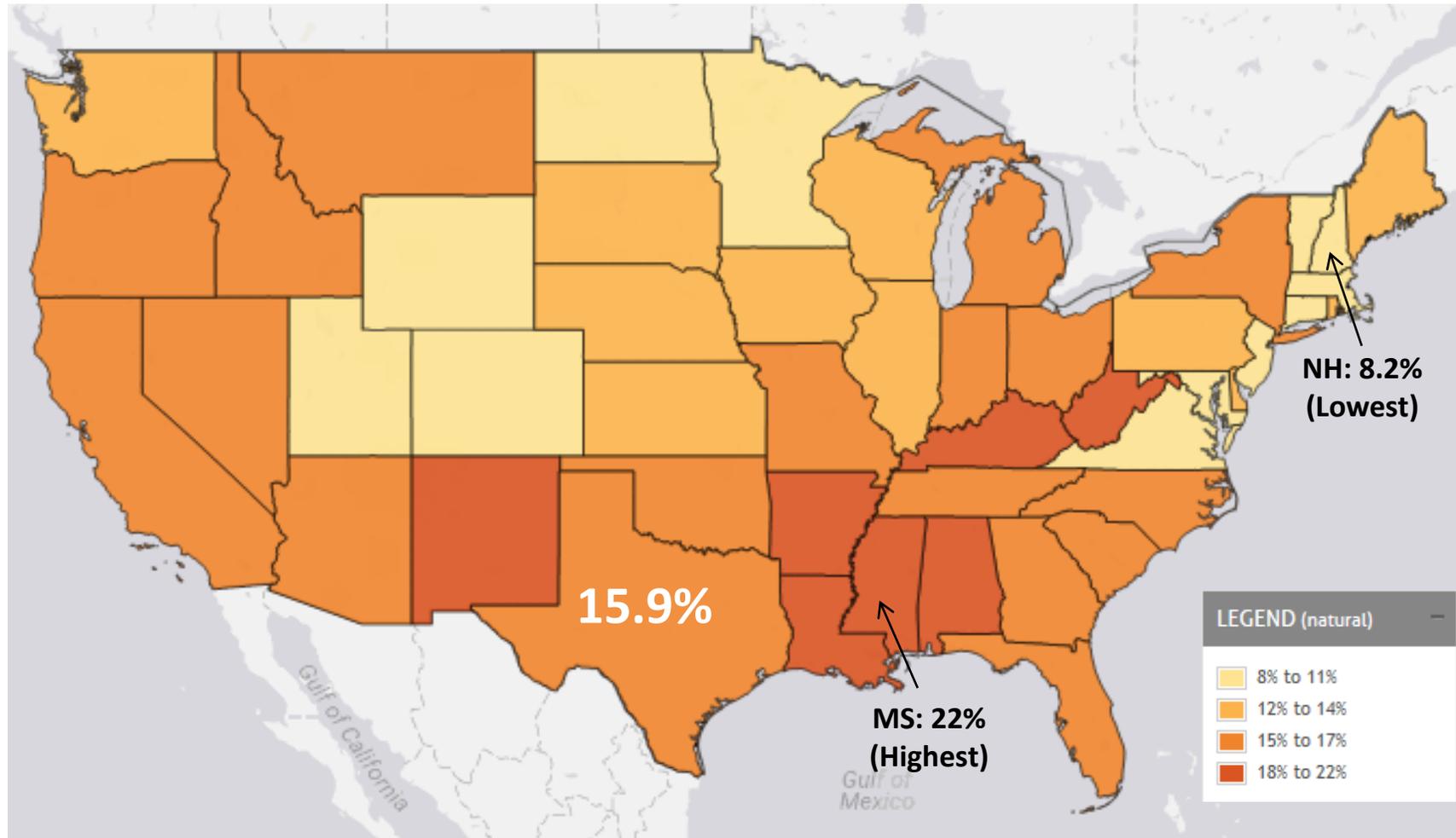
# 2015 Poverty Thresholds

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.”

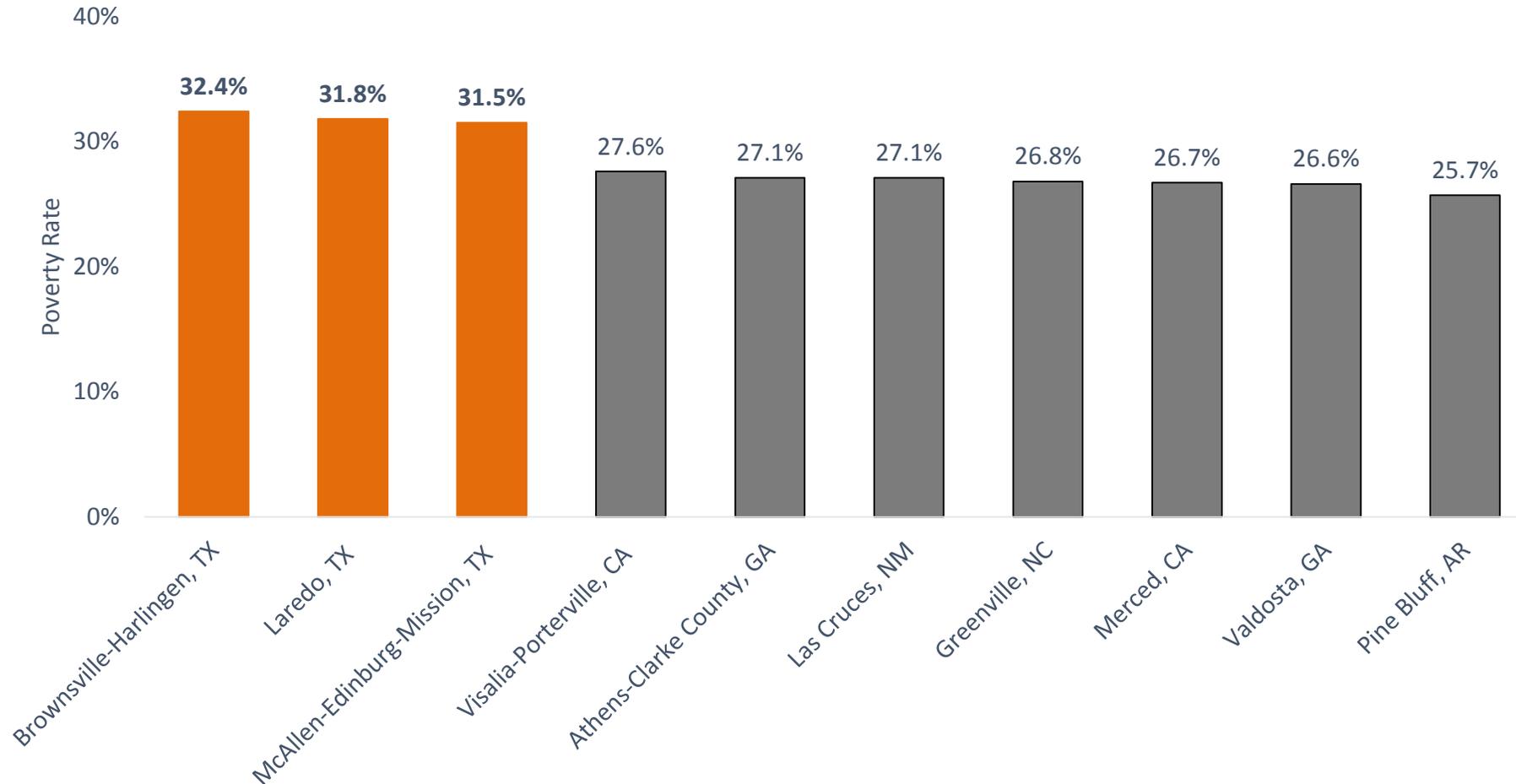
Size of Family	Poverty Thresholds (total annual income)
One person (under 65)	<b>\$12,331</b>
Family of Two (one adult, one child)	<b>\$16,337</b>
Family of Three (one adult, two children)	<b>\$19,096</b>
Family of Four (two adults, two children)	<b>\$24,036</b>

# Texas has the 15<sup>th</sup> worst rate of poverty in the U.S.

2015 US poverty rate: 14.7%

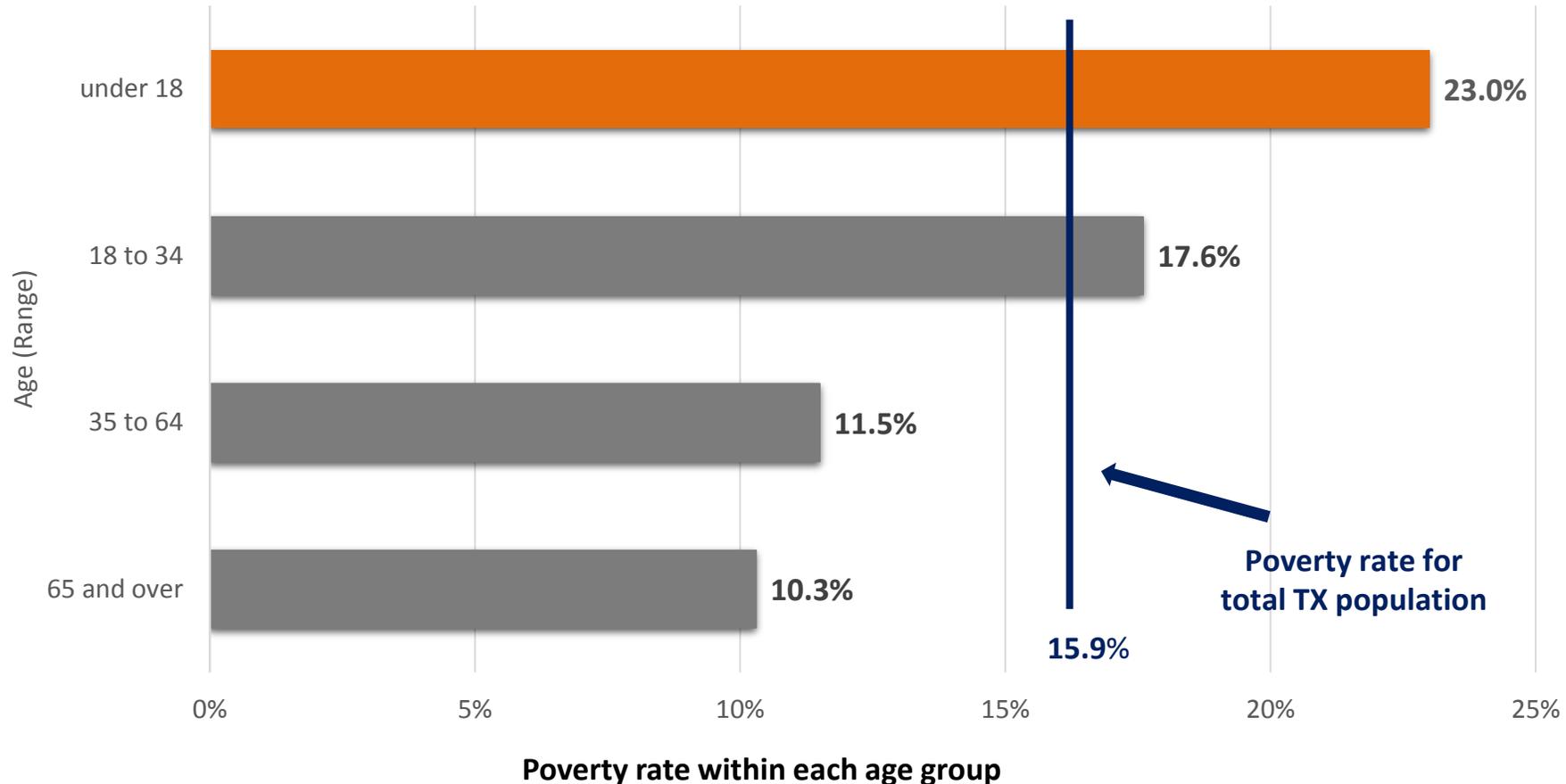


# The Rio Grande Valley is home to the three poorest metro areas in the U.S.

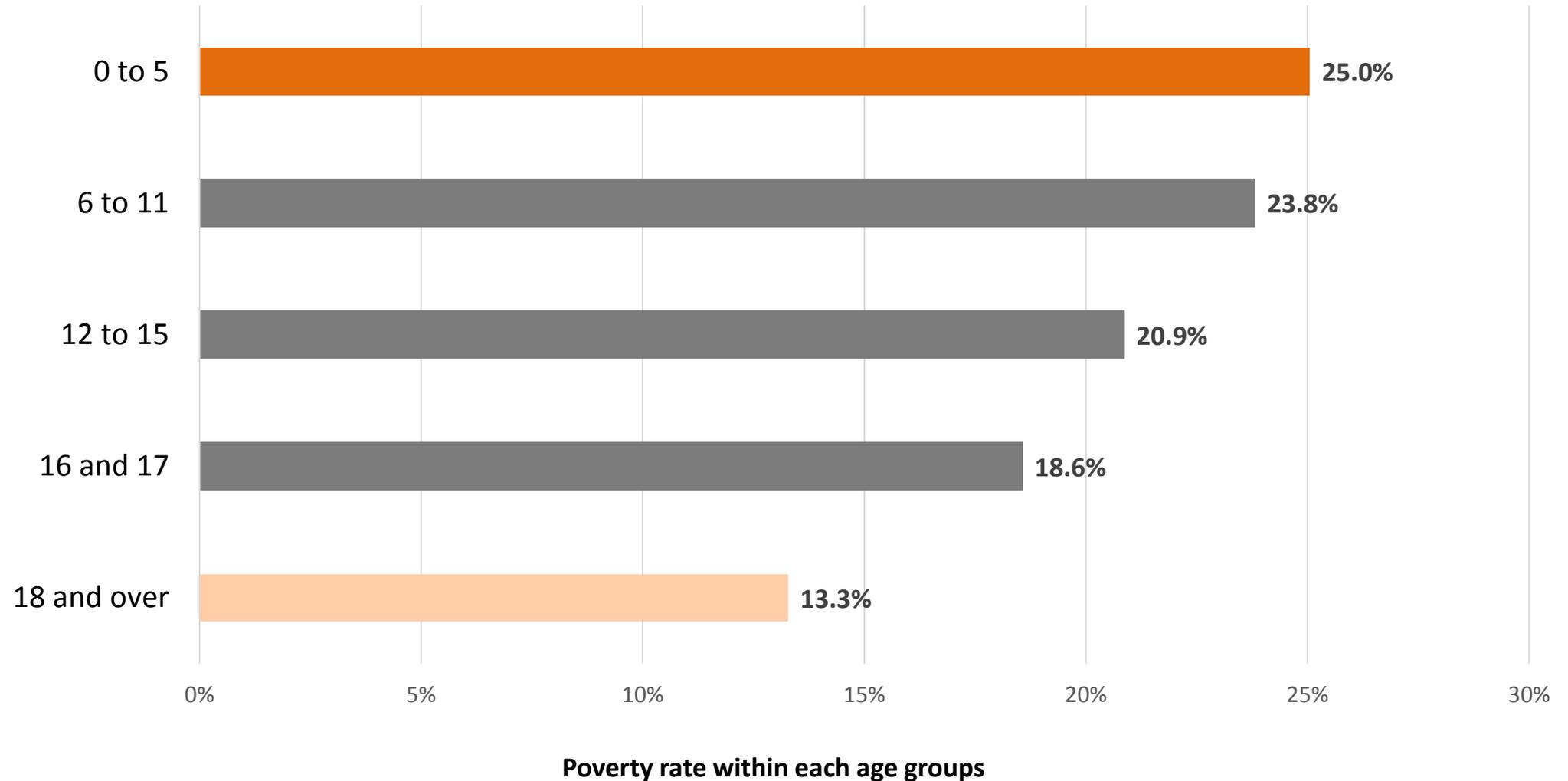


# Texas children hardest hit by poverty

In Texas, children have the highest poverty rate of any age group. The poverty rate of Texas children is **7.1 percentage points higher** than the poverty rate of the total Texas population.

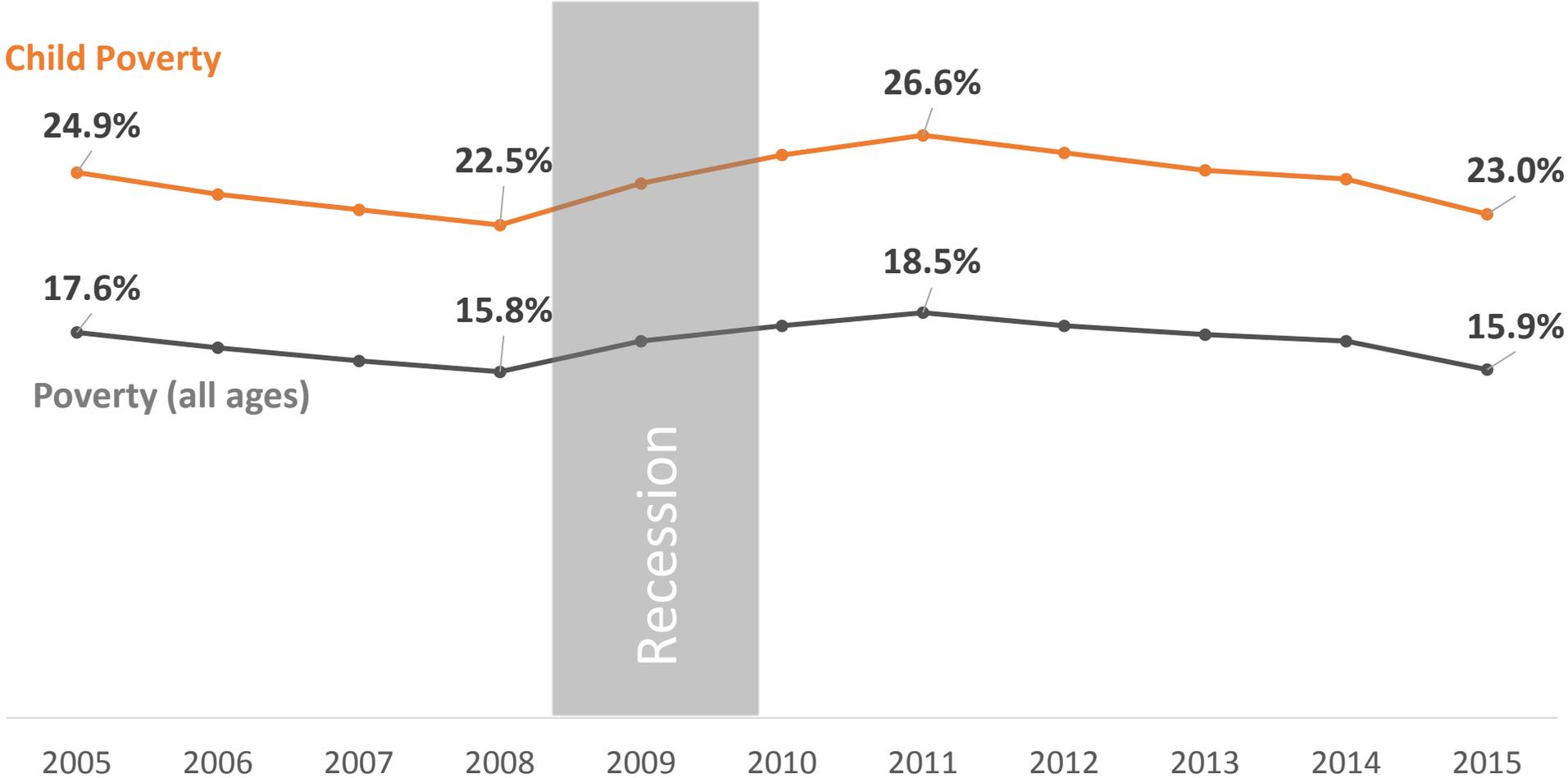


# Texas children under 5 are nearly twice as likely to live in poverty as adults

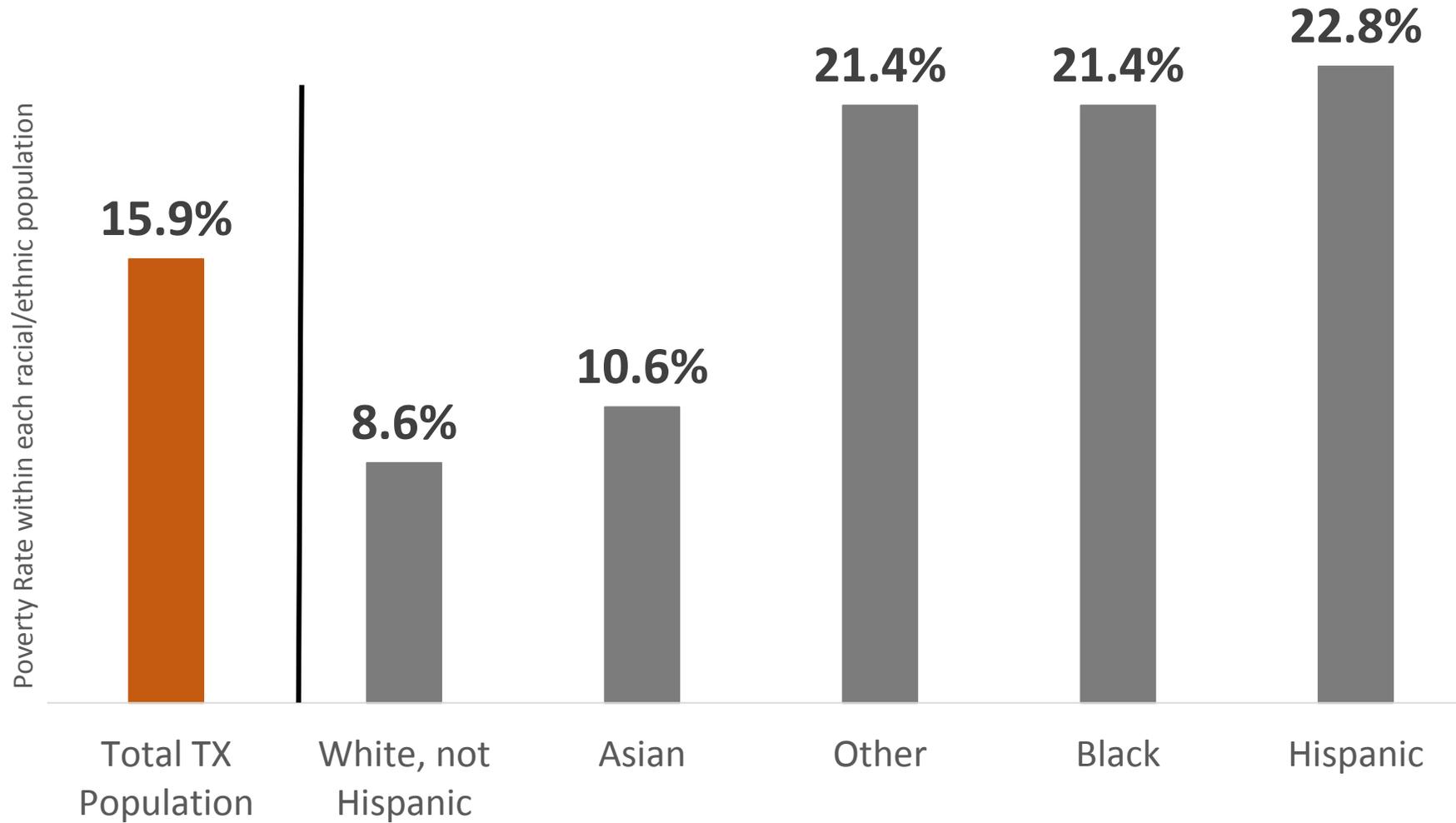


# Texas child poverty consistently higher than U.S.

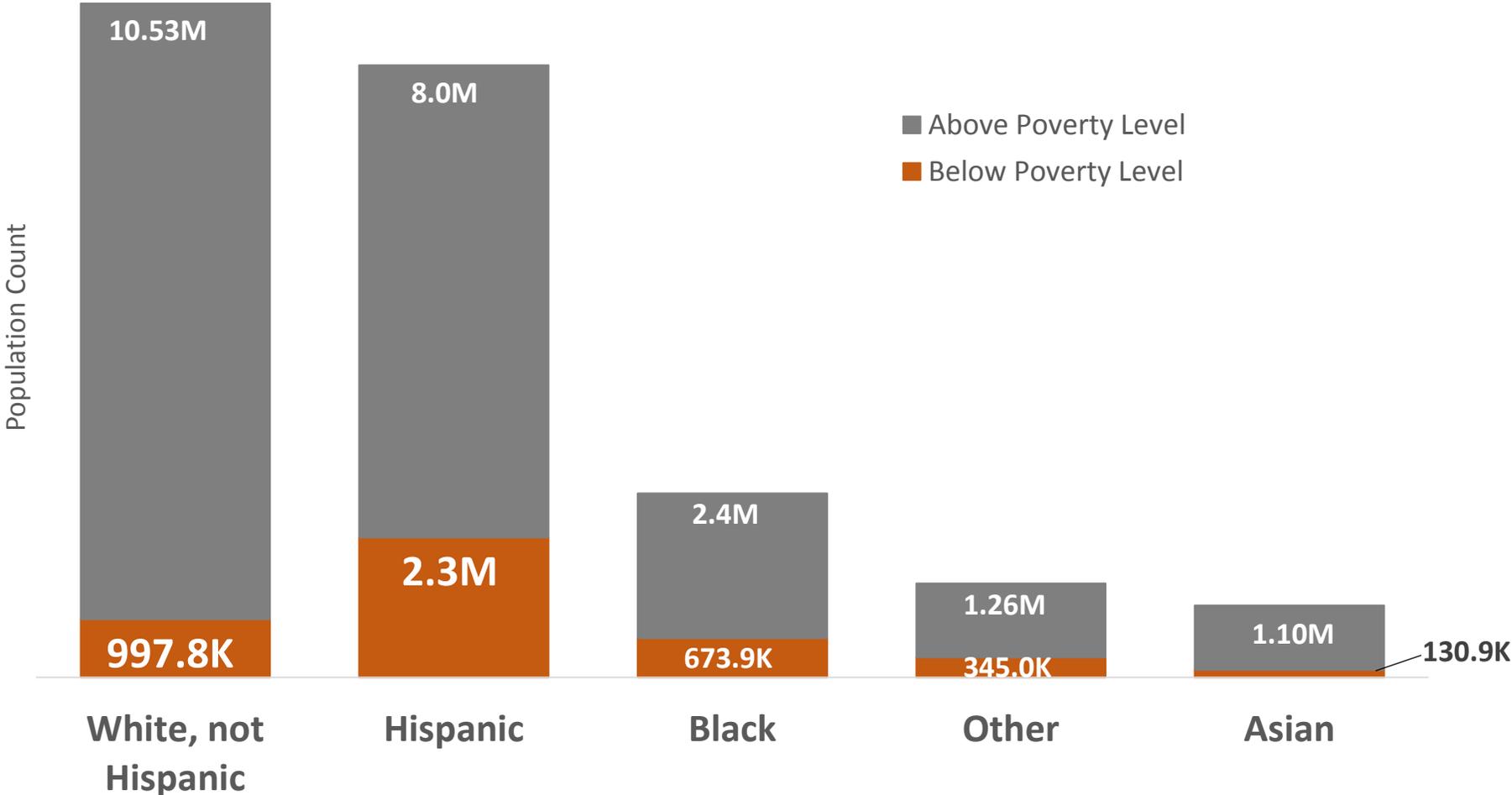
On the positive side, both rates are nearly back to pre-Recession lows.



# Poverty rates reflect barriers faced by Texans of different racial and ethnic populations

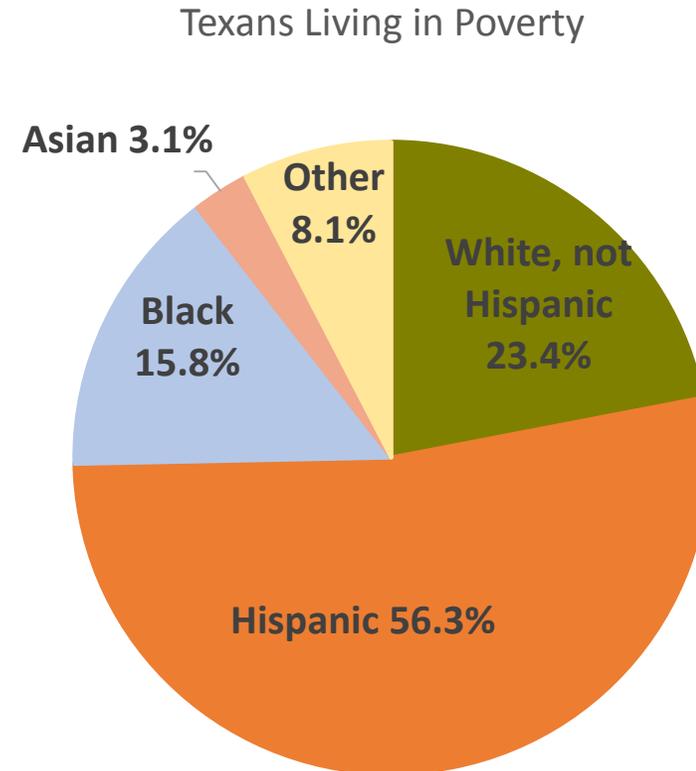
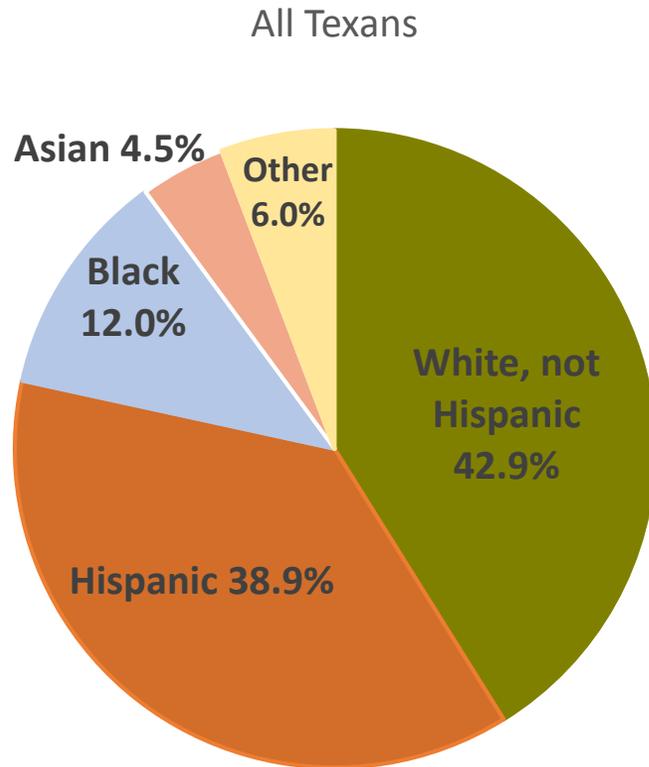


# Nearly 1 million White Texans & 2.3 million Hispanic Texans are experiencing poverty



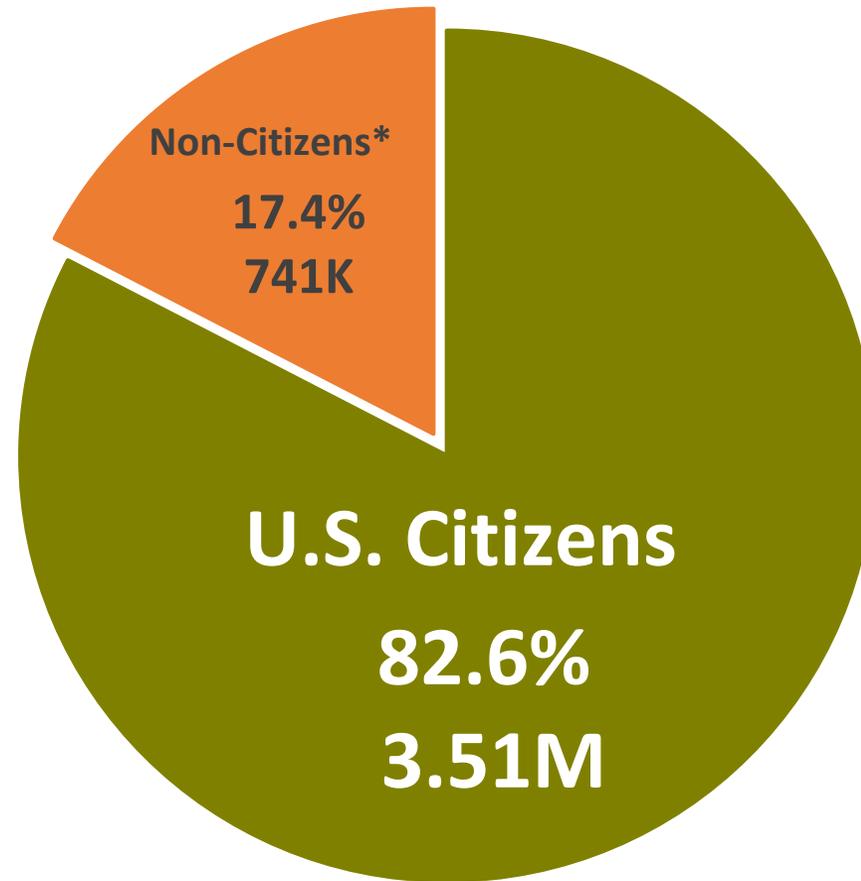
# Hispanics are over-represented in Texas poverty population

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



# Most Texans living in poverty are U.S. citizens

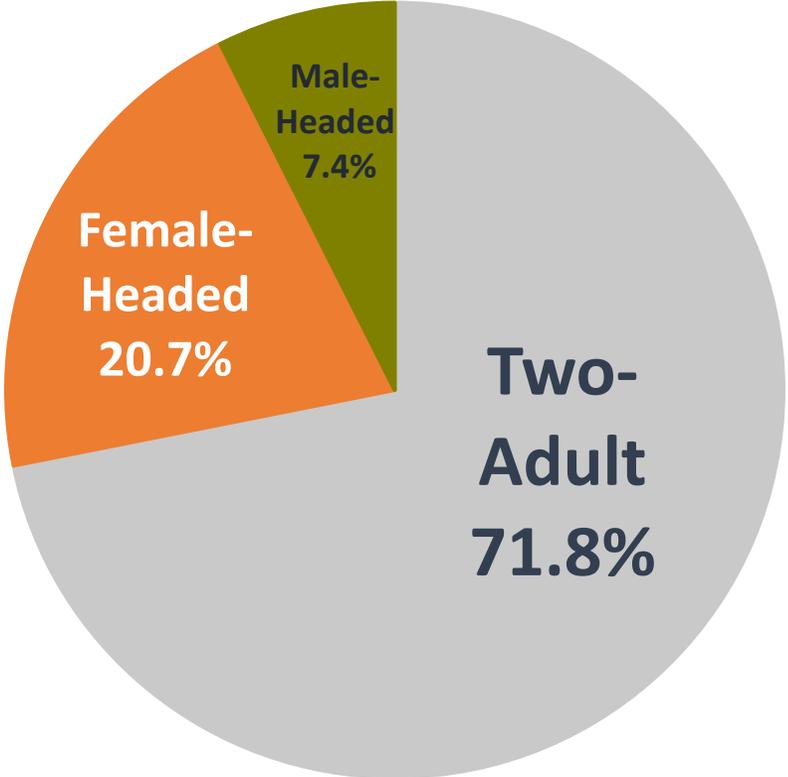
Citizenship status of Texans living in poverty



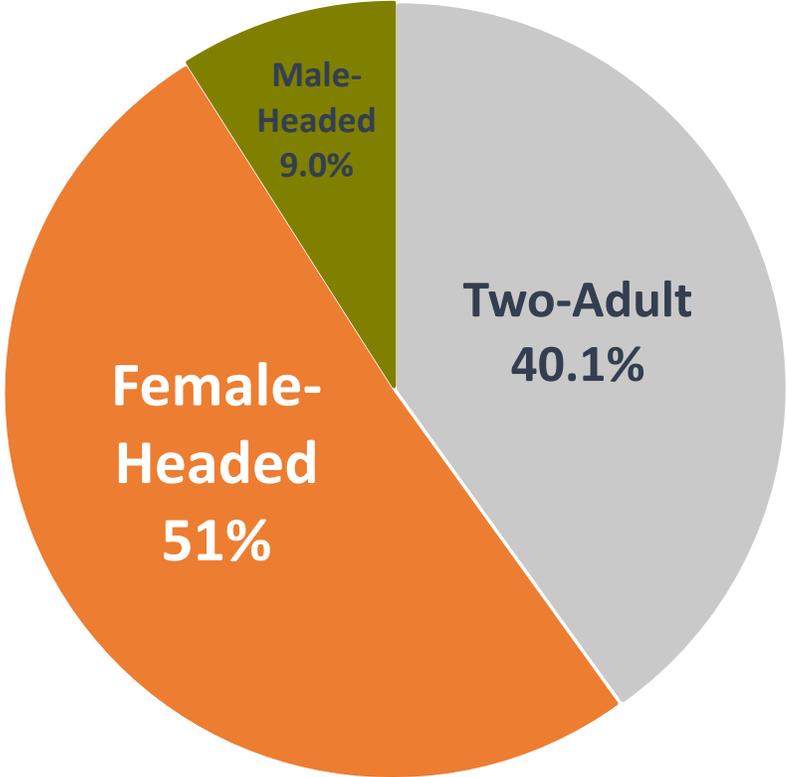
\*Non-Citizens: People who indicate they are not U.S. citizens. This includes people categorized as immigrant, nonimmigrant, undocumented, and people holding nonimmigrant visas (i.e. student, working)

# Female-headed households are also over-represented among Texans living in poverty

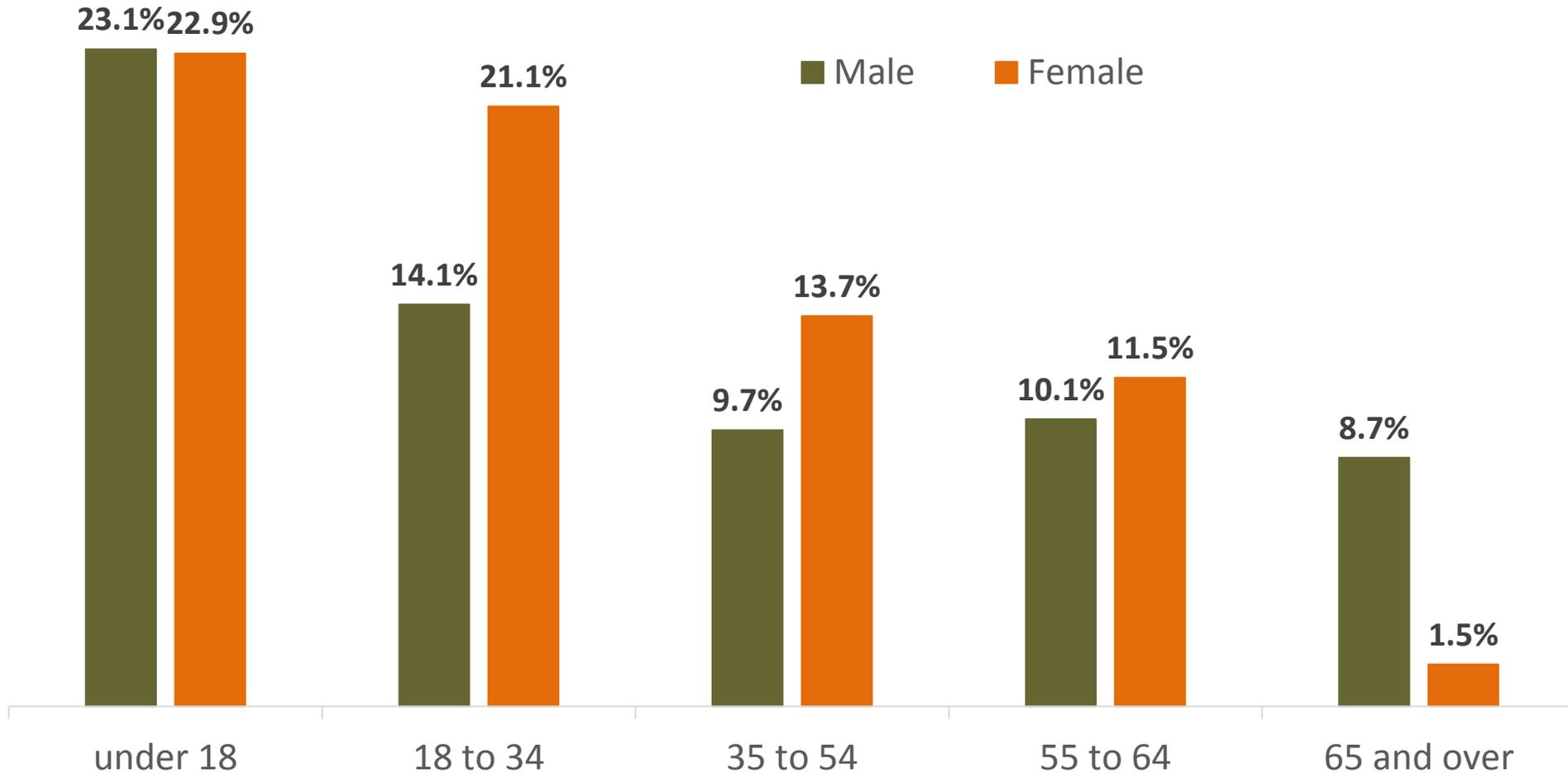
All Texas Households



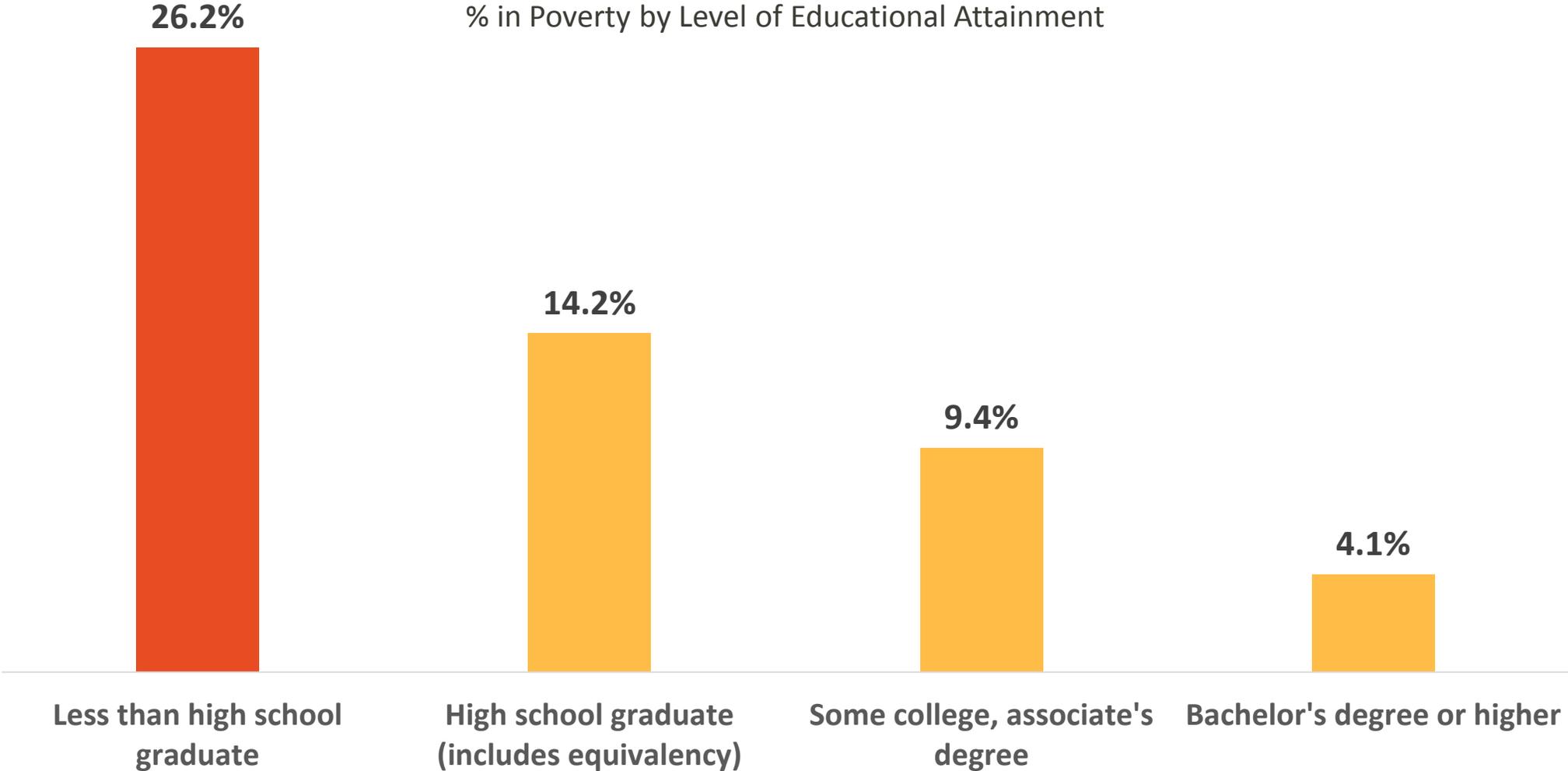
Texas Households Living in Poverty



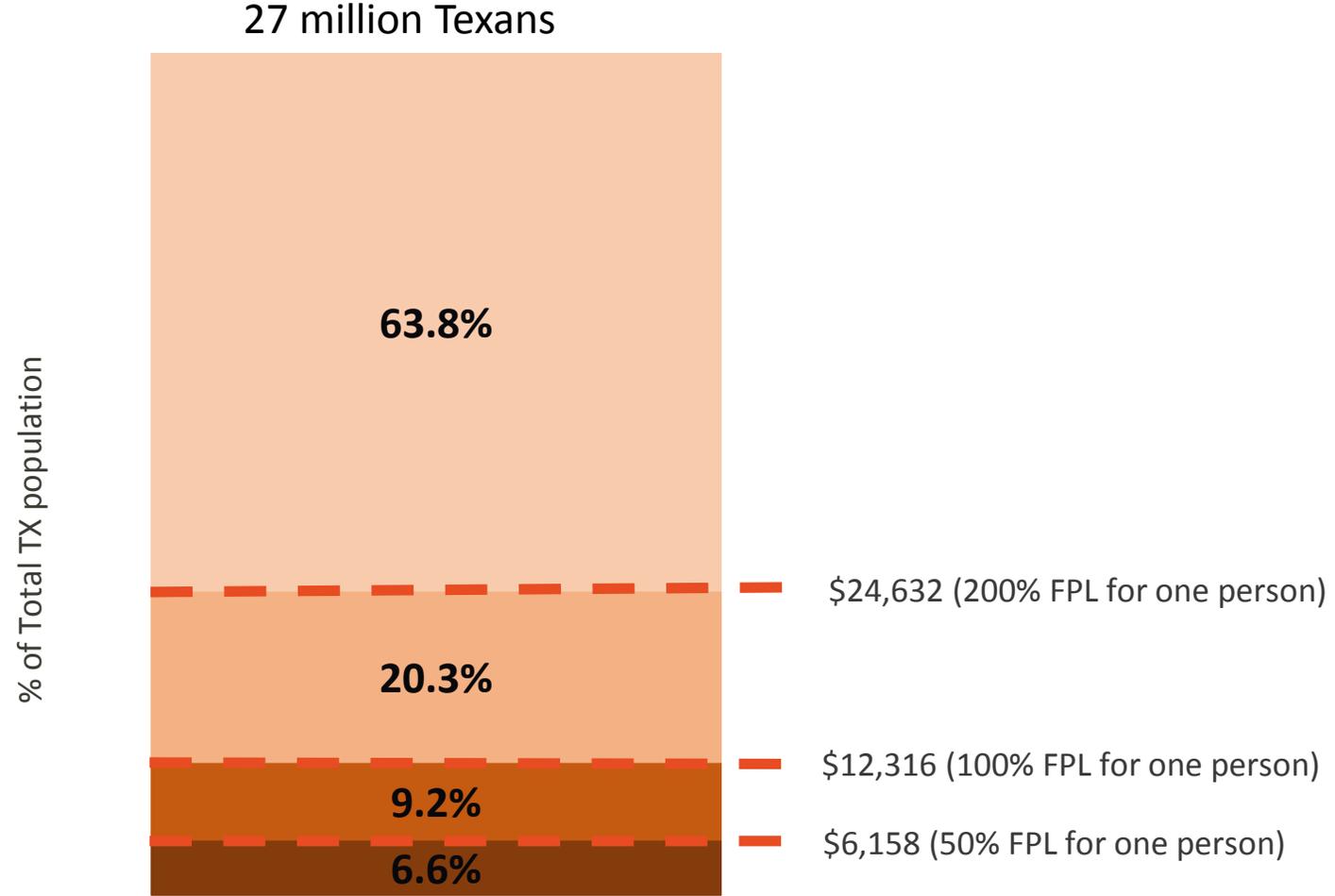
# Working-age women (18 to 64) in Texas are more likely to live in poverty than men



# In Texas, the higher your degree, the less likely you are to experience poverty



# More than One-Third of Texans live below 200% of the Federal Poverty Threshold, aka “working poor”



# The Supplemental Poverty Measure

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A WAY TO MEASURE IMPACT OF POVERTY REDUCTION POLICIES AND  
THE COST OF LIVING

# Supplemental Poverty Measure (SPM)

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

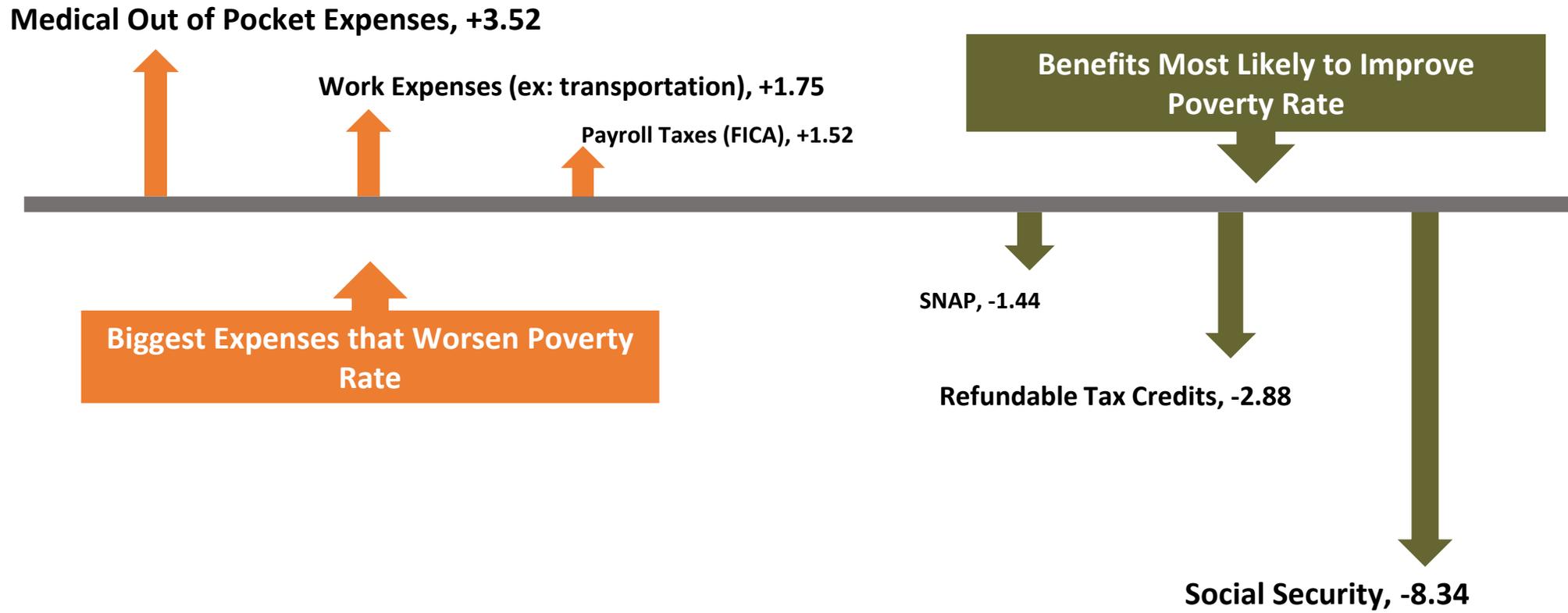


SNAP benefits (food stamps), Social Security, refundable tax credits (Earned Income Tax Credit, Child Tax Credit), housing subsidies

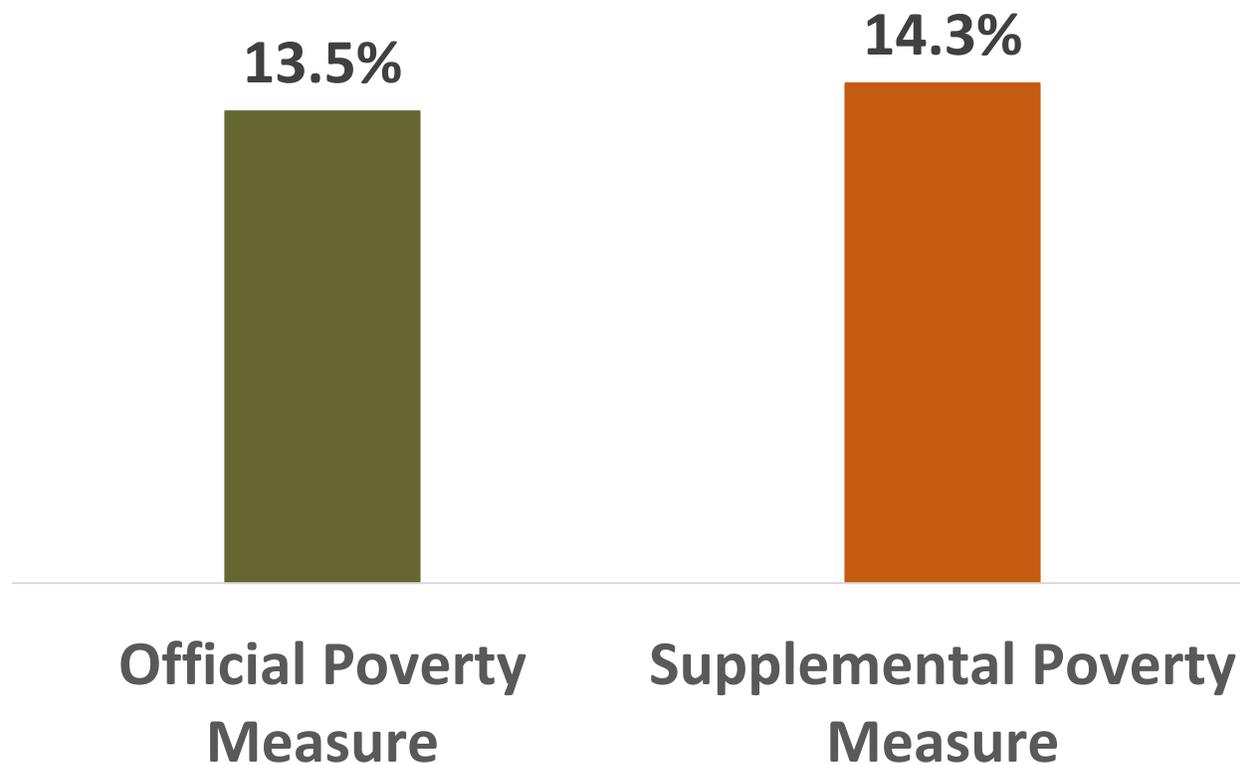


Taxes, work expenses, medical out-of-pocket expenses, child care expenses, child support paid

# Social Security has the strongest anti-poverty effect, as evidenced by the Supplemental Poverty Measure (SPM)

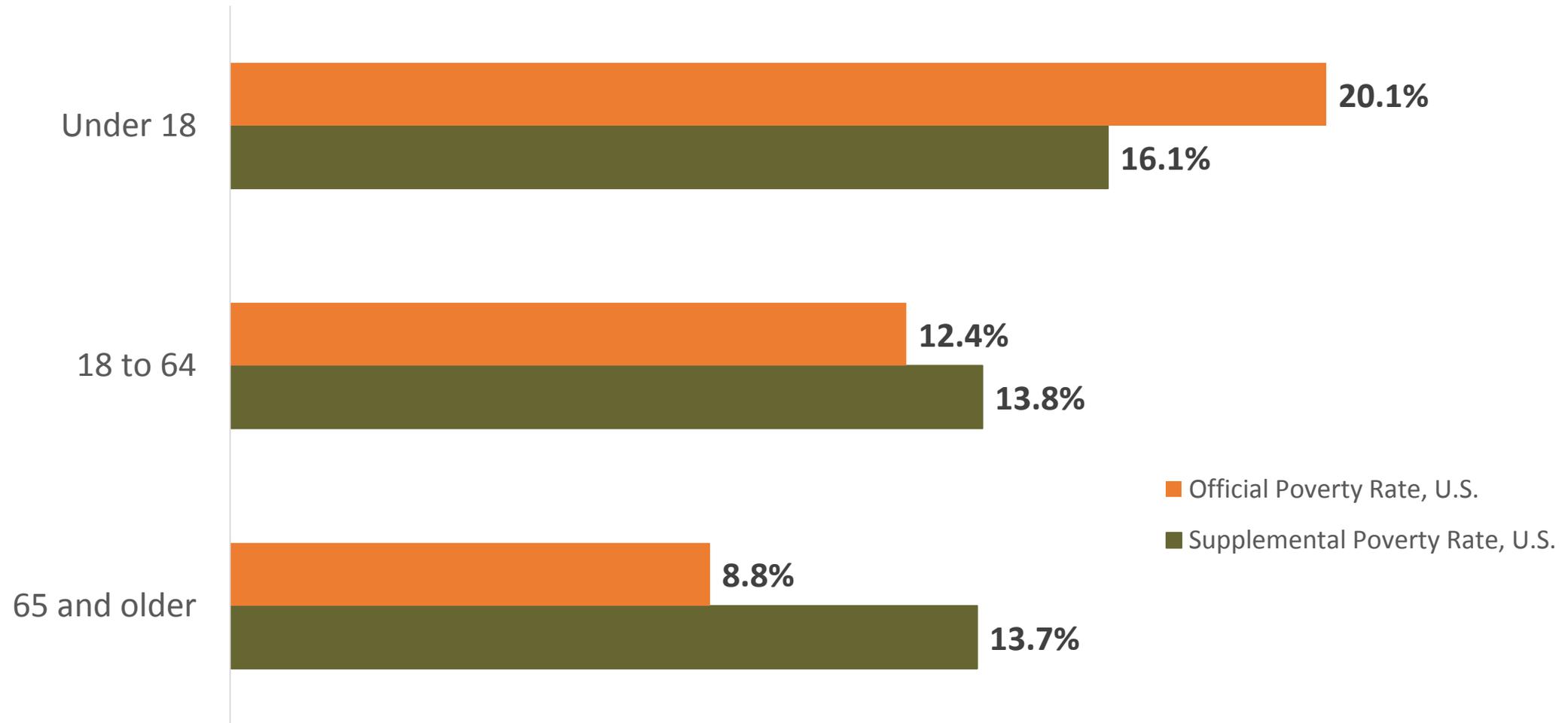


The overall U.S. poverty rate is slightly higher when factoring in benefits and expenses through the Supplemental Poverty Measure (SPM)



# Under the Supplemental Poverty Measure (SPM), national poverty rates are **lower for children, higher for adults and seniors**

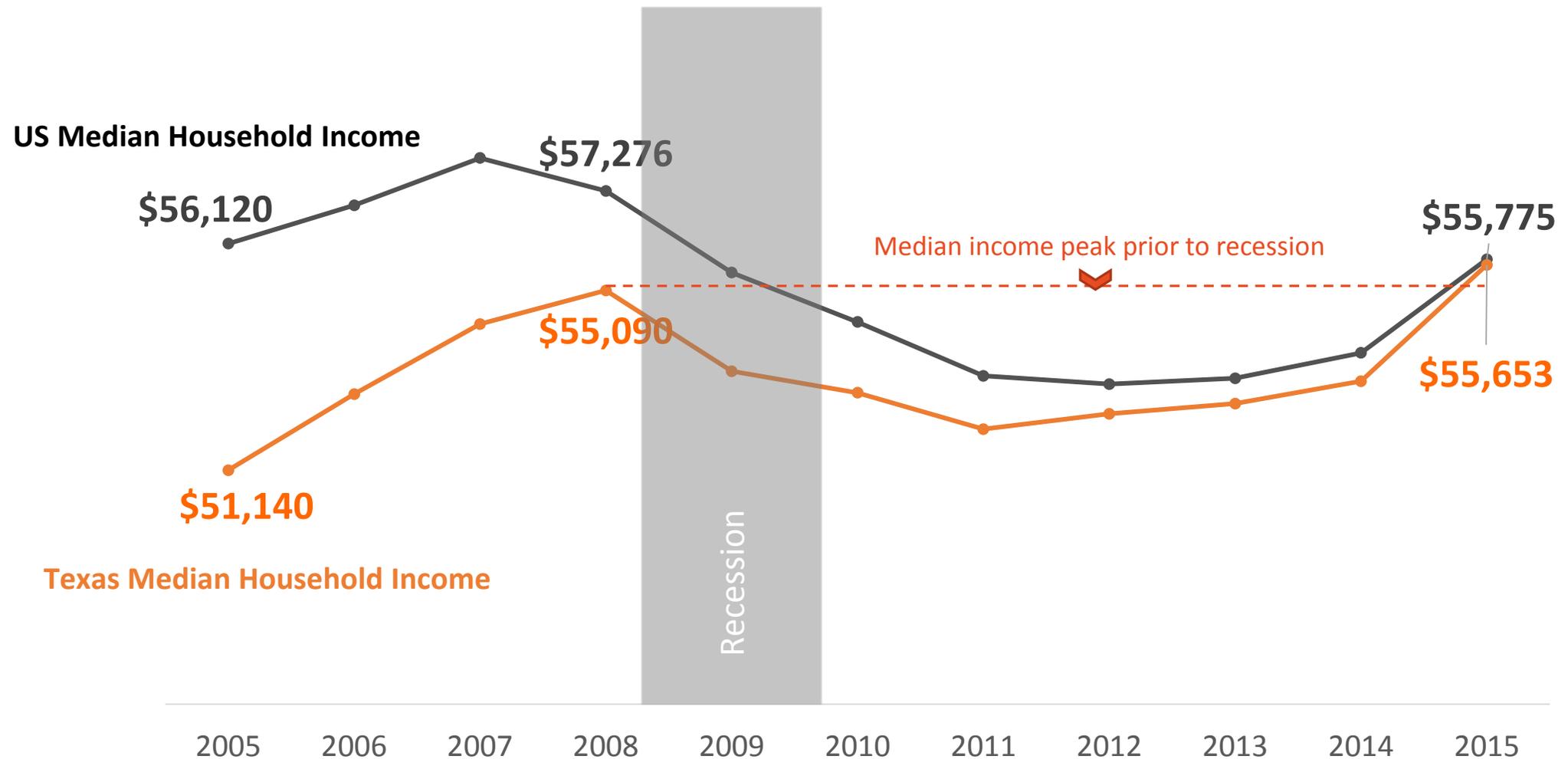
Data reflects higher cost of health care for seniors and positive impact of benefits for children



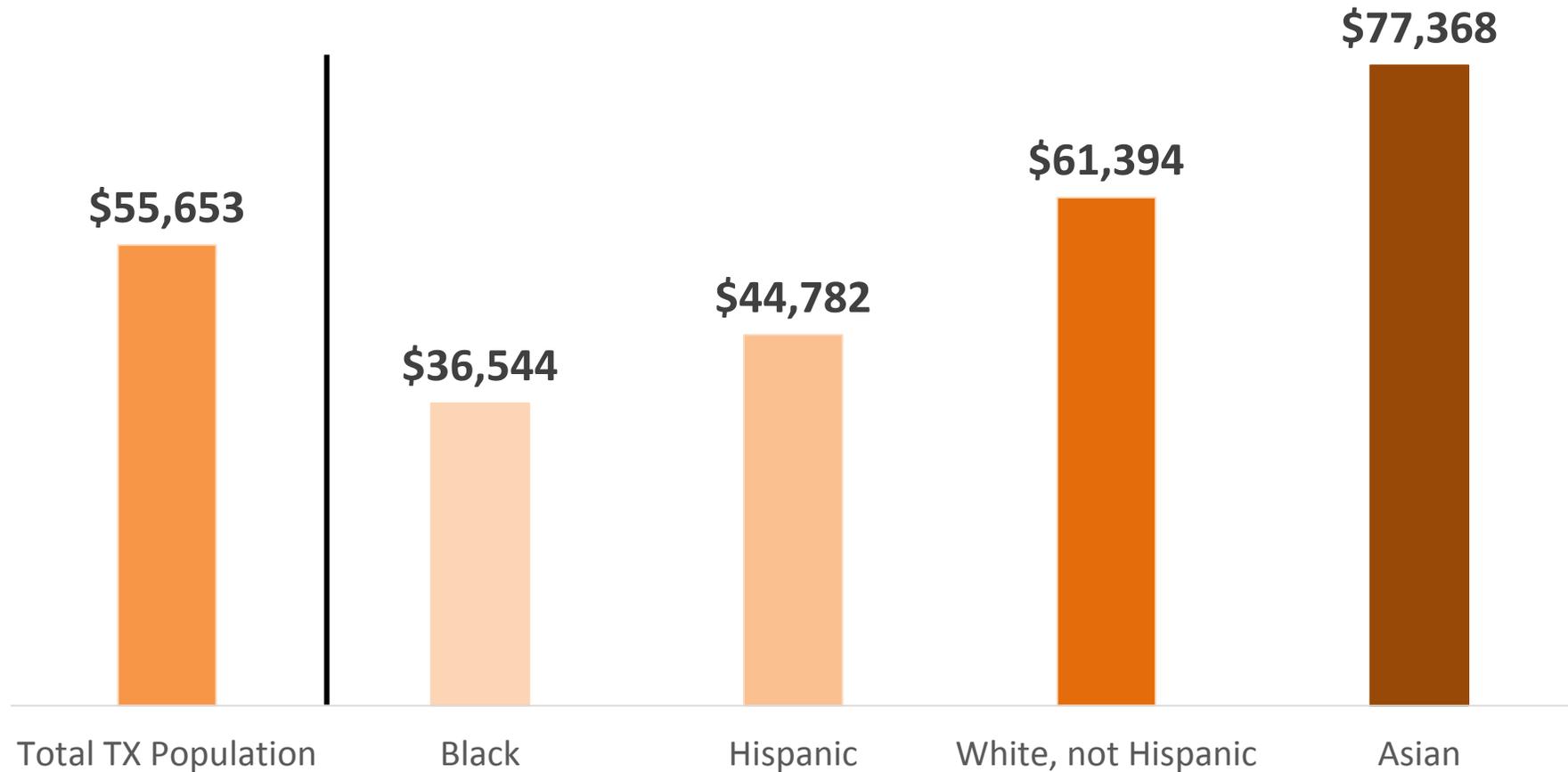
# Income in Texas

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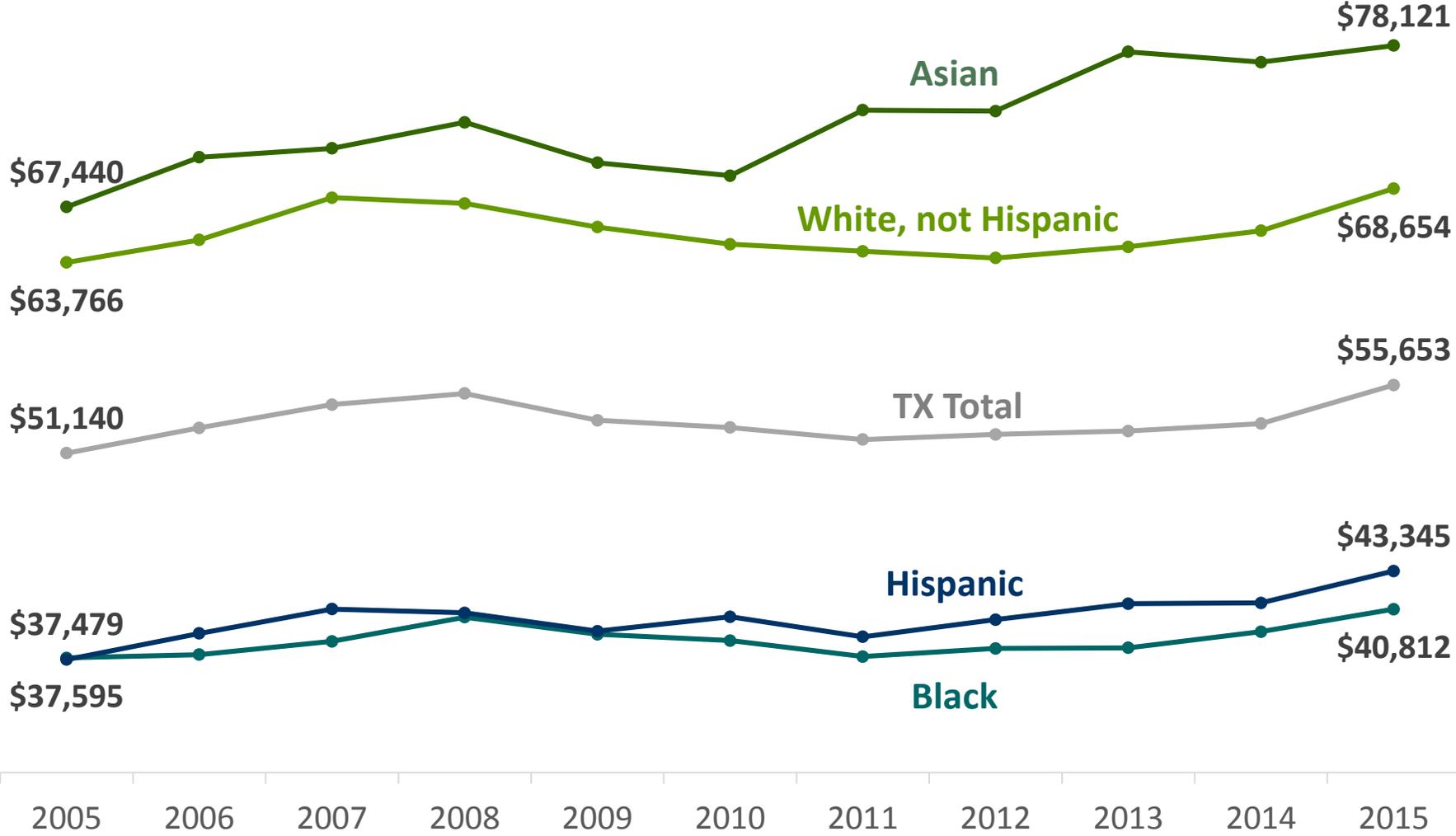
# Median income in Texas finally has risen above pre-recession levels



# Black and Hispanic Texan's median household incomes are significantly below the Texas median household income

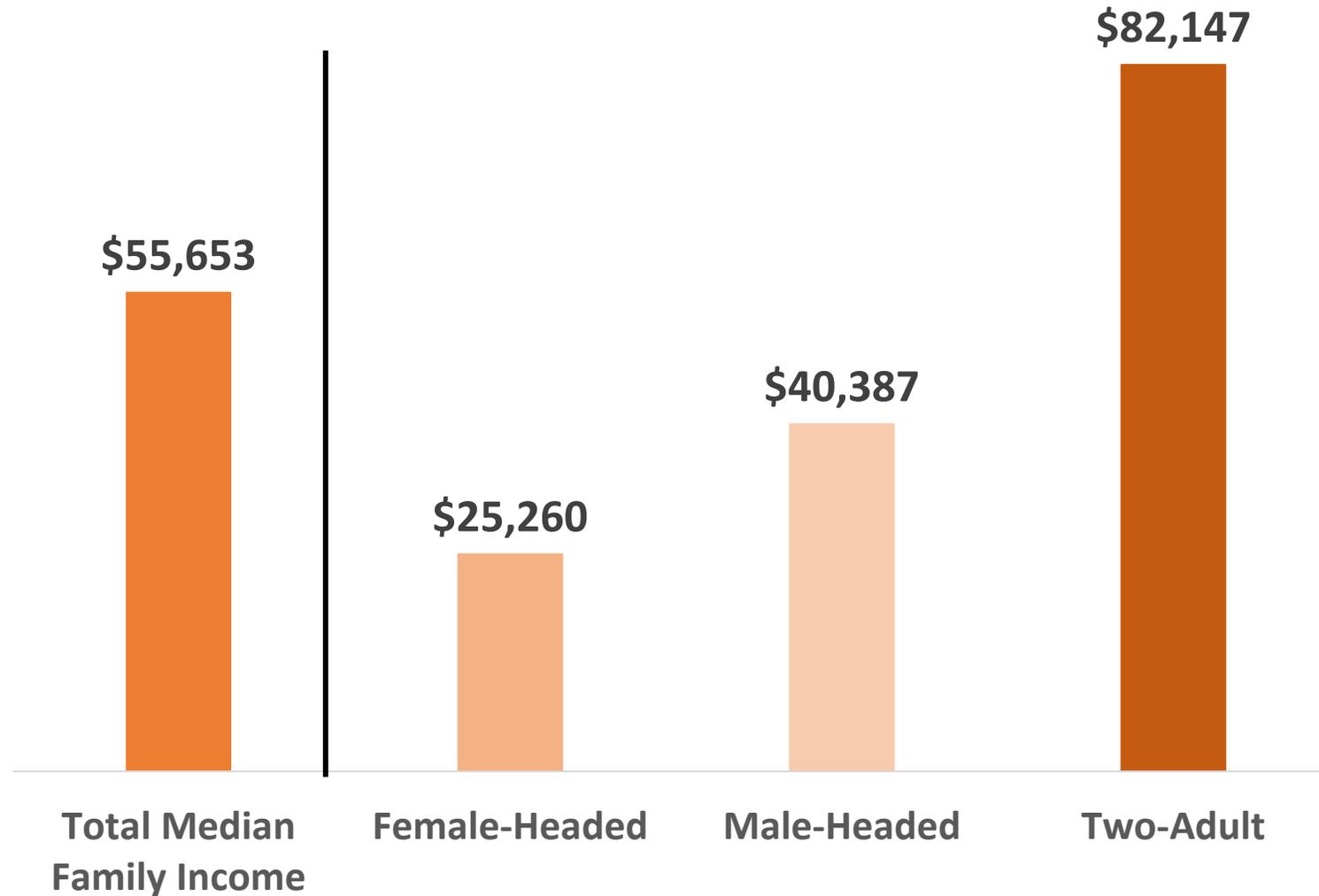


# Median household income has risen for all racial and ethnic groups since 2005; Huge disparities by race/ethnicity remain.



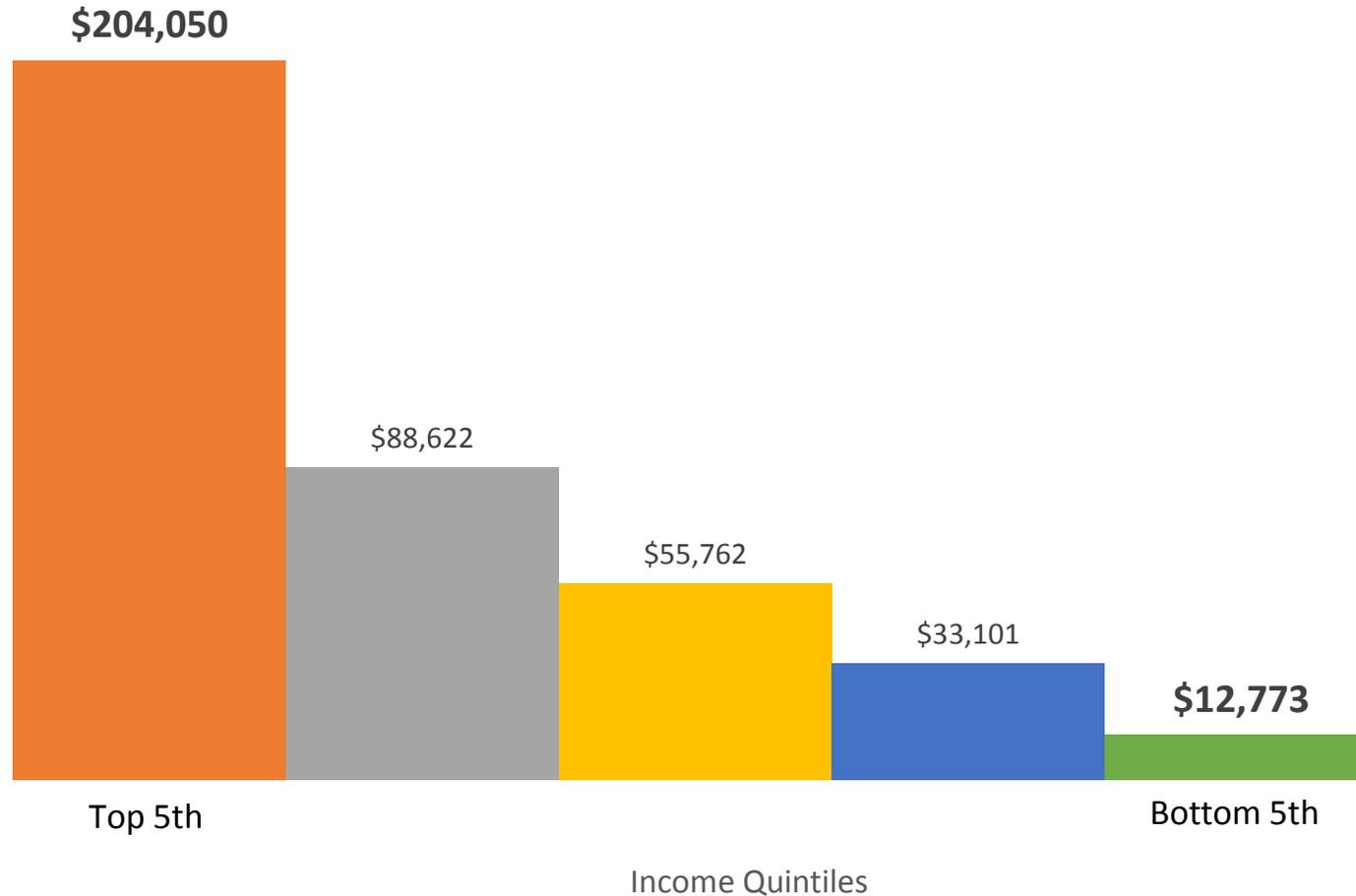
ACS Table B19013B-B19013I, Median Household Income, One-year estimates 2006-2015. Adjusted for inflation and expressed in 2015 dollars.

The median income for male-headed families is \$15,000 higher per year than for female-headed families



# Huge gaps remain between upper and lower income households

Average household income is nearly 16x higher  
in top 1/5 of households than for bottom 1/5 of households



## 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](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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