



CENSUS DATA SHOW ONLY BEGINNING OF TEXANS' GROWING NEED

Austin, Texas – American Community Survey (ACS) data released today by the U.S. Census Bureau show that more than 3.7 million Texans lived in poverty in 2008, with children hit the hardest. Because Texas entered the recession later and experienced lower rates of unemployment than the nation through most of 2008, the newly released data reflect only the very beginning of the recession's impact on Texas. Due to the steep rise in the state unemployment rate in 2009, the current number of Texans living in poverty likely exceeds the 2008 estimates. For metro, congressional district, and county data, see www.cphp.org/research.php?aid=916.

Texans Struggled Financially Even Before the Brunt of Recession Hit

Texas' poverty rate is the 8th worst in the country, with 15.8 percent, or over 3.7 million Texans living in poverty in 2008 (e.g., \$17,163 for a family of 3) compared to a national average of 13.2 percent. Although Texas' poverty rate is still among the worst in the nation, it is an improvement from 2007 (16.3 percent).

A significantly higher percentage of Texas children lived in poverty in 2008. Nearly one of every four Texas kids—22.5 percent, or more than 1.4 million—lives in poverty, leaving Texas amongst the 10 worst states in the country with a rank of 8th worst. The U.S. child poverty rate is 18.2 percent. Although the child poverty rate also improved from 2007 (23.2 percent), the nearly 1.5 million Texas children living in poverty exceeds the combined child populations of Houston, Dallas, Fort Worth, and San Antonio.

Median income for working-age households (headed by someone under 65) increased from \$49,374 in 2007 to \$50,043 in 2008, just now returning to the 2002 level after adjusting for inflation. U.S. median income was \$52,029, a decline in real dollars from 2007.

“Although Texas saw some improvements in 2008, these gains have likely been wiped away by the recession. With some of the worst poverty rates in the country and better economic times behind us, these data are nothing to get excited about,” CPPP Senior Policy Analyst Eva DeLuna Castro said.

New Data Reflect Little of the Recession's Impact

Because Texas' unemployment rate did not begin to rise sharply until late in 2008, the improvement in Texas' poverty rate reported today does not yet reflect the full impact of the current recession. From 2007 to 2008, the unemployment rate in Texas increased from 4.4 percent in 2007 to 4.9 percent in 2008. However, the first eight months of 2009 alone, unemployment in Texas grew from 6.4 percent in January to 8.0 percent in August, the most recent month available (see Figure 3). This unemployment spike in 2009 means that the 2008 data released by the Census today shows little of the impact of the current recession on Texas' income and poverty data. The ranks of the 3.7 million Texans living in poverty in 2008 has likely swelled dramatically given Texas' current economic conditions.

“When Texans fall on hard times, they are increasingly likely to slip through the growing holes in our public safety nets. Our eligibility determination system is overwhelmed with huge backlogs, errors, and inadequate, poorly trained staff. How bad do things need to get before we decide to support Texas families?” said Celia Hagert.

Recommendations

Fix our state’s eligibility determination and benefit enrollment system. Despite national signs of economic recovery, job loss continues. Texas decision-makers must fix the state’s broken eligibility determination system for public health insurance and food assistance. With more people losing their jobs and falling into poverty, we must ensure that the eligibility system is efficient and accurate. The system must be ready to deal with current demand and any increased applications that result from national health reform.

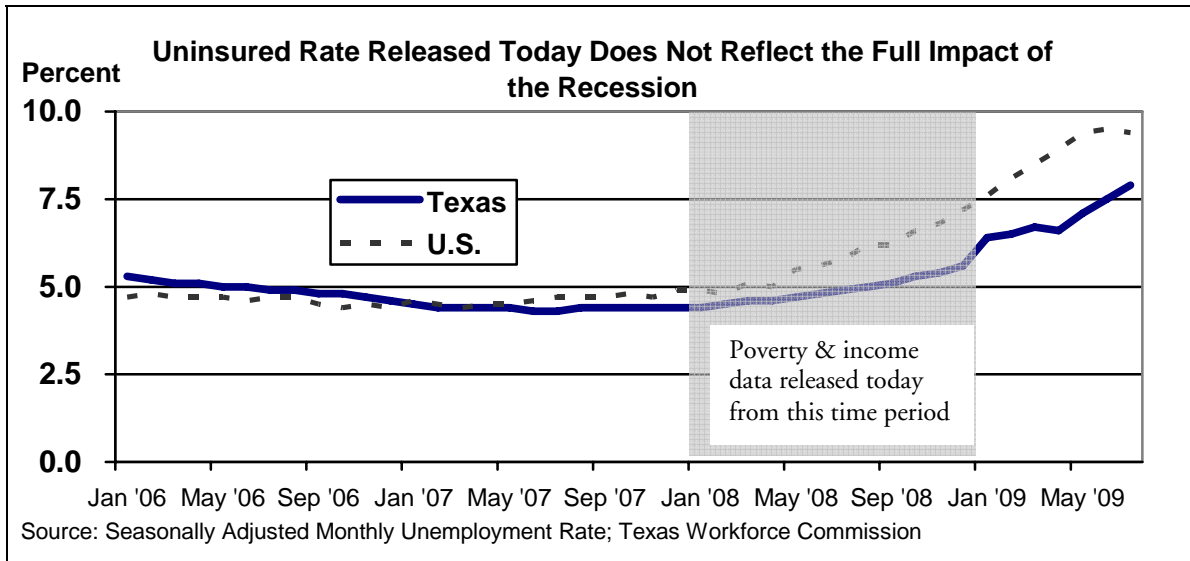
Undertake national health reform. With the worst uninsured rate in the country, Texas could gain more than any other state from national health reform. Health care is consistently one of the highest costs for Texas families. In 2007, illness and medical bills led to 62 percent of U.S. bankruptcies. Secure, affordable health coverage will help our low-income workers access decent care and still meet other basic family needs.

Extend Unemployment Insurance benefits. Congress should build on the success of the American Recovery and Reinvestment Act and extend unemployment benefits to mitigate the negative impact on workers and their families of likely continued increases in unemployment. Current federal proposals for extending unemployment benefits will not apply to Texas because our unemployment rate is not yet high enough. Without additional federal assistance, or a fairly simple change in Texas’ state unemployment laws to draw down more funds, the Texas Workforce Commission reports that more than 12,000 Texans will exhaust their federal extended unemployment benefits by the end of by October 10, 2009, with around 43,000 more exhausting benefits by December.

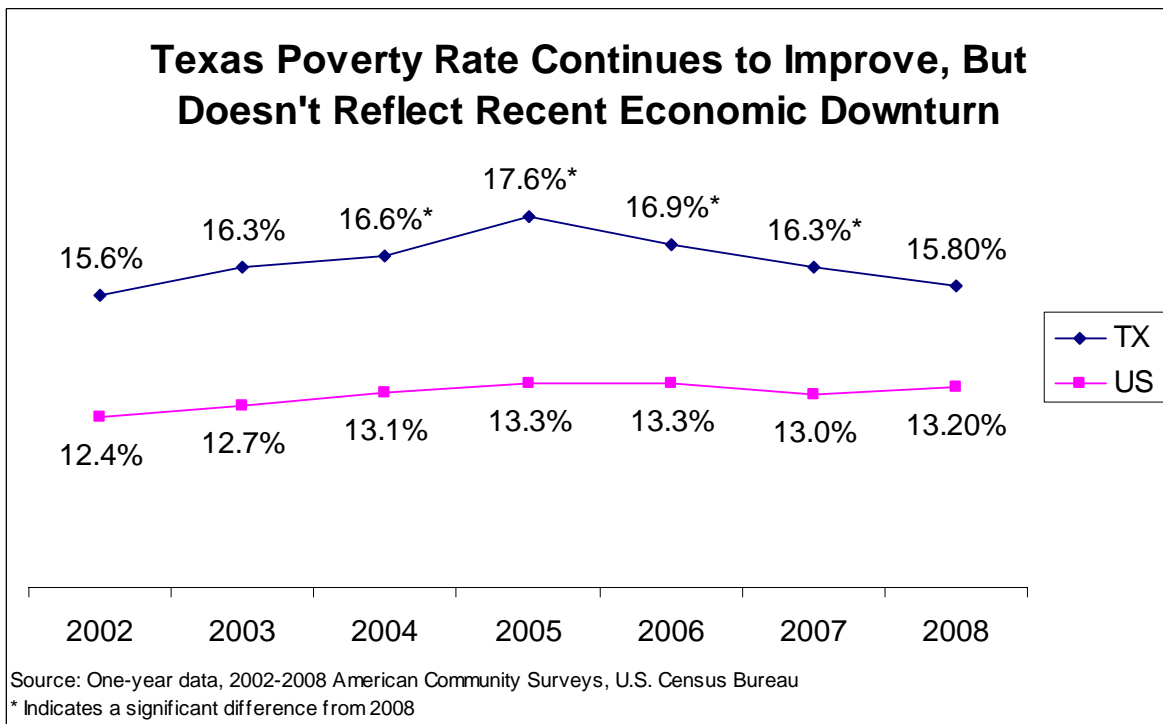
Local Area Data & Additional Resources

- To view local-level data on poverty and income for all of Texas’ metropolitan areas (including an urban/rural comparison), counties with populations greater than 65,000, and all Congressional Districts, and see www.cppp.org/research.php?aid=916.
- For more on how Texas will benefit from national health reform, see www.texasvoiceforhealthreform.org/wp-content/uploads/2009/09/what-is-in-it-for-texas-2-rev-9-3-09.pdf.
- For more information on the differences between the Census Bureau’s data sources for poverty, income, and health insurance, see <http://www.cppp.org/files/3/CPSvsACSRevised.pdf>.
- To learn more about the federal poverty measure, how it is used, and the extent of poverty in Texas, see CPPP’s “Texas Poverty 101” at www.cppp.org/research.php?aid=96&cid=8.

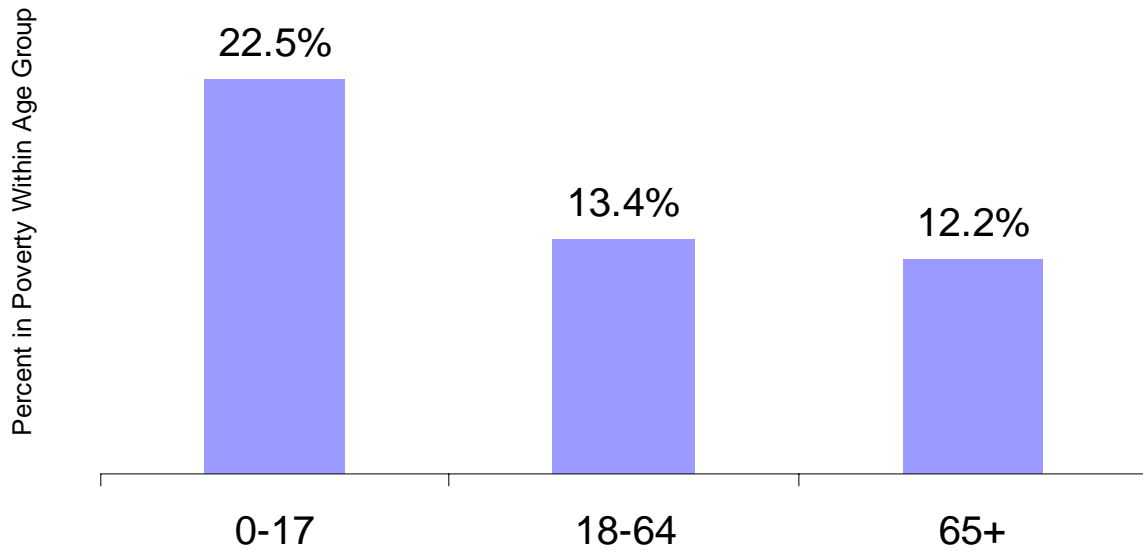
###



Texas' unemployment rate worsened significantly after the period captured by the new 2008 poverty data, suggesting that the poverty rate today is likely higher. Texas' unemployment rate averaged 4.9 percent in 2008. As of August 2009, it climbed to 8.0 percent.

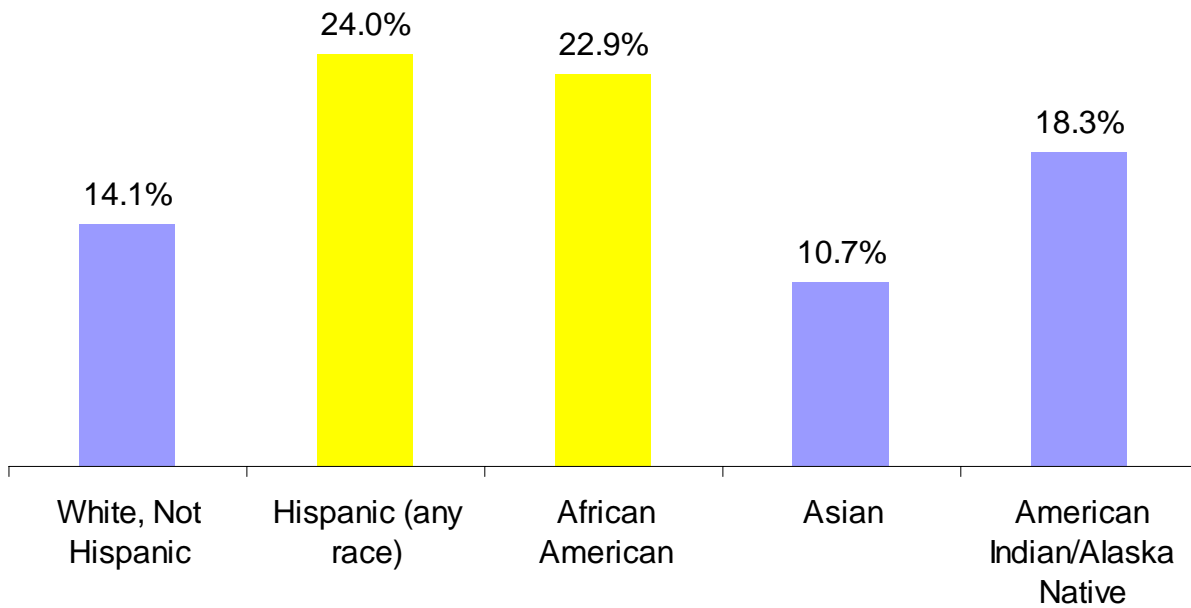


Children are 60% More Likely to Live in Poverty than Working Age Adults



Source: 2008 American Community Survey, U.S. Census Bureau

Hispanics and African Americans Much More Likely to Live In Poverty as Whites in Texas



Source: 2008 American Community Survey, U.S. Census Bureau

