



## TEXAS POVERTY: AN OVERVIEW

### Introduction

Texas is one of the largest states in the country, yet, for reasons of history and economy, it differs in important ways from other large states such as New York and California. This primer is intended to provide a succinct profile of Texas' low-income residents and their needs as well as the state's limited commitment to responding to these needs with its own funds. Each section provides the most recent available data, data sources and links to additional sources of information.

Areas covered are listed below:

- *Demographics*: size and characteristics of the population.
- *Poverty*: the magnitude of poverty and characteristics of the poor
- *The Working Poor*: characteristics of families earning poverty level wages.
- *Tax and Budget*: state revenue sources, reliance on federal funds for social services
- *Education*: scale of the public system, spending levels and results
- *Health*: size of the uninsured population
- *Medicaid and CHIP*: change in Medicaid caseload, plans for CHIP
- *Food and Nutrition*: indicators of continuing need.
- *Public Assistance and Food Stamp Benefits*: cash assistance benefit levels, changes in Food Stamp caseload

DEMOGRAPHICS:

Texas is the second most populous state in the union after California. Texas ranks third in the share of its population growth accounted for by international migration and second in the share accounted for by births. It has a large and growing Hispanic population. Its population is young relative to the nation as a whole. It is also more highly urbanized.

	<u>Texas</u>	<u>US</u>
<i>Population, 1999:</i>	20.0 million	272.7 million
<i>Percent living in metropolitan areas, 1998:</i>	84.7%	80.1%
<i>Percent under age 5, 1998:</i>	8.2	7.0
<i>Percent under age 18, 1998:</i>	28.5	25.8
<i>Percent age 65 or older, 1998:</i>	10.1	12.7
<i>Race/Ethnicity (percent), 1998:</i>		
Hispanic	29.7	11.2
Non-Hispanic White	55.9	72.3
Black	12.3	12.7
Other	3.3	4.8

*Note: Percents do not add to 100 since Hispanics may be of any race.*

<i>Percent Foreign-Born, 1997:</i>	11.3	9.7
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Sources: U.S. Bureau of the Census.

<http://www.census.gov/population/www/estimates/popest.html>

and

<http://www.census.gov/population/www/socdemo/foreign.html>

## POVERTY:

In spite of the current economic boom, poverty in Texas is more pronounced than in the nation as a whole. The poor are geographically concentrated in the state's largest cities and in the border region. Poverty is also disproportionately concentrated among members of the state's large and growing Latino community and among African-Americans. Child poverty—particularly among very young children—is also significantly higher in Texas than in the nation as a whole.

Public assistance programs in Texas offer extremely low benefits, relative to other states, and, not surprisingly, a larger share of poor Texas households include workers. Low wages in many of the growth sectors of the state's economy contribute to this phenomenon.

### Poverty Guidelines 2000:

Poverty guidelines are set annually by the federal government in order to help determine eligibility for various federal programs.

Size of family unit:	Poverty guideline:
1	\$ 8,350
2	\$ 11,250
3	\$ 14,150
4	\$ 17,050
5	\$ 19,950
6	\$ 22,850

*Source: U.S. Department of Health and Human Services.*

### Individuals in poverty:

1996-98:	<u>Texas</u>	<u>US</u>
(3 year average)	16.9%	13.2%

*Source: U.S. Census Bureau, March 1999, 1998, and 1997, Current Population Surveys.*

For more information, go to the Census Bureau's web site:

<http://www.census.gov/hhes/www/poverty.html>

### Who is poor in Texas:

#### By race and ethnic group, 1998:

	Rate	Number
Hispanics	25.5%	1,700,000
African-Americans	23.3	580,160
Anglos/Other	6.9	748,760

*Source: March CPS, 1998.*

## Child Poverty: 1998

	<u>Texas</u>	<u>US</u>
Poverty among children under age 18	22%	18.95

Source: US Census Bureau, Current Population Survey, 1998.

## Young Child Poverty (children under age 6): 1992-96

Poverty among children under age 6	30.3%	24.7%
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In addition, the *extreme poverty* and *near poverty* rates for young children in Texas were significantly higher than the national rates of 11.7% (extreme) and 44.2% (near poverty). Extreme poverty is defined as below 50% of the federal poverty level, near poverty is up to 185% of the federal poverty level.

Texas, California and New York accounted for more than half of the increase in young child poverty between 1992 and 1996.

Source: US Census Bureau, Current Population Survey for years 1992-1996.

For more information see the web site for the National Center for Children in Poverty.  
<http://www.cpmcnet.columbia.edu/dept/nccp/ecp1text.html>

## Where the poor live

### *Individual poverty, by county (1995):*

10 most populous counties	Rate	Total Poor
Harris (Houston)	19.1%	597,716
Dallas	14.5	289,617
Tarrant (Ft. Worth)	12.3	160,822
Bexar (San Antonio)	19.4	254,595
Travis (Austin)	12.9	87,177
El Paso	30.9	211,593
Hidalgo	42.2	210,728
Collin	5.3	20,057
Denton	6.8	23,525
Fort Bend	9.4	28,989
<b>State Average</b>	<b>18.5%</b>	<b>3.5 million</b>

Several smaller Texas counties have poverty rates of over 40% and two—Zavala and Starr counties—have rates above 50%.

Source: US Census Bureau, Small Area Estimates. Note: these estimated may underestimate poverty since they use the size of the Food Stamp caseload as an indicator of poverty and such cases may decline in spite of continued poverty.

THE WORKING POOR:

	<u>Texas</u>	<u>US</u>
Number of poor families with children	570,000	6,258,000
Number in which parents were not ill, disabled, retired	523,000	5,620,000
Number of poor families with children with a worker	422,000	3,942,000
Percent	80.8	70.2
Average weeks worked among the working poor	44.3	40.8
Percent of poor families with earnings as a majority of income	72.2	57.0
Percentage of poor families with welfare as a majority of income	11.1	24.2
Percentage of families that receive welfare that also work	71.3	62.6

Source: Center on Budget and Policy Priorities tabulations of March Current Population Survey data from 1996-98.

***Wages in occupations projected to add the most new jobs in Texas, 1996-2006, by hourly and annual wages***

Rank	Occupation	Projected new jobs	Hourly Wage	Annual Wage
1	Cashiers	845	\$6.66	\$13,860
2	Retail salespersons	665	8.40	17,470
3	Waiters/waitresses	600	5.89	12,250
4	General managers and top executives	565	21.62	44,980
5	Food prep workers	435	7.31	15,190
6	Comb food prep/Service workers	420	5.96	12,390
7	Systems analysts	380	19.90	41,380
8	Helpers and Laborers, NEC	355	8.99	18,700
9	Guards	310	8.26	17,190
10	Child care workers	305	6.74	14,030

Source: Texas Workforce Commission, 1999.

See also: *Working But Poor in Texas*, Center for Public Policy Priorities, Austin, TX, 1999.

## STATE TAX AND BUDGET SYSTEMS:

Texas state and local governments rely primarily on sales and property taxes for their revenue; Texas is one of a handful of states without a personal income tax. The resulting system is highly regressive, with lower income households shouldering a larger tax burden than other households. In addition, growth in personal income in the state is not necessarily paralleled by growth in state revenue.

In spite of its high level of poverty and consequent need for social services, Texas spends a relatively small amount per capita on such services. In addition, while the state budget reflects a heavy reliance on federal funds, Texas typically does not spend a significant portion of the federal funding to which it is entitled.

<b>Taxation</b>	<u>Texas</u>	<u>US</u>
Property tax as a percent of major state and local taxes (property, sales, income)	42%	35
Sales tax as a percent of major state and local taxes	58	41
Personal income tax as a percent of major state and local taxes	0	24
Share of income paid in state/local taxes, by those with incomes:		
Less than \$14,750	16.0	
\$14,750-26,000	9.5	
\$26,000-44,500	7.6	
\$44,500-74,200	6.3	
More than \$74,250	3.8	
Growth of key revenue sources, 1992-98		
Personal income	78.1%	
Sales tax revenue	64.1	
Taxable property values	26.7	
Total state tax collections	56.9	

Source: Percent of tax is from *CQ's State Fact Finder, 1998*. Share of income paid in state/local taxes is from *Tax Exemptions and Tax Incidence: A Report to the Governor and 76<sup>th</sup> Texas Legislature*, January 1999. Growth in key revenue sources is from

For more information see *Texas Taxes*, Center for Public Policy Priorities, 1999, <http://www.cppp.org/products/reports/ttexecsum.html>

## Budget Structure

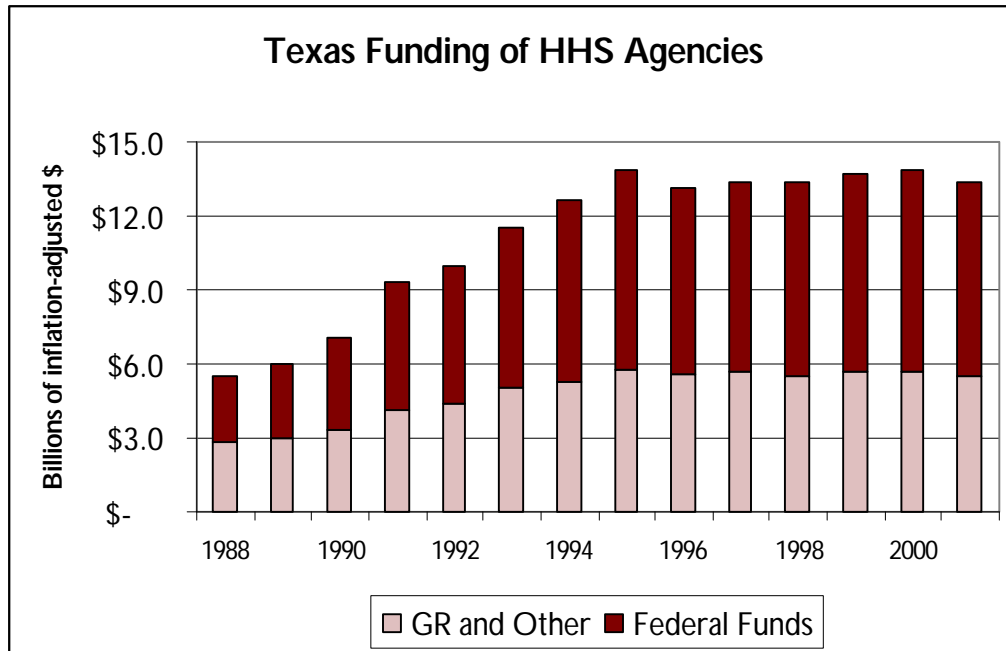
State/Local Government Spending	Texas	US average
Per capita general spending by <i>state</i> government, 1997	\$2,270	\$2,951
Per capita direct general spending by <i>state/local</i> government, 1996	\$3,783	\$4,483
Per capita corrections spending by <i>state/local</i> government, 1996	\$167	\$141
Per capita welfare spending by <i>state/local</i> government, 1996	\$536	\$729
Per capita welfare <i>cash assistance</i> spending by <i>state/local</i> government, 1996	\$64	\$102
Per capita public health spending by <i>state/local</i> government, 1996	\$93	\$151

Sources: <http://www.census.gov/govs/www/state.html> (State Government Finance Data) and <http://www.census.gov/govs/www/estimate.html> (State and Local Govt. Finance Estimates)

- **Heavy reliance on federal funds for social services spending**

Federal dollars account for roughly 60 percent of funding for Texas state health and human services. In comparison, federal revenue is funding about 28 percent of all state government operations in 2000-01.

Over time, federal dollars have become more and more important in Texas' HHS budgets. In 1988-89, about 50 percent of HHS program funding came from the federal government.



Other sources of information:

<http://www.osfr.state.tx.us/> (Texas Office of State-Federal Relations)

<http://www.lbb.state.tx.us/> (Texas Legislative Budget Board – *Federal Funds Watch* and other publications)

Federal Spending Patterns	Texas	U.S.
State government reliance on Federal funds, 1998		
Percent of all spending	29%	26%
Rank among 50 states	18	
Defense spending (including Veterans' benefits), 1998		
Per capita	\$987	869
Rank among 50 states	19	
Social Security spending, 1998		
Per capita	\$1,251	\$1,477
Rank among 50 states	45	
Federal public assistance spending, 1998		
Per poor person	\$49	\$301
Rank among 50 states	44	



### **How do federal funds get spent in Texas?**

In the 2000-01 biennium, the Texas state budget includes \$27.7 billion in federal funds—about 28 percent of total state spending. The latest national figures indicate that Texas state government relies slightly more on federal funds than do other states. Per resident, Texas state government spends about \$630 in federal funds annually. When all sources of federal funding are included, federal spending in Texas totaled \$92 billion in 1998, about 14% of the state economy (as measured by gross state product).

### **Are we getting our “fair share” of federal funds?**

Several studies have examined how many federal dollars states receive relative to the federal taxes paid by their residents. One of the better known analyses is done annually by the Taubman Center for State and Local Government and the office of U.S. Senator Patrick Moynihan. The most recent edition (for fiscal 1998) shows Texas ranking 33<sup>rd</sup> among states in its federal “balance of payments.” This ranking is based on federal spending of \$5,113 in Texas per person, compared to \$5,360 paid in federal taxes—for a net loss of \$247 per resident, or \$4.9 billion total.

The 1998 ranking shows considerable improvement compared to 1983, when Texas was in 48<sup>th</sup> place with a per-person loss of \$1,303 (in 1998 dollars). Throughout the 1980s, the state was successful in getting more and more federal funding relative to taxes paid, ranking highest in the Taubman reports in 1989 (30<sup>th</sup> place, with a net loss of only \$3 per person). Since 1989, however, Texas has slipped a little in the rankings to its current place.

### **Why is Texas not getting as much federal funding as it could?**

For federal spending on assistance programs, Texas per-capita figure of \$565 in 1998 is about 10 percent of the national average, despite its unfavorable rankings on factors such as poverty and percent of residents with no health insurance. How could this be?

Several programs distribute funding to states based on population estimates, for the total number of residents or for specific categories (certain age or poverty groups, for example). To the extent that Texans are being undercounted, the state loses federal funds for various education, workforce development, and HHS programs. A 1999 report by the Government Accounting Office estimated that Texas could have received an additional \$93.4 million in funding for 15 formula grant programs alone had the count been more accurate. These included programs funding child care and child development, prevention and treatment of substance abuse, foster care, Medicaid, WIC, rehabilitation and other social services.

Other programs, such as Social Security, bring less money to Texas because of the demographic and labor market factors that determine if or how much benefits will be paid to individuals. With a history of low-wage, non-manufacturing jobs and a much younger population overall, Texas is not home to as many Social Security retirees collecting higher monthly checks as are many Northeastern states. These factors account for the low Social Security monthly benefit and low Social Security spending per capita for Texans.

In the category of direct federal spending, the major factor distinguishing high-spending states is the number of military or large research installations located in their communities. Texas has more than a dozen major military installations and almost 153,000 military and

civilian Department of Defense personnel, giving it a favorable ranking compared to other states in defense spending.

Finally, in some instances Texas receives less in federal funding than it is eligible for because the state does not provide sufficient matching funds to draw down the total allocation. For example, for the current budget period, an additional \$11 million in state money would have drawn down \$18 million more in Medicaid for children's dental care programs. The legislature did not provide all the additional state funds needed.

## EDUCATION

Texas has one of the largest public school populations in the nation. Nonetheless, the state ranks 23<sup>rd</sup> on spending per pupil for K-12 education and class sizes are relatively low. Yet high school completion rates remain low and relatively few of the state's adults without a high school diploma or GED receive adult basic education services. Reading achievement measures place Texas slightly below the national average for 4<sup>th</sup> and 8<sup>th</sup> graders.

<b>Magnitude of educational needs</b>	<b>Texas</b>	<b>U.S.</b>
<b>Public School Enrollment, 1997-98</b>		
Number	3,893,000	45,844,000
Percent of population	20.0	17.2
Rank among 50 states	5	
<b>Pupil-teacher ratio, 1996</b>	15.5	17.0
Rank among 50 states	33	
<b>Private School Enrollment, 1995</b>		
Number	229,353	5,014,734
Percent of population	5.8	10.1
Rank among 50 states	40	
<b>Percent of 4<sup>th</sup> graders eligible for free/ Reduced price lunch</b>	14%	13%
<b>School spending</b>		
<b>Public K-12 Current Spending</b>		
Spending per pupil, 1998	\$5,794	\$6,098
Rank among 50 states	23	
<b>Total spending, FY 1998</b>	<b>\$22.9 billion</b>	<b>\$281.7 billion</b>
Per capita	\$1,159	\$1,042
Rank among 50 states	12	
As percent of personal income	4.6	3.9
Rank among 50 states	10	

SOURCE: U.S. Department of Education, National Center for Education Statistics, Statistics of State School Systems; and Common Core of Data surveys (July 1998).

### Sources of school funds, 1995-96:

	<b>Texas</b>	<b>U.S.</b>
State share of K-12 revenue	42.9%	47.5%
Rank among 50 states	32	
Local share of K-12 revenue	47.2%	43.2%
Rank among 50 states	19	
Federal share of K-12 revenue	7.2%	6.6%
Rank among 50 states	21	

### Educational Attainment

#### High School

Percent of adults age 25 or more with a high school diploma, 1998	78.3	82.8
Rank among the 50 states	45	

Percent of 18-24 year olds completing High school, 1994-96	79.3	85.8
Rank among the 50 states	49	

#### Enrollment in Adult Basic Education Programs Relative to Adults Over 25 With no High School Diploma

Percent	3.1	5.1
Rank among 50 states	37	

SOURCES: U.S. Bureau of the Census, Educational Attainment data from Current Population Survey,  
<http://www.census.gov/population/www/socdemo/educ-attn.html>

#### Reading Achievement

Percent scoring at or above grade level Proficiency on NAEP reading assessment		
4 <sup>th</sup> grade	29%	31%
8 <sup>th</sup> grade	28%	33%

SOURCES: The National Education Goals Panel. 1999. Reading Achievement State by State. 1999.  
Washington, D.C.: Government Printing Office.

## HEALTH

Texas ranks at or near the bottom nationally in the percentages of adults and children who are without health insurance. Poor Texas workers are more likely to work, but less likely to be insured than their peers in other states. Working families at low- and below-poverty income find that fewer and fewer jobs provide health insurance benefits, and the out-of-pocket cost to insure their families is beyond their means.

More than 500,000 Texas children in poverty are uninsured, despite the fact that most children in poverty are eligible for Texas Medicaid. Lack of outreach, public misconceptions that welfare law changes have reduced Medicaid eligibility, the "work first" policies of state agencies, and unnecessary hassles in Medicaid applications all contribute to this startling statistic.

<b>Uninsured, all ages, 1999:</b>	<b>Texas</b>	<b>US</b>
Percent without health coverage throughout the year	24.5	16.3

*Source: US Census Bureau, Current Population Surveys, March 1999.*

### **Uninsured kids (1994-96):**

Estimated percentage of uninsured children under age 19 in state	24.2	14.6
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*Source: Estimated by the Center on Budget and Policy Priorities based on the CPS March Supplement for the years 1995-97.*

### Medicaid

Decline in Medicaid rolls (Jan 1996- August 99):	
Children and families:	335,615
Percent	20.9%

*Source: CPPP analysis of Texas Health and Human Services Commission quarterly caseload report.*

### *Medicaid Income Eligibility Guidelines for Children In terms of percent of poverty.*

<u>Infants (0-1)</u>	<u>Children (1-5)</u>	<u>Children (6-19)</u>
185%	133%	100%

### **Client profile—current programs:**

Children's programs represent 87.5 percent of all cases, while pregnant women and needy families represent 10.6 percent and 1.9 percent, respectively. The average age of children in programs is 5.4 years, of pregnant women is 21.5 and of needy adults is 34.1 years. Two-thirds of cases are located in four DHS regions: Houston, Edinburg (south Rio Grande valley), Arlington (Dallas), and San Antonio.

## CHILDREN'S HEALTH INSURANCE PROGRAM

The newly passed Texas Children's Health Insurance Program is targeted at children ages 0-18 (until turn 19) living in families with incomes of up to 200% of the federal poverty threshold.

### Estimated percent of uninsured

Children whose family income is at or below 200% of poverty:	<u>Texas</u>	<u>US</u>
	72.2	65.5

*Source: US Department of Health and Human Services, number used to calculate CHIP allotments, based on three year average of March CPS data, 1994-96.*

For more information on implementation of CHIP see:  
the Health Care Financing Administration (HCFA) web site:  
<http://www.hcfa.gov/init/children.htm> the Texas Health and Human Services Commission  
web site: <http://www.hhsc.state.tx.us>, and the Texas CHIP Coalition web site:  
[www.main.org/txchip](http://www.main.org/txchip)

## FOOD AND NUTRITION:

Texas' large population with incomes at or near the federal poverty threshold means that many households have trouble affording adequate food. The main government program aimed at ensuring that such households have access to nutritious food—Food Stamps—is doing a poorer job reaching those in need now than in the past. The declining percent of those eligible that are served is correlated with declines in welfare rolls. Most troubling, these declines are not correlated with declines in poverty; while poverty has remained relatively stable, the population receiving Food Stamps has fallen precipitously.

<b>Hunger, 1996-98</b>	<u>Texas</u>	<u>US</u>
Number not able to afford food consistently	2 million+	
Percent	12.9%	9.7%
Number suffering from hunger	950,000	
Percent	5%	3.5

*Note:* hunger is defined as uneasy or painful sensation caused by lack of food.  
*Source:* USDA, *Measuring Food Insecurity in the United States*, October 1999.

### **Food Stamps, 1995-99**

Change in FS Caseload	-44%
Federal funds lost as a result	\$1 billion
Change in FS applications	- 7%

*Source:* Texas Department of Human Services, annual reports for 1995, 1996, 1997, 1998, 1999.

### **Decline correlated with Welfare reform**

Change in FS receipt among those also receiving TANF	-55%
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### **Other nutrition programs, not linked to TANF, expand**

Change in WIC caseload(94-98)	+15%
Change in school lunch caseload (94-98)	+11 %

*Source:* Texas Department of Human Services, Bureau of Nutrition Services, monthly caseload reports. Texas Education Agency, PEIMS data [Pam—what does PEIMS stand for?]

### **Declining coverage of eligible population by FS:**

*Percent of eligible Texans receiving FS*

1995	67%
1999	35%

*Source:* Legislative Appropriations Request—Fiscal Years, 1994-95; Legislative Appropriations Request—Fiscal Years 2000-2001.

For more information see *Hunger in a Time of Plenty, Food Stamp Declines in Texas, 1995-1999*, Center for Public Policy Priorities, December 1999,  
<http://www.cppp.org/products/fsexecsum.html>



## PUBLIC ASSISTANCE AND FOOD STAMP BENEFITS:

In spite of high levels of demonstrated need, Texas offers among the lowest levels of cash assistance to needy families. Its Food Stamp program reaches relatively few eligible households compared to other states. Early evidence on those leaving the welfare rolls suggests that many remain poor.

### TANF

The Texas Temporary Assistance for Needy Families (TANF) program provides financial and medical assistance to needy children who are deprived of support because of the absence or disability of one or both parents. Eligible households receive monthly cash and Medicaid benefits. They also are usually eligible for food stamps and child care services. Unless legally exempt, all TANF recipients (caretaker adults) must participate in an employment services program. Those participating will have their benefits time-limited.

To be eligible, recipients must sign a personal responsibility agreement in which they promise not to voluntarily quit a job, to stay free of alcohol or drug abuse, to participate in parenting classes if referred, to obtain medical screenings for their children, and ensure their children are immunized and attending school.

In addition, they must meet a number of criteria relating to the composition of their household and the financial resources available to the household. For example, households cannot have more than \$2,000 in assets (\$3,000 if the household includes a relative who is disabled or over age 60). They cannot own a car worth more than \$4650. In terms of income, to receive the maximum cash benefit, households cannot have income greater than 17 percent of the poverty guideline set for their family size, once child care and certain other work-related expenses are deducted. For a family of three, this translates to \$197 per month. This is also the size of the maximum monthly benefit they would receive.

For more information, see the Department of Human Services web site:  
[http://www.dhs.state.tx.us/programs/Texas\\_Works/TANF.html](http://www.dhs.state.tx.us/programs/Texas_Works/TANF.html)

### Client profile, 1999:

Most TANF-Basic families consist of an adult and one or two children. Ninety-six percent of family caretakers are female. Almost half of TANF children are under age 6; about 63 percent of families have children under age 6. Approximately two-thirds of TANF families live in four DHS regions: Houston, Arlington (Dallas metroplex), Edinburg (south Rio Grande valley), and San Antonio. The family is black or Hispanic in 79 percent of cases. Only 4.6 percent of caretakers have jobs. Caretakers must participate in CHOICES, the state's welfare to work program, unless exempt. The three main reasons for being exempt are: caring for a child under age 4, illness, and disability. In 1998, the average gross earnings of employed TANF-Basic families were \$2,354 per year.

Source: Texas Department of Human Services, *Reference Guide, 1999*.

### Food Stamp benefits:

The food stamp program, whose benefits are totally federally funded, is meant to help low income families purchase a nutritionally adequate diet. Recipients may spend food stamps in any market.

Eligibility criteria are less restrictive than for TANF. Household gross income must be less than 130 percent of the federal poverty guidelines for its size (\$18,440 for a family of three). Income net of household expenses such as shelter and utilities cannot exceed 100 percent of the federal poverty threshold (\$13,880 for a family of three). Households are allowed to have assets such as a house.

### Client profile:

The average food stamp household includes 2.7 persons. Close to three-quarters (73.6 percent) are either black or Hispanic. Females head the household in 83 percent of cases. Again, almost two-thirds are concentrated in four DHS regions: Houston, Edinburg (south Rio Grande valley), Arlington (Dallas metroplex), and San Antonio. Over 15 percent of household heads work full or part-time. While 87.5 percent of households have income, only 35.3 percent have earned income. Over 19 percent also receive TANF.

#### *Maximum Cash and Food Stamp Benefits as a Percent of Poverty:*

1999 Poverty threshold for a family of three: \$13,880

Monthly cash benefit for a family of three with no other income:	\$197
this translates to an annual income of:	\$2,360
as a percent of the poverty threshold:	17.0%

Percent decline in purchasing power of the Texas cash grant since 1970	69%
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*Note:* Texas recently pegged its benefit level to 17% of the federal poverty threshold.

Food Stamp cash benefits for a family of three with no other income:	\$517
as a percent of the poverty threshold	46.4%

### Recent decline in AFDC/TANF Caseloads:

	<u>Texas</u>	<u>US</u>
Number of families receiving assistance during national caseload peak period (April-June 1994)	283,246	5,019,173

Number of families receiving assistance during state caseload peak period (October-December 1995)	288,203
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Most current caseload data (June 1999)	107,477	2,536,000
Caseload change from national peak	-62.0%	-49.5%
Caseload change from state peak	-62.7	

Source: Center on Budget and Policy Priorities (state and national peak period data); Department of Health and Human Services (current caseload data), <http://www.acf.dhhs.gov/news/stats/case-fam.htm>

### What is happening to those leaving the welfare rolls?

In 1998, a survey was conducted by the Texas Department of Human Services of those who had been off of TANF for at least six months since the Fall of 1997. It found that among this group:

- 55% were working
- they worked an average of 34 hours per week
- their average hourly wage was \$6.28
- 40 percent received health insurance through their employer

Assuming 50 weeks of work per year (an optimistic assumption), this would yield an annual gross income of \$10,676—nearly \$3,000 below the federal poverty level for an average Texas TANF family in 1998.

In addition, results indicated that respondents had accessed the following services in the six months they had been off of TANF:

- 66 percent of all respondents had received food stamps
- 70 percent received Medicaid
- 15 percent lived in public housing
- 10 percent had received assistance from a food pantry, church or other community service group

Source: Texas DHS, *Texas Families in Transition--The Impacts of Welfare Reform Changes in Texas: Early Findings*, December 1998. <http://www.dhs.state.tx.us/publications>.

A 1998 study of those leaving TANF by the Texas Legislative Council provided additional information on how former recipients' experiences differed across regions and by family type.

The study reported that, compared to former recipients in other regions of the state, those living in the border region:

- Took longer to find jobs
- Were more likely to continue receiving food stamps
- Were less likely to have completed high school
- Had less prior work experience

- Were less likely to find full time jobs

Former recipients in two parent families (compared to single parent):

- Spent less total time on TANF
- Had fewer disabilities
- Looked longer for their jobs
- Had higher average salaries, in spite of less education and work experience
- Were more likely to rely on food stamps after leaving TANF

Source: Texas Legislative Council, *Why People Leave Welfare II: An Expanded Follow-Up Study of the Effects of Welfare Reform*, December 1998.