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2001 POVERTY DATA FOR TEXAS, U.S., RELEASED TODAY BY CENSUS BUREAU

On September 24, 2002, the U.S. Bureau of the Census released national and state-level income and poverty data from its March 2002 Current Population Survey (CPS). This survey provides information on American families' and individuals' poverty and income status for the year 2001; when combined with prior years' CPS data, statistically significant changes for states and for subgroups (such as different age categories) can also be discerned. This Policy Page highlights poverty and income data for Texas, such as the fact that 3.1 million Texans, of which 1.3 million were children, lived below poverty in 2001. The state poverty rate overall was 14.9 percent; for children, it was 21.1 percent. State-by-state information on health insurance coverage from the 2002 CPS will be released in a few more weeks, and CPPP will alert Policy Page readers to that data as well.

3.1 MILLION TEXANS WERE POOR IN 2001

The March 2002 CPS data estimate that a total of 3.129 million Texans lived below the official poverty line in 2001, which was set at \$14,128 for a family of three. Based on an estimated total state population of 21.030 million, this translates to a poverty rate of 14.9 percent. (In 2000, the corresponding figures were 3.166 million poor Texans or an overall poverty rate of 15.3 percent, neither of which are significantly different in a statistical sense from the 2001 figures.) The U.S. poverty rate for 2001 was 11.7 percent, or 32.9 million total poor, both of which are significantly higher than in 2000.

Of the total number of Texas poor, 601,000 lived in the Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Area (CMSA), giving the metro area a poverty rate of 10.6 percent. Poverty in the central cities of Houston-Galveston-Brazoria was much more prevalent: a total of 372,000 central-city residents were poor, for a poverty rate of 27.4 percent—almost twice the statewide average.

March CPS poverty estimates are also available for the Dallas-Fort Worth CMSA. About 620,000 poor people lived in the CSMA, for a poverty rate of 10.7 percent. Dallas-Fort Worth's prevalence of central-city poverty was

much lower than in Houston-Galveston-Brazoria, with an estimated 16.4 percent of the DFW core cities' residents living in poverty (a total of 437,000).

Child and Elder Poverty: Of the 6.173 million Texans who are under the age of 18, about 1.303 million lived in poverty in 2001. This gives Texas a child poverty rate of 21.1 percent, higher than the U.S. child poverty rate of 16.3 percent (or a U.S. total of 11.733 million poor children).

Estimated child poverty rates for Houston-Galveston-Brazoria are 16.2 percent for the CMSA and an appallingly high 40.9 percent for the central cities. Even taking into account the statically range of accuracy (a standard error of plus or minus 5.24), central city poverty in the Houston-Galveston-Brazoria is by far the highest of any U.S. metro area included in the CPS poverty report.

For the Dallas-Fort Worth area, the child poverty rate was 15.7 percent for the CMSA, and 25.4 percent for the central cities, much closer to that estimated for other major MSA central city areas in the CPS poverty report.

On average, poverty for Americans 65 and over is much lower than for children, because a much larger share of the elderly receive benefits such as Social Security and Medicare. Nationally, the poverty rate for seniors was 10.1 percent in 2001; for Texas, elderly poverty was 12.7

percent statewide. In Houston-Galveston-Brazoria, poverty among residents aged 65 or over was 8.9 percent in the CMSA and 14.1 percent in the central cities. In Dallas-Fort Worth, elderly poverty was 7.9 percent in the CMSA and 11.0 percent in the central cities.

Median Household Income: In 2001, median household income for Texas was estimated at \$40,860, an amount that showed no significant change from the prior year. ("Median" means half the households had incomes below this amount, and half had incomes that were higher.) The Texas figure was about 97 percent of the U.S. average of \$42,228. The U.S. median income, unlike Texas', experienced a statistically significant decline from the previous year.

Texas vs. Other States: To compare states to each other, the Census Bureau recommends using a three-year average of CPS data. This is because the CPS sample size is small enough (around 50,000 households) that multi-year averages are needed for the calculations to be statistically valid for most states. For 1999-2001, Texas had an average poverty rate of 15.2 percent, compared to the national figure of 11.6 percent. Only New Mexico (18.8 percent), Louisiana (17.5 percent), Mississippi (16.8 percent), Arkansas (16.3 percent), the District of Columbia (16.1 percent), and West Virginia (15.6 percent) had poverty rates higher than Texas' in 1999-2001. (After standard errors are factored in, however, other states had poverty rates statistically similar to Texas'. See <http://www.census.gov/hhes/www/poverty01.html> for more details about today's release of CPS poverty and income data and how it should be interpreted.)

LONG-TERM TREND: POVERTY UNCHANGED, BUT FEWER TEXANS GETTING CASH ASSISTANCE OR FOOD STAMPS

Looking at several years' worth of CPS data, one sees that the rate of poverty, and the total number of poor, in Texas did not dramatically decline, even when the state's economy was doing better and unemployment was at historically low rates (as low as 4.2% in 2000). The Texas poverty rate dropped slightly from 17 to 15 percent since 1995, but the total number of poor has hovered around 3 million for several years.

After state and federal welfare reform (1995-1996), however, the number of Texans below the poverty line who received cash assistance fell dramatically. In 1994 there were about five poor Texans for every state recipient of cash assistance (formerly known as Aid to Families with

Dependent Children, now Temporary Assistance for Needy Families). In 2001, that ratio had worsened, to nine poor people for every cash assistance recipient. Another way to look at this decline: in 2001 only 11 percent of Texas' poor received cash assistance, down from 22 percent in 1994.

Food Stamp reciprocity also fell much more rapidly than did poverty in Texas. Households can have income of up to 130 percent of poverty (a federal eligibility standard) and still be eligible for Food Stamp benefits. In contrast, cash assistance eligibility is determined by individual states and is much more restrictive in Texas (about 17 percent of poverty, or less than \$2,600 annually for a family of three in 2002). The poverty data released today by the Census Bureau includes an estimate that almost 4.3 million Texans were living below 125 percent of poverty in 2001—not too much lower than the Food Stamp income guideline. However, only 1.4 million Texans received Food Stamps in 2001, or less than 33 percent of those potentially eligible. More recently, the state Department of Human Services (DHS) has reported that almost 1.6 million Texans are getting Food Stamps. If this trend continues, DHS estimates that almost 36 percent of potentially eligible Texans could be served by the Food Stamp program in fiscal 2003.

NEED MORE INFORMATION?

Persons interested in poverty statistics for areas or population subgroups not mentioned in this *Policy Page* can consult other Census Bureau data, such as the recently released information from the Decennial Census, or the Small Area Income and Poverty Estimates. See <http://www.census.gov/hhes/www/poverty.html> for more information, or contact CPPP. Another good resource is the State Data Center at Texas A&M, <http://txsdc.tamu.edu/>.

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