

## Poverty Quick Facts *Updated May 2018*

### The Statistics and Their Implications

1. 1 in 5 (19.9%) of all people living in Greensboro live below the federal poverty threshold, and 1 in 4 (27.8%) of children live in poverty.<sup>1</sup> The federal poverty threshold is an annual income of \$12,254 for an individual or \$25,283 for a family of 4.<sup>2</sup>

#### SO WHAT?

- a. They cannot afford to meet all their basic needs on their own, including food, housing, and transportation. They need help from government, charity, and/or family and friends to make ends meet.
- b. The stress of not being able to meet basic needs leads to other problems (poor mental and physical health, relationship troubles, domestic violence, developmental delays for children, delay in meeting education or career goals for parents, etc.).<sup>3</sup>
- c. It takes money to make money (cost of higher education, cost of child care, transportation, etc.), so if you are poor it is extremely hard to get ahead, harder than for others. Single parents face extra challenges: For example, an average-quality (3-star) child care facility in Guilford County costs around \$600/month per child.<sup>4</sup>
- d. The poverty threshold doesn't come close to what a family needs to be self-sufficient. Self-sufficiency is the amount of money a family requires to independently meet its basic needs, free from dependence on public benefits or assistance from extended family and friends. The self-sufficiency standard for a family of 4 (2 adults, a preschooler, and a school-age child) in Guilford County is \$58,383, almost 2.5 times the poverty threshold.<sup>5</sup>

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<sup>1</sup> U.S. Census Bureau. *2012-2016 American Community Survey 5-Year Estimates*. U.S. Census Bureau. Greensboro City, North Carolina. <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

<sup>2</sup> U.S. Census Bureau. *Poverty thresholds by size of family and number of children*. U.S. Census Bureau. 2016. <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html> and [PovertyThresholds2016.xls](https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html)

<sup>3</sup> <http://www.spring.org.uk/2014/06/how-long-term-stress-causes-serious-mental-disorders.php> and <http://www.spring.org.uk/2013/10/childhood-poverty-and-stress-harms-adult-brain-function.php>

<sup>4</sup> [http://ncchildcare.nc.gov/pdf\\_forms/center\\_market\\_rate\\_table\\_effective\\_01012016.pdf](http://ncchildcare.nc.gov/pdf_forms/center_market_rate_table_effective_01012016.pdf)

<sup>5</sup> <http://www.unitedwaync.org/selfsufficiencystandard>

2. 65% of Guilford County School students qualify for free and reduced-price meals, based on their family's low income.<sup>6</sup>

SO WHAT?

- a. Schools with high percentages of low-income students need extra support to meet academic standards.<sup>7</sup>
  - b. Children of low-income families know 50% fewer words at age 3 than their peers from high-income families. As a result, they can be 1 ½ years behind those peers in their development by the time they start kindergarten, and it's hard to catch up.<sup>8</sup>
  - c. Growing up under the stress of poverty affects a child's ability to concentrate and to manage negative emotions, which affects their behavior and achievement in school.<sup>9</sup>
3. 47% of third graders in Guilford County read below their grade level.<sup>10</sup>

SO WHAT?

- a. Any third-graders who can't read on grade level are 4 times less likely to graduate from high school; those living in poverty are 13 times less likely to graduate.<sup>11</sup>
  - b. After third grade, "learning to read" becomes "reading to learn," enabling students to grasp more complex subject matter. Over 80% of low-income fourth-graders (nationally) miss this milestone.<sup>12</sup>
  - c. Low-income students lose two to three months of reading ability over every summer vacation, resulting in falling 2 ½ to 3 years behind by 5<sup>th</sup> grade.<sup>13</sup>
4. Adults without a high school diploma earn 27% less money than adults who graduate high school, and high school graduates earn 40% less than four-year college graduates.<sup>14</sup>

SO WHAT?

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<sup>6</sup> <https://www.gcsnc.com/Page/4313>

<sup>7</sup> <https://www2.ed.gov/programs/titleiparta/index.html>

<sup>8</sup> <http://www.wbez.org/series/front-center/falling-behind-kindergarten-30-million-word-gap-100063>

<sup>9</sup> <http://www.spring.org.uk/2013/10/childhood-poverty-and-stress-harms-adult-brain-function.php> and <http://www.apa.org/pi/families/poverty.aspx#>

<sup>10</sup>

<https://www.gcsnc.com/site/default.aspx?PageType=3&DomainID=2411&ModuleInstanceID=2840&ViewID=6446EE88-D30C-497E-9316-3F8874B3E108&RenderLoc=0&FlexDataID=13759&PageID=2057>

<sup>11</sup> [http://blogs.edweek.org/edweek/inside-school-research/2011/04/the\\_disquieting\\_side\\_effect\\_of.html](http://blogs.edweek.org/edweek/inside-school-research/2011/04/the_disquieting_side_effect_of.html)

<sup>12</sup> <http://gradelevelreading.net/about-us/campaign-overview>

<sup>13</sup> <http://gradelevelreading.net/our-work/summer-learning-loss>

<sup>14</sup> <https://www.bls.gov/emp/chart-unemployment-earnings-education.htm>

- a. Dropping out of high school creates the strong likelihood of a lifetime of poverty.
  - b. Helping people go to college – and graduate! – gives them a worthwhile boost in earning power.
  - c. First-generation and low-income students need additional support to enroll and remain enrolled in college.<sup>15</sup>
5. 33% of people in Greensboro don't have enough savings to survive at just the basic poverty level for three months if they lose their income.<sup>16</sup>

#### SO WHAT?

- a. Without emergency savings, individuals who lose their jobs immediately become at risk of homelessness, ruined credit, and potentially serious health problems (for example, if they cannot afford medications or healthcare). Escalating damage comes with such crises, and it takes more resources to help them back to self-sufficiency.
  - b. People of color are more likely to lack emergency savings or assets than white households.<sup>17</sup>
  - c. Human services agencies' capacity to serve the community can be improved if more families are able to build emergency savings.
6. Although the Affordable Care Act has resulted in a significant decrease in NC's uninsured rate (12.2% in 2018 down from 19% in 2011), NC still ranks 43 out of 50 and has an uninsured rate higher than the national average of 10%.<sup>18</sup>

#### SO WHAT?

- a. The uninsured are more likely to die from congestive heart failure, stroke, heart attacks, and accidents than people with health insurance.<sup>19</sup>
- b. Increasing ACA enrollments is not a full solution because North Carolina did not elect to expand Medicaid, leaving households in the "coverage gap" unable to afford health insurance.<sup>20</sup>

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<sup>15</sup> <http://diverseeducation.com/article/7213/>

<sup>16</sup> <http://scorecard.prosperitynow.org/data-by-location-city/3728000>

<sup>17</sup> [https://prosperitynow.org/files/PDFs/2017\\_Prosperty\\_Now\\_Scorecard\\_Financial\\_Assets\\_Income.pdf](https://prosperitynow.org/files/PDFs/2017_Prosperty_Now_Scorecard_Financial_Assets_Income.pdf)

<sup>18</sup> <http://scorecard.prosperitynow.org/reports-report-state-profile>

<sup>19</sup> <http://www.nationalacademies.org/hmd/~media/Files/Report%20Files/2009/Americas-Uninsured-Crisis-Consequences-for-Health-and-Health-Care/Americas%20Uninsured%20Crisis%202009%20Report%20Brief.pdf>

<sup>20</sup> Those in the "coverage gap" do not meet eligibility requirements for Medicaid (they don't have children or disabilities, are not elderly) and earn too little (i.e., less than 100% of poverty level) to qualify for insurance subsidies under the ACA. For more explanation, see <http://www.northcarolinahealthnews.org/2014/04/21/minorities-more-likely-to-fall-into-aca-coverage-gap/>

- c. Health-related costs are the leading cause of personal bankruptcy;<sup>21</sup> digging out of bankruptcy takes valuable years of your life, as well as severely damaging your credit.<sup>22</sup>
7. To afford a two-bedroom apartment at fair market rent in the Greensboro/High Point area (\$806/month),<sup>23</sup> a person earning minimum wage (\$7.25/hour) must work 81 hours a week.<sup>24</sup>

#### SO WHAT?

- a. The national guideline on affordability<sup>25</sup> is that housing costs should not equal more than 30% of household income (which equals \$363/month for someone working 40 hours/week, 50 weeks/year, at \$7.25/hour). If people have to spend more than 30% on housing, they have less for other needs and for emergency savings.
- b. A single mother with two children working full-time, year-round, at the federal minimum wage of \$7.25 per hour earns just \$14,500 – more than \$6,000 below the poverty line for a family of 3.<sup>26</sup>
- c. If she works the 81 hours a week to afford the two-bedroom apartment (which assumes that she can get free or subsidized child care), she has time for nothing else: parenting, higher education, health & fitness, etc.

#### Other Key Poverty Facts

1. Poverty continues to be a cycle, generation after generation: Being born into poverty is a primary predictor of poverty as an adult, even more so for African-Americans.<sup>27</sup>
2. Federal poverty guidelines were developed as “a statistical yardstick” only<sup>28</sup>, and being at 100% of the threshold for your family size does not necessarily mean you have “enough” to live on – for example, it doesn’t factor in child care or healthcare costs.<sup>29</sup>
3. The services we currently have in Greater Greensboro are not sufficient to meet the need: waiting lists are often long, and limited or no funds are available to cover the full cost of the help that a family needs.

<sup>21</sup> <http://www.cnbc.com/id/100840148>

<sup>22</sup> <http://www.nationaldebtrelease.com/why-bankruptcy-is-bad/>

<sup>23</sup> [https://www.huduser.gov/portal/datasets/fmr/fmr\\_il\\_history/select\\_Geography.odn](https://www.huduser.gov/portal/datasets/fmr/fmr_il_history/select_Geography.odn)

<sup>24</sup> <http://nlihc.org/oor/north-carolina>

<sup>25</sup> <https://www.census.gov/housing/census/publications/who-can-afford.pdf>

<sup>26</sup> <https://aspe.hhs.gov/poverty-guidelines>

<sup>27</sup> <http://www.urban.org/uploadedpdf/412126-child-poverty-persistence.pdf>

<sup>28</sup> <http://www.census.gov/topics/income-poverty/guidance/poverty-measures.html>

<sup>29</sup> <http://www.ncjustice.org/?q=budget-and-tax/living-income-standard-2014-boom-low-wage-work-means-many-north-carolinians-dont-make>

4. The safety net doesn't catch everyone (for example, due to program eligibility rules and grant restrictions, waiting lists, or because someone's mental health negatively affects their compliance with a program).
5. While nationally, the poverty rate is 15.5%<sup>30</sup> (higher in Greensboro at 19.3%), a full 31.6% of Americans have experienced at least 2 months of poverty over a recent 3-year period.<sup>31</sup>
6. The whole community is negatively affected by poverty. For example:
  - It reduces potential revenue for local government and limits residents' participation in civic life and the arts;
  - Financial priorities reduce individual and community attention to protecting the environment;
  - High poverty makes our city (or geographic pockets of it) less attractive to new residents and businesses.

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#### **Additional related resources:**

##### Section 1

The following census website link was used to pull poverty data used in this document. Under Topic or Table Name, type S1703, and then select the desired geographic area:

<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

See <https://www.bls.gov/opub/reports/minimum-wage/2017/home.htm> "Characteristics of Minimum-Wage Workers" to find out how many minimum wage workers there are (by age, geography, etc.)

The Self-Sufficiency Standard of North Carolina that uses the cost of area-specific basic needs to determine the amount of income necessary for over 700 family types in all 100 counties of North Carolina: <http://www.unitedwaync.org/selfsufficiencystandard>

##### Section 2<http://www.unitedwaync.org/selfsufficiencystandard>

More on the "word gap" for low-income toddlers:

<http://news.stanford.edu/news/2013/september/toddler-language-gap-091213.html>

##### Section 7

To view state data on housing wages (how much one must earn to afford rent at fair market rates), see <http://nlihc.org/oor/2015/NC>

A map and data showing number of affordable housing units for extremely low income households, county by county can be found at <http://www.urban.org/housingaffordability/>

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<sup>30</sup> [https://factfinder.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml)

<sup>31</sup> <http://spotlightonpoverty.org/spotlight-exclusives/no-ones-talking-new-poverty-data/>