

POVERTY QUICK FACTS

Updated December 2020



United Way
of Greater Greensboro

The Statistics and Their Implications

- 1. 18.5% of all people living in Greensboro live below the federal poverty threshold, and 1 in 4 (26.1%) of children live in poverty.¹ The federal poverty threshold is an annual income of \$12,760 for an individual or \$26,200 for a family of 4.²**

SO WHAT?

- Individuals and families with inadequate income have difficulties in meeting basic costs, including struggling to pay for food, accommodation, clothing, education, health care, utilities, transport, recreation and trying to balance competing demands.³ They typically need help from government, charity and/or family and friends to make ends meet.
- Family poverty and low socio-economic status contributes to stress, depression, family dysfunction, poorer school performance and low school retention rates.⁴
- It takes money to make money (cost of higher education, cost of childcare, 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, average-quality (three-star) home-based childcare in Guilford County costs around \$539/month per child for school aged children, \$750/month for 3-5 year olds, and \$795/month and up for children aged 2 & under.⁵ An average-quality (three-star) childcare center in Guilford County costs around \$643/month per child for school aged children, \$1,060/month for 3-5 year olds, and \$1,031/month and up for children aged 2 & under.⁶ That's just the cost for average childcare facilities, while five-star facilities are priced significantly higher.

¹ [American Community Survey 2018 5-Year Estimates for Greensboro, NC](#)

² [US Department of Health & Human Services, HHS Poverty Guidelines for 2020](#)

³ [Poverty, Family Stress & Parenting](#)

⁴ [Poverty, Family Stress & Parenting](#)

⁵ [Subsidized Child Care Market Rates for Family Child Care Homes Effective October 1, 2018](#)

⁶ [Subsidized Child Care Market Rates for Child Care Centers Effective October 1, 2018](#)

2. The percentage of students in Guilford County schools in poverty is 66.34%.⁷

SO WHAT?

- a. Schools with high percentages of low-income students need extra support to meet academic standards.⁸
- b. 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.⁹

3. 46.9% of third-graders in Guilford County Schools read below their grade level.¹⁰

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.¹¹
- 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.¹²
- 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 fifth grade.¹³

4. Adults without a high school diploma earn 24% less money than adults who graduate high school; and high school graduates earn 39% less than four-year college graduates. ¹⁴

SO WHAT?

- a. Dropping out of high school creates the strong likelihood of a lifetime of poverty.¹⁵
- b. Helping people go to college – and graduate! – gives them a worthwhile boost in earning power.

⁷ [Guilford County Schools Student Poverty Rate \(as of April 2020\)](#)

⁸ [Guilford County Schools, About Title I](#)

⁹ [Effects of Poverty, Hunger and Homelessness on Children and Youth](#)

¹⁰ [Guilford County Schools 3rd Grade Reading EOG Proficiency](#)

¹¹ [Study: Third Grade Reading Predicts Later High School Graduation](#)

¹² [3rd Grade Reading Success Matters](#)

¹³ [3rd Grade Reading Success Matters, Summer Learning Loss](#)

¹⁴ [US Department of Labor, Unemployment rates and earnings by educational attainment \(2019\)](#)

¹⁵ [Chronic Stress and the Risk of High School Dropout](#)

c. First-generation and low-income students need additional support to enroll and remain enrolled in college.¹⁶

5. 31.7% of Greensboro households are asset poor, and nearly 42.3% are “liquid asset poor,” meaning they do not have enough cash savings for a safety net in case of a family emergency.¹⁷

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.¹⁸

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 (ACA) has resulted in a significant decrease in NC’s uninsured rate (19% in 2011 down to 12.9% in 2018), has an uninsured rate higher than the national average of 10.4%.¹⁹

SO WHAT?

a. Simply increasing ACA enrollments won’t solve uninsured issues because North Carolina did not elect to expand Medicaid. This leaves households in the “coverage gap” unable to afford health insurance.²⁰

b. Health-related costs are the leading cause of personal bankruptcy.²¹

¹⁶ [First-generation Students Need Continued Support for College, Says Report](#)

¹⁷ [Prosperity Now Scorecard for Greensboro, NC](#)

¹⁸ [Prosperity Now Scorecard for North Carolina](#)

¹⁹ [State Health Care Snapshots: North Carolina](#)

²⁰ [Minorities More Likely to Fall into ACA Coverage Gap](#)

²¹ [Medical Bills Are the Biggest Cause of US Bankruptcies: Study](#)

7. **The fair market rent in the Greensboro/High Point area for a two-bedroom apartment is \$838/month.²² In North Carolina a person earning minimum wage (\$7.25/hour) must work 97 hours a week to afford a two-bedroom rental home at HUD's Fair Market Rent.²³**

SO WHAT?

- a. The national guideline on affordability 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)²⁴. If people have to spend more than 30% on housing, they have less for other needs and for emergency savings.
- b. A single parent with two children working full-time, year-round, at the federal minimum wage of \$7.25 per hour earns just \$14,500 – more than \$7,000 below the poverty line for a family of 3.²⁵
- c. If the parent works the 97 hours a week to afford the two-bedroom apartment (which assumes that they can get free or subsidized childcare), they have time for nothing else: parenting, higher education, health & fitness, etc.

More Context

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.²⁶
2. The Federal poverty guidelines were originally developed in 1963 and were derived from the Agriculture Department's economy food plan²⁷. It was a threshold of costs and income as it related to food spending for what was considered “adequate food” at the time. It was intended to be “a statistical yardstick” only and being at 100% of the threshold for your family size does not necessarily mean you have “enough” to live on.²⁸
3. The services we currently have in Greater Greensboro are not sufficient to meet the need: waiting lists are often long and have limited or no funds are available to cover the full cost of the help that a family needs.

²² [FY2020 Final Fair Market Rents Documentation System](#)

²³ [How Much do you Need to Earn to Afford a Modest Apartment in Your State?](#)

²⁴ [National Low Income Housing Coalition](#)

²⁵ [U.S. Department of Health & Human Services, HHS Poverty Guidelines for 2020](#)

²⁶ [Childhood and Intergenerational Poverty: The Long-Term Consequences of Growing Up Poor](#)

²⁷ [Social Security Administration, The Development and History of the Poverty Thresholds](#)

²⁸ [How the Census Bureau Measures Poverty](#)

4. The safety net doesn't catch everyone (for example, due to program eligibility rules and grant restrictions, or because someone's mental health negatively affects their compliance with a program).
5. The effects of increased poverty rates extend well beyond just individuals and families. It can cause issues for whole communities that include²⁹:
 - Diminished school quality and academic achievement
 - Diminished health and healthcare quality
 - Pervasive joblessness
 - Employment discrimination and reduced employment networks
 - Increased crime
 - Declining and poorly maintained housing stock and devaluation of home values
 - Difficulty in residents building wealth and experiencing economic mobility

Footnotes in this document include sources with data that may not reflect the effects of the pandemic. Prior to the pandemic, over 57,000 people in greater Greensboro were living in poverty and that number is undoubtedly increasing as household and businesses struggle with COVID-related unemployment and economic impacts.

Source Notes

[Prosperity Now Scorecard for Greensboro, NC \(and North Carolina\)](#)

Prosperity Now's Scorecard is an interactive data tool. You can select issues to explore and compare various outcome measures.

[FY2020 Final Fair Market Rents Documentation System](#)

Select *Greensboro-High Point, NC HUD Metro FMR Area* from the *FY 2020 HUD Metropolitan Fair Market Rent Area* drop-down menu at the bottom of the page to view fair market rents.

²⁹ [US Department of Health and Human Services, Overview of Community Characteristics in Areas with Concentrated Poverty](#)