POVERTY QUICK FACTS

February 2023

1. People living in Poverty.

➢ Over 68,000 people in Guilford County\(^1\) are living in poverty and of these, over 51,000 are in the United Way of Greater Greensboro service area (as of 2021).

➢ About 41,000 (14.5\%) of all people living in Greensboro live below the federal poverty threshold, and 1 in 6 (16.7\%) children lived in poverty in the past 12 months.\(^2\)

➢ The zip codes with the highest poverty rates are: 27401, 27405, 27406, 27409, 27407\(^3\)

➢ As of 2023, the federal poverty threshold is an annual income of $14,580 for an individual or $30,000 for a family of 4.\(^4\)

**SO WHAT?**

a. 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.\(^5\) They typically need help from government, charity and/or family and friends to make ends meet.

b. Family poverty and low socio-economic status contributes to stress, depression, family dysfunction, poorer school performance and low school retention rates.\(^6\)

c. 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.

2. Students in Poverty.
Almost two thirds of the students Guilford County schools are in poverty (Student poverty rate was 62.9% in 2021).7

More than half (53.1% in 2019) of third graders in Guilford County Schools read below their grade level.8

High school graduation rates are lower for students in high poverty tracts (zip codes)9

**SO WHAT?**

a. 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.10

b. Any third graders who cannot 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

c. 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

3. **Education level & Income**

As of 2021, 9.8% of Adults in Greensboro aged 25 years+ did not have a high school diploma13

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.14,15

**SO WHAT?**

a. Dropping out of high school creates the strong likelihood of a lifetime of poverty.16

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.$^{17}$
4. Household Assets

➔ 31.5% of Greensboro households are asset poor (latest data 2018), and

➔ 37.4% were “liquid asset poor,” meaning they do not have enough cash savings for a safety net in case of a family emergency (i.e., unable to subsist for 3 months at the poverty level without an income). 18

➔ 3.3% of Adults in NC were unbanked in 2021 and the most cited reason for not having a bank account is “not having enough money to meet minimum balance requirements”. Consequently, unbanked rates were higher among lower-income households.

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).

b. Without a bank account, the cash, and funds you keep are less safe and it’s more difficult to use, transfer, and manage your money – which eventually keeps one in a cycle of poverty.

c. Human services agencies’ capacity to serve the community can be improved if more families are able to build emergency savings.

5. Health Care

➔ Poverty is directly linked to negative health outcomes.

➔ Rate of food insecurity in Guilford County was 13.3% in 2020; slightly up from 13.1% in 2019. Food insecurity is an economic and social condition where one’s regular access to food is limited or uncertain.

➔ Although the Affordable Care Act (ACA) has resulted in a significant decrease in NC’s uninsured rate (18.9% in 2011 down to 12.4% in 2021), NC still has an uninsured rate higher than the national average of 10.2% as of 2021.
SO WHAT?

a. Income is central to accessing resources needed to be healthy such as safe housing, nutritious food, education, and transportation, as well as health services and treatment. Income is one of the greatest predictors of disease and mortality rates. Low-income adults have higher rates of heart disease, diabetes, stroke, and other chronic disorders than their wealthier counterparts.

b. While most U.S. households are food secure, a minority of U.S. households experience food insecurity at times during the year, meaning that their access to adequate food for active, healthy living is limited by lack of money and other resources. The most common cause of food insecurity is a lower income. Food insecurity rates are highest for single-mother households and households with incomes below the poverty line.

c. Simply increasing ACA enrollments will not solve uninsured issues because, as of 2023, North Carolina is still working on legislation to expand Medicaid. This leaves households in the “coverage gap” unable to afford health insurance and yet health-related costs are the leading cause of personal bankruptcy.

6. Housing

- For every 100 households with extremely low income (ELI) – households whose income is less than 30% of their area median income, - North Carolina only has 44 affordable and available homes.

- In North Carolina a person earning minimum wage ($7.25/hour) must work 106 hours a week to afford a two-bedroom rental home at HUD’s Fair Market Rent.

- 47.8% (2018) of Renters in North Carolina were considered cost-burdened - they spend more than 30% of their income on rent, and other housing needs.

SO WHAT?

a. If people must spend more than 30% on housing, they have less for other needs and for emergency savings. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.
b. If the parent works the 106 hours a week (in 2022) 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.

c. As a result of the shortage of available housing that is affordable to ELI households, 71% of the nation’s poorest families – seniors, people with disabilities, and low-wage workers – spend more than half of their incomes on rent and utilities, leaving them unable to afford food, transportation, medical care, and other necessities.38

7. Transportation

➔ Most people in Guilford County commute to work by personal automobile (90.7%) with an average commute time of 22 minutes. The average car ownership is 2.2 cars per household while 6.94% of households in Guilford County (8.05% in Greensboro) do not have a vehicle.39

➔ 1 in 4 adults in the U.S experience transportation insecurity and more than half of adults in the U.S who are experiencing poverty are also experiencing transportation insecurity.40

SO WHAT?

a. Transportation insecurity — the experience of being unable to move from place to place in a safe or timely manner — has important consequences for people’s ability to connect to opportunity and flourish.41

b. Reliable access to transportation is essential to holding a job, grocery shopping, and getting to school, childcare, social services, and other activities.

c. If people don’t have the ability to move from place to place, they’re going to struggle to get to work, health care appointments, school, grocery stores and social services. They will also find it challenging to stay connected to important sources of social support, including friends and family.42
8. Employment

➔ Unemployment rate in Guilford County, in 2022, was 4.2%\(^{43}\)

➔ The main condition that triggers poverty is unemployment and underemployment. For most people facing extreme poverty, having a job is the only recourse they have to facing fewer problems.\(^{44}\)

SO WHAT?

a. Being unemployed does push the relatively poor into absolute poverty. Overall, both the jobless and the poor need the same things: shelter, clothing, education, basic hygienic essentials, and so on.

b. Unemployment leads to poverty by means of loss of earnings, where many households are left without enough money to cover their living expenditure. Individuals remain trapped in a poverty cycle in the face of severe unemployment shocks – perpetuating the cycle of poverty across generations.

c. Some evidence of a relationship between unemployment and crime persists, however, although it appears that crime and unemployment are interrelated in some complex way with other aspects of economic disadvantage or social deprivation\(^{45}\).

9. Child Care

➔ The true cost of childcare is more than families can afford.\(^{46}\)

  o In 2022, average-quality (three-star) home-based childcare in Guilford County costs around $587/month per child for school aged children, $750/month for 3–5-year-old, and $795/month and up for children aged 2 & under.\(^{47}\)

  o 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-old, and $1,031/month and up for children aged 2 & under.\(^{48}\)

➔ Despite the subsidized childcare program to offset the costs to eligible* families\(^{49}\), in 2019, only 17% (43,646) of subsidy-eligible children (253,032) in North Carolina were served and 13% (33,098) were on the waitlist\(^{50}\).
SO WHAT?

a. For a person in poverty, these costs are prohibitive. Parents without access to affordable childcare may have to use less safe, lower-quality care to put food on the table or tighten their budget somewhere else to pay for expensive care. In some cases, they may have to choose between work and their children’s care.51

b. When families do not have the childcare they need, parents’ work productivity falls, resulting in costs to parents, their employers, and, ultimately, taxpayers52.

c. Access to subsidies also allows working families with low incomes to use their limited income to meet other basic needs, such as food, rent, and utilities. However, even with recent Child Care Funding Increase, Substantial Unmet Need Remains.53

10. Self-sufficiency

The Self-Sufficiency Standard measures how much income a family of a certain composition in a given place needs to adequately meet their basic needs—without public or private assistance.54

➔ In 2020, the self-sufficiency wage was an annual income of $22,692 (vs. $12,760 FPL) for one adult or $66,108 (vs. $26,200 FPL) for a family of 4 (two adults, one infant, one preschooler) in Guilford County.

SO WHAT?

a. Earning an income above the federal poverty threshold does not mean that a person or household has enough to meet their basic needs.

b. The Self-Sufficiency Standard shows that the income needed to meet basic needs is often far above the Federal Poverty Line (FPL), indicating that families can have incomes above the official poverty measure and yet lack sufficient resources to adequately meet their basic needs.55

c. The Standard is based on the costs of all basic needs of a working family—not just food, but also housing, childcare, health care, transportation, miscellaneous costs, plus taxes and tax credits56.
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.57

2. The Federal poverty guidelines were originally developed in 1963 and were derived from the Agriculture Department’s economy food plan58. 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.59

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 need. Further, waitlists only include children in families who tried to enroll in the program, and do not represent eligible families who do not enroll because of the following: (1) they do not know about the program; (2) they know the program is full; (3) they are hesitant to enroll in a state-run program; (4) they have difficulties proving eligibility; or (5) they have challenges related to transportation, work schedules, language, or homelessness.60

4. The safety net does not 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 include: 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.

6. References in this document include sources with data that may not reflect the effects of the pandemic.
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.

**The Self-Sufficiency Standard**
The Self-Sufficiency Standard was created in the mid-1990s by Dr. Diana Pearce, who at that time was Director of the Women and Poverty Project at Wider Opportunities for Women. The Standard was intended initially as a performance measure for the goal of “self-sufficiency” in federal job training programs. It was a measure that provided realistic and detailed data on what clients individually needed to be self-sufficient. First calculated for Iowa in 1996, it experienced a major expansion with funding by the Ford Foundation in the early 2000s, and today, the Standard can be found in 41 states and the District of Columbia.

References/Endnotes

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