

# POVERTY QUICK FACTS



United Way  
of Greater Greensboro

October 2024

## 1. People living in Poverty.

- ➔ About **78,418 (15.0%)** people in **Guilford County**<sup>1</sup> are living in poverty. About **47,662 (16.7%)** of all people living in **Greensboro** live below the federal poverty threshold, and **1 in 5 (21.7%)** children lived in poverty in the past 12 months.<sup>2</sup>
- ➔ **Poverty By Race:** **9.1%** of the people in Poverty are **White**, **23.3%** are **Black/African American**, **14.4%** are **Asian**, **15%** are some other races and **14.4%** are **Mixed race**. *Sample sizes are too small for American Indian natives & for Pacific Islanders.*
- ➔ **The zip codes with the highest poverty rates (in order starting with the poorest zip code) are:** **27401, 27405, 27403, 27406, 27409, 27407**<sup>3</sup>
- ➔ **As of 2024, the federal poverty threshold is an annual income of \$15,060 for an individual or \$31,200 for a family of 4.**<sup>4</sup>

### 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.<sup>5</sup> They typically need help from government, charity and/or family and friends to make ends meet.
- b. Government assistance such as the Child Tax Credit has proven important in lifting lower income families out of poverty. The child tax credit expansion in 2021 drove child poverty sharply downwards.<sup>6</sup> Further, the Tax Relief for American Families and Workers Act of 2024<sup>7</sup>, a piece of nonpartisan legislation announced Jan. 16, 2024 will temporarily modify and expand the child tax credit in several ways if passed into law. The bill was passed by the House of Representatives on Jan. 31, 2024, and is heading to the Senate for further consideration.

- c. Family poverty and low socio-economic status contribute to stress, depression, family dysfunction, poorer school performance and low school retention rates.<sup>8</sup>
- d. The poverty rates across racial groups highlight significant disparities. **However, all races in our community have significant numbers of people in poverty.**

## 2. Students in Poverty.

- ➔ **Almost two thirds of the students Guilford County schools are in poverty (Student poverty rate was 66.3% among the 2023/24 enrolled students).**<sup>9</sup>
- ➔ **High school graduation rates are lower for students in high poverty tracts (zip codes)**<sup>10</sup>

### 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.<sup>11</sup>
- 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.<sup>12</sup>
- c. Research, practice and common sense confirm that grade-level reading by the end of third grade and, more recently, on-track development by the end of kindergarten are both critical to the early school success that predicts later school achievement and high school graduation, the first rung of the “success sequence” leading to employment and earnings.<sup>13</sup>

## 3. Education level & Income

- ➔ **As of 2022, 9.9% of Adults in Greensboro aged 25 years+ did not have a high school diploma**<sup>14</sup>
- ➔ **Adults without a high school diploma earn 25% less money (about \$171 less in median usual weekly earnings) than adults who graduate high school; and high school graduates earn 68% less (about \$579 less in median usual weekly earnings) than four-year college graduates.**<sup>15,16</sup>

### SO WHAT?

- a. Dropping out of high school creates the strong likelihood of a lifetime of poverty.<sup>17</sup>
- 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>18</sup>

#### 4. Household Assets

- **27%** (latest data: 2021) of Greensboro households are asset poor, and **34%** (latest data: 2021) 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)*.<sup>19</sup>
- **3.3%** of Adults in NC were unbanked<sup>20</sup> 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<sup>21</sup>.
- c. Human services agencies’ capacity to serve the community can be improved if more families can build emergency savings.

#### 5. Health Care

- **Poverty is directly linked to negative health outcomes<sup>22</sup>. Rate of food insecurity in Guilford County was 13.3% in 2020; slightly up from 13.1 % in 2019<sup>23</sup>. Food insecurity is an economic and social condition where one’s regular access to food is limited or uncertain.**

- **North Carolina voted to expand Medicaid and the launch is slated for December 1, 2023.** Expanding Medicaid would ensure **access to affordable health insurance coverage for more than 600,000 North Carolinians** (about 30,000 in Greensboro).<sup>1</sup>.

#### SO WHAT?

- a. Income is one of the greatest predictors of disease and mortality rates<sup>24</sup>. Low-income adults have higher rates of heart disease, diabetes, stroke, and other chronic disorders than their wealthier counterparts<sup>25</sup>.
- 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**.
- c. The most common cause of food insecurity is a lower income<sup>26</sup> Food insecurity rates are highest for single-mother households and households with incomes below the poverty line<sup>27, 28</sup>.
- d. Health-related costs are the leading cause of personal bankruptcy.<sup>29</sup> Therefore, expanding Medicaid will help in covering some of the gap.

## 6. Housing

- **For every 100 households with extremely low income (ELI) – households whose income is less than 30% of their area median income<sup>30</sup>, - North Carolina only has 40 affordable and available homes** (2022 data) <sup>31</sup>.
- **In North Carolina a person earning minimum wage (\$7.25/hour) must work 119 hours a week (in 2023) to afford a two-bedroom rental home at HUD's Fair Market Rent.**<sup>32</sup>
- **49.2%**<sup>33</sup> (2021 data) **of Renters in North Carolina were considered cost-burdened - they spend more than 30% of their income on rent, and other housing needs**<sup>34</sup>.

#### SO WHAT?

<sup>1</sup> <https://www.ncdhhs.gov/blog/2022/06/09/what-expanding-medicaid-would-mean-north-carolina>

- a. If people must spend more than 30% on housing, they have less for other needs and for emergency savings<sup>35</sup>. 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<sup>36</sup>.
- b. If the parent works 119 hours a week (in 2023) 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<sup>37</sup>
- d. Even if the wages are raised, there is still a shortage of available affordable homes.

## 7. Transportation

- ➔ **Most people in Guilford County commute to work by personal automobile (90.7%) with an average commute time of 22 minutes<sup>38</sup>.**
- ➔ **1 in 4 adults in the U.S experience transportation insecurity [*Transportation insecurity: a condition in which one is unable to regularly move from place to place in a safe and timely manner because one lacks material, economic or social resources*]<sup>2</sup> and more than half of adults in the U.S who are experiencing poverty are also experiencing transportation insecurity.**<sup>39</sup>

### 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<sup>40</sup>.
- b. Reliable access to transportation is essential to holding a job, grocery shopping, and getting to school, childcare, social services, and other activities.

<sup>2</sup> <https://nawrs.org/wp-content/uploads/2017/08/2-3-Gould-Werth-Transportation-Security-Index.pdf>

- c. If people can't move from place to place, they'll 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.

## 8. Employment

- **The main condition that triggers poverty is unemployment and underemployment. Unemployment rate in Guilford County is 3.7% (as of Nov. 2023) <sup>41</sup>.**
- **For most people facing extreme poverty, having a job is the only recourse they have to facing fewer problems.<sup>42</sup>**

### SO WHAT?

- a. Being unemployed does push the relatively poor [*Relative poverty – is a lack of the basic necessities that meet the living standards of other people living at the same time and place*] into absolute poverty [*Absolute poverty – is a lack of all fundamental necessities such as clothing, food, and a place to live.*]
- b. Overall, both the jobless and the poor need the same things: shelter, clothing, education, basic hygienic essentials, and so on.
- c. Unemployment leads to poverty by means of loss of earnings, where many households are left without enough money to cover their living expenditure.
- d. Individuals remain trapped in a poverty cycle in the face of severe unemployment shocks – perpetuating the cycle of poverty across generations.

## Childcare

→ **The true cost of childcare is more than families can afford.**<sup>43</sup>

- Effective October 1, 2023, average-quality (three-star) family childcare home in Guilford County costs around **\$715/month** per child for school aged children, **\$800/month** for 3–5-year-old, and **\$795/month** and up for children aged 2 & under.<sup>44</sup>
- An average-quality (three-star) childcare center in Guilford County costs around **\$722/month** per child for school aged children, **\$1,060/month** for 3–5-year-old, and **\$1,088/month** and up for children aged 2 & under.<sup>45</sup>

→ **Despite the subsidized childcare program to offset the costs to eligible\* families<sup>46</sup>, 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<sup>47</sup>.**

### 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<sup>48</sup>.
- b. When families do not have the childcare they need, parents' work productivity falls, resulting in costs to parents, their employers, and, ultimately, taxpayers<sup>49</sup>.
- 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 the recent Childcare Funding Increase, Substantial Unmet Need Remains.<sup>50</sup>

## 9. Self-sufficiency

The Self-Sufficiency Standard measures how much income a family of a certain composition in each place needs to adequately meet their basic needs—without public or private assistance<sup>51</sup>.

- In 2020, the self-sufficiency wage is 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.
- As of 2023, the self-sufficiency wage is an annual income of **\$32,197 (vs. \$14,580 FPL)** for one adult or **\$87,673 (vs. \$30,000 FPL)** for a family of 4 (two adults, one infant, one preschooler) in Guilford County<sup>3</sup>.

### 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**<sup>52</sup>.
- 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 credits<sup>53</sup>.
- d. In 2020, as an individual, you needed about \$10,000 more than the FPL to be self-sufficient. And for a family of 4, you needed about \$40,000 more! **In 2023, you need about \$17,000 more as an individual while a family of 4 needs about \$57,000 more.**

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<sup>3</sup> [2023 North Carolina Dataset](#)



## 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.<sup>54</sup>
2. The Federal poverty guidelines were originally developed in 1963 and were derived from the Agriculture Department's economy food plan<sup>55</sup>. 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.**<sup>56</sup>
3. The services we currently have in Greater Greensboro are not sufficient to meet the need: **waiting lists** are often long and are limited or no funds are available to cover the full cost of the help that a family needs. 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<sup>57</sup>
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<sup>58</sup>: 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. **The largest effective trial of guaranteed income to date was the pandemic-era expanded child tax credit disbursed to millions of households by the US Treasury from July to December 2021. During this six-month period, US childhood poverty levels plummeted by 46%.** The monthly cash came with no strings attached, so families could use the money for what they needed most. **There were zero negative impacts on labor market participation by recipients.** Unfortunately, this transformative policy lapsed due to political quagmire in 2022, and childhood poverty has returned to prior levels (see [here](#)).

## 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.

### [FY2023 Final Fair Market Rents Documentation System](#)

Select *Greensboro-High Point, NC HUD Metro FMR Area* from the *FY 2023 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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<sup>1</sup> [American Community Survey, 2023 1-Year Estimates for Guilford County, NC](#)

<sup>2</sup> [American Community Survey 2023 1-Year Estimates for Greensboro, NC](#)

<sup>3</sup> [Lowest Income zip codes in Greensboro, NC](#)

<sup>4</sup> [US Department of Health & Human Services, HHS Poverty Guidelines for 2024](#)

<sup>5</sup> [Poverty, Family Stress & Parenting](#)

<sup>6</sup> [Should NC implement child Tax Credits? - May 2023](#)

<sup>7</sup> [Tax relief for American Families and Workers Act of 2024](#)

<sup>8</sup> [Poverty, Family Stress & Parenting](#)

<sup>9</sup> [Guilford County Schools Student Poverty Rate](#)

<sup>10</sup> [Graduation map by Percent Poverty](#)

<sup>11</sup> [Effects of Poverty, Hunger and Homelessness on Children and Youth](#) (Oct. 2022)

<sup>12</sup> [Study: Third Grade Reading Predicts Later High School Graduation](#) (April 2011)

<sup>13</sup> [The Campaign for Grade-Level Reading- 2023](#)

<sup>14</sup> [American Community Survey, 5-Year estimates 2018-2022](#)

<sup>15</sup> [US Department of Labor, Unemployment rates and earnings by educational attainment \(2019\)](#)

<sup>16</sup> "Education pays, 2021," *Career Outlook*, U.S. Bureau of Labor Statistics, May 2022.

<sup>17</sup> [Chronic Stress and the Risk of High School Dropout](#)

<sup>18</sup> [First-generation Students Need Continued Support for College, Says Report \(2007\)](#)

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- 19 [Prosperity Now Scorecard for Greensboro, NC](#)
  - 20 [Unbanked rates- NC 2021](#)
  - 21 [The Consequences of Living Without a Bank Account \(2022\)](#)
  - 22 [NCIOM 2020 – Healthy North Carolina Report](#)
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  - 39 [The transportation insecurity index, University of Michigan](#)
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  - 43 [Center for American Progress, 2021: The true cost of high quality childcare across the United States](#)
  - 44 [Subsidized Child Care Market Rates for Family Child Care Homes Effective October 1, 2023](#)
  - 45 [Subsidized Child Care Market Rates for Child Care Centers Effective October 1, 2023](#)
  - 46 [Childcare subsidy \(Help paying for childcare\)](#)
  - 47 [North Carolina statewide birth-5 needs assessment 2020](#)
  - 48 [Childcare and Housing: big expenses with too little help available, 2019](#)
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  - 50 [Child Care and Housing Assistance Is Effective But Limited, 2019](#)
  - 51 [The Self-sufficiency Standard for North Carolina 2020](#)
  - 52 [Official Poverty Measure /FPL Vs Self-sufficiency standard](#)
  - 53 [The Self Sufficiency Standard](#)
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  - 55 [Social Security Administration, The Development and History of the Poverty Thresholds](#)
  - 56 [How the Census Bureau Measures Poverty](#)
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  - 58 [Overview of Community Characteristics in Areas with Concentrated Poverty\(2015\)](#)