

POVERTY QUICK FACTS

Updated August 2019



United Way
of Greater Greensboro

The Statistics and Their Implications

1. **1 in 5 (19.2%) of all people living in Greensboro live below the federal poverty threshold, and 1 in 4 (27.1%) of children live in poverty.¹ The federal poverty threshold is an annual income of \$12,490 for an individual or \$25,750 for a family of 4.²**

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.³ 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.⁴
- 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 \$539/month per child for school aged children, \$750/month for 3-5 year olds and \$795/month for children aged 2 & under.⁵ That's just the cost for average childcare facilities, while Five star facilities are priced significantly higher.

¹ U.S. Census Bureau. (2017). *2013-2017 American Community Survey 5-Year Estimates*. U.S. Census Bureau. Greensboro City, North Carolina.

https://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml?src=bkmk

² U.S. Dept. of Health & Human Services. (2019) <https://aspe.hhs.gov/poverty-guidelines>

³ <http://www.humiliationstudies.org/documents/AhmedPovertyFamilyStressParenting.pdf>

⁴ <http://www.humiliationstudies.org/documents/AhmedPovertyFamilyStressParenting.pdf>

⁵ https://ncchildcare.ncdhhs.gov/Portals/0/documents/pdf/R/Revised-8-16-Market_Rate_Homes_Eff-10-1-18.pdf?ver=2018-08-28-105655-957

2. The percentage of students in Guilford County schools in poverty is 64.7%.⁶

SO WHAT?

- a. Schools with high percentages of low-income students need extra support to meet academic standards.⁷
- 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.⁸
- 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.⁹

3. 48.6% 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

⁶ <https://www.gcsnc.com/page/4313>

⁷ <https://www.gcsnc.com/Page/26207>

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

⁹ <http://www.apa.org/pi/families/poverty.aspx#>

¹⁰ <https://public.tableau.com/profile/guilford.county.schools#/vizhome/shared/4RT2HNJC6>

¹¹ http://blogs.edweek.org/edweek/inside-school-research/2011/04/the_disquieting_side_effect_of.html

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

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

- 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.
 - 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.¹⁵
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- 5. More than 25% of North Carolina households are asset poor, and nearly 52% are “liquid asset poor,” meaning they do not have enough cash savings for a safety net in case of a family emergency.**¹⁶

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.¹⁷
- c. Human services agencies' capacity to serve the community can be improved if more families are able to build emergency savings.

¹⁴ U.S. Dept. of Labor (2018). <https://www.bls.gov/emp/chart-unemployment-earnings-education.htm>

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

¹⁶ <https://www.ncjustice.org/publications/the-2019-living-income-standard-for-100-counties/>

¹⁷ <https://scorecard.prosperitynow.org/data-by-location#state/nc>

- 6. Although the Affordable Care Act (ACA) has resulted in a significant decrease in NC's uninsured rate (19% in 2011 down to 12.6% in 2017), NC still ranks 41 out of 50 states and has an uninsured rate higher than the national average of 10.2%.¹⁸**

SO WHAT?

- a. The uninsured are more likely to die from congestive heart failure, stroke, heart attacks, and accidents than people with health insurance.¹⁹
- b. 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
- c. Health-related costs are the leading cause of personal bankruptcy; ²¹digging out of bankruptcy takes valuable years of your life, as well as severely damaging your credit.²²

- 7. The fair market rent in the Greensboro/High Point area for a two-bedroom apartment is \$741/month.²³ In North Carolina a person earning minimum wage (\$7.25/hour) must work 90 hours a week in order to afford a two-bedroom rental home at HUD's Fair Market Rent.²⁴**

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)²⁵. 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 \$5,000 below the poverty line for a family of 3.²⁶
- c. If she works the 90 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.

¹⁸ <https://scorecard.prosperitynow.org/data-by-location#state/nc>

¹⁹ http://www.nas.edu/OCGA/111Session1/testimonies/OCGA_149973

²⁰ <http://www.northcarolinahealthnews.org/2014/04/21/minorities-more-likely-to-fall-into-aca-coverage-gap/>

²¹ <https://www.cnbc.com/id/100840148>

²² <https://www.nationaldebtrelief.com/why-bankruptcy-is-bad/>

²³ https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2016_code/2016summary.odn

²⁴ <https://reports.nlihc.org/oor>

²⁵ <https://nlihc.org/housing-needs-by-state/north-carolina>

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

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.²⁷
2. The Federal poverty guidelines were originally developed in 1963 and were derived from the Agriculture Department's economy food plan²⁸. 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 – for example, it doesn't factor in child care or healthcare costs.²⁹
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.
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 include³⁰:
 - 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 mobilityCompounding these problems, individuals living in poverty-saturated areas are less likely to live in the vicinity of non-governmental social service organizations, and proximity to these organizations is a key factor in service utilization

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:

<http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

²⁷ http://www.nccp.org/publications/pub_909.html

²⁸ Social Security Administration. 1992. <https://www.ssa.gov/history/fisheronpoverty.html>

²⁹ <https://www.ncjustice.org/publications/the-2019-living-income-standard-for-100-counties/>

³⁰ US Department of Health and Human Services. 2014. <https://aspe.hhs.gov/report/overview-community-characteristics-areas-concentrated-poverty/residents-high-poverty-neighborhoods-experience-negative-effects-their-surroundings-not-just-those-who-are-impoveryed>

See <http://www.bls.gov/opub/reports/cps/characteristics-of-minimum-wage-workers-2014.pdf> “Characteristics of Minimum-Wage Workers” to find out how many minimum wage workers there are (by age, geography, etc.)

Section 2

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/>