

Justification Document

Data from the Community Advancement Network 2015

17% of Travis County residents live in poverty

Indicator: Percentage of Travis County residents who earn less than 100% of the federal poverty threshold

Goal: Decrease the percent of Travis County residents who live in poverty

Target: 15% by 2020

Significance of Indicator: According to the Center for Public Policy Priorities, it takes at least two times the federal poverty level for families and individuals in Austin to make ends meet. People living below the poverty threshold face severe hardships.

Key Trends: The poverty rate in Travis County appears to have increased in 2014 for the first time since 2010. Though sample sizes are too small to be conclusive, this is a trend to watch. The American Community Survey estimates 193,753 residents of Travis County lived in poverty in 2014. The poverty threshold is set annually by the U.S. Census Bureau and varies by family type and size. In 2014, this was equivalent to \$24,008 for a family of four with two adults and two children and \$19,073 for a family of three with one adult and two children.

Children have the highest rates of poverty. Almost one-fourth of Travis County children live in poverty (24%), and for children under the age of 5, the rate is even higher (27%). The local poverty rates for Hispanics (27%) and African Americans (22%) are also higher than the rate overall.

What the data tells us

In 2014, about one-sixth of all Travis County residents (17%) were living in poverty, a rate that is lower than Travis County's post-recession peak of 19% in 2010. Despite this positive five-year trend, the poverty rate in 2014 did not show the clear decreasing trend line we would hope to see with the end of the Great Recession, as the rate of people living in poverty actually appeared to increase, even with more people working. Overall, the percentage of people living in poverty in Travis County in 2014 was below that of the City of Austin, equivalent to the state, and higher than the nation. Of most concern, however, is the growing number of people living in poverty. In 2014, an estimated 193,753 people in Travis County lived below the federal poverty threshold, an increase of approximately 16,833 residents from the previous year.

Plans, Data, and Reports

- In February 2015 the Martin Prosperity Institute and Richard Florida released Segregated City, a report that took a new approach to studying economic segregation in America by focusing on income, education and occupation data. The study found that Austin was the most economically segregated large metro in the nation.
- In May 2015 Raj Chetty and Nathaniel Hendren released the Equality of Opportunity Project, a study on poverty and mobility throughout the United States. The study found that Travis County is one of the

worst counties in the nation for income mobility for children in poor families, ranking above only 13 percent of counties in the nation. The New York Times released an interactive map of the data.

- In 2015, the Austin-American Statesman released a three part series about the history of inequality in the City of Austin titled, Inheriting Inequality. The series focused on the history of segregation and disinvestment in Austin which continues to cut off minority individuals from economic opportunities throughout the city as a whole.

Vulnerable populations

The Urban Institute defines people as low-income when they earn less than 200% of the federal poverty thresholds. Poverty thresholds vary by family size, number of children, and, for one-and two-person family units, age of the householder. More information on how the Census Bureau determines poverty status can be found [here](#). In 2014, this was equivalent to \$47,700 for a family of four (two parents and two children) or \$39,580 for a family of three (one parent and two children). Poverty status refers to people whose incomes follow below 100% of the federal poverty thresholds. In 2014, this was equivalent to \$23,850 for a family of four (two parents and two children) or \$19,790 for a family of three (one parent and two children). A comprehensive analysis of poverty data by Travis County's Research and Planning Department found that the following populations are more likely to live in poverty:

- Female headed households, no husband present (with or without children)
- Young adults 18 to 24 years of age
- Individuals who are unemployed
- Individuals with less than a high school education
- Foreign born non-citizens
- Individuals who are not in the labor force
- Individuals who did not work in the previous 12 months
- Children under 5 years of age
- Black/African Americans
- Hispanic/Latinos
- Spanish speakers
- Individuals who worked part-time or part-year
- Male headed households with children, no wife present
- Children 5 to 17 years of age
- Females

36% of Travis County households are cost-burdened

Indicator: Percentage of Travis County households that are "cost burdened" (pay 30% or more of income for housing)

Goal: Decrease the percentage of households that are cost-burdened

Target: 33% by 2020

Key Trends: The total number of households in Travis County that were housing cost-burdened steadily declined from 2010 to 2013, but increased slightly in 2014. The U.S. Department of Housing and Urban Development (HUD) considers a household to be "cost-burdened" when they pay more than 30% of

total income on housing costs. The five-year trend is “better” since Travis County’s post-recession peak of 41% in 2010, but issues remain as an additional 4,000 households were considered cost-burdened from 2013 to 2014 alone. An estimated 159,548 households spent more than 30% of their income on housing expenses in 2014, a reflection of Austin’s escalating issues with housing affordability.

What the data tells us

In 2014, 36% of Travis County households spent more than 30% of their income on housing costs, falling short of reaching CAN’s community target of 33% by 2020. Although the housing cost-burdened indicator has improved since its post-recession peak in 2010, a higher share of local residents face cost-burdens than people in the state and nation as a whole. In 2014, a higher proportion of Travis County households were cost-burdened than four of the five other major urban counties in Texas: Bexar County– San Antonio (33%), El Paso County (32%), Harris County-Houston (33%), and Tarrant County-Fort Worth (32%). Only Dallas County had a comparable rate of 36%.

89% of Central Texas students graduate from high school in four years

Indicator: % of Central Texas students who graduate from high school in four years

Goal: Increase the percentage of Central Texas students who graduate from high school in four years

Target: 95% for the Class of 2020

Key Trends: Over a five-year period, from 2010 to 2014, high school graduation rates in Central Texas increased from 84% to 89%, indicating that we are on-track to achieving the community goal of a 95% high school graduation rate by 2020. Improvements in the high school graduation rates have occurred for every racial and ethnic group, though achievement gaps remain. The greatest rate of improvement in graduation rates has been seen for Hispanic students. In the Class of 2004, only 73% of Hispanic students graduated. In the Class of 2014 86% of Hispanic students graduated from high school in four years.

What the data tells us

Graduation rates have been steadily increasing in Central Texas. Eighty-nine percent of Central Texas students graduated in four years for the Class of 2014, and graduation rates have increased 12% since the class of 2007.

The story behind the indicator

Rates of high school graduation have improved over the past five years in both Central Texas and the state as a whole. In 2014, 89% of Central Texas high school students graduated in four years. Achievement gaps by income have narrowed in recent years, though disparities persist. The E3 Alliance reports that the graduation rate for low-income students in the Class of 2014 was 84%, compared to a 96% graduation rate for moderate to high-income students, a **gap** of **12** percentage points.

Disparities in graduation rates by race and ethnicity also exist. For the Class of 2014, 96% of Asian and 94% of White students in Central Texas graduated in four years, compared to 86% of African-American

and Hispanic students. The gap between African-American and White students was 8% for the class of 2014, **unchanged** from 8% in the class of 2004. The gap between Hispanic and White students was 8% for the class of 2014, compared to 19% in the class of 2004. Even greater disparities emerge when this data is analyzed by gender. Click [here](#) for an E3 report prepared for the Greater Austin Area My Brother's Keeper Initiative on this topic.

3.2% of Travis County residents were unemployed in 2015

Indicator: Unemployment rate for Travis County

Goal: Achieve healthy unemployment rate

Target: 3.5% by 2020

Key Trends: Unemployment in Travis County has steadily declined since the last recession, reaching an all-time low of 3.2%. Workforce Solutions Capital Area estimates that another 2.7% of the workforce is underemployed, meaning they are discouraged from even seeking employment, are only marginally attached to the workforce, or are working part-time and would prefer to find full employment.

Significant disparities in unemployment exist when broken down by race, ethnicity and disability status. The unemployment rate for African Americans in Travis County is more than twice the rate for White residents and is higher than any other race or ethnicity.

Despite low unemployment, many residents continue to struggle to make ends meet. A CAN analysis of wage data from the Capital Area Council of Governments and estimates of what it takes to meet basic needs by the Center for Public Policy Priorities shows that **69% of all jobs created** between 2005 and 2015 **paid less than the hourly wage required to meet the basic needs** of a family with one adult and two children.

What the data tells us

Unemployment rates in the Austin area have experienced a steady decline since their peak following the recession in 2010, remaining far below the state and national rate. In 2015, Travis County exceeded CAN's community goal of 3.5% unemployment, by falling to 3.2%. Travis County's unemployment rate is below the 2015 annual unemployment rate of the state and the nation, but higher than the City of Austin.

The story behind the indicator

Based on the 2015 annual rate (not seasonally adjusted), Travis County's unemployment rate was 3.2%. This rate has declined from a high of 6.8% in 2010. Local jurisdictions have consistently seen lower unemployment rates than the state and nation. The Greater Austin Chamber of Commerce reports that Software Developers, Applications was the occupation with the most available job openings in the Austin MSA from February 14 to March 12, 2016. The largest year-to-year increase in jobs was for the categories Computer and Mathematical, Management and Food Preparation and Serving.

The unemployment rate includes only people who are searching for, but unable to secure, employment. It excludes individuals who have become discouraged by poor job prospects and stopped searching for work, as well as anyone who chooses not to work for pay. The employment-to-population ratio, or percent employed, includes these types of individuals. Using this measure, in 2014 73% of Travis County residents between the ages 16 and 64 were employed.

Although Travis County's overall employment picture is positive, many groups face higher unemployment than the overall population. People with disabilities have consistently higher unemployment rates than residents without a disability. Finally, the unemployment rate for Blacks is consistently higher than other groups. While both Blacks and Hispanics saw higher unemployment rates due to the recession, the Hispanic unemployment rate fell by 42%, while the Black unemployment rate has only fallen by 25%.

Significance of Indicator: A low unemployment rate indicates strong economic activity with businesses running at a high capacity. The Brookings Institution has found that unemployment causes steep reductions in family income. Rapid increases in unemployment lead to substantial increases in community poverty.