TRAVIS COUNTY POVERTY brief

April 2021

APPENDIX A:

Factors Contributing to the Poverty Rate of 18 to 24 Year-olds



american community survey

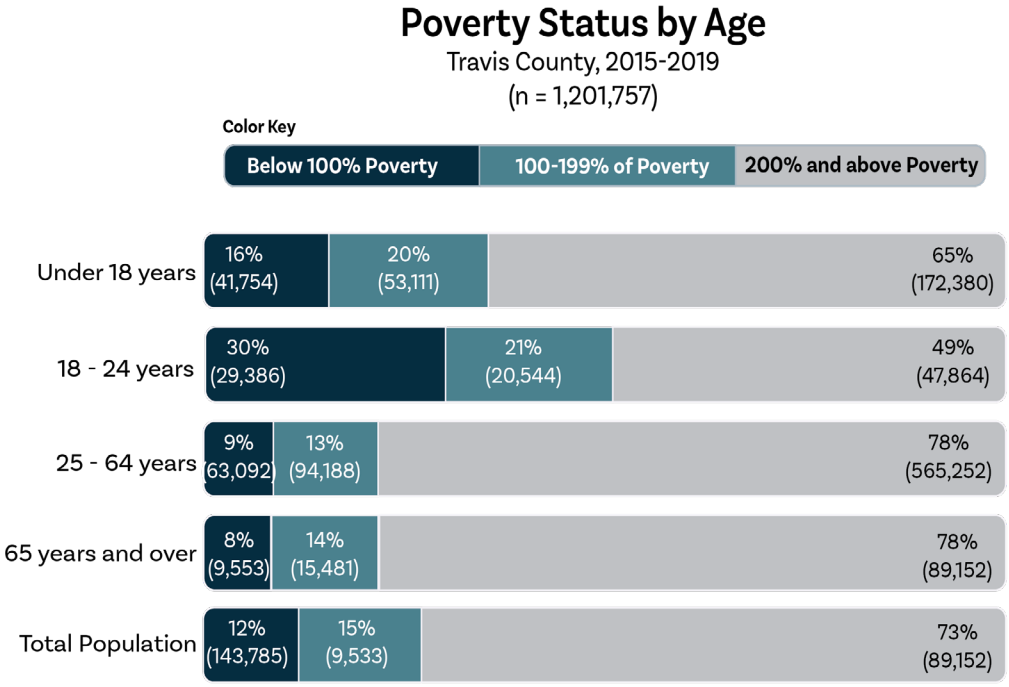
5-year estimates
2015-2019

Appendix A

Factors Contributing to the Poverty Rate of 18 to 24 year-olds

An Analysis Using the American Community Survey PUMS Data 2019 5-Year Estimates
Travis County HHS, Research & Planning Division, 2021

The Poverty Brief highlights that 51% of 18 to 24 year-olds in Travis County lived below 200% of the poverty threshold (FPL) between 2015 and2019; this is the highest rate among all age groups and 24 percentage points above the overall Travis County low-income rate (27%). This data suggests that the 18 to 24 year-old population in Travis County is a data outlier.



Research & Planning explored the factors that contribute to the high rates of poverty among 18 to 24 year-olds using persons and housing records from the 2019 5-Year Public Use Microdata Sample (PUMS) from the American Community Survey.

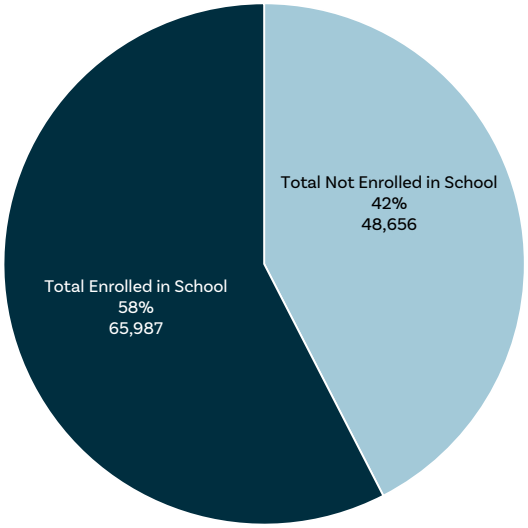
Contributing Factor 1: School Enrollment

The University of Texas at Austin and 20 other public and private universities, community colleges, and technical schools located in Travis County contribute to the County's large student population. In Travis County, 58% (65,987) of all the 18-24 year-olds (114,643 total) were enrolled in school.[1]

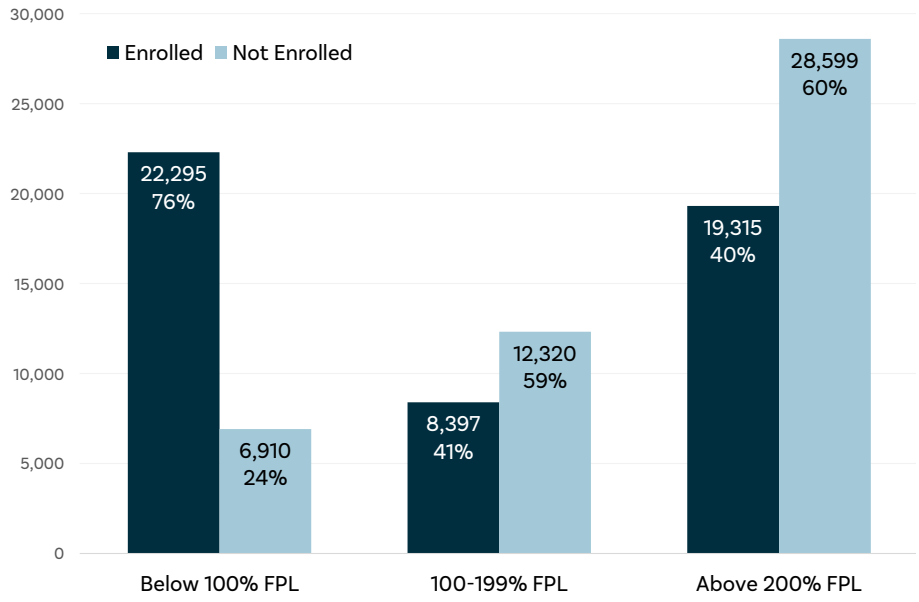
A deeper look at poverty for the enrolled and not enrolled population shows that 76% of the 18 to 24 year-olds that fall below 100% FPL were enrolled students. Enrolled students made up 61% of the 18 to 24 year-old population that experienced economic hardship below 200% FPL. It is important to note that though the majority of those who experienced poverty in this age group were enrolled students, the data reveals that 18 to 24 year-olds not enrolled in school made up more of the population living between 100-199% of the Federal Poverty Level (FPL).

1 Based on the ACS question: At any time in the last 3 months, has this person attended school or college? PUMS Variable: SCH

18-24 year-olds by School Enrollment
Total Population of 18-24 year-olds, n = 114,643



Poverty Estimates by School Enrollment for 18 to 24 Year-olds
Population for whom poverty is determined, n = 97,836

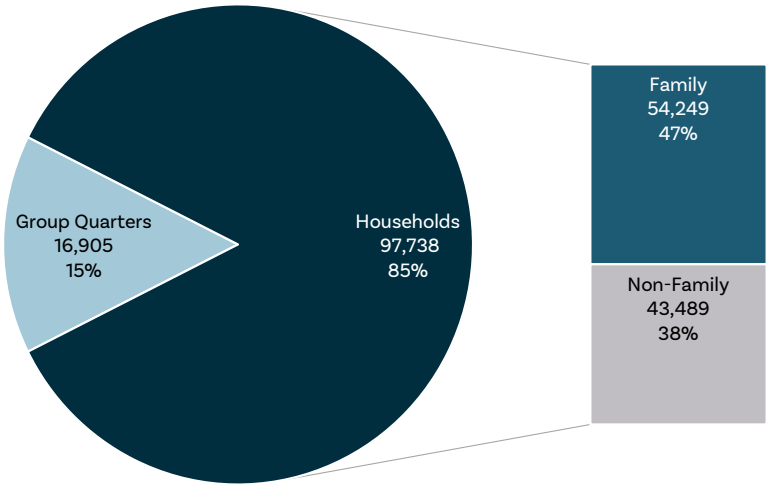


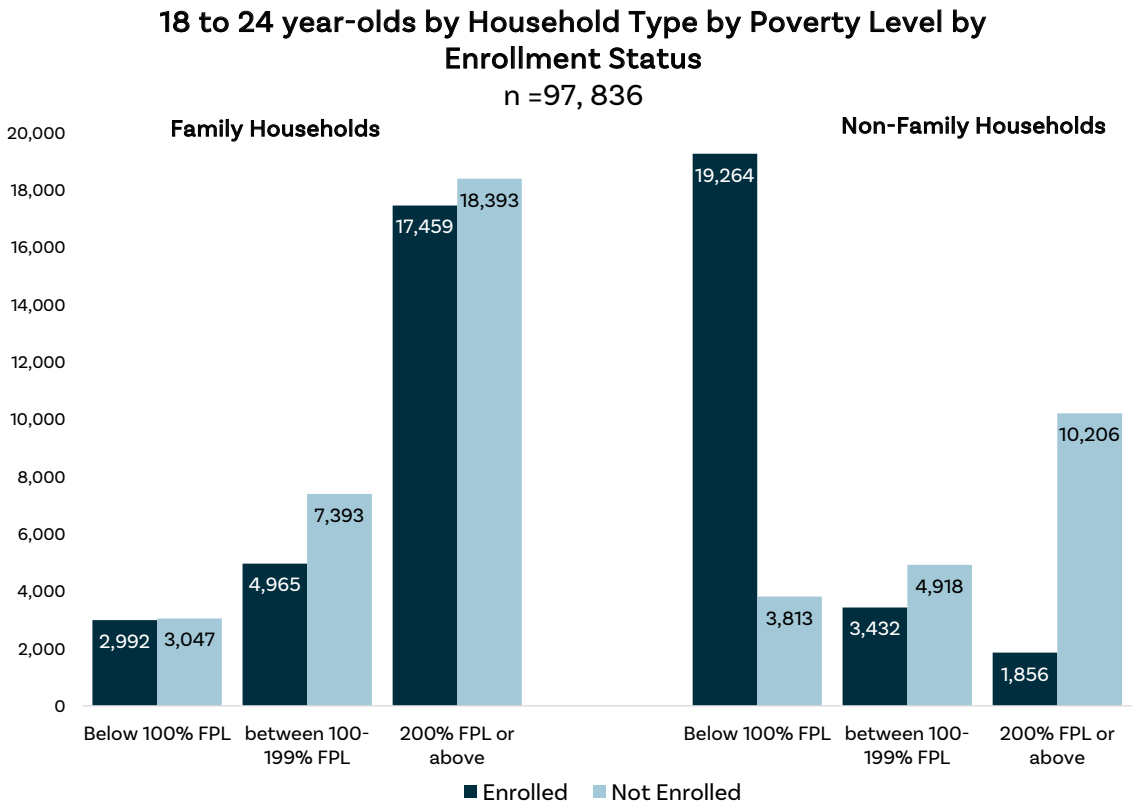
Contributing Factor 2: Household Type

Students typically live in one of three places: on-campus dormitories, off-campus housing with non-family or alone, or at-home with their parents or relatives. Where people lived determines how they are captured in the Census Bureau poverty measures:

- Students residing in dormitories (formerly categorized as Group Quarters by the Census Bureau) are excluded from the "poverty universe" and are not captured in the poverty measure.
- Students living at home with families are included in the poverty measures. Family households include individuals living at home with parents, married students living with their spouses (with or without children), and unmarried students living with dependent children. Their poverty status reflects their family's poverty status which is measured by total family income.
- Students living in off-campus housing and not living with relatives are included in poverty measures. Their poverty status is determined by total personal income.

Housing of 18 to 24 year-olds
n = 114,643

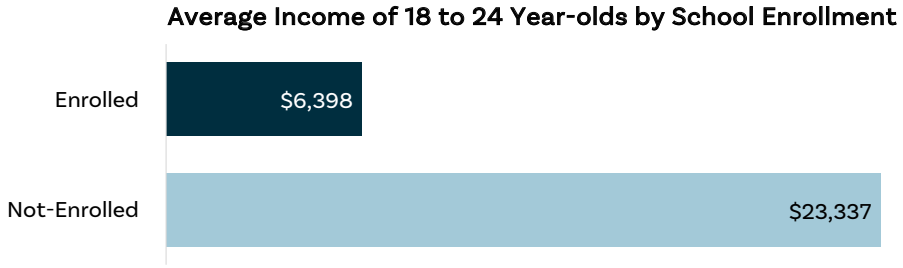




The majority (85%) of 18 to 24 year-olds lived in housing units in the community. Of those that lived in housing units, 54,249 lived in family households and 43,489 lived in non-family households. The chart below shows a clear picture of individuals that lived in non-family households. The data signals that the majority of 18 to 24 year-olds that experienced poverty (below 100% FPL) are students that were enrolled in school and living in non-family households. Overall, individuals in non-family households made up the majority (63%) of 18 to 24 years-olds that lived below 200% FPL. Over half (56%) of 18 to 24 year-olds that lived in non-family households are enrolled in school. The situation is more complicated for 18 to 24 year-olds that lived in Family Households where school enrollment may not be the strongest poverty factor.

Contributing Factor 3: Income

The poverty status of individuals residing in a non-family household is determined by personal income. In 2019, an individual living at 100% of the poverty threshold earned an income of $13,300/year.[2] The average income for 18-24 year-olds not enrolled in school was $23,337, which is more than three times the average income of 18-24 year olds enrolled in school.[3]



2 U.S. Department of Health & Human Services. (2019). Poverty Guidelines. https://aspe.hhs.gov/poverty-guidelines
3 Based on ACS Question: What was your total income during the past 12 months? PUMS Variable: PINCP

Considerations and Limitations to Findings

The data signals that the majority of 18 to 24 year-olds that are experiencing poverty (below 100% FPL) are students enrolled in school and living in non-family households. It is possible that the inclusion of students in the household population may dilute the strength of the poverty measure in estimating poverty among regular residents because 1) students may have access to resources that do not appear in their income and parents provide a safety net for expenses; and 2) students are considered to be in temporal and short-term poverty as their low incomes does not usually represent a persistent struggle to gain high-paying employment. However, some 18 to 24 year-olds, whether enrolled in school or not, have economic hardships and their experiences should not be disregarded.

It is important to note that the ACS question regarding school enrollment is based on the individual's enrollment within the last 3 months of receiving the questionnaire. The timing of when an individual responds to the questionnaire may affect the enrollment estimate. For example, an individual responding in late August or early September may answer "no" to being enrolled in school, though the student may have completed enrollment in May or have intentions to enroll in the Fall semester in late September and thus would not count among the enrolled cohort. Moreover, the question does not allow for respondents to differentiate between full-time or part-time school enrollment. The poverty analysis based on school enrollment for this cohort is imprecise without knowing enrollment status.