



# *Tough Choices:*

**MAKING IT WORK WHEN WORK DOESN'T PAY**  
*Narratives from Texas Working Families*

*Center for Public Policy Priorities  
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as are any errors or omissions.





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## WHY TOUGH CHOICES?

Statistically, we know that the struggle to manage on limited income is not uncommon for low-income Texas families. *Tough Choices* is a project intended to give a voice to these families, whose work alone does not guarantee their well-being. Over the course of several months in 2004, we extensively interviewed six families who described for us the emotional and material hardships they face. In documenting their experiences, we hope to increase understanding of the challenges facing low-income working families, the consequences of economic hardship for these families and the state, and the critical need for policies that promote economic security for all Texans.

## INTRODUCTION

It used to be that if you put in a hard day's work you could earn enough to make a decent living. And, if you persevered, eventually your labors would be rewarded with opportunity and the chance to get ahead.

This confidence that work pays inspired the building of our nation. Texas, perhaps more than any other state, was built on the promise of hard work and has thrived on the relentless work ethic of its people.

Over the last several decades, however, many people in Texas and across the country have seen the earning power of their work decline.

In Texas, more than one-third of working families are low-income, and almost half (46 percent) of children live in low-income families.

Among low-income families, 59 percent have earnings that place them above the official federal poverty level. These are the families *Tough Choices* examines.<sup>1</sup>

Despite work and earnings that some consider middle class, many of these families still struggle to afford housing, food, child care, health care, transportation, and other basic needs.

Caught in the "twilight between poverty and well-being," a

phrase coined by journalist David Shipler (2004), these are the "working poor." Although not officially "poor" by government standards—some families earn as much as twice the federal poverty level (\$31,340 for a family of three)—they face material hardships, financial pressures, and emotional strain similar to families who are officially acknowledged as poor.

The long-term damage caused by intermittent or chronic economic distress is well documented. Children who are poorly nourished cannot learn. Parents who forgo medical care can develop serious health problems that affect their ability to work and care for their children. Families in substandard or overcrowded housing face health hazards and emotional strain.

The presence of economic hardship despite work is not due to the failure of individual workers. Over several decades, factors beyond individual control have played a significant role: the decline in the real value of wages, diminishing employer-sponsored benefits, the nation's transformation from a manufacturing-based to a service-based economy, corporate downsizing and a weak job market, and regressive tax policies that hit lower-paid workers the hardest.

Texas must tackle the challenges facing the working poor not only to increase their individual prosperity, but to create a more vibrant economy that will benefit all Texans.

The Center for Public Policy Priorities (CPPP) wasn't the first to examine the conundrum of the working poor—or to propose solutions.

In the wake of mid-1990s "welfare reform," researchers, journalists, and policy analysts began tracking the hardships faced by millions of working poor families and determined that for these families, work alone doesn't pay. Hard work and dogged perseverance no longer guarantee entrance to the middle class; as a result, these families are literally stuck—immobile in a supposedly upwardly mobile society (Boushey, Brocht, Gundersen & Bernstein, 2001; Ehrenreich, 2001; Shipler, 2004; Shulman, B., 2003; Waldron, Roberts & Reamer, 2004).

Scholars also have argued for a more realistic definition of poverty that better accounts for the economic realities faced by

today's families (Bernstein, Brocht, and Spade-Aguilar, 2000). This research is guided by the premise that family economic security means much more than earnings above the poverty level. Lasting economic security requires adequate and stable income; savings and assets that help families weather crises and build stronger futures; and human and social capital achieved through education, skills development, and family and other support systems.

CPPP adopted this approach in our development of the *Family Security Index (FSI)*, which led to the questions that inspired *Tough Choices*.

The *FSI* uses data from the U.S. Census Bureau and other government sources to determine the true cost of living in Texas. It estimates the minimum income required to provide for families' most essential needs (cost of housing and utilities, food, medical, child care, transportation, and other necessities such as clothing) across 27 metropolitan areas.

The *FSI* does not include the costs of many items that most people consider ordinary expenses—holiday and birthday gifts for children, school and extracurricular expenses, entertainment, or meals away from home (including fast food). Notably, the *FSI* makes no provision for expenses that can help move low-income families into the middle class, such as savings for a home, education, or retirement.

Even with this bare-bones estimate, the *FSI* finds that it takes an income between twice and three times the official poverty line just to pay for the basics—a decent place to live, enough food, basic health care for children and parents, safe and reliable child care, and a dependable way of getting to work and school. In Austin, a two-parent family with one child would need to earn almost 300 percent of the poverty line (\$47,010 a year, or \$24 an hour)<sup>2</sup> just to make ends meet.

While the *FSI* illustrates the disparity between the cost of living and poverty-level wages—and the inadequacy of the federal poverty measure—it only hints at the tangible, ongoing daily experiences of working poor Texans struggling to get by and get ahead on such meager budgets.

That's where *Tough Choices* comes in.

A POVERTY DICTIONARY

2004 FEDERAL POVERTY GUIDELINES

Family Size	Annual Income
1	\$9,310
2	12,490
3	15,670
4	18,850
5	22,030
6	25,210
7	28,390

For each additional person add \$3,980.

SOURCE: U.S. Department of Health and Human Services

**Poverty:** The term poverty is generally used to describe a condition of economic hardship, but it has a technical meaning as well: a specific low income level for various family sizes that is established annually by the federal government. This is known as the “federal poverty level” (FPL). People with income below these amounts are considered officially poor.

**Working poor:** Although many people with incomes below the poverty level do work, researchers often use the term “working poor” to describe families with income between 100 and 200 percent of the federal poverty level.

**Low-income:** Families are generally classified as low-income if they have earnings below 200 percent of the federal poverty level—double the amounts listed above.



*Tough Choices* begins not with a hypothesis, but rather a question. Statistically, we know that low-income Texas families are engaged in a juggling act—struggling to survive on limited income. If we could ask even a few of them how they manage, what would they tell us? What does it mean to earn too little? How can their experiences inform the decisions facing policymakers?

Based on more than 30 hours of interviews that yielded over 160,000 transcribed words, *Tough Choices* features actual stories from six low-income working families in Austin and nearby rural communities, whom we interviewed for several months in 2004. These families spoke with us openly and eloquently about the meaning of their experiences, providing us not just with insight into their lives, but the lives of more than half a million working poor families in Texas. They gave the data a voice.

## HOW WE RESEARCHED TOUGH CHOICES

*Tough Choices* uses established qualitative research methods in the social sciences.<sup>3</sup>

By focusing in depth on a smaller group of research participants, *Tough Choices* reveals how families manage to keep things together day-to-day, and what happens when they can't.

Our *Tough Choices* research involved three main parts.

First, we developed a profile of the types of families we wanted to participate in the research. Because the *Family Security Index* tells us that families need incomes at roughly twice the official poverty line just to make ends meet, we looked for a variety of families with incomes at about this level. We also wanted the study to include both urban and rural families, a mix of family types (one- and two-parent, as well as adults without children), and representation from each of the state's largest racial and ethnic groups.

We contacted the Capital Area Food Bank, which collects and distributes food throughout a 21-county area in central Texas, for help finding families that fit this profile. The food bank directed us to three urban and three rural community food pantries that, in turn, identified clients willing to participate in the study. The food pantries also helped us make initial contact with these families.

Second, we reviewed questionnaires that had been used by academic researchers, think tanks, and government agencies to assess the hardships faced by low-income families.

**Texas must tackle the challenges facing the working poor not only to increase their individual prosperity, but to create a more vibrant economy that will benefit all Texans.**





**In the Austin area, a two-parent family with one child needs to earn almost 300 percent of the poverty level (\$47,010 a year, or \$24 an hour) just to make ends meet.**

We then developed our own questionnaires, detailed consent forms, fact sheets, and diaries for families to record notes between *Tough Choices* interviews.

We gathered information from the participant families through a series of interviews, which were conducted by graduate students from the School of Social Work at The University of Texas at Austin. We recruited these researchers through a graduate student listserv, held several training sessions, and kept them informed through a periodic *Tough Choices* e-mail update.

Each family participated in a series of six interviews: 1) an introductory session (where research assistants explained consent forms and answered questions); 2) a family and employment history session; 3) a session to establish difficulties families have experienced and any social services (public and private) and "social capital" (help from family and friends) they rely on to cope; and 4) three additional sessions to check "how things have been going since we last met."

Research assistants arranged interview locations, dates, and times directly with *Tough Choices* families. For accuracy, we audio-taped sessions two through six. Families received modest retail gift certificates for each completed interview and at the conclusion of all six interviews.

To complete the study we transcribed and analyzed the interview tapes, identifying narratives from the original transcripts and grouping them thematically. For this report, we edited narratives for clarity and readability—for example, inserting punctuation and deleting repetition—without changing the text's substance. To maintain confidentiality, we altered identifying information—participant names, workplaces, and home communities.

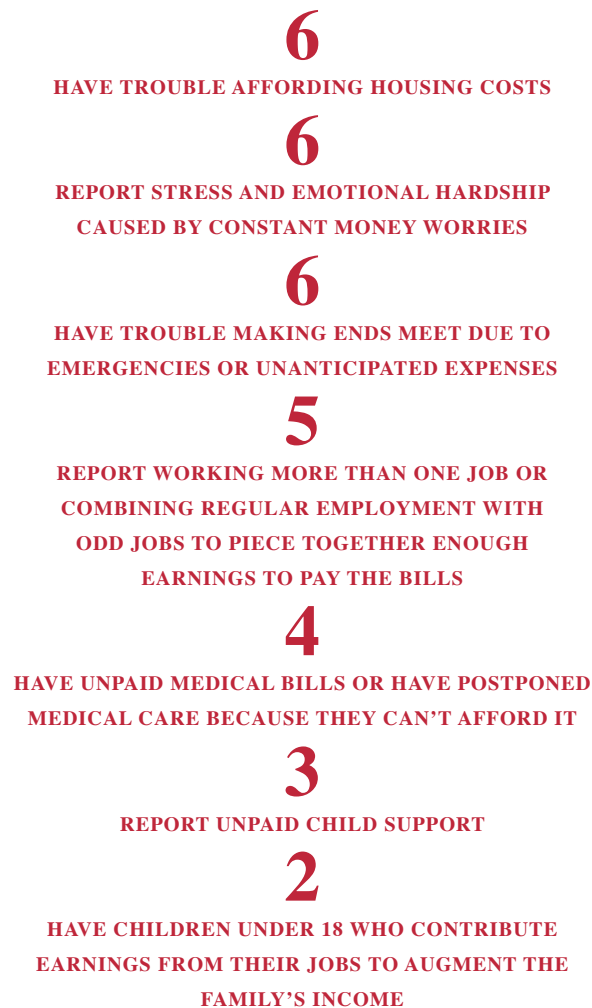
The *Tough Choices* families shared significantly more information with us than we could reproduce here. The narratives we selected for this report represent the issues most commonly voiced during the interviews.

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## TOUGH CHOICES FAMILIES

Of the more than 1.2 million low-income families in Texas, 59 percent have income between 100 and 200 percent of the federal poverty level—earnings and expenses similar to our *Tough Choices* families. Over one-quarter (26 percent) of Texas children—1.5 million—live in these families.<sup>4</sup>

The experiences of the six families we interviewed reflect many of the concerns and hardships identified by researchers as among the greatest challenges facing the working poor:



*Below is short biographical information on each of the six families we interviewed and a summary of their hardships.*

### THE JONES FAMILY:

*Mom:* **Graciela** *Children:* **Astrid, Diego, and Stacia**

Graciela is divorced. She and her three children own their home, where they have lived since 1993. It's a three-bedroom, two-bathroom house in a very modest neighborhood in northeast Austin. They were able to afford the home as a result of a settlement the family received from an injury Diego suffered during childbirth. The house is an improvement over their old home in a neighborhood plagued by drug dealers, but it needs significant maintenance, which the family can't afford.

Graciela works hard at two jobs—a full-time position for the state of Texas that she's held for 19 years, and a part-time clerical job at a church, where she works between 10 and 12 hours every two weeks. Graciela earns about \$2,200 per month at her full-time job and about \$120 every two weeks for her part-time work. Before moving to Austin, she was a field worker in the Rio Grande Valley.

Graciela's children also pitch in to help the family pay its bills. Diego mows lawns for \$10-\$15 per hour and gives Graciela half. Her 17-year-old daughter Astrid works as a waitress and gives part of her earnings to the family. Stacia, who is 12, earns \$5 a day for picking up a neighbor's child after school, and she also gives a portion of her money to Graciela.

From time to time Graciela performs odd jobs as well, such as babysitting or selling aluminum cans. She has also pawned her belongings and once held a yard sale to earn extra money.

Graciela's full-time employment provides her with health insurance and other benefits such as sick and vacation leave. She pays \$15 monthly for her children's health insurance through the State Kids Insurance Program (SKIP) for state employees.

Like the other single or divorced moms we interviewed, Graciela does not receive all of the child support owed her. She should be receiving \$421 monthly in child support, but has never received more than \$100 a month. Her ex-husband does not have stable



**As a single mom, Graciela must work more than one job to make ends meet. She is not alone—  
43 percent of low-income families in Texas are headed by a single parent.**

SOURCE: NCCP: State Data Wizard

employment. At the time of the *Tough Choices* interviews, he had just been released from jail and had not paid child support for more than a year.

Graciela does receive significant financial help from her brother and several friends, and has regularly relied on payday loans to cover bills.

**THE PEREZ FAMILY**

*Mom: **Ava** Children: **Rafael, Alejandro, and Amalia***

When we started our interviews, Ava's family had just moved from a three-bedroom apartment to another family's home after encountering multiple financial difficulties. Her friend has three children, so now two women and five kids live together in one house. (Her older son Rafael moved in with his girlfriend.) Ava speaks of the trouble adjusting to the more crowded living conditions, such as sleeping in a living room with no air conditioning.

The family is behind on rent, utilities, phone, and car payments, owes two outstanding payday loans, and has credit card and medical debt. In addition to her immediate family's expenses, Ava pays for her grandson's day care (although he doesn't live with her).

Ava hopes to save enough money to pay her bills and find a new place to live within a few months. She doesn't pay rent to her friend, but chips in \$100 or \$150 when she can. She often buys groceries for the entire household as well.

Ava works seven days a week at two jobs—full time with a state agency and 16 hours on weekends as a front desk clerk at a motel. She has worked for the state for 15 years and has held her current position for about one year. Her state salary is \$2,261 per month.

Her children qualify for reduced-price school lunches, but the family has never received other government benefits. Although

her family is technically homeless and in serious debt, Ava's combined earnings from both jobs place her at 165 percent of the federal poverty level, which is too high to qualify for most government assistance.

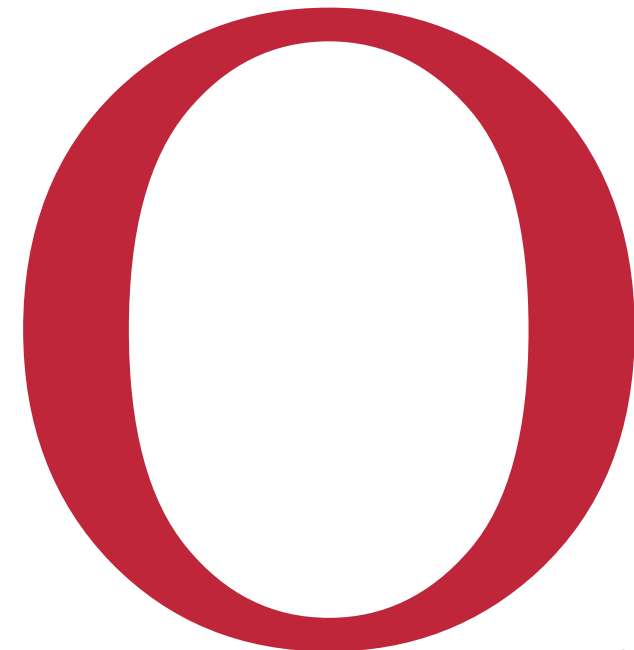
Ava pays \$15 monthly for her kids' health insurance through SKIP, and her health insurance is covered by the state. Nonetheless, deductibles and co-payments have forced her to postpone necessary medical care for herself and eye exams and dentist visits for the children.

She should be receiving court-ordered child support but her ex-husband has not paid for more than four years.

At the end of interviewing, Ava had deferred her car payment—the last time she would be allowed to do so—but had placed a deposit on a new apartment.

**WHAT IS A PAYDAY LOAN?**

**A payday loan is a short-term, high-interest loan that some low-income Texans rely on between paychecks when they have trouble paying their bills. These storefront lenders charge exorbitant interest rates—sometimes as high as 800 percent—in addition to high “rollover” fees that extend the loan when borrowers can't repay it on time. Payday loans take advantage of low-income families desperate for fast cash and can trap borrowers in a spiral of debt.**



## THE RAY FAMILY

Mom: **Catalina** Dad: **Enrique** Children: **Sylvia and Enrique Jr.**

The Ray family lives in a rural community on the southeastern outskirts of Austin, near the airport. They moved to their current home about a year before beginning the *Tough Choices* interviews. Enrique had lost his job after his leg was amputated due to diabetes, so the family needed a less expensive place to live with handicapped access. Enrique had been on long-term disability but is searching for work again.

Rent costs about \$780 per month and utilities run about \$110. In the month that interviews began, the family could pay only part of the rent and was threatened with eviction. The telephone was disconnected.

The family spends about \$100 a week on groceries, receives Food Stamps, and uses food pantry services. The children receive reduced-price school lunches and are enrolled in Medicaid. Transportation expenses create some stress for the family. At the time interviewing began, the family paid \$400 per month for its car loan, and had just incurred an \$800 car repair bill. By the final interview, the car had broken down again and the family had to spend \$1,000—rent money—as a down payment on a new one. It was able to avoid eviction thanks to cash assistance from a nonprofit social service agency.

Medical costs and unpaid bills present a serious problem for the Rays. A \$3,000 medical debt from Enrique's illness remains. Enrique also reports putting off dental exams and purchasing eyeglasses, postponing medical treatment, and not filling prescriptions (he gets free samples from the doctor) because the family cannot afford these expenses.

The Rays' medical expenses not only make it difficult to make ends meet, but for them to save for the future. Until his illness, Enrique had earned enough income as a computer customer service worker that the family had accumulated some modest savings. Enrique's medical bills have since depleted these savings.

### Adult Medicaid Coverage in Texas

- The only non-elderly, non-disabled adults eligible for Medicaid are parents with dependent children and severely limited income, and low-income pregnant women.
- To qualify, parents must have earnings less than 14 percent of the federal poverty level (FPL)—\$188 per month for a family of three, or \$308 if one parent is working.
- Fewer than 200,000 non-elderly, non-disabled adults received Medicaid in 2003, only seven percent of total Medicaid enrollees.
- Federal law would allow Texas to expand Medicaid coverage for parents. On average, other states' Medicaid coverage for parents is three times as generous—providing Medicaid to parents with income up to 43 percent of the FPL.





## THE TAYLOR FAMILY

Wife: **Gina** Husband: **Ethan**

The domino effect of unstable employment, family problems, and daunting medical bills have put stable housing out of reach for Ethan and Gina Taylor.

They had just moved out of a rundown trailer and into a new apartment when *Tough Choices* interviews began. The Taylors came to their rural community northwest of Austin following a brief period of homelessness. Previously they had been living with Ethan's father (a failed cleaning business had forced them out of their own home) until a dispute with him left the couple homeless.

Ethan and Gina were able to move into their new apartment with help from a local faith-based nonprofit organization. Ethan and Gina do not have children. They spend \$450 per month on rent.

Gina has considerable retail and customer service experience, but has had a hard time keeping a stable job. She left one job because the two-hour daily commute and high gas bills took too great a toll. At the start of the interviews, Gina was looking for work at banks, retail stores, and nursing homes. She did find a retail job but was laid off and had to start job hunting again.

Ethan works full time in construction for the county, earning \$10.75 per hour. The couple also has earned money babysitting, housecleaning, performing yard and mechanic work, and helping people move. Like the Jones family, the Taylors have hosted occasional yard sales to make ends meet.

Gina receives unemployment benefits. The couple has experienced considerable food hardship and receives Food Stamps and occasional assistance from a local food pantry. Although Ethan's employer provides him with health insurance, the family can't afford to pay \$230 per month to add Gina to his policy. Ethan and Gina have one car, but it needs serious repairs that they struggle to afford.

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### THE DAVIS FAMILY

Mom: **Heather** Dad: **Aidan** Son: **Christian**

Aidan, Heather, and their baby son Christian had just moved to a new home in north Austin, after their previous house was foreclosed. Current rent costs the family about \$750 per month. The family has had utility and telephone disconnections in the past.

For four years, Aidan has worked as a butcher at a major supermarket chain, where he earns \$12.50 per hour and works a 40-hour week. Heather has held retail jobs but at the time interviewing began, was staying home to take care of Christian and babysitting part-time to boost the family income.

The family is not on Food Stamps but does receive WIC<sup>5</sup> benefits for the baby. The family has used food pantry services. Both parents have health insurance through Aidan's employer, which costs them about \$40 weekly. The baby is enrolled in Medicaid. Aidan and Heather have both skipped necessary medical appointments in order to save money.

The family also has some medical debt and continues to pay off a repossessed car. They don't have payments on their two current cars, but spend about \$1,200 on car repairs during the course of the *Tough Choices* interviews. Extended family members have occasionally helped the couple with their bills.

During the course of the interviews, Heather decided to go back to work. Her difficulties finding appropriate day care in the past led her to take a day care job so that Christian could stay with her during the day. That job didn't work out, and she was looking for another when the *Tough Choices* interviews ended.

### THE PIERCE FAMILY

Mom: **Audrey** Dad: **Sam** Children: **Ella, Lily, and Geoffrey**

When interviewing began, the Pierces' son Geoffrey was not yet three weeks old. Daughters Ella and Lily were six and two years old, respectively. Sam is Audrey's boyfriend and the father of the two younger children. Sam had been in prison, and finished his parole about nine months before our interviews began.

Before she became pregnant with Geoffrey, Audrey had worked for three years at a state agency. During this time she received a promotion and a pay raise that increased her earnings from \$1,461 to \$1,761 per month. Audrey left her job with the state for health reasons during her pregnancy and started to search for work again when Geoffrey reached six weeks.

Before her job with the state, Audrey worked in a drug store but resigned in order to take care of her sick daughter, Lily, who has asthma. When she quit, her boss suggested that a family member could take care of her child. Audrey's mother couldn't, since she was also working. But her mother has helped the family with its car insurance payments.

When we first met the Pierces, Sam had recently found a job as a highway flagger. He also does yard work on the side. Audrey received unemployment benefits for a while, but her check was only around \$700 a month—half of her former state salary.

Because the family lives in a small town about 30 miles southeast of Austin, Audrey and Sam can't rely on public transportation and need a car. The car payments cause continual financial stress.

### **Earning More, Keeping Less...**

**As a low-income family's earnings increase, it begins to lose eligibility for important work supports, like health insurance for its children. At the same time, work-related expenses, such as child care or transportation, may increase. This means that some parents, like Audrey Pierce, may actually earn more, but have fewer resources to pay the bills.**

## **According to federal law, children in families that “double up” with other families due to loss of housing or economic hardship are considered homeless.**

SOURCE: The McKinney-Vento Homeless Assistance Act

Utility payments represent another urgent financial problem for the family. Audrey's parents and grandmother have helped with money, and the family will receive TANF cash assistance,<sup>6</sup> Food Stamps, and Medicaid benefits until Audrey can return to work. Ella's father (not Sam) pays a fraction of his child support obligation—about \$50 monthly.

The Pierces are saddled with an enormous amount of debt. Although they do not have credit cards, they owe on broken leases and are behind on utility payments. They owed the bank \$17,000 after Sam totaled their uninsured car; the bank has since written off the debt. Audrey keeps \$20 in a savings account just so it stays open.

During our interviews, Audrey first took a part-time merchandising job at a large discount retailer, then a full-time job at a day care center. However, she worries that the family will be worse off, since the cost of Geoffrey's day care and loss of benefits may exceed what she earns at her minimum wage job. After Audrey began working, a delay in her first paycheck almost led to the family's utilities being disconnected.

### **THE STORIES**

The stories reflect more than tales of material hardship and emotional strain. In the interviews, the families frequently speak to their own understanding of their circumstances. They describe themselves as people who work hard and who value their work, but who must constantly worry about stretching their finances to pay their bills.

Although the families do talk about the stress caused by this endless juggling and lament their inability to ever “catch up,” they don't view themselves as victims and occasionally even express general optimism about their lives and prospects. At the same time, only one of the participants expresses a specific goal for her

future, and none of the families talks about saving for the future. This suggests that while the families still have faith in the “American Dream,” none is in a position to take concrete steps to achieve it.

The themes that emerged from our interviews fall into six main areas: 1) trouble meeting basic needs; 2) problems with child support; 3) the effect of crises and unanticipated expenses; 4) the inability to get ahead or save for the future; 5) the emotional strain caused by financial worries; and 6) the strategies used to cope with these challenges.



## TROUBLE MEETING BASIC NEEDS

### HOUSING

For many working families, housing represents the single largest expenditure of family income. According to the *FSI*, two parents with one child spend \$848 per month on housing in the Austin area.<sup>7</sup> For a family of three with income at 200 percent of the federal poverty level in 2004, this means spending almost a third (32 percent) of its monthly earnings on housing.

Housing is a significant problem for every family we interviewed. For most families, paying rent takes precedence over other needs. As a result, families are forced to delay other necessary expenses, such as car payments or home repairs.

Ava Perez explains the hierarchy she follows to juggle competing expenses in her family's budget:

**To me, rent is my first priority. So that's going to get paid regardless, and I always do that first. My car is probably the least important. Not making the payment or . . . [doing] the maintenance on it.**

Several families faced eviction or temporary homelessness when they couldn't pay the rent; others were forced to move in with friends or family as a result of financial difficulties.

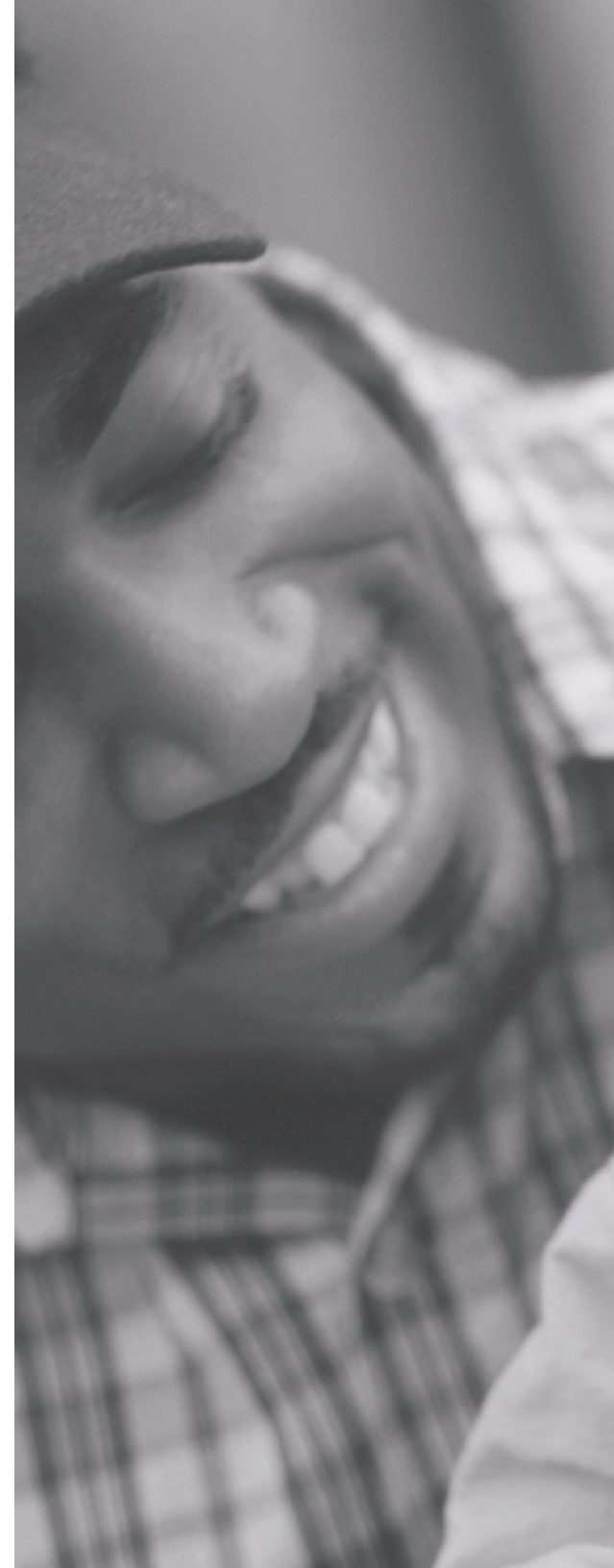
Ethan Taylor describes the couple's experience after a fight with his father first left them homeless and later in substandard living conditions:

**I had a cousin that lived somewhere in an apartment by [the] high school, and I had done some calling around and found out where she lived exactly and I showed up at her doorstep. I was like, 'Hey, I need a place to stay for a couple of days.' So she let us stay there. [Then] we started going to church and people at the church . . . told us, 'Well, we got a trailer that you can live in, but it needs a lot of work.'**

**[The] trailer . . . had holes in the ground and you could like walk to the bathroom and see the grasshoppers jumping and stuff. [It] didn't have any windows or hot water. If you wanted the water you had to go turn it on outside.**

**Almost half of low-income families in Texas pay more than one-third of their incomes for housing.**

SOURCE: 2002 American Community Survey, U.S. Census Bureau







## UTILITIES

In addition to housing, several families mention falling behind on utility payments, which, next to car payments, is the bill most often delayed. Graciela Jones' experience is typical:

**I think I left my gas bill out. My gas bill was [around] \$40. . . . So I'm waiting for a notice. By the time I get a notice from the gas company it'll be close to pay day again—so I'll pay it then.**

When Ava Perez describes her negotiations with the gas company, it's clear this isn't the first time she's made arrangements with them:

**I've gotten the notices too—the 24-hour [cut-off] notices, but . . . I made arrangements with them. What you do is just call and make arrangements and they'll work with [you]. They'll take money if I have it, or I pay a certain amount or give them a date [that I'll pay it]. 'Cause they won't cut it off if you call them, and say, well I can pay you in the next two days.**

Audrey Pierce pleads with the utility company when it threatens to cut off her gas:

**I was on the phone with [the gas company] for over an hour . . . They said they were coming out either tonight or tomorrow to cut the gas off. And I said, 'I have a three-month-old baby. You can't cut my gas off. That's how I heat his bottles.' So, that's why I was on hold for the supervisor. Now I'm just hoping they don't come tonight. I will go pawn something if I have to, to keep the gas on, you know?**

## MEDICAL

For most low- and many moderate-income families, affording regular health care represents an especially difficult challenge. Low-wage jobs usually do not provide health insurance. If they do, the premiums, prescription drugs, doctor visits, and medical emergencies represent a large portion of income. According to the *FSI*, two adults and one child in Austin who don't have employer-based insurance spend \$727 per month on medical expenses.

All of the families we spoke with have high medical bills or unpaid medical debt. Some families avoid going to the doctor, even if they do have health insurance. When asked how

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much her family spends per month for medical care, Ava Perez replies:

**Well, it's hard to say, really, because we don't make it a habit of going to the doctor . . . I mean we really [would have] to be sick, because they changed our insurance. [Before] we had to pay a \$20 fee, but [now] we also have to pay a percentage of the bill.**

**And like the dental care, I have dental insurance, but you pay so much out of pocket, you know. And, so you go there and you have to pay like 75 percent. And, who wants to do that?**

Three parents report not filling their own prescriptions because they can't afford them, which often leads to more serious and costly health problems. Graciela Jones' story is a prime example:

**I have to be on blood pressure and [thyroid] medication. [My] doctor . . . told me that I needed to start taking my medication 'cause I was going to get sick. It had been already, like, five months. For five months I hadn't taken it.**

**So I got my medication this past [month] when I got paid. I made it a point to leave something out [of my budget] so I could get my medication. . . . I should have enough until the middle, or the third week of May. And then I'll be without it until I get paid again, in June. I'm supposed to be on other medications, too—for depression. But I think I'm better.**

## HEALTH INSURANCE REPORT CARD

- Texas ranks last among the states in the percentage (over half) of low-income working families with uninsured parents.
- 5.5 million Texans, one-quarter of the population, were uninsured in 2003.
- Only 52 percent of Texans receive health insurance through their employers (nine percent below the national average). Just under half of children have employer-sponsored coverage (12 percent below the national average).

SOURCE: Current Population Survey, 2001-2003, U.S. Census Bureau

## Two-fifths of food insecure Texans are working.

### FOOD

Food hardship is more widespread among working families than many assume. Nearly 14 percent of Texas' population experience either food insecurity or outright hunger, and almost one-quarter of Texas children—over 1.4 million—live in food insecure households. Two-fifths of food insecure Texans work.<sup>8</sup>

In a 2002 study of family hardships among households earning less than twice the federal poverty threshold, almost half (46.7 percent) worried about affording food. Food hardship doesn't just affect families below the federal poverty level. One-quarter of working families with children that used food pantries in 2002 had income between 100 and 200 of the federal poverty level.<sup>9</sup>

Researchers classify food insecurity and hunger as occurring on a continuum: families who only worry about their ability to afford food are described as “food insecure without hunger.” The level of food insecurity progresses to “food insecure with moderate hunger” when an adult family cuts back on portion sizes or skips a meal. A family is not classified as “food insecure with severe hunger” until a *child* goes hungry.

Graciela Jones' explanation of why she skips dinner poignantly illustrates the sacrifice parents in food insecure families make:

**I try not to eat dinner, you know, but I make enough to feed [my kids]. And they'll watch me sit there, and they're like, 'Mom, aren't you going to eat dinner?' I'm like, 'No, I'm not hungry.' 'Are you sure?' 'I'm fine, I'm fine,' I say. I don't want them going to bed without food. So I make sure they eat.**

Ava Perez, whose family earns too much to qualify for Food Stamps, says food worries set in during the summer when her kids are home and no longer eating lunch at school. Like Graciela, she reports adjusting her own diet to make sure her kids are fed:

**Right now with the kids being out of school, I'm having to . . . buy more groceries.**

## **A Food Stamp recipient receives only 78 cents per meal, on average. In a national survey of Food Stamp recipients, 84 percent said their benefits last only three weeks or less.**

SOURCE: America's Second Harvest, Hunger in America, 2001

**I . . . eat more bread, so there'll be enough [for the kids]. Usually [I cut back] on meat and stuff, 'cause I can eat rice and beans, it doesn't matter to me. . . . I just make a smaller pack of hamburger meat or whatever, I'd rather them eat that and I'll just eat more rice or, more of whatever the side is, if there's extra of that.**

Ava regrets not qualifying for Food Stamps and believes the rules are unfair:

**I have to worry every time where my food's going to come from. Because I make too much money [for Food Stamps]. But I don't really make that much money.**

Heather Davis expresses a mix of pride and disappointment when she and her husband Aidan earn too much to qualify for food assistance—despite the help it brings:

**Since I have my job now we're probably going to over qualify [for WIC]. I feel hopeful in a way—I'm kind of glad if we overqualified. But in a way, it did help out with the milk.**

Audrey Pierce does receive Food Stamps while she is looking for work, but this assistance doesn't get her family through the whole month:

**Well, we thought we managed, you know, managed the Food Stamps well enough to last the whole month. But we've probably got \$13 left on the card and we're running out of meat.**

### **TRANSPORTATION**

Transportation is a significant expense for working families. Most low-wage job growth in the last few decades has been in suburban areas, far from the urban or rural communities where low- and moderate-income people can afford to live. Urban planners call this a “spatial mismatch.” Because public transportation is so

limited in Texas, most workers must either rely on a personal vehicle to get to work, or patch together a long commute on several bus routes.

In Austin, the *FSI* estimates that a family like Ethan's with two adults and no children spends \$391 a month in transportation.

As Ethan explains, he and his wife are constantly juggling their car payments with their other expenses:

**It's gotten to where we've already doubled [our car payment], because we couldn't pay it last month, so we had to refinance.**

**We only had one more payment to go, but we couldn't pay it. We had to pay our [other] bills first. So now it's . . . \$300 more that we have to pay.**

Audrey Pierce wishes she could sell her car—falling behind on the payments causes so much stress—but she needs it for daily errands:

**I was going to just [get rid of] the car but, you know, I need a way to get Geoffrey to the doctor and to the grocery store and so it's kind of like I have to have [the car]. And if I just scrape and scrape, save, you know, I'll do whatever I can to keep it. At least my insurance is paid up for a couple of months, so I don't need to worry about that, luckily.**





**Low-income households spend 17 percent of their income on transportation. Gasoline and motor oil alone account for 3.5 percent of household spending.**

SOURCE: 2003 Consumer Expenditure Survey, Bureau of Labor Statistics

Having a reliable car also means keeping up with its maintenance, which is a costly expense not budgeted by most families.

In one of our final interviews with the Davis family, we asked whether anything had changed in their financial situation. Heather mentions several promising job interviews, but the real news is an expensive car repair:

**We had the van worked on, which cost us \$800.**

Rising gas prices over the last few years further complicate getting to work. When asked how much his family spends on transportation per month, Enrique Ray does a quick calculation in his head—\$640, he answers:

**[Our] car payment [is] \$400 a month. But [transportation] is more than that, because the gas going back and forth is a lot. I'd say on gas like about \$60 a week, because we have to go to San Marcos and back. So we're looking at \$240 a month.**

In Gina Taylor's case, the cost of gas forced her out of a promising cleaning business. This income loss caused the couple to fall behind on their rent, eventually leading to their eviction:

**I started cleaning houses and . . . doing real good at that, you know, started making a lot more money than I was. I made like \$300 within four days.**

**But then again, you know, it started getting real costly. You gotta pay for cleaning supplies, you gotta pay for gas, and all my clients were like real far from one another.**

**It got to where I couldn't drive out there because I didn't have the gas and, you know, they found other people to clean their houses. So we started getting behind on our rent. We were so behind on rent that we had to get out. And, they had seized our stuff and taken everything that we had.**





**Fewer than 10 percent of Texas children who are federally eligible for child care are reached by the state's subsidy program.**

SOURCE: Truth and Consequences, CPPP, July 2004

**CHILD CARE**

For many families, safe, reliable, and developmentally appropriate child care is the second most costly item after housing. The *FSI* estimates that child care costs \$366 a month for one child in the Austin area.

Most state and federally funded child care subsidies in Texas are reserved for extremely poor families on cash assistance; there is often no room for children of the working poor.

Child care is a significant burden for several of our *Tough Choices* families. Not only is it unaffordable to many, but quality varies significantly, as Audrey Pierce's story illustrates:

**I put [my daughter] in a day care in Bastrop and within two weeks I pulled her out because she was—it was horrible...She learned lots of cuss words, and she was hitting and she would come home and she'd have bite marks on her.**

Audrey also has been forced to choose between working and caring for Lily:

**My sister-in-law took care of [my daughter] a couple of times when she was sick, but she smokes, so it would just make Lily worse. That's why I ended up quitting... because, my kids come first no matter what. I don't care what kind of job I have. If one of them are sick, I'm going to stay home with them.**

Heather Davis explains her difficulty in securing child care:

**I was going back to work and I didn't have a babysitter lined up....I was scrounging for a babysitter because I had to go to work that day at two o'clock. I found the lady next door.**

**H**

## OTHER ESSENTIALS

On top of meeting their day-to-day needs, the families struggle to afford personal necessities, such as supplies for work or school. Although the FSI includes a monthly allowance for personal necessities (\$294 per month for a parent with two kids), these items are hard to budget and the easiest to forego.

Graciela Jones dreads the beginning of the school year because it brings the extra expense of new clothing and gear for her three children:

**My son is needing shoes again. And I'm like...school's almost over. You'll make it. You won't need any new shoes. We have to think about it in July. Whenever school's fixing to start again, then we'll get you new shoes again....**

**Then I have to figure it out—what bill am I going to leave, so I can get money to pay for what she [Stacia] needs, or for his [Diego's] shoes, or for [Astrid's] pants.**

For his construction job, Ethan Taylor needs safety glasses, gloves, and boots, which his employer does not provide. Although he gets in trouble at work when he shows up without them, he doesn't want to tell his boss he can't afford them. Ethan is worried that he might lose his job:

**[At work] they would [care] about the safety stuff. The gloves, the eyeglasses, and that. But you don't really, can't really—I don't want to say nothing. Because it's then, like, well—then they pay more attention to you. And they don't understand that it's not—it's because I can't afford them, not because I'm too stubborn to go get some.**

## CHILD SUPPORT

Another reason some of the families have trouble making ends meet is because the ex-husbands pay irregular or partial child support, or refuse to pay altogether. This was a problem for all of the women we interviewed who are legally entitled to child support.

As Audrey Pierce explains, she desperately needs the child support owed by her ex-husband to pay her family's bills, but she can't rely on it as a steady source of income:

**He was first ordered to pay me \$220 a month. But then he fell behind so they bumped it up to \$320, and then I got a letter, two weeks ago, saying that they've now bumped it up to \$420 a month. But he's not sending any more than \$50 a month.**

**I'll hold off on paying the phone bill thinking maybe I'll get a child support check...But then I wouldn't get one, so I'd be scrambling. You know, how am I going to pay it, calling them, trying to make payment arrangements.**

Graciela Jones also has trouble paying her family's bills because the child support payments from her ex-husband are so erratic. Graciela acknowledges that he pays when he can:

**I was supposed to get \$421 a month. When he was working, he was fine. I mean, he was paying \$421. When he wasn't working, there was, every other month, or, every two months, maybe 100 bucks.**

Ava Perez says her ex-husband neglects his children to avoid being poor.

**We've been to court. [He] told me he wasn't really going to pay**

## Dead Beat or Dead Broke?

**Research finds that the number one obstacle preventing low-income, single fathers from supporting their children is a lack of steady employment.**

SOURCE: TFF Final Evaluation Report, CPPP, 2004



“**Oh Lord, my house is going to fall apart because I don't have the money to fix it.**”

—Graciela Jones

whatever they were making him pay, 'cause he was going to be poor himself. But you know, that's kind of sorry on his part. These are his kids.

Although they don't address the issue directly, these single mothers hint at an important point that is often overlooked by child support policymakers. A number of factors prevent low-income fathers from supporting the emotional, physical, and financial needs of their children. These include: unstable employment; criminal history; substance abuse and other mental health issues; and lack of a high school diploma or GED.<sup>10</sup>

### CRISES AND THE UNEXPECTED

If all goes well during the month, the *Tough Choices* families might earn just enough to afford the basic necessities—housing, food, child and health care, transportation, and personal expenses such as clothes and shoes. But the moment something goes wrong, as it inevitably does—a sick child causes Mom to lose her job, the car breaks down, a family member gets in trouble with the law—these unanticipated expenses throw everything off.

No family can be expected to plan for every crisis. But for higher-income families, an unanticipated expense is easier to shoulder. A speeding ticket, for example, may be little more than an annoyance. When more expensive needs arise—a furnace needs to be replaced, or a child needs braces—higher-income families either have savings or can rely on their good credit to stretch out the expense.

For low-income families, like the six we interviewed for *Tough Choices*, even a minor crisis can present a major challenge. These families have no savings, often bad or no credit, and are already juggling to manage their everyday needs they have budgeted.

Ava Perez, for example, says that everything was going fine until her son Rafael got into trouble with the law:

**Well, I was doing okay and then my son got into some trouble**

**and I started having to pay fees for that. He got a couple of tickets and then . . . an assault charge on him. Having to pay for, and go to court with him for that, it's hard.**

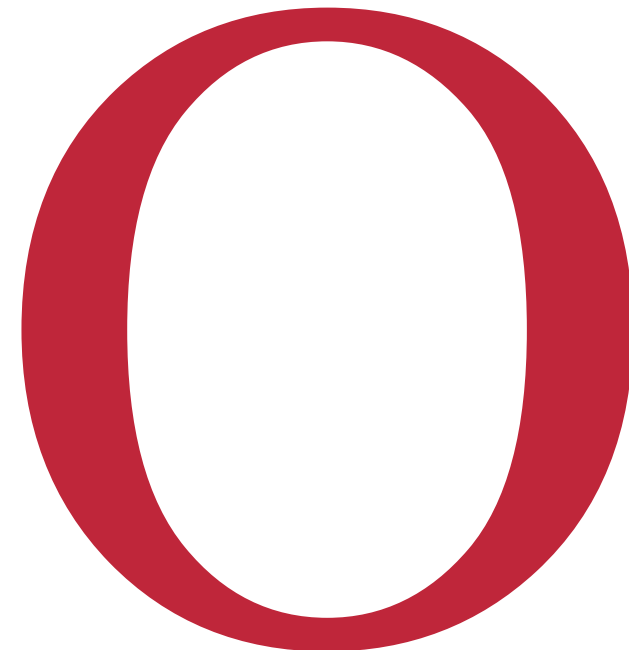
The more significant crises, such as Enrique Ray's leg amputation from diabetes, can plunge a family so deeply in debt that they can't dig out. In Enrique's case, he lost his job, his family was forced to move, and he and his wife Catalina were saddled with a \$3,000 hospital bill.

Just as significant are the crises that families choose to ignore because they can't afford to address them. Consider the case of Graciela's plumbing, heating and air conditioning, and electrical problems:

**I'm having to live with bad plumbing because it's like, I don't know how to fix it. . . . And, I don't have money to go get a plumber. So I'm just letting it go. I don't have central heat, either. So we use the space—the little bitty heaters.**

**When they cut off my gas . . . we just lived with blankets and stuff like that. And that's what we do, actually, every winter. I can't afford a furnace. I can't afford an AC unit. So that's how we do it.**

**I got electric problems, too. I had a tree limb that was hanging on the electrical wires outside. [The city] told me that I'm going to have to get an electrician out there to fix the box that's on the house. Because**



**The Gods had condemned Sisyphus to ceaselessly rolling a rock to the top of a mountain, whence the stone would fall back of its own weight. They had thought with some reason that there is no more dreadful punishment than futile and hopeless labor.**

—The Myth of Sisyphus, by Albert Camus

if I don't get it fixed, my house is going to probably burn down. I don't have the money for an electrician. I mean, even if you call somebody to come out, they're still going to charge you, for coming out.

That's actually what I was thinking about last night when I was in bed. I was like, 'Oh Lord, my house is going to fall apart because I don't have the money to fix it.'

#### UNABLE TO GET AHEAD

Many of the families in Texas who work hard each month, only to fall further and further behind, might identify with Sisyphus, a figure from Greek mythology. As Audrey Pierce explains during her last interview:

**We have it all planned out....with [my boyfriend] working. He was supposed to work all week last week, you know, and we were like, okay, we'll have extra money and, then something happens to just knock us back down. So I just, I don't know, I'm very discouraged right now.**

The struggles described in *Tough Choices*—juggling bills, patching together assistance from various sources, working two jobs—are more than just temporary setbacks that the families can recover from as soon as they pay a bill, or find a new job.

Every time we talk with the families, they are playing an elaborate game of catch up—attempting to balance their monthly bills with additional expenses that always seem to appear. Each family responds to these difficult choices differently. Some put their children's needs before other expenses, such as electricity. Others pay rent first and delay car payments or home repairs as long as they can.

But for all of the families, saving for the future is not an option.





As Ava Perez explains:

**I don't make bad money, you know. I just . . . have to buy extra things, you know, like for my kids. They play baseball and I have to put the money out for that. And that's not cheap . . . with the uniforms and the tennis shoes and all the stuff that they need for school. So I'm always having to buy something.**

**I haven't been able to save no money, unfortunately. With just catching up, just trying really to catch up.**

### **EMOTIONAL EFFECT ON FAMILIES**

*Tough Choices* shows us how financial strain affects families' emotional health, as well. This stress affects everyone in the family, including the kids who are not immune to the pressures their parents face.

Although we did not interview any of the children, we hear about their worries through their parents. The children want to help make life easier, whether by pawning their own belongings or earning money to supplement the family income. Graciela Jones' children are not atypical:

**[My kids] help out a lot. You know, if they get money. My son was even buying candy at [the grocery store], and he would go to the school and sell it for double the price, to bring money home.**

**Whatever he would make—he would give me at least half. To buy bread, a loaf of bread, to buy milk, you know, or to put gas in my vehicle.**

**'Cause they hate to see me sitting there—and like, especially at . . . the beginning of the month. I'm sitting there on my couch crying, like, 'OK, what can I pay? What am I able to pay this month?'**

**My daughter's like, 'I'll be making \$25 a week, Mom. I'll give you at least \$10 out of it.' You know, for gas and things. And my son is, like, in the fifth grade, and he says, 'Hey Mom, when I'm 16, I want a job, too.' He can't wait to turn 16.**





Audrey Pierce is concerned that her children “don’t get anything fun to do,” because the family has no money:

**We want to take the kids somewhere this summer but. . . that’s not going to happen.**

At times, the adults in the families wish life were easier on them, too. Many report feeling depressed and discouraged, and long to have an easier life. All express frustration that they must worry so much about making ends meet. As Audrey Pierce explains:

**You know, I hate being like that because then I can’t enjoy. I’m 26 years old, and I can’t enjoy, I don’t enjoy. It seems like I just, all I do is worry, worry, worry.**

**I constantly worry about money and every penny we use . . . If we put \$20 in the car, what if we need toilet paper? But then, without the \$20 in the car, I can’t get to work all week.**

**I’ve always been short. I’ve never been over where I had extra money at the end of the month. I’ve always been short.**

### **SCRAMBLING: HOW DO FAMILIES COPE?**

Graciela Jones is often scrambling to make ends meet:

**You never know when it’s going to come up, you know, that you need the help. It’s like, all of a sudden, I wrote out all my bills at the beginning of the month. I’m like, ‘OK, I’m short here. Where am I going to get this money?’**

Beyond delaying paying bills and hoping for the best, the *Tough Choices* families employ a number of other techniques to stay

afloat—from relying on relatives and charity to pawning their belongings and taking out loans at exorbitant interest rates.

When faced with the risk that her son would be held back a year in school, Graciela pieced together assistance from the school and a local charity:

**The lady at school—she called me and she’s like, ‘[Your son] needs to take two semesters of algebra this summer.’ I asked her, ‘Well how much is it?’ And she’s like, ‘Two hundred and thirty dollars.’ I told her, ‘That means he’s going to have to fail because I do not have the [money].’**

**[The school] finally called me the other day and told me they was going to pay \$200 of it . . . like a scholarship. And so, I have to come up with \$30 next week. On the third. [I’m] having to contact charities to help me with that.**

More commonly, the families pawn their valuables in order to get money fast. Audrey Pierce has pawned most of her personal possessions, usually to pay regular bills:

**I will go pawn something if I have to, to keep the gas on, you know. But I don’t like to. That’s why I don’t have a lot of stuff. Because I pawned it expecting to get it out, and never got it out.**

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### **How Do Pawn Shops Work?**

**People bring their personal possessions to a pawn broker, who then loans them money against that collateral. When the borrowers repay the loan plus interest, the collateral is returned.**

**If the loan isn’t repaid in time, the pawnbroker keeps the collateral.**

Graciela admits to pawning her children's games, and all of her jewelry to buy groceries:

**[I've pawned] all my jewelry. . . . Even [my kids'] stuff. . . . Like my son had a Nintendo, and a Playstation. And he even wrapped it up, and said, 'Go pawn it, Mom, we need the gas.' And videos, my daughter's videos, you know, her CDs. Pawned that too.**

Graciela also relies on payday lenders:

**You fill out the application and they take copies of everything—bank statement, driver's license and all that. But then, they'll tell you, 'Well you have to pay it off on the first of next month.' Or you can pay it down, which means you pay the interest, and then some.**

When families rely on relatives or friends for money—or, in Ava's case, moving in with a friend—they usually aren't expected to repay the money. Ethan and Gina Taylor depend on his mother for help from time to time but, as Ethan explains, worry that she can't really afford to help them:

**I really hate asking my mom for money because I know that she's having a hard time too. But, she'll call and ask me how my day's been. She'd be, like, 'Well, what are you eating tonight?' [I'd say] 'I don't know.' 'Well, what do you mean, you don't know?' 'Well, I got to go look in the fridge.' 'Well, next time, I want you to tell me, and I'll send you some money. I want you to have it.'**

Graciela's brother helps by paying her car payment, so that she can afford groceries. She also feels bad when she can't repay him:

**[Family and friends] don't expect [to be repaid] . . . [My brother] just tells me, 'Don't worry about it. As long as you have food on the table for the kids and for yourself. Don't worry about it. Just try to make it next month, and send me the whole payment.'**

**You know, he doesn't expect it back, but to me—even though he's my brother— I feel bad. You know, that I [owe] this money. But he don't ask for it.**

## TEXAS' CHOICES

When we hear about a tragedy, human nature is to distance ourselves by drawing distinctions between our lives and those of the victims. We do this to reassure ourselves of our own safety. "That would never have happened to me because I would not..., or I would have...."

As you read these stories, you may have done just that, focusing on the families' decisions—decisions you are sure you would have made differently.

Just as we distance ourselves individually, we distance ourselves collectively, shirking responsibility for the economic system in which these families struggle. Texas' policies toward low-income people are grounded in the belief that the causes of poverty are individual, rather than structural. If a family cannot support itself, then that family must be doing something wrong. The family needs to buckle down, work harder, and make more sacrifices.

If all it took were hard work, however, then the families you just read about would be doing fine. They *do* work hard—many at more than one job—to keep a roof over their heads, put food on the table, and care for their kids.

Yet, despite their hard work, these families can barely pay their bills, and none has the means to save for the future. Each month they find themselves no further ahead than they were the month before; more often than not, they have fallen further behind.



**It's time for Texas and Texans to stop blaming poverty and economic hardship on the failure of individual workers and shoulder our share of responsibility.**

For the low-wage workers profiled in this report and the million more across the state, increases in the cost of living—particularly in the areas of housing and health care—have outpaced the growth in their earnings.

At the same time, employer-sponsored benefits have fallen. Texans now have one of the lowest rates of employer-sponsored health coverage in the country—nine percent below the national average for adults (under 65) and 12 percent below the average for children.

The state's commitment to supportive services for low-wage working families—health insurance, child care, and job training, in particular—has waned as well. Public health insurance for non-disabled, non-elderly adults is severely limited, and subsidized child care is largely restricted to families on welfare. Our workforce and economic development programs focus mainly on connecting people to jobs, and not enough on preparing people for or creating jobs that pay well.

Not only that, but our regressive tax system takes a greater percentage from those with the least income.

Three years ago the *Economist* magazine profiled Texas as a state “generous to the successful...equally hard on the unfortunate.”<sup>11</sup> It's time for Texas and Texans to stop blaming poverty and economic hardship on the failure of individual workers and shoulder our share of responsibility.

We must invest more in public education to ensure that Texans can earn more by learning more. Likewise, we need to increase our commitment to community colleges—the quickest pathway to higher paying jobs—and ensure that higher education—the pathway to the highest paying jobs—remains affordable.

We also need to help families for whom formal education is not an answer, or at least not an immediate answer. Texas must adopt policies that help low-wage workers enter the middle class and improve their immediate and long-term economic security.

Texas can start by strengthening supportive services for low-income working families in the areas of health care, child care, and housing. The state should reverse recent short-sighted budget cuts in health and human services and expand Medicaid coverage for low-income working parents.







Next, we must make work pay with policies that help low-wage workers move into jobs with wages high enough to support a family. Texas can do this by expanding the focus of its workforce programs to target jobs with wages that provide basic economic security to workers and their families.

As an incentive for employers to offer higher-paying jobs, Texas should link its workforce development and economic development efforts. State and local tax abatements should be tied directly to employment and wage policies that require family-supporting wages and benefits.

Finally, we must adopt policies that help low-income working families build lasting economic security through assets, savings, and financial literacy. As part of this effort, Texas should reevaluate the restrictions on savings and other assets in its income support programs to allow low-income families to meet their basic needs while saving for the future.

**“I get behind and then I catch up, and then I get behind again, but I make it. We’re still surviving.”**

—Graciela Jones

Hard working Texans are doing their part. We need to do ours so that they can thrive, not merely survive.

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The Center for Public Policy Priorities released detailed policy recommendations for strengthening the Texas workforce and building the middle class in two reports: *Making It: What it Really Takes to Live in Texas* (featuring the *Family Security Index*) and *Texas at Work: Today and Tomorrow*. These reports and all of CPPP's research are available on our web site at [www.cppp.org](http://www.cppp.org).

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All our research is available at [www.cppp.org](http://www.cppp.org).

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## ENDNOTES

<sup>1</sup> National Center for Children in Poverty's (NCCP) State Data Wizard. NCCP is a nonprofit, nonpartisan research and policy organization at Columbia University's Mailman School of Public Health. NCCP's population and income data are derived from its analyses of the March Current Population Surveys of the U.S. Census Bureau and the Bureau of Labor Statistics, averaged across three years (1999-2001) to account for small sample sizes. NCCP's data on economic conditions are compiled from secondary sources, typically from federal agencies and policy research organizations, and are from the most recent state sources available, ranging from 1998-2002.

<sup>2</sup> These figures have been updated since the FSI was published in 2001 to account for increases in the federal poverty level.

<sup>3</sup> Because our research called for interviewing people (human subjects), and because our work was funded in part by the Hogg Foundation for Mental Health, which is at The University of Texas at Austin, we submitted our research design for approval to the university's Institutional Review Board (IRB) to ensure the safety and welfare of the people we interviewed. IRB approved this research.

<sup>4</sup> NCCP: State Data Wizard.

<sup>5</sup> The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides food assistance and nutrition counseling to pregnant, postpartum, and breastfeeding women and their children under age five, who have a nutritional risk and incomes below 185 of the federal poverty level.

<sup>6</sup> The Temporary Assistance for Needy Families (TANF) block grant provides limited monthly cash assistance to very poor families with children. A single-parent family of three cannot earn more than \$188 to qualify; the maximum benefit for a family of three is \$215.

<sup>7</sup> The FSI's estimates of monthly household expenses were gathered for our 2001 report.

<sup>8</sup> *Household Food Security in the United States*, 2003. Mark Nord, Margaret Andrews, and Steven Carlson, U.S. Department of Agriculture, November 19, 2004; data on children are from "Hunger in Your State: A Guide for Producing State-Level Reports," Oregon Center for Public Policy's analysis of the U.S. Census Bureau's Food Security Supplement to the Current Population Survey, 1998-2000.

<sup>9</sup> "Snapshots of America's Families III: Tracking Change 1997 – 2002," The Urban Institute's National Survey of America's Families; and "Many Working Families with Children Rely on Food Pantries," the Urban Institute, April 28, 2004.

<sup>10</sup> *TFF Final Evaluation Report*, CPPP, 2004. CPPP recognizes that some fathers have primary custody and are entitled to child support from the children's mother, but it is still far more common for the mother to retain custody and raise the children, as is reflected in the families we studied here.

<sup>11</sup> "The Future is Texas," *The Economist*, 2002.





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