

The Better Texas Family Budgets:

Building the Case for Better Jobs, Better
Education, Better Opportunities



CENTER *for* **PUBLIC POLICY PRIORITIES**
WORKING FOR A **BETTER TEXAS™**

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Center for Public Policy Priorities
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@cppp_tx
#kidscount









Why did we develop the Better Texas Family Budgets?







1 in 3
Texas
kids live
in single-
parent
families

37%

Of Texas kids live in families with a **high housing cost burden**



31% Texas kids have parents who lack secure employment



CFED Assets & Opportunity Scorecard: Areas Where Texas Lags

Outcome Measure	Rank
Liquid Asset Poverty	33 rd
Unbanked/Underbanked	47 th /48 th
Subprime Consumers	49 th
Low-Wage Jobs	41 st
High-Cost Mortgage Loans	47 th
Uninsured Rate	51 st
High School Degrees	51 st

*“ . . . the American dream
described a
mass upward mobility
that is just a lot
harder to achieve right
now.”*

M.I.T. economist, **FRANK LEVY**

What is the
traditional baseline
for family economic
security?



To be considered “officially poor,” a family of three has to make less than

18,123/ year

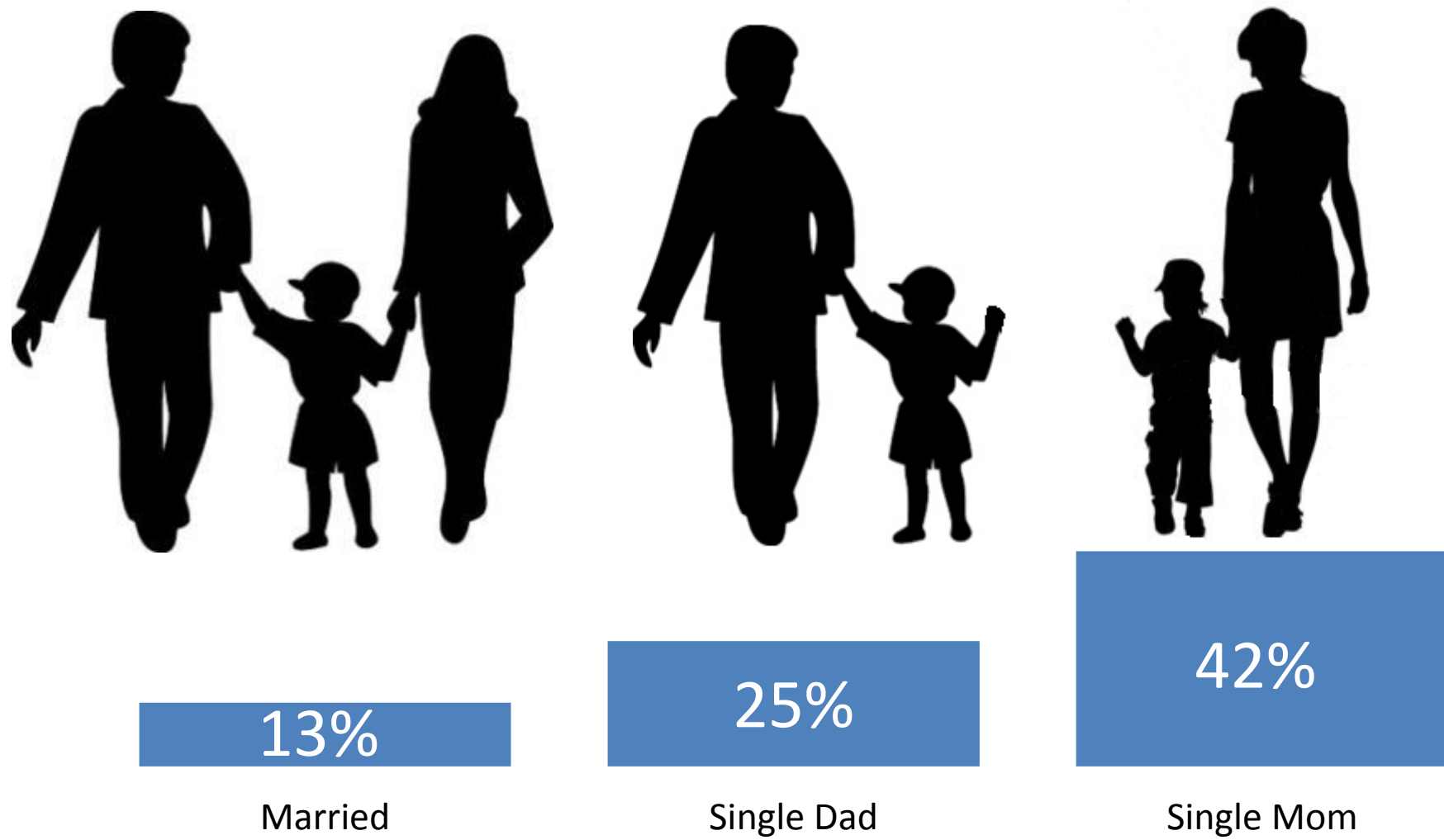
\$

100 DOLLARS



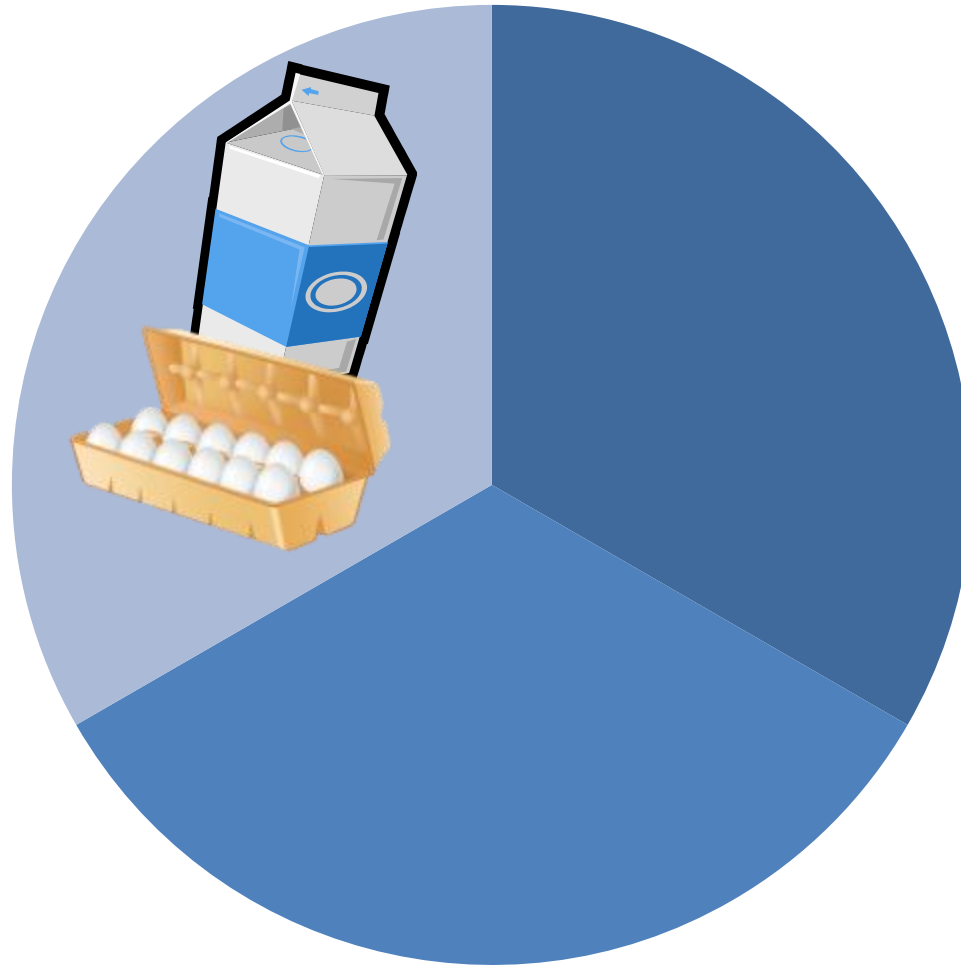
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Texas families with two-earners are much less likely to live in poverty.



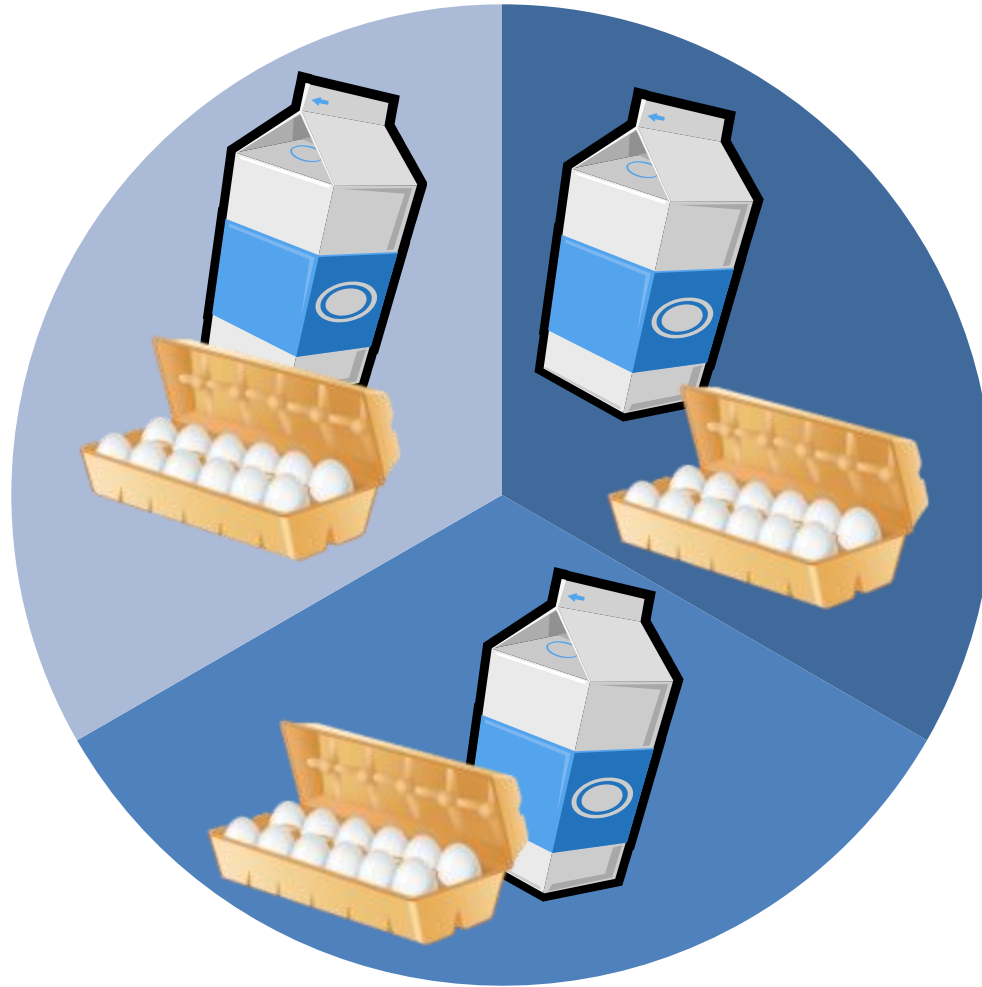
1960s:

Food was about 1/3 of a family's budget



1960s:

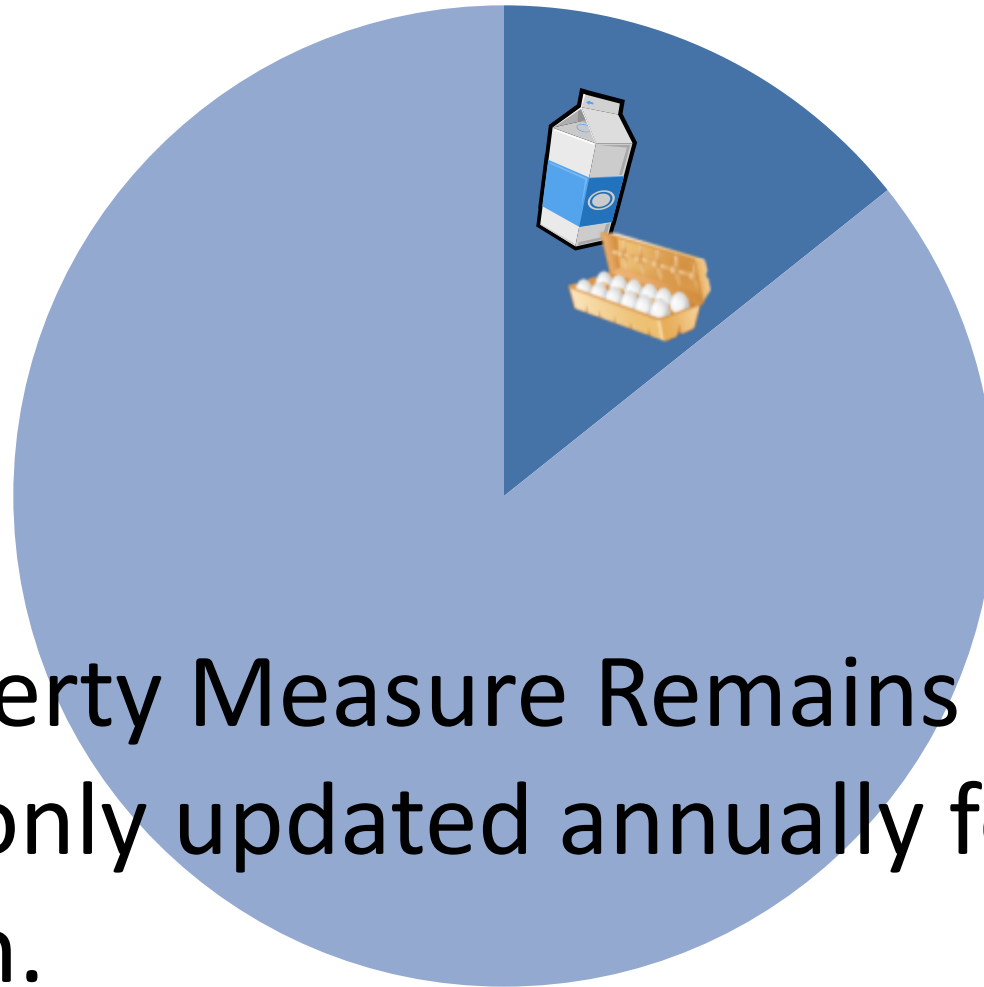
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Federal Poverty Measure = Food Budget X 3

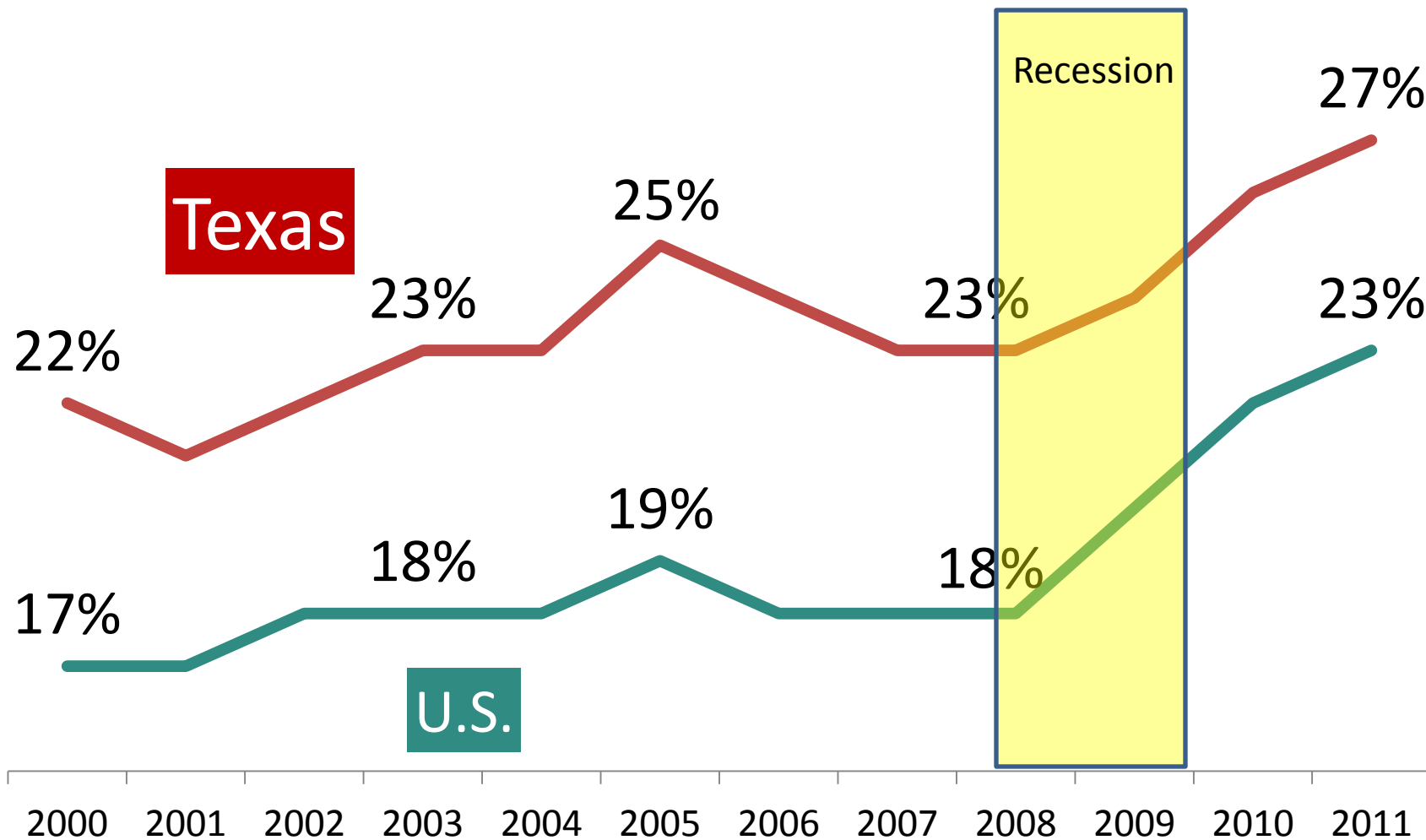
Today:

Food = 1/7th
Family
Budget



But Poverty Measure Remains the
SAME, only updated annually for
inflation.

Texas child poverty remains consistently higher than U.S.



What's missing in the
standard poverty
measure?



It Doesn't Account for Differences in Cost of Living Across the Lower 48



Modern Families' Expenses

Rent



Health Care



Other
Necessities



Childcare



Transportation



What are the Better Texas Family Budgets?

- Conservative definitions
- No public, private or informal assistance
- Existing, credible expense data from publicly available sources
- Promotes financial literacy
- Highlights areas for positive public policies

Who is included in the Better Texas Family Budgets?

- Eight different family types
 - 1-2 Working adults
 - 0-3 children
- Renters
- Texas' 26 metro areas
- Families w/ & w/o savings and employment-based benefits
 - Retirement
 - Emergency savings/unemployment insurance
 - Health care

BETTER TEXAS Family Budgets

CHOOSE YOUR Metro Area

▼ Abilene

SELECT WHO PAYS THE Health Insurance Premium

Household pays entire family premium

Employer pays all of one adult's premium and half of premium for rest of family

SELECT NUMBER OF Adults

1

2

SELECT NUMBER OF Children

0 1 2 3

Is the family Saving for

Emergencies/Rainy Day

Retirement

College



The Texas Family Budgets estimates what it takes for families to make ends meet in each of Texas' 26 metro areas.

NOTE: The following slides are a mock-up of our upcoming Better Texas Family Budgets website. We will release the live version on our website in mid-November, 2012.

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In today's health care market, having insurance is necessary for a most families to receive preventative care and ease medical debt should a crisis occur or chronic problem arise.

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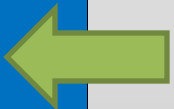
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Whether a household includes one or two adults, our family budgets assume all adults are working full-time, year-round to help make ends meet.

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With all adults in a household working, our family budgets assume children will be either in daycare or in school with after school care.

Family size	Day Care or School
1 child families	Preschooler in day care
2 child families	Preschooler in day care + school-age child with after school care
3 child families	Infant and preschooler in day care + school-age child with after school care

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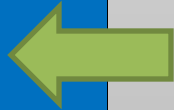
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Emergencies/Rainy Day

Retirement

College

In terms of economic mobility, or “getting ahead”, household savings plays an important role in enabling children to rise out of poverty and have better economic success than their parents. As a whole, families who save are more financially stable, and better prepared for retirement and disruptions in income.



BETTER TEXAS Family Budgets

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SELECT NUMBER OF
Adults

- 1
- 2

SELECT NUMBER OF
Children

0 1 2 3

Is the family Saving for

- Emergencies/Rainy Day
- Retirement
- College
- No savings

What does a 2 working adult, 1 child family in Abilene need to Get By?

\$22

Combined Hourly Wage
for 2 working adults

15%

Of Abilene jobs don't pay enough
for this family type to get by **i**

Draft Data

\$ 44,904

Necessary annual income

2.5 x

Annual necessary income for this
family type is more than twice
the federal poverty level. **i**

Where does the money go?

Expenses

Housing	\$ 650
Food	581
Child Care	296
Medical Insurance	1202
Out-of-pocket	96
Transportation	471
Other Necessities	342
Total	\$3,639

Savings

Emergencies/Rainy Day	\$ 33
Retirement	258
College	21
Total	\$ 312

Draft Data

Federal Taxes

Payroll Tax	\$227
Income Tax	247
Earned Income Tax Credit	(0)
Child Tax Credit	(83)
Child and Dependent Care Credit	(600)
Total	\$(209)

Family Bottom Line

Total Monthly income needed to cover expenses

\$3742

Each adult worker in this family needs to make \$11.23 (\$22.45 combined) to make ends meet. Do Abilene's jobs pay enough?



Abilene's median hourly wage is \$13.46

What about Abilene's top 5 jobs?

% of Workforce	Job type	Median Hourly Wage
18.9%	Office and Administrative Support	\$12.93
10.6%	Sales and Related Occupations	\$11.35
9.3%	Food Preparation and Serving	\$8.66
8.0%	Healthcare Practitioners and Technical	\$20.19
7.2%	Education, Training, and Library	\$19.96

2012 Median wages, U.S. Bureau of Labor Statistics

YES

NO

Draft Data



Share your results



Tweet your results

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Is the family Saving for

Emergencies/Rainy Day

Retirement

College

Single-parent,

two child family

with no savings

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Is the family Saving for

- Emergencies/Rainy Day
- Retirement
- College
- No savings

What does a 2 working adult, 1 child family in Abilene need to Get By?

\$18

Combined Hourly Wage for 2 working adults

63%


Of Abilene jobs don't pay enough for this family type to get by 

Draft Data

\$ 36,826

Necessary annual income

2 x

Annual necessary income for this family type is more than twice the federal poverty level. 

Where does the money go?

Expenses

Housing	\$ 650
Food	529
Child Care	452
Medical Insurance	730
Out-of-pocket	69
Transportation	319
Other Necessities	331
Total	\$3,080

Savings

Emergencies/Rainy Day	\$ 0
Retirement	0
College	0
Total	\$ 0

Draft Data

Federal Taxes

Payroll Tax	\$173
Income Tax	165
Earned Income Tax Credit	(62)
Child Tax Credit	(167)
Child and Dependent Care Credit	(120)
Total	\$ (11)

Family Bottom Line

Total Monthly income needed to cover expenses	\$3,069
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The adult worker in this family needs to make \$18 per hour to make ends meet. Do Abilene's jobs pay enough?



Abilene's median hourly wage is \$13.46

What about Abilene's top 5 jobs?

% of Workforce	Job type	Median Hourly Wage
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2012 Median wages, U.S. Bureau of Labor Statistics

YES

NO

Draft Data

Share your results

Tweet your results

How The Better Texas Budgets Work

Remember, a Jedi can feel the Force flowing through him. I'm surprised you had the courage to take the responsibility yourself. Alderaan? I'm not going to Alderaan. I've got to go home. It's late, I'm in for it as it is. I care. So, what do you think of her, Han? Hokey religions and ancient weapons are no match for a good blaster at your side, kid.

Additional Resources



[Getting By In Texas Film](#)

Take Our Pledge



[Share Your Story](#)

[Getting By In Texas Report](#)

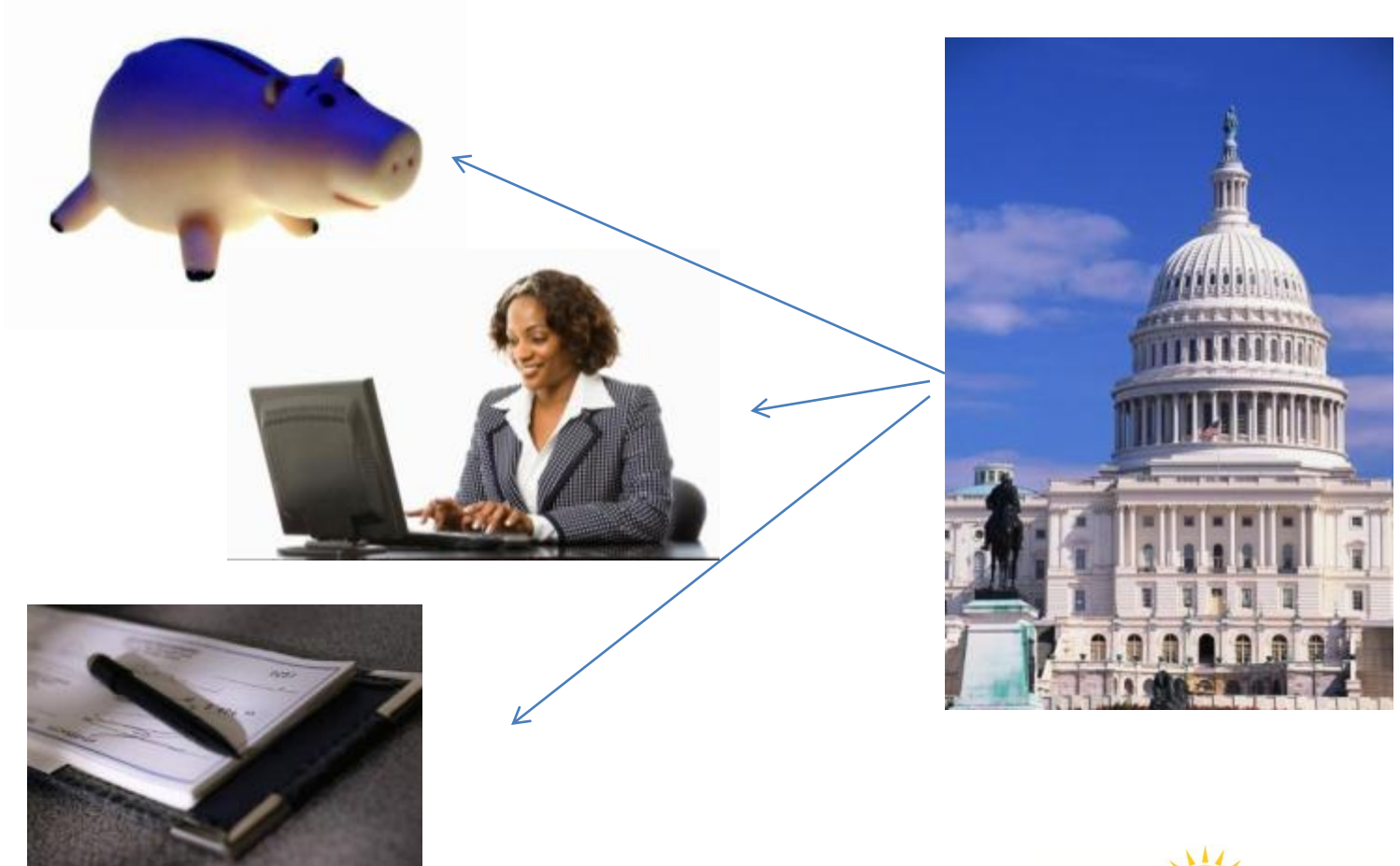
| [Methodology & Sources](#)

| [Download Jobs Data](#)

Better Texas Family Budgets:

- Help define good jobs
- Demonstrate the budget impact of individual expenses
- Shows savings in context of family budget
- Contain all of the pieces of basic economic security; context for a wide range of policy, personal finance and workforce discussions

What influences these outcomes?



What can we do?





Enable Children
to Reach Their
Full Potential





Invest in a two- generation strategy

BETTER
TEXAS™



Help parents put
their families on
a path to
economic
success



Policy Options

- Reduce largest expenses (e.g. child care)
- Help workers obtain smaller pieces of security puzzle
 - Promote savings & connect with financial mainstream.
- Increase wages or attract higher-paying jobs; create career ladders and long-term supportive services
- Improve access to employment-based benefits
 - Health care reform



We know we can
do big things.

It's time to do the
right thing.



BETTER
TEXAS™

Thank you!

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