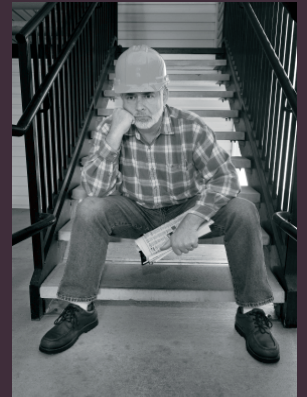


2014

State of the State Poverty in Missouri



Missourians to End Poverty Coalition

Data Sources

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Institute on Taxation & Economic Policy, January 2013 - Who Pays? A Distributional Analysis of the Tax Systems in all 50 States- 4th edition

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<http://kff.org/other/state-indicator/teen-birth-rate-per-1000/>

<http://www.spotlightonpoverty.org/map-detail.aspx?state=Missouri>

Missouri Department of Social Services Child Care Family Eligibility Guidelines

The State of Homelessness in America: National Alliance to End Homelessness

Missouri Report on Poverty

2014

Who are the Missourians to End Poverty?

Missourians to End Poverty is the coalition of various individuals, businesses, organizations and government agencies who have come together around the following vision:

As Missourians, we envision a just society of shared responsibility by individuals, communities, business, and government in which all individuals are respected, have opportunities to reach their full potential and to participate in thriving, diverse, sustainable communities.

Missouri is a state rich in beauty and prosperity, in education and opportunity, in security and health, in values and vision. Yet, within our richness lies poverty and fear, hunger and the homeless, unmet potential and despair.

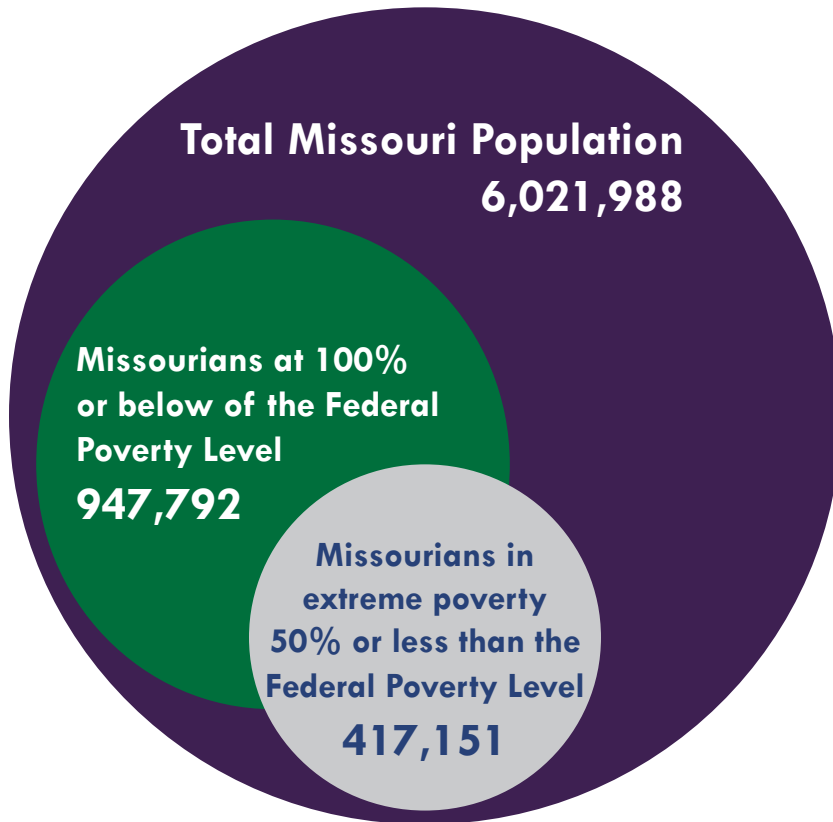
The scope of poverty is vast. For each individual struggling with poverty there exists a unique set of circumstances and issues that make a single solution to poverty as an issue impossible. Think of poverty as a net with strands trapping individuals and holding them down. Each individual has different strands that must be cut in order to help them move forward. This report exists to identify some of the key issues surrounding poverty in our state and identifies some potential solutions to those problems - solutions that could cut poverty significantly in Missouri.



Missourians to End Poverty

Bringing the Community Together to End Poverty
food • health • education • housing & energy • economic & family security

Issues of Poverty



2013 POVERTY GUIDELINES	
Family Size	Annual Income
1	\$11,490
2	\$15,510
3	\$19,530
4	\$23,550
5	\$27,570
6	\$31,590

For families/households with more than 6 persons, add \$4,020 for each additional person.

5 Key Elements of Poverty

- Food**
- Health**
- Education**
- Energy & Housing**
- Family & Economic Security**

Poverty is a blight on the development of our state. Unfortunately, it is also one of the most difficult issues to address because the causes of poverty are made up of a vast interconnected web of issues.

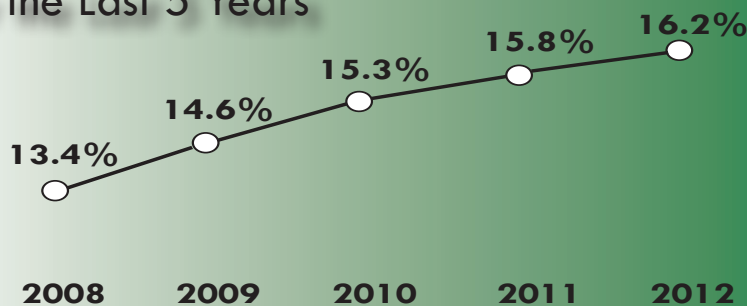
Problems range from large economic forces such as wage inequality and unemployment to localized problems such as inadequate public transportation and child care.

The Missourians to End Poverty coalition has identified five key elements that can be addressed to impact the conditions of poverty in our state.

Participation in Federal Programs

Adults and children receiving welfare (TANF):	89,033
Children receiving food stamps (SNAP):	416,000
Earned Income Tax Credit recipients:	530,000
Households receiving federal rental assistance:	94,193
Families receiving child care subsidies:	21,800
Participants in all Head Start programs:	22,732
Number of children enrolled in Medicaid and CHIP:	662,307
Number of women and children receiving WIC:	145,900
Households receiving Low Income Home Energy Assistance Program:	178,245

Poverty Rate Increases in Missouri over the Last 5 Years



Food

“The best predictor of food insecurity and hunger in Missouri, and throughout the United States, is poverty.” Missouri Hunger Atlas, 2013

What is Food Security?

“The concept of food security, as the United States Department of Agriculture defines it, refers to “access by all people at all times to enough food for an active, healthy life.” The USDA outlines food security as a continuum divided into four ranges, characterized as follows:

- **High food security**—Households had no problems consistently accessing adequate food.
- **Marginal food security**—Households had problems at times accessing adequate food, but the quality, variety, and quantity of their food intake were not substantially reduced.
- **Low food security**—Households reduced the quality, variety, and desirability of their diets, but the quantity of food intake and normal eating patterns were not substantially disrupted.
- **Very low food security**—At times during the year, eating patterns of one or more household members were disrupted and food intake reduced because the household lacked money and other resources for food.

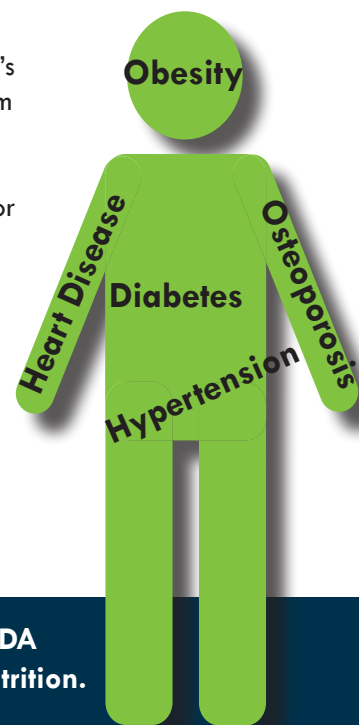
Missouri’s Rate of Low Food Security is 16.7%

We are one of only 10 states in the nation with food insecurity higher than the national average of 14.5%

Rising Hunger in Missouri:

- Current estimates of low food security and **very** low food security rates among Missouri households in 2010 were 16.7% and 6.7% respectively.
- 380,097 households experience low food security and roughly 159,165 households experience very low food security in Missouri; with an average household size of 2.45 these figures suggest approximately 1.3 million Missourians experienced low or very low food insecurity.
- This translates into roughly 400,000 Missourians experiencing hunger. Regrettably, trends in food insecurity and hunger are not positive ones for our state, as current averages for both reflect a trend that has continuously increased over the last 10 years.

Health problems are directly connected to economic hardship since they affect an individual’s ability to work or to function in school. There are a variety of poor outcomes that result from inadequate nutrition. Chronic diseases can be brought on by calorie dense/low nutrition foods. Beyond that, poor nutrition increases healthcare costs by increasing the amount of time needed to recover from illness and by exacerbating the effects of chronic disease. Poor nutrition also reduces productivity at work through lowered energy/illness and negatively impacts the ability of children to focus and learn in school.



Inadequate Nutrition Results in Poor Health and Higher Health Care Costs for All Missourians...

The average SNAP benefit in Missouri is \$1.30 per person per meal. But USDA Food Plans project that it costs \$1.80-2.48 per meal to provide adequate nutrition.

Health

The State of Missouri could greatly improve the lives of its distressed families by finding ways to provide quality, affordable, health care to all Missouri families.

Lack of insurance coverage is one of the most significant impediments for Missouri families to access a quality, affordable health care system. In our state, most Missourians access health care with employer provided insurance. But in our system of employer provided insurance, those at the lowest levels of income are rarely provided coverage by their employer.

This creates a system that forces those with the lowest incomes to pay out of pocket for their health care, while those at higher incomes receive employer subsidies.

In 2012, 13.6% of Missourians were uninsured. Of those uninsured individuals, over 420,000 are **working** poor. This lack of coverage causes Missouri families to access the health care system in inconsistent and inefficient ways and impedes primary and preventive care, all of which imperils their well being and raises the health care cost for all Missourians.

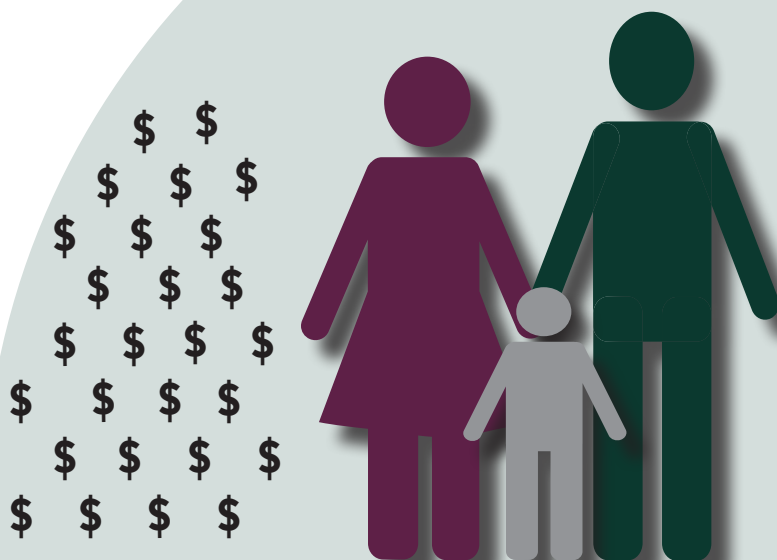
801,380
Missourians
Have No
Health Insurance

Currently, in order for an adult to access Medicaid in Missouri, they must earn less than \$292 per month!

Increasing Medicaid eligibility to 138% of the federal poverty guideline = an income of \$7.62 per hour for an individual working full time.



Over
420,000
of Missouri's Uninsured
are **Working**
Adults



Education

In 2012, Missouri's graduation rate increased by 2.4%-representing an additional 1,750 high school diplomas!

Individuals with a high school degree:	86.9%
Individuals with a four year college degree:	26.1%
Teens ages 16-19 not attending school and not working:	9%
Percent of college students with debt:	65%
High school graduation rate:	83.1%

Ensuring quality education from early childhood, through grades K-12 and college is an essential component to eradicating poverty in the State of Missouri. Numerous studies find a positive correlation between higher levels of education and increased job earnings later in life. Without adequate education, young people are relegated to low-paying unskilled service jobs that fail to provide economic security and trap them in a lifetime of poverty.

Yet it is precisely in areas of concentrated poverty where educational success is most lacking. Graduation rates tend to be lower in high poverty districts.

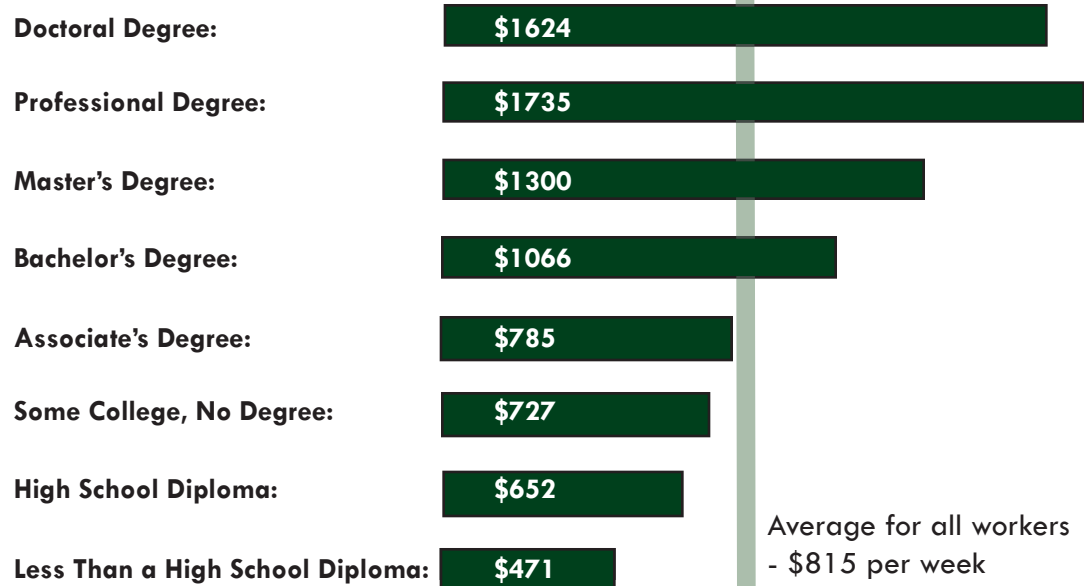
Poverty has a profound impact on student educational success. Missouri has not adequately invested in programs to reduce poverty and has placed increasing pressure on public schools to remediate the challenges created by poverty. A new strategy must involve rejecting a "silo" mentality that ignores the impact of poverty on educational success. In order to ensure quality education for children in areas of concentrated poverty, all aspects of family and community life must be engaged in the process of educating children.

All schools must be staffed by highly qualified teachers. A recent report shows that about 40% of all core subject area classes in high poverty - high minority middle schools are staffed by out-of-field teachers. Difficult working conditions, low pay and narrow, bureaucratic accountability systems make it harder for districts to staff the most challenging schools with the most experienced and capable teachers.

When children of different socioeconomic levels and ethnic backgrounds are in shared learning environments, all benefit. Currently, districts vary widely in concentration of students living in poverty.

Education to Income Chart

Weekly median earnings in 2012 (\$) by education level



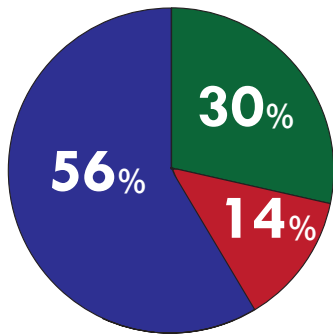
A household is considered “cost burdened” if more than 30% of their income goes towards housing.

Housing & Energy

Housing in Missouri

Total households:	2,359,135
Renters:	32.5%
Households paying over 30% of income on housing:	283,021

\$14.07 is the wage a renter household needs to earn to afford a two bedroom unit at the HUD determined Fair Market Rent.



14% on Energy Costs
30% on Housing
56% for EVERYTHING Else
Transportation, Healthcare, Food, Clothing, Education, Etc.

Homeless In Missouri

Homeless	8,989
Unsheltered	2,271
Chronically Homeless	1,156
Homeless Veterans	852

In Missouri, low-income households pay an average of 46% of their gross pay towards two expenses, housing and energy costs. However, households at 50% of the Federal Poverty Guideline, may pay up 54% of their income just on energy. To prevent this crisis for families with limited resources, it is necessary to address the shortage of safe, affordable, and decent housing in Missouri.

Energy

On average, low-income households spend 14% of their annual income just on energy costs, whereas middle and higher income families usually pay only 3-6%. This means low-income families often cut back on other necessities, such as prescription medication and food, in order to pay their energy bills. The higher consumption often results from housing stock that lacks insulation or other efficiency measures, and older appliances in the home.

Housing

Substandard housing is yet another barrier that low income families face and one that drastically affects a family’s quality of life. (Substandard housing refers to any housing that does not meet the local minimum health and safety requirements.) One out of every three people living in severely substandard housing is a child.

Recently, the National Low Income Housing Coalition released a report called “Healthy Homes”, which found that substandard housing contributes significantly to the health issues faced by many low income children. Studies show that children who have secure, affordable housing are far more likely to stay in school and succeed socially, and their parents are far more likely to keep their jobs and maintain a family income.



Family & Economic Security

25.9% of Missouri Jobs are Considered Low-Wage

Employment

Missouri needs jobs that will sustain local economies, provide a living wage for families to support themselves, and make communities attractive places to live. The current unemployment rate in Missouri as of November 2013 is 6.1% - which is good news. However, Missouri's employment outlook is problematic since many new positions are lower wage service jobs- not long term sustainable wage employment.

Asset Poverty Rate:

22.2%

Unbanked Households:

9.5%

Quality Child Care

Child care is a critical need for working individuals and families with children. Low income parents often struggle with child care issues due to work hours that do not coincide with child care availability, transportation problems (routes or schedules), and the prohibitive cost of quality care. The eligibility level for child care assistance in Missouri is 127% of the federal poverty guideline with some transitional benefits ranging slightly higher. However, for a single parent trying to work and raise a child, **all benefits would be lost** with an annual income of \$23,280 which equals a weekly gross pay of \$448.

Asset Development & Protection

Low income families are more likely to experience crisis due to lack of savings and assets than middle income families. Asset Development is a proven way to help low income people build wealth and stability through home ownership, development of small businesses, and higher education. In addition, participation in asset development programs increases participation in the banking system (moving people away from predatory solutions such as payday lenders) and increases financial education among participants.

Tax Relief for Working Families

Another problem low income families experience is the high burden of taxes low income families pay compared to middle and higher income families. One way to address this would be a state earned income tax credit (EITC). Twenty five other states and the District of Columbia have already instituted a state EITC ranging from 3.5% to up to 50% of the federal credit.

How much do YOU pay in taxes?

