

STATE PROFILE: TEXAS



The recession and its aftermath have left unprecedented numbers of Texas families financially insecure: 16% of households are poor. However, even more families in Texas are financially vulnerable. The 2012 *Assets & Opportunity Scorecard* shows that 28% of Texans are asset poor, meaning that they lack the financial resources – money in the bank, assets in a home or car – to weather a job loss or other emergency. Still more troubling, the *Scorecard* shows that 51% of Texans are liquid asset poor. Liquid asset poverty is a more realistic picture of the resources families have to meet emergency needs since it excludes assets such as a home, car or business that are not easily converted to cash.



Asset poverty in Texas is 1.8 times higher than income poverty and liquid asset poverty is 3.2 times higher.

WHAT TEXAS CAN DO

- **Increase College Attainment:** To increase college access and success, especially for economically disadvantaged students, Texas should identify additional funding sources to support the Texas Save and Match, a state policy that aims to provide college savings incentives to Texas students.
- **Improve Financial Capability:** To increase Texans' credit scores and connect consumers to mainstream financial products, the state should leverage public and private funding to link financial education with matched savings for working families.
- **Expand Health Care Coverage:** To address the high uninsured rate, Texas should continue to modernize and streamline Medicaid-CHIP enrollment and renewal procedures to ensure "no wrong door" enrollment for either public or private health coverage. To improve affordability and continuity of health coverage for low-income working families, Texas should develop and offer a Basic Health Program ("CHIP for adults") by the 2014 implementation date.

ABOUT THE SCORECARD

The *Assets & Opportunity Scorecard* is a comprehensive look at Americans' financial security today and their opportunities to create a more prosperous future. It assesses the 50 states and the District of Columbia on 101 outcome and policy measures, which describe how well residents are faring and what states can do to help them build and protect assets. These measures are grouped into five issue areas: Financial Assets & Income, Businesses & Jobs, Housing & Homeownership, Health Care, and Education.

For a complete description of all 2012 *Scorecard* measures and sources, including how the grades and ratings were assigned, go to <http://scorecard.cfed.org>.

KEY HIGHLIGHTS

28%

of Texas households live in asset poverty

65%

of Texas consumers have subprime credit

28%

of jobs in Texas are low-wage jobs

33%

of homeowners in Texas are cost burdened

26%

of people in Texas are uninsured

26%

of adults in Texas have at least a 4-year college degree

Published January 2012

TEXAS

OVERALL RANK: 41

The *Scorecard* ranks 52 outcome measures from best to worst; #1 is the most desirable, #51 is the least desirable. Data for an additional 16 measures are published, but states are not ranked on these measures due to insufficient data at the state level. Issue area ranks and grades are calculated by averaging the ranks of measures within the issue area. Grades for issue areas are given on a curve: 10 states get As, 10 get Bs, 16 get Cs, 10 get Ds and 5 get Fs. The overall rank is calculated by ranking the sum of the issue area ranks.

FINANCIAL ASSETS & INCOME

ISSUE AREA RANK: 37 | GRADE: D

OUTCOME MEASURE	State Data	U.S. Data	STATE RANK
Income Poverty Rate	15.7%	14.0%	40
Asset Poverty Rate	27.7%	27.1%	—
Asset Poverty by Race	1.9 x higher for HHs of color	2.2 x higher for HHs of color	—
Asset Poverty by Gender	1.1 x higher for single women	1.1 x higher for single women	—
Asset Poverty by Family Structure	1.7 x higher for 1-parent HHs	2.2 x higher for 1-parent HHs	—
Liquid Asset Poverty Rate	50.6%	43.1%	33
Liquid Asset Poverty by Race	1.7 x higher for HHs of color	1.9 x higher for HHs of color	—
Liquid Asset Poverty by Gender	1.08 x higher for single women	1.09 x higher for single women	—
Liquid Asset Poverty by Family Structure	1.5 x higher for 1-parent HHs	1.9 x higher for 1-parent HHs	—
Extreme Asset Poverty Rate	17.8%	19.0%	—
Net Worth	\$44,850	\$70,600	—
Net Worth by Race	4.5 x higher for white HHs	12.8 x higher for white HHs	—
Net Worth by Income	—	70 x higher for top 20%	—
Net Worth by Gender	1.4 x higher for single men	1.03 x higher for single men	—
Net Worth by Family Structure	7 x higher for 2-parent HHs	29 x higher for 2-parent HHs	—
Unbanked Households	11.7%	7.7%	47
Underbanked Households	24.1%	17.9%	48
Consumers with Subprime Credit	65.1%	55.8%	49
Borrowers 90+ Days Overdue	4.4%	4.2%	39
Average Credit Card Debt	\$6,284	\$10,852	4
Bankruptcy Rate (per 1,000 people)	2.2	5.0	4

BUSINESSES & JOBS

ISSUE AREA RANK: 34 | GRADE: C

OUTCOME MEASURE	State Data	U.S. Data	STATE RANK
Microenterprise Ownership Rate	17.4%	16.0%	9
Small Business Ownership Rate	1.28%	1.37%	47
Business Ownership by Race	1.7 x higher for white workers	1.5 x higher for white workers	25
Business Ownership by Gender	1.2 x higher for men	1.3 x higher for men	12
Business Value by Race	3.3 x higher for white bus. owners	2.6 x higher for white bus. owners	41
Business Value by Gender	2.5 x higher for men	2.6 x higher for men	18
Employee Ownership (per 1,000 firms)	1.21	1.46	30
Business Creation Rate (per 1,000 workers)	7.0	8.9	44
Private Loans to Small Business	\$1,159	\$1,322	37
Unemployment Rate	8.0%	9.6%	16
Unemployment by Race	1.7 x higher for people of color	1.6 x higher for people of color	24
Underemployment Rate	14.4%	16.7%	19
Low-Wage Jobs	28.0%	22.0%	41
Average Annual Pay	\$45,594	\$46,751	16
Retirement Plan Participation	41.3%	44.9%	42
Employers Offering Health Insurance	51.0%	53.8%	32

HOUSING & HOMEOWNERSHIP

ISSUE AREA RANK: 17 | GRADE: B

OUTCOME MEASURE	State Data	U.S. Data	STATE RANK
Homeownership Rate	63.6%	65.4%	42
Homeownership by Race	1.3 x higher for white HHS	1.5 x higher for white HHS	6
Homeownership by Income	2.2 x higher for top 20%	2.2 x higher for top 20%	29
Homeownership by Gender	1.1 x higher for single women	1.03 x higher for single women	—
Homeownership by Family Structure	1.8 x higher for 2-parent HHS	1.9 x higher for 2-parent HHS	24
Foreclosure Rate	1.90%	4.43%	9
Delinquent Mortgage Loans	2.78%	3.46%	21
High-Cost Mortgage Loans	8.0%	5.2%	47
Affordability of Homes (value/income)	2.6 x higher than median income	3.6 x higher than median income	4
Housing Cost Burden - Homeowners	32.6%	38.0%	16
Housing Cost Burden - Renters	50.3%	53.0%	18

HEALTH CARE

ISSUE AREA RANK: 51 | GRADE: F

OUTCOME MEASURE	State Data	U.S. Data	STATE RANK
Uninsured Rate	26.2%	17.7%	51
Uninsured by Race	2.1 x higher for people of color	2 x higher for people of color	34
Uninsured by Income	9 x higher for bottom 20%	10 x higher for bottom 20%	22
Uninsured by Gender	1.1 x higher for men	1.2 x higher for men	3
Uninsured Low-Income Children	19.0%	11.7%	50
Uninsured Low-Income Parents	51.8%	33.1%	51
Employer-Provided Insurance Coverage	50.4%	57.6%	46
Employee Share of Premium	31.0%	27.0%	47
Out-of-Pocket Medical Expenses	15.5%	16.2%	—

EDUCATION

ISSUE AREA RANK: 38 | GRADE: D

OUTCOME MEASURE	State Data	U.S. Data	STATE RANK
Early Childhood Education Enrollment	35.3%	27.2%	12
Math Proficiency - 8th Grade	40.0%	34.7%	14
Reading Proficiency - 8th Grade	26.5%	33.5%	42
High School Degree	80.7%	85.6%	51
Two-Year College Degree	32.3%	35.7%	40
Four-Year College Degree	25.9%	28.2%	31
Four-Year Degree by Race	2.1 x higher for white adults	1.6 x higher for white adults	45
Four-Year Degree by Income	5.9 x higher for top 20%	5.3 x higher for top 20%	37
Four-Year Degree by Gender	1.04 x higher for men	1.02 x higher for men	—
Average College Graduate Debt	\$20,919	\$25,250	12
College Graduates with Debt	56%	65%	22

For a complete description of all 2012 Scorecard measures and sources, including how the grades and ratings were assigned, go to <http://scorecard.cfed.org>.

— = "Not Available." Data or ranks are not available because insufficient or unreliable data exist for the state.

N.R. = "Not Ranked." These data are not ranked because the estimate or rank is too imprecise to say with confidence how the state compares to other states.





POLICY RATINGS

The *Scorecard* includes 33 policy measures: 12 priority policies and 21 additional policies. For policy priorities, states are assessed against criteria for what constitutes a strong policy. Taken together, these policies provide a comprehensive view of what states can do to help residents build and protect assets. Policy priority data are current as of June 30, 2011; additional policy data are drawn from the latest published reports, usually 2010-2011.

-  Very strong policy
-  Strong policy, but some room for improvement
-  Some policy, but much room for improvement
-  Minimal policy in place
-  No policy in place

FINANCIAL ASSETS & INCOME

Policy Priorities

-  Tax Credits for Working Families
-  State IDA Program Support
-  Lifting Asset Limits in Public Benefit Programs
-  Protections from Predatory Short-Term Loans

Additional Policies

- Income Tax Threshold** ... No state income tax
- Tax Burden by Income** ... The poorest 20% of families pay 4.1 times more of their income in taxes than the top 1% of families
- Prize-Linked Savings** ... Prize-linked savings not allowed
- Paperless Payday** ... Paperless payday permitted

BUSINESSES & JOBS

Policy Priorities


-  State Support for Microenterprise
-  Job Quality Standards

Additional Policies

- Unemployment Benefit Level** ... 35.5% of average weekly wage
- Unemployment Benefit Eligibility** ... Benefits for compelling family reasons; Not all criteria met
- Incentives for Employee Ownership** ... WIA-funded feasibility studies; Not all criteria met
- Loans for Beginning Farmers** ... No state policy

HOUSING & HOMEOWNERSHIP

Policy Priorities

-  Foreclosure Prevention and Protections
-  First-Time Homebuyer Assistance

Additional Policies

- Housing Trust Funds** ... Has statewide housing trust fund
- Preservation of Affordable Rental Housing** ... 11.1% of LIHTC for preservation
- Tenant Protections from Foreclosure** ... No protections beyond federal law
- Property Tax Relief** ... None
- Resident Ownership of Manufactured Housing Communities** ... No protections for homeowners

HEALTH CARE

Policy Priorities




-  Access to Health Insurance

Additional Policies

- Expanded COBRA Coverage** ... COBRA expansion for 36 months
- Healthcare Information Databases** ... Does not have database

EDUCATION

Policy Priorities

-  Access to Quality K-12 Education
-  Financial Education in Schools
-  College Savings Incentives

Additional Policies

- State-Funded Head Start** ... No state supplement
- Quality of State Pre-K Programs** ... Established state program; \$3,686 per child enrolled; 4 of 10 quality standards met
- Kindergarten Standards** ... Half Day Kindergarten; no standards; no certificates or training required for teachers
- State Financial Aid for Postsecondary Education** ... \$630 per student; 100% need-based
- TANF-Funded Workforce Training** ... 1.68% of funds spent on training
- WIA-Funded Workforce Training** ... 36.0% of participants received training