

# Recovery or Bust: Georgia's Poor Left Behind

By Melissa Johnson, Policy Analyst

## Introduction

More Georgians are living on the desperate side of the federal poverty line than at any time in the state's recent history. At the same time, pathways to exit poverty are increasingly blocked as the state failed to make strategic investments when needed. America's Great Recession – the country's deepest economic downturn since the Great Depression – officially ended June 2009. Georgia's unemployment rate reached its worst point in February 2010. The next month ushered in Georgia's slow economic recovery. More than three years later, Georgia has recovered just two-thirds of the jobs lost in the economic crisis.

Meanwhile, poverty in Georgia worsened since the beginning of the recovery. Georgia is now the sixth poorest state in the nation, with its current poverty rate the highest it has been since 1982. More than 19 percent of Georgians, or 1.8 million adults and children, lived in poverty in 2012, compared to about 18 percent in 2010.<sup>1</sup> Nearly 160,000 more people lived in poverty in Georgia in 2012 than in 2010.

The last time Georgia ranked among the 25 states with the lowest poverty rates was 1995. Georgia was the 26th poorest state that year. Barriers that contribute to the state's high poverty rates include a shortage of child care and early education opportunities, scarce affordable quality education opportunities and a lack of public transportation options.

The recent recession caused pain both for people already living in poverty and people who fell into it for the first time. Yet the long-standing barriers that continue to block Georgians from moving out of poverty stubbornly persist.

This report tells the story of Georgia's poor families and describes the barriers these families face as they try to climb out of poverty.

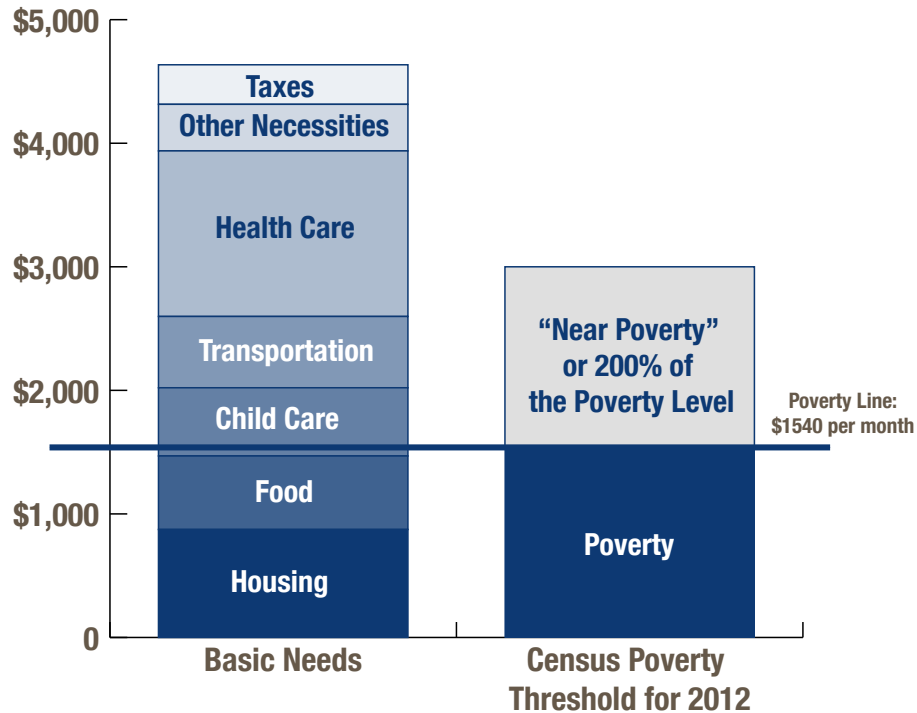
Among the report's findings:

- **Georgia ranks as the sixth worst state for child poverty.** Child poverty rose to 27.2 percent in 2012, up from 24.8 percent in 2010.
- **Lagging educational opportunities and achievement among poor children and adults reinforce the cycle of poverty.** Academic performance of lower-income children in grades K-12 continues to lag behind their more affluent peers. This cycle carries into higher education where the majority of Georgians not in poverty have some form of post-secondary education and the majority of poor Georgians do not.
- **A rise in lower-quality jobs contributed to the rise in poverty since 2010.** About 123,000 Georgians ages 16 to 64 live in poverty, even though they work full time. The number of these poor full-time workers increased by more than 20 percent since 2010.

## Who Are the Poor and Where Do They Live?

So what does it mean to be poor in Georgia? For 1.8 million Georgians, it means that they are likely to not have enough money to meet basic needs, including food, shelter, medication and housing. Even families that make 1.5 to 3 times the federal poverty level may have trouble meeting their basic needs.<sup>2</sup>

### Poor Metro Atlanta Families Cannot Meet Basic Needs



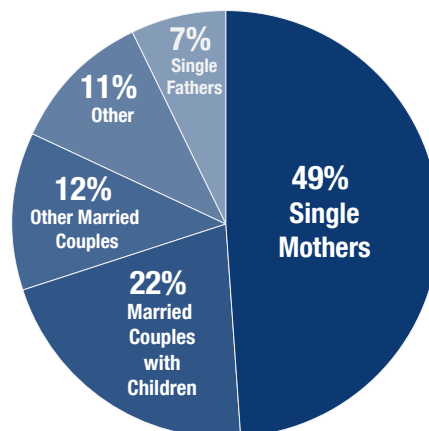
Source: Economic Policy Institute Family Budget Calculator; U.S. Census Bureau. Based on a family makeup of two parents and one child. "Other necessities" include clothes, personal care products, and education.

### Families

About eight out of ten Georgians in poverty live in family households. Fifteen percent of all Georgia families live below the poverty line, though the poverty level for families with children is even higher. More than one in five families with children under 18 in Georgia are now living below the poverty line. That includes an additional 36,000 families in poverty since 2010.

About half of poor Georgia families are headed by single mothers<sup>3</sup> with children under 18. Another 22 percent are married couples with children. The proportion of each type of family in poverty barely changed since 2010.

### Single Moms Most Common Type of Family in Poverty



Source: U.S. Census Bureau, American Community Survey, 2012

## Children

When Georgia families live in poverty, by definition children in those families grow up poor and are often disadvantaged. More than 36 percent of Georgians in poverty are children. Since the end of the Great Recession, Georgia's children fell further behind. Child poverty increased to 27 percent in 2012 from nearly 25 percent in 2010. More than 60,000 additional Georgia children now live in poverty.

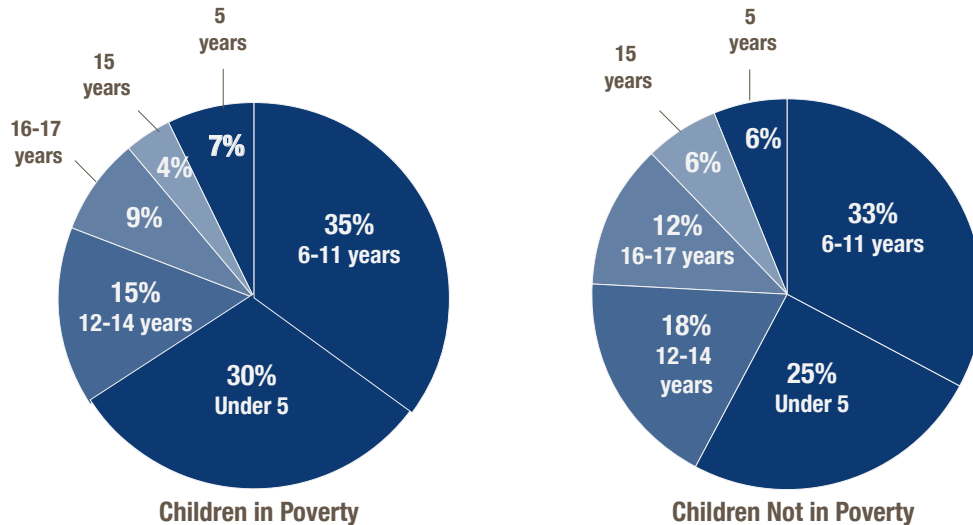
As Georgia's child poverty rate increased, its ranking among the states worsened. Georgia is now saddled with the sixth highest rate of child poverty. Children are more likely to be poor in Georgia than in 45 other states, including regional peers South Carolina and Texas. The vast majority of children in poverty are under age 12. These are children most in need of childcare, both before they are old enough to attend school and after school once they begin attending classes. Poor children are overrepresented in this age group. Seventy-two percent of children in poverty are under 12 compared to 64 percent of children not living in poverty.

## Georgia's Child Poverty Ranking Worsens

Year	Ranking
2009	15
2010	13
2011	11
2012	6

Source: U.S. Census, American Community Survey

## 72% of Children in Poverty are Under 12 Compared to 64% of Children Not in Poverty

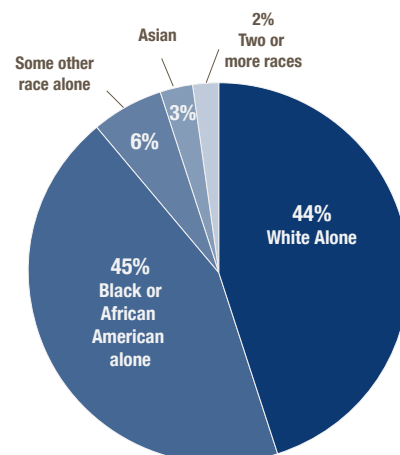


Source: U.S. Census Bureau, American Community Survey, 2012

## Race and Ethnicity

Sixty percent of Georgia's 9.9 million people are white and 31 percent are black, but the number of black and white poor Georgians is more than 800,000 or roughly equal. The racial balance and the racial disparities in the poor population have remained virtually unchanged since 2010.

## Black and Whites Make Up Equal Proportions of the Poor



Source: U.S. Census Bureau, American Community Survey, 2012

Georgians of Latino or Hispanic origin represent about nine percent of the total population, while they are 15 percent of people living in poverty. This disparity stayed roughly the same since 2010.

### Education

Georgians in poverty are less likely to attain higher education than people better off financially. More than 65 percent of poor Georgians ages 25 and older do not have any higher education, while 61 percent of Georgians not in poverty have taken some form of higher education.

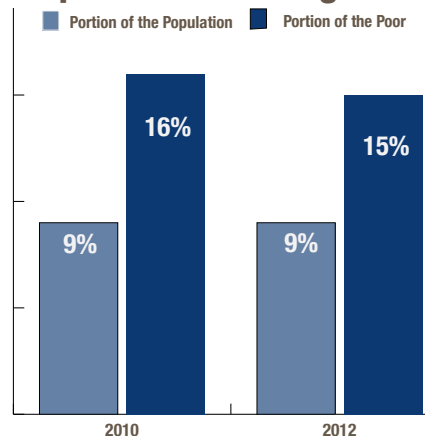
Since 2010, the share of Georgians in poverty with some form of higher education is up by nearly three percentage points.

### Health and Disability

Georgia is home to the 5th largest number of uninsured residents of any state, and poor Georgians are less likely to be insured than Georgians above the poverty line. The coverage disparity is greatest for Georgians ages 18 to 64, in large part due to the availability of public programs such as Medicaid and Medicare that serve both children and Georgians ages 65 and older. Working-age Georgians accounted for 87 percent of the population without coverage in 2012.

About 16 percent of Georgia's poor, or about 297,000 people have disabilities. The number of Georgians with disabilities grew by 5 percent since 2010. The employment rate for Georgians ages 16 and older with disabilities is 21 percent, about 42 percentage points lower than the employment rate for Georgians without disabilities. The poverty rate for Georgians ages 16 and over with disabilities is nearly 25 percent, 10 percentage points higher than for Georgians without disabilities.

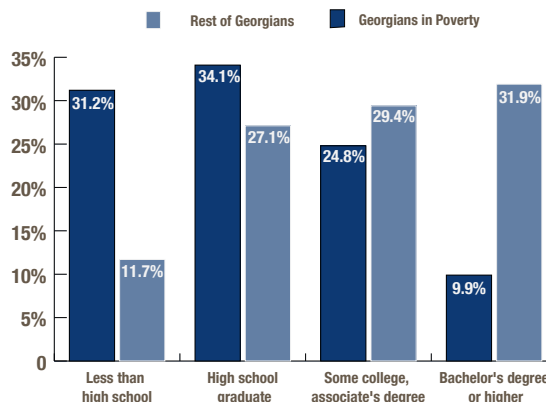
## Hispanic and Latino Georgians Overrepresented Among the Poor



Source: U.S. Census Bureau, American Community Survey, 2012

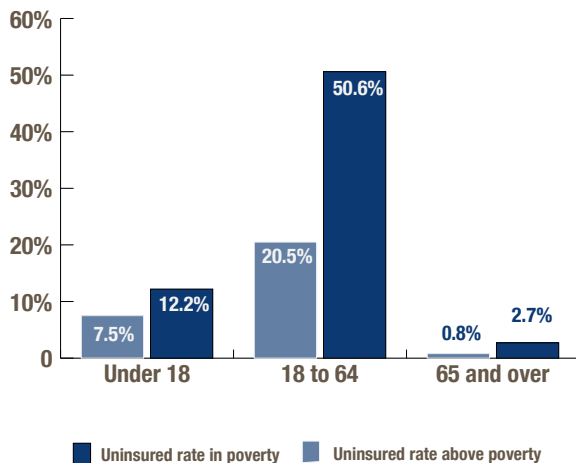
## Georgians in Poverty Less Likely to Achieve Higher Education

(Educational Attainment by Poverty Level for Population Ages 25 and Over)



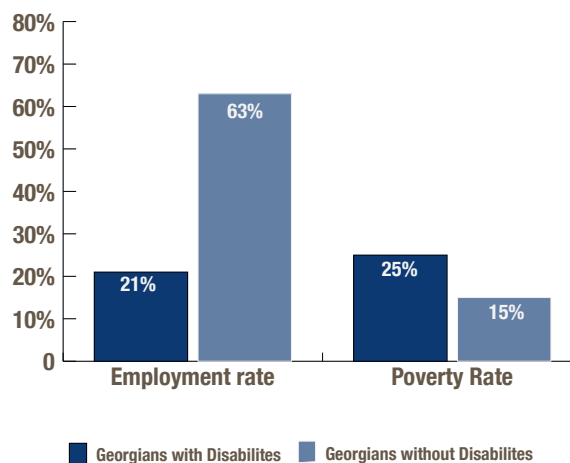
Source: U.S. Census Bureau, American Community Survey, 2012

## Poor Working Georgians More Likely to be Uninsured



Source: U.S. Census Bureau, American Community Survey, 2012

## Georgians with Disabilities Less Likely to be Employed, More Likely to be Poor



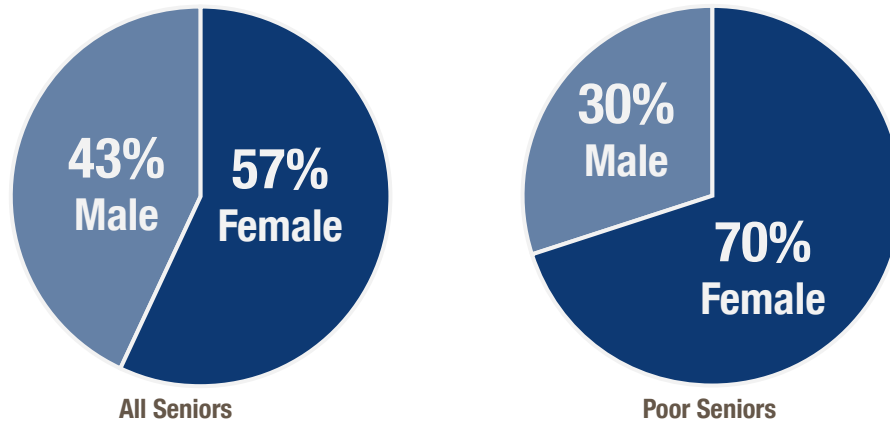
Source: U.S. Census Bureau, American Community Survey, 2012

## Seniors

About 7 percent of Georgia's poor, or 124,000 people, are ages 65 and older. The poverty rate among seniors is 11.2 percent, a slight increase from 2010 when it was 10.7 percent. Programs such as Social Security kept seniors from falling as far behind financially as other age groups.

The poverty rate for Georgia seniors is lower than for other age groups. But it is important to remember that the poverty line for households with people ages 65 and older is lower than for households of the same size. The poverty line for a two-person senior household is \$13,892, while the line for a two-person household headed by someone younger than 65 is \$15,450.<sup>4</sup>

### Women are the Majority of Seniors...And Women are the Supermajority Among Poor Seniors



Source: U.S. Census Bureau, American Community Survey, 2012

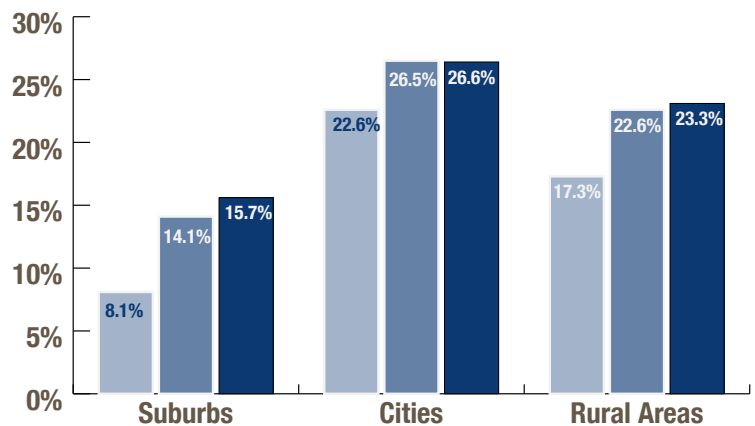
Georgia's senior women are disproportionately affected by poverty. Although Georgia women ages 65 and older constitute 57 percent of the senior population, 70 percent of seniors in poverty are women. In Georgia, women live longer<sup>5</sup> and earn less over their lifetimes than men, which drives this disparity. Georgia's women earn an average of 81 cents for every dollar that Georgia's white men make.<sup>6</sup> As of 2010, women were also more likely to earn the minimum wage in Georgia.<sup>7</sup>

## Geography

Suburban areas are home to most people living in poverty in Georgia.<sup>8</sup> Most of Georgia's population, or about 6.5 million people, live in Georgia's suburbs.<sup>9</sup> More than 15 percent, or 1 million, of them live in poverty. As part of a larger national trend, suburban areas are now home to the largest and fastest-growing poor population in the country. This growth is due in part to the decentralization of jobs, the search for more affordable housing and general population increases in the suburbs.

Georgia's cities are home to roughly 400,000 poor people. More than 26 percent of Georgians living in cities have annual income below the poverty line. This urban poverty rate stayed constant since 2010. Poverty rates in Georgia's rural communities, such as Atkinson County and small towns like Dublin, closely follows urban areas. More than 25 percent of people live in poverty in Georgia's small towns, while 23

### Poverty on the Rise in Georgia, But Faster in the Suburbs



Source: US Census Bureau, American Community Survey, 2010 and 2012, 2000 SF3 Sample Data (2000 data is based on 1999 income levels)

percent of people live in poverty in Georgia's rural areas. Combined, those areas account for about 450,000 Georgians living in poverty.<sup>10</sup> The share of people in poverty in Georgia's small towns increased by less than 2 percentage points since 2010, while the share of people in poverty in the state's rural areas remained nearly constant.

Many of Georgia's rural poor live in persistently poor counties. Counties are given that classification when they reach poverty rates of 20 percent or more in 1990, 2000, and 2010. Fifty-three percent of Georgia's 58 rural counties are persistent poverty counties. A rural county is one without a small town of 10,000 to 50,000 residents.

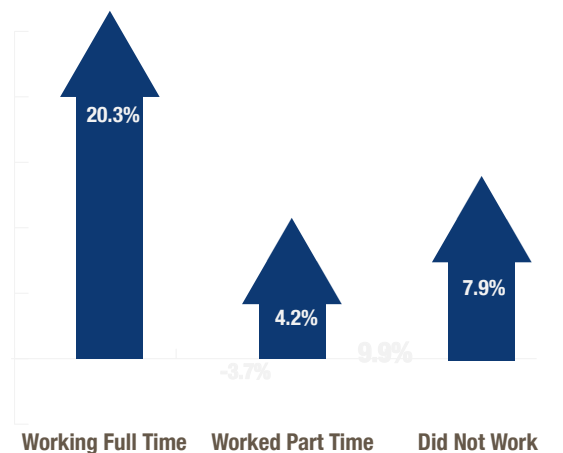
## Georgia's Poor Often Find Poverty Exit Blocked

Georgians living in poverty must overcome daunting challenges to improve their financial status. Some challenges, such as finding and keeping a good job, are fundamental to addressing poverty. Other challenges that stand in the way of finding and keeping a good job are a lack of education, transportation, hunger and poor health. Health challenges and a lack of affordable housing eat away at the income poor Georgians earn through work.

**Work-Related Challenges** (with lessons from [State of Working Georgia](#), at [www.gbpi.org](http://www.gbpi.org)).

The single most important way to exit poverty is to obtain a job that pays enough to sustain a family. Landing such a job remains out of reach for many Georgians. Standing in the way are lower wages, a rise in part-time work and high long-term unemployment. Georgians without sick leave and access to childcare also face barriers to obtaining and keeping jobs that pay well.

### Number of Poor Working Georgians and Poor Unemployed Increases From 2010 to 2012



Source: U.S. Census Bureau, American Community Survey, 2010 and 2012

- **Lower wages sent more Georgia workers into poverty during the recovery.** More than 43 percent of poor Georgians ages 16 to 64 work either part time or full time. The number of working Georgians who do not make high enough wages to help their families avoid poverty increased since 2010. The number of working Georgians ages 16 to 64 remained stable since 2010, while the number of working poor Georgians rose by nearly 8 percent.

Working full time did not help 123,000 Georgians avoid poverty. Full-time workers living in poverty increased by more than 20 percent since 2010. Lower wages account for some of this trend. Wages are lower than 2010 among all income levels, but especially for low- and middle-income workers. Low-income workers – those closest to the poverty line – experienced a six percent wage decrease since 2010.

People who were forced into the job market due to job loss or just entering the workforce during the post-recession years found a rising share of jobs paying a salary less than the poverty line for a family of four, or about \$23,500. The share of Georgians in these jobs increased to 28.9 percent in 2012 from 28 percent in 2010.

- **The rise of part-time work contributes to the growth in Georgia's poverty rate.** The number of poor people working part time in Georgia rose by 4.2 percent since 2010. This is due to fewer hours for full-time workers and the increasing role of part-time work during the economic recovery. The number of Georgians who work part time but would rather be full time was about 28 percent in 2012.

Part-time work is also more likely to lead to poverty. Nearly a quarter of part-time Georgia workers live in poverty, compared to 4.1 percent of full-time workers.

- **Long-term unemployment increases the number of non-working Georgians living in poverty.** The number of poor Georgians who do not work increased by nearly 8 percent since 2010. Long-term unemployment contributes to this increase. Georgia's share of long-term unemployment remained relatively high at 44.4 percent in 2012, compared to its levels at the beginning of the recession.

The loss of a job by a head of household, spouse or other family member is the event most associated with a family's fall into poverty.<sup>11</sup> Low-income workers, already on the edge of poverty, are also more likely to have higher rates of job turnover.<sup>12</sup> A high unemployment rate and growth in the share of long-term unemployment not only increases the likelihood that low-income Georgians will be out of work, but also that they will fall into poverty during their unemployment.<sup>13</sup>

- **Lack of paid sick leave can prevent the poor from keeping jobs.** Workers without paid family leave, paid sick days or any job-protected leave can lose pay or their jobs when they take time off for illness or to care for their children and other family members. Thirty-nine percent of private industry workers in Southern Atlantic states do not have access to paid sick leave.<sup>14</sup> Low-wage workers are less likely than their higher-wage counterparts to receive paid sick days or paid vacation days.<sup>15</sup> More than 80 percent of low-wage workers do not receive paid sick days.<sup>16</sup>
- **Poor nonworking Georgians face barriers to work.** Most poor people ages 18 to 64 who do not work give concrete reasons, according to the U.S. Census. Thirty-one percent of people cite illness or disability as a reason for not working. Another 26 percent cite home or family reasons, which could include caring for children. Poor women were more than four times more likely as men to cite home and family reasons for not working.

Other reasons given for not working include an inability to find work and a conflict with school attendance. About 13 percent of people ages 18 to 64 nationwide were not working because they could not find work. Among poor people ages 18 to 24, attending school is one of the primary reasons cited for not working.

- **Lack of child care provides a challenge to obtain and keep a job.** About 176,000 poor single mothers in Georgia raise children, which can take priority over the decision to work outside the home. In a study of low-income households, "Taking care of home or family" was cited most often by female heads of household as the reason they did not work.<sup>17</sup>

Low-income families are also more likely to work non-standard hours than other families, which also require different child care solutions. Sixty percent of workers with non-standard hours outside of 6 a.m. to 6 p.m. earn wages below the typical American worker and 40 percent earn less than 75 percent of all workers. Child care presents a unique challenge for these families because child care centers are not open early enough in the morning or late enough in the evening to accommodate parents' schedules.

Limited child care alternatives at non-standard hours also keep workers, particularly single mothers, from accepting work that takes place during non-standard hours. Low-income single mothers working non-standard hours tend to rely more on the informal care provided by relatives and others. These informal care arrangements can break down easily when providers have a conflict.<sup>18</sup> This inconsistency can also lead to employee absenteeism and job loss for low-income workers.



## Education Challenges

Access to affordable, quality education is essential to ending the cycle of poverty. Higher educational attainment and higher wages are directly correlated, yet children in poverty without access to high-quality early education begin their lives less likely to achieve postsecondary credentials. Inequalities among lower-income and higher-income students in educational access and performance at all levels must be addressed to reduce poverty over the long term.

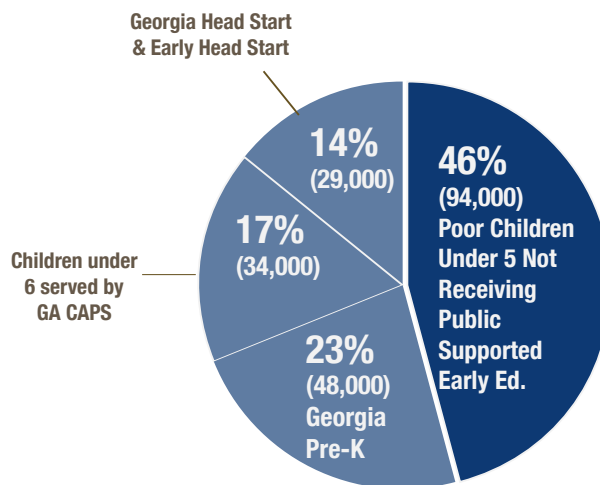
- Early education opportunities could help close the economic gap for the next generation.** About 34,000 Georgia children under age six were served by federal child care subsidies, known as Georgia Child and Parent Services, or CAPS, as of December 2012. About 48,000 more low-income children received early education through Georgia Pre-Kindergarten and another 29,000 received early education through federal Head Start and Early Head Start programs during the 2011-2012 school year. The early education needs of a large number of poor children and their parents continue to go unmet.

High-quality, center-based, early education programs can increase the odds that children from low-income families will have the experiences and interactions that produce long-term benefits in academic achievement, emotional adjustment, economic productivity, and responsible citizenship. Neuroscience and child development research indicate that environments that do not provide growth-promoting experiences for young children miss out on key windows of opportunity to form a strong foundation for future learning, behavior, and health.<sup>19</sup>

- Low-income Georgia children are more likely to underperform in grade school.** According to the National Assessment of Educational Progress, the premier standard in student assessment, low-income fourth- and eighth-graders were much less likely to attain proficiency in reading and math than their higher-income counterparts.

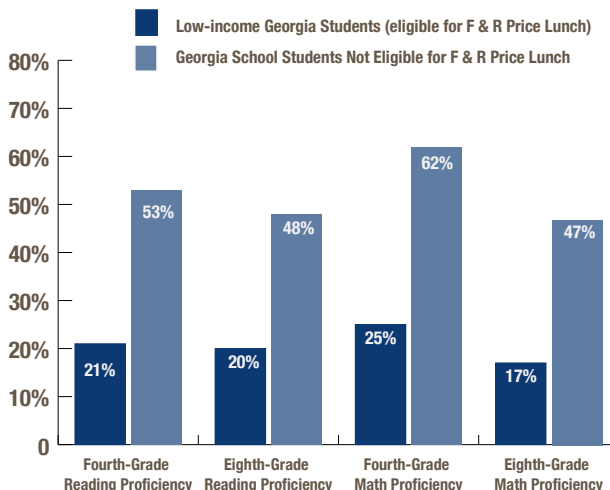
Children living in poverty often achieve less academically than other children partly because they receive less informal education in their early years. Poor parents tend to have limited education themselves and are unable to provide the rich learning environment other parents can. Poor children on average hear and learn roughly one-third to one-half the English words that non-poor children hear and learn in their early years. Poor children are less likely to visit children's museums, libraries or other child-focused educational programs. Once this achievement gap develops during formative years, it can be hard to close.<sup>20</sup>

## More than 94,000 Poor Georgia Children Not Served by Child Care and Early Ed Programs



Sources: Georgia Department of Early Care and Learning, December 2012; KidsCount Data Center, 2012; Georgia Head Start Association (2011-2012 School Year). Approximately 4,500 children were enrolled in blended Head Start/Georgia Pre-K programs. Children can also be enrolled in both Georgia Pre-K and CAPS.

## Low-Income Students Achieve Reading and Math Proficiency at Lower Level



Source: National Assessment of Educational Progress, 2013.



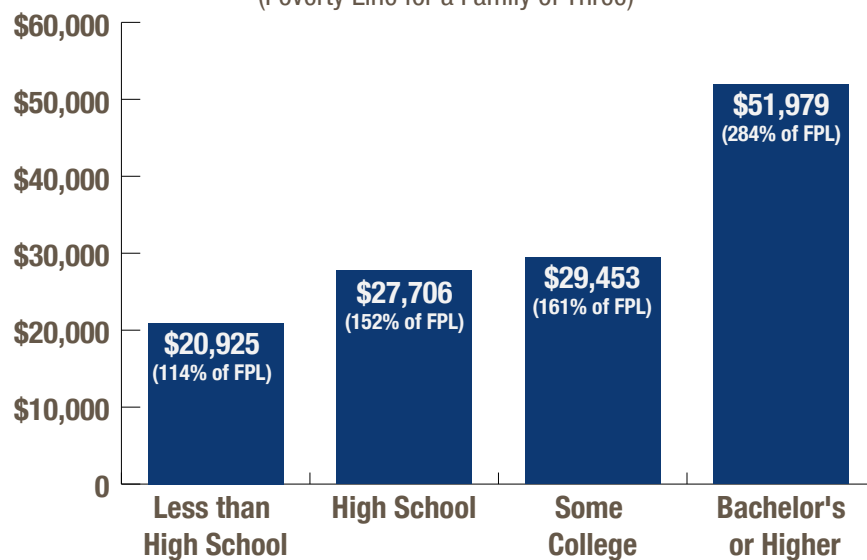
Schools attended by low-income students are less likely to receive the necessary resources and more likely to be staffed by less experienced or effective teachers. For more information on how budget cuts in the last 10 years affected opportunities for all students in Georgia, please go to [www.gbpi.org](http://www.gbpi.org) to see [The Schoolhouse Squeeze](#) and [Cutting Class to Make Ends Meet](#).

- **Lower levels of educational attainment among poor Georgians inhibit their ability to keep jobs, earn higher wages and obtain the jobs of the future.** Lower levels of academic performance for poor Georgians continues past grade school. Poor Georgians are less likely to obtain higher education. Lower education levels leave the poor more at risk during a weak labor market. The unemployment rate for Georgians without a high school education was 17.4 percent in 2012, compared to 9.5 percent for people with some college and 4.9 percent for people with a bachelor's degree or higher.

Lower education levels among poorer Georgians inhibits their ability to get higher-paying jobs and exit poverty. The median salary for a college graduate in Georgia is \$51,979, nearly twice the median salary for a high-school graduate. Georgians with higher education are less likely to lose jobs and more likely to earn higher wages, while poor Georgians with less education are more likely to stay in poverty.

### Lower Educational Attainment Keeps Poor Georgians Closer to Poverty Line

Median Salary by Educational Attainment, 2012  
(Poverty Line for a Family of Three)



Sources: Economic Policy Institute Analysis of Current Population Survey Data, U.S. Census Bureau Poverty Thresholds, 2012.

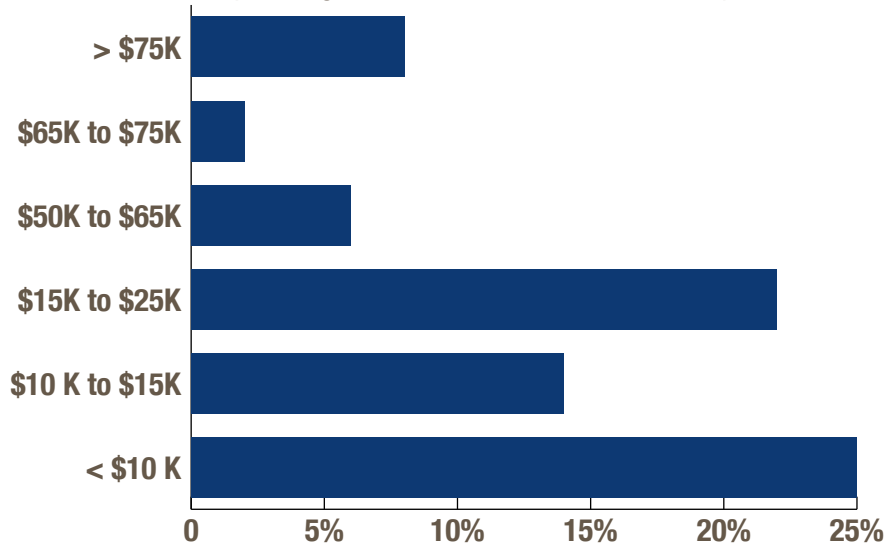
Lower levels of education are expected to also hurt the ability of poor Georgians to be hired for jobs in the future. Between 2010 and 2020, projections call for 1.7 million job vacancies in Georgia. Sixty-four percent of them will require at least some college education.<sup>21</sup> Since the majority of poor Georgians do not have that, they will be unable to compete for most of Georgia's future jobs.

## Transportation Challenges

Access to reliable transportation is also a barrier to poor Georgians trying to exit poverty. Without reliable transportation, most Georgians cannot work, attend college, or train for jobs. Barriers to reliable transportation can vary by place in Georgia.

### Low-Income Georgians More Dependent on Public Transportation

Share of People Using Public Transit for Work Commute by Income Level



Source: U.S. Census Bureau, American Community Survey, 2012

- Heavy reliance on public transportation limits opportunities for low-income Georgians.** Low-income Georgians are more likely to rely on public transportation to get to work. Households without cars in metro areas like Atlanta and Augusta are more likely to earn low incomes and need public transportation to get to work.<sup>22</sup>

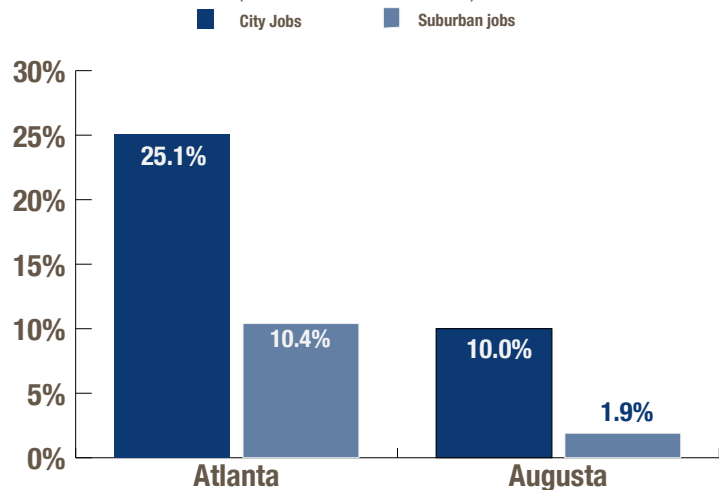
Low-income Georgians living in the suburbs are more likely to be cut off from jobs in other suburbs because of a lack of public transportation. While the majority of metro area jobs and most job growth was in the suburbs over the last ten years<sup>23</sup>, suburban jobs are less accessible to metro area labor pools than city jobs because of transit system routes.

Low-income Georgians relying on mass transit to commute to work in cities are still at a disadvantage when the typical job in cities such as Atlanta and Augusta is out of reach of most mass transit. For instance, the typical job in Atlanta is accessible to only about 25 percent of the metro-area workforce by transit in 90 minutes or less.<sup>24</sup>

- Lack of public transportation options inhibits rural and small town Georgians from exiting poverty.** People in rural areas and small towns often live where those transportation options are not available or convenient. Lack of transportation becomes an impediment to work for low-income rural families.

### Many Metro Area Jobs Inaccessible Via Mass Transit

(in 90 minutes or less)



Source: Adie Tomer, "Where the Jobs Are: Employer Access to Labor by Transit," Brookings Institute, July 11, 2012.

## Housing Challenges

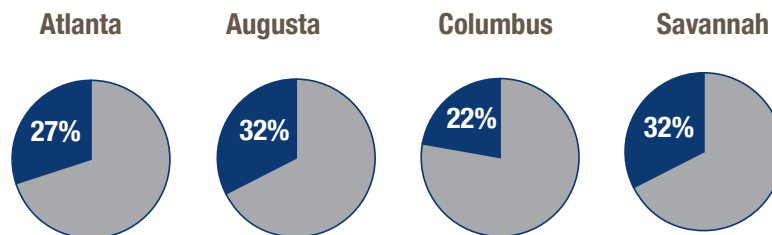
The collapse of the housing market and rising rents that followed likely contributed to many low-income Georgians becoming housing cost-burdened. Families are considered housing cost-burdened when they spend 30 percent or more of their income on housing.<sup>25</sup>

When the housing bubble burst in the years 2008 to 2012 in Georgia, several factors combined to increase rental demand. Lower housing values prompted some homeowners and investors to rent, while others defaulted and were foreclosed on. Foreclosures were often sold to new investors, who in turn rented the units. Rising rental demand led to rising rents.

- Affordable rental housing is scarce for poor people living in urban areas.** Nearly half of urban renters in Georgia are housing cost-burdened, compared to nearly 37 percent for rural areas and 43 percent for small towns. Spending such a high share of a family's income on housing leaves little room to pay for life's basic necessities. A family of four earning \$20,000 per year is housing cost-burdened if they spend \$500 per month on rent. That leaves them less than \$1,200 for the month to pay for food, transportation, child care, medicine and doctor's visits, and other basic necessities.

## Many Low-Income City Residents Stressed by Housing Costs

(Share of Renters Earning Less than \$20,000 Spending 30% More on Housing)



Source: U.S. Census Bureau, American Community Survey, 2012

- Increased use of housing choice vouchers in the suburbs contributed to higher levels of suburban poverty.** The Housing Choice Voucher Program is the primary form of federal housing assistance. Seventy-five percent of new households admitted each year must be "extremely low-income," or not earning more than 30 percent of the median income for the local area.<sup>26</sup> More than 52,000 low-income families in Georgia use vouchers to help pay for housing in the private market.<sup>27</sup>

From 2000 to 2008 in the Atlanta metro area the share of housing choice vouchers used in the suburbs increased to 79 percent from 66 percent. This growth was likely caused by higher city housing prices, the search for safer neighborhoods and the suburbanization of jobs.<sup>28</sup> Some of this growth also coincided with Atlanta Housing Authority's Quality of Life Initiative. Begun in 2007, the initiative demolished nearly all of the city's public housing developments and replaced them with mixed-income communities. During this process the vast majority of people used housing vouchers to move to the private housing. People who relocated with comprehensive support from the Atlanta Housing Authority reported substantial improvements in their quality of life.<sup>29</sup>

## Housing Choice Voucher "Extremely Low Income" Limits for Various Georgia Metro Areas

(family size of three)	
<b>Atlanta-Sandy Spring-Marietta</b>	\$17,950
<b>Augusta-Richmond County</b>	\$15,350
<b>Columbus</b>	\$13,450
<b>Macon</b>	\$14,700
<b>Savannah</b>	\$16,200

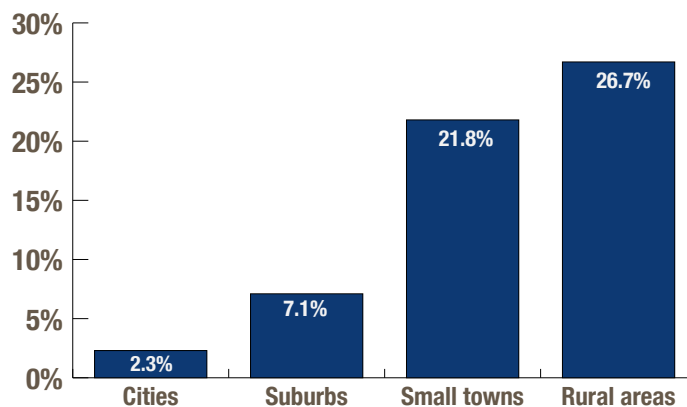
Source: Georgia Department of Community Affairs, 2013

On a national level, housing choice voucher recipients were more likely to live in low-income suburbs with substandard access to jobs. Mobility counseling positively influences voucher recipients to move to less disadvantaged neighborhoods.<sup>30</sup> These programs make voucher recipients aware of housing opportunities in higher income neighborhoods and recruit landlords in these higher income neighborhoods to participate in the housing choice program.

- Unique housing challenges contribute to rural poverty.** Some of rural Georgia's housing challenges are caused by the pervasiveness of manufactured housing. More than one in five housing units in small towns is a mobile home, while more than one in four housing units in rural areas is manufactured. The prevalence of mobile housing in rural areas is 11 times greater than in urban areas.

Manufactured housing comes with its own set of financial challenges. The majority of manufactured homes are financed with personal property loans. These personal property loans typically come with shorter terms and higher interest rates than conventional mortgage loans, which makes them less beneficial for the consumer. Many people living in manufactured homes may own their own homes, but not the lot on which it sits. Residents who rent the land underneath their homes have less potential appreciation in their home's value.<sup>31</sup>

### Mobile Homes Much More Prevalent in Rural Areas and Small Towns



Source: US Census Bureau, American Community Survey, 2012

Rural Georgians are more likely to own homes than their suburban and urban counterparts. Rural homeowners with mortgages are also more likely than their suburban and urban counterparts to spend more than 30 percent of their income on housing. Lower-incomes and high-cost loans may drive this discrepancy. Incomes in rural areas have not kept pace with rising housing prices and expenses. Levels of high-cost lending are higher for low-income rural households. Lenders reported that 17.4 percent of home purchase originations nationally in 2010 were high-cost for households with incomes below \$25,000.<sup>32</sup>

### Health Challenges

Being poor carries with it a number of health challenges. Some of these health challenges relate to lack of access to medical care because people are uninsured. Poor Georgians are less likely to carry health insurance, especially when they are working ages 18 to 64. Other health challenges stem from living in a lower-income neighborhood without access to healthy food. Being poor, uninsured, or in many cases both, carries negative economic and health implications which can keep poor people within the cycle of poverty.

- Uninsured and low-income Georgians are less likely to receive preventive care and more likely to be hospitalized unnecessarily.** Uninsured and low-income Georgians are less likely to receive preventive and regular care. An estimated 36 percent of low-income<sup>33</sup> adult Georgians went without medical care due to cost in 2011, which ranks as the 4th highest rate in the nation. Comparatively, only 6 percent of Georgians with income above four times the poverty level went without care due to cost. Similarly, low-income Georgians ages 50 and over go without recommended screening and preventive care more than 1 ½ times as often as those with higher incomes.

Because uninsured low-income Georgians are less likely to receive routine care, they are more likely to be hospitalized for avoidable health problems. In 2008, for example, avoidable hospital admissions for adult diabetes were 3.5 times as high in low-income neighborhoods than in higher-income neighborhoods.<sup>34</sup> Expanding Medicaid, as available under the Affordable Care Act, would extend health coverage to more than 500,000 uninsured adults who are at or near poverty, which would significantly increase access to health care services for many Georgians.

- **Low-income Georgians are likely to have worse health, limiting work activity.** Low-income working Georgians ages 18 to 64 are much more likely to be obese than the rest of the state's population. Thirty-seven percent of low-income, working-age Georgians are obese, compared to 29 percent for the entire state.<sup>35</sup> Lower-income people often lack access to healthy food. Low-income communities in Georgia have fewer supermarkets compared to higher-income areas.<sup>36</sup>

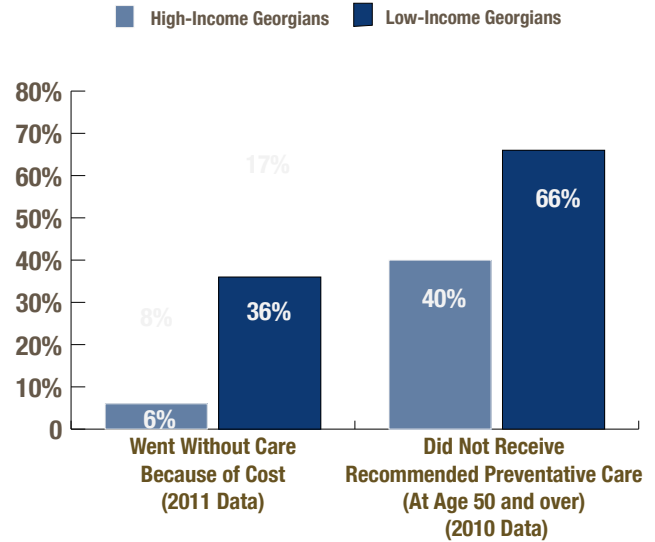
Healthier food is generally more expensive than foods higher in sugars and fat, when it is available. Low-income families stretch their resources to buy more energy-dense foods, which will stave off hunger. These energy-dense foods tend to offer lower nutritional content.

Low-income Georgia families are more likely to be food insecure than other families. Food insecurity occurs when people are without consistent, dependable access to enough food for an active, healthy life. More than one in six Georgians are food insecure,<sup>37</sup> and more than one in four children is food insecure.<sup>38</sup>

Low-income adults and children also have fewer opportunities for physical activity than their counterparts with higher incomes, another common cause of obesity. Lower income neighborhoods typically offer fewer opportunities for physical activity, including things like parks, green space and bike paths. Safety concerns, including crime, traffic and unsafe playground equipment, also discourage physical activity in low-income neighborhoods.<sup>39</sup>

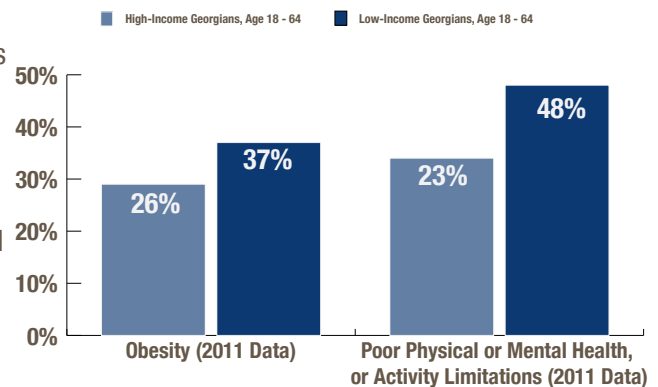
Low-income Georgians ages 18 to 64 are also more likely to report fair or poor health, a substantial number of bad mental health days or activity limitations. Forty-eight percent of low-income adults of this age report these issues, compared to 34 percent of the population overall. The reasons are varied and include lack of access to preventive care. The mental stress of being poor can increase vulnerability to high blood pressure, cardiovascular disease, diabetes, and/or obesity, research also shows.<sup>40</sup>

## Low-Income Georgians More Likely to Go Without Health Care



Source: Commonwealth Fund Scorecard on State Health System Performance for Low-Income Populations, 2013.

## Low-Income Georgians More Likely to Have Negative Health Outcomes



Source: Commonwealth Fund Scorecard on State Health System Performance for Low-Income Populations, 2013.

- **Low-income and uninsured Georgians are more likely to report trouble affording medical bills.** An estimated 36 percent of low-income Georgians have high out-of-pocket medical spending relative to their household income, compared to 17 percent of people across the state and only 2 percent of Georgians with higher incomes.<sup>41</sup>

When low-income Georgians are uninsured, their likelihood of struggling with medical bills increases. Uninsured people are about twice as likely as those with health insurance to report trouble paying medical bills. Twenty-seven percent of uninsured adults nationally spent most or all of their savings paying medical bills in 2010, compared to 7 percent of people with coverage. About a quarter of uninsured individuals under 65 cannot pay their medical bills at all, compared to 6 percent of those with private insurance. Uninsured people are more likely to fall into medical bankruptcy than those with insurance, and medical debts contribute to about half of bankruptcies in the U.S.<sup>42</sup>

## Conclusion

Unless Georgia addresses the fundamental causes of persistent poverty in Georgia, low-income Georgians will continue to struggle for economic survival instead of being valuable resources to the state. Low-income Georgians could contribute more through taxes on higher salaries with well-designed and transformational public investments. Otherwise, poor Georgians will continue to use government resources like Medicaid and food assistance.

Long-term solutions to mitigate poverty include accessible early and postsecondary education, a higher minimum wage and affordable health insurance through Medicaid and other government supports. These investments can help 1.8 million Georgians better support their families and contribute to the state's economy.

The time to act is now. Many Georgians started recovering from the Great Recession soon after it ended. But the recent economic crisis and anemic recovery are pushing more Georgians to the wrong side of the poverty line than were there at any time in recent history. Now is the time for a new approach to ensure Georgians above and below the poverty line can emerge from this challenging period stronger and more resilient than ever.





## End Notes

<sup>1</sup>Unless otherwise noted, poverty rates quoted throughout document refer to the Census Bureau American Community Survey (2012) 1-year estimates. Historical comparison of poverty rates before 2005 requires the use of the Current Population Survey (CPS), which differs slightly from the more comprehensive poverty data in the American Community Survey. Using CPS data, Georgia's poverty rate for 2012 was 18.1 percent.

<sup>2</sup>"Budgeting for Basic Needs: A Struggle for Working Families," National Center for Children in Poverty. March 2009.

<sup>3</sup>Formally, the statistic represents female heads of household raising related children under 18.

<sup>4</sup>Poverty thresholds used by the US Census are based on three times a 1963 subsistence food budget for a family, adjusted for inflation. Lower poverty thresholds for those age 65 years and over is simply a consequence of food plan costs for families headed by those age 65 and over being lower than those for families headed by younger people. Gordon Fisher, "The Development of the Orshansky Poverty Thresholds and Their Subsequent History as the Official U.S. Poverty Measure," Social Security Bulletin, Vol. 55, No. 4, Winter 1992, pp. 3-14.

<sup>5</sup>"State-Specific Healthy Life Expectancy at Age 65 Years – United States, 2007-2009," Centers for Disease Control and Prevention, July 19, 2013

<sup>6</sup>Economic Policy Institute analysis of Current Population Survey Data, 2012.

<sup>7</sup>"Minimum Wage Workers in Georgia – 2010," Bureau of Labor Statistics, March 23, 2011.

<sup>8</sup>In this paper, suburbs are defined by starting with metropolitan statistical areas (MSA), which are regional labor markets defined by the Census Bureau and the Office of Management and Budget based on population and commuting patterns. Cities, or urban areas, are defined as the first named cities in MSA titles. The remainder of MSAs outside of the cities are treated as suburbs. This is consistent with the definition of urban and suburban areas in Elizabeth Kneebone and Alan Berube's [Confronting Suburban Poverty in America](#).

<sup>9</sup>This represents the sum of the populations older than 1 year in all of Georgia's metropolitan areas according to the American Community Survey table S0701 for 2012 minus the 2012 population in Georgia's principal cities according to Census QuickFacts.

<sup>10</sup>The phrase "Small towns" is used to refer to the Census' micropolitan statistical areas, while "rural areas" refers to places not within the Census' metropolitan or micropolitan statistical areas.

<sup>11</sup>Stephanie Riegg-Cellini, Signe-Mary McKernan and Caroline Ratcliffe, The Dynamics of Poverty in the United States: A Review of Data, Methods, and Findings, The Urban Institute, January 2008.

<sup>12</sup>Harry J. Holzer and Karen Martinson, "Can We Improve Job Retention and Advancement among Low-Income Working Parents?," The Urban Institute, September 2005.

<sup>13</sup>Josh Mitchell, "Who Are the Long-Term Unemployed?," Urban Institute, August 20, 2013.

<sup>14</sup>"Selected Paid Leave Benefits: Access," National Compensation Survey, March 2013.

<sup>15</sup>Maria E. Enchautegui, Nonstandard Work Schedules and the Well-being of Low-Income Families, Urban Institute, July 2013.

<sup>16</sup>The Urgent Need for Paid Sick Days: By the Numbers," National Partnership for Women & Families, [http://go.nationalpartnership.org/site/PageServer?pagename=psd\\_toolkit\\_quickfacts](http://go.nationalpartnership.org/site/PageServer?pagename=psd_toolkit_quickfacts) (Last Accessed: December 2, 2013).

<sup>17</sup>"Strategies for Assisting Low-Income Families," The Social Genome Project at the Brookings Institute, June 28, 2013.

<sup>18</sup>Maria E. Enchautegui, Nonstandard Work Schedules and the Well-being of Low-Income Families, Urban Institute, July 2013.

<sup>19</sup>"A Science-Based Framework for Early Childhood Policy: Using Evidence to Improve Outcomes in Learning, Behavior, and Health for Vulnerable Children," Center for the Developing Child at Harvard University, August 2007.

<sup>20</sup>"The Worst of Times: Children in Extreme Poverty in the South and Nation," Southern Education Foundation, 2010.

<sup>21</sup>Anthony P. Carnevale, Nicole Smith, and Jeff Strohl, "Recovery: Job Growth and Education Requirements Through 2020," Georgetown Public Policy Institute Center on Education and the Workforce, June 2013.

<sup>22</sup>Adie Tomer, "Transit Access and Zero-Vehicle Households," Brookings Institute, August 18, 2011.

<sup>23</sup>Elizabeth Kneebone, "Job Sprawl Stalls: The Great Recession and Metropolitan Employment Location," Brookings Institute, April 18, 2013.

- <sup>24</sup> Adie Tomer, "Where the Jobs Are: Employer Access to Labor by Transit," Brookings Institute, July 11, 2012.
- <sup>25</sup> Michael E. Kannell, "Rents rising as real estate market turns corner," Atlanta Journal-Constitution, November 25, 2012.
- <sup>26</sup> "Policy Basics: The Housing Choice Voucher Program," Center on Budget and Policy Priorities, January 25, 2013.
- <sup>27</sup> "Georgia: Federal Rental Assistance Facts," Center on Budget and Policy Priorities, December 19, 2012.
- <sup>28</sup> Kenya Covington, Lance Freeman, and Michael A. Stoll, "The Suburbanization of Housing Choice Voucher Recipients," Brookings Institute, October 2011.
- <sup>29</sup> Susan J. Popkin, Michael J. Rich, Leah Hendey, Chris Hayes, and Joe Parilla, "Public Housing Transformation and Crime: Making the Case for Responsible Relocation," Urban Institute, April 2012.
- <sup>30</sup> Kenya Covington, Lance Freeman, and Michael A. Stoll, "The Suburbanization of Housing Choice Voucher Recipients," Brookings Institute, October 2011.
- <sup>31</sup> Taking Stock: Rural People, Poverty, and Housing in the 21st Century, Housing Assistance Council. December 2012.
- <sup>32</sup> Taking Stock: Rural People, Poverty, and Housing in the 21st Century, Housing Assistance Council. December 2012.
- <sup>33</sup> The Commonwealth Fund Scorecard on State Health System Performance for Low-Income Populations defines "low-income" in this case as income at or below twice the poverty line. Conversely, "high-income" in this report refers to those with incomes at or below four times the poverty line.
- <sup>34</sup> Commonwealth Fund Scorecard on State Health System Performance for Low-Income Populations, 2013. "Low-income neighborhoods" in this case refer to "low-income zip codes," defined in the Scorecard as those with a median household income of less than \$39,000.
- <sup>35</sup> Commonwealth Fund Scorecard on State Health System Performance for Low-Income Populations, 2013. (Based on 2011 data)
- <sup>36</sup> Food for Every Child: The Need for More Supermarkets in Georgia, The Food Trust, June 2011.
- <sup>37</sup> Aisha Coleman-Jensen, Mark Nord, and Anita Singh, "Household Food Insecurity in the United States in 2012," USDA, September 2013.
- <sup>38</sup> "Map the Meal Gap," Feeding America, 2013 (referencing 2011 data).
- <sup>39</sup> "Why Low-Income and Food Insecure People are Vulnerable to Overweight and Obesity," available at <http://frac.org/initiatives/hunger-and-obesity/why-are-low-income-and-food-insecure-people-vulnerable-to-obesity/>.
- <sup>40</sup> April Reese Snow, "UGA Research Uncovers Cost of Resiliency in Kids," UGA Today, May 30, 2013.
- <sup>41</sup> Commonwealth Fund Scorecard on State Health System Performance for Low-Income Populations, 2013. (Based on 2011 data)
- <sup>42</sup> "The Uninsured Primer: Key Facts About Health Insurance on the Eve of Health Reform," Henry J. Kaiser Family Foundation, October 2013.