Poverty & Opportunity in Oklahoma

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OKLAHOMA ASSETS NETWORK
Building financial foundations for Oklahomans

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• Poverty: Definitions & Key Concepts
• Safety Nets vs. Asset Building
• Asset Poverty in Oklahoma
• Intergenerational Wealth & Wealth Gaps
• Expanding Opportunity
Poverty is Relative

Merriam Webster's Definition

(a): the state of one who lacks a usual or socially acceptable amount of money or material possessions
Poverty: Definitions & Key Concepts

poor

(adjective)

when you have too much month at the end of your money.
Central feature

Difficulty meeting basic human needs
## Poverty: Definitions & Key Concepts

### 2014 Federal Poverty Level

<table>
<thead>
<tr>
<th>Household Size</th>
<th>100%</th>
<th>133%</th>
<th>150%</th>
<th>200%</th>
<th>250%</th>
<th>300%</th>
<th>400%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$11,670</td>
<td>$15,521</td>
<td>$17,505</td>
<td>$23,340</td>
<td>$29,175</td>
<td>$35,010</td>
<td>$46,680</td>
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<td>2</td>
<td>$15,730</td>
<td>$20,921</td>
<td>$23,595</td>
<td>$31,460</td>
<td>$39,325</td>
<td>$47,190</td>
<td>$62,920</td>
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<tr>
<td>3</td>
<td>$19,790</td>
<td>$26,321</td>
<td>$29,685</td>
<td>$39,580</td>
<td>$49,475</td>
<td>$59,370</td>
<td>$79,160</td>
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<td>4</td>
<td>$23,850</td>
<td>$31,721</td>
<td>$35,775</td>
<td>$47,700</td>
<td>$59,625</td>
<td>$71,550</td>
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<tr>
<td>5</td>
<td>$27,910</td>
<td>$37,120</td>
<td>$41,865</td>
<td>$55,820</td>
<td>$69,775</td>
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<td>6</td>
<td>$31,970</td>
<td>$42,520</td>
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<td>$63,940</td>
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<td>$36,030</td>
<td>$47,920</td>
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<td>8</td>
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<td>$53,320</td>
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<td>$80,180</td>
<td>$100,225</td>
<td>$120,270</td>
<td>$160,360</td>
</tr>
</tbody>
</table>

Source: Health and Human Services | Calculations by Health Partners America
Poverty: Definitions & Key Concepts

![Figure 1: Poverty Rate, Oklahoma vs. U.S., 2009-2012](chart.png)
Poverty: Definitions & Key Concepts

The U.S. Census Bureau reports annual state-level poverty data from the American Community Survey. In 2012, 637,429 Oklahoma residents, one out of every six (17.2 percent), lived in poverty (the national poverty level was $23,492 for a family of four).

The percentage of Oklahomans in poverty remained steady from 2011, though overall, 41,131 more people were impoverished. The state and national poverty rate did not rise in 2012, but Oklahoma’s poverty rate remains 1.3 percentage points above the nation's as a whole and was 16th highest among the states (Fig. 1).

The poverty rate for Oklahoma children (24.1 percent) is higher than that of working-age adults (16.1 percent) or seniors (9.9). In 2012, the poverty rate for children increased by 1.1 percentage points and for seniors, by 0.4 points (Fig. 2).

The poverty rate for women (18.7 percent) is 3.0 percentage points higher than the rate for men (15.7 percent).

People with disabilities and/or chronic health conditions are nearly three times more likely (29.4 percent) to live in poverty than people without disabilities (11.0 percent) (Fig. 3).

The majority of Oklahomans in poverty are White (62.7 percent). However, for working-age Oklahomans without disabilities, Hispanic/Latinos (26.3 percent), African Americans (17.5 percent), and Native Americans (14.9 percent) have the highest rates of poverty (Fig. 4).

Poverty is closely correlated with education — someone with only a high school degree is four times as likely to be poor as a college graduate, and those without a GED or high school diploma are almost seven times likelier to be poor than college graduates. More than a quarter of Oklahomans in poverty over age 25 did not graduate high school (27.7 percent) (Fig. 5).

Among Oklahoma families with children, those headed by single mothers are four times more likely to be in poverty (44.9 percent) than families headed by married couples (10.0 percent) (Fig. 6).

Among working-age adults living in poverty, 1 in 3 (36.3 percent) worked either part-time or full-time in 2012 (Fig. 7).
Safety Nets vs. Asset Building

• The State Safety Net Is Inadequate
  ➢ Medicaid, TANF, SNAP

• The State Safety Net Is Not Designed To Alleviate Poverty

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TANF (Temporary Assistance for Needy Families) or 'welfare'

<table>
<thead>
<tr>
<th>Year</th>
<th>Oklahoma Children Living In Families Where No Parent Has Full-Time, Year-Round Employment</th>
<th>Children in Oklahoma receiving TANF</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>260,000</td>
<td>15,369</td>
</tr>
<tr>
<td>2009</td>
<td>271,000</td>
<td>16,153</td>
</tr>
<tr>
<td>2010</td>
<td>301,000</td>
<td>17,505</td>
</tr>
<tr>
<td>2011</td>
<td>282,000</td>
<td>16,465</td>
</tr>
</tbody>
</table>
Safety Nets vs. Asset Building

Medicaid (SoonerCare) Enrollment in Oklahoma, 2012

- 525,714 Children & Pregnant Women
- 132,627 Seniors & Disabled
- 50,389 Adults

Source: Oklahoma Policy Institute
http://okpolicy.org/graph-of-the-day-off-medicaid-and-back-to-work
‘A Place at The Table’
Safety Nets vs. Asset Building

- The State Safety Net Is Inadequate
  - Medicaid, TANF, SNAP
- The State Safety Net Is Not Designed To Alleviate Poverty
Poverty vs. Wealth: What is asset building?

✧ Wealth is distinct from income
  ✧ This changes our conception of poverty
  ✧ *Income* poverty vs. *asset* poverty

✧ Wealth is measured in terms of assets
  ✧ Tangible financial assets (i.e. savings account, property)
  ✧ Intangible assets (i.e. education, health)
1 **Foundational Assets** (health, education, transportation)
   Prerequisites to employment that generates income

2 **Generative Assets** (employment, income)
   The cash flow that enables financial security and asset-building

3 **Regenerative Assets** (savings, homeownership)
   Assets that generate wealth without labor
Asset poverty in Oklahoma

- The asset poverty rate for households of color in Oklahoma is **nearly double** the rate for White households.

Foundational Assets

• 7.5% of households went hungry at some point during the year because they couldn’t afford food

• Over 600,000 residents are uninsured

• Malnutrition, poor health, or untreated illness stunt a worker’s capacity to earn and drains their assets.

  • Unhealthy people are more likely to miss work, lose their job, accumulate debt
Foundational Assets

- Educational attainment is highly correlated with employment and earnings
- Public schools are chronically underfunded and its physical infrastructure is badly neglected
- In 67 of 77 counties, 2/3rds or more of adults have not completed two years of education after high school
Generative Assets

• People in eastern Oklahoma and people of color are unemployed at disproportionately higher rates

• Nearly 1 in 3 jobs are in occupations where the median pay is below poverty, and these jobs comprise an ever-increasing share of the labor market (2011, WPFP)

• The state consistently tops the nation for the share of adult workers that are not fully employed

• 73% of Oklahoma families <200% of poverty work
Generative Assets

• Incarceration takes a lifelong toll on an individual’s earning capacity

• There are significant barriers to stable employment and financial stability for felons and ex-offenders
  • Employment discrimination
  • The state denies certification for certain occupations and requires regular payments (fees, court costs, restitution, etc.)
Economic Mobility & Intergenerational Wealth
Economic Mobility & Intergenerational Wealth

• Lowest absolute mobility in Oklahoma
• Lowest relative upward mobility
• Among the **highest** in terms of downward mobility
  • 33% of residents move down 10 or more percentiles of the earnings distribution during their working years
Race: The Power of an Illusion ‘The House We Live In’ (PBS)
Intergenerational Wealth & The Wealth Gap

EQUITY

Rental housing

COLLEGE LOANS & SUBSIDIES

Admissions & attendance barriers

STABLE, LIVING WAGE EMPLOYMENT WITH BENEFITS

Segregated, low wage labor market Insecure & few benefits
Expanding Opportunity

1. Foundational Assets
   - Invest in early childhood
   - Expand health coverage and improve access
   - College savings & completion initiatives
   - Broaden public transportation infrastructure
   - Control the cost of borrowing to boost vehicle & homeownership
2. Generative Assets

- Invest in Workforce Oklahoma
- Reform discriminatory policing tactics and sentencing policies & reduce overincarceration
- Reduce hiring discrimination in the private sector
3. Regenerative Assets

- Access to low cost and basic financial services
- Expand access to affordable credit and combat usury
- Homeowner education, foreclosure prevention, and homebuyer assistance
- Automatic 401(k) enrollment and MyRA access
Questions?

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