Dear Friends,

As a young girl growing up in Dallas, I remember being glued to the television, awestruck as we watched the first man walk on the moon. I was amazed by that remarkable human achievement, and proud that Americans had come together to solve a challenge many thought was impossible.

As a parent, I’ve toured NASA with my son, proud that Texas continues to play an important role in space exploration. I believe all children, across every background, should have the chance to reach for the stars.

Texas needs to do much more to ensure that all children can reach their full potential. Our state is consistently ranked as one of the nation’s worst states for children. With nearly 1 in 10 U.S. children calling the Lone Star State home, child well-being in Texas should be a top national concern.

For over 30 years, the Center for Public Policy Priorities has used data and analysis to advocate for solutions that enable Texans of all backgrounds to reach their full potential. For more than 20 years, CPPP has been the official Texas state affiliate of the Annie E. Casey Foundation’s KIDS Count project.

This year, I am excited that CPPP is taking a long overdue step to expand the analysis of racial and ethnic disparities in our policy work. Building on the efforts of many outstanding partners across the state, CPPP combed through state data to analyze the racial and ethnic disparities at the heart of our policy challenges.

Looking deep into the data, we found that too many children in Texas today continue to face tremendous barriers to opportunity because of the color of their skin.

To realize our vision of a Texas that provides opportunity for all, a child’s risks or opportunities should not be dictated by her gender, ZIP code, income, race or ethnicity. It is past time to expand opportunity for every child.

This report examines why there are such significant disparities in child well-being by race and ethnicity, what policies may have created, promoted or ignored differential barriers that children face, and how smart public policies can raise the bar for all kids while closing the gaps in child well-being for children of color.

It is time for us to summon the same pride and innovation we used to get to the moon to launch our youngest Texans on the path to opportunity. Let’s work together to make Texas the best state for children and families.

Sincerely yours,

Ann Beeson
Executive Director
Center for Public Policy Priorities
Advisory Committee

CPPP acknowledges the members of the 2016 State of Texas Children Report Advisory Committee for all of their time and invaluable feedback.

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EXECUTIVE SUMMARY

We all want a bright future for our children, and we want Texas to be a place that makes that bright future possible. As the state’s economy and population grow, the future of Texas depends on the health, education and financial security of all our children—across gender, neighborhood, income, race and ethnicity.

Despite Texas’ vast resources, the state is consistently ranked among the worst states for child well-being. We have to “raise the bar” in child well-being for all kids, because ranking 41st in child well-being simply isn’t good enough for Texas.

But we cannot raise the bar for all kids if we don’t look specifically at how Texas’ children of color are faring. We can often trace racial and ethnic gaps in children’s health, education and financial security to historical policies that created barriers for families and current policies that can perpetuate them.

We must “close the gaps” by intentionally breaking down any obstacles to certain groups of children reaching their full potential. We believe that raising the bar and closing the gaps in child well-being is the way forward for sustainable economic growth and prosperity. By creating abundant opportunities for Texas kids, the state will build on its strengths: its diversity, capacity for growth and enterprising spirit.

DEMOGRAPHICS

FINDINGS:

Texas’ child population is growing and changing.

- More than 7 million children live in Texas today, representing nearly 1 in 10 children living in the U.S.
- Fifty percent of Texas kids are Hispanic/Latino, 33 percent White, 11 percent Black, and 6 percent Asian, multiracial or some other race. Due to lower birth and immigration rates among White and Black Texans relative to Hispanic and Asian Texans, in 2050, the child population is projected to be 61 percent Hispanic, 22 percent White, 9 percent Black, and 8 percent Asian, multiracial or some other race.
- One-third of Texas kids (nearly 2.4 million) live with one or more parents who immigrated to the U.S. However, 96 percent of all Texas kids are U.S. citizens.

RECOMMENDATIONS:

Collect and analyze racial-ethnic data.

Place, Race & Poverty

FINDINGS:

Due to policies which created and maintained unequal opportunities for families, disparities in child poverty exist across race, ethnicity and family type.

- One in four Texas children live in poverty, and poverty rates for Latino (33 percent) and Black children (32 percent) are nearly three times higher than they are for White (11 percent) and Asian children (12 percent).
- Nineteen percent of Texas children live in “high-poverty” neighborhoods, and that share is growing. Thirty percent of Latino children, 23 percent of Black children, seven percent of Asian and four percent of White children live in high-poverty neighborhoods.
- Forty-two percent of single-mother families live in poverty; twice the rate of single-father families. Poverty rates are highest for Latina single mothers (51 percent) and lowest for White single mothers (29 percent).

RECOMMENDATIONS:

Ensure families with children live in “high-opportunity” neighborhoods. Many strategies can advance this goal, including creating partnerships to invest in neighborhoods, removing barriers for families who want to move to different neighborhoods, and pursuing policies to prevent racial and economic isolation.

Promote pathways out of poverty and better support working families. Effective strategies include partnerships between schools, colleges, workforce development programs and businesses to offer job-based training for youth and parents; investing state funds to support and expand early college high school programs; and coordinating workforce and early childhood programs.
**HEALTH**

**FINDINGS:**
The conditions and environments in which children live affect their health and differ by race and ethnicity.

- Food insecurity affects 38 percent of Black children, a rate more than twice as high as White children.\(^{11}\)
- Although uninsured rates continue to improve for all children, gaps still remain. Texas has one of the highest uninsured rates for Latino children (15 percent) and for children overall (11 percent). White and Black children are the least likely to be uninsured (7 percent).\(^{12}\)
- Black children are more likely to be hospitalized for asthma than White and Latino children.\(^{13}\)

**RECOMMENDATIONS:**
Reduce racial and ethnic disparities in food security, and access to health insurance for children and parents.

- Expand access to school-based child nutrition programs, such as Afterschool Meals, Summer Nutrition and School Breakfast. Taking advantage of these programs and innovative serving models (e.g., breakfast in the classroom) can extend meals throughout the day and year.\(^{14}\)
- Increase access to health insurance for underserved families. Strategies include better partnerships between state agencies, outreach and enrollment organizations and existing community assets, such as schools, faith-based organizations, and philanthropy, to increase participation; and policymakers closing the health care “Coverage Gap” for families.\(^{15}\)

**EDUCATION**

**FINDINGS:**
Black and Hispanic students face greater barriers to educational attainment than White or Asian students.

- Texas public school students are 52 percent Latino, 29 percent White, 13 percent Black and 6 percent Asian, multiracial or some other race.\(^{16}\)
- Black and Latino students are underrepresented in Advanced Placement math, science and technology courses.\(^{17}\)
- Under any measure, high school completion rates have improved for all students. However, barriers remain for some students: 95 percent of Asian and 93 percent of White students graduate from high school in four years versus only 86 percent of Hispanic and 84 percent of Black students.\(^{18}\)
- Black students in Texas are more likely to attend schools with high rates of teacher turnover\(^{20}\) and more inexperienced teachers.\(^{21}\)

**RECOMMENDATIONS:**
Expand educational opportunities for every child and make equity a priority in students’ ability to access educational resources and services.

- Increase state funding and funding equity for districts. As the student population grows, needs change, and demands for better outcomes increase, legislators should also increase the basic per student funding for all districts.\(^{22}\) The state should also conduct an updated study on what it costs to meet increased educational standards and adjust funding accordingly, especially for low-income students, English language learners and high-poverty districts.
- Make equity a priority within classrooms, schools and districts. District and campus administrators should take into account varying needs among and within campuses, and ensure every student has access to high-quality early education, experienced teachers and rigorous coursework.\(^{23}\)

**WOMEN & GIRLS**

**FINDINGS:**
Like inequities by race or ethnicity, disparities by gender can shape the opportunities children have to reach their full potential.

- Girls are more likely than boys to obtain their high school degree,\(^{237}\) and Black and Latina women are more likely to have postsecondary education credentials than Black and Latino men.\(^{240}\)
- However, there are still persistent earnings gaps in Texas by race and gender.\(^{242}\) Median earnings for Asian women ($50,103) are nearly twice that of Hispanic women ($26,406), but still lower than for White men.\(^{246}\)
- Girls are underrepresented in some STEM courses and high-paying fields. Only 10 percent of AP Computer Science students in high school are female.\(^{249}\) And women are significantly underrepresented and paid less in STEM fields.\(^{248}\)
- Gender matters in poverty too: Single-mother families are twice as likely (42 percent) as single-father families (21 percent) to live in poverty.\(^{237}\)

**RECOMMENDATIONS:**
Focusing on gender equity benefits all kids and families and can help close gaps in child well-being.

- Make equity a priority within STEM courses. District and campus administrators should ensure that girls and students of color have access to and support for participating in STEM courses.
- Provide more supports for working moms. Women often leave paid work in order to care for family, contributing to reduced earnings potential. Texas should examine job quality provisions, such as family leave and paid time off, to support working families.
- Businesses should implement pay equity policies. All else being equal, research shows biases by male and female hiring managers can contribute to women’s lower salaries.\(^{246}\) Businesses should examine how their hiring and compensation procedures impact both gender and racial equity.
Why focus on race and equity?

For 25 years, the Texas Kids Count project has analyzed data on child well-being. One of the most important uses of data is to break it down (i.e., disaggregate it) to unearth information about which kids have better outcomes than others, understand why, and figure out how we can give every child the best chance to succeed. State and local data have consistently shown that family income and where a child lives are related to their health, education and safety. These data help highlight needs for new policies or community efforts that focus on, for example, improving graduation rates for kids living in poverty or improving access to health insurance coverage in rural areas.

When we break down the data, we also see that the chances of children having important building blocks of health, education and financial security differ dramatically by race and ethnicity. Race and ethnicity are connected to measurable differences in how children are understood and treated, their life experiences, and consequently their well-being and outcomes—whether they are born at a healthy birthweight, attend schools adequately resourced to meet their needs, or live in poverty.

Our vision for Texas is a state that provides meaningful and abundant opportunities for every child. For that vision to be realized, children’s risks and opportunities in life should not be dictated by their gender, ZIP code, family income, race or ethnicity.

Raising the bar and closing the gaps in child well-being is both a winning and necessary strategy.

Despite Texas’ vast resources, the state is consistently ranked among the worst states for child well-being. If Texas kids aren’t getting their basic needs met, much less provided the resources and opportunities needed to reach their full potential, we can’t expect Texas’ economic future to stay strong. We have to “raise the bar” in child well-being for all kids, because ranking 41st in child well-being simply isn’t good enough for Texas.

Looking more closely at the child well-being data also shows that Texas is an even more challenging place to live for Black and Hispanic/Latino children. Research has shown that racial and ethnic gaps in children’s health, education and financial security can often be traced to historical policies that created barriers for families and current policies that can perpetuate them. For example, historical segregation of neighborhoods and schools and a lack of investment led to school systems that generally do not serve Black and Latino children as well as White children. We must “close the gaps” so that even if some children face bigger obstacles on the path to reaching their full potential, we intentionally work to break down those obstacles and create equitable opportunities for good health, an excellent education and economic security for every child.

The future of Texas depends on closing today’s racial and ethnic gaps in child well-being. Texas’ children deserve it, and the future of Texas depends on it. An analysis by the Office of the State Demographer showed that if Texas does not succeed in supporting educational achievement for Latino, Black, Asian and White students at the same high rates, the labor force will be less educated in 2030 than it is today, diminishing a critical source of Texas’ economic growth and prosperity. In contrast, if Texas succeeds in supporting educational achievement and closing the gaps, Texas will enjoy an even more educated labor force than it does today, strengthening the foundation of our economy. Another analysis projected that closing differences in income and employment by race and ethnicity in the state would boost the state’s economy by $420 billion.

We believe that raising the bar and closing the gaps in child well-being is a winning strategy for all Texans. This report will provide a deeper understanding of the resources, environments and opportunities needed for every child in Texas to reach his or her full potential, and will recommend changes in policy and practice to make our state the best state for every Texas kid.

*In this report, “Hispanic” and “Latino” are used interchangeably.
Many factors shape each child’s life experience, such as race, ethnicity, family income, gender, where they live (i.e., place), immigration status, or whether a child lives with one or two parents. These factors are each uniquely related to kids’ well-being and can interact in powerful ways.

**GENDER MATTERS:** A young Black woman entering the workforce after college will have a different experience than a young Black man.

**PLACE MATTERS:** An Asian child growing up in Tyler will have a different experience than an Asian child growing up in Houston.

**FAMILY INCOME MATTERS:** A White child living in poverty will have a different experience than a White child who is financially secure.

**RACE AND ETHNICITY MATTER:** A middle-income child who is White will have a different experience than a middle-income child who is Latino.

Because of the undue impact of race and ethnicity on how children are treated, affected by policy and served by institutions, the focus of this report is on closing gaps in child well-being by race and ethnicity, while recognizing that other factors, such as family income, gender and place, also powerfully influence children’s lives. The “Equity Matters” sections throughout the report will identify several ways race and ethnicity interact with other factors, such as immigration status, family income or gender, to affect children of color in different ways.
Understanding Texas’ growing and changing child population matters for improving child well-being.

To make Texas the #1 state for kids, policymakers need to understand the strengths of the state’s diverse child population and the challenges that children face. More than 7 million kids live in Texas today, representing nearly 1 in 10 children living in the U.S.30 And as the state continues to grow, the racial and ethnic makeup of its child population continues to change. Birthrates have decreased for people of all races and ethnicities.31 But due to lower birth and immigration rates among White and Black Texans relative to Hispanic and Asian Texans, increases in the state’s child population come largely from rising numbers of Hispanic, Asian and multi-racial children.32

Children of color are integral to the economic stability and prosperity of Texas. White Texans tend to be older than Hispanic, Black and Asian Texans. As many in the “Baby Boom” generation begin to retire, the state’s large numbers of children of color are the primary foundation for the state’s future labor force, tax base and consumer base.33 In fact, because of relatively lower birthrates among White Texans, without children of color the state would face a demographic crisis—a shrinking and aging population with few working-age adults to support and replace older adults in the workforce.34

Children of color represent the future workers and leaders of Texas.

Without children of color, Texas would face a demographic crisis—a shrinking and aging population with few working-age adults to support and replace older adults in the workforce.
What do “race and ethnicity” mean?

Racial categories (i.e. Black, White) are not rooted biologically in the color of children’s skin or their innate characteristics. Rather, throughout history, social, economic and political institutions have defined the boundaries of racial categories, often to aid in controlling people and to create social, economic and political hierarchies.37

This may be a difficult concept for some, as people typically associate race with features like skin color or culture. Others may prefer to avoid the discomfort of talking openly about race by adopting a “color-blind” approach that disregards differences in the barriers and opportunities that people face. But history reveals that racial categories are strongly connected to social and power dynamics and have had fluid boundaries. For example, today many Americans with Irish ancestry would be considered “White,” but when Irish workers first immigrated to the U.S., they were considered racially distinct and inferior to Americans whose ancestry was English.38

Definitions of race—and the power attached to those racial categories—depend on history and social context. The same person could have been considered “White,” “Black,” “Quadroon” (an archaic racial category describing an individual with one grandparent considered Black and three considered White), “Native American” or some other race at different times and in different places in the U.S. Official data collection also affects definitions of race. Prior to 1970, the Census Bureau did not collect national data on people with Latino ancestry and categorized Latino as White.39

Separate from the concept of race, ethnicity is broadly understood as similar to ancestry or heritage (e.g. Korean, Mexican, German). However, state and federal data collection and reporting practices commonly use only two ethnic categories, Hispanic/Latino and non-Hispanic/Latino, in addition to race.

In this report, we generally use “Hispanic” or “Latino” interchangeably as a separate “racial/ethnic” category, mutually exclusive of the racial categories “White” and “Black.”40 Data shows that Hispanics in Texas represent themselves racially in multiple ways and, similar to the Asian or Asian/Pacific Islander category, come from a large and diverse area of the world.41
**Metropolitan Texas: Big, growing, diverse—and important to Texas kids**

Child population change and growth are most evident in Texas’ major cities and surrounding areas. As Texas cities continue to grow, the state’s child population is increasingly located in metropolitan areas. Raising the bar in child well-being in Texas metropolitan areas makes a big difference to improving child well-being statewide.

In addition to being home to large and rapidly growing cities, Texas is home to some of the country’s most diverse cities and metropolitan areas. As Texas cities have boomed, formerly small counties just outside Texas’ largest cities have experienced rapid population growth and increasing racial and ethnic diversity. Because such a large share of Texas’ Latino, Black and Asian children lives in metropolitan areas, closing the racial and ethnic gaps in health, education and financial security makes a big difference to improving child well-being statewide. (See cppp.org/kidscount for data snapshots of several of the state’s most populous areas.)

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**Texas’ child population is increasingly located in Texas’ metropolitan areas.**

Child population by county, 2013

**Counties with the fastest-growing child populations lie outside major Texas cities.**

Percentage change in child population, 1990–2010

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The fastest-growing counties are also the most quickly diversifying areas of Texas.

Between 1990 and 2010, Collin County (outside of Dallas) nearly tripled its population of kids and increased its racial and ethnic diversity.46

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**TOTAL NUMBER OF CHILDREN IN COLLIN COUNTY**

- WHITE
- HISPANIC
- BLACK
- ASIAN, MULTIRACIAL OR OTHER RACE
Collect and Analyze Data by Race and Ethnicity

Collecting and analyzing data broken out by race and ethnicity is critical to identifying disparities in child well-being, understanding the complex factors that contribute to racial and ethnic gaps and designing more responsive programs, policies and services for Texas kids. CPPP recommends whenever possible to collect and analyze data by race and ethnicity to inform decisions so as not to exacerbate racial and ethnic disparities, and instead help to develop strategies that will eliminate racial and ethnic gaps.
Race, ethnicity and immigration status are both distinct and overlapping. According to the Census Bureau, nearly half of the more than 7 million children in Texas are of Hispanic/Latino ethnicity. (See “What do race and ethnicity mean?” on page 7 for more.) Of the 3.5 million children of Hispanic ethnicity who live in Texas, 82 percent identify their race as White, 13 percent as ‘some other race,’ 4 percent as multiracial and 1 percent as Black. Ninety-five percent of Hispanic children in Texas are U.S. citizens.

Texas is also home to many Hispanic children whose families have been living in the state even before it became part of the U.S. In fact, about half of Hispanic children in Texas have parents who were U.S. citizens at birth. Only five percent of Hispanic Texas children are not U.S. citizens, and a subset of these are undocumented. Researchers use models to estimate the number of undocumented children in Texas to be between 114,000 and 194,000. Although the vast majority of undocumented people in Texas are from Latin America, it is estimated that 8 percent are from Asia or Africa.

One-third of Texas kids (nearly 2.4 million) live with one or more parents who is an immigrant. Of these children, half live with at least one parent who is a U.S. citizen, and half live with parents who are not U.S. citizens (1.1 million). Researchers estimate that 834,000 children in Texas live with one or more undocumented parents.

More than 7 million kids live in Texas with parents who have differing immigration statuses. Total Texas children, 2014

The vast majority of Hispanic children in Texas are U.S. citizens.

**Hispanic children in Texas, by citizenship, 2014**

- U.S. CITIZENS: 3.3 million kids (95%)
- NOT U.S. CITIZENS: 5% (194,000)

*“A subset of Texas kids who are not U.S. citizens are undocumented. Researchers estimate between 114,000 and 194,000 undocumented children of all races and ethnicities live in Texas (out of more than 7 million Texas kids).”

Children of Hispanic ethnicity in Texas, by race, 2014

- HISPANIC, WHITE: 82%
- HISPANIC, BLACK: 1%
- HISPANIC, OTHER RACE: 13%
- HISPANIC, MULTIRACIAL: 4%

Understanding the diverse population of children in immigrant families is one important aspect of improving child well-being in Texas. Although a full analysis of the well-being of children in these families is beyond the scope of this report, the following information is critical to know.
Children in families that include one or more immigrants fare better on some aspects of child well-being than children with U.S.-born parents.

Children in immigrant families have lower infant mortality rates than children with U.S.-born parents. They are also more likely to be born at a healthy birthweight, decreasing risk of developmental delays and disabilities. Seventy-five percent of children in immigrant families live with married parents, compared to 59 percent of children with U.S.-born parents. Research shows that children of married parents have better physical, cognitive and emotional outcomes.

Immigrants and economic growth are linked.

Research shows that metropolitan areas with the greatest economic growth also experienced the greatest increase in the labor force attributed to immigrants. Immigration functions as both a cause and effect of growth: growing cities attract workers, and new workers bolster economic growth. This is good news for Texas, which has many vibrant cities that power the state’s economy and attract workers both from within and outside the U.S. In 2011, immigrants contributed $65 billion in economic output to the state in wages, salary and business earnings.
PLACE, RACE & POVERTY

Racial isolation, economic segregation and financial insecurity hurt children’s opportunities.

Texas should be a state where every child is financially secure. However, historical and current policies, laws and practices have created and maintained deep divides in children’s opportunities. Although no racial or ethnic group is unaffected by poverty, the likelihood of living in poverty is far higher if you are a Black or Latino child in Texas. Fighting child poverty and closing racial and ethnic gaps will require an “all-of-the above” approach: programs that boost incomes and provide safety nets for families who fall on hard times; greater opportunities for parents to increase their skills, education and access to family-supporting jobs; and policies that help every child have meaningful opportunities to reach their full potential, across race, ethnicity and place.

Place: Where children grow up is connected to their opportunities.

Where families live often dictates the children’s opportunities and risks, including the quality of schools they can attend, whether they have safe places to play and proximity to industrial or environmental hazards.

The U.S. and Texas have a long history of creating high or low-opportunity neighborhoods based on the race or ethnicity of the families living there. Through this country’s history, a mix of federal policy, discriminatory local laws and practices and racially motivated violence have created and maintained deep divides where children live, play and go to school that continue to impact child well-being today.

Policy choices and discriminatory practices created barriers to the middle class for Black and Latino families.

One profound example of how policies can create opportunity or build barriers is the implementation of the GI Bill following World War II. The GI Bill was often touted as the “magic carpet to the middle class.” But many Black and Latino veterans were denied access to the bill’s higher-education and home ownership benefits. Local businessmen, bankers and college administrators routinely denied Black and Latino veterans housing and business loans, admissions to colleges, universities and job-training programs and ability to purchase of homes. That means fewer Black and Latino veterans were able to participate in two of the strongest national policies for increasing income and generating wealth while many White veterans benefitted, increasing inequities between families. These advantages and disadvantages accumulated, as wealth could be passed down to the next generation through appreciating home values or loans taken out using the home as collateral to pay for the next generation’s college education. Although the GI bill helped build a White middle class in America, the discriminatory implementation of these policies also contributed to racial and economic segregation in neighborhoods that we still see today.

Case Study: Austin

Austin is one of many Texas cities with a history of segregation. Starting in the early 1900s, White homeowners used deed restrictions on their homes to prevent Black, Hispanic and Asian families from moving into certain neighborhoods. In 1928, the City of Austin formalized these private restrictions through zoning designed to relocate all Black residents, schools and other public services for Black Austinites to a newly created “Negro District” that also had weaker protections against potentially undesirable industrial uses. The federal Home Owners’ Loan Corporation also reinforced local restrictions by systematically approving mortgages in “White neighborhoods” and denying mortgages in “Black neighborhoods.” This story is not unique to Austin, but was repeated in Dallas, Houston and many other cities across the U.S.

Historical advertisement for Hyde Park neighborhood in Austin

Source: PICA 25419, Austin History Center, Austin Public Library.
Child Poverty: the so-called “Texas Miracle” is not a miracle for every child.

Historical barriers created unequal situations for families, and current policies have not done enough to undo them. The availability of and access to jobs that pay family-sustaining wages shapes parents’ ability to provide financial security for their children, which affects children’s likelihood to reach their full potential. Poverty produces a wide variety of circumstances that can hurt children’s well-being, from lack of access to health care, to increased risk of hunger, to higher risk of facing challenges in school. Living in poverty as a child is also predictive of worse employment outcomes as adults.

Texas’ child poverty rates are far too high, and disaggregating data reveals troubling disparities by race and ethnicity. Although child poverty rates for Texas’ Hispanic and Black children have improved slightly since the peak of the recession, one of every three Hispanic and Black children lives in poverty, and poverty rates have held steady or worsened.

Because poverty is defined by a household’s income, economic opportunity and mobility for parents is the antidote to children falling into or remaining in poverty. However, research has shown that community-level factors such as higher levels of racial segregation, income inequality and fraction of two-parent families, and lower quality schools and levels of civic engagement, hurt the upward economic mobility of children.

Although Texas quickly recovered jobs lost during the recession and is continuing to grow, the “jobs” story is not the full story. Texas’ high employment relies heavily on low-paying, part-time or part-year jobs that cannot support families. Despite high job growth, 40 percent of Black children and 32 percent of Hispanic children have parents who lack access to stable employment. Single parents are less likely to have full-time, year-round employment, and single mothers the least likely.

The touted “Texas Miracle” clearly does not tell the full story of the Texas economy.

Despite Texas’ job growth, full-time, year-round employment and family-sustaining wages are out of reach for many.
Place + Poverty: Racial and economic segregation harms Texas kids.

Across income levels, families work to do their best for their children, calling on their deep cultural strengths and family values—but these are too often overwhelmed by the forces of poverty. High neighborhood poverty rates are also connected to worse outcomes for children, including higher rates of dropout and teen births.95 Structures that support children and families, such as high-quality schools, child care centers, doctors and grocery stores are also less likely to be located in high-poverty areas.96 Research has found that the “neighborhood effects” of living in high-poverty areas influence not just children in low-income families, but all children who live in the area, including children who do not live in poverty themselves.93 Neighborhoods of concentrated poverty can isolate residents from resources and opportunities. Distressingly, the trend of concentrated poverty is moving in the wrong direction for Texas children of all races and ethnicities. A growing number and share of Texas children live in high-poverty neighborhoods, and the rates in Texas’ largest cities are particularly high.98 Prohibitions against homeownership, weaker protections against proximity of industrial hazards, and lack of public investments built a foundation for advantages and disadvantages of place that are still evident today.99 Because of this, poverty for White children often looks very different than poverty for other racial and ethnic groups. Low-income Black and Latino children in Texas are far more likely to live in high-poverty neighborhoods than low-income White children100 and have less access to the opportunities found in more prosperous neighborhoods.

Major cities in Texas have startlingly high rates of children living in concentrated poverty. Nineteen percent of Texas children (more than 1.3 million kids) live in high poverty neighborhoods, up six percentage points since 2000.

Children living in high-poverty neighborhoods (>30 percent poverty), 2010-2014101
Racial and economic segregation makes chances of escaping poverty worse—for Texans of all races and ethnicities.

Research shows that both racial and income segregation are strongly connected to lower rates of economic mobility. The more segregated by race and income a place is, the worse the chances of escaping poverty—whether you are White, Black, Latino or Asian. The segregation of a place exerts its own effect on the upward mobility of all individuals in the area.102

The likelihood that a child will move out of poverty is strongly predicted by where she grows up. In fact, kids living in the poorest families in Laredo had a 10.9 percent chance of moving into the top fifth of income earners as adults, and only a 6.4 percent chance if they lived in San Antonio; nationally, there was a 7.5 percent chance that a child in the bottom fifth of income-earners would move into the top fifth.103 Across the country, mobility differences are related to high income inequality in the city, the quality of local schools, the fraction of two-parent families, civic engagement and racial segregation in neighborhoods. Such findings reinforce the importance of increased local policy engagement to tackle these place-based problems.104

The effect of place is so strong that moving to more racially and economically integrated areas benefits children’s long-term prospects. Long-term evaluation of housing voucher programs shows that moving children out of high-poverty public housing to lower-poverty areas at a young age increased children’s likelihood of attending college and their lifetime earnings by $302,000. The same study showed that adult incomes were largely unaffected by moving to a low-poverty area. In other words, improvements in child well-being happened through the benefits of place, not an increase in family resources. Researchers have not isolated any single feature of neighborhoods that most benefits children’s long-term outcomes, but the collection of characteristics that make up “neighborhood quality” — safety, housing quality, lower poverty — have proven to be effective in improving children’s outcomes in education and income.105

Black and Hispanic children are more likely to grow up in high-poverty areas than White children, with fewer opportunities and lower rates of economic mobility.

Texas Children living in areas of concentrated poverty, by race and ethnicity, 2010-14106
Recommendations

Reducing poverty—and the racial and ethnic disparities in poverty rates—must begin with a shared understanding of how opportunities and well-being are shaped by policy. For example, we have significantly reduced poverty for seniors with income support through Social Security. Conversely, the discriminatory private practices and public policies discussed earlier have created persistently higher poverty rates for Black and Latino families. Our policy choices matter.

The recommendations highlighted here are part of a bigger set of poverty reduction strategies that include safety net programs and income supports such as tax credits, unemployment insurance, SNAP (food stamps) and TANF (cash welfare). All these are essential given the number of families that will find themselves in poverty during their lifetimes, and no single strategy can make a significant impact unless families can earn enough in their jobs, cover basic needs such as food and health care and build long-term financial security by saving for college, a home or retirement.

Since household income defines poverty, ensuring economic opportunity is available to parents is critical to fighting child poverty. And, because place is so critical to children’s opportunities, making sure every child has access to opportunity-rich neighborhoods is critical to children’s upward mobility.

Here we describe some lesser-known but potentially powerful opportunities that can do a better job of supporting families as they train for work, promote links between education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there. Combined with policies around education and workforce, and ensure all neighborhoods have access to opportunities for the families that live there.

Promote education and workforce pathways out of poverty.

Educational attainment strongly lessens the likelihood of living in poverty. Early college high school programs, which give students the opportunity to earn college credit while still in high school, have been highly effective at placing students, particularly Black, Latino and low-income students, on a path to a college degree. Currently these programs serve only a small percentage of students who could benefit from this innovative approach. Texas legislators should invest state funds to better support these programs and consider providing multi-year funding to accelerate the expansion of these programs.

Many students, job-seekers and disconnected youth who are not in work or school need greater access to opportunities for ‘on-the-job’ learning that connect them with careers, particularly when their parents have faced barriers to stable work. Texas legislators should incentivize businesses to partner with schools, colleges and workforce development programs to offer more apprenticeships, internships, work-study programs and other job-based training.

Assist working and low-income families by coordinating workforce programs with early childhood programs.

Despite the growth in jobs, almost 30 percent of children live in families where parents don’t have access to full-time year-round employment, and the rates are higher for Black and Latino children and single moms. The Texas Workforce Commission (TWC) currently oversees both workforce training programs for adults and financial assistance for child care, which enables parents to work and can help kids prepare for success in school. However, Texas could do more to take full advantage of their co-location within a single agency and create innovative “two-generation” strategies that address needs of children and parents together. We recommend that TWC explore methods for incentivizing stronger alignment of early childhood programs with workforce training services for parents that increase access to employment for job-seekers with children.

Ensure families with children can access “high-opportunity” neighborhoods.

Place matters for children, and making sure every child has access to a neighborhood with abundant opportunities can be pursued through many different strategies. Cities can partner with local businesses and non-profits to create neighborhood reinvestment zones that provide more resources and opportunities for kids and families where they live, and build off the assets (e.g. skills, knowledge, relationships, organizations) that already exist in communities. Families should also be able to move to neighborhoods with greater opportunities for their children. Low-income families using housing vouchers, the vast majority of whom are Black or Latino, often face limited choices of neighborhoods with access to good schools and other services that have been proven to have both short- and long-term health benefits and anti-poverty effects for children. State legislators should lift the statewide ban on local ordinances protecting low-income families from housing discrimination or racial and economic isolation. Legislators should also support the construction of affordable housing in high-opportunity neighborhoods, and reform state rules and scoring methods that lead to construction of affordable housing in racially segregated and low-income areas.
Equity Matters: 5 Things to know about race, ethnicity and poverty

Race, ethnicity and poverty are powerfully linked in our society. While lowering child poverty rates for all kids is a laudable goal, closing racial and ethnic gaps is the only way we can make significant advances in poverty reduction in Texas and the U.S.

1. “Poverty” is an official measure defined by the U.S. Government based on family income.

2014 Federal Poverty Thresholds

<table>
<thead>
<tr>
<th>FAMILY SIZE</th>
<th>1 Adult</th>
<th>1 Adult + 1 Child</th>
<th>2 Adults + 1 Child</th>
<th>2 Adults + 2 Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAX YEARLY INCOME PER HOUSEHOLD (or less)</td>
<td>$12,316</td>
<td>$16,317</td>
<td>$19,055</td>
<td>$24,008</td>
</tr>
<tr>
<td>MAX HOURLY WAGE TOTAL FOR HOUSEHOLD (or less)</td>
<td>$6.16</td>
<td>$8.16</td>
<td>$9.53</td>
<td>$12.00</td>
</tr>
</tbody>
</table>

Under the official poverty measure, 1.7 million Texas kids live below the poverty line (that’s 1 of every 4 Texas kids). Alternate measures of poverty that account for both additional expenses (e.g. child care) and benefits (e.g. tax credits) estimate that in the absence of federal and state programs, nearly 1.2 million more Texas kids would be living in poverty.

One in four Texas kids live below the poverty line. Child poverty, 2014

Financial security is about more than just income—it’s also about building savings in order to protect families against unforeseen financial crises.

A family is considered in “liquid-asset poverty” if they lack the savings to pay for basic expenses for three months if an emergency leads to a loss of stable income. The liquid-asset poverty rate is too high, and the racial-ethnic gaps are substantial. Thirty-eight percent of White households, 63 percent of Black households, and 71 percent of Hispanic households experience liquid-asset poverty.

Texas families lack the savings needed to sustain them through emergencies. Liquid-asset poverty, 2011
Due to historical and current policies and practices that have provided and maintained unequal opportunities for families, Black and Hispanic children are three times more likely to live in poverty than White and Asian children in Texas.\textsuperscript{123}

And it’s not just low-income families where we see racial differences. In fact, the median household income differs dramatically too.\textsuperscript{124}

Poverty experienced by Black and Hispanic children differs from poverty experienced by White children in several ways.

Without intentional efforts to undo the effects of earlier policies and practices, differences in children’s opportunities tend to accumulate through generations. Because of past discrimination and racially motivated violence, poverty among Black and Hispanic children is more concentrated in neighborhoods. Data shows that even when they have identical incomes, Black and Hispanic families tend to live in poorer neighborhoods than White families.\textsuperscript{127} Although research shows that segregation hurts the upward mobility of whole communities,\textsuperscript{128} Black and Hispanic children are far more likely than White children to live in high-poverty areas that make it more difficult to access the opportunities that lift children out of poverty.\textsuperscript{129}
Child health includes access to healthy food and environments, health insurance and healthy families.

There is perhaps no more basic building block to well-being than health. A child’s physical and mental health has both short and long-term consequences, affecting educational attainment and adult health.

But raising healthy children is about more than just encouraging kids to eat vegetables and exercise. Health is also about making sure kids can access healthy meals regularly, receive preventive health care and see a doctor when they need to, across gender, race, ethnicity, language or family income.

Health is as much about social factors as about choosing healthy behaviors.

The broadly used framework of the “social determinants” of health shows that the root causes of health disparities are linked to factors like family income, educational and employment opportunities and housing quality (many of the same areas with racial and ethnic disparities). Many of these social factors influence health outcomes to a larger degree than even the doctors we see or the medicines we take.
Food insecurity affects Black children in Texas at rates more than twice as high as White children.

One example of a social factor affecting child health is food insecurity, or a lack of consistent access to enough food for a healthy diet. When growing children lack essential nutrients, they can experience delays in physical, intellectual and emotional growth. Hungry children have a harder time focusing in school and are more likely to have social and behavioral problems.

Data show that 27 percent of Texas children live in households that are food-insecure, meaning they live in a household having difficulty meeting basic food needs. Food insecurity is a symptom of economic instability, a key social determinant of health. When families struggle to make ends meet, too often little money is left for food, increasing the chance that kids go hungry. Black and Hispanic children are approximately two times more likely to live in low-income and food-insecure households than White children in Texas.

Important child nutrition programs like the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program for Women, Infants and Children Program (WIC) and the Child and Adult Care Food Program (CACFP) are critical weapons in the fight against childhood hunger. Schools are also vital places where Texas children can consistently access meals. In addition to the National School Lunch and Breakfast Programs, the relatively new and underutilized Afterschool Meals Program (also known as CACFP At-Risk) feeds kids during afterschool enrichment programs like tutoring, music or sports. Without these supports, millions of Texas children would be at increased risk for hunger.
Maternal health and environmental factors affect children’s health.

The conditions and environments in which people live can influence children’s health starting from birth. For example, risk factors for low birthweight and prematurity for babies include high stress levels and lack of access to prenatal care, and these conditions are much more prevalent for low-income women. The most common barriers reported by Texas mothers with late or no prenatal care are not having money, being uninsured and not being able to get an appointment. Social, economic and health conditions for mothers and infants also differ by race. Black mothers in Texas are most likely to have late access to prenatal care, and Black infants are more likely to be born prematurely or at low birthweight, increasing their risk for delayed development, learning disabilities and other health problems.

Differences in childhood environments play a large role in child well-being. For example, childhood exposure to lead from paint in older housing, corrosion of old water pipes, and soil near roads and industrial sources harm children’s development. Because of historical discrimination (see “Place, Race and Poverty” on page 12), Black children are at greater risk of living in environments with elevated lead levels. Environmental factors also influence racial and ethnic disparities in two common child health conditions, asthma and obesity. In Texas, Black children are most likely to be hospitalized due to asthma. Increased risk for asthma has been linked to pollution exposure, although what causes asthma is unknown. “Attack triggers” include outdoor and indoor pollutants, such as air pollution or mold, which are more common in poorer neighborhoods and homes.

Rates of overweight and obesity are far too high for all children in Texas, but Black and Latino children are especially vulnerable to the challenges of adopting and maintaining healthy lifestyles and are more likely to be overweight or obese. One major challenge is the cost of a healthy diet. Healthy foods, especially fruits and vegetables, are more expensive and have higher potential for waste than non-perishable foods, which are cheap, filling and widely available.

Black children are the most likely to be hospitalized due to asthma. Child Asthma Prevalence and Hospitalization

Due to social factors that affect their mothers’ well-being, Black infants are at elevated risk for low birthweight, premature birth and infant mortality.

Low Birthweight, Premature Birth and Infant Mortality Rates, 2013

Note: Differences in asthma prevalence rates for White and Black children may not be statistically significant. Differences in hospitalization rates between White and Hispanic children may not be statistically significant.
Latino children face barriers in access to health insurance coverage.

In addition to food access and healthy environments, health insurance is a key factor in children’s health care access and family financial security. Health insurance also promotes promoting access to preventive care, timely diagnosis and treatment, and protects families from financial hardship when health problems arise. Although the state has made progress over the years, Texas still has one of the highest rates of uninsured children in the country. Eleven percent of Texas children lack health insurance. However, disaggregating the data by race and ethnicity reveal that Texas’ high rate is largely a reflection of lack of access to health insurance for Latino children. Latino children are the least likely to be covered through their parents’ employers, even though their parents have employment rates similar to, or even higher than other racial/ethnic groups. That’s because Latino parents are more likely to work in “blue-collar” jobs, such as the agriculture, service or construction industries, that do not typically offer affordable insurance to employees or their children. Latinos also are less likely to be aware of the subsidies available to help pay for insurance. And though most Latino children in Texas have parents who are U.S. citizens (in fact, half of Texas’ Latino kids have parents who were U.S. citizens at birth), those who are not citizens are more likely to face language barriers and worries about immigration-related consequences for family members (although these fears may be unfounded).

The number and percentage of uninsured Hispanic Texas children has continued to drop, but Texas still has one of the highest uninsured rates for Hispanic children, and children overall. States that expanded coverage to low-income parents saw much larger improvements in children’s coverage than those like Texas without Medicaid expansion or an alternative coverage program for these adults.

On the bright side, overall child uninsured rates have declined in large part because of improvements to public health insurance options for families. Black children in Texas are now as likely to be insured as White children in Texas. This may be because Black children are less likely to face language or immigration-related barriers, and because a larger share of the population lives in metropolitan areas, where outreach and enrollment efforts are more likely to reach families.

An estimated 766,000 Texas adults fall into the “Coverage Gap,” where income is too low to qualify for health insurance subsidies, and too high to qualify for Medicaid. Sixty-seven percent of people in Texas’ health insurance “Coverage Gap” are people of color, and 55 percent are female. About a third are adults with dependent children.
Parents’ health access matters for kids’ health and family financial security.

Health insurance is a family affair. Research shows that the health and insurance status of parents and caretakers affects children in multiple ways:

Overall health and health care access for women before, during and after pregnancy is critical to babies’ health.

More than 1.5 million Texas women between the ages of 15 and 44 lack health insurance (41 percent), and there are large racial and ethnic disparities in coverage rates.164

Children are more likely to be insured if their parents are insured.

Most children have the same health insurance status as their parents,165 and previous expansions in health insurance for adults have been connected to better insurance rates for children, increasing consistency of regular check-ups and preventive care.166

When parents have untreated mental health conditions, children are negatively impacted. Medicaid provides important access to mental health screenings and treatment for low-income adults.

Untreated perinatal depression is associated with poorer physical and behavioral health in children, lower cognitive and academic performance and increased risk of child maltreatment,167 and nearly 11 percent of mothers in Texas reported frequent postpartum depressive symptoms.168 More than half of births in Texas are covered by Medicaid, but most mothers do not qualify for Medicaid to promote good health before pregnancy, and Medicaid maternity coverage ends two months after birth. Because of Texas’ low eligibility for parents, most are unable to access affordable insurance after that. A randomized, controlled study showed that expanding Medicaid for uninsured, low-income adults increased screenings for depression, provided access to treatment and reduced observed rates of depression by 30 percent.169

Health insurance coverage for adults has been shown to improve overall family economic security.

A randomized study showed that being insured through Medicaid reduced by more than 50 percent the chances of having to borrow money or skip paying other bills because of medical expenses.170

Texas’ uninsured rate has dropped significantly since the Affordable Care Act was enacted, but more than 5 million Texans remain uninsured. Recent surveys of uninsured individuals indicate that the chief obstacles in gaining health insurance are cost and lack of knowledge about the availability of financial help paying for coverage.171 The state has dedicated limited resources to outreach that increases awareness of financial assistance, guidance on weighing health insurance options and assistance through the enrollment process.172

1.5 million Texas women between the ages of 15 and 44 lack health insurance.173

27% TEXAS WOMEN (of childbearing age) LACK HEALTH INSURANCE
Good health forms a foundation for well-being, and a large part of improving child health is based on what policymakers and practitioners can do “upstream” before problems arise. This includes ensuring children have enough food for a healthy diet, promoting healthy environments and families and supporting access to health care across race/ethnicity, gender, income or language.

Make meals easily available in schools and expand access to underutilized programs, such as Afterschool Meals, Summer Nutrition and School Breakfast.

Adequate nutrition is critical for growing kids, but many kids are food-insecure, and rates are particularly high for Black and Hispanic children. Schools play a critical role in providing healthy meals to kids. Many take advantage of all the opportunities available to feed more kids throughout the day and school year. Afterschool Meals is a new—and so far, underutilized—program that is beneficial for kids, families and schools. Schools can run their own afterschool programs or sponsor programs run by outside groups, such as city parks and recreation departments or Boys and Girls Clubs, and are able to use additional revenue from serving afterschool meals to support the overall school nutrition budget.

Work with existing community assets in outreach efforts to help reach uninsured Texans in their communities.

To most effectively use limited resources, outreach and enrollment efforts should work with existing community organizations, schools and media outlets that are already trusted within communities at high risk of being uninsured, especially immigrant communities. For example, schools can help identify children who do not have health insurance during the registration process, and help connect eligible students to health insurance. Working with community partners can help overcome language and cultural barriers to enrollment.

Promote active partnerships between state agencies and other organizations to increase effectiveness of outreach and enrollment efforts.

Working with the state, non-profits, local governments, health care providers and philanthropy can invest in health insurance outreach and enrollment efforts so that Texans are aware of the availability of financial assistance for health coverage, and have support during the enrollment process.

Close the “Coverage Gap.”

Every family deserves health care, regardless of race, ethnicity or income. An estimated 67 percent of people in Texas’ health insurance “Coverage Gap” are people of color. Not only would closing the Coverage Gap help close the racial and ethnic gap in adult uninsured rates, but it would help improve health outcomes and narrow the gaps in child uninsured rates. Providing this option for low-income parents would also improve pre-conception health, help many mothers who lose Medicaid coverage soon after giving birth and help parents with chronic conditions.

Recommendations

Language barriers, low payment rates and bias create barriers in accessing health care.

Even when families have coverage, they may face differential barriers by race and ethnicity in accessing high-quality health care.

- For many immigrant families, language barriers can impede communication with doctors and make navigating clinical and health insurance bureaucracies challenging.
- For low-income families, availability and access to services can be limited because of providers’ reluctance to serve patients using Medicaid. The state establishes Medicaid provider payment rates, and these are generally lower than private insurer rates.
- Research has shown that uncertainty and unfamiliarity between doctors and patients of different racial and ethnic backgrounds can lead to worse decision-making and health care that doesn’t match individual needs. There is also evidence that some providers’ stereotypes and biases may influence the quality of care.
- Conscious and unconscious racial biases can differ by gender of the patient. One study showed that Black women were less likely to be referred for diagnostic tests after describing the same symptoms of heart disease as White men, White women and Black men. In Texas, the State Office of Minority Health and Health Equity offers resources and training for health care professionals on providing culturally and linguistically appropriate care.
Every kid in Texas deserves an education that helps her reach her full potential. However, today our education system’s ability to nurture and tap the talents of Black and Latino children lags, threatening their futures and our collective economic security.

Texas students may change, but the promise and responsibility to educate remains the same.

When Texas fails to support high levels of educational achievement for Hispanic, Black, Asian and White students at the same rates, it prevents children from reaching their full potential—and falls short of the state’s standard to prepare students for college or careers.

Statewide, 52 percent of public school students are Hispanic/Latino, 29 percent White, 13 percent Black and 6 percent Asian, multiracial or some other race. Over time, the share of students who are Hispanic, Asian or multiracial has increased, while the shares of students who are White or Black have decreased. English Language Learners (ELLs), who comprise 17.5 percent of students, are also a growing share of the student population, representing more students (900,476) than the total number of Black and Asian students combined (842,625). There are ELL students of all races and ethnicities, but more than 90 percent are Hispanic. However, the majority of Hispanic students are not ELLs. (For more on patterns of demographic change, see “Understanding Texas’ Growing and Changing Child Population” on page 6.)

Hispanic children represent the largest share of current students and the future workforce of Texas.

Student enrollment in Texas public schools

<table>
<thead>
<tr>
<th>Year</th>
<th>Multiracial</th>
<th>Asian/Pacific Islander</th>
<th>Black</th>
<th>White</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>2004-05</td>
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<td>2005-06</td>
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<td>2012-13</td>
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<tr>
<td>2013-14</td>
<td></td>
<td></td>
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</tbody>
</table>

For more information, see “Understanding Texas’ Growing and Changing Child Population” on page 6.
Race, ethnicity and economic need are strongly connected in schools.

Since most children attend schools they live near, patterns of residential segregation and poverty concentration are reflected in the racial, ethnic and economic makeup of schools and districts. Decades of policy choices and individual behaviors have led to the concentration of children of color and low-income families in certain schools and districts (see “Place, Race and Poverty” on page 12 for more).

Research shows that, in general, students in high-poverty schools have less access to effective teachers than students in low-poverty schools, affecting their opportunities to learn. High-poverty schools also serve more students who are more likely to face out-of-school challenges that research shows is connected to academic readiness, test performance and educational achievement—factors such as housing instability, food insecurity and lack of access to health care.

Black and Hispanic students in Texas are much more likely to be enrolled in high-poverty districts than White children. A Hispanic child, regardless of family income, is seven times more likely than a White student to be enrolled in a high-poverty district, where more than 75 percent of students qualify for free or reduced lunch.

Although low-income students face additional barriers, high-poverty districts in Texas can and do perform well, and sometimes even better than school districts with more affluent students. A prime example is the Pharr-San Juan-Alamo Independent School District in the Rio Grande Valley, which is predominantly low-income and Latino and outperforms state averages on high school graduation rates. It has accomplished this by focusing on high expectations and high-quality curriculum for all students, supporting teachers and improving teacher practices, creating multiple opportunities for student success, and promoting a deep belief in equity.

One important indicator of educational achievement is high school graduation. Without this credential, the chances of living in poverty are far higher. There are many measures of high school success, but under any measure, Texas’ graduation rates have improved for nearly all racial and ethnic groups of students. However, the state still lags at supporting the success of Hispanic and Black students at the same rate as for White and Asian students (86 and 85 percent graduation, compared to 91 and 95 percent graduation, respectively).

As schools continue to improve outcomes for students, it’s important to pay attention to data broken down by race and ethnicity. High overall graduation rates can mask troubling disparities. Districts or campuses with identical measures on test scores, graduation rates, attrition rates, etc. can look very different using a perspective of racial and ethnic equity.

Hispanic students in Texas are seven times more likely than White students to be enrolled in a high-poverty school district.

Share of students in each racial/ethnic group enrolled in high-poverty school districts (Districts with >75% students qualifying for free/reduced lunch)

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>HISPANIC</td>
<td>42%</td>
<td>32%</td>
<td>12%</td>
<td>6%</td>
<td>73.8</td>
<td>73.5</td>
</tr>
<tr>
<td>BLACK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ASIAN, MULTIRACIAL OR OTHER RACE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WHITE</td>
<td></td>
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</tr>
</tbody>
</table>

Note: Districts include ISDs and charter districts, but not juvenile justice or district alternative education programs or other districts rated under Alternative Education Accountability provisions.

Texas has made progress on supporting high school graduation, but the state still lags at supporting success for Hispanic and Black students.

High School Graduation Rates by race and ethnicity, 2009-2014

- 2009: 92.4, 89.7, 80.6
- 2010: 94.8, 92, 85.5
- 2011: 93, 91.2, 84.2
- 2012: 91.2, 88.3, 83.0
- 2013: 91, 85, 82.0
- 2014: 91, 84, 81

*Note: In 2009 and 2010, data are for “Asian/Pacific Islander”
School funding matters for Texas kids.

In 2016, the Texas Supreme Court will decide again whether the method of funding schools in Texas lives up to the state’s constitutional responsibility to educate all kids.

Districts, parents and communities continue to focus on funding because they know that money matters in supporting a high-quality education for all students. Research has shown that increased investments in low-income districts lead to short-term benefits like narrowing of SAT score gaps, and also long-term benefits like increased likelihood to complete high school.

Investment can also lead to an increased likelihood of enrolling in college and earning a postsecondary degree, and increased income in adulthood.

Increased investment in Pre-K in particular is shown to improve school readiness, social and behavioral skills, reduce grade retention, and improve standardized test scores.

As the courts have decided repeatedly, Texas’ school finance system does not meet its constitutional obligation to adequately fund public education. Among the forces that increase need for more school resources are higher standards, more students from low-income families, and greater need for highly effective teachers—all in an environment where the state is providing less. Although savvy and passionate educators can do some amazing things with the scarce resources they have, “doing more with less” rarely works over the long term.

And what are schools doing with their budgets? The vast majority of school budgets are spent on teachers. Research has shown that although external factors like poverty and health greatly affect student learning, the most important in-school influence on education is the quality of teaching. Better-funded schools have more resources to hire more teachers and reduce class sizes, raise teacher salaries to attract and retain high-quality teachers, and increase instructional time. Better-funded schools also have more resources to support new teachers, who are generally less effective at instruction than more experienced teachers but also see the largest improvements.
Funding equity matters for the quality of Texas kids’ education.

The long history of school finance in Texas has always been about not just the amount of money that districts receive, but how fairly Texas distributes funding among districts. School funding fairness has always been important in closing gaps and equalizing opportunities for children of color, particularly the state’s large Latino population. This has been true ever since the first school finance case brought by Demetrio Rodriguez, a parent in the Edgewood ISD, a poor and predominantly Latino school district, that went all the way to the U.S. Supreme Court.213

The majority of school funding comes from local property taxes that are generated based on the value of property within school districts. That means school districts that include homes or businesses with high property values can generate more tax money than school districts that include homes or businesses with lower property values. And because property values are lower in poorer neighborhoods, tax rates are often higher in order to make up the difference.214

As we’ve seen, current and historical policies and forces that tend to maintain racial and economic segregation have created and maintained vastly unequal places, even in neighboring areas. At the same time, accidents of geography and discovery of natural resources, such as location near an oil and gas deposit, can also create huge amounts of wealth.

Our current school finance system does partially mitigate the inequities created by vast differences in property wealth between school districts. Past school finance reforms that increased relative funding for low-income school districts led to narrowing of achievement gaps for students in low-income school districts.215

However, the school funding system is sensitive to economic downturns, as was seen in the drastic budget cuts in 2011. Our school finance system is also based on assumptions more than 30 years old about how much it costs to educate students. The state does not regularly evaluate the finance system for its effectiveness or efficiency (except in response to court decisions), nor is funding updated for inflation. As current differences in outcomes show, the system does not provide sufficient resources to support all students at the same high levels. Although the state also sets the bar for what schools are obligated to teach their students, leaders make school funding decisions completely separate from the setting of academic standards. This disconnect often results in increased expectations of schools, teachers and students, without corresponding increases in support or resources.216

Property wealth varies enormously in Texas school districts, so the state must help provide equitable funding.217 Seventeen out of the 20 lowest-wealth districts in Texas are more than 95 percent Latino.218

Property-poor districts tend to have more Latino students, and fewer White students.

Property wealth per student and student enrollment, 2014-15219
Access to stable schools with experienced teachers differs by race and ethnicity.

Two issues related to school funding tend to disproportionately affect Black and Latino students: instability in a school’s teacher workforce and teacher experience.

Unstable staffing can negatively affect school climate, educational performance, and school finances. High teacher turnover can also perpetuate a cycle of low-quality instruction if newly hired teachers perform poorly. School instability and teacher turnover is a problem in many schools, yet Black students are affected the most. More than half of Black students were in schools where more than 20 percent of teachers did not return the following year.

Schools with high turnover rates, like many Texas schools with large shares of low-income students, result in a larger share of inexperienced teachers.

More than half of Black students in Texas attend schools with high rates of teacher instability.

Students attending schools with more than 20 percent teacher turnover, between 2014 and 2015

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>WHITE</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>HISPANIC</td>
<td>59%</td>
<td>41%</td>
</tr>
<tr>
<td>BLACK</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>ASIAN</td>
<td>66%</td>
<td>34%</td>
</tr>
</tbody>
</table>

IN SCHOOL WITH <20% TEACHER TURNOVER BETWEEN 2014–2015
IN SCHOOL WITH >20% TEACHER TURNOVER BETWEEN 2014–2015

Black students are most likely to attend schools with inexperienced teachers.

Students attending schools with more than 20 percent first year teachers, 2014-15

<table>
<thead>
<tr>
<th>Race</th>
<th>2014-15 First Year Teachers</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLACK</td>
<td>13%</td>
</tr>
<tr>
<td>HISPANIC</td>
<td>1%</td>
</tr>
<tr>
<td>ASIAN</td>
<td>7%</td>
</tr>
<tr>
<td>WHITE</td>
<td>4%</td>
</tr>
</tbody>
</table>

IN SCHOOL WITH >20% FIRST-YEAR TEACHERS
IN SCHOOL WITH 5–20% FIRST-YEAR TEACHERS
IN SCHOOL WITH <5% FIRST-YEAR TEACHERS

School discipline policies limit opportunities for Black children.

Schools should be places that open up opportunities and not limit them. But research shows that punitive school discipline practices (suspension, expulsion, receiving misdemeanor tickets or court referrals for misbehavior) and the widespread use of campus police drives some children into the juvenile justice system and increases the likelihood of dropping out of school.

The students affected are disproportionately Black and male, affecting students even as young as Pre-K. A recent study by Texas Appleseed showed that in elementary school, boys are three times more likely to be suspended than girls, and Black students account for 42 percent of out-of-school suspensions, although they make up only 13 percent of students. However, racial differences in school discipline exist for girls as well, with 10 percent of Black girls receiving at least one in-school suspension in Texas schools compared to 2 percent of White girls and 3 percent of Hispanic girls. In fact, Black girls are suspended at higher rates than most boys. Although school violations can result in referrals to the juvenile system, the Texas legislature took positive steps in 2013 to reduce juvenile referrals for school disciplinary issues. Even still, truancy accounted for 62 percent of cases filed in juvenile court in 2014. And recent national research shows that, for girls, truancy can often be linked to experience of other, unaddressed trauma (e.g., sexual assault).

Organizations like Texas Appleseed are leading the charge to make sure children are kept in school and not derailed by zero-tolerance disciplinary policies that often have disparate effects on children of color. Recently, the organization helped pass a law decriminalizing truancy in Texas, a practice which required schools to file a complaint in juvenile or adult criminal court after a child accumulated 10 unexcused absences and left families with fines and children with criminal records. Texas Appleseed is also working with districts to limit suspensions and expulsions for young children.
The state’s school finance system has its strengths. The system acknowledges that students may need different supports and resources depending on their situations, and it mitigates funding inequities created by disparities in neighborhood property values. However, Texas is growing and changing. And just like our school buildings and roads, the school finance system is due for some renovations. Any reform of the school finance formula should be evaluated for its impact on racial and ethnic equity and overall well-being of students.

**Raise the bar in school finance.**

The school finance system has failed to keep up with the dynamic growth and changes in the state. As the population has grown, the state has set higher standards, and there is more economic need in schools. Concerns about adequacy of school funding to meet the accountability goals the state has set for schools is the main reason why more than 600 school districts in Texas have sued the state. As the state demands better outcomes for students, legislators should choose to increase the initial amount that all districts receive per student to fund their basic educational program.233

**Close the gaps in school finance.**

In a very diverse state—by race, family income and geography—recognizing that costs differ in different settings and for different students, and adjusting funding to respond to those differences, is an innovative feature of our current school finance system. Unfortunately, the cost adjustments the state uses to address different needs are based on a study that is more than 30 years old, and the state has changed dramatically since then.

**Conduct an updated study on the appropriate levels of funding required to meet educational standards.**

The state should consider adjustments for low-income students, English language learners and high-poverty districts. The study should also consider implications of different measures of student enrollment (i.e. counting students versus attendance).

**Practice preventive maintenance on our school funding system.**

Texans are tired of a constant stream of school finance lawsuits to force the Legislature to assess and update the school finance system. Instead of waiting for hard times and the conflict (and expense) of a lawsuit, legislators should adjust school funding for inflation and build in periodic evaluations of our school finance system into law, just like we have built in periodic evaluations of state agencies into law.

**Make equity a priority within classrooms and schools.**

While state policymakers make decisions that affect funding among districts, district administrators make decisions about funding between schools, which can serve diverse populations within a single district. School districts should use resources to ensure that the principle of equity is carried through all schools, and that every student—no matter in what school—is provided with the supports and resources to learn.
Women & Girls in Texas

Equity Matters: 5 Things to know about race, ethnicity and gender

Like inequities by race or ethnicity, disparities by gender can shape the opportunities and obstacles children will face to reach their full potential. Breaking out data by race, ethnicity and gender can highlight successes in closing the gap and areas of inequity that we still need to address. (For example, see “School discipline policies limit opportunities for Black children” on page 29 on issues for boys of color.)

Although a full analysis of differences in well-being across race, ethnicity and gender is beyond the scope of this report, one of the most critical issues for children and families is how poverty and economic security differ by gender, race and ethnicity. While poverty rates for boys and girls under 18 do not differ, disparities in income and poverty as they become adults are significant. Texas women are 1.2 times more likely to live in poverty than men.234 Barriers to financial security for women differ across race and ethnicity and affect children dramatically. Nearly one in three Texas kids lives with a single mother;235 and most Texas families depend on women’s paid work (in addition to unpaid work in the home) to make ends meet.236 The effects of economic barriers for women are widespread, diminishing the financial strength of families, and affecting children’s health, education and economic security.

Gender, family structure and race/ethnicity all influence the likelihood of living in poverty in Texas.

Texas’ single-parent families are more likely to live in poverty than married-couple families, but poverty rates for single parents differ dramatically by gender. Forty-two percent of single-mother families in Texas live in poverty: twice the poverty rate for single-father families. Race and ethnicity also play a role. Although single-mother families are most likely to live in poverty across race and ethnicity, the likelihood of living in poverty varies wildly depending on the race of the single parent. More than half of single-mother families who are Hispanic live in poverty, compared to 29 percent of single-mother families who are White. And two-parent Hispanic families in Texas are more likely to live in poverty than single-father families who are white.237

Gender, race and family type affect the likelihood of living in poverty.

Poverty rate, by family type, 2014238

Gender, race and family type affect the likelihood of living in poverty.
Barriers to education have lowered for girls and women of color.

Education and economic opportunity are the best path out of poverty. The good news is that high school graduation rates have improved for girls of all races and ethnicities, although barriers still remain for Black and Hispanic students. Girls in every racial and ethnic group have higher graduation rates than boys in the same group. Women and men in Texas have similar levels of post-secondary educational attainment (34-35 percent), and Black and Latina women are more likely to have postsecondary education than Black and Latino men.

Female High School Graduation Rates, 2009-14

Male High School Graduation Rates, 2009-14

Barriers to financial security remain for girls and women of color.

The bad news is that there is still a persistent earnings gap by gender in Texas, though educational attainment rates are higher for women. Research shows this gap comes from multiple sources, including low pay in jobs with high concentrations of women, reduced earnings potential from taking time off work for caregiving responsibilities, and conscious and unconscious biases.

Working women earn significantly less than men in Texas, across race and ethnicity.

| WOMEN’S EARNINGS AS PERCENTAGE OF WHITE MEN’S EARNINGS |
|-----------------|--------|
| White           | 71%    |
| Hispanic/Latina | 44%    |
| Black/African-American | 59%    |
| Asian           | 83%    |

Note: Women in each racial/ethnic group also earn less than men of the same racial/ethnic group.
Increasing preparation and entry into higher-paying fields is one strategy to narrow the earnings gap, but cannot completely erase it.

One strategy to raising wages is increasing female representation in higher-paying careers, such as STEM (Science, Technology, Engineering and Math) occupations. Currently 23 percent of Texas workers in computer, engineering and science occupations are women. Nationally, the majority of women employed in STEM fields are White. Black and Latina women are under-represented in STEM fields compared to their makeup of the labor force. Access to these occupations begins with preparation in high school. Enrollment in Advanced Placement (AP) math, science and technology courses mirrors the gender composition of the state as a whole, but with major differences in individual courses. The widest disparity is in AP Computer Science, where only 10 percent of students are female. Black and Latino students are under-represented in Computer and Science and other AP Math, Science and Technology courses.

Although greater education and entry into high-paying occupations can help to decrease the wage gap, these tools alone cannot completely erase it. Wage gaps persist in all occupations, even high-paying STEM fields. For example, architecture and engineering are high-paying fields, with median earnings of $77,000 per year in Texas. However, men’s median earnings are $80,000 and women’s $62,000. Even fields like health care, which is predominantly female, women tend to earn less. Median earnings for female registered nurses in Texas is $55,000, compared to $66,000 for males.

Focusing on gender equity benefits all kids and families and can help close gaps in child well-being.

The poverty rate has improved since the 1960s. However, the extent to which women are more likely to be affected by poverty (the “feminization of poverty”) has remained constant. One major cause is that care-giving responsibilities for children still fall heavily on women, and both private and public supports for women with children fall short (e.g. lack of paid leave policies and paid sick days, unaffordable and inaccessible child care). Women are more likely to have to leave paid work to care for children or other family members, reducing their earning potential in the short and long-term. The inadequacy of supports for working families affects children across race and ethnicity, and is especially acute for children of color who are more likely to live in single-parent families. Breaking down the barriers that still hold many women back will increase equity in financial security and enhance children’s well-being.
CONCLUSION

Raising the bar for all children and closing the gaps in child well-being is the way forward for Texas.

Making Texas the #1 state for kids depends on ensuring that every child has the basic building blocks—health, education and financial security—to reach his or her full potential. Accomplishing this depends on enacting smart public policies and practices that builds on the potential in all Texas kids. By raising the bar and closing the gaps in child well-being across gender, income, race and ethnicity, Texas will build on its strengths as a state: its diversity, capacity for growth and enterprising spirit.

Improving the well-being of every Texas kid will take responsibility and investment. Texans are responsible for learning about issues, getting involved, and trying to improve their communities. The governments of Texas are responsible for engaging with and listening to all constituents and being responsive to what is in the best interest of every Texan.

Our kids are worth the investment. We know that investing in health care outreach and enrollment and coverage for low-income parents makes it more likely that kids are insured and families are protected from financial crisis due to a health problem. We know that investing more in schools and teachers means that Texas can better prepare kids for the future. And we know that making sure parents earn enough to support basic needs for their families helps kids.

As a state, how we invest our money is a reflection of our values and priorities. Equity in child well-being—by gender, income, race and ethnicity—should be a value reflected by our decisions, and a goal for all of us.

Recommendation

Use a racial equity impact analysis when assessing decisions that affect children and families.

Individuals in every sector and at every level make decisions that can move Texas toward greater equity in child well-being, maintain existing inequities, or exacerbate them. These include policymakers making legislative, budget or administrative decisions; advocates who analyze policies and propose improvements; employers; and practitioners (e.g. teachers, principals, doctors).

Because of a long history that has created unequal circumstances by race and ethnicity, policies and practices that seem neutral sometimes confer benefits and disadvantages to certain groups. For example, housing discrimination by race is illegal, but landlords routinely refuse tenants who use vouchers to help pay their rent. When 86 percent of people in Texas who use vouchers are people of color, there is a disparate impact by race and ethnicity.

Questions to ask when evaluating a policy or practice:

- Are all racial and ethnic groups that are affected by the policy, practice or decision at the table?
- How will the proposed policy, practice or decision affect each group?
- How will the proposed policy, practice or decision be perceived by each group?
- Does the policy, practice or decision worsen or ignore existing disparities?
- Based on the above responses, what revisions are needed in the policy, practice or decision under discussion?
The KIDS COUNT Data Center is a powerful tool for understanding child and family well-being in Texas, and it provides policymakers and advocates with the data they need to make smart decisions about how to ensure the future prosperity of all Texans. The Data Center includes a variety of indicators on demographics, economic well-being, education, family and community, health, and safety. Users can find data to help understand both where public policy falls short in meeting the needs of specific populations and identify the best ways to raise the bar and close the gaps, leading to better outcomes for kids and families.

NEW FEATURE! Users can now explore results divided by three significant characteristics: age, family nativity (i.e. immigrant or U.S.-born families), and race and ethnicity. The new categories provide additional insight into understanding our demographic diversity in a changing society, as well as the potential public policy implications.

Examples of questions you can answer using the Kids Count Data Center:

- What is the racial/ethnic composition of my county’s child population?
- What share of Black mothers in Texas receive late or no prenatal care?
- What is the high school graduation rate of Hispanic students in my county?
At the Center for Public Policy Priorities, we believe in a Texas that offers everyone the chance to compete and succeed in life. We envision a Texas where everyone is healthy, well-educated, and financially secure. We want the best Texas — a proud state that sets the bar nationally by expanding opportunity for all.

CPPP is an independent public policy organization that uses data and analysis to advocate for solutions that enable Texans of all backgrounds to reach their full potential. We dare Texas to be the best state for hard-working people and their families.

For more information on this report, visit cppp.org/kidscount.

The State of Texas Children report is part of the Kids Count project, a national and state-by-state effort to track the status of children in the U.S. funded by the Annie E. Casey Foundation. Check out the Kids Count Data Center for extensive child well-being data for each of Texas’ 254 counties and seven largest metropolitan areas. Visit datacenter.kidscount.org.

This report was authored by Jennifer Lee, Research Associate, Frances Deviney, Ph.D., Associate Director, and Bo La Sohn, Texas Kids Count Intern as part of Texas Kids Count, a project of the Center for Public Policy Priorities. Maps created by Kate Vickery. Additional research and writing support was provided by Caitlin Shea, Texas Kids Count Intern.

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