The State of Georgia: Poverty, Education, Health Care

Taifa Butler, Deputy Director

June 30, 2014

Who We Are

The Georgia Budget and Policy Institute produces research and state budget analysis to show ways Georgia can provide better education, health care and opportunity for everyone.
Our Policy Area Focus

- Taxes
- Budget
- Education
- Health Care
- Economic Security
- Economic Development

Our work isn’t about the numbers...

It’s telling the story of people using numbers
Overview

- Budget
- A look at well-being
- Education
- Poverty
- Healthcare

Georgia by the Numbers

5th in the number of residents without health insurance
6th in the number of children living in poverty
6th poorest state in nation at 19.2% poverty rate
The Georgia Budget is...

- The most important piece of legislation passed each year
- A blueprint for the quality of life for all Georgians, reflects who we are and what we value
- More telling about the administration’s policy priorities than anything else
Revenues Come from Six Sources

2015 Fiscal Year
GA State Budget
Totals $42.8 Billion

General Fund 44.2%
Federal 28.8%
Other 13.3%
Intrastate 8.8%
Motor Fuel 2.4%
Lottery 2.2%
Tobacco .3%

Georgia Revenue by the Numbers

49th State tax revenue per person (2012)
46th State tax revenue as percentage of income (2012)
46th State and local tax revenue per capita (2011)
46th State and local business taxes as share of economy (2012)
Revenues Finally Surpass 2007 Levels

Georgia Per-Capita Revenue at Historic Low
Education
K-12 Formula Underfunded by $1 Billion in 2014

Impact of Funding Losses

Percent of Districts Reducing Programs

Scaling back programs for struggling students
Reducing or eliminating art or music
Eliminating elective courses
Reducing non-athletic extracurricular programs
Diminished Investment in the University System

Funding Per Student

THE STATE OF WORKING GEORGIA AND POVERTY CONTEXT
Poor Georgians Less Higher Education

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

<table>
<thead>
<tr>
<th>Education Attainment</th>
<th>Georgians in Poverty</th>
<th>Rest of Georgians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school</td>
<td>31.2%</td>
<td>11.7%</td>
</tr>
<tr>
<td>High school graduate</td>
<td>34.1%</td>
<td>27.1%</td>
</tr>
<tr>
<td>Some college, associate's degree</td>
<td>24.8%</td>
<td>29.4%</td>
</tr>
<tr>
<td>Bachelor's degree or higher</td>
<td>31.9%</td>
<td>9.9%</td>
</tr>
</tbody>
</table>

Less Education = Tougher Labor Market

Signs of labor market distress in Georgia, by education group, 2012

<table>
<thead>
<tr>
<th>Education Attainment</th>
<th>Unemployment</th>
<th>Underemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school</td>
<td>17.4%</td>
<td>30.5%</td>
</tr>
<tr>
<td>High school</td>
<td>18.2%</td>
<td>10.6%</td>
</tr>
<tr>
<td>Some college, associate's degree</td>
<td>9.5%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Bachelor's degree or higher</td>
<td>8.8%</td>
<td>15.4%</td>
</tr>
</tbody>
</table>
More Georgians Working “Poverty Jobs”

Percentage of Georgia workers earning less than poverty line for family of four

2002 21.8%
2003 22.5%
2004 31.0%
2012 28.9%

Big Gap Between Poverty and Basic Needs

Basic Needs
- Housing
- Food
- Child Care
- Transportation
- Health Care
- Other Necessities
- Taxes

Poverty Line: $1540 per month

*Based on monthly expenses for a family of three in Atlanta.
More Poor Children under Age 12

72% of Children in Poverty Are Under 12...

- Under 5: 30%
- 5 to 11 years: 35%
- 12 to 14 years: 15%
- 15 years and up: 9%

...Compared to 64% of Children Not in Poverty

- Under 5: 25%
- 5 to 11 years: 33%
- 12 to 14 years: 18%
- 15 years and up: 12%

More Poor Children under Age 12...

Poverty Rises Faster in Suburbs

- Suburbs: 8.1% (2000), 14.1% (2010), 15.7% (2012)
- Cities: 22.6% (2000), 26.5% (2010), 26.4% (2012)
- Rural Areas: 17.3% (2000), 22.6% (2010), 23.3% (2012)
Poor Working Age Less Health Coverage

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Uninsured Rate in Poverty</th>
<th>Uninsured Rate Above Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 18</td>
<td>12.2%</td>
<td>7.5%</td>
</tr>
<tr>
<td>18 to 64</td>
<td>20.5%</td>
<td>2.7%</td>
</tr>
<tr>
<td>65 and Over</td>
<td>0.8%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Georgia’s Health Investment is Limited

- 50th in Medicaid spending per patient
- 49th in statewide health care spending per capita
- 5th most uninsured residents
- 4th most uninsured kids
Why is MEDICAID EXPANSION important to Georgia?

Failing to Expand Medicaid Eligibility Leaves Significant Coverage Gap

NOTE: Applies to states that do not expand Medicaid. In most states not moving forward with the expansion, adults without children are ineligible for Medicaid.
Expanding Medicaid Could Cover More Than 500,000 Uninsured Adults < 138 % Poverty

- 100% Federally Funded Thru 2016
- Long Term State Share Only 10%
- No Deadline for States, No Long-Term Commitment

Medicaid Expansion Yields Big Bucks

Georgia’s $1 Medicaid investment leverages $14.46 in federal money.

Georgia Invests $1 for Medicaid Expansion

Georgia’s economy gets $30.45 return for each $1 Georgia invests over 10 years.

Source: GSU Study by Dr. William Custer
New Revenue Offsets Much of New State Costs

<table>
<thead>
<tr>
<th>Source</th>
<th>2014-2023 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion Specific State Costs</td>
<td>$2.1 Billion</td>
</tr>
<tr>
<td>State Premium Tax Revenue</td>
<td>$751 Million</td>
</tr>
<tr>
<td>State Income &amp; Sales Tax Revenue</td>
<td>$1.0 Billion</td>
</tr>
<tr>
<td><strong>10-year Net State Costs (after new revenue)</strong></td>
<td><strong>$353 million</strong></td>
</tr>
<tr>
<td><strong>Net Avg Yearly Costs as Percent of 2014 Budget</strong></td>
<td><strong>0.2 percent</strong></td>
</tr>
</tbody>
</table>

Sources: State Expenditure Forecast and “The Economic Impact of Medicaid Expansion in Georgia,” William S. Custer, Feb. 2013

Substantial Benefits Throughout Georgia

- 56,000 Jobs Statewide
- $6.5 B Yearly Economic Impact
- Creates >$100 M Yearly Revenue for Local Govt in GA

Source: Custer, GSU
**Expansion Could Cover Workers in Many Jobs**

<table>
<thead>
<tr>
<th>Total</th>
<th>1,480,780</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uninsured</td>
<td>753,500</td>
</tr>
<tr>
<td>Uninsured Workers</td>
<td>422,220</td>
</tr>
<tr>
<td>Restaurants and Other Food Services</td>
<td>68,390</td>
</tr>
<tr>
<td>Construction</td>
<td>66,800</td>
</tr>
<tr>
<td>Grocery Stores</td>
<td>13,290</td>
</tr>
<tr>
<td>Landscaping Services</td>
<td>11,660</td>
</tr>
<tr>
<td>Private Households Services (gardeners, cooks, caretakers)</td>
<td>10,860</td>
</tr>
<tr>
<td>Child Day Care</td>
<td>9,920</td>
</tr>
<tr>
<td>Building Services (janitor, extermination, cleaning)</td>
<td>9,290</td>
</tr>
<tr>
<td>Employment Services (temp agencies)</td>
<td>8,750</td>
</tr>
<tr>
<td>Elementary and Secondary Schools</td>
<td>7,910</td>
</tr>
<tr>
<td>Travel Agencies</td>
<td>7,270</td>
</tr>
</tbody>
</table>

**Source:** Analysis of the 2011 American Community Survey. Adults are those aged 19 through 64. Workers are those who have worked within the past year. The ten industries above are those with the largest number of uninsured workers in the Medicaid expansion income-eligibility range in Georgia. All figures are rounded to the nearest ten workers.

---

**LET’S STAY CONNECTED**

Please sign up for our electronic email alerts on our website, like us on Facebook and follow us on Twitter.

- [www.gbpi.org](http://www.gbpi.org)
- [www.facebook.com/gabudget](http://www.facebook.com/gabudget)
- [www.georgiavoices.org](http://www.georgiavoices.org)
- [www.facebook.com/georgiavoices](http://www.facebook.com/georgiavoices)
- [@gabudget](http://twitter.com/gabudget)
- [@georgiavoices](http://twitter.com/georgiavoices)