Poverty in New Mexico

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President Lyndon B. Johnson, in his 1964 State of the Union Address, declared an “unconditional war on poverty in America.” He added that the aim of his administration would be “not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it.”

Poverty data show that New Mexico has a long way to go. Looking at the most recent official poverty rate figures, New Mexico had the joint second-highest poverty rate (tied with Louisiana) in the country in 2017. New Mexico also had the second highest rate of children under the age of 18 living in poverty and the third highest rate of persons 65 years and over living in poverty.

In 2017 nearly one in five New Mexicans (19.7 percent, or about 401,755 persons) lived below the poverty level. The national average was 13.4 percent. As seen in Exhibit 1, Mississippi had the highest poverty rate, at 19.8 percent, while New Hampshire, at 7.7 percent, had the lowest.

Over one in four New Mexican children (27.2 percent, or about 130,502 children) under the age of 18 were living in poverty as of 2017. Louisiana’s poverty rate for children under the age of 18, at 28.0 percent, was the highest among all states. New Hampshire had the lowest rate, with 10.3 percent of all children under the age of 18 living in poverty. The national average was 18.4 percent.

About 42,073 New Mexicans 65 years and over lived in poverty in 2017; the poverty rate for persons in this age group was 12.2 percent, the third highest in the country and 2.9 percentage points higher than the national average of 9.3 percent. In all states the poverty rate for persons 65 years and over was lower than for children and for the population as a whole. Persons 65 years and older typically receive Social Security benefits, which is counted as cash income. According to the U.S. Census Bureau, Social Security benefits lifted 17.7 million Americans 65 years and over above the poverty line.

New Mexico’s poverty rate is high even when including noncash benefits such as Supplemental Nutrition Assistance Program (SNAP) and housing subsidies in a family’s income. The most recent supplemental poverty rate in New Mexico (3-year average from
The unemployed, as would be expected, had the highest rate of poverty among select characteristics in New Mexico in 2017 (36.2 percent (Exhibit 4)). The poverty rate of those New Mexicans 25 years and over with less than a high school degree had a poverty rate of 33.1 percent, almost five times that of persons with a bachelor’s degree or higher (6.8 percent). The poverty rate of American Indians/Alaskan Natives living in New Mexico (33.8 percent) was nearly twice that of persons that were White alone (17.3 percent), while persons who identified as having a Hispanic or Latino origin had a poverty rate nearly twice that of persons who didn’t (23.0 percent and 12.1 percent, respectively). In not
one characteristic listed in Exhibit 4 did New Mexico have a lower poverty rate than the U.S.

The U.S. Census Bureau also provides poverty rates by county using data from the Small Area Income and Poverty Estimates (SAIPE) Program. As seen in Exhibit 5, Los Alamos County had the lowest overall poverty rate in the state (3.7 percent) and the lowest poverty rate for children less than 18 years of age (3.5 percent). Over one in three persons in McKinley County lived in poverty (37.8 percent), the highest in the state. McKinley County also had the highest rate of school-age children living in poverty (45.9 percent).

The poverty rate for all ages in McKinley County increased from 26.5 in 2007 to 37.8 percent in 2017, or a total of 11.3 percentage points, the most of any other county in the state (Exhibit 6). Since 2007, the county has had the highest all ages poverty rate among all New Mexico counties, except for 2007 and 2009, when it ranked third and second, respectively. Luna County saw the biggest improvement in the all ages poverty rate, with the rate declining 4.2 percentage points, from 32.5 percent in 2007 to 28.3 percent in 2017.
**How is Poverty Defined?**

**The Official Poverty Measure:** Individuals are considered living in poverty if the cash income (wages and salaries, Social Security benefits, interest, dividends, pensions, or other retirement income) they share with other family members living in the same household falls below the poverty threshold (also known as the poverty line). The poverty line is considered the minimum amount of resources necessary to meet the basic needs of a family unit. The poverty line is triple the cost of a minimum food diet in 1963, indexed to current prices, and adjusted for the number family members living in the household. The poverty threshold is the same throughout the country; it does not consider geographic differences in the cost of living. In 2017, the poverty threshold for a family with two adults and two children was $24,858.

**The Supplemental Poverty Measure:** The supplemental poverty measure is meant to provide an alternative indicator of economic well-being. The supplemental poverty measure expands the official poverty measure by counting not only cash income but also noncash benefits such as Supplemental Nutrition Assistance Program (SNAP), National School Lunch Program, and housing subsidies. The poverty threshold uses actual expenditures of basic needs such as food, clothing, shelter, and utilities, plus other basic goods and services including household supplies and personal care. The supplemental poverty threshold varies throughout the United States because it is indexed to the median rent in an area. In 2017, the supplemental poverty threshold for a family with two adults and two children who were home owners with a mortgage in the Albuquerque Metropolitan Statistical Area (MSA) was $25,553; for this same family unit with a mortgage in a nonmetropolitan part of New Mexico, the supplemental poverty threshold was $23,700.

For more information on how the U.S. Census Bureau defines the official poverty measure, the supplemental poverty measure, and the differences between the two, please see [https://www.census.gov/library/visualizations/2017/demo/poverty_measure-how.html](https://www.census.gov/library/visualizations/2017/demo/poverty_measure-how.html).

Poverty thresholds for both poverty measures are updated annually by the U.S. Census Bureau and are used for statistical purposes only. Poverty guidelines, on the other hand, are issued by the Department of Health and Human Services (HHS) for administrative purposes, including determining financial eligibility for certain programs, including Medicaid, SNAP, and Temporary Assistance for Needy Families (TANF). Poverty guidelines will not be discussed in this article, but if you would like more information, please see [https://aspe.hhs.gov/poverty-guidelines](https://aspe.hhs.gov/poverty-guidelines).

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**Data Sources**

Poverty data by state are from the American Community Survey (ACS) 1-year estimates, while county data are from the Small Area Income and Poverty Estimates Program (SAIPE). Both estimates are produced by the U.S. Census Bureau but they differ in some ways, including length of detail of the questionnaire, model inputs, sample size, and methodology used. For more information about the different types of poverty resources available, please see [https://www.census.gov/topics/income-poverty/poverty/guidance.html](https://www.census.gov/topics/income-poverty/poverty/guidance.html).

Data from the SAIPE program are released annually and are primarily used for the administration of Federal programs and the allocation of Federal funds to local jurisdictions and school districts. Poverty rates for New Mexico school districts are available but not discussed in this article. For more information on the SAIPE program, please see [https://www.census.gov/programs-surveys/saipe.html](https://www.census.gov/programs-surveys/saipe.html).


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