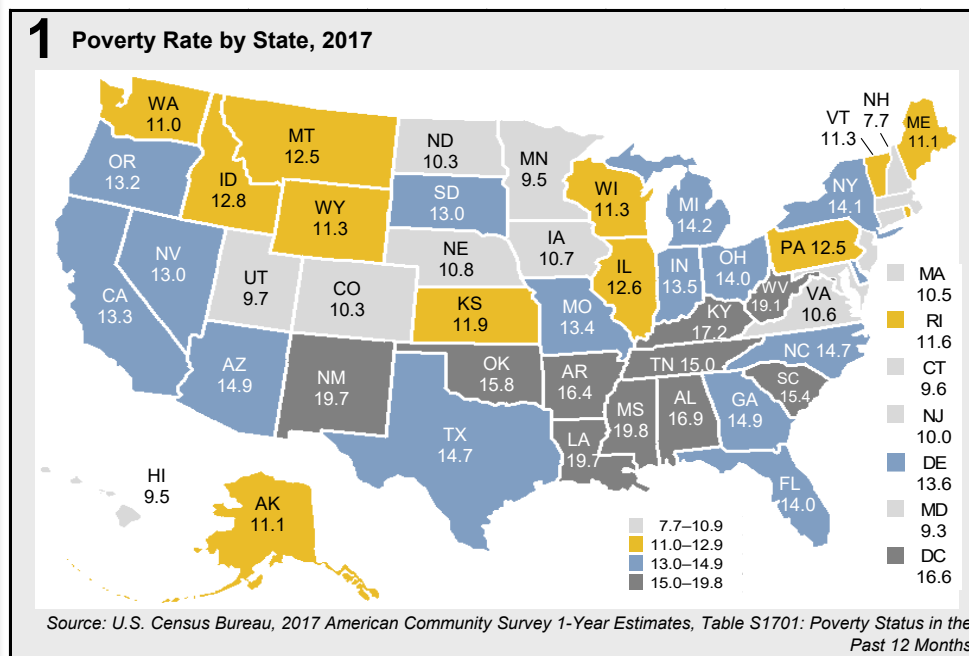


Poverty in New Mexico

Rachel Moskowitz, Bureau Chief

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.”ⁱ

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 (Exhibit 2). 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 (Exhibit 2). 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.ⁱⁱ

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

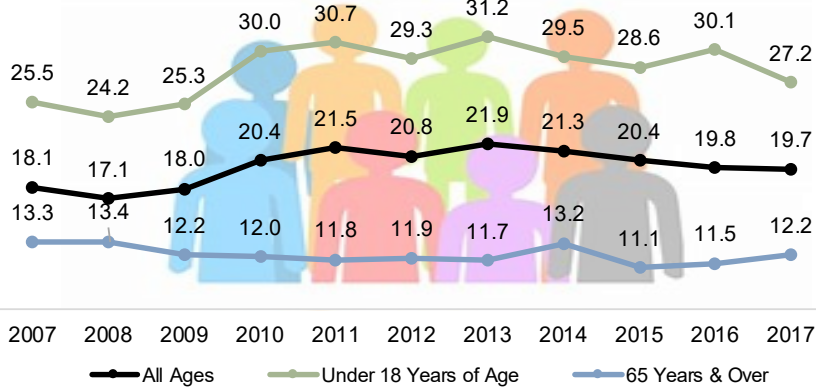
2 Poverty Rate by Age Group & State, 2017

	Under 18	65 Years +
LA	28.0	12.0
NM	27.2	12.2
MS	26.9	13.7
WV	25.9	10.2
DC	25.6	14.2
AL	24.6	9.9
SC	22.6	9.2
AR	22.5	10.2
KY	22.4	10.3
OK	21.5	9.1
NC	21.2	9.1
TN	21.2	9.2
GA	21.0	10.1
TX	20.9	10.8
AZ	20.8	9.0
FL	20.3	10.2
OH	20.1	7.7
MI	19.7	8.5
NY	19.7	11.4
MO	18.6	8.7
DE	18.5	8.5
NV	18.5	8.5
IN	18.4	7.7
US	18.4	9.3
CA	18.1	10.2
IL	17.0	8.6
PA	17.0	8.5
RI	16.6	9.0
SD	16.6	8.0
OR	16.5	8.7
ID	15.3	8.1
AK	14.9	7.4
KS	14.8	7.3
MT	14.7	7.2
WI	14.5	7.8
WA	14.3	8.0
NE	14.1	7.2
VA	14.0	7.1
NJ	13.9	8.4
VT	13.8	7.1
MA	13.5	9.0
WY	13.3	8.4
ME	13.1	8.1
CT	12.6	7.1
IA	12.3	6.6
CO	12.0	7.8
MD	12.0	7.9
MN	11.8	7.0
HI	11.5	9.3
ND	10.9	9.9
UT	10.7	6.4
NH	10.3	5.8

Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates, Table S1701: Poverty Status in the Past 12 Months



3 New Mexico Poverty Rate by Age Group, 2007–2017



Source: U.S. Census Bureau, 2007–2017 American Community Survey 1-Year Estimates, Table S1701: Poverty Status in the Past 12 Months

2015–2017) was 15.2 percent, the ninth highest in the country and 1.1 percentage points higher than the U.S. rate, which was 14.1 percent. (For more information on the differences between the official poverty rate and the supplemental poverty rate, please see the information box below.)

Exhibit 3 shows New Mexico's poverty rate for the past 11 years. The lowest poverty rates for all ages and for those under 18 years of age were recorded in 2008, near the onset of the Great Recession. Poverty rates for both age groups peaked in 2013 (at 21.9 percent and 31.2 percent, respectively). The all ages group rate has slowly declined since then, but its 2017 figure was still 2.6 percentage points higher than its 2008 low. After its peak in 2013, the rate for children under 18 years of age increased again in 2016 and remained, in 2017, 3.0 percentage points

higher than its trough.

Those 65 years and over have fared better since 2007—the poverty rate fell after reaching a peak of 13.4 percent in 2008. The reason for this drop may be due to the increased number of persons receiving Old-Age, Survivors, and Disability Insurance (OASDI) benefits. According to data provided by the Social Security Administration, the number of OASDI beneficiaries in New Mexico aged 65 or older increased 35.1 percent from 2008 to 2017, while total monthly benefits over this same time period increased 68.2 percent.ⁱⁱⁱ

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

4 Poverty Rate for Select Characteristics, New Mexico and U.S., 2017

	N.M.	U.S.
Sex		
Male	18.5	12.2
Female	20.8	14.5
Race		
White Alone	17.3	11.1
Black/African American Alone	24.6	23.0
American Indian/Alaskan Native Alone	33.8	25.4
Asian Alone	5.3	11.1
Hispanic or Latino Origin		
Hispanic or Latino Origin (of Any Race)	23.0	19.4
White Alone, not Hispanic or Latino	12.1	9.6
Educational Attainment (25 Years and Over)		
Less Than High School Graduate	33.1	24.7
High School Graduate (Includes Eqv.)	19.0	13.7
Some College, Associate's Degree	14.5	9.5
Bachelor's Degree or Higher	6.8	4.3
Employment Status (16 Years and Over)		
Employed	9.0	6.2
Unemployed	36.2	30.4

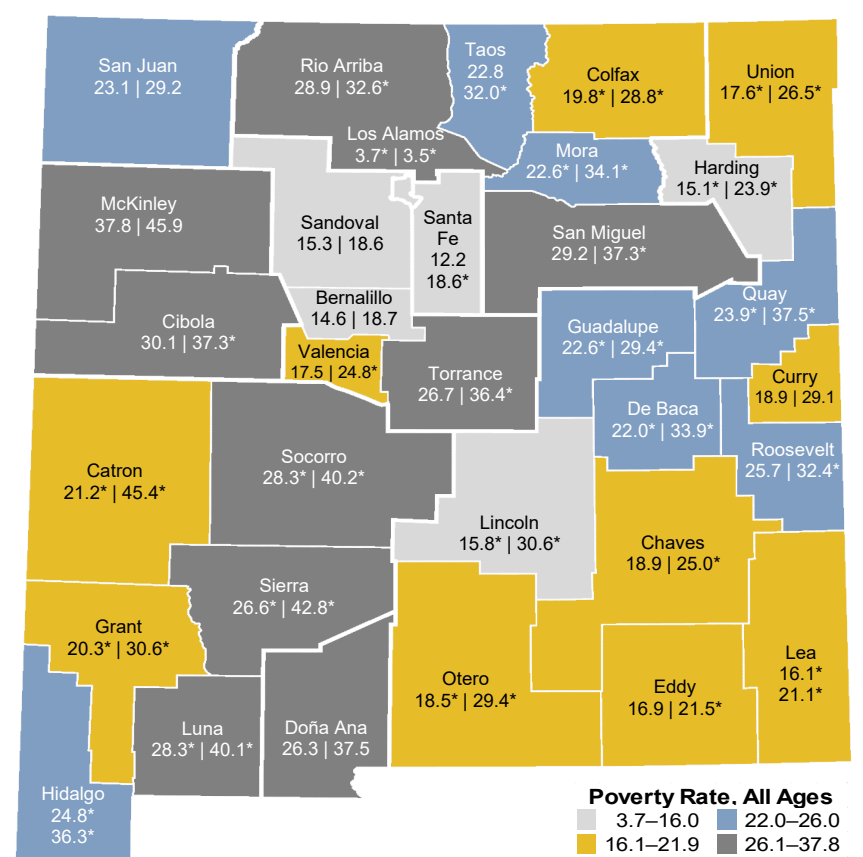
Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates, Table S1701: Poverty Status in the Past 12 Months

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).

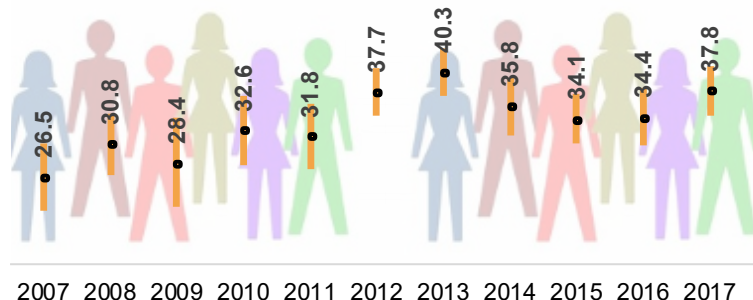
The poverty rate for all ages in McKinley County increased from 26.5 in 2007 to 37.8 percent in 2017, or a total of 11.3 percentage points, the most of any other county in the state (Exhibit 6). Since 2007, the county has had the highest all ages poverty rate among all New Mexico counties, except for 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.

5 Poverty Rate by County, 2017 All Ages | Under 18 Years of Age



* Data have a margin of error greater than 20 percent. Source: U.S. Census Bureau, 2017 Small Area Income and Poverty Estimates (SAIPE)

6 Poverty Rate for McKinley County, All Ages, 2007–2017



Orange bars represent 90 percent confidence interval. Source: U.S. Census Bureau, 2017 Small Area Income and Poverty Estimates (SAIPE)

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.

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>.

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>.

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>.

The supplemental poverty measure uses the Current Population Survey (CPS) Annual Social and Economic Supplement (ASEC) and is also produced by the U.S. Census Bureau, with support from the U.S. Bureau of Labor Statistics (BLS). For more information on the Supplemental Poverty Measure, please see <https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-265.pdf>.

ⁱ <<https://www.americanrhetoric.com/speeches/lbj1964stateoftheunion.htm>>, (January 9, 2019)

ⁱⁱ Liana Fox, *The Supplemental Poverty Measure: 2017*, U.S. Census Bureau, September 2018, p. 11, <<https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-265.pdf>>, (January 9, 2019)

ⁱⁱⁱ *Annual Statistical Supplement to the Social Security Bulletin*, Social Security Administration, <<https://www.ssa.gov/policy/docs/statcomps/supplement/index.html>>, (January 9, 2019)

