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**Understanding Poverty in San Marcos, Texas: A Comparative Perspective**

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**Introduction**

In 2015, San Marcos marked a third consecutive year with the notable distinction of being the fastest growing city in the US (Davila 2015). Despite this population growth, San Marcos also has the unfortunate distinction of having nearly 40 percent of the population living below the federal poverty level. Headlines like “In San Marcos, Poverty Rampant Despite Boom” have appeared in national media outlets (Walsh 2014). These stories in part shape perceptions of San Marcos and these perceptions influence decisions on business relocation and retention, real estate development, and the decisions of individuals and families seeking a new community in a fast-growing region. While there are some indicators of improvements in wages and employment in San Marcos (Thorne 2017), poverty persists and the reputation of San Marcos as a low-income community is potentially taking hold.

In general, the poverty rate in a college town is “discounted” because students are included in the US Census calculation of the poverty rate. Student poverty is indeed different from non-student poverty because college student poverty is viewed as a voluntary and temporary condition and is therefore not a public policy problem but rather a condition of the individual’s student status. Students’ material needs are often assumed to be adequately met; however, there is national evidence that hunger and homelessness among college students is a growing problem (Patton-Lopez, et.al., 2014).

College town overall poverty rates are inaccurate and inflated because students are included in this rate. However, the extent to which poverty rates are skewed is unknown and dependent on the characteristics of the community and student and non-student populations. This lack of information is problematic because policy decisions are made based on poverty statistics. For example, unadjusted poverty rates may mask the severity of the poverty problem or fail to distinguish trends in college student and non-college student poverty. There is a need for more accurate and conceptually distinct poverty statistics as well as comparative information that places poverty statistics into a community and region-specific context.

The purpose of this study is to describe non-student poverty rates in San Marcos, Texas. The following paragraphs present a method for adjusting poverty statistics so that they take into account college students and calculate non-college-student and college-student poverty rates. This method is applied to San Marcos, San Marcos Census Tracts, other cities in the Austin-San Marcos metropolitan area, college towns in Texas, and college towns located on the urban periphery of major and growing central cities. In addition, a College Town Index (CTI) is developed to facilitate comparisons with other Texas college towns.

**Data and Method**

Each year the U.S. Bureau of the Census conducts the American Community Survey (ACS) based on a random sample of all addresses in the U.S. and Puerto Rico. Randomly selected households are asked to respond online, mail, or by phone. Individuals who do not respond may be contacted by the U.S. Bureau of the Census to complete the survey (US Bureau of the Census 2017a). Because the ACS is based on a sample of residents, the data provided are estimates that have margins of error. Survey results are reported as one, three, and five-year estimates. The five-year estimates aggregate the responses for five years and the larger number of respondents leads to smaller margins of errors. Thus, the five-year estimates are the most reliable, but the least current source of community demographic data (US Bureau of the Census 2017b).

The ACS reports the number of individuals in poverty by school enrollment in “Table B14006 Poverty Status in the Past 12 Months by School Enrollment by Level of School of the Population 3 years and Over.” Two of the school enrollment categories, “Enrolled in college undergraduate years” and “Enrolled in graduate or professional school,” are found in Table B14006. These two categories allow for the calculation of college student and non-college student poverty rates (Rorem and Juday 2016).

The US Census Bureau publishes a national federal poverty income level for the 48 contiguous states. For example, in 2017, an individual living alone with an income below $12,060 and a member of a family of four with a total household income below $24,600 are both classified as in poverty. Table B14006 reports poverty among individuals (not households) and classifies a person as in poverty based on living in a household where the total number of residents and total income are determined to classify each resident as in poverty. Thus, in the case of the household of four people if the household reports a total household income of less than $24,600, all four individuals would be classified as in poverty and then sorted based on their school enrollment status.

Based on the ACS and the federal poverty threshold, the following statistics can be calculated from Form B14006:

**Total Poverty Rate**: The percent of all residents in households with incomes below the federal poverty level

**Non-Student Poverty Rate**: The percent of non-college students in households below the federal poverty level

**Student Poverty Rate**: The percent of college students in households below the federal poverty level

**Results**

*Poverty in San Marcos, Texas*

The estimated overall poverty rate for all residents in San Marcos has remained stable at 37%, as shown by the comparison of 2006-2010 and 2011-2015 estimates in Figure 1. While the overall poverty rate is high, the rate has remained stable during a period marked by a sustained recession, and rapid population growth. However, as suggested above, the overall poverty rate masks differences in the poverty rates among students and non-students. The non-student estimated poverty rate increased from 19% in 2006-2010 to 23% in 2011-2015, a 28% percent increase (see Figure 1). In the 2011-2015 estimate data, the actual poverty rate is 9% lower (from 39% to 28%) when it is adjusted by removing students from the calculation of the poverty rate.

The City of San Marcos college student poverty rate decreased (from 72 percent in 2006-2010 estimate to 62 percent in 2011-2015 estimate) (see Figure 1). The finding that college student poverty rates have decreased 10% (from 72% to 62%) across the two five-year estimates may be due to shifting motivations and opportunity structures for employment (Roberts 2009; 1977). It is possible, for example, that earnings have improved for part-time employment and for the types of jobs that are attractive to students. The Amazon.com fulfillment center in San Marcos was projected to bring over 1,000 jobs to San Marcos. Many of these jobs are for fulfillment/warehouse associates and are offered as part time and seasonal jobs that are attractive to students. Amazon.com advertises for applicants in the Texas State University student newspaper.

Thus, the overall poverty rate in San Marcos has remained stable and this stability is accounted for by the decrease in the student poverty rate coinciding with an increase in the non-student poverty rate.

There is some evidence of changes in the geospatial distribution of poverty in San Marcos. In other words, where people in poverty live. Poverty has greater negative effects on individuals (e.g., health, education, and family) and communities (e.g., crime, overall spending, civic involvement) when those in poverty reside in concentrated geographic areas (Valdez, et al. 2007; Auchinclos, et al, 2002; South, et al. 1999; Joassart-Marcelli 2008; Alex-Assensoh 1997). Concentrated poverty refers to a spatial density of socio-economic depravation and is defined by the US Bureau of the Census as census tracts with “40 percent of the census tract population living below the federal poverty level.”

Table 1 reports the number of San Marcos census tracts with “concentrated poverty.” In the 2011-2015 estimate, three census tracts in San Marcos met the definition of concentrated poverty using the overall poverty rate, compared to four census tracts that met the threshold for concentrated poverty in 2006-2010. When non-student poverty rates are calculated, only one census tract in San Marcos exceeds the concentrated poverty threshold during both time periods. However, the one concentrated poverty census tract has shifted from Census Tract 103.03 (roughly the Blanco Gardens neighborhood) in the 2006-2010 estimate to Census Tract 103.04 (roughly the Millview East and Millview West neighborhoods) in the 2011-2015 estimate.

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| --- | --- | --- |
| **Table 1: Number of Concentrated Poverty Census Tracts** | | |
| **Year** | **Overall** | **Non-Student** |
| **2006-2010** | **4** | **1** |
| **2011-2015** | **3** | **1** |

*Austin-Round Rock Metro Area Comparisons*

Additional insight into the estimated non-student poverty rate in San Marcos is gained by comparing other cities over 25,000 population in the Austin-Round Rock metropolitan area (Georgetown, Leander, Cedar Park, Kyle, Round Rock, and Pflugerville). None of these other Austin metro area cities has a major university; however, these cities are influenced by the same trends in the regional economy. Rapidly increasing housing prices and rents has resulted in gentrification in Austin where housing costs (including property taxes) are priced out of the range of residents on a fixed income and, increasingly, middle and low-income families. One consequence of gentrification is the “suburbanization of poverty,” where low-income individuals and families move to suburbs where there is more affordable housing (Howell and Timberlake 2013). If other cities in the Austin metro area show similar increases in non-college student poverty, this would be tentative evidence of the suburbanization of poverty and point to one possible reason for the increase in the San Marcos non-student poverty rate.

Figure 2 presents the estimated non-student poverty rate for suburbs over 25,000 population in the Austin metropolitan area. San Marcos had a non-college student poverty rate of 23 percent in the 2011-2015 estimate, a higher non-student poverty rate than other large suburbs in the metropolitan area. The average non-college student poverty rate in the other six large metro area suburbs is 6 .7 percent in the 2011-2015 estimate. Thus, even taking students out of the calculation of the poverty rate, San Marcos has a much higher percentage of poor residents than other suburbs.

Between 2006-2010 and 2011-2015, the non-college student poverty rate in San Marcos grew by 21%, compared to 67% in Round Rock. The other suburbs in the metro area have stable non-student poverty rates. Without additional research, only tentative conclusions can be drawn; however, there is some evidence for the effects of the suburbanization of poverty in San Marcos. The other city with an increasing non-student poverty rates (Round Rock) is a larger community with a larger supply of homes and apartments that might be affordable to middle and low-income families and individuals. San Marcos likely has a larger supply of lower quality housing stock and apartments due to the presence of housing units that served as student housing in the past. It is possible that less desirable student housing is being vacated by students as they move to new apartment complexes that offer in-demand amenities. More research on these hypotheses is necessary before firm conclusions can be drawn.

*College Towns on the Urban Periphery*

While these comparisons other metro area suburbs are useful, it may be more appropriate to compare San Marcos to other college towns located in large and growing metro areas. To determine if the patterns observed in San Marcos are occurring in other similarly situated college towns, a peer group of college towns was identified. The criteria used to select peer college towns include: (1) location in a metropolitan area, (2) a large student population with the potential for a significant percentage of student housing, and (3) proximity to a central city that is growing in population and potentially pricing low and middle income families out of housing in the central city (See Table 2).

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| Table 2: Comparison of College Towns in Suburbs on the Periphery | | | | | | | |
| City | Population | University | Student Population Percentage | Overall Poverty | Non-Student Poverty Rate | Student Poverty Rate | Difference  Overall-Non-Student |
| Boulder, CO | 92,785 | University of Colorado | 25.8 | 23.4 | 10.6 | 62.3 | 12.8 |
| Denton, TX | 111,629 | University of North Texas | 19.5 | 20.3 | 13.5 | 48.6 | 6.8 |
| Kennesaw, GA | 30,837 | Kennesaw State University | 10.1 | 9.5 | 7.9 | 24.7 | 1.6 |
| Murfreesboro, TN | 108,847 | Middle Tennessee State University | 13.6 | 16.1 | 11.8 | 43.2 | 4.3 |
| Norman, OK | 105,939 | University of Oklahoma | 17.3 | 17.8 | 13.0 | 40.6 | 4.8 |
| San Marcos, TX | 47,227 | Texas State University | 34.9 | 36.9 | 23.1 | 62.4 | 13.8 |
| Tempe, AZ | 154,347 | Arizona State University | 21.2 | 21.2 | 14.4 | 46.7 | 6.8 |
| Source: Table B14006 Poverty Status in the Past 12 Months by School Enrollment by Level of School of the Population 3 years and Over. US Census. American Community Survey. (2011-2015 estimates) | | | | | | | |

When compared to these other similarly-situated college towns, San Marcos has the highest percentage of students to total population (35%). In addition, San Marcos has the highest overall poverty rate (37%). In addition, Texas State students who live in San Marcos also have a higher poverty rate (62%) than student populations in the peer cities, with the exception of Boulder (62%) (see Figure 3). Perhaps a larger percent of students in these two college towns are living off campus are full-time students with no to minimal employment. College students in other college towns may have higher levels of work force participation. These different employment rates may be because these other towns have a more favorable opportunity structure for employment or different types of college students. More research on these hypotheses is necessary before firm conclusions can be drawn.

The non-student poverty rate is subtracted from the overall poverty rate to create a measure of bias introduced by student poverty. San Marcos and Boulder have similar differences between overall and non-student poverty rates (14% and 13% respectively). These two cities are similar in a number of aspects. Both San Marcos and Boulder also offer amenities and lifestyle options that attract students and other young residents as well as proximity to the central city for employment and entertainment. However, San Marcos has much more affordable housing stock. It is possible that these amenities also lead graduates to remain in these college towns after graduation for longer than graduates in other college towns. This assertion requires further research.

Non-college student poverty is growing in San Marcos and has remained stable in Boulder (see Figure 4). In San Marcos, the non-student poverty rate increased from 19% to 23% while the non-student poverty rate in Boulder increased slightly from 9.8% to 10.1 percent. The finding that non-student college poverty remains high may be due to the fact that San Marcos is in fact in a megalopolis (Austin-San Antonio) and serving as a bedroom community for low and middle-income workers commuting north and south. In the foothills of the Rocky Mountains, Boulder is a destination for not only younger people interested in outdoor recreation and alternative lifestyle, but very affluent residents as well. The University of Colorado is the state flagship university and may have more and better paid faculty, administrators, and staff that choose to live in Boulder.

*Texas College Towns*

While comparisons to other college towns located on the periphery of major urban areas is useful, San Marcos can also be compared to other college towns in Texas. Such an analysis will help planners and decision makers understand the distinctiveness of college towns compared to other college towns in the same state. In addition, the degree that San Marcos is becoming more or less a college town, compared to other college towns in the state, has relevance for shaping the local policy agenda. In other words, are the types of challenges facing San Marcos becoming more like those of a “standard” city or are these challenges more specific to a college town?

There have been previous efforts to create an index that measures the degree to which a city has college town characteristics (see, for examples, Gumprecht 2004; Moore 2016). Based on a review of other studies, a new index was created using the following variables: (1) Percent College Students; (2) Percent College Age Renters; (3) Percent of Residents Born Out-of-State; (4) Percent of Residents Employed in Education; (5) Median Income; (6) Percent of Residents with Four-Year College Degree; (7) Percent of Residents Who Bike or Walk to Work. Because these variables have different scales of measurement, the data were converted into z-scores to standardize the values. To compare cities with the most reliable data, only college towns with a student population percent greater than 12 percent, and with a total population greater than 10,000, were included. The college town index and the use of standardized scores allows for tracking over time and can help decision makers understand how much the university is influencing the social, economic, and demographic trends in the city.

Using the 2006-2010 estimates, San Marcos followed only College Station in terms of its distinctiveness as a college town compared to other college towns based on the total index score (see Figure 5). However, in the 2011-2015 estimates, San Marcos fell below Canyon, Texas on the total index score with the third highest index score. In other words, compared to other college towns, San Marcos is becoming less distinctive based on the elements of the index. The findings indicate that rapid changes can occur in both directions. For example, Denton, Texas went from falling below the standardized mean score to slightly above the mean and has made the largest gains in the college town index.

Conclusion and Recommendation

This effort to describe poverty in San Marcos in comparative context is intended to be exploratory. The focus of this study was to conceptually clarify student and non-student poverty and describe these two phenomena in San Marcos in comparative context. As with many such studies, more questions are generated than answered. While some questions can be investigated through analysis of aggregate census data, many questions might be better studied through interviews and focus groups with students and low-income, non-student residents. Student focus group questions could investigate questions such as:

* How long do former students plan to stay in San Marcos after graduation, and why?
* What are the sources and amounts of income for college students and former students living in San Marcos?
* What kinds of support do current and former students need to start businesses or find suitable employment?

As found above, non-student poverty in San Marcos is increasing. Low income, non-student residents should also be interviewed to investigate questions such as:

* Why did they move to San Marcos?
* Do they plan to relocate if their income situation improves?
* What are the sources and amount of income for non-college low-income residents of San Marcos?
* Do they need support to start businesses?
* Can they access training in needed skill areas?

Fortunately, the challenges facing San Marcos are not unique. Future research on the poverty challenges in San Marcos could follow the approach taken in Richmond, Virginia, another city with a large university student presence (Virginia Commonwealth University). Richmond Virginia Mayor Dwight C. Jones created a mayor’s commission on poverty in 2011 (Mayor’s Anti Poverty Commission Report 2013). This commission included 50 members from various civic, academic, community groups, and business leaders. These members were divided into committees including: Education and Workforce Development; Job Creation; Transportation and Regionalism; Policy and Legislation; Unique, Healthy, and Inclusive Communities; and Asset Building. This commission was able to gather the necessary information from both census records and interviews with key stakeholders and residents. The results of the student included specific recommendations for addressing the poverty issue in Richmond.

Completing a project with the scope described above is beyond the capacity of a single academic or an academic research project. A better understanding of the issue can be attained with significant community participation and engagement.

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