



2025 ECONOMIC MOBILITY REPORT

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EXECUTIVE SUMMARY



This report consolidates economic and educational data to provide an integrated view of trends and outcomes in economic mobility, offering insights designed to inform more actionable strategies. There are other data indicators that can shed light on barriers and opportunities to economic mobility, but we only selected indicators for which we were able to identify local data (i.e., data for Travis County, specifically).

Efforts to facilitate economic mobility must necessarily take a two-pronged approach. One approach addresses economic mobility for the next generation (i.e., by helping youth achieve a higher income level than their parents). The second approach involves support for hard working individuals that are part of the current workforce to achieve their income and wealth goals. In this report, we have separated our analysis of income and wealth because strategies for improving these outcomes will be different but, admittedly, interrelated.

Key Insights & Points of Possible Intervention

In the demographics section, we note that two-thirds of Travis County youth are youth of color. As we take note of the educational and economic disparities for African-Americans and Hispanics in this report, it becomes clear that the economic success of our community hinges on our ability to better serve and support these demographic groups.

Educational outcomes for Black and Hispanic students are lower for all of the indicators we selected (with the exception of Opportunity Youth for which data was not available).

Regarding employment, Travis County has a lower unemployment rate and higher labor participation rate than Texas and the U.S. labor force participation is lower for women across all races/ethnicities. The unemployment rate for African-Americans is more than double the unemployment rate of Travis County as a whole.

There was a greater degree of income inequality in Travis County in 2023 when compared to 2019. When comparing income inequality in Travis County to the State/U.S. and the City of Austin to other Texas cities, the results are mixed (in some instances income inequality is higher and in others it is lower).

Outcomes in the selected indicators for measuring “Housing Affordability,” “Homeownership,” “Entrepreneurship” and “Debt” all showed disparate outcomes for Black and Hispanic residents. The analysis of housing affordability and accessibility by age group showed very interesting outcomes that might lead to the development of targeted interventions.

There are many other indicators that we would have liked to share, but only data for the state and nation were available for those indicators. In the addendum, we identify data and research that could further enrich our analysis of opportunities and barriers that we present in this first edition of this report (and that we will look to add in future editions).



DEMOGRAPHICS



Population by Age and Race
A Changing Economic Landscape
Percent Who Live in Poverty
Percent of Children in Households
Living in Poverty

DEMOGRAPHICS: A CRITICAL FOUNDATION FOR UNDERSTANDING ECONOMIC MOBILITY

To understand how we might support economic mobility for a particular community, we must know something about the residents of that community. Before looking at the selected set of educational economic indicators, we will first share a few demographics of Travis County which is the geographic focus of this report and analysis.

An Analysis of Our Local Population by Age and Race/Ethnicity

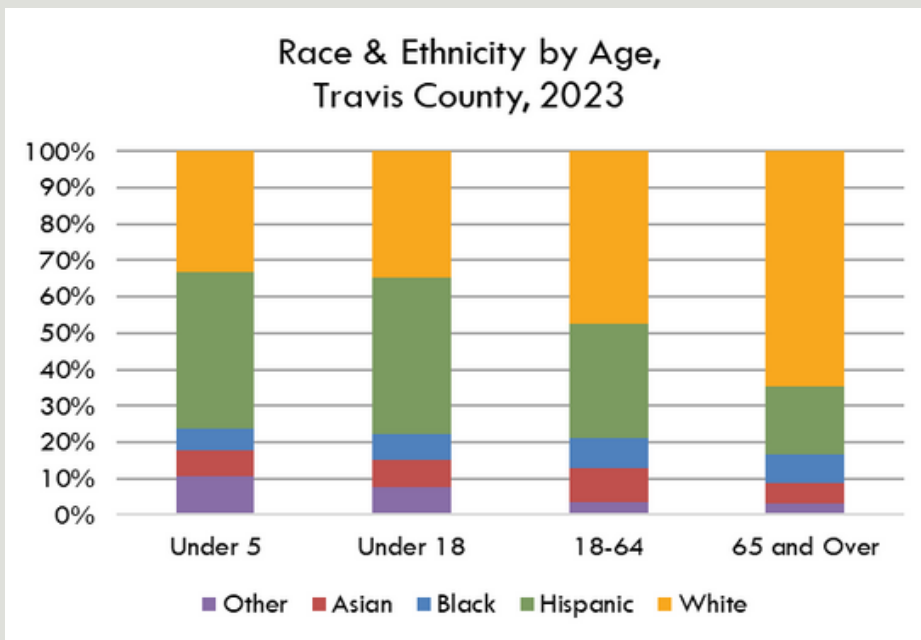
The biggest take-aways from the demographics section comes from Chart 1-1 and Chart 1-4. Chart 1-1 outlines Travis County's population by age and race/ethnicity. It reveals that about 2/3 of the youth population (age 18 and under) are youth of color (Asian, Black, Hispanic, or other non-White or multi-racial groups). Chart 1-4 drives home the importance of focusing on improving educational and economic outcomes for our local youth. Chart 1-4 shows that only about 5% of White youth live in poverty, while the poverty rate for Asian youth is approximately 8%, the poverty rate for Black Youth is 17% (three times the rate for White youth) and the poverty rate for Hispanic Youth is 22% (four times the rate of White youth). When you consider the total population of youth living in poverty, 81% of this population is Black or Hispanic. Much of the data that we share in this report reveal disparities in outcomes by race/ethnicity. Without targeted support for youth of color, the racial/ethnic disparities will likely widen and not narrow over the next decade or two.



DEMOGRAPHICS - CONT.



Chart 1-1

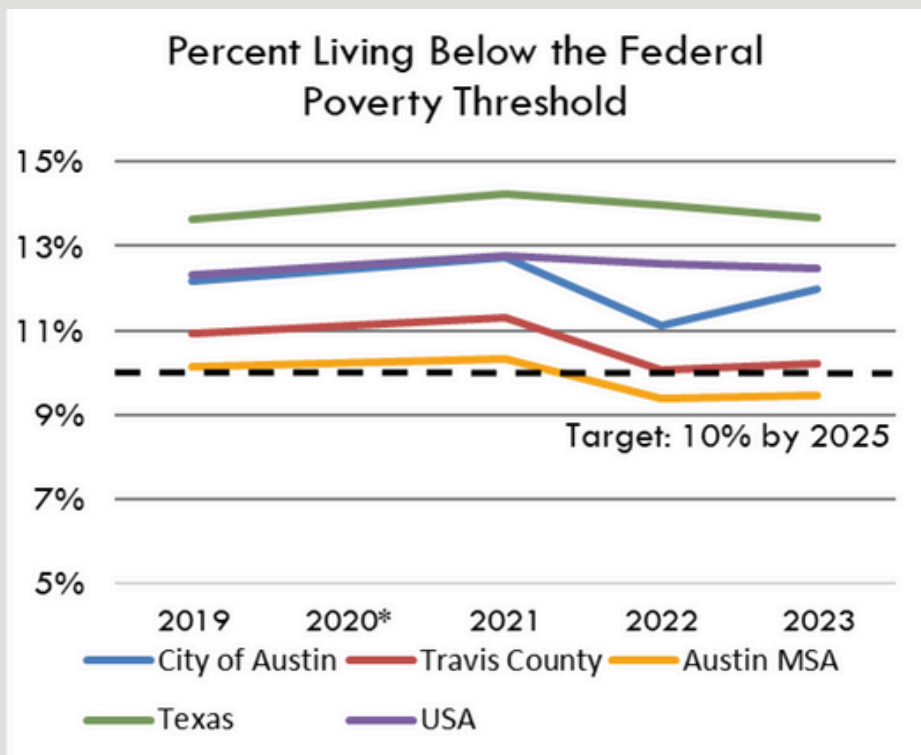


Source: Table B01001, American Community Survey 1-Year Estimates

Chart 1-1 provides data regarding race & ethnicity by age.

The U.S. Census Bureau reports that 47% of Travis County residents are White, 32% are Hispanic, 8% are Black and 8% are Asian. Forty-three percent of the child population are Hispanic, while 65% of the population age 65 or older is White.

Chart 1-2



Source: Table B17002, 2023 American Community Survey 1-Year Estimates

Chart 1-2 provides data regarding the change in overall poverty over time in Travis County.

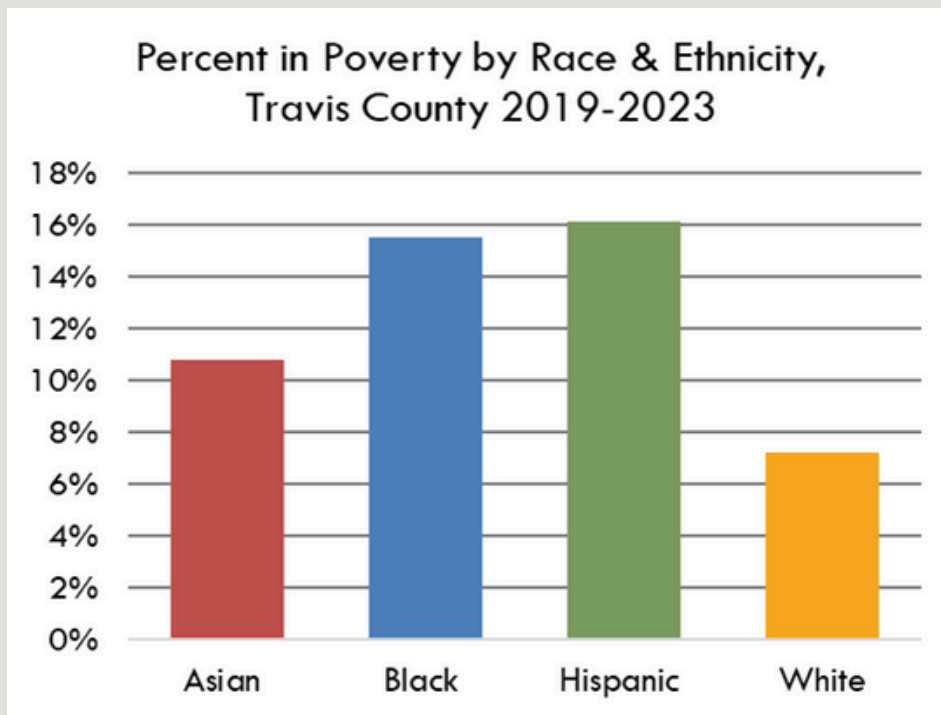
This chart provides an overview of poverty on a community-wide basis. The percentage of people living in poverty has decreased since 2019. What is unclear is how this trend is affected by in-migration and out-migration and by households living in poverty having higher earnings (to the extent that they are no longer counted as living in poverty).



DEMOGRAPHICS - CONT.



Chart 1-3

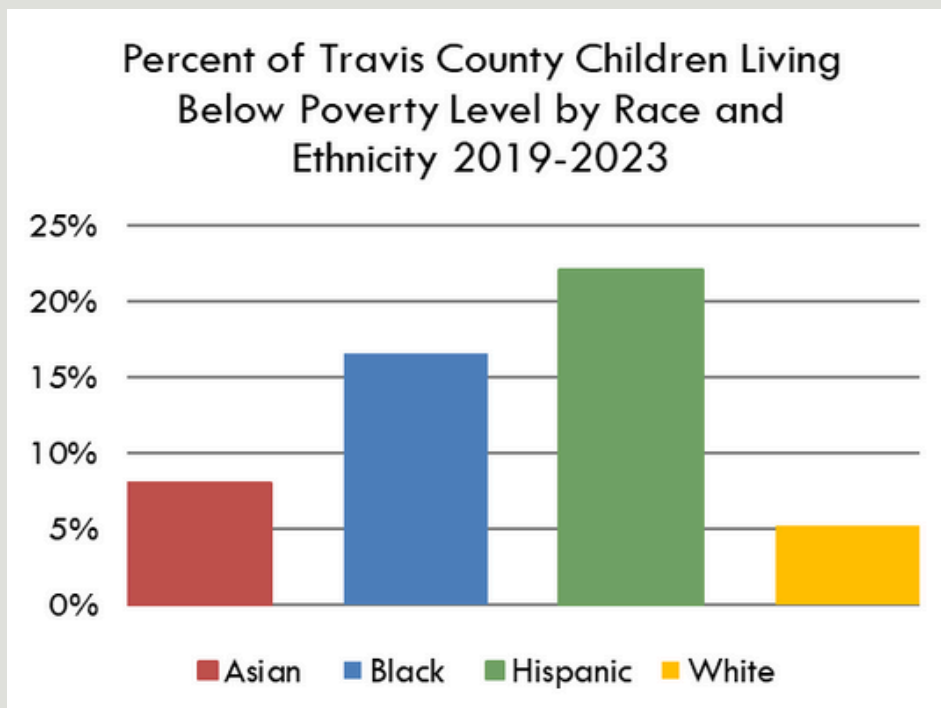


Source: Table [S1701](#), 2019-2023 American Community Survey 5-Year Estimates

Chart 1-3 provides data regarding overall poverty in Travis County by race/ethnicity.

This chart demonstrates that while 7% of White residents in Travis County live in poverty, the percentages of Black and Hispanic residents living in poverty are 15.5% and 16.1% respectively. Thus, the poverty rate for Black and Hispanic residents is more than double what it is for White residents.

Chart 1-4



Source: [B17001B](#), [B17001D](#), [B17001H](#), and [B17001I](#), 2019-2023 American Community Survey 5-Year Estimates

Chart 1-4 provides data regarding child poverty in Travis County by race/ethnicity.

This chart reveals that disparities in poverty rates for Black and Hispanic children are more severe than they are for the overall population. To understand the implications of such disparate rates of child poverty, we must look at racial/ethnic characteristics of children living in poverty. The total population of children living in poverty is 35,783. Among this group, 3,445 children are Black (9.6%), while 25,407 are Hispanic (71%). Thus, overall, about 81% of children in Travis County who are living in poverty are Black or Hispanic.



ECONOMIC SECURITY



Housing Cost-Burdened
ALICE

ECONOMIC SECURITY: THE IMPACT COST OF LIVING HAS ON ECONOMIC MOBILITY

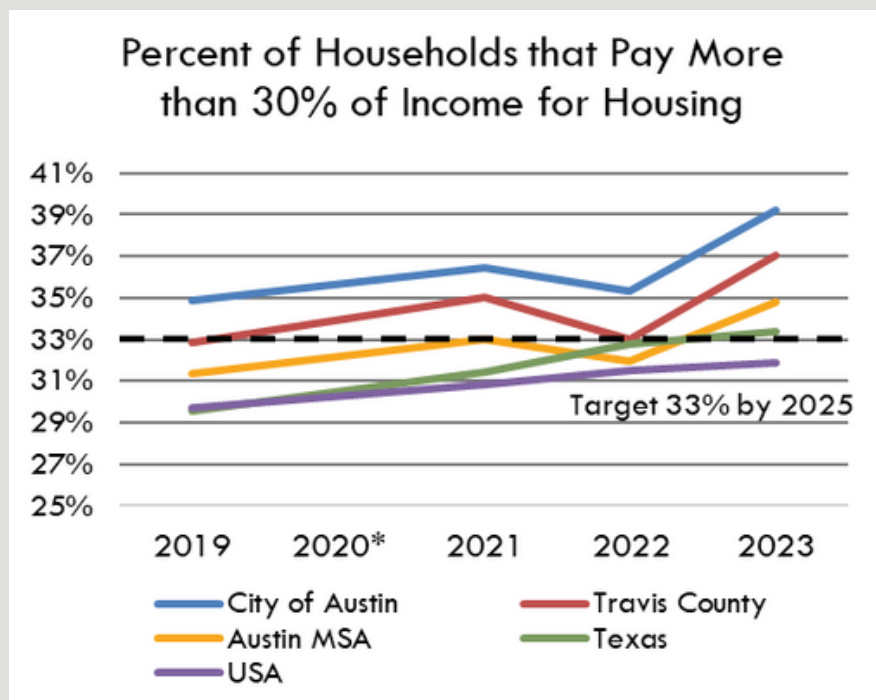
Before we can begin to contemplate economic mobility, we must try to gain an understanding of families who struggle with economic security. If a household is overly burdened by the cost of meeting basic needs, then parents will not be well positioned to achieve economic mobility for themselves and to support their children in creating conditions for their own economic mobility. This section looks at the impact of the cost of housing and the cost of other essential household needs on the ability of families to save for emergencies or retirement and/or to invest in enrichment activities or a college saving account for their children.

Outcomes and Trends: For Travis County, overall, the percentage of households that are housing cost-burdened increased from 33% in 2019 to 37% in 2023 and the percentage of households that are “asset-limited, income-constrained and employed” and can’t meet a “survival budget” for Travis County (as outlined by “United for ALICE”) decreased from 26% in 2019 to 23% in 2023.

The demographic groups that are most burdened by housing costs compared to Travis County overall (37%) are: renters in general (50%), renters earning less than \$50,000 (85%) and renters earning between \$50,000 and \$75,000 (56%). The demographic groups that are “asset-limited, income-constrained, and employed” and are less able to meet a survival budget compared to Travis County as a whole (23%) are: Black households (34%), Hispanic households (35%), single male-headed households with children (49%), and single female-headed households with children (65%).

Comparisons with Other Jurisdictions: The percentage of households in the State of Texas that are housing cost-burdened is lower (33%) compared to Travis County (37%). For the U.S., the percentage of households that are housing cost-burdened is 32%.

Chart 2-1



Housing Costs and the Household Budgets of Families in Travis County

Chart 2-1 Households that pay more than 30% of their household income on housing are considered to be cost-burdened. In Travis County, the percentage of households considered to be cost-burdened in 2023 was 37%. This is an increase from 2022 when that percentage was about 33%. The percent of households that are housing cost-burdened is less for the Austin MSA, Texas, and the US.

Source: Tables [B25070](#) and [B25091](#), 2023 American Community Survey 1-Year Estimates

Chart 2-2

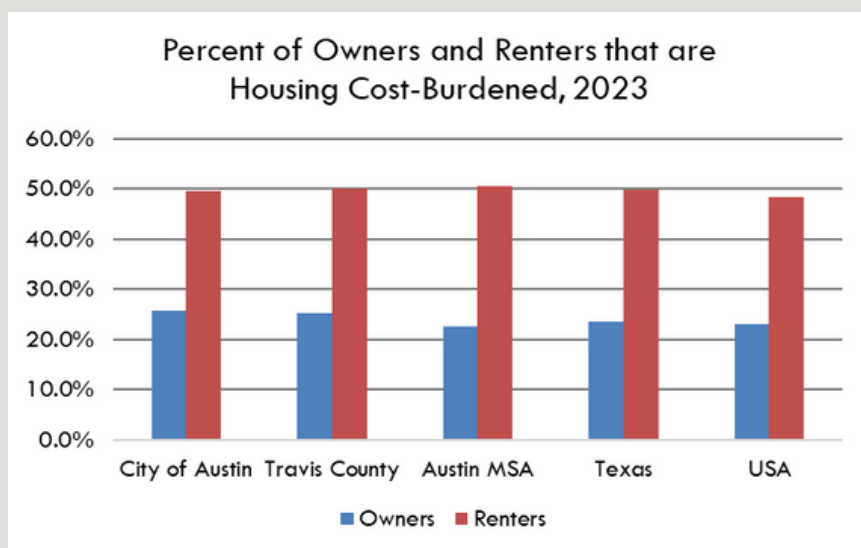
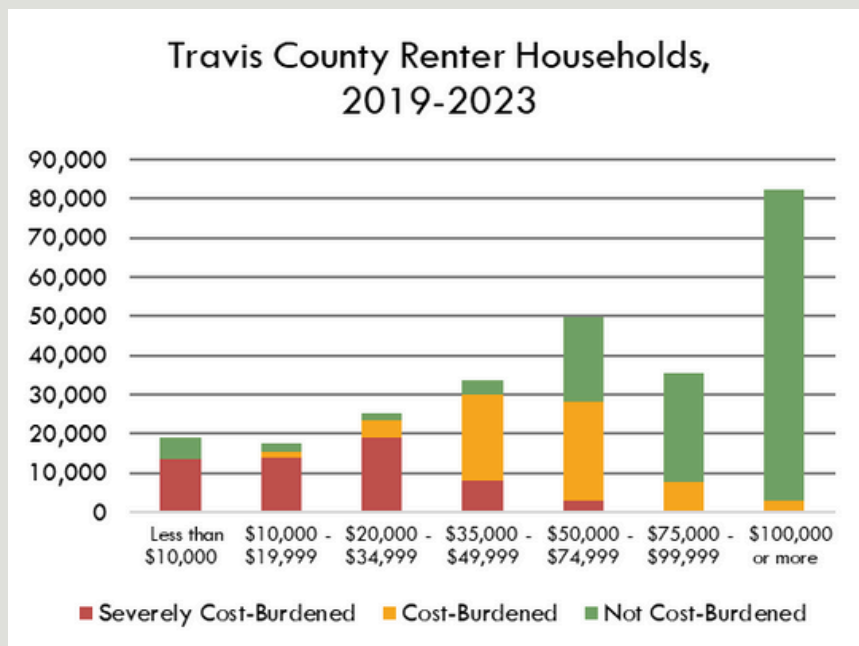


Chart 2-2 Renter households are nearly twice as likely as owner households to be cost-burdened. In Travis County in 2023, 50% of renters were housing cost-burdened while 25.2% of owners were housing cost-burdened. The disparity between renters and owners holds for the other jurisdictions noted in this chart.

Source: Tables [B25070](#) and [B25091](#), 2023 American Community Survey 1-Year Estimates

Chart 2-3

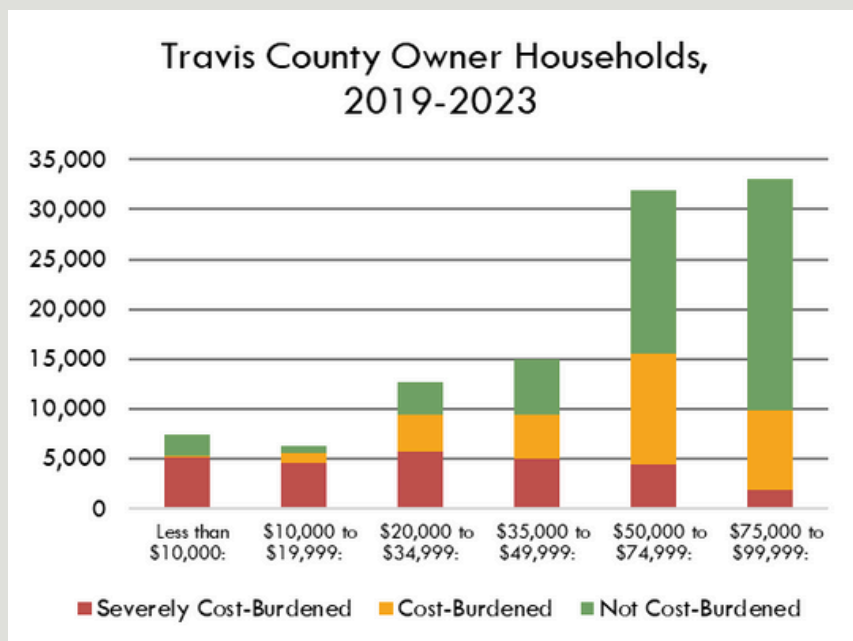


Source: Table [B25074](#), 2019-2023 American Community Survey 5-Year Estimates

Impact of Housing Costs on Renters - Chart 2-3

According to census data, 85% of renters with a household income less than \$35,000 a year and with a household income between \$35,000 and \$50,000 are housing cost-burdened in Travis County. Approximately, 56% of renters with a household income between \$50,000 and \$75,000 are housing cost-burdened.

Chart 2-4



Source: Table [B25095](#), 2019-2023 American Community Survey 5-Year Estimates

Impact of Housing Costs on Owners - Chart 2-4

According to census data, 77% of owners with a household income less than \$35,000 a year are housing cost-burdened, and 67% owners with a household income between \$35,000 and \$50,000 are housing cost-burdened in Travis County. Approximately, 49% of owners with a household income between \$50,000 and \$75,000 are housing cost-burdened.

////// ECONOMIC SECURITY - CONT. //////////

Additional Challenges to Meeting Household Expenses for Working Families in Travis County

We know that housing costs represent only one of the essential expenses of households in Travis County. To get a better understanding of how other expenses relating to basic household needs affect economic security, United Way created a “Household Survival Budget” which represents the minimum cost to live and work in the current economy. The survival budget includes costs relating to housing, childcare, food, transportation, health care, technology, and taxes. It does not include savings for emergencies or future goals like college or retirement.

Housing Survival Budget in Travis County – The ALICE Indicator

In 2023, the Household Survival Budget for Travis County was estimated to be \$39,924 for a single adult, and \$85,356 for 2 adults and 2 children. To ascertain the percentage of families that could meet the household survival budget, United Way created a measure called ALICE (Asset-Limited, Income-Constrained and Employed), to identify working households that are not able to meet the Household Survival Budget thresholds that they established for each county.

Chart 2-5

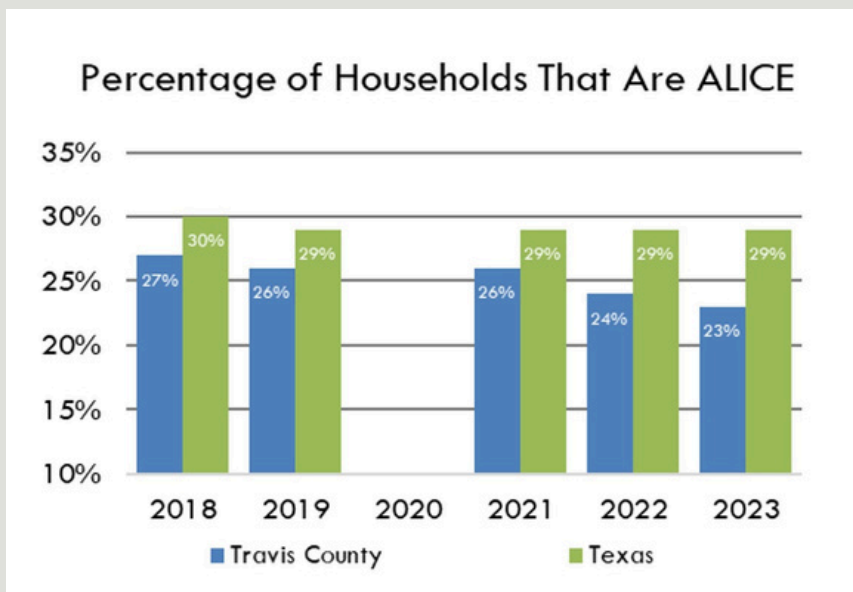


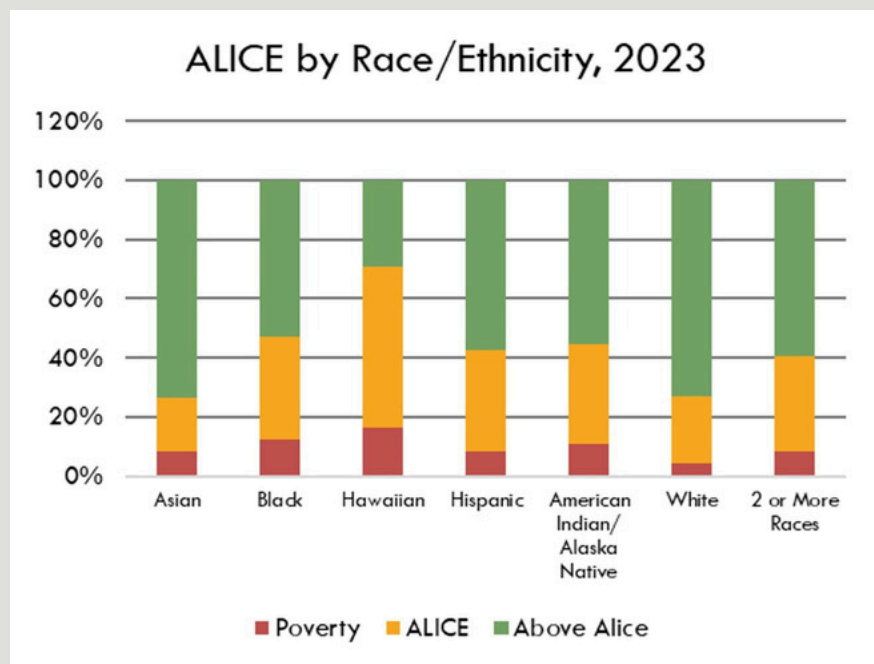
Chart 2-5 In Travis County, 23% of households were identified as being ALICE in 2023. This means that there are one or more members of the household that are employed, but the income that the individuals earn is not sufficient to meet the Housing Survival Budget threshold that has been established.

The percent of households that are ALICE was less for Travis County than for the State of Texas in 2023 and prior years reported here.

Source: [United for ALICE](#)

////// ECONOMIC SECURITY - CONT. //////////

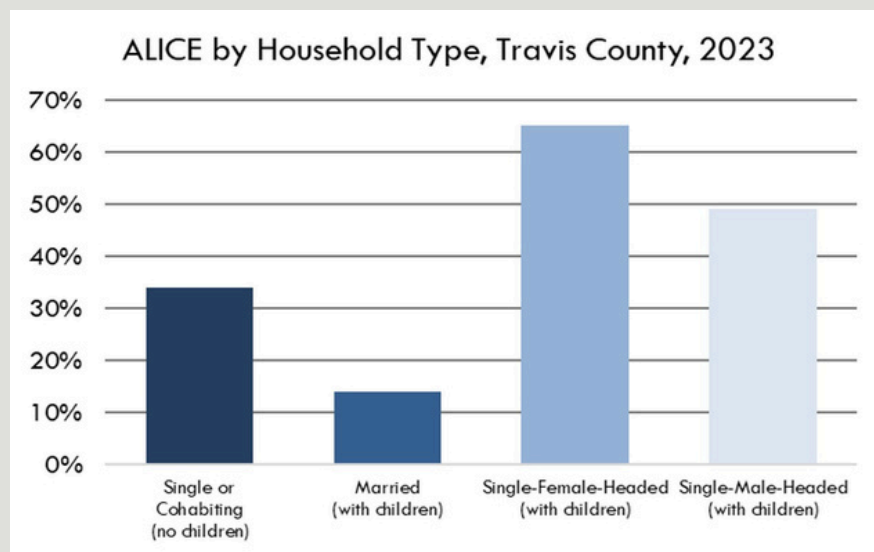
Chart 2-6



Source: [United for ALICE](#)

Chart 2-6 When viewed through the lens of race/ethnicity, we see that the rate of ALICE for Whites is 23% and for Asians is 18%, while the rate of ALICE for Blacks is 35% and for Hispanics and Native Americans is 34%. We will note that households living in poverty (red on the graph) are not included in the rates reported for ALICE (yellow on the graph).

Chart 2-7



Source: [United for ALICE](#)

Chart 2-7 When we consider household type, we find that the rate of ALICE for single mother-headed households is 65% and for single-father headed households is 49%. The cost burden is less for individuals that are married with children or are single with no children.



Middle School Math
High School Graduation
Post-Secondary Completion
Opportunity Youth
College, Career, & Military
Readiness (CCMR)

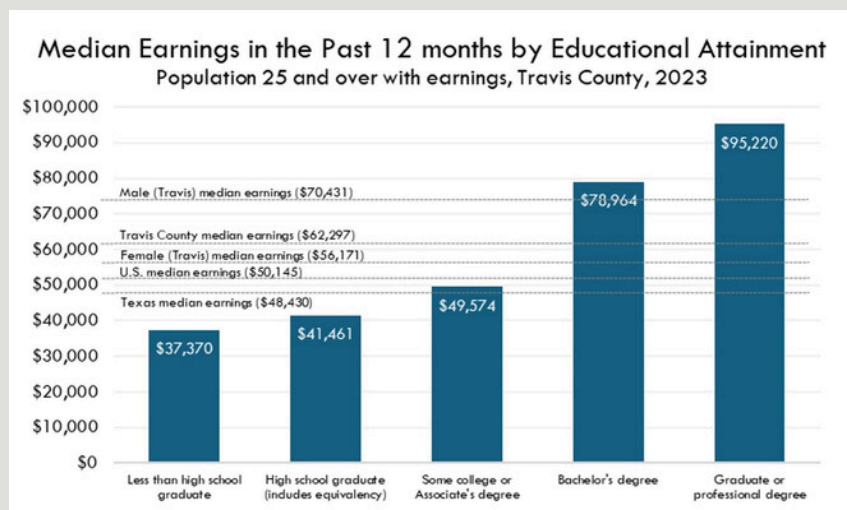
THE INFLUENCE OF EDUCATION ON ECONOMIC MOBILITY

A discussion of economic mobility inevitably leads to a discussion about educational opportunities and outcomes. Thus, we will begin with something our minds are naturally drawn to, an examination of the relationship between educational attainment and economic mobility.

Access to quality education is pivotal to future educational and economic success. Disparities in access to high quality early education services, high quality K-12 schools and enrichment opportunities create corresponding disparities in post-secondary outcomes and access to good paying jobs. Disparities in educational outcomes are apparent when disaggregating data by race/ethnicity as well as income. The need to address achievement gaps in educational outcomes has been, and must continue to be, a priority for our educational system.

To drive the point home, this section begins with a chart noting the median income that is

Chart 3-1



earned for specific individuals in Travis County with a specific level of educational attainment. In the 2023 American Community Survey data for Travis County, we note a big difference in earnings for people 25 years and older based on the educational level achieved.

Chart 3-1 Persons whose highest level of educational attainment was a high school diploma (or equivalency) had median earnings of \$41,461 compared to median earnings of \$78,964 for persons whose highest level of educational achievement was a Bachelor's Degree.

Source: Table B20004, American Community Survey 1-Year Estimates



EDUCATION



Outcomes and Trends: The high school graduation rate for Central Texas has not fluctuated much (it was 90% in 2019 and was also at 90% in 2023). Positive trends in terms of educational indicators from 2019 to 2023 for Central Texas include: Post-secondary Success (increasing from 52% for the class of 2014 to 53% for the Class of 2018); the percentage of youth ages 16 to 24 that are considered Opportunity Youth (decreasing from 18.5% in 2019 to 17.5% in 2023). Indicators NOT trending in the right direction in Central Texas were: Kindergarten Readiness (decreasing from 61% in 2019 to 52% in 2023); 8th Grade Algebra Completion (decreasing from 41% in 2019 to 40% in 2023); College, Career & Military Readiness (decreasing from 78% in 2019 to 77% in 2023). When considering disparities between racial/ethnic groups, outcomes for Black & Hispanic students are significantly lower for all educational indicators (with the exception of Opportunity Youth for which we do not have data available for specific racial/ethnic groups).

Comparisons with Other Jurisdictions: Compared to the State of Texas, the only outcome for Central Texas that is less than the statewide outcome is for Kindergarten Readiness (Central Texas is at 49% and the State of Texas is at 52%). Outcomes relating to High School Graduation are comparable between the State and Central Texas.

Chart 3-2

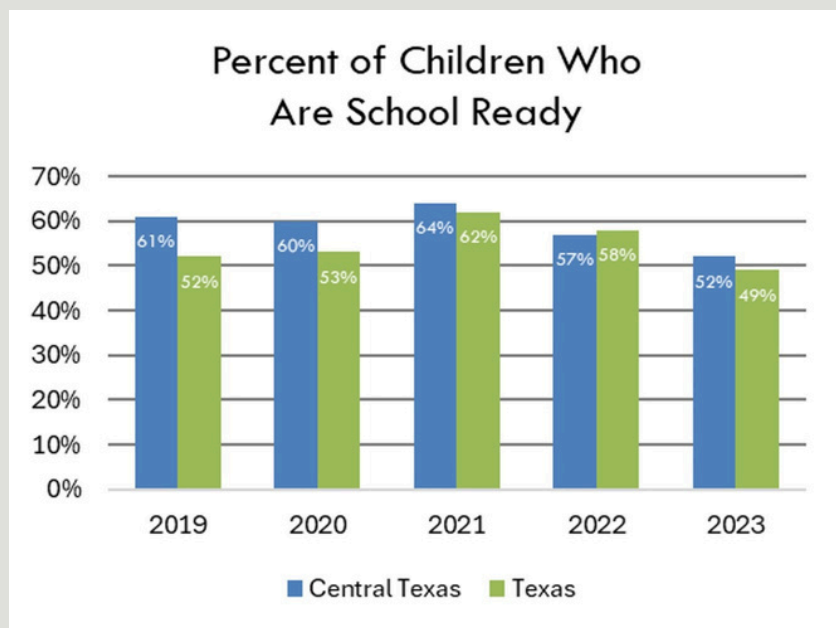


Chart 3-2 Although kindergarten readiness rates have declined locally and nationally in recent years, generally children in Central Texas meet kindergarten readiness standards at a higher rate than Texas children as a whole. In 2023, 52% of Central Texas students were kindergarten ready, compared to 61% in 2019.

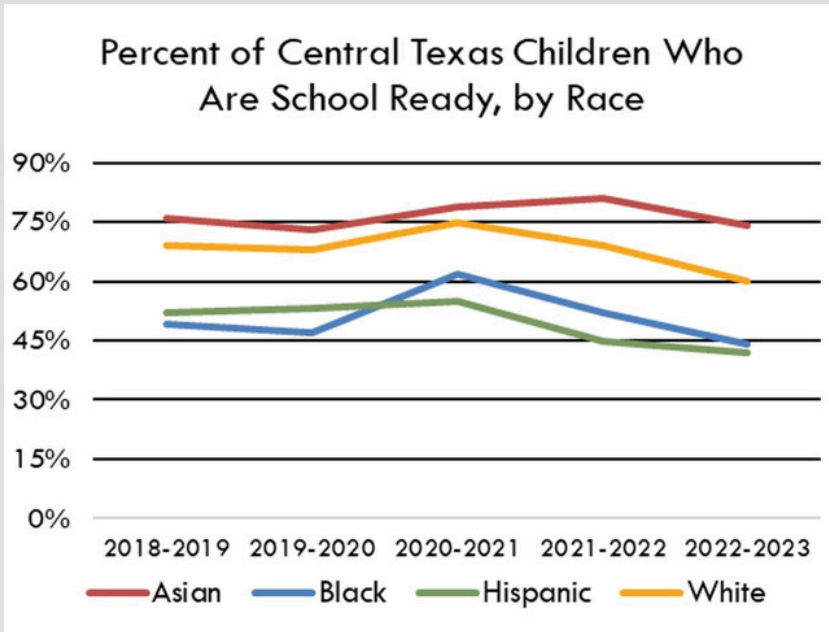
Source: [E3 Alliance](#)



EDUCATION - CONT.



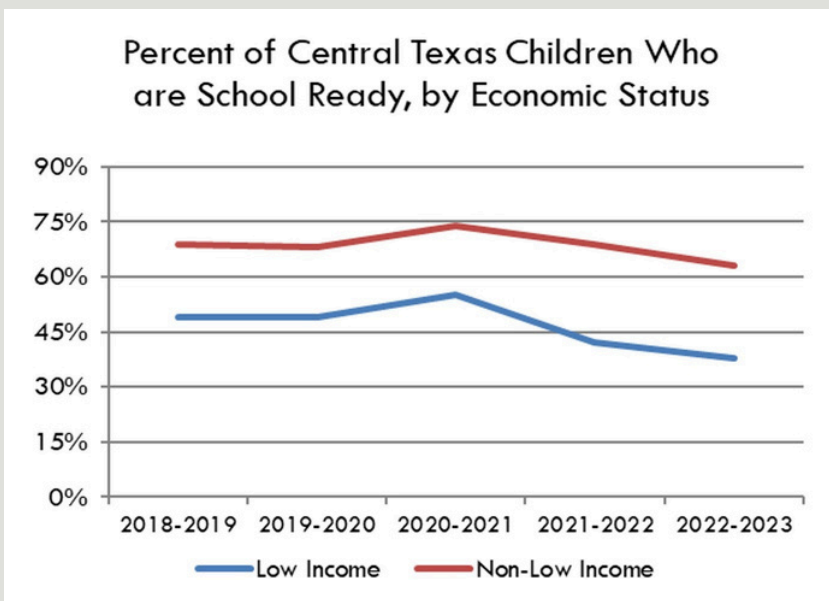
Chart 3-3



Source: [E3 Alliance](#)

Chart 3-3 Kindergarten readiness rates in Central Texas vary according to race/ethnicity. In 2023, only 42% of Hispanic children, 44% of Black children were kindergarten ready, compared to 74% of Asian children and 60% of White children.

Chart 3-4



Source: [E3 Alliance](#)

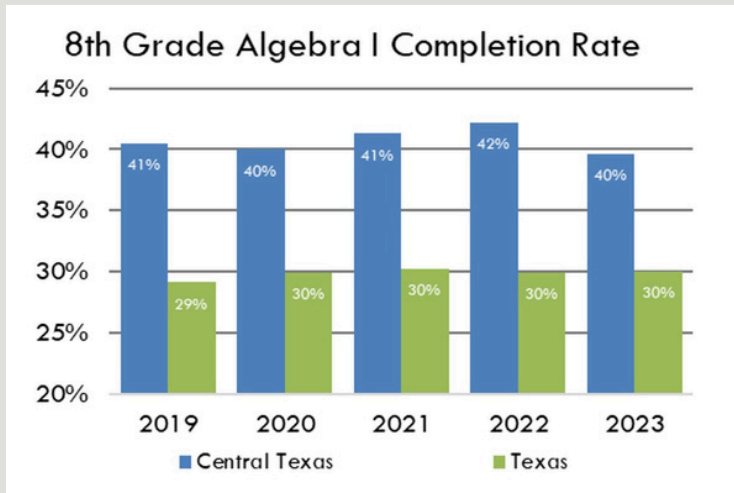
Chart 3-4 Kindergarten readiness rates in Central Texas vary according to economic status. In 2023, only 38% of children from low income households were kindergarten ready, compared to 63% of children from non-low income households.



EDUCATION - CONT.



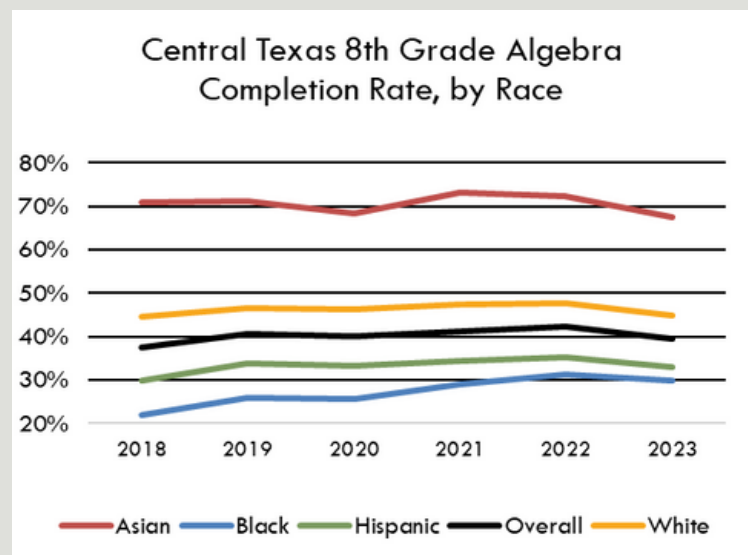
Chart 3-5



Source: [E3 Alliance](#)

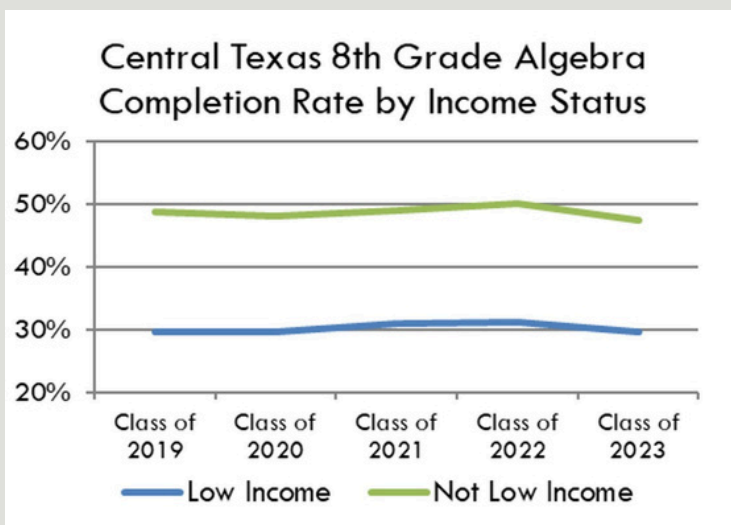
Chart 3-6 When we consider outcomes in this data point by race/ethnicity for the 2022-23 school year, we find that Asian students had a higher completion rate (67.4%) compared to Whites (44.8%), Blacks (29.9%), and Hispanics (33.1%).

Chart 3-6



Source: [E3 Alliance](#)

Chart 3-7



Source: [E3 Alliance](#)

Chart 3-7 Disparate outcomes for this measure are also evident when comparing low income and non-low income students. Low income students have an Algebra 1 completion rate of 30.7% in 8th grade compared to an Algebra 1 completion rate of 69.4% for students who were “not low income.”



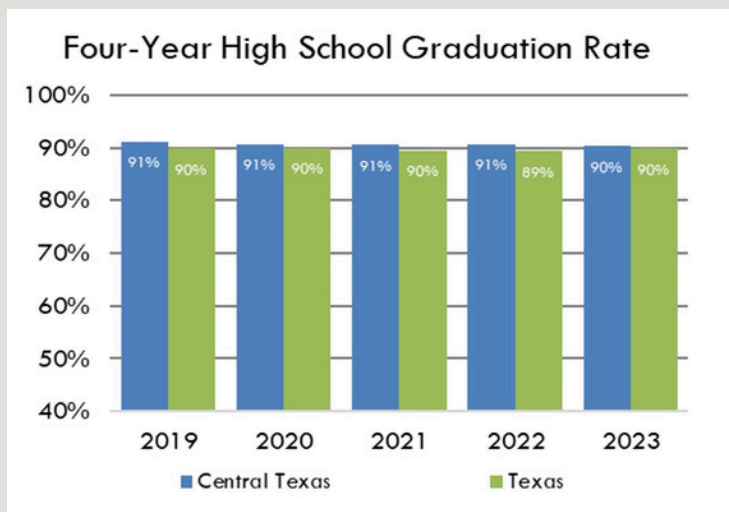
EDUCATION - CONT.



Four Year High School Graduation Rates – Charts 3-8, 3-9, and 3-10

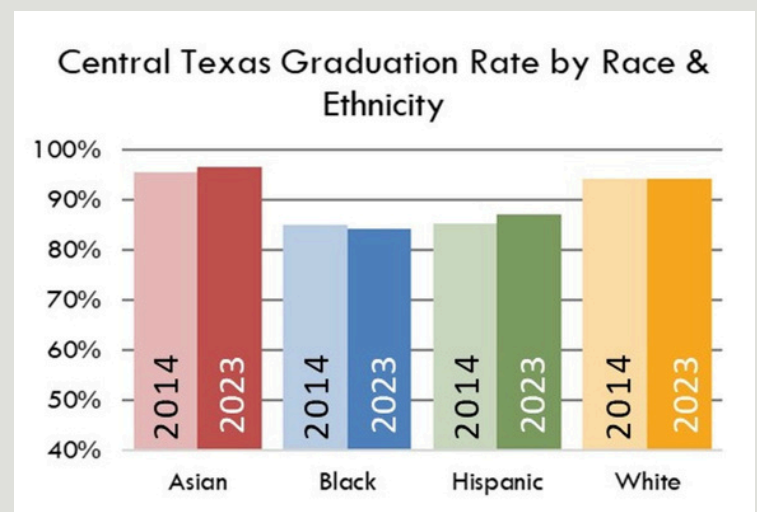
Graduation rates for Central Texas have remained at 90% to 91% for the last 5 years. When we consider outcomes by race/ethnicity, we see that in the 10-year period from 2014 to 2023, the graduation rates for Asian and White students were much higher than they were for Black and Hispanic students. There was also a disparity in outcomes for students who were “not low income” (96%) compared to those who were “low income” (85%).

Chart 3-8



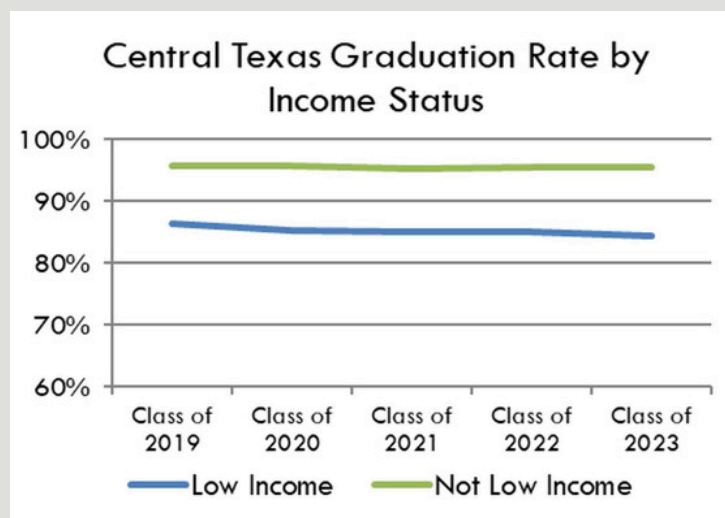
Source: [E3 Alliance](#)

Chart 3-9



Source: [E3 Alliance](#)

Chart 3-10



Source: [E3 Alliance](#)



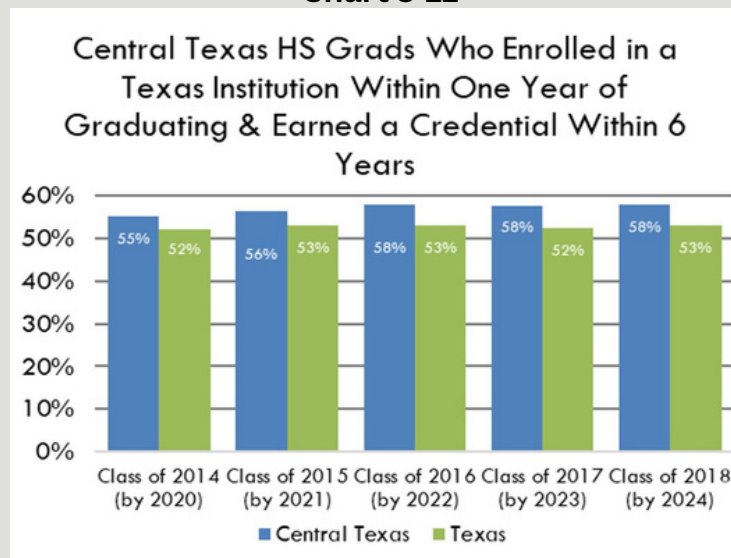
EDUCATION - CONT.



Postsecondary Success – Charts 3-11, 3-12, and 3-13

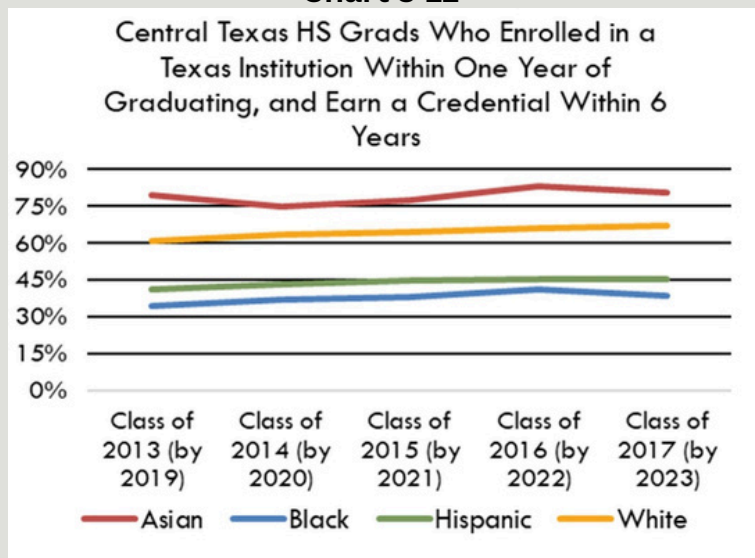
It's important to first point out that what we are measuring here is the rate at which students who enroll in a Texas post-secondary institution within one year of graduating high school obtain a credential within 6 years of enrolling. For this indicator, we do see an improvement to 58% for the class of 2018 from 55% for the Class of 2014. The achievement gaps are still evident when we view the results by race/ethnicity. As reported for the Class of 2017, the post-secondary success rates for Asians (81%) and Whites (67%) are higher than they are for Blacks (39%) and Hispanics (45%), and the post-secondary success rates students who are "not low income" (68%) are higher compared to "low income" students (39%).

Chart 3-11



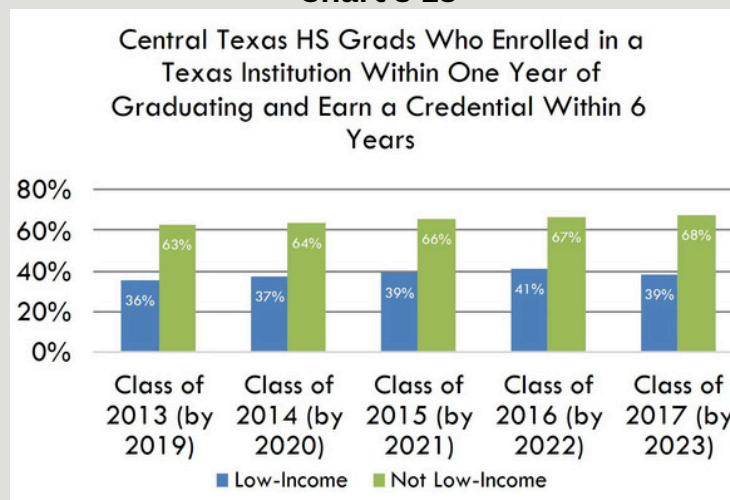
Source: [E3 Alliance](#)

Chart 3-12



Source: [E3 Alliance](#)

Chart 3-13



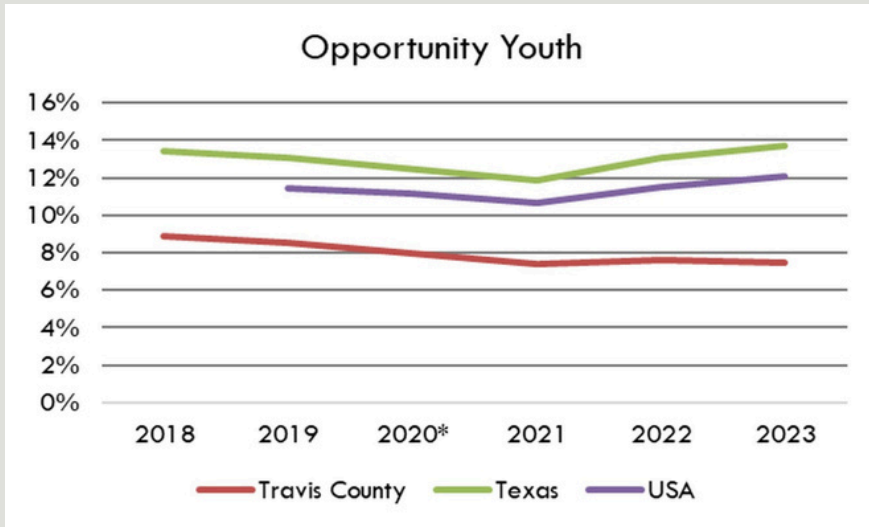
Source: [E3 Alliance](#)



EDUCATION - CONT.



Chart 3-14



Source: [Opportunity Index](#)

Opportunity Youth – Chart 3-14

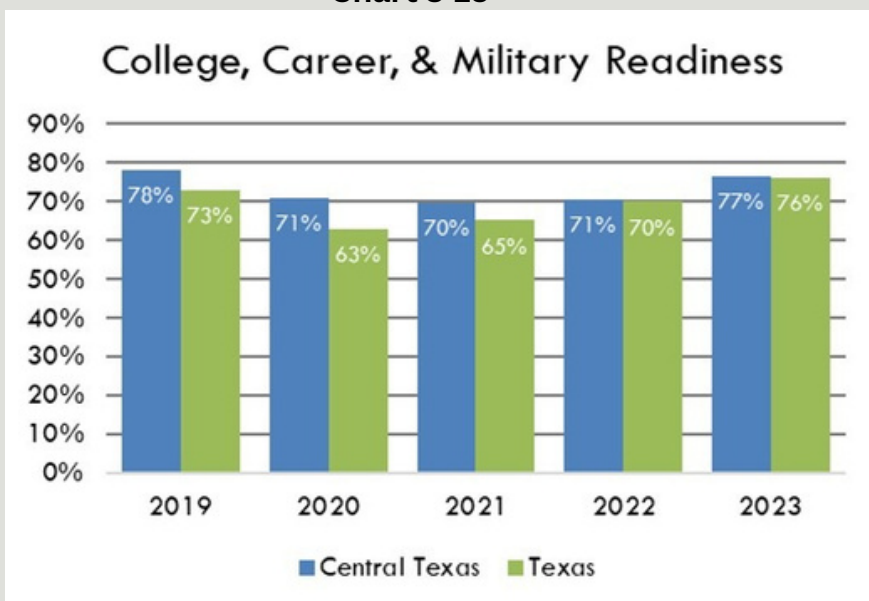
Opportunity youth are defined as youth between the ages of 16 and 24 who are not in school and not employed. The opportunity youth rate in Travis County is lower in 2023 (7.5%) than it was in 2018 (8.9%). It is the only jurisdiction on the chart for which the percentage decreased, not increased. In 2023 (and all other years for which we report data), the opportunity youth rate in Austin was lower than the opportunity youth rate in Texas (13.7%) and the U.S. (12.1%).

College, Career & Military Readiness – Charts 3-15, 3-16, and 3-17

To be considered College, Career or Military Ready (CCMR) by the Texas Education Agency, a student must meet one of nine criteria. In 2023, 77% percent of students were considered to be CCMR in Travis County compared to 76% for the State of Texas. When we disaggregate the CCMR data by race we find that it improved from 2019-20 to 2022-23 for Asians, Whites, Hispanics and Blacks. However, CCMR outcomes are lower for Blacks (64.8%) and Hispanics (69.4%) than they are for Asians (93.7%) and Whites (83.9%).

We also note that the CCMR rate for “Economically Disadvantaged” students (65.2%) is lower than it is for all students (76.5%).

Chart 3-15



Source: [TEA Texas Academic Performance Reporting System](#)

Note for 3-15, 3-16, and 3-17:

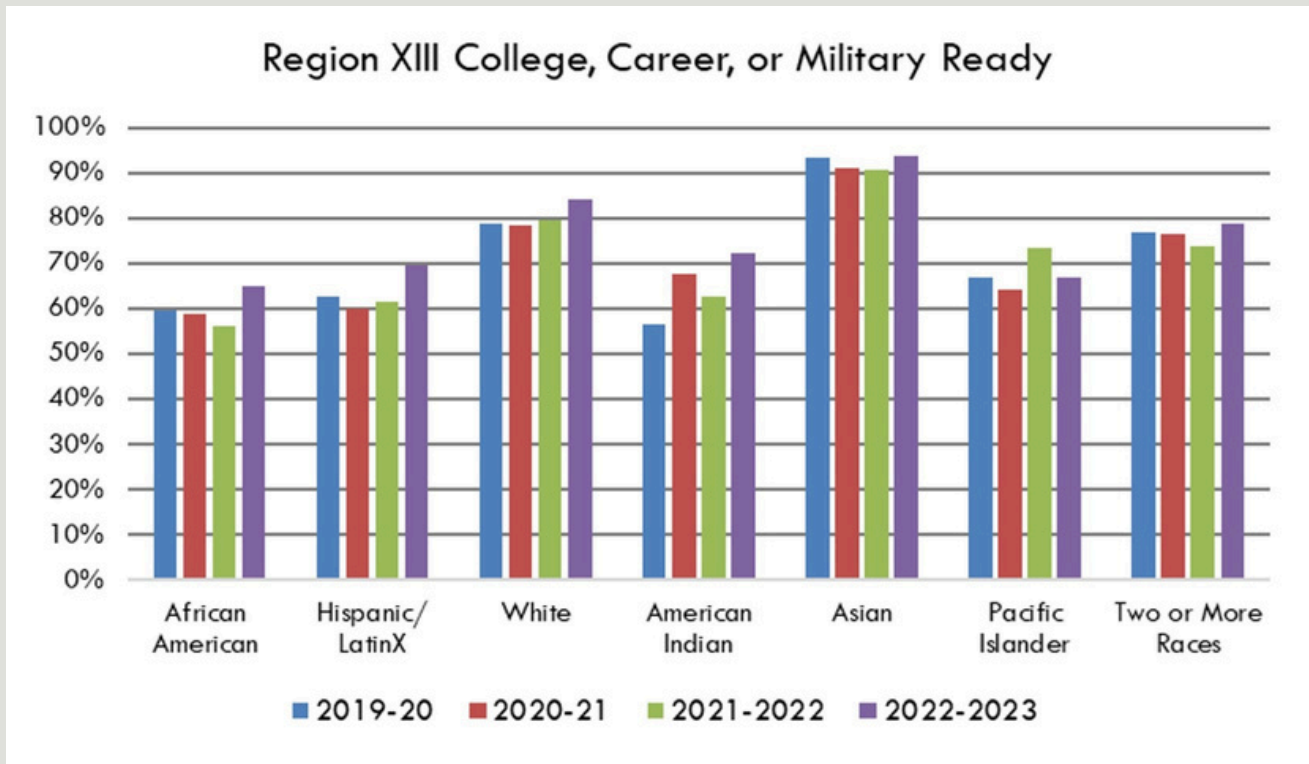
Individual school districts may set their own standards by which to measure "College, Career & Military Readiness." Thus, the numbers those districts report may differ from the ones we are reporting here.



EDUCATION - CONT.

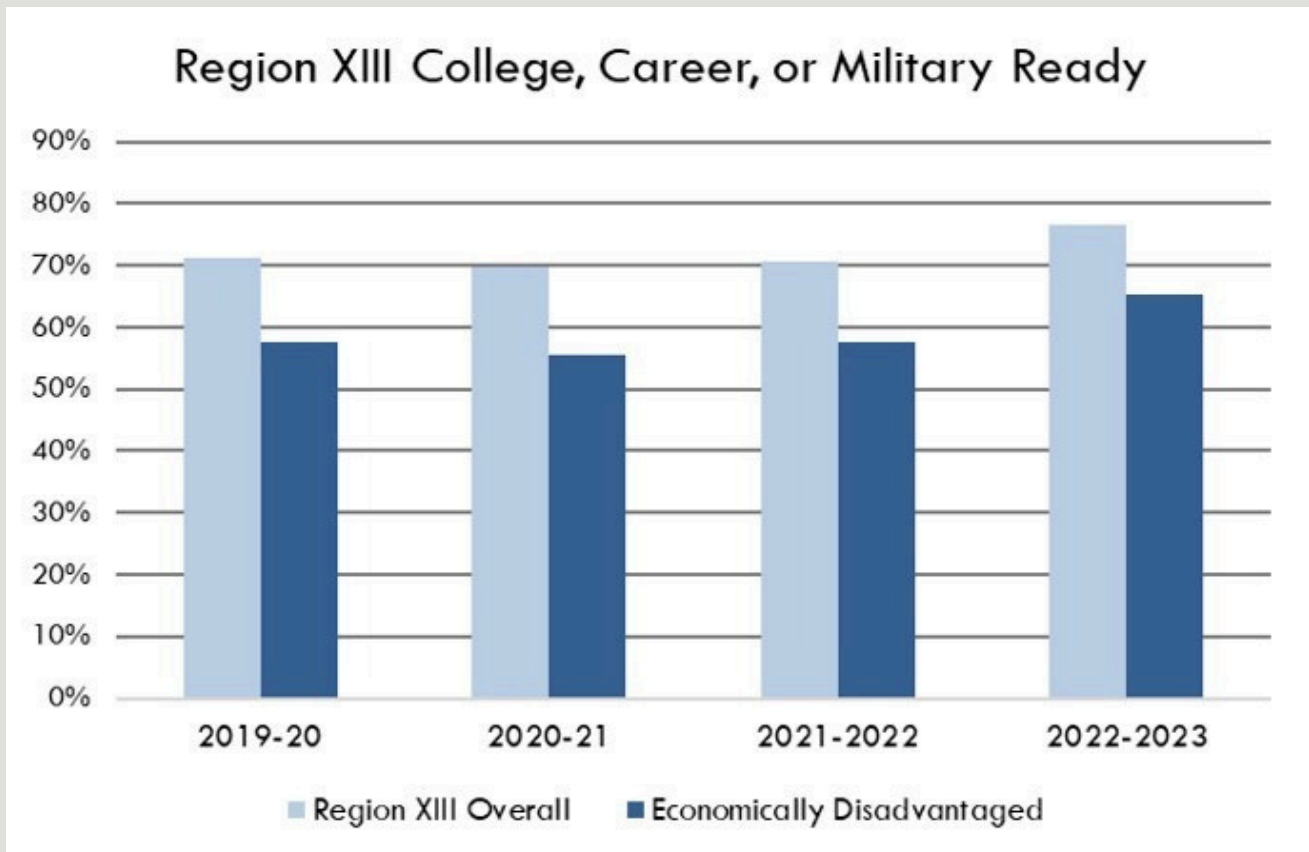


Chart 3-16



Source: [TEA Texas Academic Performance Reporting System](#)

Chart 3-17



Source: [TEA Texas Academic Performance Reporting System](#)



Unemployment Rate
Labor Participation Rate

A LOOK AT UNEMPLOYMENT AND LABOR FORCE PARTICIPATION

Outcomes & Trends: From 2019 to 2023, the unemployment rate for Travis County increased from 2.6% to 3.3%. For 2023, the unemployment rate for Black residents (6.7%) was more than double that for the County as a whole (3.3%). The labor participation rate for Travis County increased from 81% in 2019 to 82% in 2023. Labor participation in 2023 for Black residents (78%) and Hispanic residents (79%) are lower than they are for the County as a whole (82%). When we compare labor participation by sex, we find in each racial and ethnic group that the labor participation is lower for women: the rate for White men is 88% compared to 81% for White women; the rate for Black men is 80% compared to 76% for Black women; the rate for Hispanic men is 87% compared to 71% for women; and the rate for Asian men is 94% compared to 75% for Asian women.

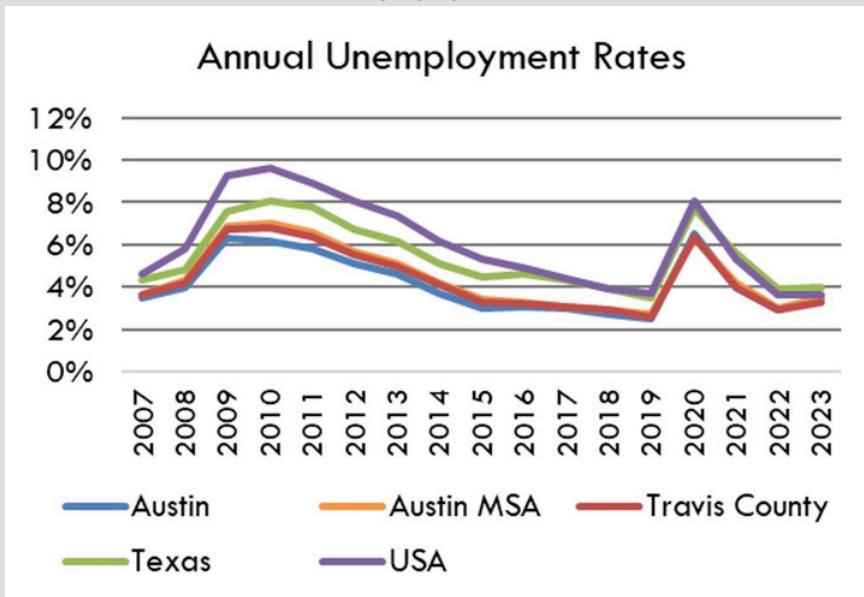
Comparisons with Other Jurisdictions: The unemployment rate for Travis County has historically been lower than the rates for Texas and the U.S., although in recent years the difference between them has narrowed. The unemployment rate for Travis County in 2023 was 3.3% compared to 4% for Texas and 3.6% for the U.S. Labor participation for Travis County in 2023 (82%) is also higher than labor participation for Texas (76%) and the U.S. (77%).



EMPLOYMENT - CONT.



Chart 4-1



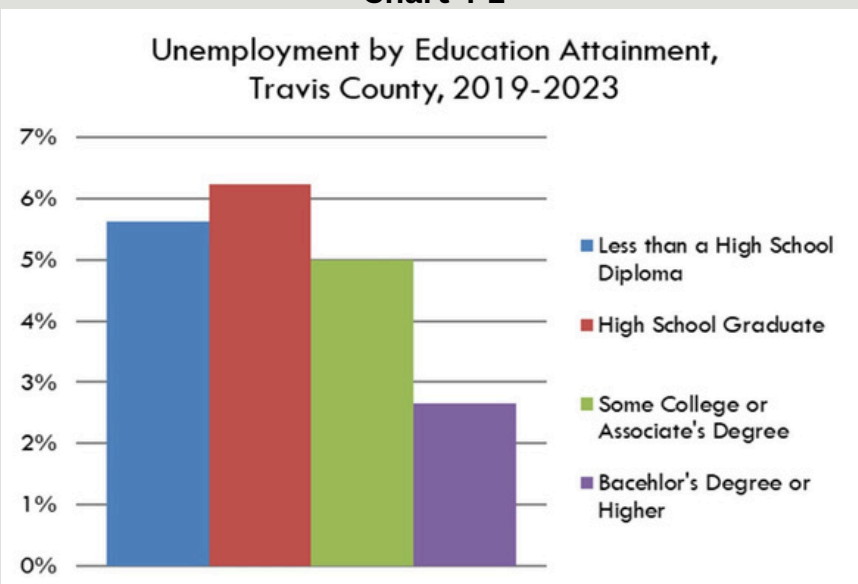
Source: Bureau of Labor Statistics, [Local Area Unemployment Statistics](#)

Unemployment – Chart 4-1

The unemployment rate is a typical measure used to gauge the economic health of various jurisdictions. It does not include individuals who have stopped seeking employment or who choose to work with no pay, like retirees and home caregivers.

In Austin, the unemployment rate was at a 10-year low in 2019 but increased dramatically during the COVID-19 pandemic. It declined to 2.9% in 2022 and in 2023 stood at 3.5%. Local unemployment rates continue to be lower than the state and national unemployment rates.

Chart 4-2



Source: Table B23006, American Community Survey 5-Year Estimates

Unemployment by Educational Attainment – Chart 4-2

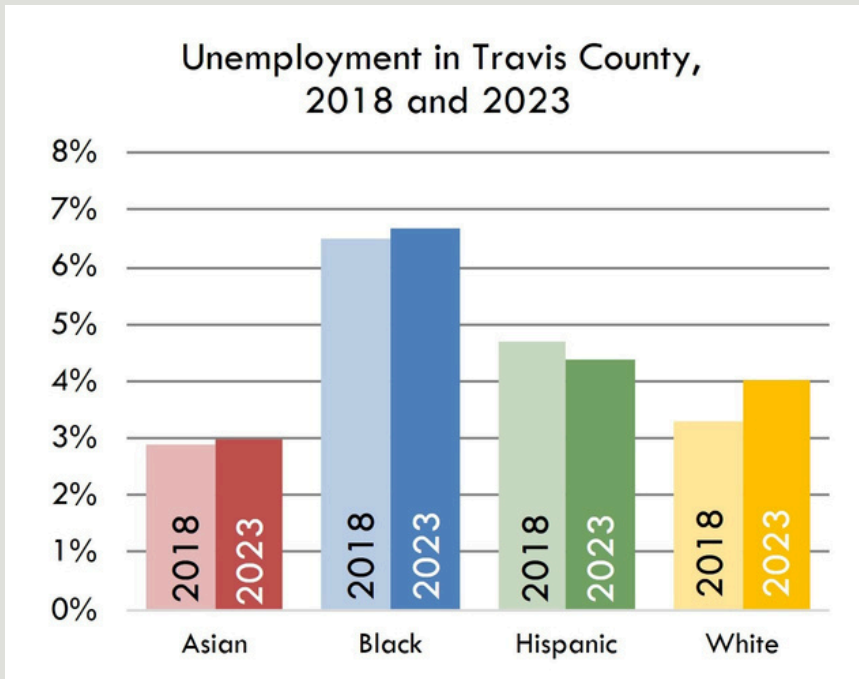
We can relate this indicator to economic mobility by noting the impact that educational attainment has on the unemployment rate. The unemployment rates for residents with less than a high school diploma (5.6%) and with a high school diploma (6.2%) are greater than they are for residents with some college (5%) or a bachelor's degree or higher (2.7%).



EMPLOYMENT - CONT.



Chart 4-3

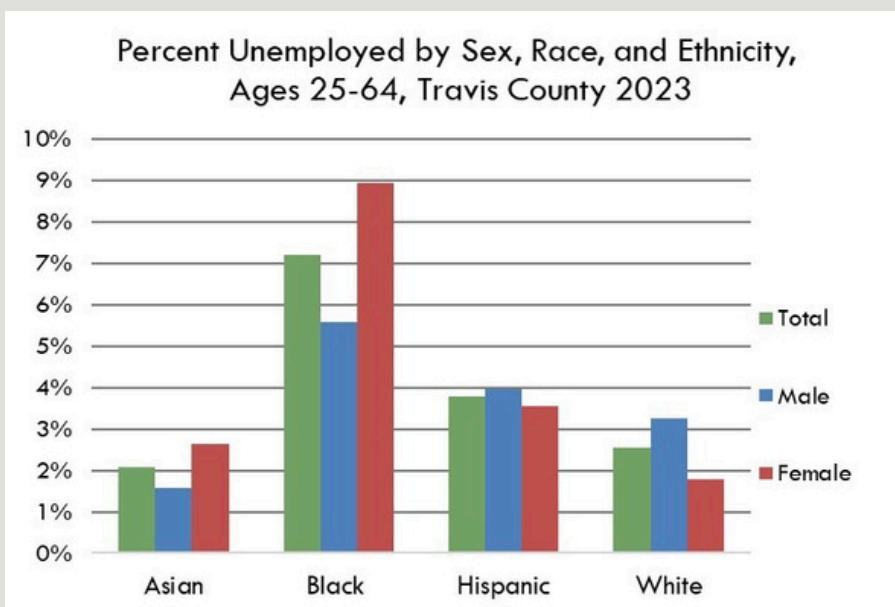


Source: Table S2301, American Community Survey 5-Year Estimates

Unemployment by Race/Ethnicity – Chart 4-3

When Unemployment is viewed through the lens of race/ethnicity, we see that the unemployment rate for Black residents is 6.7%, which is significantly higher than unemployment rates for Asians (3%), Whites (4%), and Hispanics (4.4%).

Chart 4-4



Source: Table B23001, American Community Survey 1-Year Estimates

Unemployment by Sex – Chart 4-4

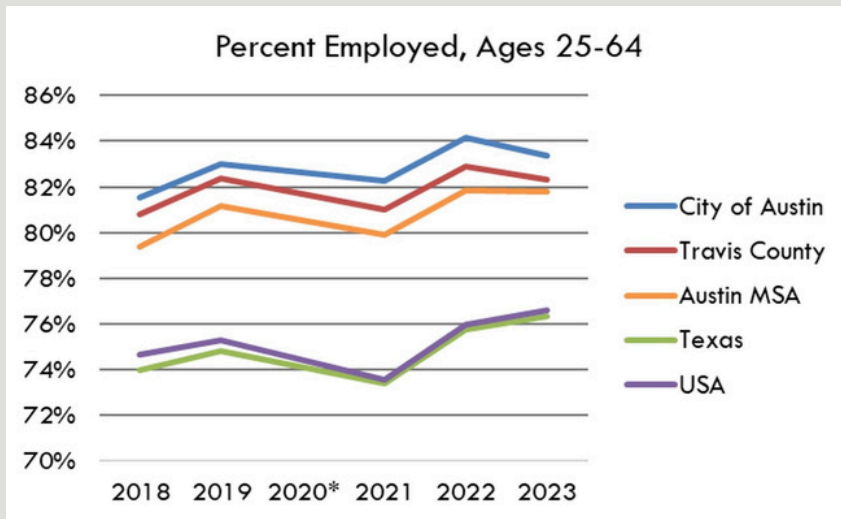
This graph compares unemployment rates by race and ethnicity, with an additional breakdown by gender. Females were unemployed at higher rates than males for Asians and African Americans, while males were unemployed at higher rates for Hispanics and Whites. An estimated 8.9% of Black females between the ages of 25 and 64 were unemployed in 2023 in Travis County while 2.6% of Asian females were unemployed. At the same time, 5.6% of African American males, and 4% of Hispanic males were unemployed in Travis County.



EMPLOYMENT - CONT.

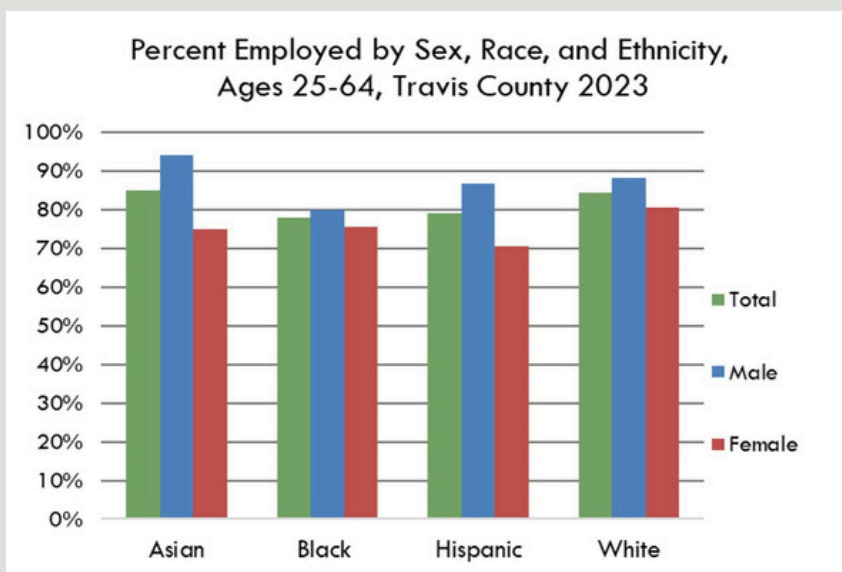


Chart 4-5



Source: Table B23001, American Community Survey 1-Year Estimates

Chart 4-6



Source: Table B23002, American Community Survey 1-Year Estimates

Labor Force Participation – Chart 4-5

While Austin and Travis County had lower Unemployment Rates in 2023 compared to the state and U.S., the Labor Force Participation rates for Austin (83%) and Travis County (82%) are (not surprisingly) higher than they are for the State (76%) and the U.S. (77%).

A Note on Labor Force Participation

Labor force participation tracks the percentage of working age population who are employed. Adding the labor force participation rate and the unemployment rate will not equal 100% because neither measure includes “individuals who have stopped seeking employment or who choose to work with no pay, like retirees and home caregivers.”

Labor Force Participation by Race/Ethnicity – Chart 4-6

When we consider labor participation by Race/Ethnicity, we see that labor participation rates in 2023 were higher for Asians (85%) and Whites (85%) as compared to Blacks (78%) and Hispanics (79%).

Labor Force Participation by Sex – Chart 4-6

When we consider labor participation by sex, we see that males participate in the workforce at higher rates than females for all racial/ethnic groups. The greatest disparities in employment by sex are for Asians and Hispanics. For Asians, the labor participation rate for males is 94% and the rate for females is 75%, and, for Hispanics, the rate for males is 87% and for females is 81%.

INCOME

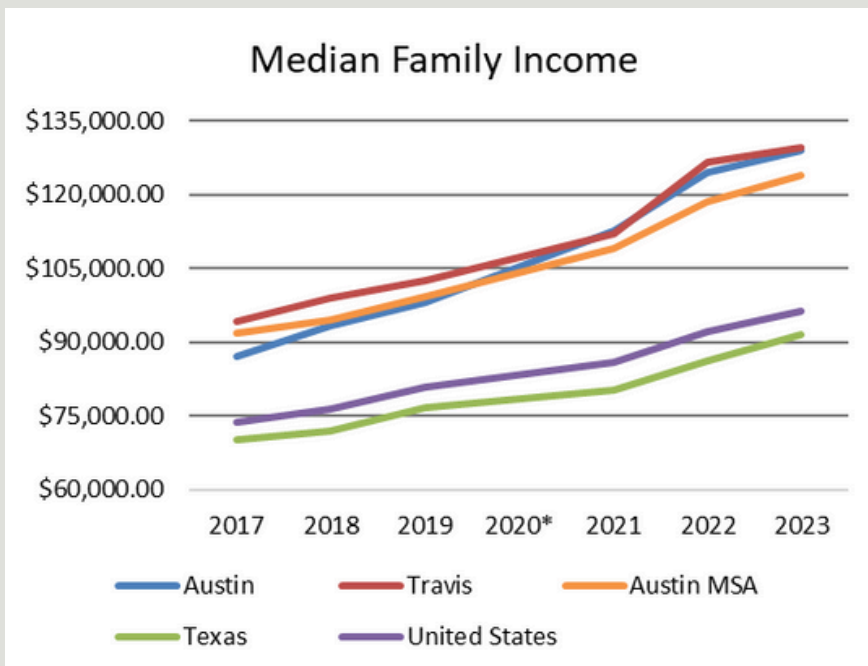


Income Inequality
Affordability of Homes
Affordability of Rental Housing

CONSIDERING INCOME IN A BROADER CONTEXT

When considering economic mobility, the concepts of income and wealth inequality inevitably arise as topics for discussion. They are often lumped together as if they are the same thing, but they are quite different. Whereas income inequality refers to an unequal level of income/earnings (when comparing certain demographic groups), wealth inequality refers to an inequity in accumulated wealth (savings and other economic assets). We will consider how differences in income across sex, race/ethnicity, and age may affect one's ability to access one of the most fundamental needs, a roof over your head.

Chart 5-1



Median Income Trends in Context
– By Geography – Chart 5-1

Our first task is to compare median income in Austin/Travis County to other jurisdictions to see what differences there may be between those jurisdictions for this economic indicator. The median income for Austin, Travis County and the Austin MSA are significantly higher than the median income for Texas and the U.S., about a \$40,000 difference.

Source: Table B19113, American Community Survey 1-Year Estimates



INCOME



Outcomes & Trends - Income Inequality: In 2023, based on the measure selected (comparing median family income at the 20th percentile to the median family income at the 80th percentile), income inequality was worse in Travis County (4.7) than it was in 2019 (4.5).

Comparisons with Other Jurisdictions - Income Inequality: With regard to income inequality, there are a couple of unexpected results. Income inequality for Travis County is about the same for the State of Texas (4.7) but it is higher than it is for the Austin MSA (4.5) and lower than it is for the U.S.(4.9). When compared to other cities, income inequality in the City of Austin (4.7) is higher than it is in Dallas (4.7) and San Antonio (3.3) but lower than it is in Houston (5.4).

Outcomes & Trends - Housing Affordability: Regarding the affordability of homes available for purchase, based on the measure selected (median home value divided by median family income), housing was less affordable in Travis County in 2023 (4.4) than it was in 2019 (3.9). When we consider affordability by race/ethnicity, we find that Hispanics (with a ratio of 6.3) are less able to afford a median home than Blacks (5.3), Whites (3.6), and Asians (3.1). When we consider affordability by age group, a median priced home is less affordable for individuals under 25 years of age (with a ratio of 14.4) and those age 65 and over (with a ratio of 7.2) compared to those age 25 to 44 (with a ratio of 5.5) and those age 45 to 64 (with a ratio of 4.9).

With regard to affordability of rental housing, based on the measure selected (median gross rent divided by median family income), rental housing affordability has worsened since 2019 (15.7% in 2019 and 16.4% in 2023). When viewed from the lens of race/ethnicity, the data show that rental housing is less affordable for Hispanics (with rent being 23.7% of the median income for Hispanics) and Blacks (with rent being 19.6% of the median income for Blacks) when compared to Whites (with rent being 13.3% of the median income for Whites) and Asians (with rent being 11.7% of the median income for Asians).

Comparisons with Other Jurisdictions - Housing Affordability: With regard to the affordability of homes available for purchase, the results are what we might expect. The ratio for Travis County (4.7) is higher than the ratios for Austin MSA (4.5) and Texas (4.5), but lower than the ratio for the U.S.(4.9). Compared to other Texas cities, the ratios for Austin (4.7) is higher than the ratios for Dallas (4.1), Houston (3.8) and San Antonio (3.3).

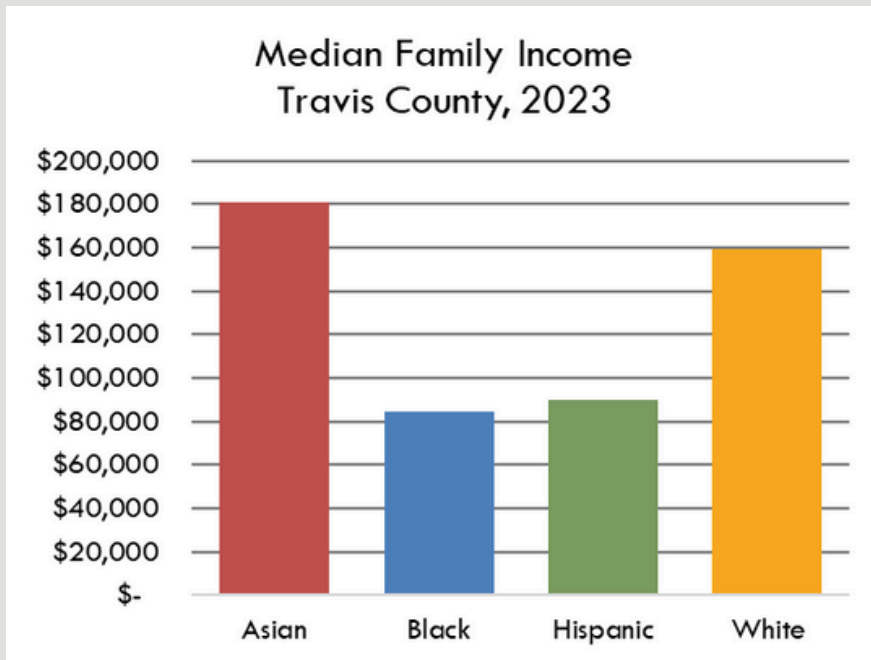
With regard to affordability of rental housing, the results are not what we might expect. Median rent for residents of Travis County is 16.4% of median income with the corresponding percentages being 17% for the Austin MSA, 17.5% for the U.S. and 18.5% for Texas. We see a similar trend when comparing median rent and median income for the City of Austin where median rent is 16.4% compared to 20% for San Antonio, 22.2% for Houston and 22.6% for Dallas.



INCOME - CONT.



Chart 5-2

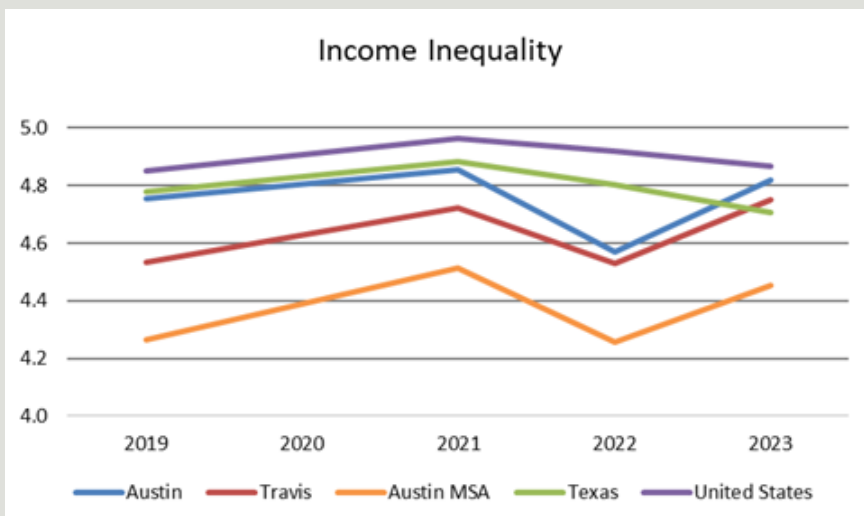


Source: Table [B19113](#), American Community Survey 1-Year Estimates

Median Income Trends in Context By Race – Chart 5-2

The other data visualization we share is median income in Travis County by race/ethnicity. If you consider that the median income for the County is about \$136,000, the median income for Asians (\$180,846) and Whites (\$159,245) is significantly higher, and the median income for Blacks (\$84,296) and Hispanics (\$89,687) is significantly lower.

Chart 5-3



Source: Table [B19080](#), American Community Survey 1-Year Estimates

Income Inequality in Context By Geography – Charts 5-3 and 5-4

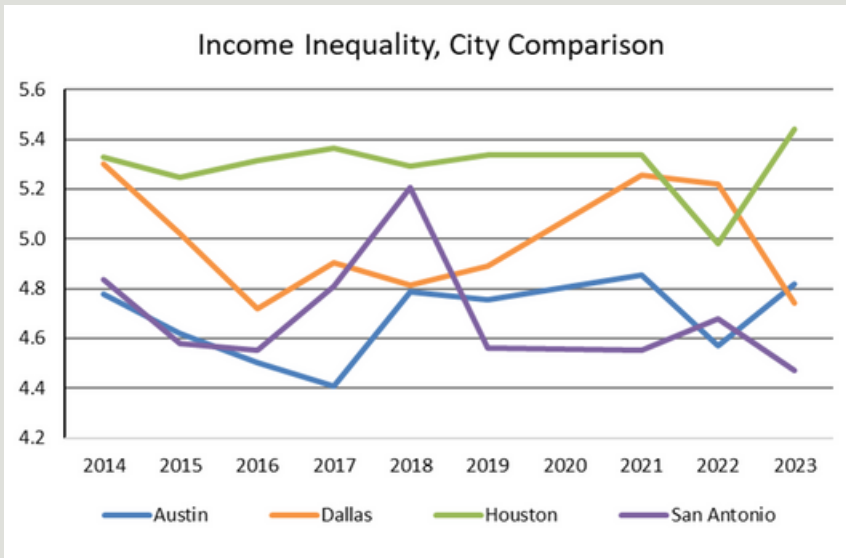
We can compare the difference between individuals near the high end of the scale and near the low end of the scale as a way to measure income inequality. In this section, we will compare the income of the upper quintile of the population (whose income is higher than 80% of households) with the income of the lower quintile of the population (whose income is lower than 80% of households). We take the ratio of these two income groups (median income of upper quintile divided by median income of lower quintile) to quantify the difference.



INCOME - CONT.



Chart 5-4



Source: Table [B19080](#), American Community Survey 1-Year Estimates

Income Inequality in Context By Geography – Charts 5-3 and 5-4 Cont.

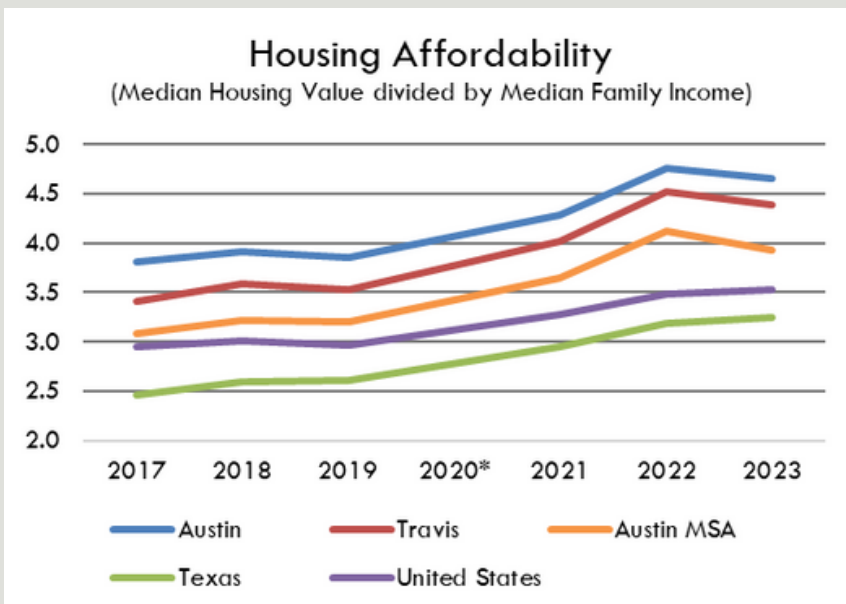
While Austin and Travis County income inequality ratio is higher than it is for the Austin MSA, it is lower than the income inequality ratio for the U.S. Until 2023, the income inequality ratio for Austin and Travis County had been lower than the income inequality ratio for the state. When we compare the City of Austin to other Texas cities, we find that income inequality is significantly higher in Austin than San Antonio but significantly lower in Austin than in Houston. Until 2023, income inequality in Austin had been lower than income inequality in Dallas.

Median Income and Home-Buying Potential

Another way to think about income inequality is to see how the quality of life of certain demographic groups may be affected by income inequality. In this section, we take a look at how differences in median income affect housing access. The first measure that we use divides median housing value by median income and to compare that ratio across jurisdictions and demographics.

Per the group, Prosperity Now, the rule of thumb is that housing prices three times higher than incomes are considered affordable. In areas where housing values are high relative to income, many prospective homeowners are priced out of the market, prohibiting them from building home equity. Whereas high housing values benefit those who already own their homes, a high ratio of housing value to wages typically makes it less likely that someone can afford to purchase a home.

Chart 5-5



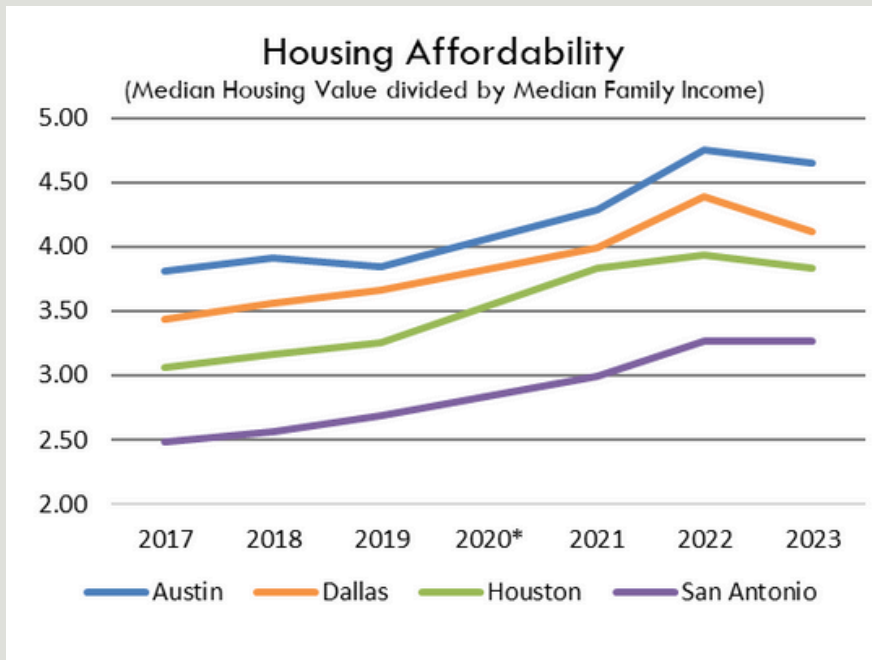
Source: Tables [B25077](#) and [B19113](#), American Community Survey 1-Year Estimates



INCOME - CONT.



Chart 5-6

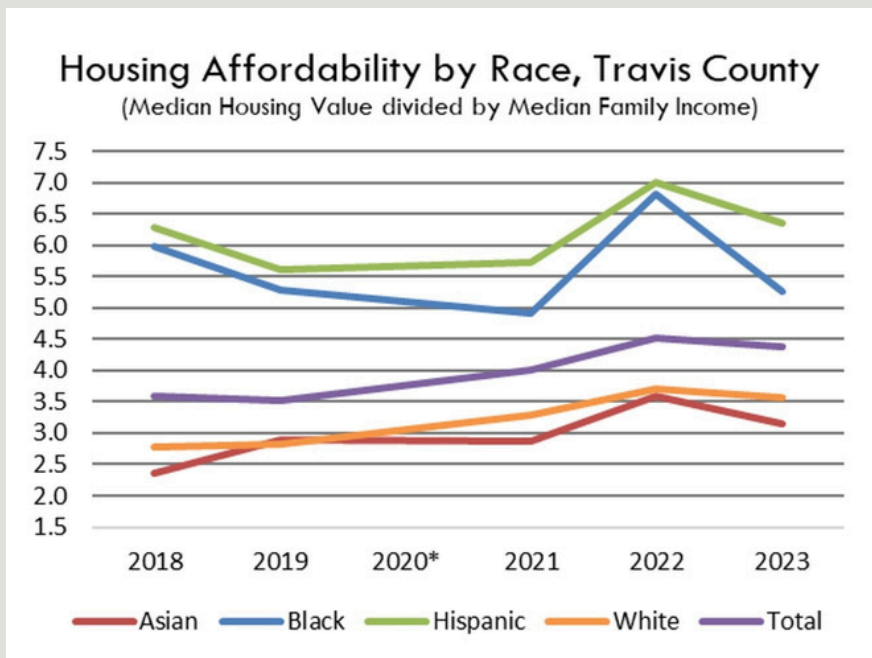


Source: Tables [B25077](#) and [B19113](#), American Community Survey 1-Year Estimates

Median Income and Home Buying Potential By Geography – Charts 5-5 and 5-6

For the purposes of this report we are measuring affordability by calculating the ratio of median housing value to median income for Austin (4.7) and Travis County (4.7) is higher than it is for the Austin MSA (4.5) and Texas (4.5). The ratio for the U.S. (4.9) is higher than it is for Austin and Travis County. This means that it is more difficult for someone working in Travis County and earning the median income to afford to buy a home of median home value than it is in the region or state.

Chart 5-7



Source: Tables [B25077](#) and [B19113](#), American Community Survey 1-Year Estimates

Median Income and Home Buying Potential By Race – Chart 5-7

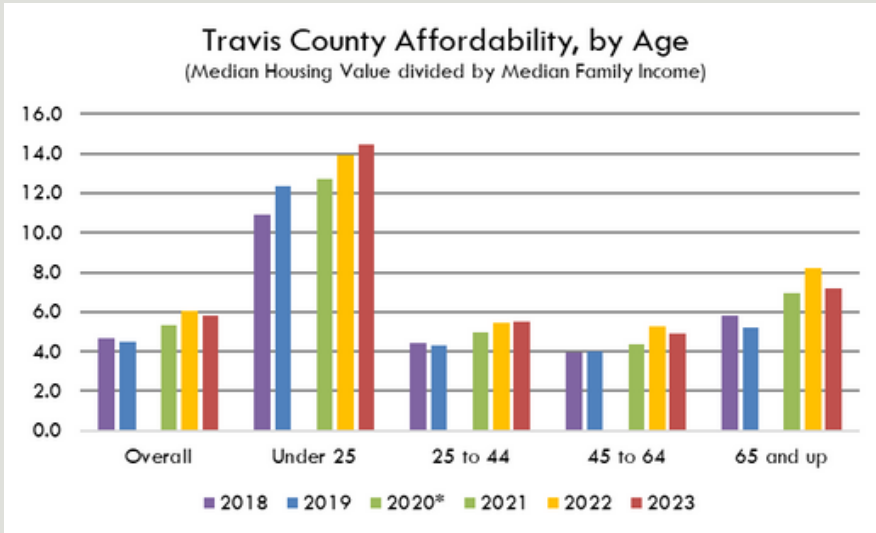
The affordability of housing in Travis County varies for different racial & ethnic groups. In 2023, the median housing price of a home in Travis County was 6.3 times the median family income for a Hispanic family, compared to 3.1 times for Asians and 3.6 for White Travis County residents.



INCOME - CONT.



Chart 5-8

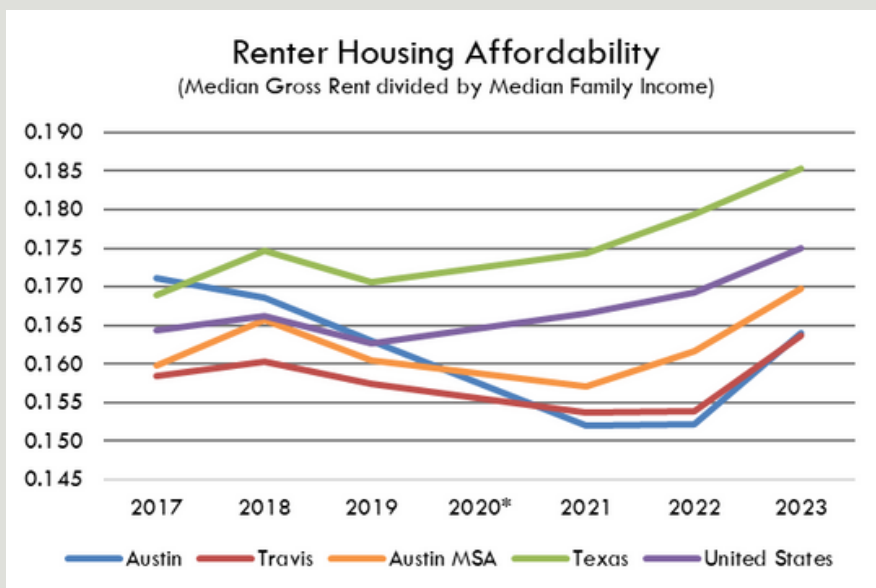


Source: Tables [B25077](#) and [B19013](#), American Community Survey 1-Year Estimates

Median Income and Home Buying Potential By Age – Chart 5-8

For all age groups for which we report data on the ratio of housing value to income, the ability to afford a median priced home is less in 2023 than it was in 2018. A median priced home is less affordable for individuals under 25 years of age (for whom the value of a median home is more than 14 times greater than their income). But for the 25 to 44 age group the value of a median home is 5.5 times greater than their income and for the 45 to 64 age group the value of a median home is 4.5 times greater than their income. And, although the ability to afford a home improves with age for these three age groups, the ratio is still significantly higher than 3.0, which is considered to be the level at which a home is affordable.

Chart 5-9



Source: Tables [B25064](#) and [B19113](#), American Community Survey 1-Year Estimates

Median Income and Rental Housing Access By Geography – Chart 5-9

We take a similar approach to assess access to affordable rental housing. In this case, we divide median monthly rent by median monthly income to determine the degree to which a housing unit offered at the median rent level will be accessible to a person earning the median income. We note that the department of Housing and Urban Development considers someone who pays more than 30% of their income on housing to be housing cost-burdened.

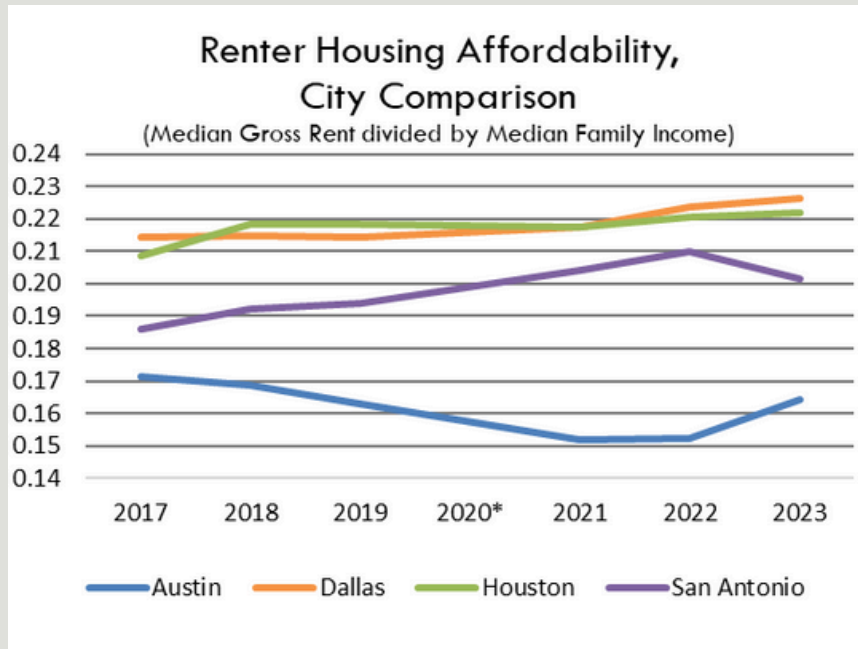
When we consider changes in rental costs over time compared to income for Travis County, we notice a dip from 2018 to 2022 with a sharp increase in 2023. It's a similar trend...



INCOME - CONT.

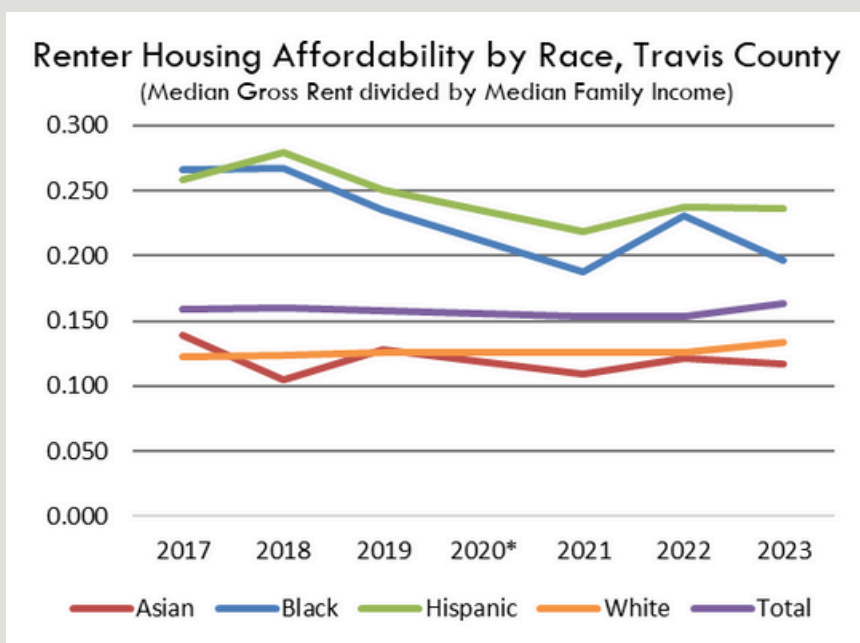


Chart 5-10



Source: Tables [B25064](#) and [B19113](#), American Community Survey 1-Year Estimates

Chart 5-11



Source: Tables [B25077](#), [B25077B](#), [B25077D](#), [B25077H](#), [B25077I](#) and [B19113](#), American Community Survey 1-Year Estimates

Median Income and Rental Housing Access By Geography - Chart 5-9 Cont.

for the Austin MSA, state and nation. The trend for Austin was anomalous in that it went from having the highest ratio of median rent compared to median income in 2017 (least affordable) to one of the lowest in 2023 (most affordable) due to a significant increase in median income. In comparing the 2023 data for these jurisdictions, Travis County and the City of Austin have the lowest ratios (16.4%) compared to the Austin MSA (17%), Texas (18.5%) and the U.S. (17.5%).

Median Income and Rental Housing Access: A City to City Comparison - Chart 5-10

When we compare the trend for this measure for the City of Austin to other Texas cities, we also note that the increase in median income from 2017 to 2023 for Austin (16.4%) makes its ratio of "rental cost to income" lower than it is for Dallas (22.6%), Houston (22.2%), and San Antonio (20%). This suggests that rent is more affordable in Austin even though median rent in Austin is higher than in other Texas cities.

Median Income and Rental Housing Access By Race - Chart 5-11

When we compare the trends for this measure (Median Rent for Travis County divided by Median Income) across racial/ethnic groups for 2023, we find that the ratios of rent to income for Asians (11.7%) and Whites (13.3%) are much lower than the ratios of rent to income for Blacks (19.6%) and Hispanics (23.7%).



WEALTH AND DEBT



Wealth (Homeownership Rate)
Business Ownership by Race
Debt

WEALTH BUILDING AS A PATHWAY TO ECONOMIC MOBILITY

Homeownership is one of the most traditional avenues for wealth-building and, potentially, for economic mobility. The economic mobility for the homeowner may come when a home is sold to purchase a home of greater value. It can also be a source for generational wealth if a home is passed-down to a child who can assume that wealth or further capitalize that economic asset.

In the previous section, we examined how home income and earnings across sex, race/ethnicity, and age may affect one's ability to purchase a home of median value. Those statistics represent the potential in our local community for homeownership as a pathway for wealth building. This section look at homeownership trends by those same demographic breakdowns to determine where we currently stand with regard to homeownership and wealth.

The previous section made it clear that Austin and Travis County's high housing values limit homebuying potential for certain demographic groups. That economic tension is also reflected in our analysis of homeownership rates for Austin and Travis County.

Entrepreneurship is another proven pathway to building wealth. However, several barriers exist to start a business. We must also recognize that success rates of new businesses are very low. Lining up the needed financial resources and business plans to launch a business can be daunting in and of itself. Once launched, managing a profitable enterprise presents its own set of challenges. Given the disparities apparent in the data, help in launching a new business AND managing these businesses in the early years are critical to closing these gaps.



WEALTH AND DEBT



The final topic for this section relates to the impact that debt can have on household budgets and wealth building potential. Debt is not always bad. If it is used as a tool to generate income (e.g., using debt to start a business, to pursue education/training or to buy a car that can expand job opportunities) or to build wealth (e.g., buying a house or something else that can increase in value over time) then it can be a vehicle for upward economic mobility. However, if it is not managed well, it can have the opposite effect (i.e., it can serve to limit access to income-generating and wealth-building opportunities not just in the present but also long into the future).

Outcomes & Trends - Wealth: As a proxy for measuring wealth, we consider “rate of homeownership” as a proxy for comparing access to this traditional avenue for wealth building. The homeownership rate in 2023 for Travis County (52.2%) has remained relatively stable since 2019 (52.0%). Asians and Whites have higher homeownership rates than Travis County (53% and 58% respectively) than Hispanic residents (44%) and Black residents (40%). When considering access to homeownership opportunities by age group, we find that homeownership rates for both the “35 to 44” and “45 to 54” age groups are lower than they are for the Austin MSA and Texas but higher than they are for the U.S. The age group in Travis County for which there was the greatest disparity in homeownership rates is the “65 to 74” age group that has a homeownership rate of 7.9% compared to 8.9% for the Austin MSA, 10.8% for Texas and 12.7% for the U.S. The disparity for this particular age group is evident even though for that same age group (65 to 74), the homeownership rate increased from 5.9% in 2013 to 7.9% in 2023.

An analysis of business ownership in Travis County reveals significant gaps in outcomes when we consider race/ethnicity. Overall in Travis County, for every 100 workers, four of them own a firm. Only one Black and one Hispanic worker own a business for every 100 workers compared to about six Asian and White workers for every 100 workers.

Comparisons with Other Jurisdictions - Wealth: The homeownership rate for Travis County (52.2%) is lower than it is for the Austin MSA (58.1%), Texas (58.1%) and the U.S. (65.2%). When comparing Texas cities, the homeownership rate for Austin (43%) is comparable to that of Dallas (42%) and Houston (42%) whereas the homeownership rate for San Antonio is much higher (53%).

Outcomes & Trends - Debt: In 2023, the share of Travis County residents who had debt collections was about 24%. However, the share of people of color who have debt in collections is more than double the share of White residents who have debt in collections (31% vs 15%).

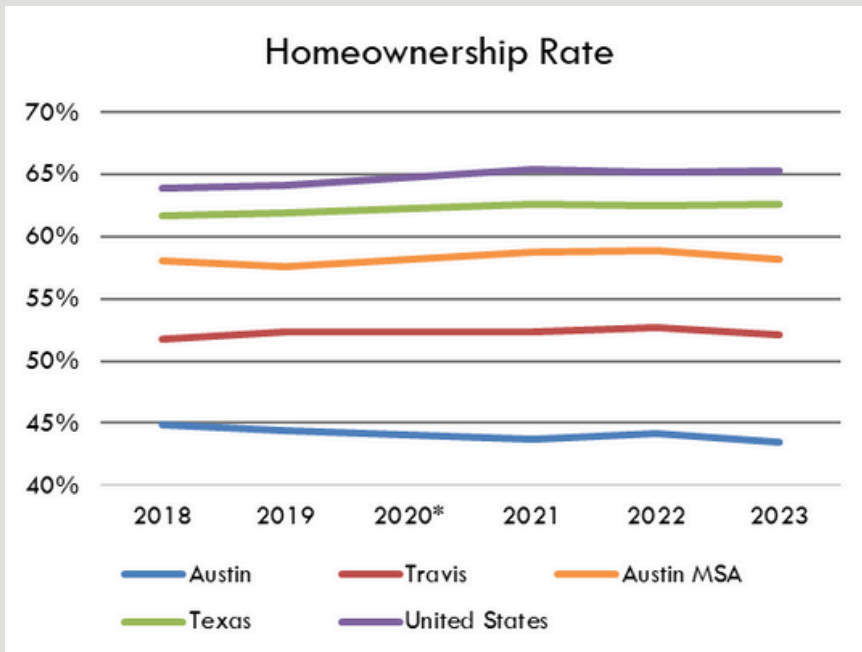
Comparisons with Other Jurisdictions - Debt: In 2023, the share of the population in Travis County that had debt in collections (23%) was higher than it was in Texas (22%) and the U.S. (16%). The share of people of color in Travis County who have debt in collections is higher in Travis County (31%) than in Texas (24%) and in the U.S. (20%).



WEALTH AND DEBT - CONT.



Chart 6-1

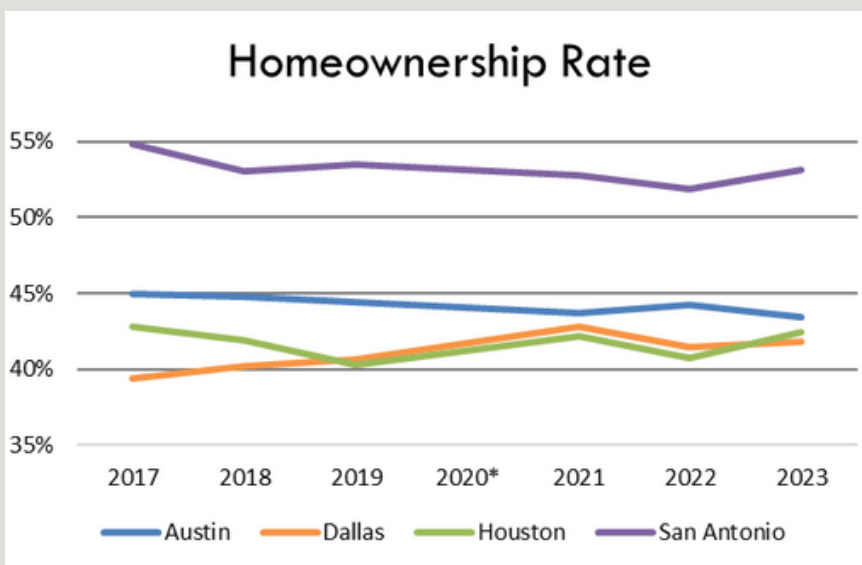


Homeownership Rate by Geography – Chart 6-1

In 2023, Homeownership rates for Austin (43.5%) and Travis County (52.2%) are lower than the Austin MSA (58.1%) as well as Texas (62.6%) and the U.S. (65.2%).

Source: Table B25003, American Community Survey 1-Year Estimates

Chart 6-2



Homeownership Rate: A City Comparison – Chart 6-2

Our comparison of 2023 homeownership rates to other Texas cities shows that the rates for Austin (43%), Dallas (42%) and Houston (42%) are comparable. Whereas the homeownership rate for San Antonio (53%) is much higher.

Source: Table B25003, American Community Survey 1-Year Estimates

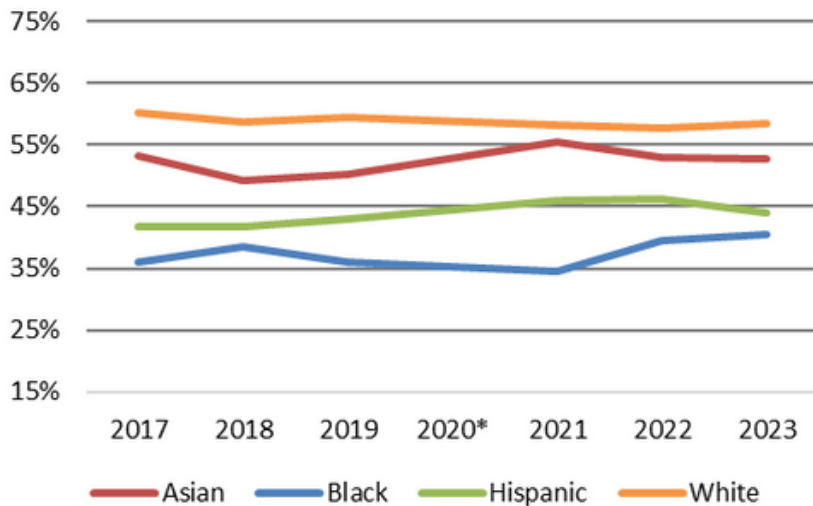


WEALTH AND DEBT - CONT.



Chart 6-3

Homeownership Rate by Race, Travis County



Source: Table [B25003](#), American Community Survey 1-Year Estimates

Homeownership Rate By Race – Chart 6-3

In 2023, 40% of Black and 44% of Hispanic Travis County Residents owned their home, compared to 58% of White and 53% of Asian Travis County residents.

Homeownership Rate By Age – Chart 6-4

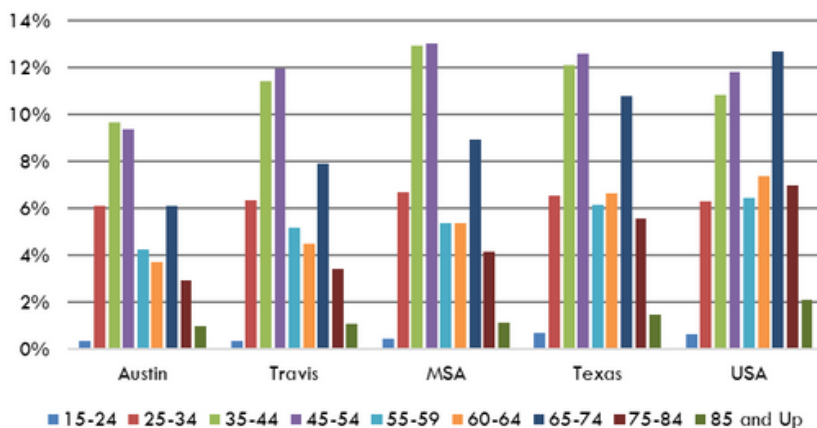
Homeownership rates in Travis County vary by age. In 2023, for the “35 to 44” age group, Austin (9.7%) has the lowest rate of homeownership compared with Travis County (11.4%), the Austin MSA (12.9%), Texas (12.1%) and the U.S. (10.8%).

In 2023, for the “45-54” age group, Austin (9.4%) also has the lowest rate of homeownership compared with Travis County (11.4%), the Austin MSA (13.1%), Texas (12.6%) and the U.S. (11.8%).

The age group for which Austin, Travis County and the Austin MSA were significantly lower than Texas and the U.S. is the “65-74” age group. The percentages are: Austin (6.1%), Travis (7.9%), Austin MSA (8.9%), Texas (10.8%) and U.S. (12.7%). This is a little more concerning since interventions for this group are more limited. The homeownership rates for the “55 to 59” and “60 to 64” age groups are also lower for Austin, Travis County and the Austin MSA than they are for Texas and the U.S., but to a slightly lesser degree.

Chart 6-4

Homeownership Rate by Age, 2023



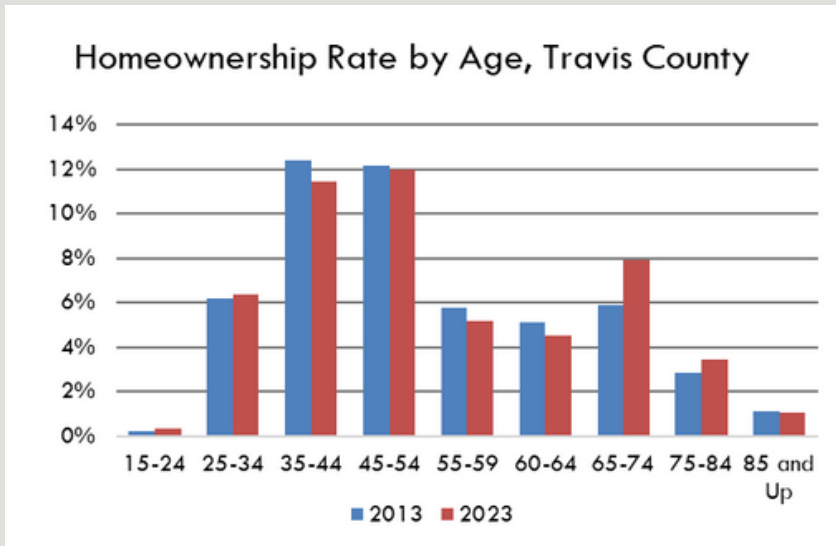
Source: Table [B25077](#), American Community Survey 1-Year Estimates



WEALTH AND DEBT - CONT.

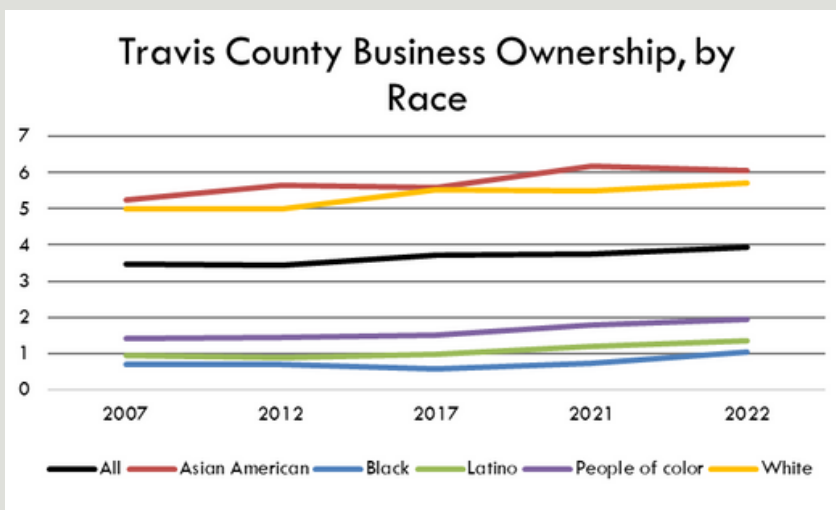


Chart 6-5



Source: Table B25077, American Community Survey 1-Year Estimates

Chart 6-6



Source: [National Equity Atlas](#)

Homeownership Rate By Age – Chart 6-5

In the previous section we highlighted that there is a lower homeownership rate for the “65-74” age group in Travis County when compared to the state and the U.S. Between 2013-2023, the “65-74” age group increased from a rate of 5.9% to 7.9%. During this 10 year period the homeownership rate increased for 4 age groups while it decreased for the other 5 age groups.

Business Ownership

Starting a small business presents another economic opportunity with the potential to build wealth and support economic mobility. However, starting a business and successfully managing a business are easier said than done. There are a number of small business development programs and resources that are made available by local government and non-profits community development entities to help entrepreneurs along the way. The measure that we use for Business Ownership is from the National Equity Atlas that estimates business ownership by noting the number of firms that exist for every 100 workers in the workforce who are 16 years of age or older.

Business Ownership by Race – Chart 6-6

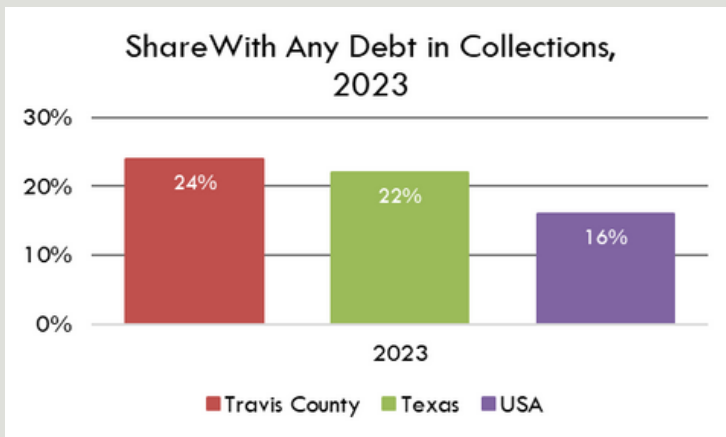
According to the available data, business ownership rates for most racial groups have increased in recent years. However, inequalities between different groups have persisted in the long term. Overall, in Travis County, for every 100 workers, about 4 own a firm. Disaggregated by race and ethnicity, only about 1 Black and 1 Latino owned a firm for every 100 workers, compared to about 6 for Asians and Whites in Travis County.



WEALTH AND DEBT - CONT.



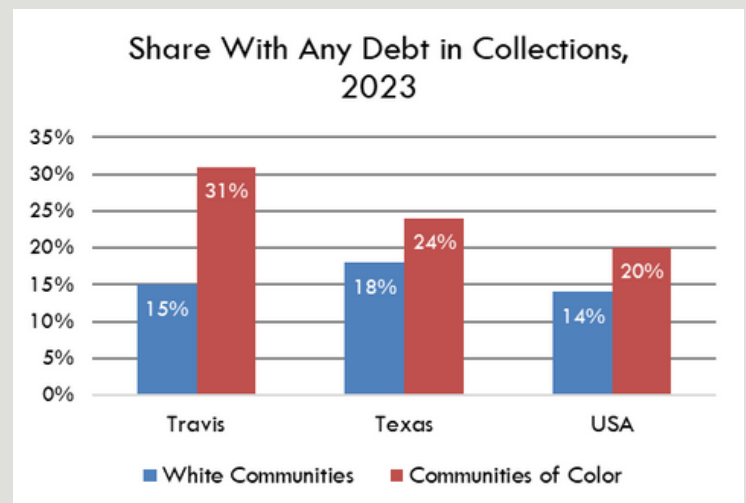
Chart 6-7



Source: [The Urban Institute](#)

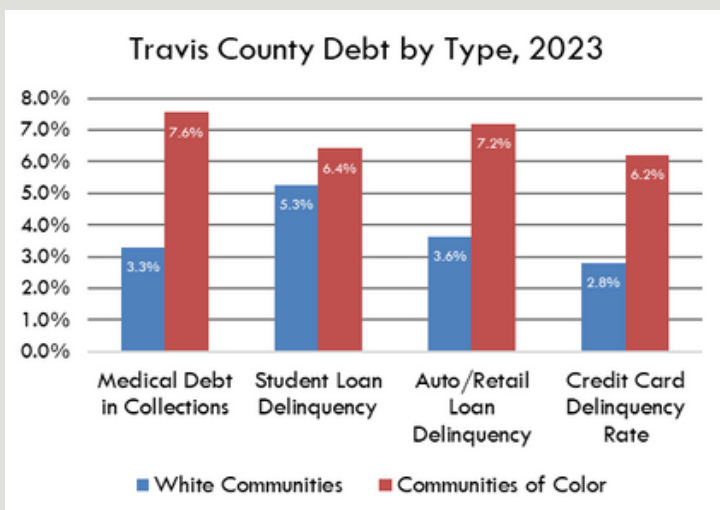
Chart 6-8 In Travis County, different communities experience debt delinquency at different rates. The most recent data for Travis County show that 31% of folks who identify as non-White had debt in collections, compared to 15% of the population who identify as White.

Chart 6-8



Source: [The Urban Institute](#)

Chart 6-9



Source: [The Urban Institute](#)

Chart 6-9 People who live in Travis County take on different kinds of debt. This chart shows higher rates of debt for communities of color in each category. The highest difference was for medical debt in collections (7.6% for communities of color compared to 3.3% for White communities). The lowest difference was for student loan delinquency (6.4% for communities of color, compared to 5.3% for White communities).



ADDENDUM



Recent News Articles – Housing

Austin American Statesman (1/5/26) – Saving to Buy A House Harder in Austin

Austin American Statesman (12/31/25) – Austin Down-Payment Timeline Hits 8.2 Years

Austin American Statesman (12/29/25) – Survey Finds Renters Under Pressure, Dreams of Ownership Fading

Additional Sources of Data & Research

Urban Institute: Debt in America – An Interactive Map

Urban Institute: Upward Mobility Data Dashboard and Upward Mobility Framework

Leading on Opportunity: The Opportunity Compass

Federal Reserve: Survey of Household Economics and Decision-making

Federal Reserve: Survey of Consumer Finances

Opportunity Insights: Social Capital Atlas

Related Research – National

“Adults Who Have 3-Months of Emergency Savings” – Federal Reserve: Survey of Household Economics and Decision-making (2023)

Emergency Savings by Age Group - 2023			
18-29	30-44	45—59	60+
36%	50%	54%	72%

Emergency Savings by Race/Ethnicity- 2023			
Asian	Black	Hispanic	White
67%	42%	43%	59%

“Funds Saved in a Retirement Account (Median)” – Federal Reserve: Survey of Consumer Finances (2022)

Retirement Savings by Age Group - 2022					
Less Than 35	35-44	45-54	55-64	65-74	75+
\$18,880	\$45,000	\$115,000	\$130,000	\$185,000	\$200,000

Retirement Savings by Race/Ethnicity- 2022			
Other	Black	Hispanic	White
\$60,000	\$39,000	\$55,600	\$100,000



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