

Item 10 ADDED BACKUP

S
T
R
U
G
G
L
E

The Other Faces of the Texas Economic Miracle

Photography by MATT RAINWATERS

Foreword by ALEX HANNAFORD

JANA LOVES AUSTIN. Born in San Francisco, she went to New York for art school where she met her Austinite husband Shea. The couple moved here in 2001, and along with two friends they rented a warehouse on the east side and started the East Austin Studio Tour – a self-guided art circuit around the city. They had no intention of it becoming their livelihood but eventually it did. It turned into a career.

Austin provided a nurturing environment of like-minded, creative people. It wasn't so much about scratching out a living, but working hard doing something they both loved – for which they were paid just enough; enough to be happy at least. Jana and Shea had two kids (now ages three and five), but little by little, living in Austin got harder on them financially.

They still have that wonderful community surrounding them — people they can rely on — which has helped offset the hardship of making ends meet. But now they don't go out nearly as much. They're planning to start a vegetable garden in their backyard because they can't afford their groceries; Jana, 36, who has been doing occasional shifts at a restaurant to supplement her income, is looking for a night job. And they still have to juggle two children under the age of six.

It's not just artists on the east side of Austin who are struggling. According to Census Bureau statistics, more than 10.4 million people in America are among the “working poor” — people who spend at least 27 weeks a year in the labor force but whose incomes still fall below the official poverty line.

The Center for Constitutional Rights says one third of the working poor in America — more than three million people — work in the service industry. Sixteen percent work in farming, 11 percent in construction and 11 percent in sales. Women workers are more likely to be poor than men. And African American and Hispanic workers are twice as likely to be poor as whites.

In 2012, almost 20 percent of the population of Travis County lived in poverty. And in the Greater Austin area, one in five families lives below the federal poverty level; that's a family of four living on less than \$23,550.

But we've been sold the notion of Texas as some kind of economic behemoth; that while the rest of America struggled in the dark days of recession, Texas was doing okay. The poor, huddled masses should have packed up their U-Hauls and moved to the Lone Star State, right?

In 2012, during his failed presidential bid, Governor Rick Perry boasted on the national stage of the 'Texas economic miracle' and he was claiming ownership. Texas had, he said, weathered the downturn better than other states due to its light tax burden and fair regulatory climate; that since 2009, 37 percent of all new jobs in the U.S. were created in Texas and that it represented the engine of economic growth for the entire country.

But economist Paul Krugman blew that out of the water, saying that the Texas economic miracle was simply a myth. It may have entered recession a bit later than the rest of America, but that was "mainly because the state's still energy-heavy economy was buoyed by high oil prices through the first half of 2008," Krugman wrote. And it may have been spared the worst of the real estate crisis. But "from mid-2008 onward unemployment soared in Texas, just as it did almost everywhere else."

What's more, the Washington Post pointed out that since 1990, Texas has been adding to its population at twice the rate of the rest of the country due to people moving here from other states and due

to its high birth rates. All those new people have meant a greater demand for services, which naturally create more jobs. But more jobs push wages down.

Austin is the only city I've been to in the U.S. where I've had PhDs serving me at my local coffee house or driving me in their taxi to the airport. Forbes magazine may have awarded Austin "fastest growing city" in America this year for the fourth year in a row, but according to the National Low Income Housing Coalition, Austin is the most expensive city in Texas for residents making minimum wage or close to it. With rents skyrocketing (the average price for an Austin-area lease was \$1,370 in January 2014 — seven percent more than the previous year), most renters just can't afford a two-bedroom apartment without a second income. And if you have kids, like Jana does, get ready not to see them much any more.

As author David Shipler wrote in *The Working Poor: Invisible in America*, "Nobody who works hard should be poor in America." But the blunt truth is, Austin is living proof that there are a lot of those that do. And are.

Texas Monthly writer Erica Grieder's book *Big, Hot, Cheap and Right: What America Can Learn from the Strange Genius of Texas* attributed the state's success to being business friendly and having low taxes and light regulation. But as my friend Forrest Wilder, reviewing Grieder's book in the *Texas Observer*, put it: "a state in which a quarter of all people go without health insurance does not strike me as one possessing a system that 'clearly and incontrovertibly worked.'" A state where one out of four children lives in poverty is not one that's "getting better for everyone." A state that's second-to-last in per-capita spending on mental health care and has one of the highest incarceration rates in the world is not one "where no one's been disappointed."

From 2012 to 2013, the call center at United Way for Greater Austin saw a 58 percent increase in questions related to food stamps, SNAP and food pantries, piggy backing, it said, on a 55 percent increase

the year before. According to the nonprofit's analysis based on the last census, low-income young children are Austin's fastest growing population – and get this: there are 71 percent more low-income children now than there were a decade ago. Are these the children of the Texas economic miracle?

Eduardo was 26 when he moved to Austin from Puerto Rico three years ago. He wanted to grow professionally and personally and he'd met a couple of people in college, where he studied sound design, who were from Austin and he thought it seemed like a wonderful place. Eduardo moved here and started working as a sound designer for free, then slowly built up a clientele.

To survive, he worked two jobs waiting tables. "I'd get off at 6a.m., go to sleep by 7a.m., wake up at 3p.m., then sit in front of my computer working on a project," he said. "Then I'd be back at the restaurant at 9p.m."

"I was exhausted but I had a vision; I had a dream," said Eduardo. "You get to the age when you don't just want to wait tables any more. It's a slow process."

Today, he works full time doing what he studied for; what he loves. His parents are proud, and his work has even been nominated for awards. But with rents on the rise and the cost of living going up, Eduardo can barely afford to enjoy the fruits of his labor.

Last year, the Moneyunder30.com website ranked Austin as the number one city in America "to Be Young, Broke & Single." There are plenty of people who would disagree.

Ten years ago, Donna didn't think she'd be raising three children under 10, but due to her daughter's depression that's exactly what she had to do. She retired from Seton where she worked as a supervisor in environmental services so she could stay at home to look after her grandchildren. She draws social security but in the evenings Donna goes out to work cleaning offices and houses. Her husband has macular degeneration and can't work so the couple is reliant on her income to provide for the new family.

"It's rough," Donna told me. "But I wouldn't have it any other way. And living in Austin – it's something else. I've never seen anywhere so expensive."

Donna's husband started a garden out back growing tomatoes, cucumbers, squash, cabbages and onions, and Donna says that's really helped because the cost of groceries has soared. Last year her parents' house was signed over to her and she says that's eased the financial burden. Before that they were paying \$900 in rent and she's not sure how they managed.

For these people, working hard to put food on their table and to make their way, life is a struggle. All they want is a living wage and to live in a city that they love but which is affordable. That, they believe, would make the struggle more bearable.

Austin, Texas, 2014.



MIA, 3



MILES, 5

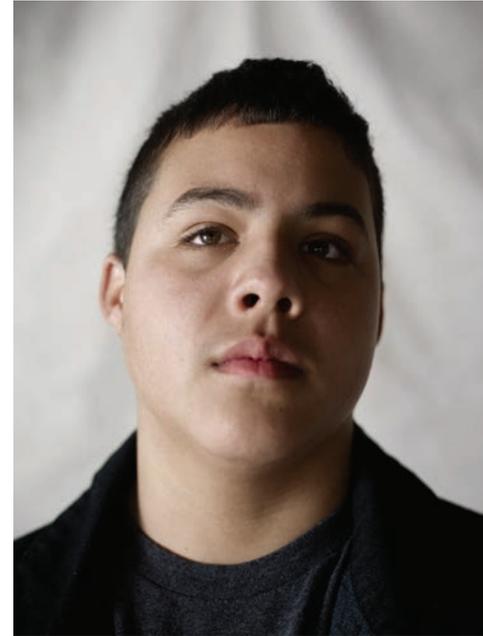
CALLIE, 30

When I got pregnant with my daughter I couldn't afford to live in Austin any more so I moved back in with my parents in Bastrop. I have a boy, Miles, who is 5, and a girl, Mia, 3. Shortly after I got pregnant with Mia, their dad, who was helping out financially, was sent to prison. We used to rent a house in Austin for \$900 a month, but it was broken into and I couldn't afford to move to a nicer neighborhood. I got laid off and took the first job I could find, working for the state at a newborn screening lab, but it was a huge pay cut. I'm now studying for my masters in public health. It's been challenging because of course I'd like to have a home with the kids - I'd like us to be a family unit but the cost of living has gone up dramatically and I don't think I could make it on my own at all. Even day care alone is \$1,600 for two kids. That's a mortgage payment right there; then to have to worry about rent and food and bills, it's just... too much.





ERICKA, 39 / BROOKLYN, 16 months



BRANDON, 14



SUZETTE, 25 / AARON, 1



COLTON, 16



CAI, 5



JANA, 35

ASHLEY, 25

I arrived in Austin the week before Thanksgiving to begin a four-year assignment working as a volunteer for AmeriCorps VISTA. Volunteers live off of a stipend – not a very big one. I get about \$412 every two weeks after tax. Finding housing on such a limited budget was hard, but I live in an apartment with roommates. It's tough making sure I have enough money for rent first of all, then making sure essentials are covered and to pay my cell phone bill.





BIANCA, 25

At 25 I moved back in with my parents so I could save to buy a house. I don't have to pay them rent but I still have car payments, food, and insurance. It would be impossible to rent an apartment and save money on my salary as an administrative assistant to the executive director of a public charter school. Even paying for gas is challenging. It's taking a little bit longer to grow up these days.



EDUARDO, 29



BETHANY, 8



DONNA, 66



SIDNEY, 44

My rent has pretty much doubled in the last five years. It's off the charts. Outrageous. And the money's hard to find when you have to earn three times your rent. I work as a warehouse coordinator for SafePlace, which works to end sexual and domestic violence but I've had to take on a part-time job at Goodwill. I probably work 65 to 70 hours a week. Electricity and water are expensive. Even groceries are more expensive now. I'm divorced and my youngest kid is 18, but even though they're grown I still have to help them out financially.



REY, 30



ANGELINA, 22

I come from a single-parent household and I didn't realize then how much we were affected by poverty. To get to college I needed assistance from the government or scholarships. Living in Austin is a struggle but I come from a background where you worked with what you had and made the best of it.



SELENIA, 34

My business partner Erik and I work 18-to-20-hour days. We pay ourselves 400 or 500 dollars a week, and we have three employees. Rent is the hardest for us. Right now Erik is living inside our manufacturing facility.



ERIK, 29



CLAUDIA, 44



IVANA, 2

CAROL, 51

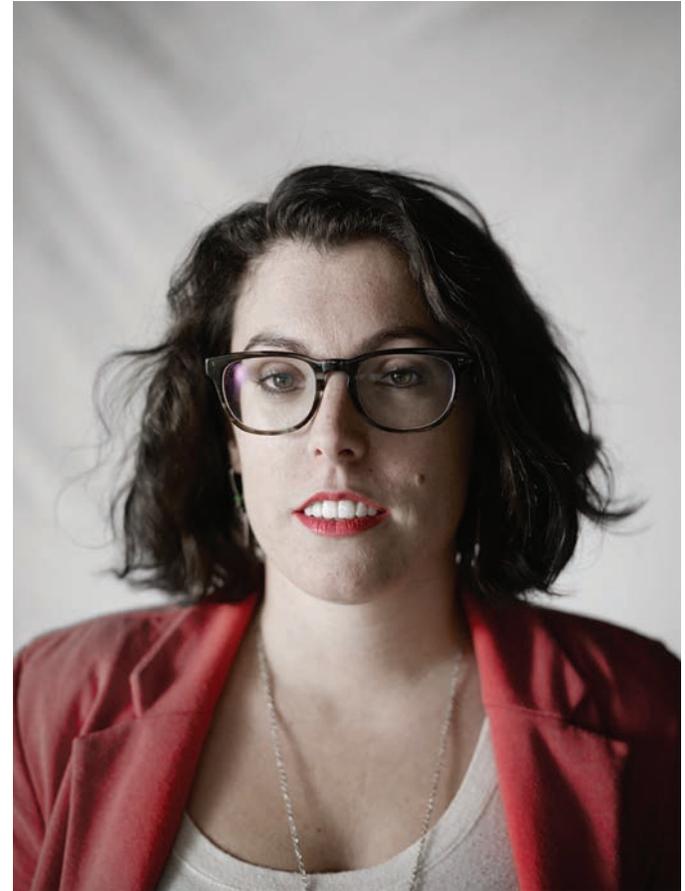
It's been humbling working for the AmeriCorps VISTA program. We have a living allowance and qualify for food stamps so we can relate to our clientele – which for me are ex-offenders. It's important to identify with what they are going through. I applied for financial assistance in August and heard back in January. The process is time consuming and overwhelming, and if it's inconvenient for me, it must seem like a lifetime for one of my clients. Housing ex-offenders is a major problem. If they miss their rent or get behind paying for utilities, they can get evicted. And if they have a broken lease they may not qualify for another apartment. In July, when my time with VISTA is up, I can walk away from this. They cannot.





KENZIE, 21

The big box store I work for as a guest services attendant doesn't offer health insurance to part-timers. A doctor's visit is \$100, plus lab work and medication, so I can't call in sick because I'd lose a whole day's work money. I live on my own and I'm able to afford my apartment because my family helps me with my rent and with food and other stuff. I don't really go out.



VICTORIA, 30



NICHOLE, 24



NEKIA, 24

Our mom was a teenager in college when she had my sister and me. My sister and I went to college and graduated two years ago and we both became teachers. Education is not a high paid industry and so I have to watch my money carefully.

MATT RAINWATERS

Matt Rainwaters is a former high school teacher and hotdog stand owner who moved to Austin to work as a photographer in the summer of 2008. Since arriving in Texas he has shot in locations like Guantanamo Bay, the Canadian tar sands and Haiti. He has won multiple awards for his work and is proud to have worked for publications including the New York Times Magazine, Texas Monthly, Esquire UK and British GQ.

ALEX HANNAFORD

Alex Hannaford has written about the death penalty, crime, incarceration, religion, culture and human interest issues for the Telegraph, Times and Guardian in the UK, (British) GQ, The Atlantic and the Texas Observer. He is a fellow of the Dart Center for Journalism and Trauma.

CODY HALTOM

Cody Haltom is an art director and designer based in Austin, Texas. He's a co-founder of Public School, a multidisciplinary studio working in art direction, design, illustration, photography and film.

This project was underwritten by
United Way for Greater Austin
in celebration of its 90th anniversary.

unitedwayaustin.org