



**INCOME: Texas Median Rises 1 Percent, Outpacing National Growth**

**T**exas’ real median household income rose 1 percent in 2013 to \$51,704, according to the Census Bureau’s American Community Survey. Median income for the nation increased slightly, to \$52,250, but grew at a slower 0.6 percent rate.

Income gains in Texas contributed to a 0.4 percentage-point decline in the poverty rate to 17.5 percent in 2013. The national poverty rate was essentially unchanged at 15.8 percent. Texas was one of only four states to record a statistically significant poverty rate reduction between 2012 and 2013.

Educational attainment in Texas also improved. Nearly 82 percent of Texans over age 25 had a high school degree in 2013, up 0.5 percentage points from 2012, and the share of the population with a bachelor’s degree or higher jumped 0.8 percentage points to 27.5 percent, still below the national average of 29.6 percent.

Although Texas’ educational attainment, income and poverty were better, its income inequality worsened. The Gini index, a measure of income disparity, rose in 2013. However, the national index has climbed at a slightly faster pace in recent years, improving Texas’ relative standing. Income inequality in Texas, as measured by the index, now equals that of the nation.

—Kristin Shepard



**AGRICULTURE: Texas Cattle Producers Likely to Report Record Profit**

**T**he Texas livestock sector, which accounts for more than 70 percent of state agricultural production, anticipates record profits this year despite lingering drought conditions. Cattle prices continue climbing, while input costs—such as corn used for feed—are falling, according to the U.S. Department of Agriculture (USDA).

An expected bumper corn crop in the U.S. is driving down feed prices, while tight cattle inventories are pressuring beef prices amid strong domestic and international demand. With agriculture and related economic activities accounting for around 10 percent of state gross domestic product, according to the Texas A&M AgriLife Extension Service, the Texas economy stands to benefit.

An easing drought, reported by bankers statewide in the Dallas Fed’s third-quarter *Agricultural Survey*, is also aiding cattle ranchers. With strength in the livestock sector and in cotton—the state’s No. 1 crop—Texas won’t reflect a projected U.S. farm income decline. Cash receipts are forecast to increase 10 percent for livestock and 15 percent for cotton in Texas this year. Nationally, net farm income is expected to decline 14 percent in 2014 from 2013 amid rising expenses and a 15 percent drop in direct government payments, according to the USDA.

—Sarah Bindner



**HEALTH CARE: Medicaid Surge Along Border Signals Spending Rise**

**M**edicaid enrollments in South Texas border counties rose 6 percent in the first eight months of 2014, a particularly large increase given that one-quarter of the region’s population was already in the program. Statewide, 13 percent of residents are in the low-income health care plan. The added government health care funding along the border should bolster employment of health aides.

Nearly 10 percent of South Texas border workers are employed in the home health care industry, compared with 2.2 percent statewide. In the 1990s, the shares were about the same in the two regions. The expansion likely reflects high rates of border poverty and chronic disease, along with low accessibility to preventive care and other factors.

Higher public sector spending has largely paid for the expansion—government transfer payments for medical benefits in the region grew at an inflation-adjusted rate of 8.5 percent annually between 2000 and 2010. Federal budget cuts beginning in 2012 abruptly halted spending growth, straining home health care agencies that rely on government reimbursements. As a result, home health care job growth slowed.

—Christopher Slijk