

# ROOT CAUSE OF FOOD INSECURITY:

# FINANCIAL SECURITY

## BACKGROUND

Financial security is essential to ensure Texas households have consistent access to healthy food. As prices continue to rise, families across the state are struggling to cover necessities like food and shelter - exacerbating the effects of food insecurity for all Texans.

## HOW FOOD INSECURITY AND FINANCIAL SECURITY ARE CONNECTED

Food insecurity and financial insecurity are deeply connected, impacting individuals and families from all walks of life. Financial instability directly affects a person's ability to access sufficient, nutritious food.

When families face financial hardships, they are often forced to make tough choices, like prioritizing housing over putting food on the table. This is especially true for households with lower incomes or those dealing with periods of unemployment. The burden of low wages can push families into poverty, worsening food insecurity.

As grocery prices and the overall cost of living continue to rise, many Texans are finding it difficult to pay their bills. This can lead some to turn to exorbitantly priced loans, which only exacerbate their financial insecurity. For example, borrowers who take out and refinance a payday loan can end up paying between \$1,200 and \$3,000 to repay a \$500 loan.

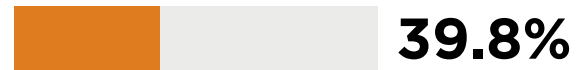
Rising costs are also forcing households to cut back on other essential needs, like prescriptions and medical care, which can negatively impact their long-term health. Debt and financial stress only make matters worse - an unexpected health crisis can lead to substantial debt almost overnight. For many, debt repayment becomes a pressing priority, leaving little room to cover other essentials, like food. By reducing the strain of medical debt, we can ensure families have the resources they need to purchase food and take care of their financial and physical well-being.

## HOW WE CAN HELP TEXANS

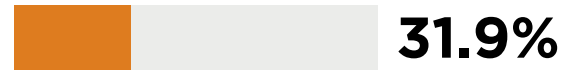
To address these issues, Texas should focus on practical solutions that strengthen financial security for families. This includes addressing benefit cliffs that make it harder for families to transition out of assistance programs, protecting households from predatory lending practices, and easing the burden of medical debt. By focusing on these areas, we can support more Texans to navigate the economic challenges that lead to food insecurity.

## PERCENTAGE OF WORKERS WITHIN TEXAS EARNING LESS THAN \$15 PER HOUR

### TEXAS



### NATIONAL



**In Texas, nearly 40% of workers make less than \$15 an hour.**