

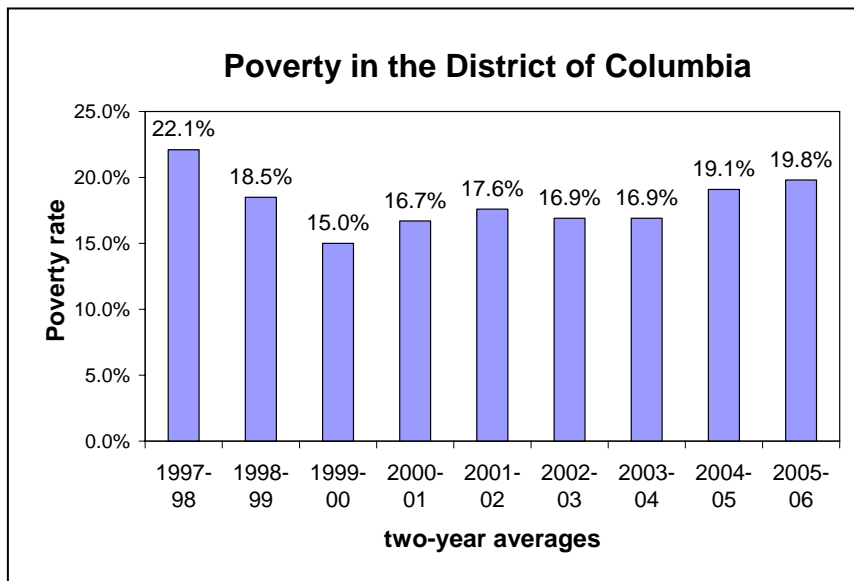


August 31, 2007

## POVERTY IN DC REMAINS AT VERY HIGH LEVEL DESPITE ECONOMIC GROWTH

Washington, DC—Data released by the U.S. Census Bureau on August 28, 2007 show that poverty in the District of Columbia remains at the highest level in nearly a decade.

According to the Current Population Survey (CPS), the poverty rate in the District rose from 19.1% in 2004-05 to 19.8% in 2005-06. While this short-term change was not statistically significant, poverty is dramatically higher today than in recent years. For example the 19.8% poverty rate is far higher than the 16.9% rate in 2003-04 and reflects an increase of 17,000 poor residents. Worse, the 2005-2006 poverty rate represents an increase of nearly one-third since 1999-2000 when 15% of DC residents were poor. In 2006, a family of four was considered poor if its yearly income was less than roughly \$20,800.



“It is deeply troubling that so many District families remain poor. Judging from the consistently high demand for placement in our housing programs for families, and indeed all of our programs, there are many District residents who lack the money and/or resources to meet their needs,” said Father John Adams, President of SOME, Inc. (So Others Might Eat).

The Census Bureau data show that median household income in the District rose from \$46,400 in 2004-2005 to \$47,500 in 2005-2006, a change that was not statistically significant. (Both figures are in 2006 inflation-adjusted dollars.) This modest improvement for the District’s middle-income residents appears to suggest that inequality is increasing and that residents at the bottom of the economic ladder are not enjoying the benefits of the area’s economic successes.

“Rising poverty in the midst of the District’s economic renaissance is perhaps the greatest challenge the city faces,” said Ed Lazere, executive director of the DC Fiscal Policy Institute (DCFPI). “Our leaders need to develop comprehensive policies to help DC residents who are eager to climb out of poverty.”

The District’s persistently high poverty rate suggests that more needs to be done to help DC’s most vulnerable residents, who are forced to make choices between housing, food, medicine, child care, and other expenses. SOME and DCFPI jointly recommend:

- 1. Improve income supports for DC residents in poverty.** This includes a cost of living adjustment for the minimum wage; expanded outreach for the Earned Income Tax Credit (EITC), a tax credit for low-wage workers; an increase in the Temporary Assistance for Needy Families (TANF) benefit, to stabilize the lives of

DC's poorest families with children; and implementation of the living wage agreements for all employers that receive economic development assistance from the District government.

2. **Passage of the “Paid Sick and Safe Days Act of 2007.”** This legislation would help ensure District residents do not lose their jobs or income when attending to a family emergency by affording some paid time off for employees to attend to their own illness or that of their child. Additionally, this would also provide time off for victims of domestic violence to seek medical care, shelter, counseling, a court order, or other services.

3. **Aggressive funding and implementation of the Comprehensive Housing Strategy Task Force recommendations.** Chief among these recommendations are the expansion of the local housing production trust fund and the local rent supplement program. Both programs are integral to the District's efforts in combating what the Fenty Administration has described as “an affordable housing crisis.”

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*The DC Fiscal Policy Institute conducts research and public education on budget and tax issues in the District of Columbia, with a particular emphasis on issues that affect low- and moderate-income residents. By preparing timely analyses that are used by policy makers, the media, and the public, DCFPI seeks to inform public debates on budget and tax issues and to ensure that the needs of lower-income residents are considered in those debates.*

*SOME is an interfaith, community-based organization that helps the poor and homeless of our nation's capital. We meet the immediate daily needs of the people we serve with food, clothing, and health care. We help break the cycle of homelessness by offering affordable housing, job training, addiction treatment, and counseling to the poor, the elderly and individuals with mental illness.*

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