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POVERTY DATA RELEASED FROM THE CENSUS BUREAU DO NOT TELL THE COMPLETE STORY OF POVERTY IN DC DURING THE RECESSION

New data from the Census Bureau reveal that poverty rose significantly in the United States in 2009. The same data appear to suggest that poverty in the District *decreased* modestly, yet for several reasons the new data are not able to tell a complete story of what happened to poverty in DC in the recession. The findings, released yesterday from the Census Bureau's Current Population Survey (CPS), provide the most authoritative data on poverty and income trends at the *national* level, but not at the *state* level. More authoritative state-level poverty and income data from the Census Bureau will be released on September 28th. Given sharp increases in unemployment and in food stamp caseloads in DC in 2009, those data are likely to show that poverty rose in DC last year.

The new Census data show that 17.2 percent of DC residents had incomes below poverty in 2008-2009, compared with 18.1 percent in 2006-2007. However, this change was not statistically significant, which means the new data do not conclusively show that poverty has changed since 2006-2007.

The DC data are presented for 2008 and 2009 together because the Census Bureau recommends that CPS state-level data be averaged across two-year periods to compensate for the survey's small sample sizes at the state level. Unless changes from one year to the next were very large, they would not be statistically significant.

But looking at combined data from 2008 *and* 2009 could be misleading when trying to assess the effects of the recession in DC. Unlike the nation as a whole, DC didn't start to feel the brunt of the recession until late 2008. Therefore, averaging data from 2008 and 2009 is likely to mask any increase in poverty in the District in 2009. In fact, a paper by DCFPI published earlier this year showed that poverty decreased by a small amount in 2008 and was projected to have risen sharply in 2009.¹

Data on DC's unemployment and food stamp enrollment levels — two measures closely tied to poverty — illustrate the recession's greater impact on DC residents in 2009 than in 2008.

- Participation in the Supplemental Nutrition Assistance Program (SNAP; formerly the Food Stamp program) jumped dramatically from 92,000 participants in 2008 to 107,000 participants in 2009; an increase of 15,000 participants, or 16 percent. 2009 SNAP participation was up 23 percent since the start of the recession in 2007.

¹ "Poverty on the Rise in the District: The Impact of Unemployment in 2009 and 2010," DC Fiscal Policy Institute, March 24, 2010. Available at: <http://www.dcfpi.org/wp-content/uploads/2010/03/3-24-10EstimatingPoverty2009.pdf>

- The unemployment rate for 2009 as a whole was 10.2 percent, up from 5.4 percent in 2007 and 6.6 percent in 2008. Over the same time period, the number of unemployed DC residents nearly doubled, increasing from 17,800 in 2007 to 34,000 in 2009. Most of the unemployment increase occurred in 2009, when the figure increased by 12,000 individuals.

Because increases in unemployment and SNAP participation are leading indicators of rising poverty, the higher levels of both measures in 2009 suggest that poverty likely increased in the District from 2008 to 2009. Data released from the Census Bureau on September 28th will allow analysis of poverty and income changes from year to year at the state level.

The new Census Bureau data also show that median household income in the District of Columbia has remained flat in recent years. The median income rose from \$52,600 across 2006-2007 to \$54,260 across 2008-2009, but the \$1,700 change was not statistically significant. (All figures in this analysis are adjusted for inflation to equal 2009 dollars.) Since 2000, median household in the District has increased by approximately \$3,700, to its highest level of the decade. However, these figures are based on two-year averages, and may fail to capture the effects of the economic downturn in 2009.

More authoritative data on poverty and income in states will be released on September 28th from the Census Bureau's American Community Survey (ACS). The ACS has a larger sample size than the CPS and thus gives users a more reliable look at how poverty changed from year to year in cities and states. It also will let users look at changes in poverty and income by race and ethnicity, educational attainment, geographic area, and age, to name a few.

Stay tuned for DCFPI's analysis of the American Community Survey's poverty and income data for the District on September 28th.