

*September 13, 2011*

## **NEW CENSUS DATA DO NOT GIVE A CLEAR PICTURE OF WHAT HAPPENED TO POVERTY IN DC LEADING INDICATORS POINT TO A LIKELY INCREASE IN POVERTY IN DC IN 2010**

Data released today from the Census Bureau reveal that poverty continued to rise in the U.S in 2010 and that income for the typical household continued to fall, as the ongoing effects of the recession continue to grip the nation. The new data do not provide a clear picture of what happened to poverty in DC in 2010, due to limitations in the data at the state level; more detailed and reliable data for states will be released by the Census Bureau on September 22. However, changes in other leading indicators, particularly food stamp participation and employment levels, point to a likely increase in the number of DC residents living in poverty in 2010.

In addition, the data also provide a preliminary look at what happened to health insurance coverage in DC in recent years and poverty in the District over the last decade. The data show that the number of DC residents lacking health insurance increased dramatically as the number covered by employer-sponsored plans dropped significantly. It shows that after falling from a high in 2005-2006, poverty in the District is beginning to climb back up is approaching decade-high levels.

The new Census data showed that 18.9% of DC residents had incomes below the poverty line in 2009-2010, compared with 17.3% in 2007-2008<sup>1</sup>. However, this seeming increase was not statistically significant, because of a large margin of error, meaning that the data do not show conclusively that poverty changed from 2007-2008.

But a closer look at other leading indicators of poverty — food stamps participation and employment levels — suggest that poverty is rising in DC.

- DC's food stamp caseloads rose notably last year, from an average monthly participation of 103,300 residents in 2009 to 118,500 in 2010 — a 15 percent increase. Food stamp caseloads are a leading indicator of poverty rate changes because the food stamp program is one of the broadest safety net programs in the US — open to nearly all people with incomes under 130 percent of poverty.
- The percent of DC adults who were employed fell from 61.7 percent in 2009 to 60.6 percent of the workforce in 2010 — a statistically significant drop.<sup>2</sup> Not surprisingly, employment — or lack thereof — is also strongly tied to changes in the poverty rate.

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<sup>1</sup> The DC data are averaged together over 2009 and 2010 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.

<sup>2</sup> The ratio of DC residents employed compared to the total civilian non-institutional population 16 and older in the District is considered a better measure to predict poverty levels than the unemployment rate. Unlike the unemployment figure, which can exclude people who have stopped looking for a job, the changes in the ratio of the population that is employed over time can give an indication of how many persons are losing their jobs — and their incomes.

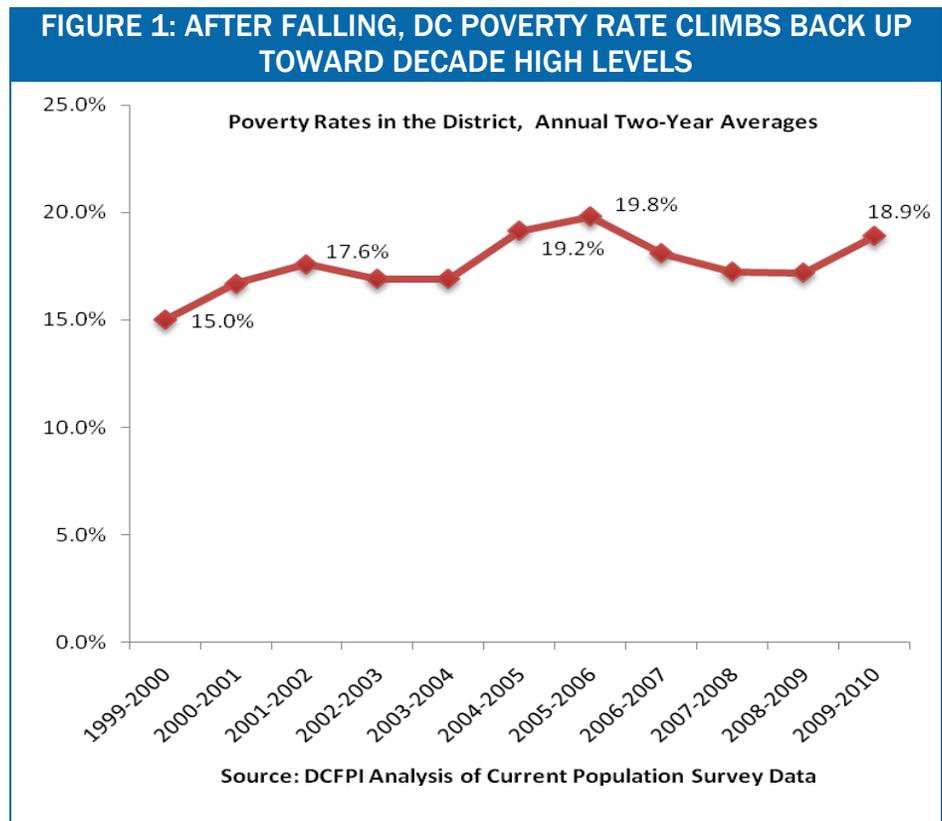
The data released from the Census Bureau also show that over 19,000 non-elderly DC residents joined the ranks of the uninsured during the last two years. The number of non-elderly DC residents without health insurance rose to 13.7 percent in 2009-2010 from 10.3 percent in 2007-2008. This increase was driven by a substantial drop in residents with employer-sponsored health insurance coverage, as 22,400 residents lost their employer-sponsored coverage in the last two years.

The reduction in employer-based coverage was offset in part by an increase in public health insurance, particularly Medicaid. Nearly 25 percent of non-elderly DC residents, or just under 130,900, were enrolled in Medicaid in 2009-2010, up from just under 22 percent in 2007-2008. More than one in two children in DC – 52 percent – are now covered by Medicaid, compared with 42 percent in 2007-2008.

As a result of the increase in Medicaid coverage, the share of DC children without insurance did not decline. This means that the decline in health insurance coverage occurred entirely among non-elderly adults, as the decline in employer-based coverage was not fully offset by the increase in Medicaid coverage.

The data released from the Census Bureau today also provide a preliminary look at what happened to poverty rates in DC over the last decade. After rising sharply in the mid-2000's poverty began to fall in the District. But that trend has reversed in recent years, with poverty on the rise since 2008. The poverty rate in 2009-2010 — 18.9 percent — is now only modestly lower than the high-point of the last decade in 2005-2006 (see figure 1).

The new Census data also showed that median household income in the District was \$54,733 in 2009-2010, compared with \$54,847 in 2007-2008. This small decrease too, was not statistically significant.



The Census will release data from the American Community Survey (ACS) on September 22. The ACS has a larger sample size for states and the District, which will provide a more detailed and accurate look at poverty and income trends in DC, including changes in poverty and income by race and ethnicity, educational attainment, geographic area, and age.