

September 20, 2012

## IN THE WAKE OF THE GREAT RECESSION, POVERTY RATES IN DC REMAIN HIGH FOR CERTAIN GROUPS OF RESIDENTS

New data released today from the Census Bureau’s American Community Survey reveal that the aftermath of the Great Recession continues to hit certain groups of DC residents much harder than others, even amidst signs of economic recovery for the city as a whole. While the District continues to grow, it also is becoming more divided economically among residents.

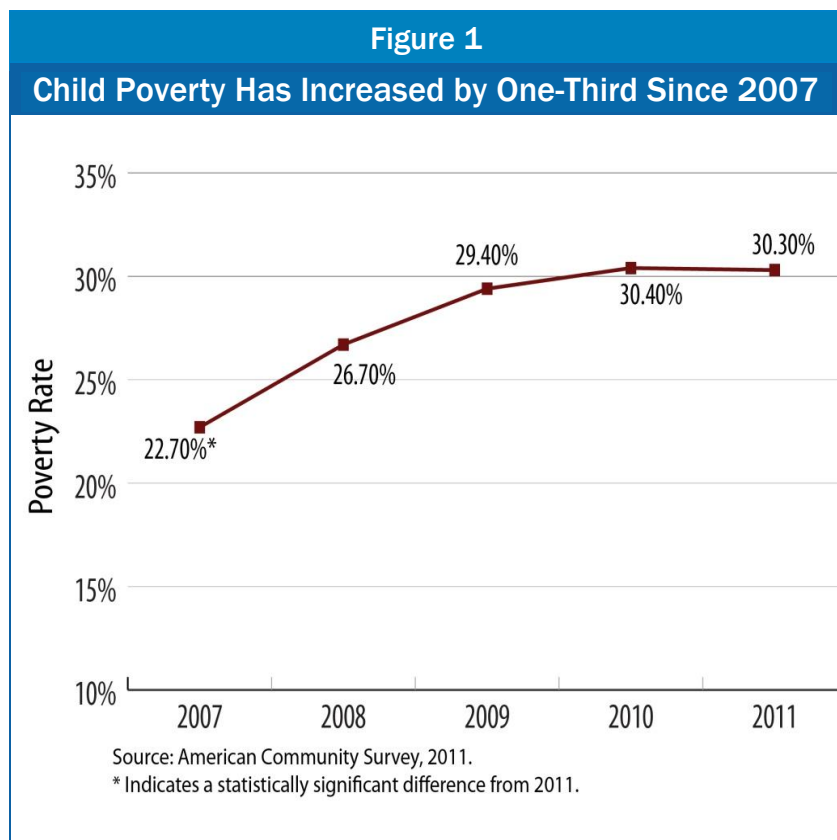
Poverty in DC rose from 16 percent in 2007, the last year before the recession began to impact the District, to 19 percent in 2011. This means that in 2011, some 109,000 residents lived below the poverty line, or \$23,021 for a family of four. Yet, at same time, median income for the District – the income of the household in the middle of the income distribution — rose nearly 8 percent, from \$58,700 to \$63,100, after adjusting for inflation to equal FY 2011 dollars, over the same time period (Unless otherwise noted, all figures are adjusted for inflation to equal 2011 dollars). The fact that poverty and median income grew simultaneously suggests that as the District begins to grow and recover from the recession, it is doing so in a way that is leaving many groups of residents behind.

Differences in the poverty rate and median household income citywide between 2010 and 2011 were not statistically significant due to large margins of error with the data.

### The Recession Continues to Impact Certain Groups of DC Residents

Since 2007, poverty among DC’s children has risen by one third, from nearly 23 percent in 2007 to just over 30 percent in 2011 (see Figure 1), leaving nearly 32,000 children under 18 below the poverty line.

Moreover, the percentage of residents of all ages living in deep poverty, or below half of the poverty line, has risen by 21 percent since the recession hit. From 2007 to 2011, the percentage of DC residents in deep poverty (less than \$11,511 for a



family of four) rose from 8.5 to 10 percent. This means that in 2011 more than 60,000 people lived below half of the poverty line.

Poverty among Black District residents increased from 23 percent to 28 percent over the four year period. The poverty rate among Hispanic residents rose even more sharply, from 11 percent to 18 percent. At the same time, the income for the typical Hispanic household grew from \$45,000 to more than \$59,000. These findings may suggest economic disparities within the District's Hispanic population. For example, it may indicate that while middle-income Hispanic households in DC are doing better in 2011 than in 2007, it also suggests that significant share of low-income Hispanic residents have fallen below the poverty line. Meanwhile, poverty among White, Non-Hispanics stayed relatively unchanged over the same time period and stood at 7 percent in 2011.

Poverty is rising most among those with the lowest educational levels. There has been essentially no change in poverty among residents with a bachelor's degree or higher since the beginning of the recession. Yet poverty among residents with an associate's degree or some college education jumped from 13 percent to 18 percent just between 2010 and 2011, while poverty among those with less than a high school degree increased from 29 percent to 36 percent since last year.

### **The Recession's Impact is Felt Unevenly Across the District**

The recession led to significant increases in poverty in areas that largely include part of Wards 1, 4, 7 and 8. The information released by the Census Bureau does not identify poverty rates by individual Wards, but rather by geographic areas referred to as "Public Use Micro Areas," or PUMAs. DC's five PUMAs roughly correspond to major Ward boundaries, although there is some overlap. (See [Neighborhood Info DC](#)<sup>1</sup> for a map that compares the Ward and PUMA boundaries).

Figure 2 (see next page) shows that poverty continues to remain highest in PUMA 4 which is made up of Wards 7 and 8. In 2011, just over one in three residents in this area lived below the poverty line, a substantial increase over the poverty rate of 27 percent in 2007. While poverty in PUMA 4 remains the highest, the largest change in the percent of DC residents living in poverty was found in PUMA 2 which is largely made up of the northern half of Ward 1 and most of Ward 4. Poverty rose by over 60 percent in this area, from 9.5 percent in 2007 to 15 percent in 2011.

The only geographic area of DC to see a statistically significant decline in poverty was PUMA 5, an area largely made up of DC's downtown core that includes parts of Wards 1, 2, and 6. Poverty fell from 22 percent in 2007 to 13 percent in 2011. At the same time that poverty fell significantly in PUMA 5, the median income of the area also increased by nearly 24 percent, rising from \$63,400 in 2007 to \$78,300 in 2011. The significant drop in poverty and rise in median income is likely attributable to the significant amount of development in those areas that has attracted higher-income households.

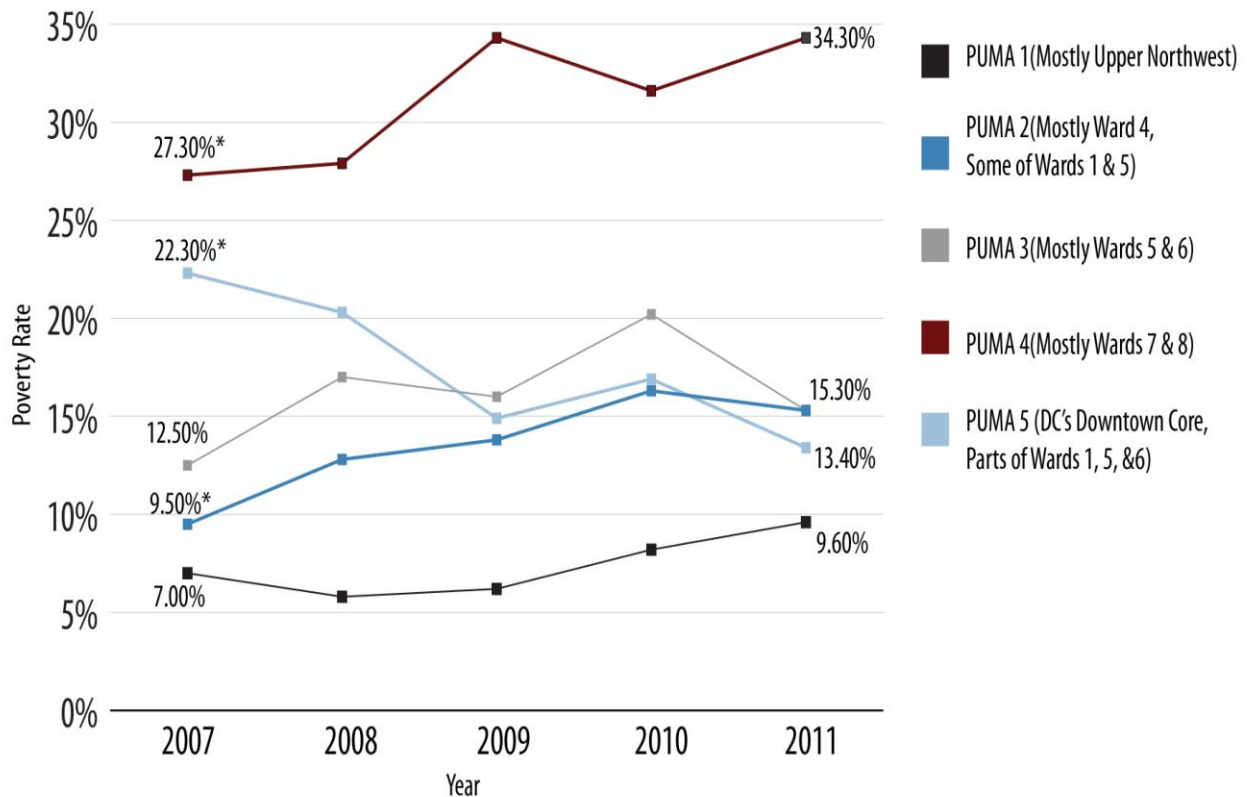
Median income also increased significantly in PUMA 3, an area largely made up of Wards 5 and 6. Median income rose by 16 percent rising from \$60,800 in 2007 to \$70,300 in 2011. PUMA 1 which is made up of mostly Wards 2 and 3, continued to have the highest median income, \$106,800 in 2011. PUMA 4, which consists of Wards 7 and 8 had the lowest median income, \$33,600 in 2011. Neither area saw a statistically significant difference in median income from 2007.

---

<sup>1</sup> [http://www.neighborhoodinfodc.org/pdfs/ward\\_PUMA.pdf](http://www.neighborhoodinfodc.org/pdfs/ward_PUMA.pdf)

Figure 2

Poverty Remains Highest in Wards 7 & 8 but Has Increased Significantly In Other Parts of DC



Source: American Community Survey, 2011. \* Indicates a statistically significant difference from 2011.

**The Share of DC Residents Without Health Insurance Remains Low**

From 2008 to 2011, the overall DC uninsured rate remained low and unchanged, consistent with other Census Bureau findings released last week. Economically vulnerable groups maintained coverage rates through the recession. The uninsured rate among DC children remained low at 4 percent, and zero growth occurred in rates across different racial and ethnic minority groups. Hispanics still have the highest uninsured rate at 13.5 percent, and this could reflect barriers to public or private coverage, including citizenship status and language. Encouragingly, the share of residents with private insurance coverage grew from 68 percent to 71 percent. Insurance coverage among the unemployed also significantly increased over the past year, due to access to Medicaid and other public health care programs.