



COALITION ON HUMAN NEEDS

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Four Years of Unshared Recovery No Progress in Reducing Poverty, While Incomes Stagnate for Most Americans

Despite an economic recovery that has been increasing wealth for the richest Americans for the past four years, poverty remained stubbornly persistent for 37 million, and earnings for men and women working full-time fell again. Incomes for typical households edged upward slightly, but not enough to be sure the changes caught by the Census survey were not just due to chance.

Earnings dropped for full-time working men for the second year in a row, down to \$41,386; women's full-time earnings dropped to \$31,858, the third year of declines for them.

For the 12.7 percent of Americans living below the poverty line, incomes were defined by the Census Bureau as below \$15,577 for a family of three or below \$19,971 for a four-person family. But poverty is far deeper than that; poor families had incomes that were on average \$8,125 *below* the poverty thresholds. Children remained the age group most likely to be poor – 17.6 percent, or nearly 12.9 million children. Child poverty rates were also statistically unchanged from 2004. Also left out of American prosperity were people with incomes just above the poverty line (125 percent of the poverty threshold: \$19,471 for a three-person family, or \$24,964 for a family of four). More than 49 million Americans lived on incomes this low in 2005 (16.8 percent of all Americans). More than one out of five children lived just over the poverty line (22.8 percent, or 16.7 million children).

“For four years, most Americans have been struggling to cope with rising costs and stagnating or shrinking incomes. Congress has mostly either ignored them or made things worse, cutting health coverage, education, and job training. Before members of Congress left for their summer recess, they refused to raise the minimum wage unless it was tied to billions in tax breaks for multi-million dollar estates. Another year of upside down priorities means no progress for millions of families,” said Deborah Weinstein, Executive Director of the Coalition on Human Needs, a national alliance of service provider, religious, labor, civil rights, policy experts, and advocacy organizations.

Poverty rose from 11.5 percent to 12.7 percent in the U.S. as a whole between 2000-2001 (the period in which the recession ended and the economic recovery began) and 2004-2005, the newly released data – a statistically significant increase. Using the method recommended by the Census Bureau to make comparisons of state poverty, income, and health insurance between 2004-2005 and 2000-2001, the Coalition on Human Needs has calculated that 15 states had significant increases in poverty during this period: Connecticut, Illinois, Indiana, Iowa, Kansas,

Kentucky, Maryland, Michigan, Missouri, Nevada, Ohio, Pennsylvania, South Dakota, Vermont, and Wisconsin. (In other states, poverty increases or decreases were not large enough, in light of the sample size, to be sure the change was not due to chance.) The attached table shows the percentage changes and numbers of people in poverty for the U.S. and all states.

<http://www.chn.org/pdf/2006/2005CensusDataOnPovertybyState.pdf>

Since the end of the recession, the U.S. as a whole and 16 states have worse median (typical) household income: Alaska, Colorado, Delaware, Georgia, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, Ohio, Oregon, Pennsylvania, Texas, and Wisconsin. Six states fared better: Hawaii, Idaho, New Jersey, Washington, and West Virginia.

<http://www.chn.org/pdf/2006/2005MedianIncomeCensusDataByState.pdf>

“It is shameful that more and more Americans are going without health insurance,” said Weinstein. “Over the past four years, the proportion of people without health coverage has jumped from 14.4 percent to 15.7 percent. For years, the State Children’s Health Insurance Program (S-CHIP) and Medicaid protected children from lack of health insurance. This year, backwards priorities have resulted in the proportion of children who lack health insurance rising from 10.8 percent to 11.2 percent.”

Attached is a table that shows statistically significant increases in the proportion of uninsured in 30 states plus the U.S. as a whole. The 30 states: Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Indiana, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, North Carolina, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, and Wisconsin. <http://www.chn.org/pdf/2006/2005UninsuredCensusDataByState.pdf>

According to the Economic Policy Institute, the wealth of the top one percent leaped from 173 times the wealth of the median household in 2001 to 190 times the median wealth in 2004.

“Families with typical incomes and the poor alike are not important to Congress and the Bush Administration. For prosperity to reach all Americans, we need investments in education, health care, and jobs; Congress has plans to make more cuts, instead of providing the help that most Americans need,” said Weinstein.

Poverty statistics: <http://www.chn.org/pdf/2006/2005CensusDataOnPovertybyState.pdf>

Median income statistics: <http://www.chn.org/pdf/2006/2005MedianIncomeCensusDataByState.pdf>

Health uninsured statistics: <http://www.chn.org/pdf/2006/2005UninsuredCensusDataByState.pdf>

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