



Five Years After the Recession, Millions of Americans are not Sharing in the Nation's Prosperity

Key State Facts from the Income and Poverty Data Released by the Census Bureau on August 28

- Across the nation, the proportion of poor people was higher in 2006 (12.5 percent) than it was in 2001 (11.5 percent), the recession year. In 10 states plus the District of Columbia, the 5-year increase was pronounced:

	Poverty Rate in 2000-2001	Poverty Rate in 2005-2006
District of Columbia	16.7%	19.8%
Indiana	8.5%	11.6%
Iowa	7.8%	10.8%
Kansas	9.1%	12.7%
Kentucky	12.6%	15.8%
Maryland	7.3%	9.1%
Michigan	9.6%	12.8%
Mississippi	17.1%	20.4%
Missouri	9.4%	11.5%
Nevada	7.9%	10.1%
Ohio	10.3%	12.2%
Pennsylvania	9.1%	11.3%

- These states and the District of Columbia have poverty rates exceeding 15 percent: Mississippi (20.4%), District of Columbia (19.8%), Louisiana (17.6%), New Mexico (17.4 percent), Arkansas, Kentucky (15.8%), Alabama (15.5%), Oklahoma (15.4%), and West Virginia (15.3%).
- **Child Poverty:** In 2006, 17.4 percent of all children were poor, statistically unchanged from the previous year. Twelve states plus the District of Columbia had child poverty rates above 20 percent in 2006: District of Columbia (32.0%), Mississippi (30.6%), Louisiana (28.0%), New Mexico (25.6%), West Virginia (25.1%), Texas (24.6%), Alabama (24.5%), Arkansas (24.4%), Oklahoma (22.5%), South Carolina (22.3%), Kentucky (22.1%), North Carolina and Tennessee (21.0%). In 20 states, poverty was significantly higher in 2006 than in 2001, the recession year (Alaska, Arkansas, Colorado, Georgia, Illinois, Indiana, Kansas, Kentucky, Maine, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, Ohio, Oklahoma, Pennsylvania, Tennessee, Texas, and Utah). Only Montana had a statistically significant decline in child poverty over this period.
- **Poverty by Race/Ethnicity:** Poverty remains disproportionately severe among African Americans and Hispanics/Latinos. Nationwide, 8.2 percent of non-Hispanic whites were

poor in 2006; the poverty rate for blacks was 24.3 percent; for Hispanics or Latinos (who may be of any race), 20.6 percent; and for Asians, 10.3 percent. (Current Population Survey data.) There are 28 states exceeding the national average for poverty among African Americans. There are 33 states exceeding the national average for poverty among Hispanics/Latinos.

- **Extreme Poverty.** Nationwide, 42 percent of all poor people are living below 50 percent of the poverty line – that is, less than \$8,040 for a 3-person family or less than \$10,307 for a 4-person family. Such extreme poverty is at least this prevalent in 38 states plus the District of Columbia and Puerto Rico. Among children, extreme poverty is even more common. In 29 states plus D.C. and Puerto Rico, 45 percent or more of poor children live below half the poverty line.
- **Median Income and Earnings:** Median income rose slightly beyond inflation in 2006 compared to 2005, but has not yet regained its pre-recession level. At the same time, earnings for both men and women declined for the third year in a row. Households made slight gains only because more of their members were working. In 12 states, median household income was significantly lower in 2006 than it was in 2001, taking inflation into account (Alaska, Delaware, Georgia, Indiana, Michigan, Minnesota, Mississippi, Missouri, Ohio, South Carolina, Tennessee, and Texas). In the District of Columbia, Florida, Hawaii, Maryland, Montana, Nevada, New York, North Dakota, Rhode Island, and Wyoming, median income was significantly higher in 2006 than it was in 2001.
- **Three in 10 Americans struggle with low incomes.** Even with incomes twice the thresholds used by the Census Bureau to estimate the number of people in poverty, it is hard for families to make ends meet. The Urban Institute's National Survey of America's Families found in 2002 that about half of parents in families up to 200 percent of the federal poverty line reported food hardships and 28 percent reported hardships with housing. More than 30 percent of all Americans live below 200 percent of the poverty line (defined by the Census Bureau as below \$41,228 for a family of four or \$32,158 for a three-person family). In these states, plus DC and Puerto Rico, one-third or more of the population lives below 200 percent of the poverty line: Alabama (38%), Arizona (34%), Arkansas (40%), District of Columbia (34%), Georgia (34%), Idaho (35%), Kentucky (37%), Louisiana (40%), Mississippi (44%), Missouri (33%), Montana (35%), New Mexico (41%), North Carolina (35%), Oklahoma (38%), Puerto Rico (73%), South Carolina (36%), South Dakota (33%), Tennessee (37%), Texas (38%), and West Virginia (40%).

Poverty Thresholds: Estimates of people in poverty in 2006 Census data from the American Community Survey and Current Population Survey are based on weighted average poverty thresholds of \$10,294 for one person, \$13,167 for a two-person family, \$16,079 for a three-person family, and \$20,614 for a family of four.