

How to Use Important New Poverty, Income and Health Insurance Data



September 7, 2010,
2:00 p.m. Eastern time

Ellen Teller

Director of Government
Affairs,
Food Research and Action
Center

Moderator



Christian Dorsey



Director of
External and
Governmental Affairs,
Economic Policy Institute

**What the New Poverty
and Income Data are
Likely to Show**

Deborah Weinstein



Executive Director,
Coalition on Human Needs

**How to Find and Use the
New Data**

This webinar would not be possible without the generous support of

The Annie E. Casey Foundation

The George Gund Foundation

The Evangelical Lutheran Church in America World Hunger Grant program

An anonymous donor

We are truly grateful!

September 7, 2010

POVERTY AND INCOME CHN WEBINAR SERIES

Christian Dorsey

EPI Director of External and Government Affairs

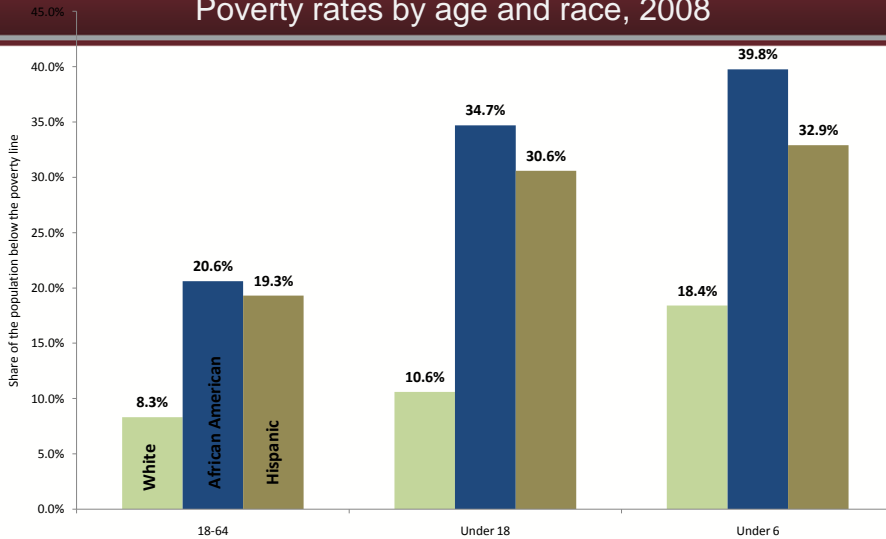
Economic Policy Institute

Research and Ideas for Shared Prosperity

WHO ARE AMERICA'S OFFICIAL POOR?

Economic Policy Institute
 Research and Ideas for Shared Prosperity

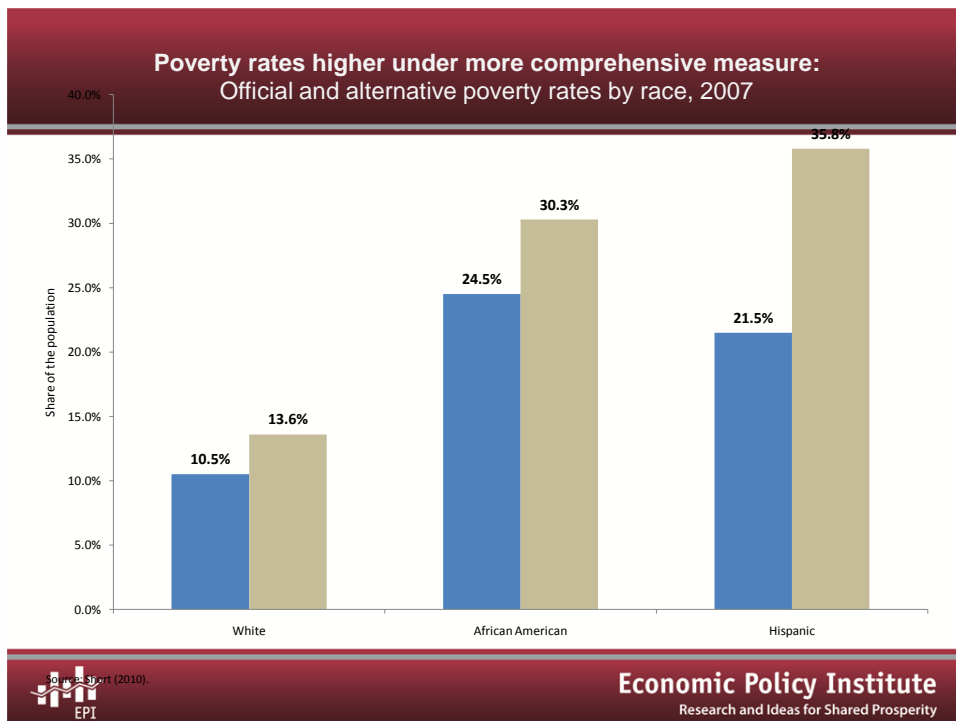
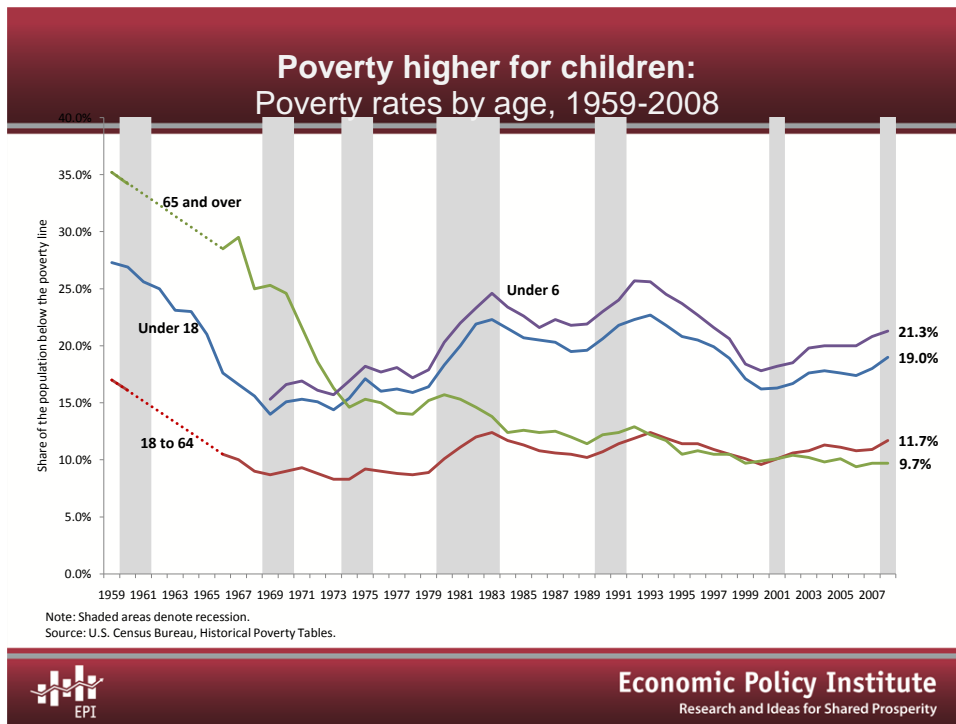
Poverty rates higher among young children: Poverty rates by age and race, 2008

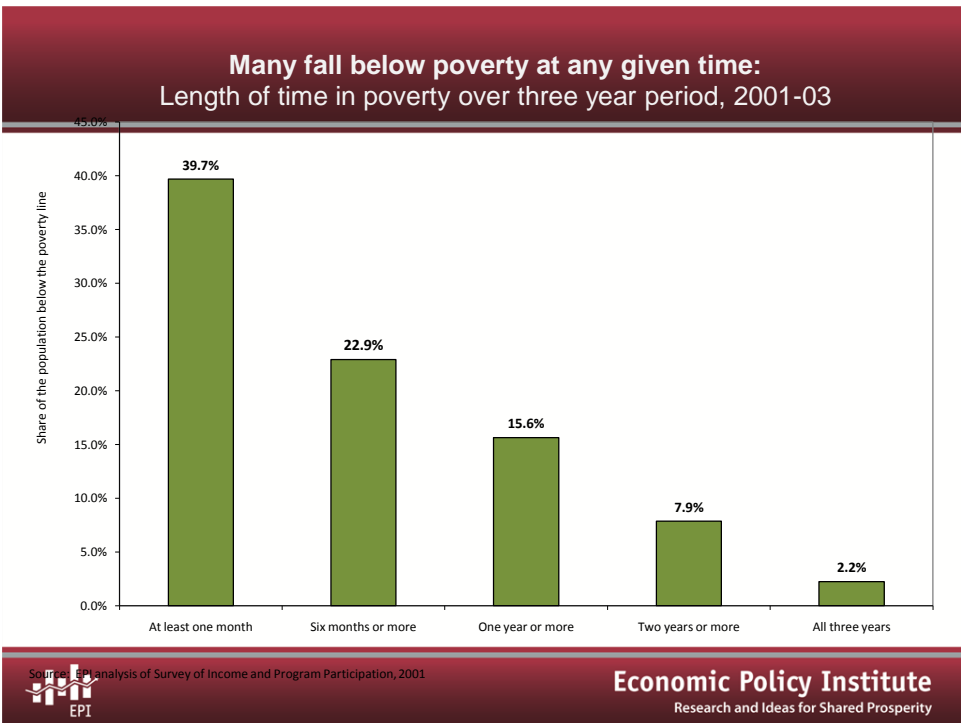
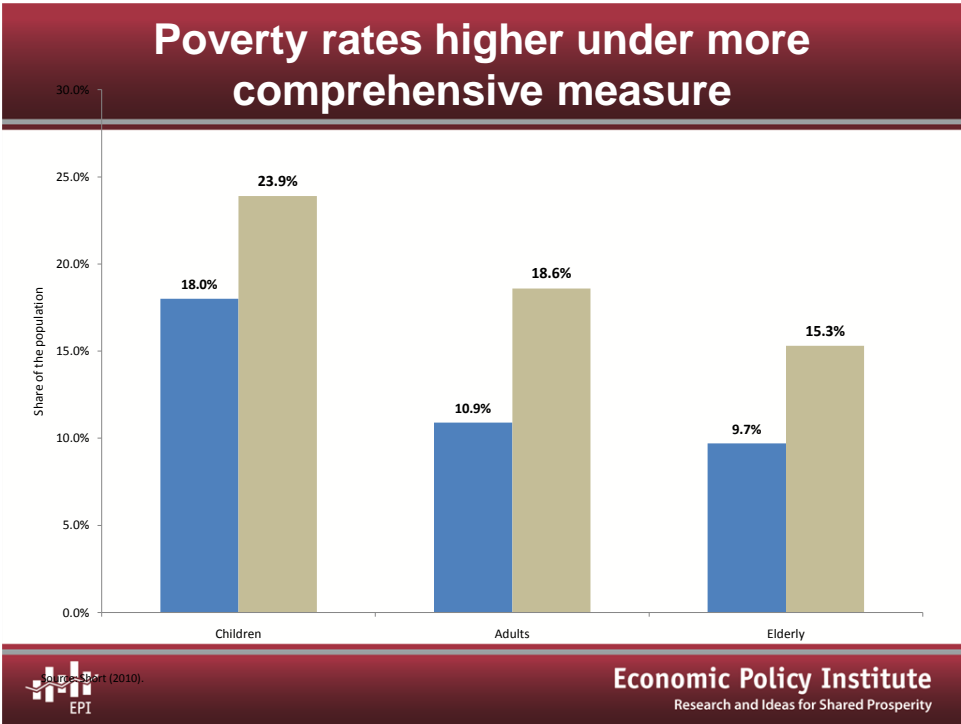


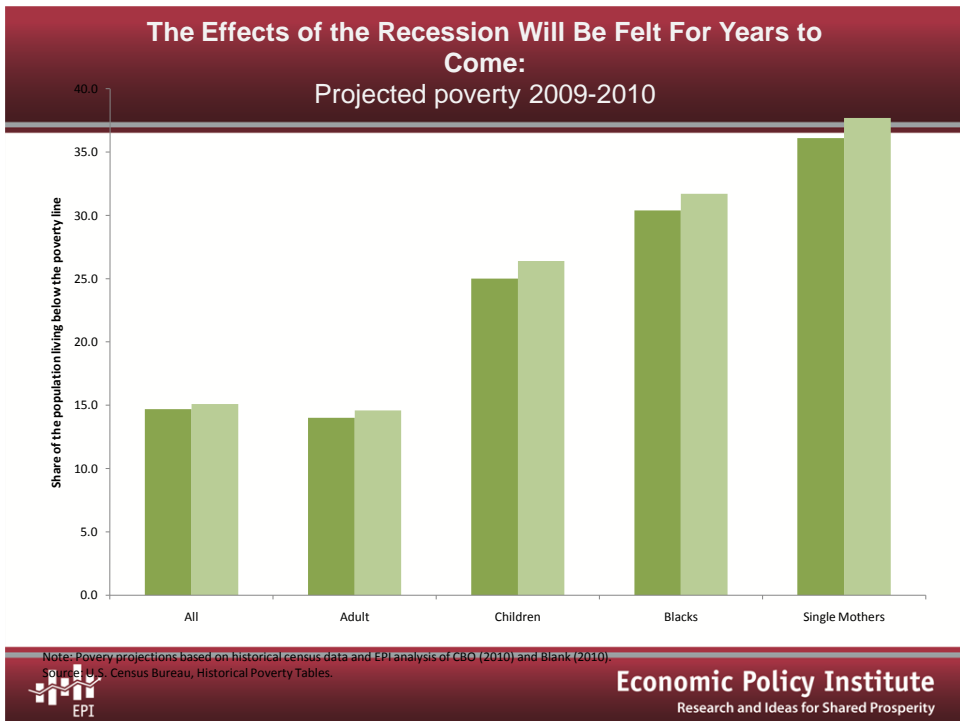
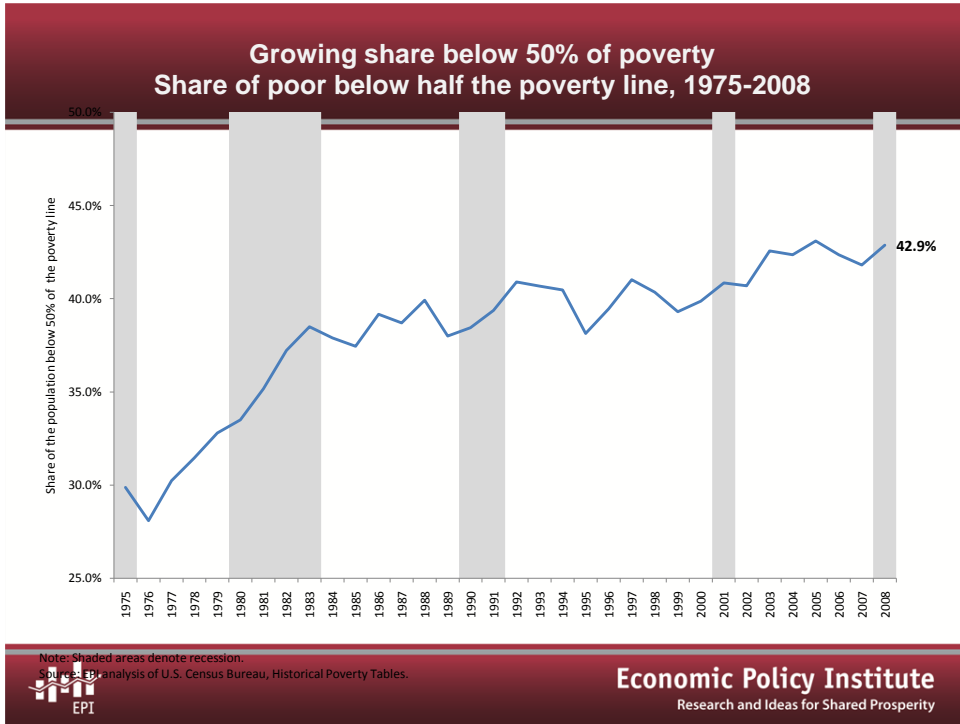
Source: U.S. Census Bureau, Historical Poverty Tables



Economic Policy Institute
 Research and Ideas for Shared Prosperity



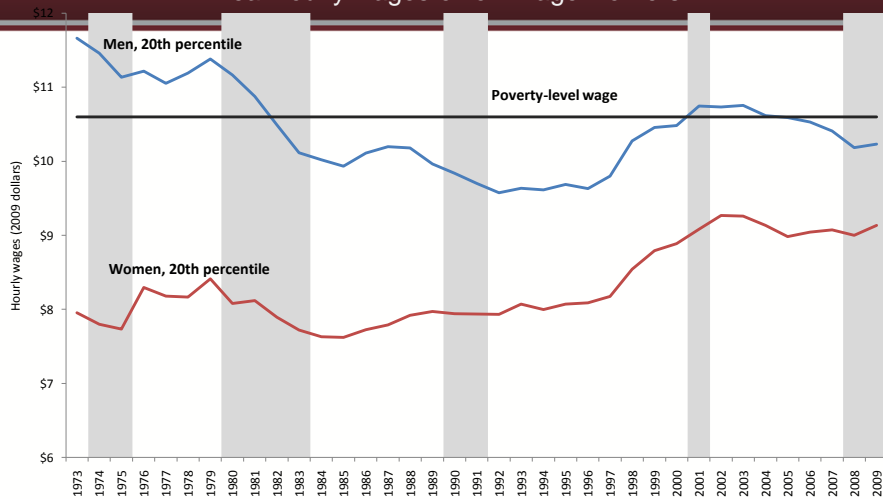




POVERTY HAS CLEAR CAUSES

Economic Policy Institute
Research and Ideas for Shared Prosperity

Low-wages consistently below poverty:
Real hourly wages of low-wage workers



Note: Shaded areas denote recession.

Source: EPI analysis of U.S. Census Bureau, Historical Poverty Tables and Current Population Survey, Outgoing Rotation Group.



Economic Policy Institute
Research and Ideas for Shared Prosperity

Concentration of low-wage jobs

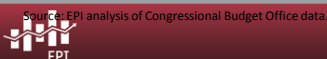
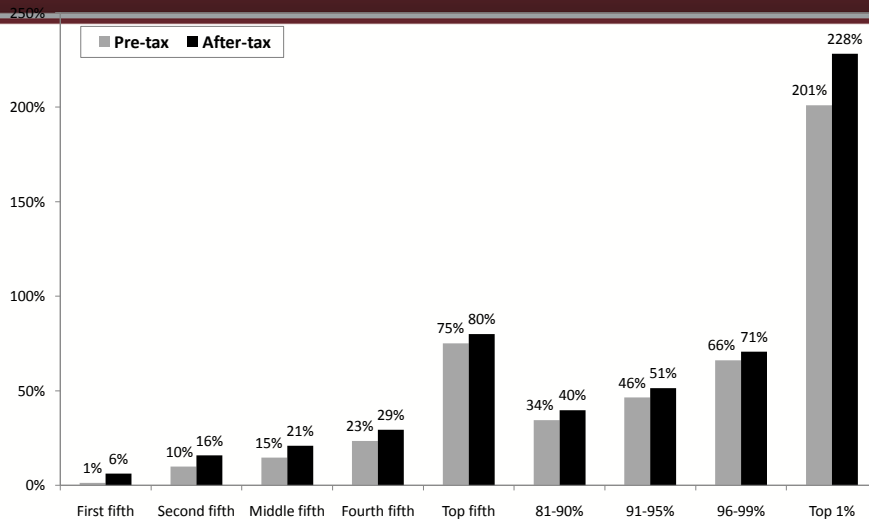
| Low-paying jobs not spread evenly across workforce | | | |
|--|-----------------------|--------------|-----------------|
| The characteristics of poverty-wage workers, 2009 | | | |
| | | Poverty wage | Total workforce |
| Share of workforce | | 25.7% | 100.0% |
| Number | | 30,242,653 | 117,860,937 |
| Average wage | | 8.31 | 20.65 |
| Worker Characteristics | | | |
| Gender | Female | 57.5% | 48.9% |
| | Male | 42.5% | 51.1% |
| Race | White | 56.8% | 67.5% |
| | Black | 14.2% | 11.1% |
| | Hispanic | 23.0% | 14.8% |
| | Asian | 3.8% | 4.7% |
| Other | | 2.2% | 1.9% |
| | | | |
| Nativity | Native born | 78.7% | 84.3% |
| | Foreign born | 21.3% | 15.7% |
| Education | Less than high school | 19.3% | 8.7% |
| | High school | 36.3% | 28.5% |
| | Associates | 7.8% | 10.4% |
| | Some college | 26.3% | 19.9% |
| College or more | | 10.2% | 32.5% |
| | | | |
| Age | 18-24 | 32.3% | 13.2% |
| | 25-34 | 24.1% | 23.7% |
| | 35-44 | 17.2% | 23.7% |
| | 45-54 | 16.0% | 24.5% |
| 55-64 | | 10.4% | 14.9% |
| | | | |
| Family Income | Less than \$25K | 42.8% | 26.9% |
| | \$25K-\$50K | 26.4% | 21.2% |
| | More than \$50K | 30.8% | 51.9% |

Note: The poverty-wage is the wage that a full-time, full-year worker would have to earn to live above the federally defined poverty threshold for a family of four. In 2009, this was \$22,050 a year, or \$10.60 an hour. Source: EPI analysis of Current Population Survey, Outgoing Rotation Group



Economic Policy Institute
Research and Ideas for Shared Prosperity

Household income growth by income group, 1979-2005, pre- and post-tax



Economic Policy Institute
Research and Ideas for Shared Prosperity

Income inequality since 2000

Real family income by income group, 1947-2008, upper limit of each group (2008 dollars)

Income growth was highest before 1973, after which growth pattern diverged between the lower percentiles and the top percentiles

| Year | 20th percentile | 40th percentile | 60th percentile | 80th percentile | 95th percentile |
|------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1947 | \$13,356 | \$21,552 | \$29,225 | \$41,469 | \$68,063 |
| 1973 | \$26,340 | \$43,462 | \$60,641 | \$83,395 | \$130,010 |
| 1979 | \$27,256 | \$44,818 | \$63,494 | \$87,430 | \$140,261 |
| 1989 | \$26,830 | \$46,944 | \$68,404 | \$99,839 | \$165,918 |
| 1995 | \$26,752 | \$46,273 | \$68,718 | \$101,369 | \$173,470 |
| 2000 | \$30,007 | \$51,062 | \$76,674 | \$114,245 | \$200,197 |
| 2007 | \$28,935 | \$51,412 | \$77,882 | \$116,966 | \$204,794 |
| 2008 | \$27,800 | \$49,325 | \$75,000 | \$113,205 | \$200,000 |

Annual growth rate

| | | | | | |
|-----------|-------|-------|-------|-------|-------|
| 1947-73 | 2.6% | 2.7% | 2.8% | 2.7% | 2.5% |
| 1973-1979 | 0.6% | 0.5% | 0.8% | 0.8% | 1.3% |
| 1979-1989 | -0.2% | 0.5% | 0.7% | 1.3% | 1.7% |
| 1989-2000 | 1.0% | 0.8% | 1.0% | 1.2% | 1.7% |
| 1989-95 | 0.0% | -0.2% | 0.1% | 0.3% | 0.7% |
| 1995-2000 | 2.3% | 2.0% | 2.2% | 2.4% | 2.9% |
| 2000-07 | -0.5% | 0.1% | 0.2% | 0.3% | 0.3% |
| 2007-08 | -3.9% | -4.1% | -3.7% | -3.2% | -2.3% |

Note: Income growth surged briefly in all income percentiles in the latter part of the 1990s due to near full employment.

Source: EPI analysis of U.S. Census Bureau data, *Historical Income Tables*.



Economic Policy Institute
Research and Ideas for Shared Prosperity

Income increasingly capitalized

Shares of market-based personal income by income type, 1959-2009

The composition of personal income has shifted away from labor income and toward capital income, and even more so when realized capital gains are added to capital income.

| Income type | Shares of income | | | | | | |
|---|------------------|--------|--------|--------|--------|--------|--------|
| | 1959 | 1973 | 1979 | 1989 | 2000 | 2007 | 2009 |
| Total capital income | 13.3% | 13.8% | 15.0% | 20.8% | 19.3% | 19.7% | 19.9% |
| Rent | 4.2% | 2.2% | 1.1% | 1.0% | 2.6% | 1.3% | 2.5% |
| Dividends | 3.3% | 2.8% | 2.9% | 3.6% | 4.6% | 7.1% | 6.3% |
| Interest | 5.8% | 8.8% | 11.0% | 16.3% | 12.0% | 11.3% | 11.1% |
| Total labor income | 73.6% | 75.6% | 75.8% | 71.2% | 70.7% | 70.5% | 70.9% |
| Wages & salaries | 68.0% | 66.0% | 63.4% | 58.7% | 59.0% | 57.6% | 57.0% |
| Fringe benefits | 5.5% | 9.5% | 12.4% | 12.5% | 11.7% | 12.9% | 13.9% |
| Proprietor's income* | 13.2% | 10.6% | 9.2% | 8.0% | 10.0% | 9.8% | 9.2% |
| Total market-based personal income** | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Realized capital gains*** | 1.6% | 1.6% | 1.4% | 3.3% | 7.7% | 8.2% | 3.4% |

* Business and farm owners' income.

** Total of listed income types.

*** Realized capital gains remained a relatively small share of personal income until the 1980s. The fall in realized capital gains in 2009 is due to the economic impact of the 2007 recession.

Source: EPI analysis of Bureau of Economic Analysis, *NIPA tables*, and Internal Revenue Service, *SOI Tax Stats*.



Economic Policy Institute
Research and Ideas for Shared Prosperity

Families have long struggled

Median family income by family type, 1973-2008 (2008 dollars)

Only single, female-headed families and married couples with wives in paid labor force experienced any significant growth in incomes since 1973

| Year | Married couples | | | Single | | All families |
|---------------------------|-----------------|--------------------------|------------------------------|-------------|---------------|--------------|
| | Total | Wife in paid labor force | Wife not in paid labor force | Male-headed | Female-headed | |
| 1973 | 56,431 | 65,999 | 49,457 | 46,529 | 25,110 | 52,199 |
| 1979 | 59,229 | 68,715 | 48,939 | 46,457 | 27,308 | 54,138 |
| 1989 | 64,627 | 75,891 | 48,196 | 46,687 | 27,566 | 57,360 |
| 1995 | 66,020 | 78,311 | 45,417 | 42,587 | 27,623 | 56,971 |
| 2000 | 73,891 | 85,564 | 49,989 | 47,170 | 32,153 | 63,430 |
| 2007 | 75,378 | 89,756 | 49,148 | 46,062 | 31,460 | 63,712 |
| 2008 | 72,743 | 86,621 | 48,502 | 43,571 | 30,129 | 61,521 |
| Annual growth rate | | | | | | |
| 1973-79 | 0.8% | 0.7% | -0.2% | 0.0% | 1.4% | 0.6% |
| 1979-89 | 0.9% | 1.0% | -0.2% | 0.0% | 0.1% | 0.6% |
| 1989-2000 | 1.2% | 1.2% | 0.3% | 0.1% | 1.4% | 0.9% |
| 1989-1995 | 0.4% | 0.5% | -1.0% | -1.5% | 0.0% | -0.1% |
| 1995-2000 | 2.3% | 2.0% | 1.9% | 2.1% | 2.1% | 2.2% |
| 2000-07 | 0.3% | 0.5% | -0.2% | -0.3% | -0.3% | 0.1% |
| 2007-08 | -3.5% | -3.5% | -1.3% | -5.4% | -4.2% | -3.4% |
| Share of families | | | | | | |
| 1951* | 86.7% | 19.8% | 66.9% | 3.0% | 9.9% | 100.0% |
| 1979 | 82.5% | 40.6% | 41.9% | 2.9% | 14.6% | 100.0% |
| 1989 | 79.2% | 45.7% | 33.5% | 4.4% | 16.5% | 100.0% |
| 2000 | 76.7% | 47.4% | 29.4% | 5.8% | 17.5% | 100.0% |
| 2007 | 75.0% | 46.3% | 28.7% | 6.6% | 18.5% | 100.0% |
| 2008 | 75.0% | 46.3% | 28.6% | 6.7% | 18.4% | 100.0% |

* Earliest year available for wives' work status.

Source: Author's analysis of U.S. Census Bureau data, *Historical Income Tables*.

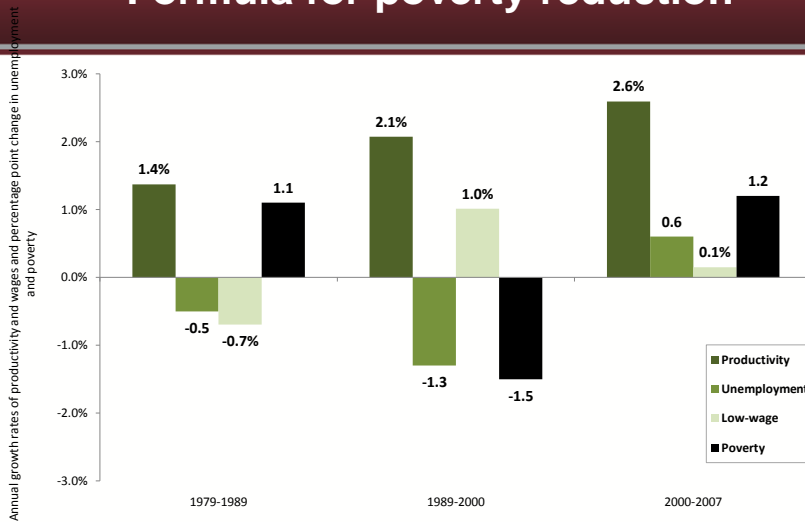


Economic Policy Institute
Research and Ideas for Shared Prosperity

WHICH LEAD TO CLEAR SOLUTIONS

Economic Policy Institute
Research and Ideas for Shared Prosperity

Formula for poverty reduction

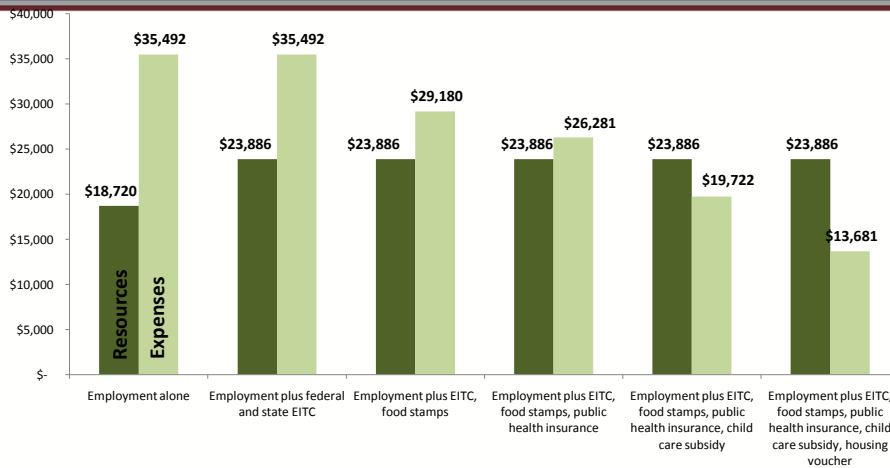


Source: Productivity measures output per hour, from the Major Sector Productivity and Costs Index from the Bureau of Labor Statistics. Low wage refers to the 20th percentile wage growth, from the Current Population Survey, Outgoing Rotation Group. Unemployment is from the Bureau of Labor Statistics. Poverty is from the Census Bureau, Historical Poverty Tables.



Economic Policy Institute
Research and Ideas for Shared Prosperity

Work supports help low-wage families



Source: EPI analysis of United States Department of Agriculture, Department of Housing and Urban Development, Department of Health and Human Services and Agency for Healthcare Research and Quality, Wisconsin Department of Revenue and Department of Children and Families; Tax Policy Center; National Association of Child Care Resource and Referral Agencies; and Economic Policy Institute Basic Family Budget Calculator.



Economic Policy Institute
Research and Ideas for Shared Prosperity

For more information

Christian Dorsey
cdorsey@epi.org
202.533.2561

Economic Policy Institute
1333 H Street, NW
Suite 300, East Tower
Washington, DC 20005-4707
202.775.8810
www.epi.org



Economic Policy Institute
Research and Ideas for Shared Prosperity

How to Find and Use the New Data



Deborah Weinstein
Executive Director,
Coalition on Human
Needs

Finding the Data



Two Census Releases:

- Thursday, Sept. 16:

Current Population Survey

Income, Poverty, and Health Insurance, 2009

(mostly national, but some state data)

- Tuesday, Sept. 28:

American Community Survey, 2009

LOTS of state, local data

Current Population Survey

- **National Poverty Data**

- Poverty among **all people** (*POV 01*), or by **family structure** (*POV 02*), and by age
- National tables show income from half poverty threshold to twice poverty threshold, and by race
- **Census 2009 Poverty Thresholds:**
 - 1 person: \$10,952
 - 2 people: \$14,001
 - 3 people: \$17,102
 - 4 people: \$21,947

Current Population Survey: Poverty

- **Poverty and Work:** families with children by work among family members (*POV 07*)
- **State Poverty:** 100% - 200% FPL, by age, by single mom households (not by race) (*POV 46*)
- **Answers to Poverty Questions:**
 - How many and what proportion are poor?
 - By age, race/ethnicity, family structure?
 - By full or part time work?
 - How many are extremely poor; how many are 2x pov. line?
 - How has any of this changed over time?

Comparisons Over Time

- Whenever we make comparisons, we have to be sure that the differences are real – are not just chance. Are they *statistically significant*?
- With the help of the Center on Budget and Policy Priorities, we will provide you with tables showing whether the change in your state's poverty rate is statistically significant.
- **What time comparisons matter?** 2007 to 2009 compares a pre-recession to recession year

Current Population Survey: *Income*

- National Median and Mean Incomes, by
 - **Household** (*HINC-01*)
 - By family structure
 - By race/ethnicity
 - By age
 - By educational attainment of householder
 - By full/part-time work, or no work
- **State Median Income of Households, 2-yr averages**

Answers to Income Questions

- Has national median income gone up or down?
- Taking inflation into account, how many years must we go back to find income comparable to 2009 median?
- How did median income differ by race/ethnicity, gender, family structure, education?
- How did your state's median income change, and compare to other states?

Current Population Survey: *Health Insurance*

- **National Health Insurance Coverage (H101):**
 - Number and percent of those with or without insurance, broken down by employer, private, public (Medicaid, Medicare, military),
 - By age, gender, nativity, family structure, household income, education, work experience
- **State Health Insurance Coverage (H105):**
 - Status and type of insurance by state and age

Answers to Health Insurance Questions

- What differences in coverage by age over time?
- What differences in coverage provided by private employers over time?
- What differences in coverage by race/ethnicity?
- Has there been an increase in the uninsured in my state?
- How does my state compare with other states?

What We'll Provide for the Sept. 16th Release

- Instructions for finding tables on www.census.gov : *before Sept. 16.*
- State tables for poverty, income, health insurance (thanks, CBPP!): *same day*
- Key national facts: *same day*
- Message advice: *before and same day*
- Related data: unemployment, food insecurity
- Share links to groups' press releases
- Op-ed support: *now through after release*

American Community Survey, Sept. 28

- **Poverty, income, health insurance data** for
 - States
 - Counties
 - Cities (places of 65,000 pop. or more)
 - Congressional Districts
- **Data breakdowns by race/ethnicity**

and lots more...

ACS data – a sampling

- **Poverty of individuals** by sex, by work experience (*B17004, C17004*)
- **Work** (full or part time) by sex (*B19325*)
- **Education and poverty** (*B15004*)
- **Grandparents raising grandchildren** (*B10050*)
- **Rent** as proportion of income (*B25074*)
- **Comparison profiles** (time comparisons)
- **Ranking tables** (states)

What We'll Provide After Sept. 28 Release

- **Instructions on finding ACS tables:** *before Sept. 28*
- **State tables** (again, thanks, CBPP!): *same day*
- **Key facts:** *same day*
- **Reminders of helpful ACS tables:** *same day*
- **Poverty by Congressional District:** *soon after release* – thanks, Half in Ten! (www.halfinten.org)
- **Message advice:** *now through release*
- **Op-ed support:** *now through post-release*

How to Use the Data

- **Sept. 16:** Your state within the national context
- **Sept. 28:** County, place, or Congressional District; compare your state to others; time comparisons; racial/ethnic disparities for poverty, income, health insurance



Using the Data

- Same day press statements
- Op-ed
- Letters to the editor
- Event – forum soon after Sept. 28 release
- Copy whatever you do to your Rep/Senators



Message Components

- **Emergency:** The increase in poverty and decrease in income are extreme.
- **We have partial solutions in place** that are reducing poverty for millions:
 - TANF Emergency Fund
 - Child Tax Credit, Earned Income Tax Credit
 - SNAP/Food Stamps
- **We must preserve and extend** these effective solutions

TANF Emergency Fund

What it Does:

- Will create at least 250,000 temporary jobs for low-income parents by 9/30, in 35 states + DC.
- Supports basic assistance because recession has increased need (in 44 states + DC).
- Funds short-term aid in 40 states + DC.

What's at Stake:

- Program expires 9/30.
- \$2.5 billion for a year now tied up in Congress.
- Jobs pay more than benefits; often result in permanent employment.
- Rising poverty shows need is great; this helps states respond.

Child Tax Credit

What it Does:

- Example: parent with 2 children; earns \$14,500 (ft, minimum wage). Receives \$1,725 CTC. That plus EITC would lift this family out of poverty.

What's at Stake:

- Expires 12/31 if Congress does not act.
- If it expires, this family will lose more than **\$1,400** of its credit.
- Expansion about to expire estimated to help 13 million children with new or increased funds.

Earned Income Tax Credit

What it Does:

- **For families with 3 or more children:** max. of \$629 more (\$5,028 max for 2 children; \$5,657 for 2 or more)
- **For married parents,** can get max. with \$21,000 income; for single parents, get max. with \$16,000 income.

What's at Stake:

- EITC improvements will expire 12/31 if Congress does not act.
- Example: 2 parents, 3 children and \$21,000 earnings: EITC plus CTC bring family to 114% of poverty line. If EITC + CTC improvements lost, family loses about \$2,000.

SNAP/Food Stamps

What it Does:

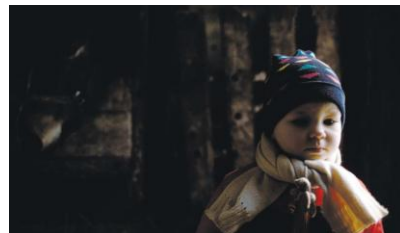
- Recovery Act improvement added \$60 a month to family of 4 SNAP allotment.
- Recovery Act SNAP increase previously expected to phase out in 2018, at a point when food inflation would increase regular benefits enough to avoid precipitous drop in benefits.

What's at Stake:

- Legislation recently passed by Congress cut off the increase starting in 2014.
- Senate bill to renew Child Nutrition programs partly pays for improvements by cutting SNAP in 2013.
- Economists expect high unemployment for at least another 7 years.

Key Message

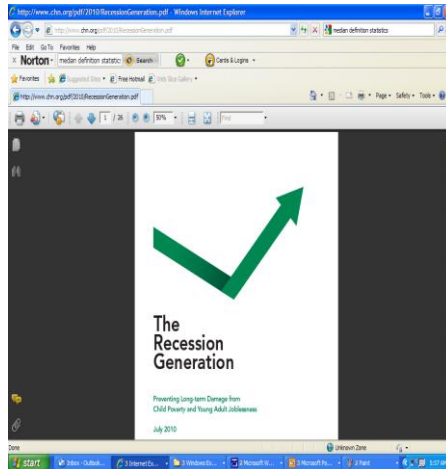
- Poverty hurts children.
- Poor children are more likely to be ill, to be hospitalized, to be at risk of hunger, to suffer developmental delays, to fall behind in school, and to earn less as adults.
- Even the lower poverty rates of the past were estimated at costing \$500b a year.



- ***Cutting subsidized jobs, tax credits, and nutrition aid will hurt children and stall our economy – now and for years to come.***

Key Message

- The Great Recession is taking a heavy toll on workers.
- Whatever gains they may have made in recent years are being erased.
- Young workers starting out in a recession may never catch up with workers who started in better times.



We *can* invest in our future.

- Congress is now considering extending tax breaks for the wealthiest 2 percent, at a cost of \$700b over 10 years (or about \$1t counting interest); preventing emergency levels of poverty is a far more effective investment, at far less cost.
- The President and others have proposed loophole closers aimed at corporations evading tax liability worth at least tens of billions.
- Many billions can be saved in military spending without compromising our security.

Thanks!



COALITION ON HUMAN NEEDS

For more information:

www.chn.org

www.epi.org

Webinar on Sept. 21:

Half in Ten Campaign:

Behind the Statistics

register at www.chn.org;

Take Action; Upcoming Events