



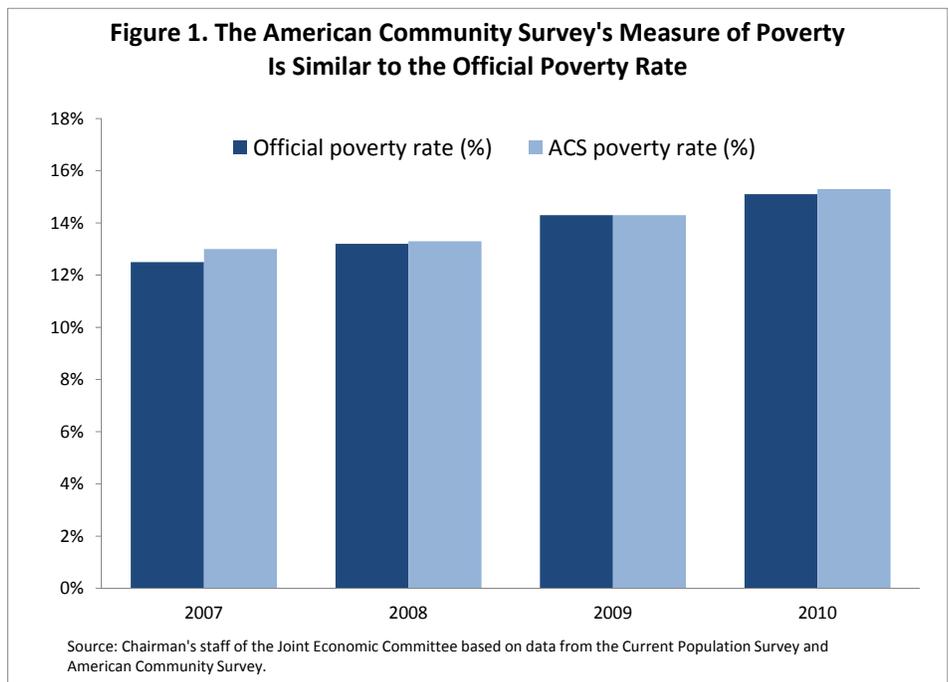
## ASSESSING THE IMPACT OF THE GREAT RECESSION ON INCOME AND POVERTY ACROSS STATES

*Highlights from the Census Bureau's Release of Data from the 2010 American Community Survey*

Earlier this month, the U.S. Census Bureau released data on income and poverty in 2010 showing that the recent recession and the persisting weak labor market are continuing to put pressure on America's households. The data from the Current Population Survey (CPS) showed that nationwide median household income fell for the third consecutive year in 2010. The typical household's income declined from about \$53,000 in 2007 to \$49,000 in 2010, a drop of 6.4 percent. Households across the income distribution have suffered losses but the pain has been greatest among the poorest households. The official poverty rate now stands at 15.1 percent, up 2.6 percentage points since 2007, just prior to the start of the recent recession. More than 46.2 million Americans are living in poverty, including one out of every five children.

Last week's release of data from the 2010 American Community Survey (ACS) reinforces the trends of declining income and rising poverty nationally and allows us to more closely examine the impact of the recent recession on household income and poverty at the state level. While the CPS's Annual Social and Economic Supplement is the official source of national and state income and poverty estimates, the ACS has a larger sample size, which provides a more accurate picture of annual changes in income and poverty at the state level. (Figure 1 gives a comparison of the two poverty measures: the official poverty rate from the CPS and the poverty rate as measured by the ACS.) This fact sheet compares state-level data from the 2010 ACS to pre-recession data from the 2007 ACS. This comparison shows that the recession hit Americans in all states; how-

ever, there are regional differences in the severity of the downturn. The following discussion and figures detail the effect of the recent recession on median household income and poverty across the 50 states and the District of Columbia. Where a statistic is said to have increased or decreased, it means the change is statistically significant at the 90-percent confidence level. The assessment gives a stark reminder of the need for continued government support to help American households regain their economic footing.



### **Household Income**

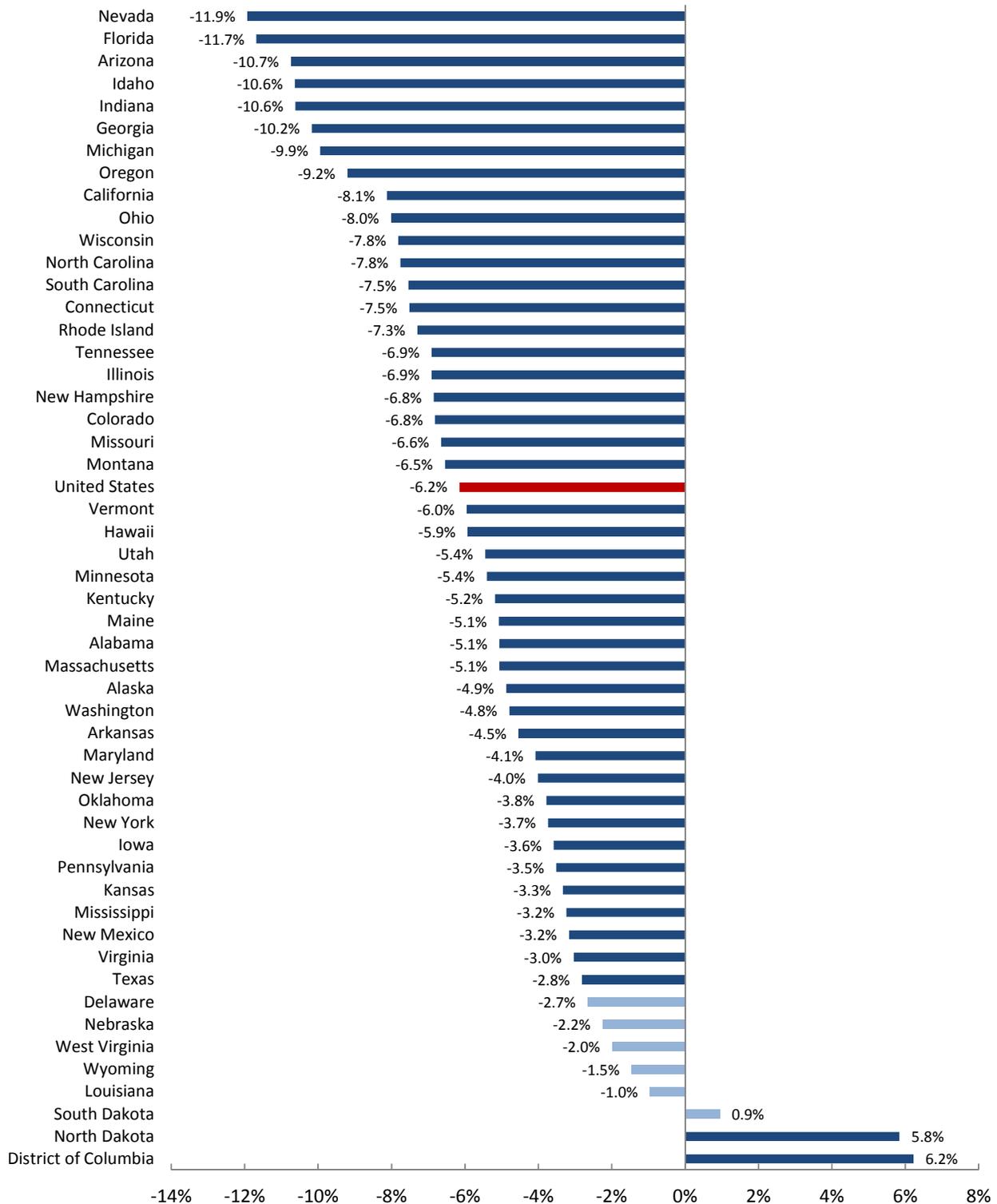
- Real median household income dropped in 43 states since the 2007 ACS, prior to the start of the recession. (See **Figure 2**.)
- The drop in income exceeded 10.0 percent in 6 states (Arizona, Florida, Georgia, Idaho, Indiana, and Nevada).
- Income for the typical household increased in only North Dakota (+5.9 percent) and the District of Columbia (+6.2 percent) .
- 7 of the 13 states in the West region and 6 of the 12 states in the Midwest region experienced a decline in real median household income greater than the overall decline of 6.2 percent. Only 3 of the 9 states in the Northeast and 5 of 17 states in the South experienced declines greater than 6.2 percent.

### **Poverty Status**

- The poverty rate increased in 46 states and the District of Columbia since the 2007 ACS, before the start of the recession. The poverty rate was statistically unchanged in the remaining four states (Alaska, Louisiana, Montana, and North Dakota.) The largest increases were in Nevada and Florida, which saw their poverty rates rise by 4.3 and 4.4 percentage points, respectively.
- The number of people living below the poverty threshold rose in all states and the District of Columbia, except Montana, which did not have a significant change.
- The South region saw the largest increase in people in poverty, with 3.3 million more people living below the poverty threshold from 2007 to 2010. 2.4 million additional people were living in poverty in the West, 1.6 million more in the Midwest, and 912,000 more in the Northeast.
- Over the recession, the regional poverty rate increased 3.0 percentage points in the West, 2.4 percentage points in the South, 2.3 percentage points in the Midwest and 1.5 percentage points in the Northeast. The poverty rate remains the highest in the South, at 16.9 percent.
- The percentage of children living in poverty increased in 42 states and the District of Columbia, with 5 states and the District of Columbia reporting an increase of more than 5 percentage points. The largest increase was in the District of Columbia where the percent of children living below the poverty threshold increased 7.7 percentage points to 30.4 percent.
- The percentage of the 65 and older population living in poverty increased in 2 states, and decreased in 21 states. In many states, the poverty rate among the 65 and older population decreased despite a significant increase in the state's overall poverty rate. According to data released last week from the Census Bureau, Social Security benefits kept 13.8 million Americans 65 and older out of poverty in 2010.

For additional information on changes at the state level in household income, employment and poverty status since the 2007 ACS, please see **Table 1**.

**Figure 2. Percent Change in Median Income by State, 2007-2010**



Note: Light blue bars represent changes that are not statistically significant.

Source: Chairman's staff of the Joint Economic Committee based on data from the American Community Survey.

# FACT SHEET: INCOME AND POVERTY ACROSS THE STATES, 2010

**Table 1. Impact of the Great Recession on Income and Poverty at the State Level Using Data from the American Community Survey**

	Employment and Income			Poverty									
	Median Household Income		Payroll Employment Change, Dec. 2007 to Dec. 2010 (000s)	Overall Poverty Rate		Population in Poverty		Children, under 18 years		Individuals, 25 to 54		Individuals, 65 and older	
	2010	Percent change since 2007 (adjusted for inflation)		Percent of population living in poverty, 2010	Change since 2007 (ppts)	Number of people living in poverty, 2010 (000s)	Change since 2007 (000s)	Percent in poverty, 2010	Change since 2007 (ppts)	Percent in poverty, 2010	Change since 2007 (ppts)	Percent in poverty, 2010	Change since 2007 (ppts)
United States	\$ 50,046	-6.2 *	-7,716	15.3	2.3 *	46,216	8,164 *	21.6	3.6 *	13.0	2.6 *	9.0	-0.5 *
Alabama	\$ 40,474	-5.1 *	-149	19.0	2.2 *	888	128 *	27.7	3.4 *	16.5	3.0 *	10.7	-1.2 *
Alaska	\$ 64,576	-4.9 *	8	9.9	1.0	69	10 *	12.9	1.4	8.0	0.7	5.7	0.3
Arizona	\$ 46,789	-10.7 *	-302	17.4	3.3 *	1,094	213 *	24.4	4.3 *	15.8	4.0 *	7.7	-0.8 *
Arkansas	\$ 38,307	-4.5 *	-39	18.8	1.0 *	535	43 *	27.6	1.8 *	16.0	1.2 *	10.2	-1.9 *
California	\$ 57,708	-8.1 *	-1,232	15.8	3.4 *	5,783	1,350 *	22.0	4.7 *	13.5	3.2 *	9.7	1.6 *
Colorado	\$ 54,046	-6.8 *	-129	13.4	1.4 *	660	90 *	17.4	1.0	11.0	1.6 *	8.1	-0.4
Connecticut	\$ 64,032	-7.5 *	-86	10.1	2.2 *	350	81 *	12.8	1.8 *	9.3	2.8 *	6.6	0.2
Delaware	\$ 55,847	-2.7	-27	11.8	1.3 *	103	15 *	18.1	3.4 *	9.4	0.6	7.7	-0.1
District of Columbia	\$ 60,903	6.2 *	15	19.2	2.7 *	109	17 *	30.4	7.7 *	13.8	0.8	13.1	-0.6
Florida	\$ 44,409	-11.7 *	-775	16.5	4.4 *	3,047	889 *	23.5	6.4 *	15.0	5.1 *	9.9	0.5 *
Georgia	\$ 46,430	-10.2 *	-326	17.9	3.6 *	1,689	365 *	24.8	5.1 *	14.7	3.9 *	10.7	-1.5 *
Hawaii	\$ 63,030	-5.9 *	-38	10.7	2.7 *	142	42 *	13.9	4.1 *	8.9	2.2 *	6.8	0.5
Idaho	\$ 43,490	-10.6 *	-53	15.7	3.6 *	242	64 *	19.0	3.1 *	13.7	4.0 *	7.9	-0.1
Illinois	\$ 52,972	-6.9 *	-363	13.8	1.9 *	1,732	235 *	19.4	2.8 *	11.6	2.0 *	8.4	-0.1
Indiana	\$ 44,613	-10.6 *	-195	15.3	3.0 *	963	205 *	21.7	4.4 *	13.1	3.3 *	6.8	-1.1 *
Iowa	\$ 47,961	-3.6 *	-56	12.6	1.5 *	371	53 *	16.3	2.7 *	10.2	1.3 *	6.7	-1.1 *
Kansas	\$ 48,257	-3.3 *	-66	13.6	2.4 *	378	77 *	18.4	3.8 *	11.2	2.4 *	7.7	-0.4
Kentucky	\$ 40,062	-5.2 *	-91	19.0	1.7 *	800	86 *	26.3	2.3 *	16.6	2.4 *	11.2	-1.7 *
Louisiana	\$ 42,505	-1.0	-45	18.7	0.1	825	50 *	27.3	0.5	15.3	0.5	11.5	-1.8 *
Maine	\$ 45,815	-5.1 *	-27	12.9	0.9 *	167	13 *	17.8	2.4 *	11.5	0.8	9.5	0.3
Maryland	\$ 68,854	-4.1 *	-100	9.9	1.6 *	557	103 *	13.0	2.5 *	8.0	1.6 *	7.7	-0.5
Massachusetts	\$ 62,072	-5.1 *	-98	11.4	1.5 *	725	104 *	14.3	1.4 *	9.4	1.3 *	8.7	-0.6
Michigan	\$ 45,413	-9.9 *	-377	16.8	2.8 *	1,618	242 *	23.5	4.0 *	14.9	3.1 *	8.0	0.1
Minnesota	\$ 55,459	-5.4 *	-131	11.6	2.0 *	600	118 *	15.2	3.2 *	9.1	1.6 *	8.3	0.3
Mississippi	\$ 36,851	-3.2 *	-62	22.4	1.8 *	644	62 *	32.5	3.2 *	19.3	3.2 *	11.9	-3.0 *
Missouri	\$ 44,301	-6.6 *	-158	15.3	2.3 *	889	146 *	20.9	3.2 *	13.0	2.2 *	9.1	-0.2
Montana	\$ 42,666	-6.5 *	-19	14.6	0.5	141	9	20.1	1.7	12.6	0.4	7.0	-2.9 *
Nebraska	\$ 48,408	-2.2	-20	12.9	1.7 *	230	37 *	18.2	3.3 *	9.9	1.7 *	7.5	-0.8
Nevada	\$ 51,001	-11.9 *	-180	14.9	4.3 *	398	128 *	22.0	6.7 *	12.7	4.1 *	7.6	0.7
New Hampshire	\$ 61,042	-6.8 *	-22	8.3	1.2 *	106	16 *	10.0	1.3	7.6	2.2 *	6.1	-0.4
New Jersey	\$ 67,681	-4.0 *	-242	10.3	1.7 *	885	156 *	14.5	2.9 *	8.8	1.9 *	7.2	-1.2 *
New Mexico	\$ 42,090	-3.2 *	-52	20.4	2.3 *	414	65 *	30.0	4.5 *	18.1	2.7 *	12.0	-1.3
New York	\$ 54,148	-3.7 *	-224	14.9	1.3 *	2,821	251 *	21.2	1.8 *	12.5	1.4 *	10.9	-0.8 *
North Carolina	\$ 43,326	-7.8 *	-315	17.5	3.2 *	1,628	369 *	24.9	5.3 *	15.1	3.6 *	9.9	-1.1 *
North Dakota	\$ 48,670	5.8 *	20	13.0	0.9	85	11 *	16.2	2.8 *	8.7	1.3 *	12.1	-0.5
Ohio	\$ 45,090	-8.0 *	-387	15.8	2.7 *	1,779	315 *	23.3	4.8 *	13.7	2.6 *	7.7	-0.5 *
Oklahoma	\$ 42,072	-3.8 *	-47	16.9	1.0 *	617	60 *	24.7	2.2 *	14.6	1.4 *	9.3	-0.9
Oregon	\$ 46,560	-9.2 *	-131	15.8	2.9 *	596	122 *	21.6	4.6 *	14.4	3.5 *	7.9	-0.5
Pennsylvania	\$ 49,288	-3.5 *	-170	13.4	1.8 *	1,648	255 *	19.1	2.7 *	11.3	2.0 *	7.9	-0.7 *
Rhode Island	\$ 52,254	-7.3 *	-31	14.0	2.1 *	142	20 *	19.0	1.6	11.5	1.9 *	8.2	-1.1
South Carolina	\$ 42,018	-7.5 *	-137	18.2	3.1 *	816	174 *	26.1	5.1 *	15.6	3.4 *	9.8	-2.2 *
South Dakota	\$ 45,904	0.9	-4	14.4	1.3 *	114	13 *	18.2	1.4	11.4	2.0 *	11.1	-0.4
Tennessee	\$ 41,461	-6.9 *	-188	17.7	1.8 *	1,095	142 *	25.7	2.7 *	15.6	2.7 *	9.7	-2.3 *
Texas	\$ 48,615	-2.8 *	-82	17.9	1.6 *	4,414	623 *	25.7	2.6 *	14.3	1.7 *	10.7	-1.3 *
Utah	\$ 54,744	-5.4 *	-79	13.2	3.5 *	359	108 *	15.7	4.7 *	10.8	3.2 *	6.0	-0.7
Vermont	\$ 49,406	-6.0 *	-10	12.7	2.6 *	76	16 *	16.7	4.3 *	11.1	2.7 *	6.8	-0.7
Virginia	\$ 60,674	-3.0 *	-138	11.1	1.1 *	862	119 *	14.5	1.4 *	9.0	1.4 *	7.4	-1.8 *
Washington	\$ 55,631	-4.8 *	-182	13.4	2.0 *	889	164 *	18.2	3.2 *	11.3	1.8 *	6.9	-1.1 *
West Virginia	\$ 38,218	-2.0	-16	18.1	1.2 *	327	28 *	25.5	2.7 *	17.0	1.8 *	9.9	-0.5
Wisconsin	\$ 49,001	-7.8 *	-152	13.2	2.4 *	731	143 *	19.1	4.7 *	10.7	2.5 *	7.1	-1.1 *
Wyoming	\$ 53,512	-1.5	-10	11.2	2.5 *	62	18 *	14.3	2.7	9.2	2.7 *	6.8	1.5

Notes: \* denotes changes statistically significant from zero at the 90-percent confidence level.  
The Federal Poverty Line for a family of four in 2010 is \$22,050.

These are not official poverty estimates used for distribution of federal funds to the states for programs such as SCHIP. Those formulas are based on Current Population Survey data.

Sources: Chairman's staff of the Joint Economic Committee based data from U.S. Census Bureau, American Community Survey, 2007 and 2010 and the Bureau of Labor Statistics.