

For Immediate Release

September 28, 2010

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Oregon's Poverty Rate Rises, Median Income Drops

Sobering data arrives as cuts threaten protections for very poor families

(Silverton) — Providing a clearer picture of the recession's toll on Oregon families, the U.S. Census bureau today reported that the share of Oregonians living in poverty and the share without health insurance increased significantly from 2007 to 2009.

And over the same two-year period, the income of a typical Oregon household dropped by about \$1,900, according to the Census Bureau's American Community Survey (ACS).

"The survey results confirm the damage wrought by the recession and underscore the need for Oregon and the nation to maintain a strong safety net that protects people when the economy fails them," said Steve Robinson, policy analyst with the Oregon Center for Public Policy.

The Census Bureau estimated that 14.3 percent of Oregonians lived in poverty in 2009, significantly higher than the 12.9 percent rate in 2007. Oregon's poverty rate in 2009 matched the national poverty rate.

According to the survey, more than 530,000 Oregonians — including 160,000 children — lived in poverty in 2009.

Oregon's child poverty rate also grew significantly from 16.3 percent in 2007 to 18.7 percent in 2009, Robinson said. He noted that Oregon's 2009 child poverty rate was below the national rate of 19.7 percent.

The poverty data was not the only bad news in today's ACS data. When adjusted for inflation, Oregon's median household income fell significantly in 2009 to \$48,457, down from \$49,714 in 2008 and \$50,393 in 2007.

The recession began in December 2007 and ended in June 2009, according to the National Bureau of Economic Research.

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September 28, 2010

Page 2

Troubling data also appeared with respect to health insurance coverage in the state. According to the survey, the share of Oregonians lacking insurance increased from 15.8 percent in 2008 to 17.0 percent in 2009, a statistically significant change.

The total number of Oregonians without health insurance rose to 643,000 in 2009, up 50,000 from the prior year. The number of uninsured children, however, fell by 15,000.

The news that the poverty rate rose comes as developments in Washington, D.C., and Oregon threaten the joint federal-state program that protects very poor families with dependent children. The Temporary Assistance for Needy Families (TANF) program provides small amounts of cash assistance, paired with work activity requirements, mostly to single-parent families with children. It also offers job training and childcare assistance to help parents of dependent children obtain work and remain employed.

Because of the most severe economic downturn since the Great Depression, Oregon and the nation have seen the demand for TANF rise sharply. To help cash-strapped states address that elevated need, the federal Recovery Act provided additional TANF emergency funds.

But that emergency funding expires on September 30. To date, Congress has been unable to muster the votes to extend it.

Proposed changes at the state level also threaten TANF, Robinson said. In the current budget cycle, Oregon is considering slashing funds that help parents find jobs and reducing the already very small amount families receive to meet their basic needs.

Despite the sobering data reported today by the Census Bureau, the poverty numbers would be even worse without the Recovery Act enacted by Congress, according to Robinson. He noted that a recent study found that the unemployment insurance provisions alone in the Recovery Act kept 3.3 million Americans out of poverty in 2009.

Earlier this month, the Census Bureau reported the results of a different measure of poverty, the Current Population Survey (CPS), which showed no statistically significant change in Oregon's poverty rate when comparing 2008-09 against 2006-07. Robinson noted, however, that the results of the CPS and today's ACS cannot be compared directly because of differences in the questions and survey designs.

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Sobering data arrives as cuts threaten protections for very poor families

September 28, 2010

Page 3

The Census Bureau and others believe the ACS, which the bureau began using relatively recently, provides a better estimate of state poverty levels.

The Oregon Center for Public Policy is a non-partisan research institute that does in-depth research and analysis on budget, tax and economic issues. The Center's goal is to improve decision making and generate more opportunities for all Oregonians.