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Economic Growth Failing to Improve Incomes for Typical Households, Health Coverage, or Poverty

Crucial Votes in Fall May Make Matters Worse

(Silverton) – The typical Oregon household's income remains stuck well below its level of a few years ago, despite a strong economy, according to new statistics released today by the U.S. Census Bureau and analyzed by the Oregon Center for Public Policy (OCPP), a Silverton public policy research institute. The share of Oregonians going without health insurance for a year or more also remains high, and poverty has not improved.

"Oregon's economy is doing great, but the prosperity is not being widely shared," said Michael Leachman, policy analyst for the OCPP. "Oregonians should be proud of the economic growth they are producing, but they should also wonder why they aren't seeing more of the benefits," he added.

The OCPP analysis of Census data released today shows that the current strong economic recovery has not restored income or health insurance to the levels that existed prior to the last downturn in 2001.

With median household income at $43,362, the typical Oregon household has lost $4,638 in inflation-adjusted dollars since 1999-00, before the economic downturn. At the same time, more Oregonians are going without health insurance. The new Census data show that 16.4 percent of Oregonians went without health insurance for a year or more in 2004-05, up from 13.4 percent in 1999-00 according to the Silverton-based research institute.

"We're having tremendous economic growth but we're not seeing improvement in the income and health insurance status of Oregonians," said Leachman. The public policy think tank noted that Oregon's job growth ranked eighth among the states in 2004 and sixth in 2005, and that Oregon's Gross State Product growth between 2003 and 2005 ranked seventh among the states.

"Oregonians are producing 15 percent more Gross State Product per person than they were in 2000, before the downturn, but median household incomes are down and health uninsurance is up," said Leachman. "Our economy and

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workers are more efficient; now we need the policies that help all Oregonians enjoy the benefits," he added.

The share of Oregonians living in poverty did not change in 2004-05, despite the strong economic growth, and remains at 11.9 percent, not statistically different from its level during the downturn or at the end of the 1990s economic boom. "Oregon's economic growth is failing the state's most vulnerable residents," said Leachman. OCPP noted that in 1999-00, at the end of the last economic boom, Oregon's poverty rate was 11.8 percent, essentially the same as the level today.

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"One year ago when Hurricane Katrina hit the Gulf Coast there seemed to be renewed interest in addressing poverty in America," said Charles Sheketoff, executive director of the OCPP. "Regrettably, Congress and the President have ignored the issue and are poised to return from the August congressional recess with tax and budget proposals that will undermine the nation's efforts to reduce poverty, increase incomes, and provide health insurance coverage," he added.

Sheketoff noted that the President and some in Congress are pushing for more tax cuts that would be paid for partly through reductions in programs for poor people. "They have mounted a furious effort to permanently eliminate most of the estate tax, a tax imposed only on multi-million-dollar estates. At the same time, the President's proposed budget for next year would, for example, eliminate a supplemental food program for more than 400,000 low-income seniors, and would cut child care assistance so deeply that 650,000 fewer children in low-income working families would be helped in 2011 than in 2000."

Sheketoff also cautioned Oregonians about making matters worse through their votes on two initiatives this fall. "Measure 48 and Measure 41 would wreak havoc on the State's efforts to address the problems identified in today's Census figures," said Sheketoff. "The Colorado-styled TABOR spending limit, Measure 48, and Bill Sizemore's Measure 41, which we call 'fool's gold,' would cause significant cuts to education, health care, senior services and public safety," said Sheketoff.

The ***Oregon Center for Public Policy*** uses research and analysis to advance policies and practices that improve the economic and social opportunities of all Oregonians. OCPP's work, including reports on Measures 41 and 48, are available at www.ocpp.org.