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**Recession Continues to Hammer Oregonians, Particularly
Children and Minorities
Census data shows “deep poverty” increase and median income decline**

Even though by one important measure Oregon’s economy improved a bit last year, poverty and extreme poverty in the state worsened and the earnings of the typical household continued to shrink, newly-released government data showed.

In 2010, 15.8 percent of Oregonians lived in poverty, significantly higher than the 14.3 percent rate in 2009 and 12.9 percent in 2007, according to the U.S. Census Bureau’s American Community Survey (ACS) released today. Oregon’s 2010 poverty rate was higher than the national average.

According to the survey, last year 596,408 Oregonians lived in poverty — an increase of more than 120,000 from 2007, the year before the recession began.

What some experts call “deep poverty” — household income at less than half of the federal poverty threshold — remained at elevated levels last year in Oregon, the survey showed. While in 2007, 5.7 percent of Oregonians lived in deep poverty, in 2010 that share grew to 7.2 percent.

“Deep poverty is wreaking havoc on the lives of 1 in 14 Oregonians,” said Jason Gettel, policy analyst with the Oregon Center for Policy. To give a sense of how poor that is, Gettel noted that in 2010 a family of three would have had to earn less than \$8,687 to meet the definition of living in deep poverty.

The typical Oregon household also fared poorly in the Census data. In 2010, median household income in Oregon was \$46,560, down from \$51,277 in 2007.

While the Census data shows that Oregon households continued to feel the fallout from the recession, a separate set of government data also

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released today showed that in 2010 the state's economy had seen some improvement from the prior year. The Bureau of Economic Analysis reported that Oregon's personal income increased about 3.2 percent from 2009 to 2010, reflecting slight growth in the state's economy. Oregon's per capita personal income rose as well, from \$35,571 in 2009 to \$36,427 in 2010.

Despite those gains, last year's Oregon personal income and per capita personal income were still below the inflation-adjusted numbers for 2007, the year before the recession, according to OCPP.

"An improving economy is important, but it doesn't necessarily mean that life gets better for all or even most Oregonians," Gettel said.

While there was no change in the median household incomes of African Americans and Latinos from 2007 to 2010, a gap still exists between the median household income of these groups and the typical Oregon household. In 2010, median income for Latino households was just \$37,298, while for African American households it was just \$31,799.

Measured by poverty levels, the recession made conditions significantly worse for Oregon's African American and Latino communities. From 2007 to 2010, the poverty rate among African Americans increased from 28.5 percent to 39 percent. The poverty rate for Latinos rose from 23.6 percent to 28.8 percent, over the same time period.

The ACS also contained grim data concerning children. It showed that 21.6 percent of Oregon children lived in poverty in 2010. That was up from 19.2 percent in 2009 and 16.9 percent in 2007.

"A concerted effort to reduce poverty is essential not only to ease the suffering of children, but also create a brighter future for our state," said OCPP policy analyst Janet Bauer. "Research shows that economic hardship early in life lays the groundwork for more costly social problems down the road."

She said that one of the most important investments that the state can make is bolstering those programs that protect children and families in poverty. Among them is Temporary Assistance for Needy Families (TANF), whose budget was cut by the 2011 Oregon legislature.

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TANF provides poor families time-limited cash assistance to help cover basic needs, while also offering parents job training and other services to help them get into the workforce.

“TANF is the centerpiece of Oregon’s anti-poverty program for families with children,” said Bauer. “The next legislative session ought to look for ways to not only restore the cuts to TANF, but to expand the program to help stem the rising tide of child poverty.”

The ACS also provided data regarding health insurance coverage. It showed that in 2010, among Oregonians of all ages, 17.1 percent lacked health insurance. That figure was essentially unchanged from the 2009 level, but significantly up from the 15.8 percent level of 2008.

One bright spot in today’s Census data was a large drop in the share of Oregon children without health insurance, Bauer said. The rate of uninsured Oregon children dropped from 12.1 percent in 2008 to 8.8 percent in 2010.

The state’s effort to extend health coverage to children through the Healthy Kids program likely explains much of the drop in the rate of uninsured children, according to Bauer.

“Oregon’s progress in expanding health coverage for children demonstrates the important role that government can play in improving our lives,” Bauer said. “It gives us hope that Oregon can tackle poverty. We just need the will and a plan to do so.”

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.