

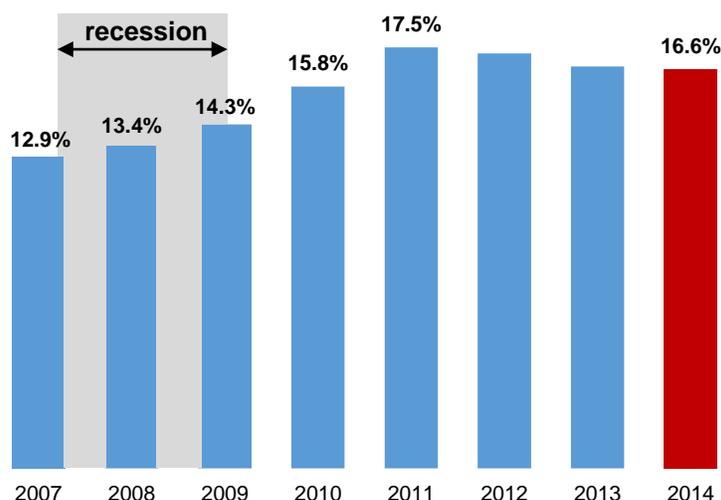
Poverty in Oregon in Six Charts

Despite half a decade of economic recovery, too many Oregonians still struggle to make ends meet. For those who are able to work, low wages and too few good jobs are just some of the reasons why Oregonians today are more likely to live in poverty than they were during the Great Recession. In 2014, a family of three living in poverty made ends meet on just \$18,850.¹ Children and communities of color are more likely to live in these conditions.

The fact that poverty is high despite Oregon's recent economic expansion speaks to the need for public policies that promote shared prosperity, such as raising the minimum wage and investing in our schools to make sure all kids have the education they need to get ahead.² These and other policies would help ensure that all Oregonians can achieve economic success and lead healthy, productive lives.

Poverty now higher than during Great Recession

(Share of Oregonians living in poverty by year)



In 2014, 16.6 percent of Oregonians – 1 in every 6 people – lived below the federal poverty level.³

Though down from its 2011 peak of 17.5 percent, the poverty rate in 2014 remained higher than during the period of the Great Recession.

About 110,000 more Oregonians were poor in 2014 than in 2009 at the end of the Great Recession.⁴

Oregon's 2014 poverty rate is not statistically different from its 2012 or 2013 rates. The 2014 Oregon poverty rate is statistically different from all other years where the rate is shown. Gray bars indicate years of recession.
Source: OCPP analysis of American Community Survey data.

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A View of the State of Working Oregon is a series of occasional OCPP fact sheets explaining Oregon's economy from the perspective of working families.

2014 Federal Poverty Thresholds

Annual income limit for 2014 poverty thresholds by household size:

One person	\$12,071
Two people	\$15,379
Three people	\$18,850
Four people	\$24,230
Five people	\$28,695

Poverty thresholds vary by number of people in a family and their age. Thresholds shown here are weighted averages for each household size.
Source: OCPP presentation of U.S. Census Bureau data.

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The official definition of poverty is outdated, underestimating what it takes to truly make ends meet.⁵

In 2014, a family of three had to have earned less than \$18,850 to be considered poor by the federal definition.

A family of four had to have earned less than \$24,230 – about \$2,000 a month – to have officially lived in poverty.

More than 1 in 5 Oregon children live in poverty

(2014 share of Oregon children living in poverty)



Source: OCPP analysis of American Community Survey data.

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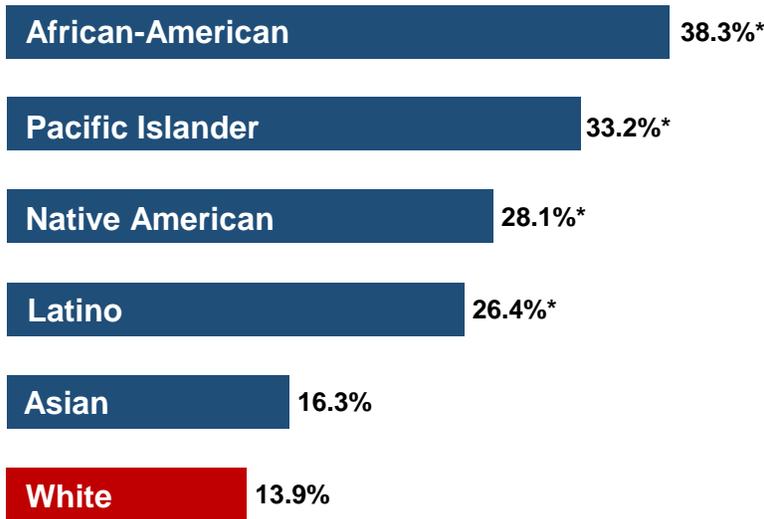
More than one in five children in Oregon live in a household without the resources needed to grow up happy and healthy.

In 2014, 21.1 percent of Oregon children lived in poverty.

Poverty can seriously harm a child's physical, mental and social development, making it harder for the child to become a productive adult.⁶

Oregonians of color more likely to live in poverty

(2014 share of Oregonians living in poverty by race or ethnicity)



* indicates rate is statistically different from the non-Hispanic white rate.
Source: OCPP analysis of American Community Survey.

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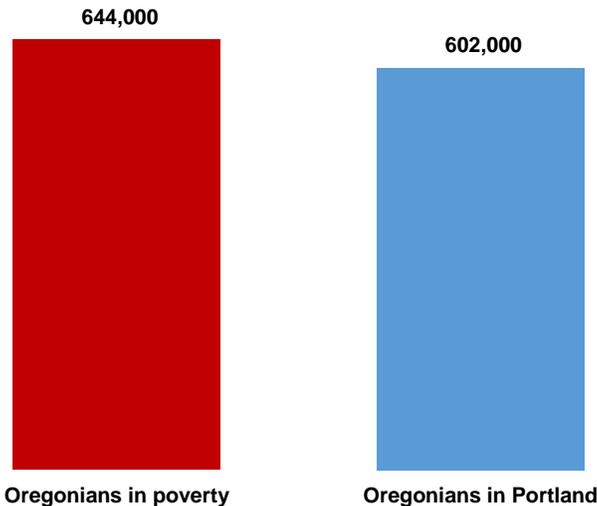
While many are having a difficult time getting by, this problem is hitting communities of color the hardest.

In 2014, an estimated 38.3 percent of African-Americans, 33.2 percent of Pacific Islanders, 28.1 percent of Native Americans and 26.4 percent of Latinos lived in poverty in Oregon – each a statistically significant difference from the 13.9 percent rate for non-Hispanic whites.

In 2014, 16.3 percent of Asian Oregonians lived below the poverty line. This rate was not significantly different from the rate for non-Hispanic whites.

More Oregonians live in poverty than in Portland

(2014 estimated Oregonians in poverty and living in Portland)



Estimates rounded to the nearest thousand.
Source: OCPP analysis of American Community Survey and Portland State University Population Research Center data.

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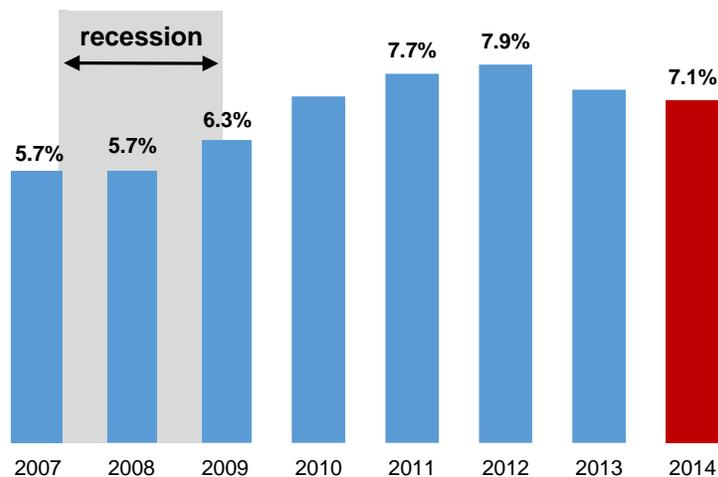
In 2014, an estimated 644,000 Oregonians lived in poverty.

That's more people than the 602,000 living in Portland that year.⁷

If poverty were a city in Oregon, it would be the state's *largest* city.

Deep poverty in Oregon remains elevated

(Share of Oregonians below 50 percent of the federal poverty level)



Oregon's 2014 deep poverty rate is not statistically different from its 2013 and 2010 rates. It is statistically different from all other years where the rate is shown. Gray bars indicate years of recession. Source: OCPP analysis of American Community Survey data.

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“Deep poverty” — a measure of extreme hardship — is worse now than during the Great Recession.

Deep poverty refers to those living below 50 percent of the federal poverty level. For a family of three in 2014, that would mean less than \$9,425.

In 2014, 7.1 percent of Oregonians lived in deep poverty. While down from the recent peak of 7.9 percent in 2012, deep poverty remained significantly higher than at any point during the Great Recession.

Conclusion

While Oregon’s economy may have recovered from the depths of the Great Recession, today too many Oregonians are still more likely to lack the income they need to get by. For many Oregonians — particularly communities of color and children — the economic recovery has passed them by.

Lawmakers ought to commit to ensuring all Oregonians achieve economic success. This means significantly increasing Oregon’s minimum wage, and investing in education and other public structures so that all Oregonians have the opportunity to get ahead.

Note on Methodology

When determining the poverty rate, the Census Bureau counts all income before taxes earned by a family. It does not include non-cash benefits, such as Medicaid and Supplemental Nutrition Assistance Program (SNAP) benefits, or tax liabilities and credits, such as the Earned Income Tax Credit (EITC).

Unlike the federal poverty income guidelines that are set at the beginning of each year and are used to determine eligibility for a variety of public programs, the poverty thresholds vary by age, family size and composition. For example, in 2014 the poverty threshold was \$12,316 for a single person under 65 and \$24,008 for a family with two parents and two children. Thresholds are slightly lower for individuals and couples over 65 and vary slightly by the number of children and adults in the family. They do not vary by geography and therefore do not take into account

regional differences in the costs of living. Thresholds are updated each year to take inflation into account.

Like all surveys, the American Community Survey (ACS) — the source of data for this analysis — provides estimates from a random sample of households. These estimates have a margin of error. Results will vary from one sample to another to a certain extent, depending on sample size and the particular characteristic that is being measured.

When comparing two measures — for instance, the poverty rate in two different years or among two different racial groups — it is important to consider how this sampling variability affects the difference between the two measures. If the difference between the two rates would occur due to variability less than 10 times out of 100, then we can say that we have a 90 percent level of confidence that the difference between the two rates reflects an actual difference. In other words, the chance that the difference between the two estimates is simply the result of random chance is less than 10 percent. While different levels of confidence (e.g., 95 or 99 percent) can be used to measure significance, the 90 percent level is typically used when analyzing ACS data, and that is the level used here when establishing whether a difference is significant.⁸

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The Center is a part of the State Priorities Partnership (www.statepriorities.org) and the Economic Analysis and Research Network (www.earncentral.org).

Endnotes

¹ OCPP analysis of 2014 Federal Poverty Thresholds. Federal poverty thresholds are different from federal poverty guidelines. Federal poverty thresholds are updated annually by the U.S. Census Bureau and primarily used for statistical calculations. The federal poverty guidelines are an administrative tool primarily used for determining eligibility for certain programs like the Supplemental Nutrition Assistance Program (SNAP, formerly called food stamps) or Medicaid.

² “Oregon Economy Continues to Be Top Performer,” Oregon Center for Public Policy, January 2015, available at <http://www.ocpp.org/2015/01/12/oregon-economy-continues-be-top-performer/>.

³ Unless otherwise noted, all figures in this fact sheet are from OCPP analysis of American Community Survey data.

⁴ See “Defining ‘Poverty’ Matters,” *Statesman Journal*, March 11, 2012, available at http://www.ocpp.org/media/uploads/pdf/2012/03/clip20120311SJ_PovertyOped.pdf

⁵ “How We Measure Poverty,” Oregon Center for Public Policy, February 2000, available at <http://www.ocpp.org/poverty/how/>.

⁶ For a literature review of the impacts of poverty on child development, see “Child Poverty in the U.S.: An Evidence-Based Conceptual Framework for Programs and Policies,” *Handbook of Applied Developmental Science*, Volume 2, available at http://sitemaker.umich.edu/carss_education/files/gershoff_aber_raver_2003.pdf.

⁷ OCPP analysis of Portland State University Population Research Center data.

⁸ For more on calculating levels of confidence and testing for significance, see “Instructions for Applying Statistical Testing to ACS 1-Year Data,” U.S. Census Bureau, available at http://www2.census.gov/programs-surveys/acs/tech_docs/statistical_testing/2014StatisticalTesting1year.pdf.