Oregon Center for Public Policy
Because facts matter.

Fact Sheet

October 12, 2016

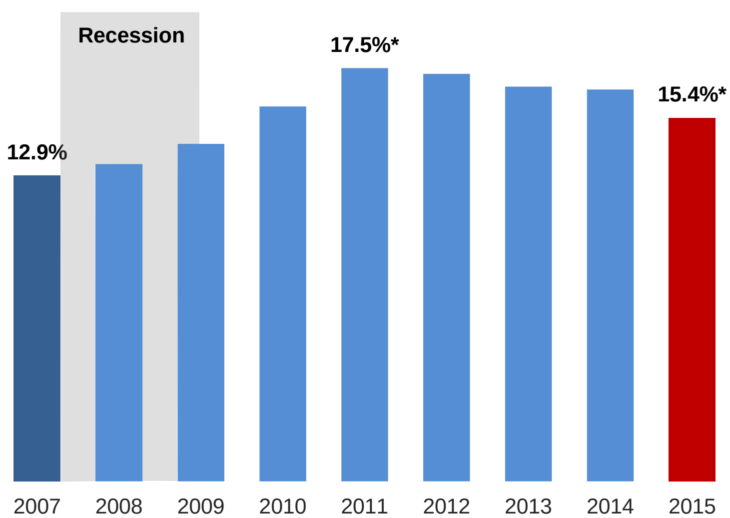
Oregon's Poor Still Feel Weight of the Great Recession

A View of the State of Working Oregon

Despite more than half a decade of economic growth, Oregonians were still more likely to live in poverty in 2015 than they were prior to the Great Recession.[1] In fact, the number of poor Oregonians exceeded the state's population east of the Cascades. Poverty remained particularly high for children and Oregonians of color. And, deep poverty — a measure of Oregonians living in the direst of circumstances — remained elevated.

When so many Oregonians struggle to make ends meet through no fault of their own, Oregon communities cannot truly thrive. Oregon lawmakers should commit to reducing poverty so that all Oregonians have a chance at economic opportunity.

Oregon poverty still higher than before Great Recession



Share of Oregonians living below poverty line by year. * indicates rate is significantly different from 2007.
Source: OCPP analysis of American Community Survey data.

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While down from its recent peak in 2011 and from 2014, poverty in Oregon remains elevated above pre-recession levels.

In 2007, prior to the Great Recession, the share of Oregonians that lived below the federal poverty line stood at 12.9 percent.[2]

In 2015, the year with most recent data, 15.4 percent of Oregonians — more than one in every seven — were poor.

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

2015 Federal Poverty Thresholds	
One person	**$12,082**
Two people	**$15,391**
Three people	**$18,871**
Four people	**$24,257**
Five people	**$28,741**

Annual income for 2015 federal poverty thresholds by household size. Poverty thresholds vary by number of people in a family and their age. Thresholds shown are weighted averages for each household size.
Source: OCPP presentation of U.S. Census Bureau data.

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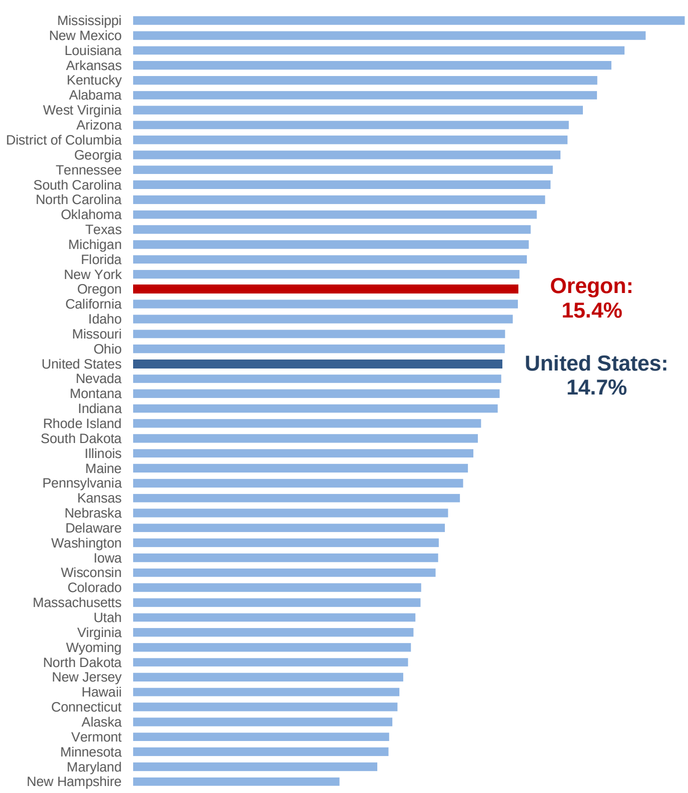
It's important to recognize that the official definition of poverty sets the bar too low, understating the number of people hurting economically. Many Oregonians living above the poverty line still struggle to afford the high and rising costs of housing, child care, and other essentials.

To officially be considered poor in 2015, a family of three would have needed to earn less than $18,871. That amounts to $1,573 per month.

Oregon poverty higher than U.S. and most states



2015 poverty rate by state.
Source: OCPP analysis of American Community Survey data.

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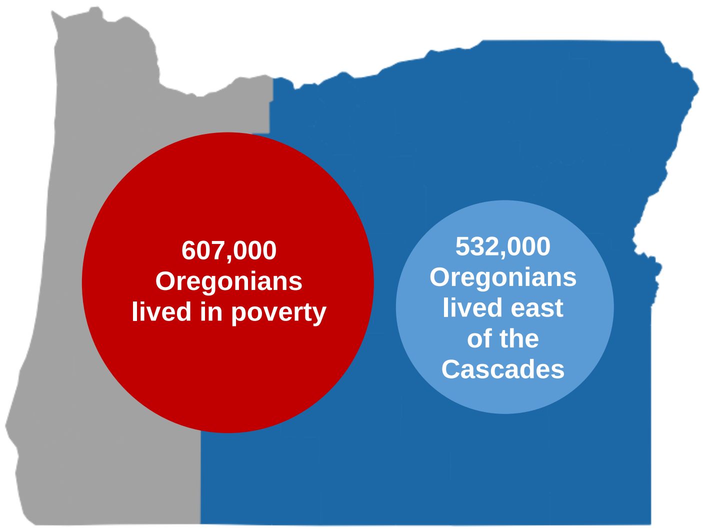
Oregon's poverty rate is higher the national average and that of most other states.

In 2015, Oregon's poverty rate (15.4 percent) was higher than the national average (14.7 percent).

Twenty-six states had poverty rates that were significantly lower than Oregon's in 2015.[3]

Fourteen states had poverty rates that were significantly higher than Oregon's that year.[4]

More Oregonians in poverty than live east of the Cascades



Estimated Oregonians in poverty and in counties east of Cascades.
Source: OCPP analysis of 2015 Portland State University Population Research Center and American Community Survey data.

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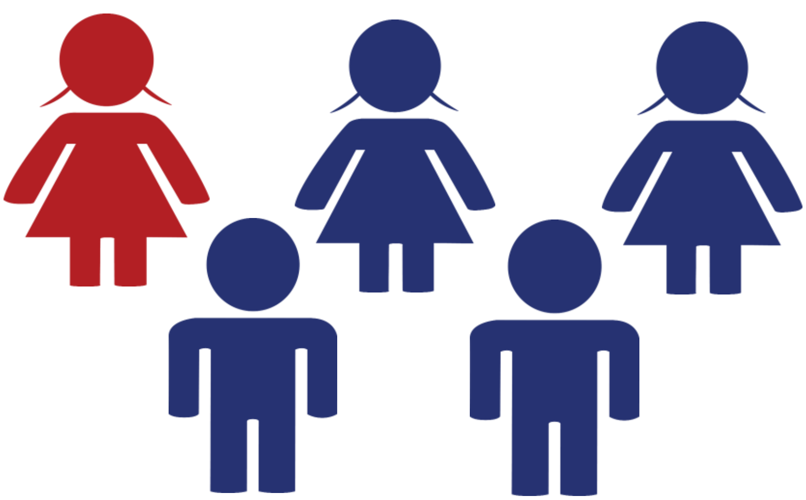
More Oregonians were poor in 2015 than lived east of the Cascades.

There were about 607,000 Oregonians who lived below the poverty line in 2015.

That's more than the 532,000 Oregonians who lived in the 17 counties east of the Cascade Mountains last year.[5]

One in five Oregon children live in poverty



2015 share of related Oregon children under age 18 living below poverty line.
Source: OCPP analysis of American Community Survey data.

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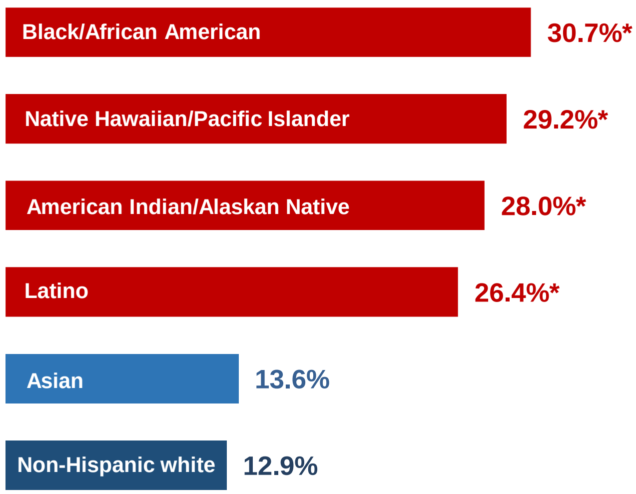
Child poverty in Oregon remains stubbornly high.

In 2015, about one in every five Oregon children (19.7 percent) lived in poverty, lacking the resources they needed to grow up healthy and happy.

Unlike Oregon's overall poverty rate, child poverty did not improve from 2014 to 2015.[6]

Poverty can harm a child's development, particularly in the early years. Research has shown that the stress caused by poverty during childhood can impact a child's cognitive development, their physical health, and his or her economic future as an adult.[7]

Most Oregonians of color more than twice as likely to live in poverty than white Oregonians



2015 share of Oregonians in poverty by race and ethnicity. * indicates poverty rate statistically different from non-Hispanic white rate.
Source: OCPP analysis of American Community Survey data.

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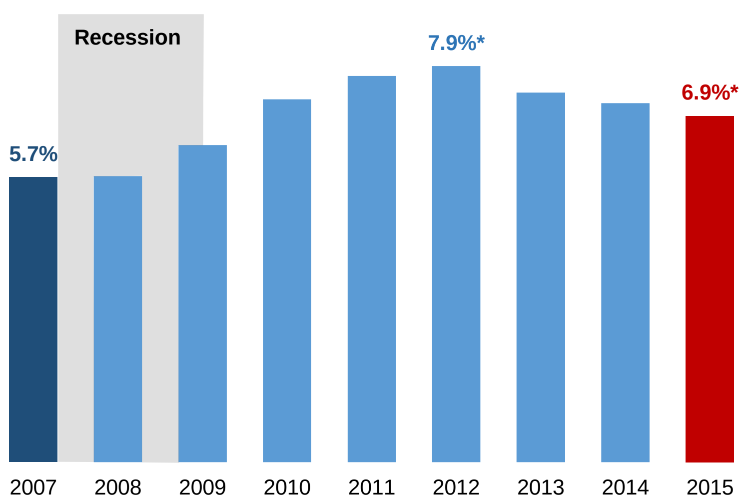
Most Oregonians of color are more than twice as likely to live in poverty than white Oregonians.

In 2015, 12.9 percent of non-Hispanic white Oregonians lived below the federal poverty line.

The poverty rates for Latinos (26.4 percent), American Indian and Alaskan Natives (28.0 percent), Native Hawaiian and Pacific Islanders (29.2 percent), and Black or African Americans (30.7 percent) were each at least twice the poverty rate for non-Hispanic white Oregonians.

The poverty rate for Asians (13.6 percent) was not significantly different from the white rate.

More Oregonians in deep poverty than during Great Recession



Share of Oregonians below 50 percent of the federal poverty level. * indicates rate is significantly different from 2007.
Source: OCPP analysis of American Community Survey data.

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Like the overall poverty rate, deep poverty remains above pre-recession levels.

Deep poverty refers to Oregonians living below half the federal poverty line.

The share of Oregonians living in deep poverty stood at 6.9 percent in 2015. Though down from the 2011 peak of 7.9 percent, deep poverty was higher than before the Great Recession. About 5.7 percent of Oregonians lived in deep poverty in 2007.

Deep poverty in 2015 was not significantly different from 2014.

Lawmakers must commit to reducing poverty

Too many Oregonians live in poverty. Despite more than half a decade of economic recovery, more Oregonians are struggling to meet their basic needs today than did before the Great Recession. If Oregon is to have the thriving communities all Oregonians want, lawmakers must commit to reducing poverty.

There are many policies needed to ensure all Oregonians enjoy real economic opportunity. Atop that list should be:

- Improving the Oregon Earned Income Tax Credit:

  The Earned Income Tax Credit (EITC) helps low-income working families get ahead. Together with the federal Child Tax Credit, the federal EITC lifted 129,000 Oregonians out of poverty on average each year from 2011 to 2013.[8] Oregon's state-level EITC provides a needed boost to the annual incomes of low-income working families. Unfortunately, Oregon's EITC is too small. Of the 27 states with state-level EITC's, 21 offer larger credits than Oregon.[9] Moreover, Oregon has one of the worst EITC participation rates among all states, meaning low-income workers leave tens of millions of federal dollars unclaimed each year.

  Lawmakers can help low-income working families get ahead by increasing the Oregon EITC, ensuring the state does more to promote the credit, and supporting outreach efforts to get more eligible families to claim the credit.

- Expanding access to affordable child care:

  Child care in Oregon is among the least affordable in the country, forcing many parents who would prefer to work to drop out of the workforce to provide care.[10] Making investments that expand access to affordable child care would allow those parents to remain in the workforce while easing the burden that child care can have on family budgets.

- Enacting improved wage theft protections for vulnerable workers:

  Too often, low wage workers are the victims of wage theft, a term referring to the many ways in which some employers cheat their workers out of wages they have earned. Whether by paying workers less than the minimum wage, forcing them to work off the clock, or stealing their tips, wage theft can increase economic insecurity for workers already living on the edge. By enacting improved wage theft protections, lawmakers would help ensure that Oregonians are paid for the work they perform.

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, formerly called "food stamps") benefits, or tax liabilities and credits, such as the Earned Income Tax Credit (EITC).

Unlike the federal poverty income guidelines, which 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 2015 the poverty threshold was $12,331 for a single person under 65, and $24,036 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 cost 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.[11]

Endnotes

[1] Oregon Center for Public Policy, *Oregon's Fast-Growing Economy Leaves Many Workers Behind*, February 8, 2016, available at http://www.ocpp.org/2016/02/08/fs20160208-oregon-economy-fast-growth-workers/.

[2] Unless otherwise noted, all figures in this fact sheet are OCPP analysis of American Community Survey data.

[3] Though nominally lower, the 2015 poverty rates in California, Idaho, Missouri, Ohio, Nevada, and Montana are not significantly different from the Oregon rate. For more, see endnote 11.

[4] Though nominally higher, the 2015 poverty rates in New York, Florida, Michigan, and Texas are not significantly different from the Oregon rate. For more, see endnote 11.

[5] OCPP analysis of Portland State University Population Research Center data. The population living east of the Cascades includes Baker, Crook, Deschutes, Gilliam, Grant, Harney, Hood River, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, and Wheeler Counties.

[6] Though Oregon's child poverty rate decreased nominally from 2014 to 2015, it was not a significant change. For more, see endnote 11.

[7] Center on the Developing Child at Harvard University, "From Best Practices to Breakthrough Impacts: A Science-Based Approach to Building a More Promising Future for Young Children and Families," May 2016, available at http://developingchild.harvard.edu/resources/from-best-practices-to-breakthrough-impacts/.

[8] Center on Budget and Policy Priorities, *Expand Tax Credits to Promote Work and Fight Poverty*, September 2016, available at http://apps.cbpp.org/3-5-14tax/?state=OR.

[9] OCPP analysis of Center on Budget and Policy Priorities data. State EITC rates are as of January 19, 2016.

[10] Oregon had the second highest average annual rate for center-based infant care and the fourth highest for four year-old care in 2014. *Parents and the High Cost of Child Care*, Child Care Aware of America, 2015, p. 27, available at http://usa.childcareaware.org/wp-content/uploads/2016/05/Parents-and-the-High-Cost-of-Child-Care-2015-FINAL.pdf.

[11] 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/2015StatisticalTesting1year.pdf.

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