

September 22, 2011

New Census Data Show that One in Five DC Residents Lived in Poverty in 2010

Since the recession took hold of the economy, poverty in the District has been on steady climb upward. New data released by the U.S. Census Bureau show that nearly one in five DC residents lived below the poverty line in 2010, or on less than \$22,314 for a family of four. Since 2007, the final year before the recession hit, an additional 17,500 DC residents have fallen into poverty. Yet, the same data also show that citywide median income has risen over the same time period. In fact, median income rose from \$57,100 in 2007 to \$60,900 in 2010 (all figures are adjusted for inflation to equal 2010 dollars). This simultaneous rise in poverty and incomes indicates that some groups in DC have been able to escape the worst effects of the recession better than others.

It also appears that poverty may rise even further in 2011 and could remain high for some time. Leading indicators of poverty changes, like employment and food stamp participation, are pointing to a likely rise in the number of families in poverty this year. This is consistent with research showing that poverty takes a long time to recover even after a recession has ended, often not falling for at least one full year after unemployment has declined. Given the negative consequences associated with poverty, the District should ensure resources are available to help move families out of poverty.

The Recession Has Led to Significant Increases in Poverty for Some Groups in DC

New Census data show that poverty in DC rose from 16.4 percent in 2007 to 19.2 percent in 2010. This means 17,500 additional DC residents fell into poverty in the last three years. However, the jump in poverty was not spread evenly across the city, as some groups have been hit harder than others. The new data also show that while poverty is highest in Wards 7 and 8, it has been rising much faster in other parts of the District.

- **Deep poverty** —those living below half of the poverty line, or \$11,157 for a family of four — **has risen more than 25 percent since 2007.** In 2010, one in nine DC residents lived below half of the poverty line. Of the growth in poverty since 2007, two-thirds has been residents living in deep poverty.
- **Child poverty has jumped by more than a third since the start of the recession.** In fact, three out of ten kids in DC lived below the poverty line in 2010, up from just over one in five kids at the start of the recession.
- **Poverty among female-headed single parent households has risen by one-third since the start of the recession.** In 2010, 42 percent of female-headed single parent households lived below the poverty line, up from 32 percent in 2007. Research shows that single parents often face significant challenges in moving above poverty because they are often the sole worker in the family, typically have lower wages than others, and demands of caring for children and

working.¹

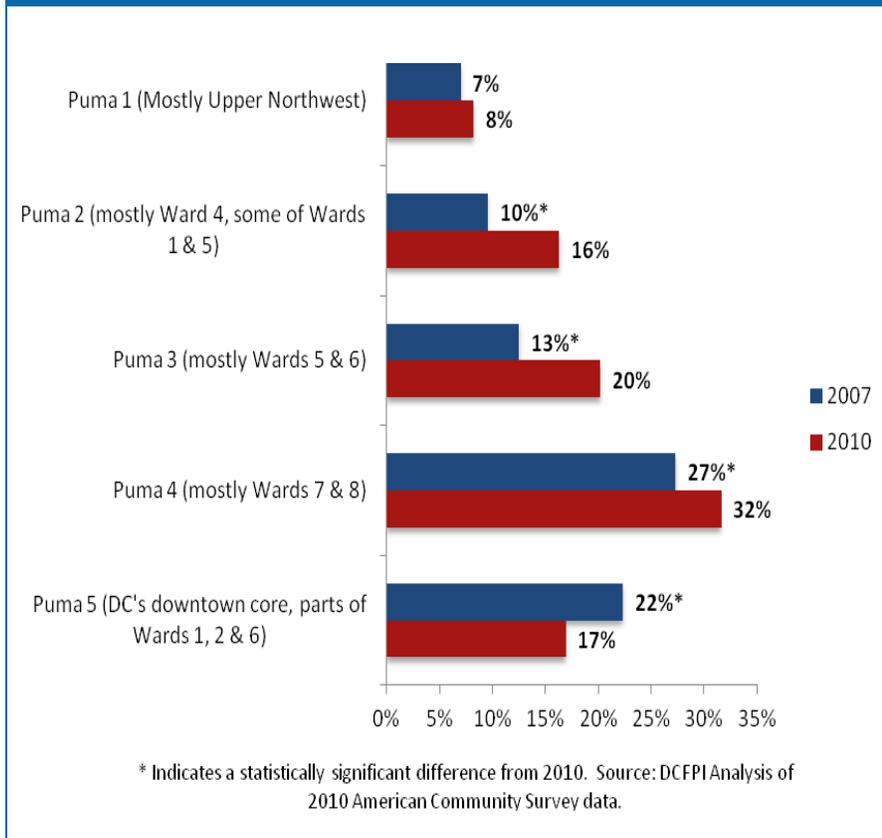
- **More than one in four Black DC residents lived in poverty in 2010.** Poverty among Black DC residents jumped nearly one fifth, rising from 23 percent in 2007 to 27 percent in 2010. Poverty stood at 8.5 percent for non-Hispanic White residents and at 15 percent for Hispanic residents in 2010. Both groups showed no statistically significant change in poverty from 2007.

Poverty Remains Highest in Wards 7 & 8 but Shows Surprising Jumps in Other Areas of DC

Poverty has been rising much faster in the areas of Wards 4, 5 and 6 since the recession began than in other parts of the city (SEE Figure 1). The information released by the Census Bureau does not identify poverty rates by individual Wards, but rather by geographic areas referred to as Public Use Micro Areas, or PUMA's. DC's five PUMAs roughly correspond to major Ward boundaries, although there is some overlap. (See page 5 for a map that compares the Ward and PUMA boundaries).

- The highest poverty rates in DC are found in an area largely made up of Wards 7 and 8. Nearly one in three residents in this area living below poverty in 2010, an increase of one-sixth since 2007.
- The largest jumps in poverty rates were found largely in Wards 4, 5 and 6. In fact, in PUMA 2 (which largely includes Ward 4, and some of Wards 1 & 5) poverty jumped by more than four-fifths, rising to just over 16 percent in 2010. In PUMA 3, which largely includes ward 5 and 6 and some of Ward 7, poverty jumped by more than three-fifths. In 2010, one in five residents in this area lived below the poverty line.
- The only region to see a decline in

FIGURE 1: POVERTY RATES REMAIN HIGHEST IN WARDS 7 AND 8, BUT THE LARGEST JUMPS IN POVERTY WERE FOUND IN OTHER PARTS OF DC



¹ Reed, Jenny. Who is Low-Income in DC? DC Fiscal Policy Institute, October 2010. Available at: <http://www.dcfpi.org/who-is-low-income-in-dc>

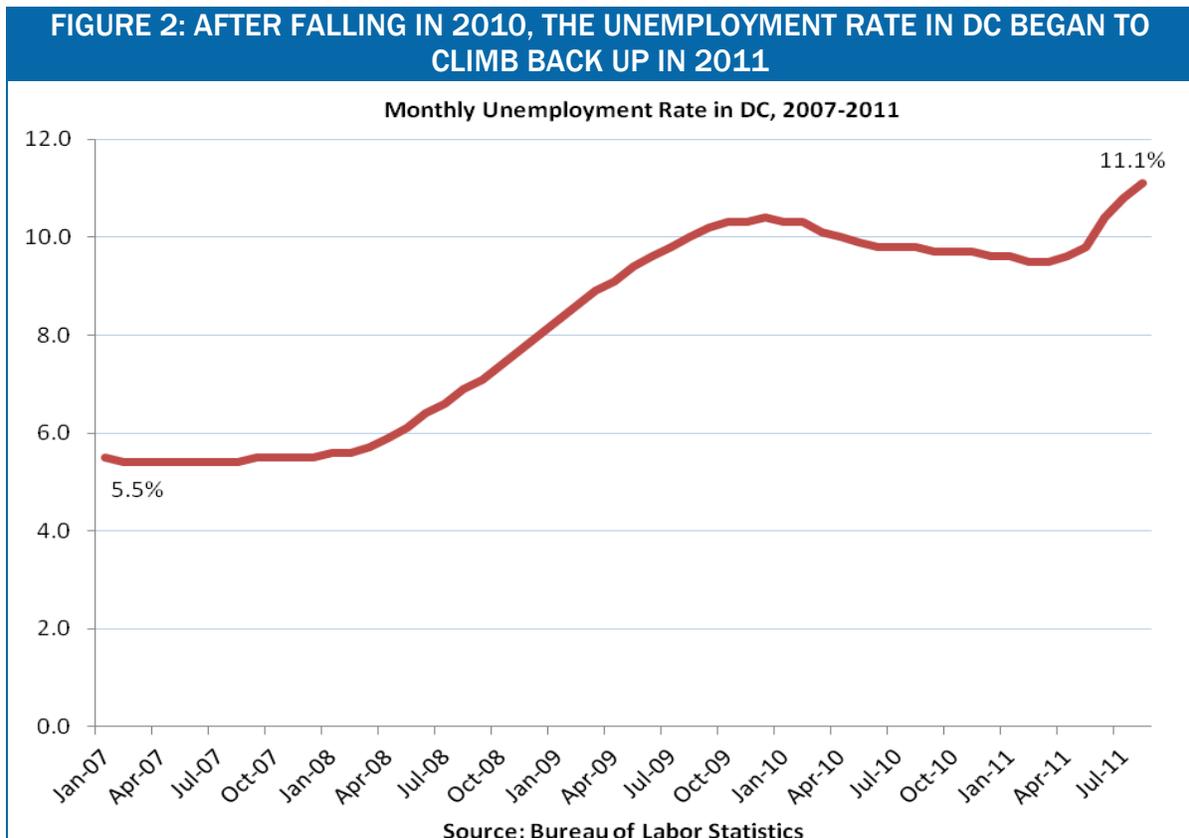
poverty over this time period is PUMA 5 which is mostly comprised of DC’s downtown core — Ward 2, but also includes some of Wards 1, 3, and 6. Poverty fell from 22 percent in 2007 to 17 percent in 2010, a drop of one-fourth.

Poverty May Get Worse in 2011 and Will Likely Remain High for Some Time

Leading indicators of changes in poverty — food stamp participation and employment levels — point a possible increases in poverty among DC residents in 2011.

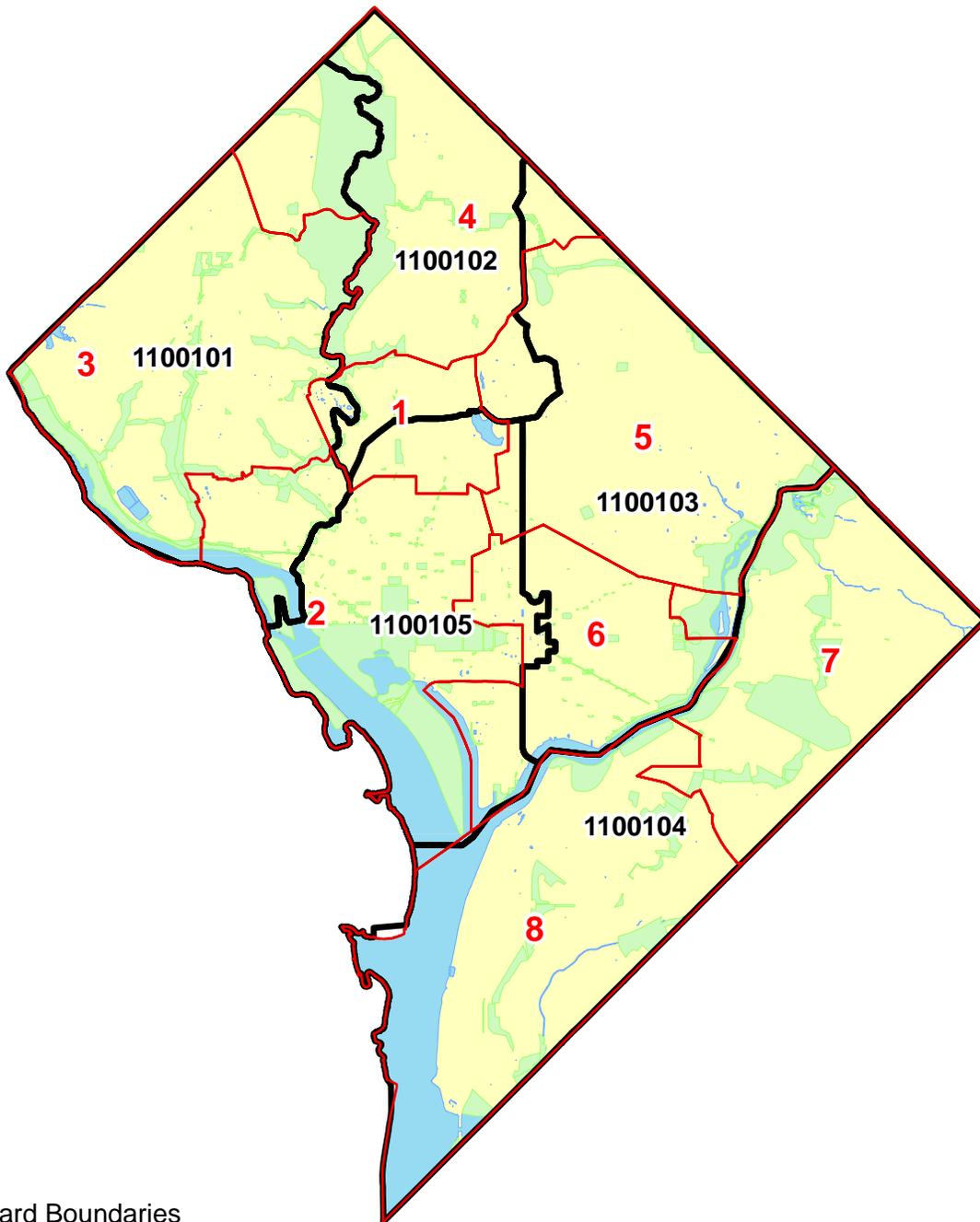
- Participation in the food stamp program has grown steadily since the recession hit and continues to rise in 2011. Food stamp participation is up by nearly 13 percent in the first half of 2011, to 133,702 average residents per month, when compared with 2010. Participation in the food stamp program is a good indicator of changes in poverty because the food stamp program is one of the broadest safety net programs, open to families with incomes below 130 percent of the poverty level.
- Employment levels are falling in 2011. In 2011, the employment rate — the percent of the working-age population that is employed fell from 60 percent in January 2011 to 58 percent in August 2011.

In addition, research shows that after recessions, poverty rates typically take the longest to recover — even after a recession is officially declared to have ended. In past recessions, national research showed that poverty rates do not begin to fall for at least one year after the unemployment begins to drop. Given the fact that unemployment is rising in DC in 2011; (see figure 2) it could be some time before poverty levels begin to fall.



Poverty is associated with negative consequences such as lower educational outcomes, poor nutrition and health, child neglect, and increased neighborhood crime. Because poverty will likely remain high for some time, the District should focus on making investments to prevent additional families from falling into poverty in 2011, and help families move out of poverty by ensuring an adequate safety net and assistance to help residents find employment with decent wages.

District of Columbia Public Use Microdata Areas (PUMA) (2000) and Wards (2002)



-  Ward Boundaries
-  PUMA Boundaries

Source: NeighborhoodInfo DC
Created: July 25, 2008

