

U.S., Midwest Struggling With Stubborn Economic Recovery

2010 Data Release from the U.S. Census Bureau's Current Population Survey, Annual Social & Economic Supplement

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Social IMPACT Research Center, a program of Heartland Alliance

The newly released poverty data from the U.S. Census Bureau's Current Population Survey provide a glimpse of the ongoing impacts of the Great Recession for millions of individuals and families. While the recession technically ended in 2009, stubbornly high unemployment persists across the Midwest and throughout the nation, leading to increasing hardship and need. In 2010, the number of people experiencing poverty was the highest on record, and the poverty rate was the highest since 1993. The 2010 increase marked the 3rd annual consecutive increase in the rate and the 4th consecutive increase in the number in poverty.

The Social IMPACT Research Center will continue to analyze the data and is available for customized data requests, for trend analyses, and for providing context for the new poverty numbers.

	United States		Midwest*	
	Number	Rate	Number	Rate
2010 Poverty.....	46,180,000	15.1%	9,148,000	13.9%
2009 Poverty.....	43,569,000	14.3%	8,768,000	13.3%
2009 to 2010 Poverty Change in numbers.....	+2,611,000	+5.7%	380,000	+4.2%
2009 to 2010 Poverty Change in percents.....	+0.8	+5.3%	+0.6	+4.3%

* The change from 2009 to 2010 in the poverty rate and number in the Midwest is not statistically significant. The U.S. Census Bureau defines the Midwest as including Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, and Wisconsin.

20.5 million people (6.7%) are in extreme poverty, with incomes below half the poverty threshold for their family size. This is the highest number and rate on record.

The 2010 median household income is \$49,445, which is 6.4% below income in 2007 and 7.1% below the income peak in 1999.

Without unemployment insurance, an additional 3.2 million people would be counted as poor in 2010.

Official poverty data are based on the federal poverty thresholds, which are used to determine poverty status.

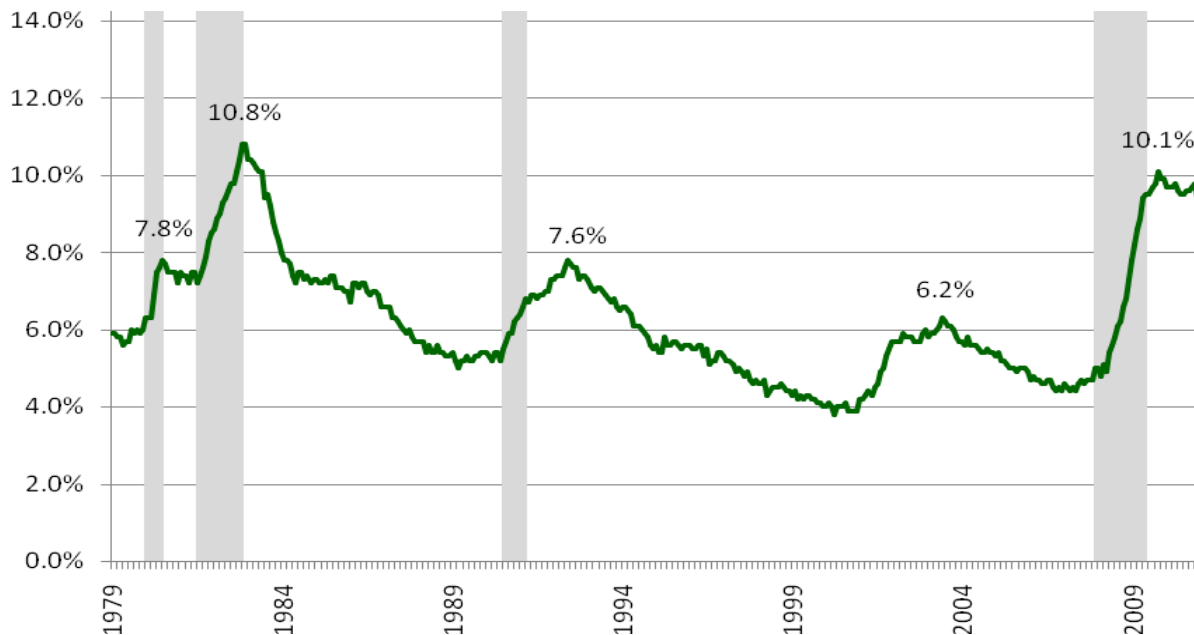
2010 Federal Poverty Thresholds*	
Family Size	Poverty Threshold
1	\$11,136
2	\$14,220
3	\$17,378
4	\$22,314

* Preliminary estimate of weighted average poverty thresholds for 2010.

Since the start of the Great Recession, 7.7 million more people are unemployed and the percentage of children with an unemployed parent has doubled.[†] The recession may have technically ended, but economic recovery takes time, and it is clear that the impacts will be felt for years to come. Meanwhile, persistently high unemployment has the effect of driving down wages, benefits, income, and wealth, leaving more people vulnerable and in need.

[†] Source: Mishel, L., & Shierholz, H. (2011, August). *Sustained high joblessness causes lasting damage to wages, benefits, income, and wealth*. Washington, DC: Economic Policy Institute.

National Unemployment Rate and Recessions, 1979-2011



Source: Bureau of Labor Statistics and National Bureau of Economic Research

On the verge of a double-dip recession, the effects of the Great Recession on unemployment, poverty, and income generation are still being felt by millions of individuals and families, and the eroding safety net means that while there are more people in need, there are fewer resources to help them. Preserving, extending, and strengthening these solutions can help keep more people from falling into poverty and help those struggling to meet their basic needs:

- **Fund safety net and benefit programs** such as SNAP (food stamps), TANF, Medicaid, and the Earned Income Tax Credit, which help poor and near-poor individuals and families bridge the gap between low incomes and meeting their most basic needs. These programs not only help reduce poverty, but also generate additional economic activity in local communities.
- **Continue Unemployment Insurance** for those seeking employment, which will help protect people who are out of work and keep families out of poverty.
- **Invest in subsidized and transitional employment programs** to help disadvantaged workers and struggling businesses weather the stalled economy and create jobs that will put people back to work and that pay living wages.

For further analysis and comments on poverty trends, implications, and solutions, including more detailed state-specific data, contact us:

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Unless otherwise noted, the data in this fact sheet are from the U.S. Census Bureau's Income, Poverty, and Health Insurance Coverage in the United States: 2010. Current Population Survey historical data available here: <http://www.census.gov/hhes/www/poverty/data/historical/index.html>

Visit <http://www.heartlandalliance.org/research/current-and-local-data/> for more information and new smaller geography poverty data that will become available on September 22.