

Nationally, Overall Poverty Rate Unchanged, Household Income Rises, Number of Uninsured Down in 2007

Heartland Alliance's analysis of newly released 2007 data from the U.S. Census Bureau reveals that hardship continues to be a reality for over 37 million people in the United States. Millions of families are struggling to make ends meet, and far too many are living in extreme poverty with incomes below half of the poverty line. Despite 6 years of economic expansion, the poverty rate remains higher today than it was in 2000, and middle- and low-income earners are worse off than they were at the end of the last expansion. The American Dream is at risk.

The economic picture today is even gloomier than the Census report, which covers 2007 when the economy grew and unemployment averaged a low of 4.6% nationally. Things have worsened since then. Unemployment is skyrocketing, real incomes are down, more and more households are relying on Food Stamps to make ends meet, and hardship is deepening as evidenced by incomes not keeping pace with increasing costs for essentials like housing, health care, and utilities.

Help for those left out is urgently needed. We need bold leadership and thoughtful strategies by government to reduce poverty.

Poverty in the United States, 2007

- **Overall Poverty Rate Unchanged from 2006, Still Above 2000 Level:** The nation's official poverty rate in 2007 was 12.5%, not statistically different from 2006. There were 37.3 million people in poverty in 2007, up from 36.5 million in 2006.
- **Many Continue to Fall Far Below the Poverty Line:** In 2007, 5.2%, or 15.6 million people lived in extreme poverty, with incomes below half of the poverty line. This group represents 41.8% of the poverty population. The income deficit for families in poverty (the difference in dollars between a family's income and the poverty threshold) averaged \$8,523 in 2007, higher in real terms than in 2006 (\$8,032).
- **Hispanic Poverty Increased Since 2006:** For Hispanics, 21.5% were in poverty in 2007, up from 20.6% in 2006. Poverty rates remained statistically unchanged for non-Hispanic whites (8.2%), blacks (24.5%) and Asians (10.2%) in 2007.
- **Child Poverty Increased Since 2006:** For children younger than 18, the poverty rate increased from 17.4% in 2006 to 18.0% in 2007. The number of children in poverty climbed by 500,000, from 12.8 million in 2006 to 13.3 million in 2007. For those 18 to 64, however, the number in poverty remained statistically unchanged, at 20.4 million in 2007. For people 65 and older and those 18 to 64, the poverty rate also remained statistically unchanged at 9.7% and 10.9%, respectively.

Median Household Income and Earnings in the United States, 2007

- **Real Median Household Income Increased, Though is Still Low for Black and Hispanic Households:** Real median household income in the United States climbed 1.3% between 2006 and 2007, from \$49,568 to \$50,233. However, median income for "working age" households — those headed by someone under 65 — remained statistically unchanged. Black households had the lowest median income in 2007 (\$33,916) followed by Hispanic households (\$38,679). This compares to the median income of \$54,920 for non-Hispanic white households and \$66,103 for Asian households.
- **Real Median Earnings Decline Reversed, Though Women's Earnings Still Lag Significantly Behind Men Despite Progress:** Real median earnings of men who worked full time, year-round climbed between 2006 and 2007, from \$43,460 to \$45,113. For women, the corresponding increase was from \$33,437 to \$35,102. These increases in earnings follow 3 years of annual decline in real earnings for both men and women. The ratio of earnings of women who

worked full time, year-round was 78 percent of that for corresponding men in 2007. This is higher than the previous all-time high of 76.0% in 2001.

Health Insurance Coverage in the United States, 2007

- **The Number of People Without Health Insurance Coverage Declined, Largely as a Result of Government Insurance:** The number of uninsured fell from 47 million (15.8%) in 2006 to 45.7 million (15.3%) in 2007. The number of uninsured children declined from 8.7 million (11.7%) in 2006 to 8.1 million (11.0%) in 2007. These declines are largely due to increases in people receiving government health insurance, which rose to 83 million in 2007, up from 80.3 million in 2006.

Poverty, Income and Health Insurance in the Midwest, 2007

The Midwest states included in this section include Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

- **Though Midwest Overall Poverty Remained Static, Midwest is Home to Poorest Cities in the Nation:** In 2007, the poverty rate for the Midwest (11.1%) was statistically unchanged from 2006. Missouri and Kansas were two of only 12 states where poverty rates declined from the 2006 to the 2007 American Community Survey (ACS). The only state where the poverty rate increased was Michigan. In looking at cities, 9 of the top 20 poorest places in the nation are in the Midwest. Among large cities (250,000 or more population), Detroit had the highest poverty rate (33.8%). Among the smaller cities (65,000 to 249,999 population), Bloomington, Indiana (41.6%) had a higher poverty rate point estimate than other places.
- **While Overall Midwest Median Income Increased, Midwest Cities have Lowest Incomes in the Nation:** Between 2006 and 2007, real median household income rose in the Midwest by 2.2% (\$50,277). This was the first annual increase in income since 1999. Michigan was the only state in the nation that experienced a decline in income in 2007. In looking at cities, 9 of the top 20 lowest income places in the nation are in the Midwest. For large places (250,000 or more people) Detroit had among the lowest income in the nation at \$28,097. For smaller places (65,000 to 249,999 people), Youngstown, Ohio had among the lowest incomes in the nation at \$24,941.
- **Rates of Uninsured Hold Steady, With a Number of Midwest States Leading the Nation With Low Uninsured Rates:** Uninsured rates declined from 2006 in every region except for the Midwest, where the change was not statistically significant. The Midwest uninsured rate is 11.4%. A number of Midwestern states have the lowest rates of uninsured in the nation: Minnesota (9.5%) Wisconsin (10.8%) and Iowa (11.0%).

Poverty, Income and Health Insurance in Illinois, 2007

- **Overall Poverty and Child Poverty has Decreased from 2006, Still Above 2000 Level:** Illinois' poverty rate in 2007 was 11.9%, a decrease from 12.3% in 2006, yet still above the 10.7% of 2000. There were 1,496,248 people in poverty in Illinois in 2007. For children younger than 18, the poverty rate decreased from 16.8% in 2006 to 16.3%, or 511,142 children, in 2007, but is still well above the 2000 rate of 14.0%.
- **Many Continue to Fall Far Below the Poverty Line:** In 2007, 5.3%, or 667,578 people lived in extreme poverty, with incomes below half of the poverty line (below \$10,325 for a family of four). This is a decrease from 5.5% in 2006, but still above the 5.1% of 2000.
- **Over Two Million are at Risk of Falling into Poverty** – An additional 16.2%, or 2,029,262 people, are at risk of falling into poverty in Illinois. Consequently, more than 1 in 4 individuals in Illinois are either in poverty or at risk of being in poverty.
- **Real Median Household Income Increased slightly, though still far below 2000.** Real median household income in Illinois rose \$643 to \$54,124 in 2007, but has declined by \$3,852 since 2000 (when adjusted for inflation).

- **The Number of People Without Health Insurance Coverage Declined, Largely as A Result of Government Insurance:** The number of uninsured fell to 13.7% in 2007 from 13.9% in 2006, but is still above the uninsured rate of 13.0% in 2000.

Midwest cities are unfortunately well represented on some of the most undesirable top 20 lists:

9 of the top 20 Poorest Places* in the Nation are in the Midwest

PLACE	POVERTY RATE
Bloomington, IN	41.6%
Camden, NJ	38.2%
Brownsville, TX	36.5%
Gainesville, FL	36.0%
Kalamazoo, MI	35.5%
Flint, MI	35.5%
Reading, PA	34.5%
Macon, GA	33.0%
Detroit, MI	33.8%
Youngstown, OH	32.6%
Pontiac, MI	32.4%
Cleveland, OH	29.5%
Buffalo, NY	28.7%
El Paso, TX	27.4%
Memphis, TN	26.2%
Miami, FL	25.5%
Milwaukee, WI	24.4%
Newark, NJ	23.9%
Philadelphia, PA	23.8%
Cincinnati, OH	23.5%

* with populations of 65,000 or more

9 of the top 20 Lowest Income Places* in the Nation are in the Midwest

PLACE	MEDIAN INCOME
Toledo, OH	\$35,216
Memphis, TN	\$35,143
Newark, NJ	\$34,452
St. Louis, MO	\$34,191
Cincinnati, OH	\$33,006
Pittsburgh, PA	\$32,363
Buffalo, NY	\$29,706
Miami, FL	\$29,075
Cleveland, OH	\$28,512
Detroit, MI	\$28,097
Passaic, NJ	\$27,691
Hartford, CT	\$27,654
Gainesville, FL	\$27,479
Gary, IN	\$26,725
Macon, GA	\$26,555
Flint, MI	\$26,143
Reading, PA	\$25,536
Camden, NJ	\$25,389
Bloomington, IN	\$25,225
Youngstown, OH	\$24,941

*with populations of 65,000 or more

Poverty in Chicago, 2007

- **Overall Poverty Rate has Decreased from 2006, Still Above 2000 Level:** Chicago's official poverty rate in 2007 was 20.5%, a decrease from 21.2% in 2006, yet still above the 19.6% of 2000. There were 550,580 people in poverty in Chicago in 2007.
- **Many Continue to Fall Far Below the Poverty Line:** In 2007, 9.1%, or 244,498 people lived in extreme poverty, with incomes below half of the poverty line (below \$10,325 for a family of four). This is a decrease from 9.8% in 2006, and 10.1% in 2000.
- **Child Poverty has Decrease Since 2006:** For children younger than 18, the poverty rate decreased to 30.6% in 2007 from 31.1% in 2006, but is up from 28.1% in 2000.

Poverty in the Chicago Area, 2007

- **Overall Poverty Rate has Decreased from 2006, Still Above 2000 Level:** The Chicago area's official poverty rate in 2007 was 11.3%, a decrease from 11.8% in 2006, yet still above the 10.6% of 2000. There were 936,259 people in poverty in the Chicago area in 2007.
- **Many Continue to Fall Far Below the Poverty Line:** In 2007, 5.0%, or 416,119 people lived in extreme poverty, with incomes below half of the poverty line (below \$10,325 for a family of four). This is a decrease from 5.4% in 2006, and 5.3% in 2000.
- **Over 1.2 Million are at Risk of Falling into Poverty** – An additional 15.4%, or 1,277,860 people, are at risk of falling into poverty in the Chicago area. Consequently, more than 1 in 4 individuals in the Chicago area are either in poverty or at risk of being in poverty.

Analysis derived from:

[Income, Poverty, and Health Insurance Coverage in the United States, 2007](#)

[Income, Earnings, and Poverty Data from the 2007 American Community Survey](#)