Poverty: 2010 and 2011

American Community Survey Briefs

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INTRODUCTION

The poverty rate is one of several socioeconomic indicators used by policy makers to evaluate economic conditions. It measures the percentage of people whose income fell below the poverty threshold. Federal and state governments use such estimates to allocate funds to local communities. Local communities use these estimates to identify the number of individuals or families eligible for various programs.

This report, using income and household relationship data from the 1-year 2010 and 2011 American Community Surveys (ACS), compares poverty rates for the nation, states, and large metropolitan statistical areas. The report also summarizes the distribution of people by income-to-poverty ratios for states and the District of Columbia.

HIGHLIGHTS

- In 2011, about 15.9 percent of the U.S. population had income below the poverty level, an increase from 15.3 percent in 2010. The number of people in poverty increased from 46.2 million to 48.5 million during the same time period.
- This was the fourth consecutive increase in the poverty rate, but the percentage point increase between 2010 and 2011 was smaller than the change between 2008 and 2009, and between 2009 and 2010.
- The number and percentage of people in poverty increased in 17 states between 2010 and 2011.

For 10 states, this was the third consecutive annual increase.

- Between 2010 and 2011, both the percentage and number of people in poverty in Vermont declined.
 In 27 states and the District of Columbia, there was no change in either the number of people in poverty or the poverty rate.
- The percentage of people in the United States with income below 125 percent of their poverty threshold increased from 20.1 percent to 20.8 percent between 2010 and 2011. During the same time period, the percentage of people with income below 50 percent of their poverty threshold increased from 6.8 percent to 7.1 percent.
- Among large metropolitan areas, poverty rates ranged from 8.3 percent to 37.7 percent in the 2011 ACS.

The estimates contained in this report are mostly based on the 2010 and 2011 ACS. The ACS is conducted every month with income data collected for the 12 months preceding the interview. Since the survey is continuous, adjacent ACS years have income reference months in common. Therefore, comparing the 2010 ACS with the 2011 ACS is not an exact comparison of the economic conditions in 2010 with those in 2011, and comparisons should be interpreted with care.¹ For more information on the ACS sample design and other topics visit <www.census.gov/acs/www>.



¹ For a discussion of this and related issues see Hogan, Howard, "Measuring Population Change Using the American Community Survey," in *Applied Demography in the 21st Century*, eds. Steven H. Murdock and David A. Swanson, Springer, Netherlands, 2008.

How Poverty Is Measured

Poverty status is determined by comparing annual income to a set of dollar values called poverty thresholds that vary by family size, number of children, and the age of the householder. If a family's beforetax money income is less than the dollar value of their threshold, then that family and every individual in it are considered to be in poverty. For people not living in families, poverty status is determined by comparing the individual's income to his or her poverty threshold.

The poverty thresholds are updated annually to allow for changes in the cost of living using the Consumer Price Index (CPI-U). They do not vary geographically.

The ACS is a continuous survey and people respond throughout the year. Since income is reported for the previous 12 months, the appropriate poverty threshold for each family is determined by multiplying the base-year poverty threshold (1982) by the average of monthly CPI values for the 12 months preceding the survey month.

For more information see "How Poverty Is Calculated in the ACS" at www.census.gov/hhes/www/poverty/methods/definitions.html>.

DEPTH OF POVERTY

The poverty rate is an estimate of the proportion of people with family or personal income below their poverty threshold. The income-to-poverty ratio gauges how close a family's income is to their poverty threshold, measuring the depth of poverty for those with income below their threshold, and the proximity to poverty for those with income above their threshold.

In this report, the income-to-poverty ratio is reported as a percentage. For example, an income-to-poverty ratio of 200 percent indicates a family or individual with income equal to twice their poverty threshold, while an income-to-poverty ratio of 50 percent identifies a family or individual with income equal to one-half of their poverty threshold. Families and individuals who are identified as in poverty have an income-to-poverty ratio of less than 100 percent.

According to 2011 ACS data, the proportion of people in the United States with an income-to-poverty

ratio of less than 125 percent increased from 20.1 percent in 2010 to 20.8 percent in 2011. Similarly, the proportion of people with an income-to-poverty ratio of less than 50 percent increased from 6.8 percent to 7.1 percent during the same time period.

Among the states, New Hampshire (12.0 percent) had the lowest proportion of people with incometo-poverty ratios of less than 125 percent, followed by Maryland (13.0 percent) according to the 2011 ACS (see Figure 4). On the other side of the distribution, Mississippi, with 29.1 percent, and New Mexico, with 27.6 percent, were the two states with the highest proportions of people with an income-to-poverty ratio of less than 125 percent.

In the 2011 ACS, New Hampshire (4.4 percent), Wyoming (4.7 percent), Alaska (4.7 percent), New Jersey (4.8 percent), and Vermont (4.9 percent) were among the states with the lowest proportions of people with

income-to-poverty ratios of less than 50 percent.⁷ New Mexico (9.4 percent), Louisiana (9.4 percent), Mississippi (9.8 percent), and the District of Columbia (10.3 percent) were among the states with the highest proportions of people with income-to-poverty ratios of less than 50 percent.⁸

Poverty in Metropolitan Areas

This brief reports poverty rates for large metropolitan areas with populations of 500,000 or more in 2011. More than 80 percent of the U.S. population lives in one of the 366 metropolitan areas and about two-thirds of the total U.S. population reside in these largest areas. Table 2 shows the ten large metropolitan areas with some of the lowest poverty rates and the ten large metropolitan areas with some of the highest poverty rates.⁹

According to the 2011 ACS, poverty rates for large metropolitan areas ranged from a low of 8.3 percent in the Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area to a high of 37.7 percent in the McAllen-Edinburg-Mission, TX Metro Area. The poverty rates for the Bridgeport-Stamford-Norwalk, CT Metro Area (9.4 percent), the Ogden-Clearfield, UT Metro Area (10.1 percent), the Honolulu, HI Metro Area (10.1 percent), and the Harrisburg-Carlisle, PA Metro Area (10.5 percent) were among

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⁷ The proportion of people with incometo-poverty ratios of less than 50 percent for New Hampshire (4.4 percent), Wyoming (4.7 percent), Alaska (4.7 percent), New Jersey (4.8 percent), and Vermont (4.9 percent) were not statistically different from each other.

⁸ The proportion of people with incometo-poverty ratios of less than 50 percent for the District of Columbia (10.3 percent), Mississippi (9.8 percent), Louisiana (9.4 percent), and New Mexico (9.4 percent) were not statistically different from each other.

⁹ The poverty rates for metropolitan areas listed in this table may not be statistically different from each other or from areas not shown in the table.

Figure 4.

Percentage of People by Income-to-Poverty Ratio in the Past 12 Months by State: 2011

(For information on confidentiality protection, sampling error, nonsampling error, and definitions,

see www.census.gov/acs/www/Downloads/data_documentation/Accuracy/ACS_Accuracy_of_Data_2011.pdf)

		TO C. CO. C.	100.0 . 124.0
	Under 50.0 percent	50.0 to 99.9 percent	100.0 to 124.9 percent
New Hampshire		4.4	3.2
Maryland [5.1	3.0
New Jersey		5.6	3.4
Alaska		5.7	4.1
Connecticut		5.9	3.2
Wyoming		6.6	3.6
Vermont		6.6	4.6
Virginia [6.2	3.9
Massachusetts [6.3	3.6
Delaware [5.8	6.1	4.1
Minnesota	5.2	6.7	3.8
Hawaii	6.1	6.0	3.4
North Dakota	5.8	6.5	3.6
lowa [5.9	6.9	4.2
Wisconsin	5.8	7.3	4.5
Nebraska [5.6	7.5	4.7
Colorado [Utah [7.4	4.6
Pennsylvania [5.6 6.2	8.0 7.6	4.2
Kansas l		8.1	4.5
Washington [7.7	4.3
South Dakota		8.0	4.8
Maine [5.2	8.9	5.2
Rhode Island		7.9	3.9
Montana [9.0	5.6
Illinois		8.1	4.7
Missouri	7.0	8.7	5.0
Nevada	7.2	8.7	5.0
revada	, . <u></u>	<i></i>	3.0
United States	7.1	8.8	4.9
N V 1			
New York		8.8	4.5
Indiana [8.1	4.7
Ohio [8.9	4.6
Idaho [California	7.1 7.2	9.3	5.3
Florida			
Oklahoma [7.5	9.5	5.6
Oregon [7.4	9.8	5.0
Michigan [8.1	9.5	4.8
North Carolina	7.8	10.0	5.5
Tennessee [10.4	5.6
Texas		10.8	5.7
West Virginia		10.7	5.6
District of Columbia		8.4	3.2
South Carolina		10.4	5.8
Arizona		10.3	5.4
Alabama		11.2	5.9
Georgia		10.5	5.3
Kentucky		10.8	5.5
Arkansas [11.5	5.9
Louisiana		11.0	5.4
New Mexico		12.1	6.0
Mississippi		12.8	6.5
Note: Details may not su	ım to totals because of rounding.		
	eau, 2011 American Community Surv	vey.	

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(24.5 percent), and the Modesto, CA Metro Area (23.8 percent) were among the highest poverty rates for large metropolitan areas.¹¹

SOURCE AND ACCURACY

The data presented in this report are based on the ACS sample interviewed in 2011. The estimates based on this sample approximate the actual values and represent the

entire household and group quarter population. Sampling error is the difference between an estimate based in a sample and the corresponding value that would be obtained if the estimate were based on the entire population (as from a census). Measures of the sampling errors are provided in the form of margins of error for all estimates included in this report. All comparative statements in this report have undergone statistical testing, and comparisons are significant at the 90 percent level unless otherwise noted. In addition to sampling error, nonsampling error may be introduced during any of the operations used to collect and process survey data such as editing, reviewing, or keying data from questionnaires. For more information on sampling and estimation methods, confidentiality protection, and sampling and nonsampling errors, please see the 2011 ACS Accuracy of the Data document located at <www.census.gov/acs/www/Downloads/data_documentation/Accuracy/ACS_Accuracy_of_Data_2011.pdf>.

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¹¹The poverty rates for the Fresno, CA Metro Area (25.6 percent), the El Paso, TX Metro Area (24.7 percent), the Bakersfield-Delano, CA Metro Area (24.5 percent), and the Modesto, CA Metro Area (23.8 percent) were not statistically different from each other.