

Recent Economic Changes and this Report

New information released by the Census Bureau in August 2004, painted a worsening picture of poverty in the state of Oregon. Two key estimates for 2003:

- Oregon's median income was at \$40,319¹, nearly \$600 less than the 1999 level.
- Oregon's poverty rate was 13.9 percent², up from 11.6 in 1999.

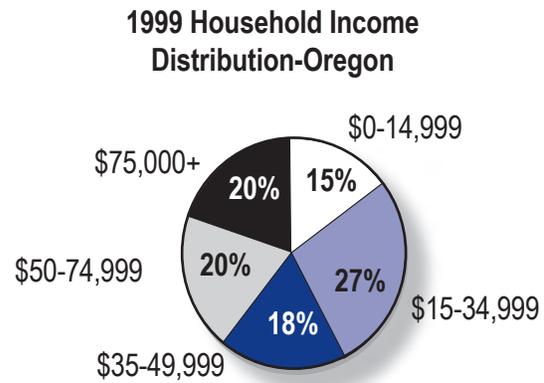
The Department of Labor reported Oregon's unemployment rate at 8.2, the highest in the nation and up from 4.9 percent in 2000.

Income serves as a strong indicator of a state's economic health. Several reliable sources of information about income trends—the Oregon Employment Department, Oregon Department of Revenue, and the Department of Labor Bureau of Economic Analysis—point to a slowing of income growth in the state.

Recent changes and the Basic Family Budget

This report includes a basic family budget to illustrate the relationship between income and poverty in Oregon. The budget uses detailed cost information to demonstrate family income needs. Comparing this budget to income earned gives a realistic picture of what a family needs to get by in every Oregon county.

Changes in the economy since 1999 have affected some areas of the household budget, such as food and housing cost as well as income.



Source: U.S. Census Note: The median household income in Oregon County was \$40,916 in 1999 compared to \$27,250 in 1989 (50.2 percent increase).

Income in Oregon

The Bureau of Economic Analysis (BEA) provides information about per capita income statewide and within each county³. On a per capita basis, Oregon's personal income was \$28,7923 in 2002, about 93 percent of the national average, \$30,906. Per capita income in Oregon rose 1 percent between 2001 and 2002. The 10-year trend, from 1992 to 2002, of per capita income shows average annual growth of 4.1 percent. Average earnings per job for 2001 were \$33,063.4 Oregon's per capita income growth slowed: growing 4.5 percent between 1998 and 1999 but just 1 percent between 2001 and 2002⁴.

As this report was going to press, BEA released revised per capita reports for 2001 and 2002. The revised numbers indicate that per capita income in Oregon increased just 0.3 percent between 2001 and 2002. BEA will release updated county reports in April of 2005; therefore, this report uses the original BEA per capita levels.

Oregon Summary Data

Increasing Costs for Families

The 2004 the United States Department of Agriculture food plans show a 26.1 percent increase in food costs for a single parent household with one child since 1999. Among the family types this report profiles, a family of two adults and three children faced the smallest increase in food costs at 9.3 percent. In general, food costs have been increasing much faster than income since 1999.

Transportation costs increased 15.4 percent between 1999 and 2004.

Housing costs increased in every Oregon county. Counties experiencing the highest increase with a 23.3 percent increase for two- and three-bedroom units—were:

- Clackamas
- Columbia
- Multnomah
- Washington
- Yamhill

Curry and Linn counties saw the smallest increase in housing costs: 8.7 percent for a two-bedroom unit and 8.9 percent for a three-bedroom unit.

The bottom line—budgets are tighter in 2004

Between 1999 and 2004, Oregon families saw a minimum increase of 9 percent in food costs, a 15 percent increase in transportation costs, and at least a 9 percent increase in housing costs. Some families experienced even larger cost increases, depending on family composition and county of residence. Meanwhile, income growth failed to keep pace with rising costs.

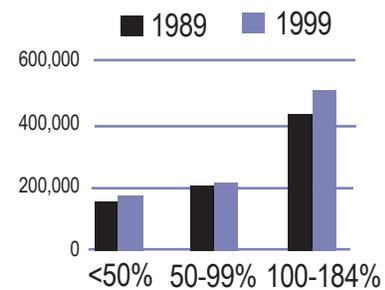
Major Findings for 1989 - 1999

The 2000 Census reported a drop in the Oregon poverty rate during the 10-year period of 1989 to 1999, from 12.4 percent to 11.6 percent. Oregon's median income in 1999 was \$40,916, a 50 percent increase from 1989.

Income Levels and Poverty Thresholds

Segmenting census data by income reveals more detail about the people experiencing poverty in Oregon. The 2000 Census showed that 168,442 people or 43.3 percent of those living below the federal poverty threshold actually earned 50 percent or less of the poverty threshold. Other segments of the population earned equal to or above the poverty level but still needed assistance. In Oregon, 185 percent of the poverty level is the income guideline used for federal food programs such as food stamps, child nutrition, and the Women, Infants, and Children program. In 1999, 26.9 percent of Oregon population, or 900,384 people earned below 185 percent of the poverty threshold.

Number of Persons in Poverty Threshold Percentiles

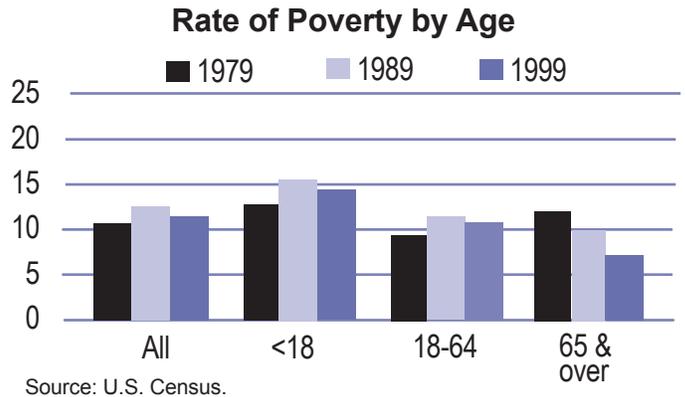


Source: U.S. Census

Oregon Summary Data

Poverty and Age—Statewide

In the 2000 Census, among all age categories examined, children 5 years of age and younger experienced the highest rate of poverty at 17.1 percent. Children younger than 18 years of age experienced poverty at 14.7 percent. People 65 and older experienced the lowest rate at 7.6 percent. Over the 20-year period from 1979 to 1999, the rate of poverty improved for people 65 and older.



Poverty and Oregon Families

In 1999, 70,032 of Oregon families lived in poverty (7.9 percent). Of the families in poverty, 62.1 percent (43,505 families) had a worker and 15.3 percent (10,698 families) had a full-time year-round worker.

The poverty rate was higher for families with children. Families with at least one child younger than 18 experienced poverty at a rate of 12.4 percent. Families with a child 5 years and younger experienced poverty at a higher rate of 16.6 percent. The rate for families with children headed by single mothers was 33.3 percent and was even higher with younger children (younger than 5 years) at 47.4 percent.

The poverty rate for married couples with children younger than 18 was lower at 6.2 percent. From 1979 to 1999, the number of female-headed households with children (no husband present) who lived in poverty increased from 20,661 families in 1979 to 29,589 families in 1999.

Oregon Families in Poverty

Number below Poverty Level (Poverty Rate)	1979			1989			1999			% Change '79-'99 (rate difference)
	1979	1989	1999	1979	1989	1999	1979	1989	1999	
All Families	54,172 (7.7%)	66,173 (8.7%)	70,032 (7.9%)	54,172 (7.7%)	66,173 (8.7%)	70,032 (7.9%)	29.3%	0.2%	0.2%	29.3%
With Children under 18	40,293 (10.9%)	50,725 (13.5%)	54,931 (12.4%)	40,293 (10.9%)	50,725 (13.5%)	54,931 (12.4%)	36.3%	1.5%	1.5%	36.3%
Female-headed with children under 18	20,661 (35.2%)	27,346 (40.0%)	29,589 (33.3%)	20,661 (35.2%)	27,346 (40.0%)	29,589 (33.3%)	43.2%	-1.9%	-1.9%	43.2%

Source: U.S. Census. County numbers have been rounded and, therefore, may not add exactly to totals.

Oregon Summary Data

Poverty and Race/Ethnicity

Among racial/ethnic groups⁵, White comprised the majority of people in poverty at 76 percent. When examining poverty based on race/ethnicity, however, the poverty rate among White was 10.2 percent. Black, American Indian, Other and Hispanic Origin experienced disproportionately higher rates of poverty. The poverty rate among these four racial categories was above 22 percent. From 1989 to 1999, all racial and ethnic categories experienced improvements in poverty rates.

Oregon Poverty and Race/Ethnicity

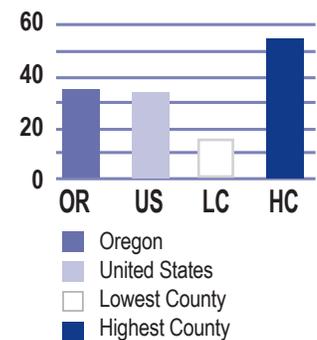
Race/Ethnicity	% Total 1999 Population (population)	% Poverty 1999 Population by Race (poverty population)	Poverty Rate 1999	Poverty Rate by Race 1989
White	86.6% (2,897,458)	76.0% (295,395)	10.2%	11.4%
Black	1.5% (49,710)	3.1% (12,002)	24.1%	29.8%
American Indian	1.2% (41,809)	2.4% (9,290)	22.2%	26.5%
Asian/Pacific Islander	2.9%/0.2% (96,776/7,437)	0.3%/1.3% (1,295/1,350)	1.3%/18.2%	19.9%*
Other	4.3% (143,791)	9.9% (38,559)	26.8%	32.5%
2 or More Races	3.3% (110,686)	5.2% (20,049)	18.1%	NA
Hispanic Origin	8.0% (267,732)	17.2% (66,752)	24.9%	28.9%

*Asian and Pacific Islander were not separate categories in the 1990 census.

Public Assistance

Participation in public assistance programs serves as an indirect measure-or indicator-of the extent of poverty and the measures taken to serve the public. According to the 2000 Census, 47,402 households or 3.6 percent of all households in Oregon reported public assistance income. The average amount of public assistance income for 1999 was \$2,697. The 20-year trend showed a decrease in households that reported receiving public assistance income, from 63,567 households or 6.4 percent of all households in 1979.

Public Assistance in Oregon
Rate per thousand population



Source: U.S. Census.

Oregon Summary Data

Poverty Measures	1995	2000	2001	2002	2003
Population	2,842,321 ¹	3,421,399 ²	3,472,629	3,520,355	3,559,596
% of People living below poverty level	12.4% ¹	11.6% ²	NA	NA	NA
Median Income	\$27,250 ¹	\$40,916 ²	NA	NA	NA
Unemployment Rate	4.8	4.9	6.3	7.5	8.2
8th Grade Drug Use	18.6% ³	13.3%	NA	18.3%	NA
HS Dropout	7.2% ⁴	6.3%	5.3%	4.9%	NA
Teen Pregnancy per 1,000 ages 10-17	19.2	14.0	12.6	10.9	NA
Prenatal Care	78.5%	81.3%	81.5%	81.6%	NA
Child Care available per 100 children under 13	16.3	20.4	18.5	18.0	NA
Homeownership Rate	63.1% ¹	64.3% ²	NA	NA	NA
% Renters with 30% or more rental burden	42.0% ¹	45.5% ²	NA	NA	NA
Oregon Services	1999	2000	2001	2002	2003
One Night Shelter Counts	8,968	7,368	8,511	7,284	8,380
# of New Units created with OHCS Funding	2,312	2,227	2,979	3,787	2,918
OHCS Funding for Subsidized Housing	\$47.8m	\$66.1m	\$109.5m	\$14.48m	\$12.7m
# Home Loans for Low-Income Households	1,329	1,033	938	846	836
\$ Home Loans for Low-Income Households	\$120.2m	\$93.1m	\$89.8m	\$86.3m	\$93.7m
# Households Receiving Energy Assistance	NA	78,365	73,438	76,569	70,586
% of Population enrolled in the Oregon Health Plan*	NA	NA	15.7%	16.3%	15.4%
# Students Eligible for Free/Reduced Lunch	NA	185,483	199,737	211,834	222,919
% Students Eligible for Free/Reduced Lunch	NA	34.0%	36.3%	59.7%	40.6%
% of Population Receiving Food Stamps*	NA	NA	11.6%	13.6%	14.1%
% of Population Receiving TANF*	NA	NA	2.3%	2.3%	2.3%
% of Population Receiving DHS Services*	NA	NA	23.6%	24.7%	23.0%
¹ 1990 Census data, year is 1989 ² 2000 Census data, year is 1999 ³ 1998 ⁴ 1996 NA=Not Available Note: Due to enhancements in the way 2003 clients have been matched and counted, 2003 DHS numbers should not be directly compared to integrated client database from previous years.					

Endnotes

¹ The Census Bureau's 90 percent confidence interval provides 90 percent certainty that the true number falls between the lower and upper bounds of \$38,856 and \$41,782.

² Confidence interval: 13 percent as the lower bound estimate and 14.7 percent as the upper bound estimate.

³ The BEA collects income information from a variety of sources, such as the Department of Labor, the Department of Revenue and the Department of Agriculture. To calculate income, the BEA uses taxable and non-taxable income information generated from the place of work. Non-taxable income includes sources such as transfer payments and imputed items (rent, interests, and value of home consumption). Therefore, BEA's per capita income is higher than the per capita income reported in the US Census and the average adjusted income reported in tax returns.

⁴ Bureau of Economic Analysis: Regional Economic Accounts.

⁵ Please see Methodology and Data References Section for information on Census Race/Ethnicity Categories.