

Media Release
September 26, 2000

KYA Reacts to Census Bureau Poverty and Income Data: “We can do better than that!”

The **US Bureau of the Census today released new poverty and income data** showing that Kentucky has not been sharing in the nationwide gains in these areas. Kentucky’s median household income of \$35,477 for the period studied (1997-1999) falls considerably short of the national median income of \$40,280. More disturbing, perhaps, is that

Kentucky median income fails to keep pace with gains experienced both throughout the US and in the South.

Kentucky failed to keep pace with the rest of the South, where median incomes grew from \$36,588 to \$37,442 (See Figure 1). Median household income rose significantly in fourteen states plus the District of Columbia.

Poverty rate in Kentucky statistically unchanged.

Kentucky’s poverty news was also out of synch with the rest of the nation. While seven states plus D.C. realized significant reductions in poverty, Kentucky remained static with a two-year average (1998-1999) poverty rate of 12.8 percent, slightly higher than the national average (12.3 percent). Although Kentucky’s measured poverty rate appears to indicate improvement – down from 14.7 percent in 1997-1998 – this improvement was not statistically significant. Therefore, we can report that Kentucky is not among the seven states with significant improvements. Average poverty rates throughout the south remained statistically unchanged at 13.1 percent.

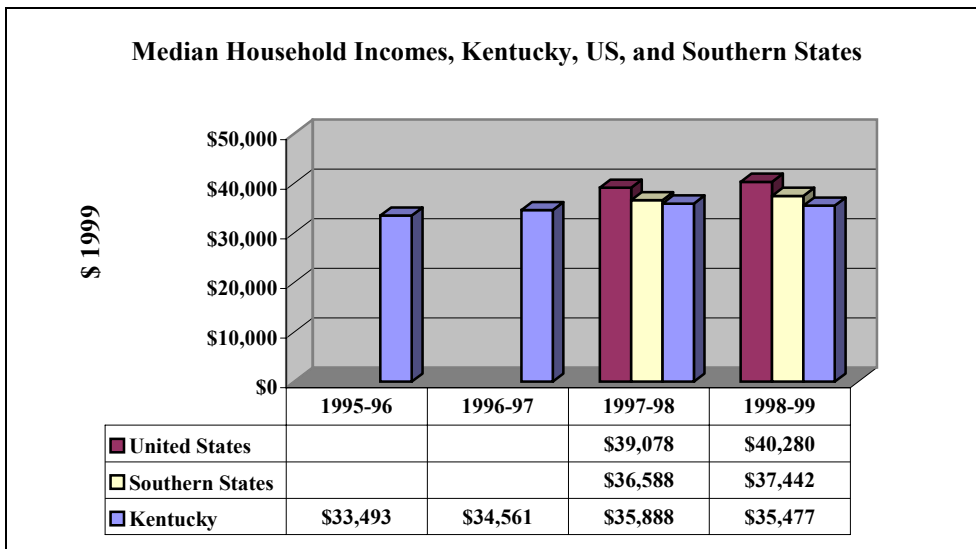


Figure 1: Source: Census Bureau, Current Population Survey, March 2000. Note: Difference (-\$411) between Kentucky’s incomes for 97-98 and 98-99 is not statistically significant at the 90% confidence interval.

Children at greatest risk of poverty. Earned Income Credit lifts thousands out of poverty.

National level data indicate that child poverty has reached a 21 year low. At 16.9 percent, though children are most likely to live in poverty. Those under 6 are at even a higher risk of living in poverty, at 18.5 percent.

The data point the way to solid policy solutions, however. The Census Bureau analysis demonstrates that the federal Earned Income Credit (EIC) reduces the child poverty rate almost two percent, from 18.5 percent (19.7 percent for those under six years of age), by providing refundable tax credits to working poor families.

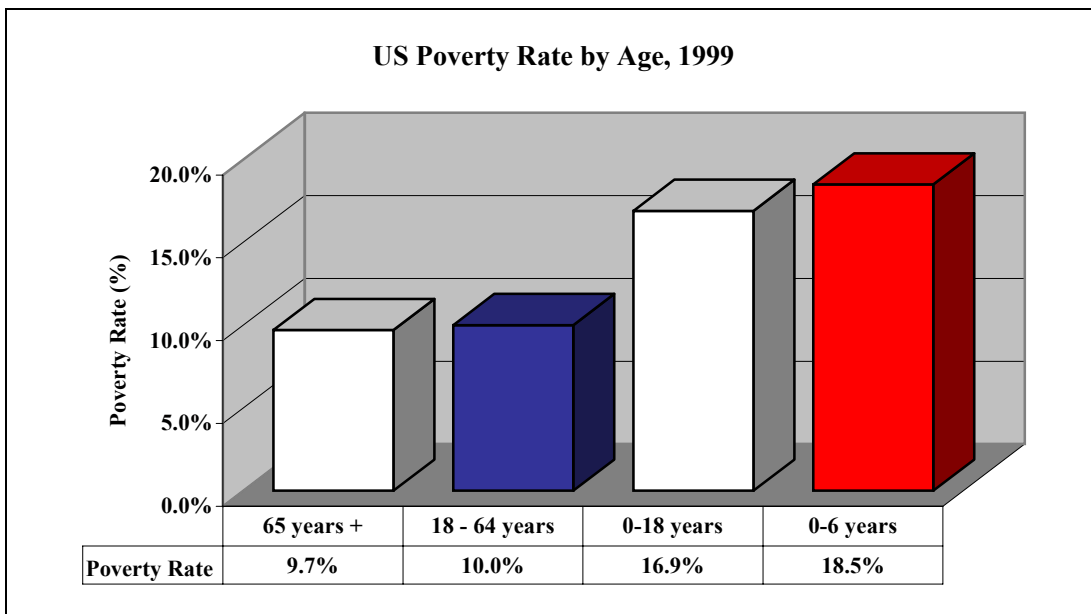


Figure 2 Source: US Census Bureau, Current Population Survey, March 2000.

Debra Miller, Executive Director of Kentucky Youth Advocates notes that celebrating these reduced poverty data may be premature. “Even though child poverty is down, we can’t rest on our laurels. Thousands of Kentucky children are living in poverty in this period of unprecedented prosperity. That’s simply not acceptable. The good news is that there are lots of things we can do to improve these numbers. Look at what the federal Earned Income Credit has done to reduce poverty.”

Other advocates concerned with Kentucky’s poverty rates voiced similar concerns. **Anne Joseph**, Director of the Kentucky Task Force on Hunger notes that “Despite generally good news, there are still too many Kentucky families living in poverty today. If Kentucky is going to move forward, we’re going to have to continue to focus on many problem areas.” **Jane Chiles**, Executive Director of the Catholic Conference of Kentucky states that “Poverty data do not reflect the whole story. Clearly, Kentucky continues to face unacceptably high levels of poverty. An additional burden

for many low income Kentuckians is an unjust tax structure which taxes them at one of the nation's highest rates.”

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