



The Independent Voice for Kentucky's Children

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ADVOCATES

For Immediate Release

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MEDIA RELEASE

LOUISVILLE, KY – Approximately 700,000 Kentuckians live in poverty. Nearly one in ten of Kentucky's children have no health insurance. This is the portrait of Kentucky painted in the federal government's key poverty report released today. In response to the release, KYA Executive Director Terry Brooks asserts, "It is time for Kentucky's leaders to stop accepting poverty as a Kentucky inevitability. Practical, immediate solutions are available. The price is only the political will to act."

This morning, the U.S. Census Bureau released *Income, Poverty and Health Insurance Coverage in the United States: 2006*. This report comprises data generated by the Community Population Survey, Annual Social and Economic Supplement and the American Community Survey. The annual release of this report is widely seen as a report card on the nation's efforts to raise the most economically disenfranchised citizens into a state of income security.

Income and Poverty

Nationally, median income rose for the second year in a row to \$48,200. Kentucky's median income rose from last year to \$39,372, still well below the national median.

While the nation's poverty rate dropped for the first time this decade to 12.3 percent, Kentucky's increased to 16.8 percent. Kentucky's poverty rate in 2005 was 14.8 percent.

Nationally, children are hardest hit by poverty. 17.4 percent of American children (12.8 million) remained in poverty, a rate higher than both adults aged 18-64 and senior citizens, 65 and older. Kentucky's child poverty rate continues to exceed the national average at 22.3 percent. "Why can't the well-being of Kentucky's children take the same kind of priority as the well-being of coal companies?" Brooks asked. The only age category to see a decrease in poverty was adults 65 and older.

KYA Deputy Director Tracy Goff-Herman notes, "An especially troubling indicator is the issue of persistent poverty. Over 20% of Kentucky's counties fall into this category reflecting almost four decades of sustained poverty."

Health Insurance

The total number of uninsured citizens in the U.S. increased in 2006 to 15.8 percent (47 million). Kentucky's rate of uninsured was slightly better than the nation's at 15.6 percent.

Across the U.S., 11.7 percent of children (8.7 million) lacked health insurance. Children living in poverty are much less likely to have insurance with 19.3 percent of children living below the poverty line being uninsured. Kentucky rated better than the national average with 9.7 percent of Kentucky's children lacking health insurance.

Brooks observed, "The issue of health insurance for children must compel every member of Kentucky's Congressional delegation to take action. Will the 50,000 children currently with SCHIP insurance maintain that coverage? Will the 50,000 children eligible for but still without SCHIP gain coverage? Those are questions every Kentuckian needs to be asking their U.S. Senators as well as his/her Congressman."

Solutions

The numbers provided by the Census Bureau are a clear call to action to help Kentucky's poorest citizens. But while this snapshot of Kentucky's poverty is alarming, a range of policy options remain available for state lawmakers to help lift children and families out of privation. Goff-Herman suggests, "There are solutions within our reach. For instance, the Earned Income Tax Credit – a notion supported by President Reagan and President Clinton – is one of the most effective anti-poverty strategies nationally. We need to join other states that provide a refundable EITC for state taxes." Goff-Herman also points to alternative anti-poverty strategies contained in the recent KYA/Brookings Institution release, *The High Price of Being Poor*. "Curbing predatory practices and offering alternative financial services to the poor are critical if we are to tackle poverty in this state," she adds.

Data Notes:

Data from this U.S. Census Bureau report is from the Current Population Survey (CPS), the CPS Annual Social and Economic Supplement (ASEC) as well as the American Community Survey (ACS).

The CPS is one of the longest running surveys conducted by the U.S. Census Bureau. The CPS ASEC is the official source of the national poverty estimates.

The Census Bureau's Small Area Health Insurance Estimates (SAHIE) program released the first estimates ever available on the number of people without health insurance coverage for counties in July, 2005. However, the Census Bureau revised its health insurance estimates to correct a longstanding technical error, making revisions to data back to 1997. As a result, data published last year or before are not strictly comparable to the newly released data.

The 2006 Poverty Threshold for a family of four (two adults, two related children under 18) is \$20,444.

For more information, including a PowerPoint presentation with charts and graphs related to the release, visit Kentucky Youth Advocates' website www.kyyouth.org.

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