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Poverty Rises, Income Falls in Kentucky New U.S. Census Bureau Data Show

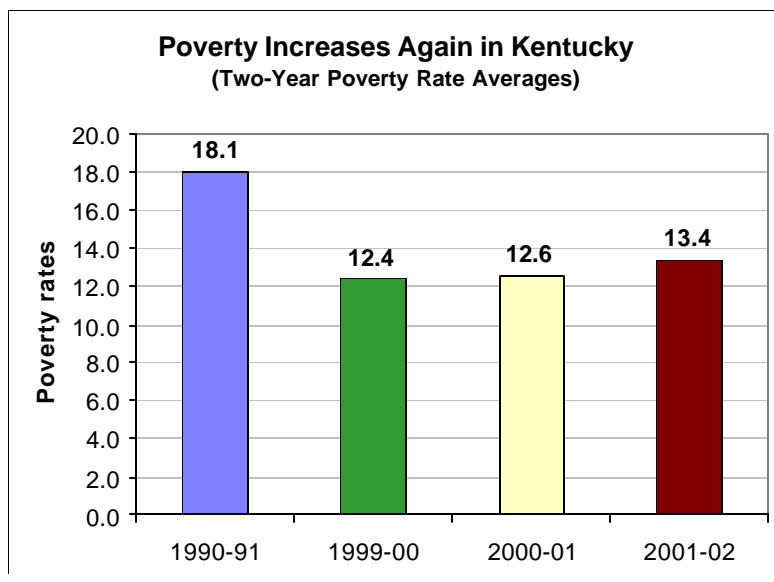
Frankfort, KY (Sept. 29, 2003) Poverty in Kentucky rose again while income fell according to a Kentucky Youth Advocates (KYA) analysis of figures released on Friday, September 26, 2003, by the U.S. Census Bureau. The poverty rate increased from 12.6 percent in 2000-2001 to 13.4 percent in 2001-2002. That means about 32,000 more Kentuckians lived in poverty in 2001-2002 than in 2000-2001. Income fell from \$38,400 in 2000-2001 to \$37,900 in 2001-2002.

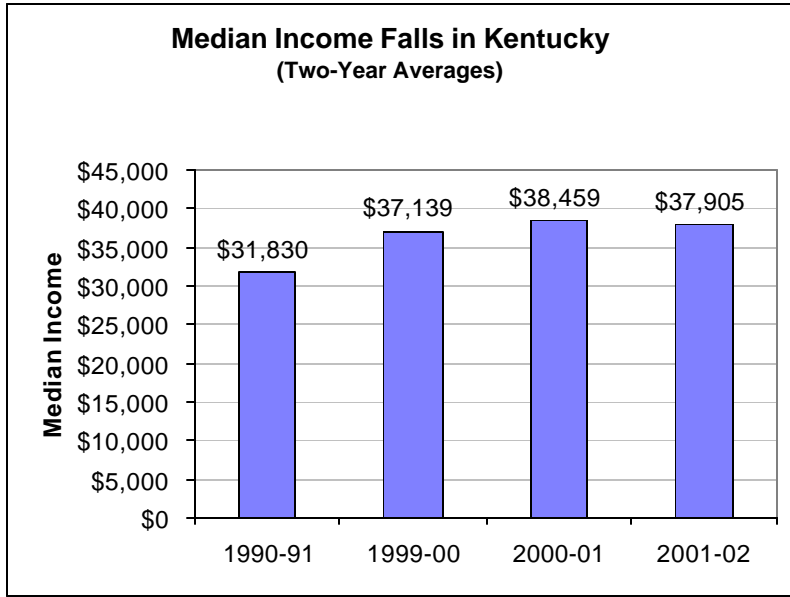
The Census Bureau figures suggest that the strong improvements in income and poverty that occurred in Kentucky in the late 1990s are being eroded.

- ? In 2001-2002, 13.4 percent of Kentucky residents had an annual income below the poverty line, which is \$18,600 or less, for a family of four. In 1999-2000, Kentucky's poverty rate was 12.4 percent.
- ? In 2001-2002, median Kentucky income was \$37,900, or \$500 less than the previous two-year period of 2000-2001. "Median" means the exact middle of a distribution, which, in this case, is income.

(For states with relatively small populations, the Census Bureau recommends using two-year averages to provide accurate results.)

"The effects of the 2001 recession and continued slow economic growth on Kentucky residents are becoming clear," noted Rick Graycarek, director of KYA's state fiscal analysis project. "Declining wages and job opportunities are pushing more Kentuckians into poverty."





The rise in poverty and declining income appears to reflect the economic slowdown that is affecting Kentucky and the nation as a whole. Kentucky's unemployment rate rose from 3.9 percent in January 2000 to 5.5 percent in December 2002. The state's unemployment rate for July 2003 is even worse, 6.1 percent.

Kentucky's growing poverty rates and declining income will place increasing pressure on government programs and services. Rising poverty will mean more Kentuckians need help to weather the economic downturn and declining income will mean fewer state revenues. Add in a \$274 million budget shortfall for this fiscal year, and the 2004 budget-writing legislative session appears all the more problematical.

Poverty rates for the nation as a whole also rose. They were 11.5 percent in 2000-2001 before rising to 11.9 percent in 2001-2002. Median income for the nation as a whole fell from \$43,400 in 2000-2001 to \$42,700 in 2001-2002.