

POVERTY IN LOUISIANA

Census 2019



Louisiana Budget Project
September 2020



About this report

Each September, the U.S. Census Bureau releases detailed data about poverty and income levels in every state and the nation as a whole. The data in this presentation were released in September 2020, but describes the state of Louisiana's economy in 2019, before the economic crisis caused by the Covid-19 pandemic. While the annual American Community Survey data never represents a real-time snapshot of economic conditions, the year-over-year difference this year is particularly stark, as hundreds of thousands of Louisianans (and millions of Americans) have lost their jobs since March 2020 after a decade of steady economic growth.

The last section of this report includes data taken from the Bureau's Household Pulse Survey, which collects more up-to-date information about the ways Americans are experiencing hunger, housing insecurity and unemployment amid the Covid-19 pandemic.

Poverty and Income in Louisiana

Personal income rose slightly in Louisiana in 2019, but so did income inequality

Reversing last year's encouraging downward trend, the federal poverty rate in Louisiana ticked up to 19% in 2019 from 18.6% in 2018, and remains among the highest in the nation. The poverty increase is not considered statistically significant, but it happened in a year when the national poverty rate declined to 12.3% in 2019 from 13.1% in 2018. Before the pandemic, more than 857,000 Louisianans lived in households that lacked the bare minimum needed to make ends meet.

Median household income in Louisiana - or the point at which half of families make more and half make less - rose slightly to \$51,073 in 2019 from \$48,773 (inflation adjusted) in 2018. Median incomes for Black households (\$32,700) was slightly more than half of that for white households (\$61,967).

These twin phenomena - a rise in median incomes and an essentially flat poverty rate - suggests a widening gulf between rich and poor in a state that has long suffered high rates of income inequality.

2019 Poverty Threshold

\$12,490
Individual

\$16,910
Family of Two

\$21,330
Family of Three

\$25,750
Family of Four

Source: U.S. Department of Health & Human Services

How Louisiana Ranks Nationally

2nd

highest

Poverty

The overall poverty rate in Louisiana increased to 19% in 2019 from 18.6% in 2018 making it the second highest in the nation. This means 857,000 Louisianans lived at or below the poverty rate last year.

2nd

highest

Child Poverty

The share of children living in poverty in Louisiana increased slightly to 26.8% in 2019 from 26.2% in 2018 leaving 280,000 Louisiana children to struggle, including 140,000 in deep poverty.

4th

lowest

Income

Household median income remained among the lowest in the nation, though it rose slightly to \$51,073 from an inflation-adjusted \$48,773 in 2018. Stark racial disparities in household income persist.

4th

highest

Income Inequality

Income inequality remained high in Louisiana largely due to the high concentration of poverty - not high accumulation of wealth. The Gini Coefficient (measure of inequality) rose slightly to 0.4978 in 2019.

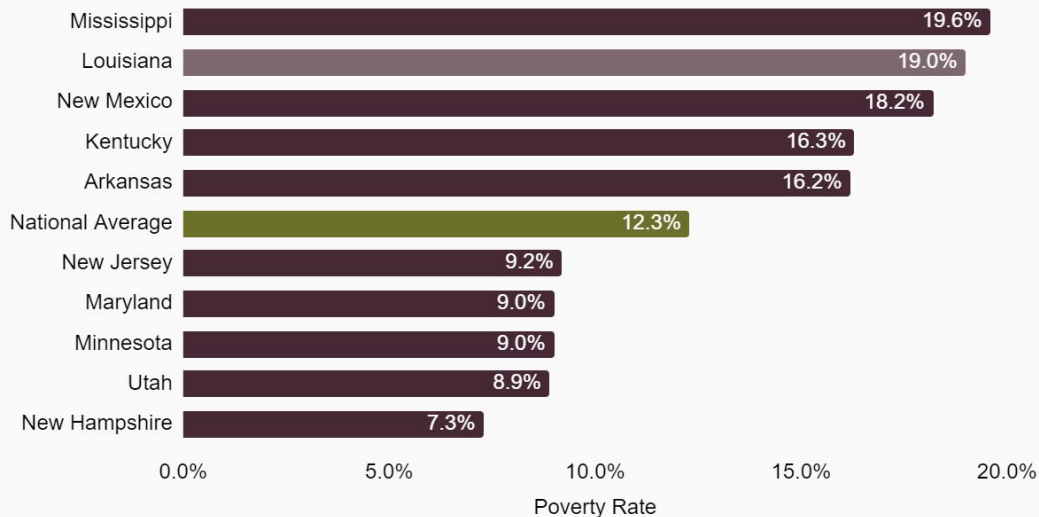
Poverty rate by state

Louisiana remains among the states with highest poverty rates and rose to the second highest in the nation.

The share of Louisianans living in poverty remained among the highest in the nation in 2019. While the nation as a whole and other high-poverty states saw a decline in poverty in 2019, Louisiana went in the opposite direction.

Among Louisianans, Blacks (29.4%) and Hispanics (26.1%) are more likely to be poor than whites (13.4%). And, women (20.7%) and children (27%) are more likely than men (17.1%) to struggle below the poverty line.

Louisiana has the second highest share of people living in poverty



Source: American Community Survey, 2019, 1-Year Estimates (Table DP03)

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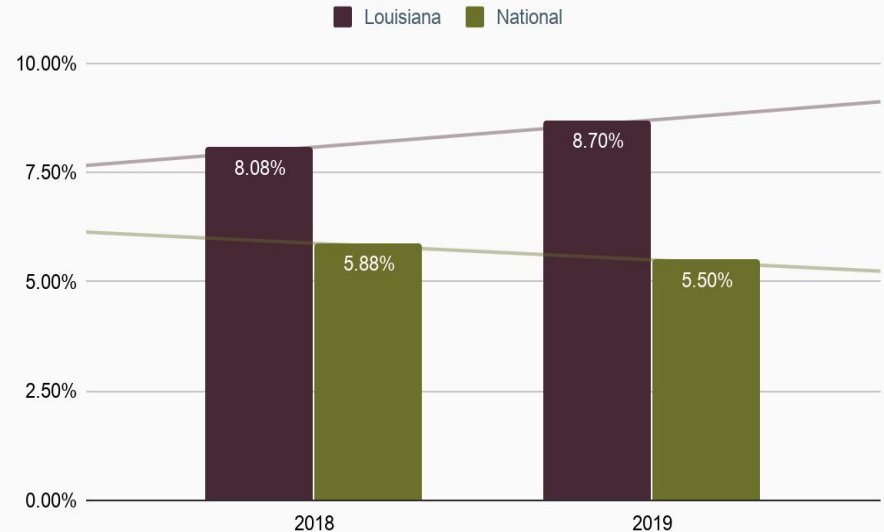
Deep Poverty in Louisiana

The share of Louisianans in deep poverty rose in 2019 impacting women, children and people of color disproportionately.

The share of Louisianans living in deep poverty - below half the federal poverty line (\$12,875 for a family of four) - increased to 8.7% in 2019. The national rate fell slightly to 5.5% in 2019.

Deep poverty has harmful, long-lasting effects on families. It disproportionately affects women, children, those without a college degree, and people of color. In Louisiana, 13.2% of children lived in deep poverty in 2019. Women (9.6%) and people without a high school diploma (13.9%) were more likely than men (7.7%) and people with a college degree (2.4%) to be affected. Black Louisianans (13.3%) were more than twice as likely as whites (5.9%) to live in deep poverty.

Deep poverty increased in Louisiana and decreased nationally



Source: American Community Survey, 2019, 1-Year Estimates (Table S1703)

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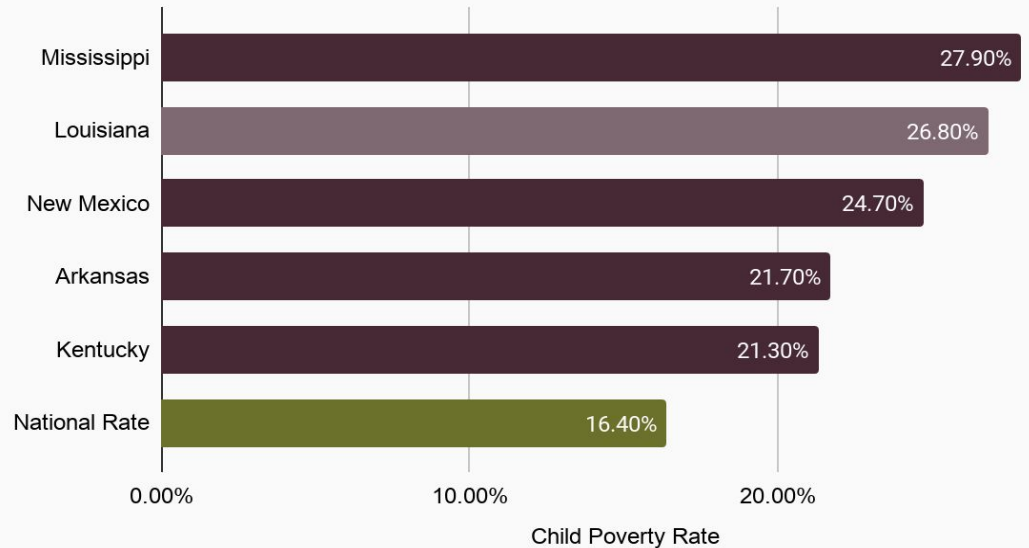
Child poverty rate by state

Louisiana remains among the states with the highest child poverty rates in the nation.

Child poverty in Louisiana remained stubbornly high at 26.8% in 2019, after falling slightly in 2018. The national child poverty rate decreased slightly to 16.4% in 2019 from 17.7% in 2018.

This means that over 285,000 Louisiana children lived in households that struggled to put food on the table and pay rent and utilities each month last year. Of these, over 140,000 children lived in deep poverty - or below 50% of the official poverty level.

Louisiana has the second highest share of children living in poverty



Source: American Community Survey,
2019, 1-Year Estimates (Table B17006)

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Poverty in Louisiana by Metro Area

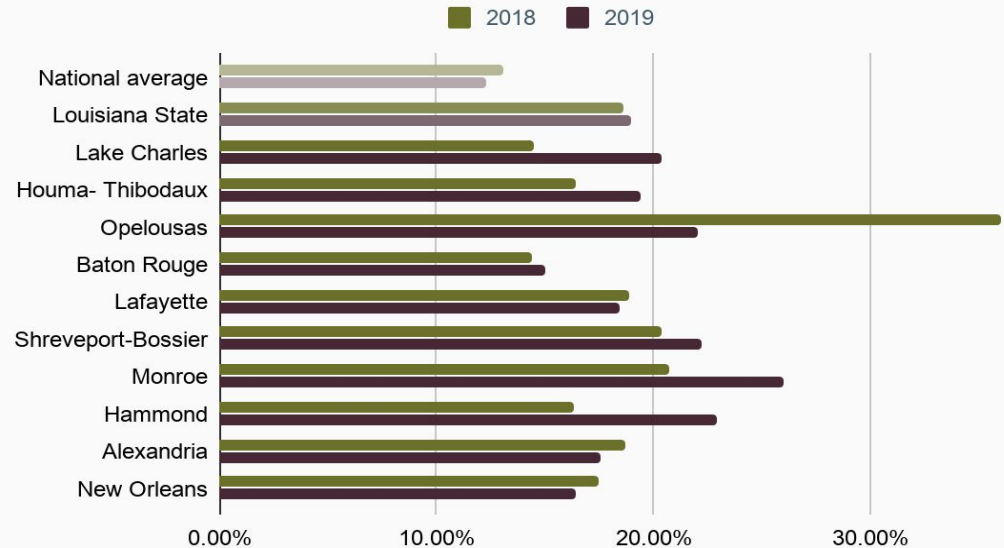
Four Louisiana metro areas see poverty rates decrease while six see a increase.

The poverty rate in Louisiana varies greatly by region. Over the past year, six of 10 metro areas experienced an increase in the share of residents living below the federal poverty level.

Particularly concerning were large increases in poverty rates in Hammond and Monroe. Additionally, a large increase in Lake Charles, where a high poverty rate means many residents who were struggling before Hurricane Laura will now be faced with the costs of recovery and rebuilding.

The 2019 data saw Opelousas' poverty rate return to levels consistent with earlier years after a large spike in 2018.

Louisiana poverty rate up overall, but down in some areas



Source: American Community Survey, 1-Year Estimates (Table DP03)

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Median household income in Louisiana

It's growing, but stark disparities remain.

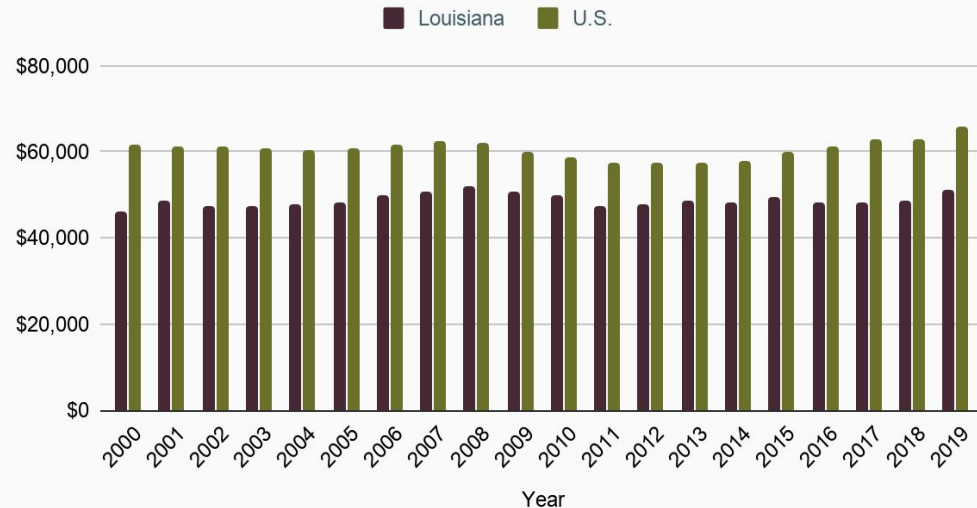
Louisiana's median household income - or the level at which half of household incomes are higher and half lower - grew modestly to \$51,073 in 2019, while national median household income continued a decade of steady growth at \$65,712 last year.

These numbers obscure stark racial disparities, rooted in historic and systemic racism, that make it difficult for Black and Brown families to cover their basic needs and invest in their futures.

Broken down by race, Louisiana median household income:

Black	\$32,700
Latino	\$42,933 (any race)
White	\$61,967 (non-Hispanic)

Median household income increases slightly in Louisiana and nation (Inflation adjusted)



Source: American Community Survey, 1-Year Estimates (B19013); Bureau of Labor Statistics, CPI-U-RS

Median Household Income in Louisiana by Metro Area

Three Louisiana metro areas experienced a decline income while seven gained ground.

Income in Louisiana varies by where you live. Major metropolitan areas have the highest median household income, while more sparsely populated regions have the lowest. Though income rose slightly in the state overall, three areas experienced a decline - Monroe, Houma-Thibodaux and Hammond.

Lake Charles, which experienced an increase in poverty, also saw an increase in median household income. This suggests that some residents are seeing economic gains while others lose ground. This gulf could make it more difficult for less fortunate families in recover and rebuild from natural disasters like Hurricane Laura.

Median household income increased overall, but some areas falling behind



Source: American Community Survey, 1-Year Estimates (Table DP03)

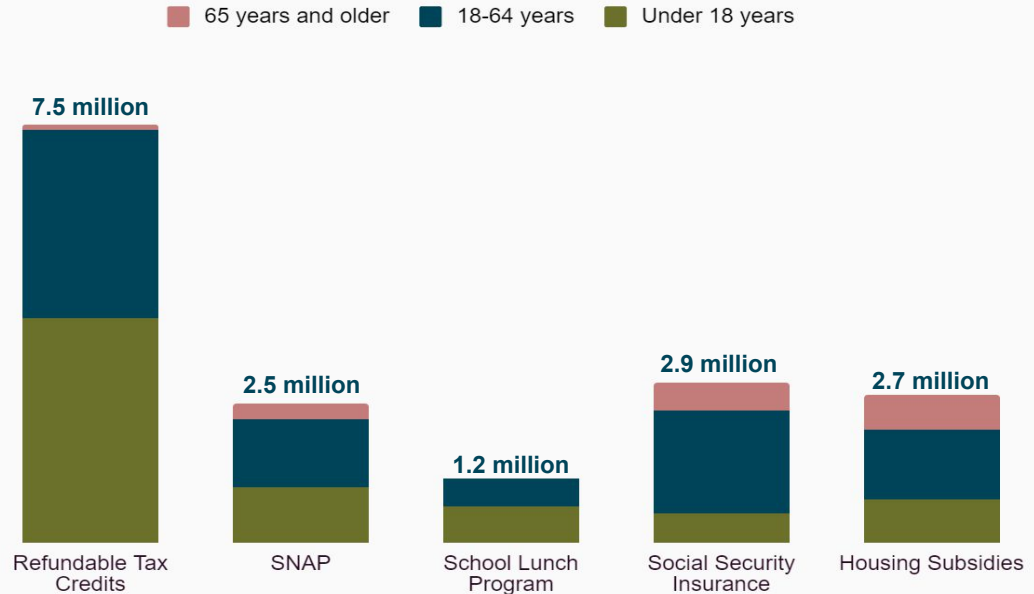
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Federal programs lift millions out of poverty

Many more will likely rely on these programs in 2020 amid the Covid-19 pandemic.

Many families that face economic struggles can turn to government programs for help with basic needs such as food, housing and income supports. These safety-net programs play a vital role in lifting families out of poverty each year.

Last year, more than 16.7 million people were lifted above the supplemental poverty rate by these important programs alone.



U.S. Census Bureau, Current Population Survey, 2019 Annual Social and Economic Supplements (CPS ASEC).

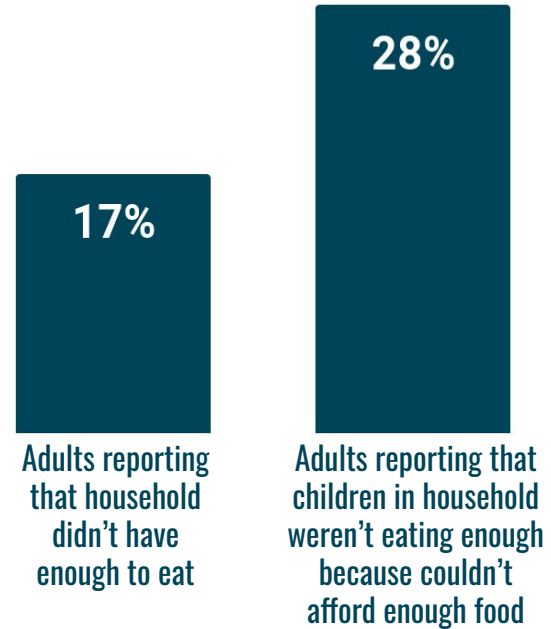
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Covid-19 Impact on Families

The Household Pulse Survey provides the most up-to-date information from the Census Bureau on the impact of Covid-19 on American households. The data provided here has been compiled by the Center on Budget and Policy Priorities in their special series: Covid Hardship Watch from the Household Pulse Survey, including Louisiana-specific impacts.

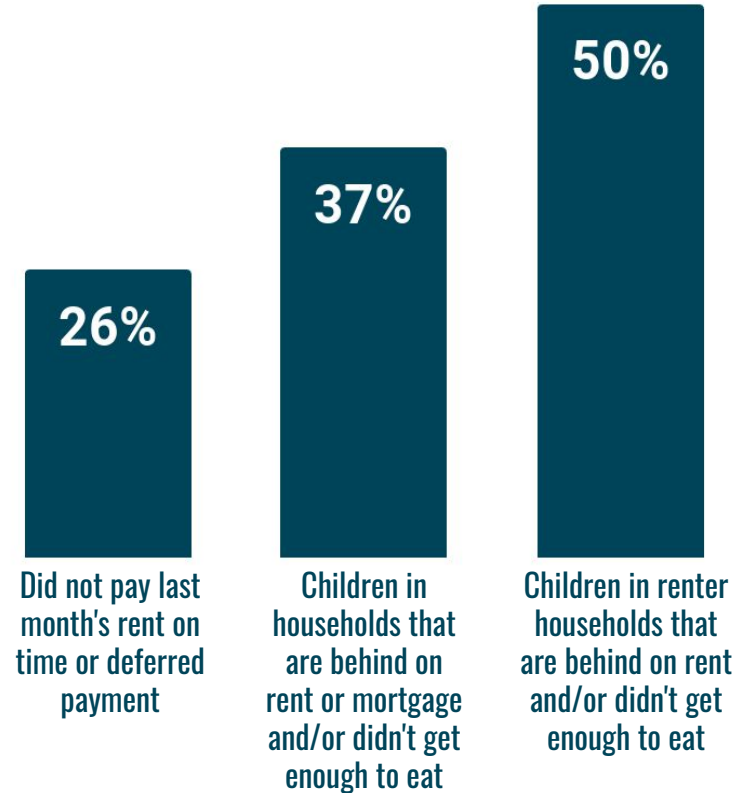
Louisiana Households struggle to afford food

- 578,000 Adults reporting that household didn't have enough to eat.
- 390,000 Adults reporting that children in household weren't eating enough because couldn't afford enough.



Louisiana Households struggle to afford housing

- 247,000 Did not pay last month's rent on time or deferred payment.
- 403,000 Children in households that are behind on rent or mortgage and/or didn't get enough to eat.
- 218,000 Children in renter households that are behind on rent and/or didn't get enough to eat.



Louisiana workers struggle with unemployment

- 11% of workers are unemployed based on May through July averages.
- 386,000 Current jobless benefits claims for week ending August 22, 2020.

11%

386,000

What about the Census?

The Census Bureau tries to count every American once a decade. But it also conducts other surveys.

American Community Survey

The American Community Survey (ACS), is an ongoing yearly survey conducted by the Census Bureau that provides data aimed at giving communities up-to date information for planning and policy decisions. In addition to providing demographic information, the Survey asks about a variety of individual and household attributes, including income, family relationships, housing, etc. Because the Survey provides information at the local level, the ACS offers a larger sample than the CPS and other nationally representative samples, surveying more than 3 million people every year.

Current Population Survey

The Current Population Survey (CPS), which is conducted jointly by the Bureau of Labor Statistics (BLS) and the Census Bureau, is one of the oldest, largest and most well-recognized surveys in the United States. Because of its longevity - its beginnings date back to the 1930s - it is immensely useful in providing information on employment, income, and education among other statistics over long periods of time. The survey is administered throughout the year with special supplemental questions added to individual months.

Household Pulse Survey

After the onset of Covid-19, the Census Bureau initiated the Household Pulse Survey to quickly gather information about how the pandemic was impacting U.S. households. It is has been administered on a weekly or bi-weekly basis since April 2020.

Acknowledgements

The Louisiana Budget Project (LBP) monitors and reports on public policy and how it affects Louisiana's low- to moderate-income families. We believe that the lives of Louisianans can be improved through profound change in public policy, brought about by: creating a deeper understanding of the state budget and budget-related issues, looking at the big picture of how the budget impacts citizens, encouraging citizens to be vocal about budget issues that are important to them, and providing insight and leadership to drive the policy debate.

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