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Poverty Increase in Connecticut Was Largest in Nation, Census Data Show

***City & county poverty estimates reported; CT Voices calls for increased support
for families to help manage effects of recession***

New Census data from the American Community Survey reveal that the economic recession has hit Connecticut families hard, as the percentage of people in poverty in Connecticut in 2008 increased over 2007 levels by the largest margin of any state in the country. In 2008, 9.3% of Connecticut residents (314,806) had incomes under the Federal Poverty Level, up from 7.9% in 2007. Among Connecticut children under age 18, 12.5% (99,580 children) lived in families with incomes under the Federal Poverty Level in 2008, up from 11.1% in 2007. **These increases in poverty for all people and for children in poverty were the largest estimated increases of any state in the country that experienced a statistically significant increase in poverty rates.** (For a two-parent household with two children, the poverty level was \$21,200 in 2008.) Despite Connecticut's official goal of cutting the child poverty rate in half by the year 2014, the state is losing ground in the fight to reduce poverty.

Poverty rates for residents of the cities of New Haven, Norwalk, and Stamford increased significantly between 2007 and 2008. The estimate of child poverty also increased in Norwalk. Poverty increased significantly for residents of Fairfield, New Haven, and Windham counties, as well as for children in Windham county.

Connecticut Voices for Children, a research-based think tank that analyzed the Census data, pointed out that the 2008 estimates measure poverty only during the first half of Connecticut's recession, which began in March 2008. The organization suggested that the poverty rate may become worse in 2009, given that the state experienced its worst unemployment levels since 1977 this year. Connecticut's unemployment rate rose from 6.1% in August 2008 to a peak of 8.1% in August 2009.

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In response to the findings, Connecticut Voices called upon the Governor and General Assembly to avoid budget cuts that would worsen the impact of poverty and to increase support for Connecticut families through a state earned income tax credit, expanded support for education and training, improved access to the HUSKY health insurance program, and funds for more affordable housing.

“Connecticut needs a comprehensive plan to reverse these trends for our families and rebuild our economy,” said Jamey Bell, Executive Director at Connecticut Voices for Children. “At the least, we should avoid state budget cuts that would undermine families just when our economy has failed them the most.”

Estimates of poverty rates varied significantly across Connecticut’s cities: Bridgeport (21.6%), Danbury (9.9%), Hartford (33.5%), New Britain (18.2%), New Haven (27.3%), Norwalk (9.6%), Stamford (12.3%), and Waterbury (19.6%). The percentage of children under 18 in poverty in Connecticut cities was also reported for Bridgeport (28.0%), Danbury (13.7%), Hartford (46.1%), New Britain (30.0%), New Haven (34.1%), Norwalk (16.9%), Stamford (14.3%), and Waterbury (30.7%). Poverty estimates are only available for cities with populations over 65,000. The American Community Survey also provided poverty estimates for Connecticut’s counties and Congressional districts. (See attached fact sheet for details on statistically significant changes in city, county, and Congressional district estimates between 2007 and 2008.)

With the establishment of the Child Poverty Council in 2004, Connecticut became the first state in the nation to set a goal of reducing child poverty -- by half by 2014. In 2003 (the baseline year for the Council), 10.8% of Connecticut’s children in families (“related children”) had incomes below the poverty line. The state set a goal of reducing the poverty rate to only 5% of children in 2014. Connecticut’s 2008 poverty rate for children in families (12.1%) has worsened over the last several years (indeed, the 2001 rate was 9.7%). To meet the goal of reducing child poverty by half, Connecticut must reverse course dramatically, according to Connecticut Voices. (“Related children,” who might also be considered “children in families,” are those related to the head of household. Because data collection methods for “all children” in poverty changed in 2006 for the American Community Survey, comparisons for all children in poverty should not be made between estimates after 2005 and earlier figures.)

The Federal Poverty Level is an inadequate measure of what families actually need to meet the cost of living in Connecticut, according to Connecticut Voices. Census data indicate that one in four children (25.6%) in the state lived in families with income under 200% of the Federal Poverty Level in 2008, which roughly corresponds to Connecticut’s Self-Sufficiency Standard, an official state measure of the income necessary for a family to meet basic needs. (This measure was established by Connecticut law.)

“Connecticut’s leaders have set a goal of reducing child poverty by half, but without concrete action, we may continue heading in the opposite direction,” said Joachim Hero, Research Associate at Connecticut Voices.

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Nationwide, the American Community Survey estimated that 13.2% of all Americans (39.1 million) live in poverty, while 18.2% of children (13.2 million) live in poverty. There was a statistically significant increase in poverty among all Americans – from 13% in 2007 to 13.2% in 2008.

“It is highly disturbing that child poverty has risen from 2001 to 2008, and overall, the wealth gap continues to widen in Connecticut,” said Jim Horan, Executive Director of the Connecticut Association for Human Services. “Connecticut has failed to implement sound policies and strategies that give people the tools they need to move into the middle class.”

“Health and health care reform are critical pieces to solving the poverty puzzle in our state and in our country,” said Juan A. Figueroa, president of Universal Health Care Foundation of Connecticut. “Many of the people suffering the plight of poverty work two, sometimes three jobs and do not have adequate health care to keep themselves and their families healthy,” he said.

“These numbers are alarming and further evidence that the economic downturn is hitting residents of the state hard. With the predictions of a jobless recovery, we may not see improvements any time soon. We need to take steps to shore up the safety net for our most vulnerable families,” said Jane McNichol, Executive Director of the Legal Assistance Resource Center of Connecticut.

“Childhood poverty has a long-term, negative impact on child well-being. Poor school performance, dropping out of school and poor health are strongly influenced by living in poverty. Child poverty must be addressed to ensure a level playing field for all children,” said Barbara Edinberg, Acting Director of the Bridgeport Child Advocacy Coalition. “We are disturbed that child poverty remains so pervasive in Bridgeport. The recession is also having a profound effect in southern Fairfield County. We are concerned about the significant increases in poverty in Stamford and Norwalk.”

This news release and fact sheet, along with links to additional national, state, and local data on demographic, social, and housing indicators from the American Community Survey are available through the CT Voices site at www.ctkidslink.org/censuspoverty.html. **See the attached CT Voices fact sheet for detailed survey results for Connecticut, its counties, Congressional districts, and cities; evaluation of the statistical significance of changes in local, state, and national estimates; and background on the measures.** Note: **Unless a change in Census estimates over time is statistically significant, it is not accurate to say that poverty has increased or declined in a city, county, or state.**

Connecticut Voices for Children is a research-based policy think tank that works to advance strategic public investment and wise public policies to benefit our state’s children, youth and families.

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