



The Recession's Broad Impact on Pennsylvania Communities

The U.S. Census Bureau's American Community Survey, 2009

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On September 28, 2010, the U.S. Census Bureau released results from its 2009 American Community Survey (ACS). This report provides a snapshot of health insurance coverage and trends in poverty and median household incomes in local communities across the nation. The initial release included data for counties, metropolitan areas, and municipalities with populations of 60,000 or more.

Poverty holds steady for Pennsylvania, although some communities see increases

In Pennsylvania, poverty rates remained essentially unchanged, rising from 12.3% in 2008 to 12.5% in 2009 (Table 3).¹ The poverty rate has increased by just under a percentage point since 2007 (before the recession began) – going from 11.6% to 12.5%.

Since 2007, four metropolitan areas in Pennsylvania have seen poverty rates rise (details for all Pennsylvania metro areas can be found in Table 3):

- Allentown-Bethlehem-Easton (8% to 10.2%),
- Pittsburgh (11.2% to 12.3%),
- Scranton-Wilkes-Barre (11.9% to 13.8%) and
- State College (15.1% to 19.3%).²

Since 2007, five counties have seen a rise in poverty rates (county poverty data is listed in Table 4):

- Allegheny (11.7% to 13.3%),
- Centre (15.1% to 19.3%),
- Dauphin (11.1% to 13.3%),
- Lackawanna (12.8% to 15%) and
- Lehigh (8.6 to 12.7%).

Unemployment compensation played a pivotal role in blunting the rise of poverty in Pennsylvania in 2009 – as did key provisions of the American Recovery and Reinvestment Act, including temporary expansions of the Earned Income and Child Tax Credits. Unemployment compensation for laid off workers saved 3.3 million Americans and as many as 120,000 Pennsylvanians from falling into poverty, according to data provided by the Census in the Current Population Survey (CPS).³

¹ The ACS is a different, more detailed survey than the Census Bureau's Current Population Survey (CPS) – the results of which were released on September 16. The CPS set Pennsylvania's poverty rate at 11% for the two year period 2008-2009.

² The Census Bureau cautions against making year-to-year comparisons of data for sub-state areas (any area below the state level) when large portions of the population are in "group quarters" – as is the case in the State College area due to Penn State University.

³ Based on CPS data, the Census Bureau estimates that unemployment compensation kept 3.3 million Americans out of poverty in 2009. Pennsylvania's share of all unemployed in 2009 was 3.6%. Taking that share of 3.3 million Americans allows us to estimate the number of Pennsylvanians likely kept out of poverty because of unemployment compensation.

Pennsylvania’s poverty rate also held steady in 2009 because the time period covered marked only the beginning of massive job losses that occurred in the wake of the recession. The ACS report, consequently, provides only a partial snapshot of the fallout from that downturn. Higher poverty and uninsured rates are likely to be on the horizon for Pennsylvania.

For this reason, Congress should extend several Recovery Act provisions for middle- and low-income households and continue funding for Pennsylvania’s “Way to Work” program, which helps employ low-income workers. (Funding for “Way to Work” expired on September 30.) Until the job market and family incomes fully rebound from the recession, many more people will be at risk of falling into poverty without policy actions to keep our fragile economic recovery on track.

Recession puts a dent in Pennsylvania’s middle class

Median household income in Pennsylvania, at \$49,520, was slightly lower than the national figure of \$50,245. Pennsylvania median household income declined by 1.4% percent (\$725) from 2008 to 2009 as the recession continued to put downward pressure on the earnings of middle-class Pennsylvania families.

Median household income for 2009 is listed by metro area in Table 3 and by county in Table 4.

Rural Pennsylvanians more likely to be uninsured⁴

In 2009, Pennsylvania’s uninsured rate continued to trail the nation’s rate – a long-standing trend for the Commonwealth. Table 1 shows the uninsured rate among working-age adults in the U.S. is a full one-third higher than Pennsylvania’s rate – 20.6% nationally compared to 13.7% in Pennsylvania. Nationally, 45.7 million people lack health coverage, while 1.2 million Pennsylvanians are without coverage.

Children in rural Pennsylvania are twice as likely to lack coverage as their urban neighbors (8.6% in rural regions compared to 4.3% in urban areas).⁵ This difference may indicate either a lack of access to or awareness of programs like the Children’s Health Insurance Program (CHIP) and Medical Assistance.

The uninsured rate among working-age adults is much higher than the uninsured rate among children in all parts of Pennsylvania. The rates vary little from urban to rural settings. These figures reflect a decade of declining rates of employer-sponsored health insurance in Pennsylvania and underscore the vital need for health reform here and across the nation.

Table 1. 2009 Uninsured Rates

	All Ages	Children (0-17)	Working Age Adults (18-64)
United States	15.1%	8.6%	20.6%
Pennsylvania	9.9%	5.3%	13.7%
- Rural PA	10.5%	8.6%	13.6%
- Urban PA	9.7%	4.3%	13.7%

⁴ The ACS’s data on health insurance coverage is not directly comparable to the information released in 2008, so only a snapshot of coverage will be detailed here.

⁵Rural and urban classifications are from the U.S. Census Bureau.

Uninsured rates by county (with populations of 60,000 or more) can be found in Table 5.

Cities home to lower median incomes, higher poverty, more uninsured than host counties

By three important measures (median income, poverty rate, and uninsured rate), Pennsylvania’s largest cities are doing worse than the counties in which they are located. This illustrates the “hollowing out” of traditional urban centers, as described by the Brookings Institution, where population and wealth move out to suburban and exurban communities, creating high concentrations of poverty.⁶

Median income in these six municipalities is roughly one quarter less than in their host counties. Poverty rates in Reading and Allentown are more than twice the rates found in Berks and Lehigh counties. There is less variation in the rate of the uninsured, due in part to public programs like CHIP and Medical Assistance.

Table 2. Comparing Major Pennsylvania Cities to their Host Counties, 2009

Municipality	Median Income	Poverty Rate	Uninsured Rate	Host County	Median Income	Poverty Rate	Uninsured Rate
Allentown	\$33,664	29.0%	17.9%	Lehigh	\$53,260	12.7%	10.4%
Bethlehem	42,927	17.3	10.3	Northampton ⁷	58,325	8.4	8.9
Erie (city)	32,136	23.1	10.8	Erie	42,888	15.8	8.7
Pittsburgh	37,461	23.1	10.2	Allegheny	46,215	13.3	8.6
Reading	28,597	33.0	21.3	Berks	53,485	12.5	10.9
Scranton	38,774	18.7	10.7	Lackawanna	44,481	15.0	8.5
Upper Darby	49,193	12.5	14.7	Delaware	62,385	9.2	8.3

On the following pages, Table 3 details median household income for 2009 by metro area; Table 4 lists median household income by county; and Table 5 outlines uninsured rates by county.

⁶ The Brookings Institution, *Back to Prosperity: A Competitive Agenda for Renewing Pennsylvania*, December 2003 http://www.brookings.edu/reports/2003/12metropolitanpolicy_pennsylvania.aspx.

⁷ The city of Bethlehem is actually in two counties, Lehigh and Northampton.

Table 3. Poverty Rates (2007-2009) and Median Household Income (2009) in Pennsylvania Metropolitan and Micropolitan Areas

Metropolitan and Micropolitan Statistical Areas	Poverty Rates (in percent)			2009 Median Household Income		
	2007	2008	2009	Median Income 2009	Change from 2008**	Change from 2007**
Pennsylvania	11.6% *	12.3%	12.5%	\$49,520	\$(725)	\$(731)
Allentown-Bethlehem-Easton, PA-NJ	8.0 *	9.0	10.2	56,802		
Altoona, PA	13.7	14.3	14.7	38,455		
Bloomsburg-Berwick, PA	12.4	13.4	11.8	43,011		
Chambersburg, PA	7.8	8.7	9.5	46,929	(6,999)	
DuBois, PA	15.8	16.1	12.9	37,282		
East Stroudsburg, PA	8.7	10.0	9.4	54,879		
Erie, PA	14.5	14.5	15.8	42,888		
Gettysburg, PA	7.4	7.3	5.7	56,628		
Harrisburg-Carlisle, PA	8.7	9.5	9.8	53,036	(3,831)	
Indiana, PA	20.8	16.1	18.2	39,582		5,004
Johnstown, PA Metro Area	13.9	15.7	15.9	38,870		
Lancaster, PA	8.7	9.4	9.4	55,673		
Lebanon, PA	8.6	9.3	8.5	50,728		
Meadville, PA	13.8	16.2	16.0	38,192		
New Castle, PA	14.3 *	12.9	10.1	43,232		
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	11.5	11.5	11.9	60,065		
Pittsburgh, PA	11.2 *	11.9	12.3	46,349	(1,215)	
Pottsville, PA	12.0	12.1	11.4	41,503		
Reading, PA	11.3	11.5	12.5	53,485		
Scranton--Wilkes-Barre, PA	11.9 *	13.7	13.8	41,823		(1,548)
Somerset, PA	10.3	14.5	13.2	39,362		
State College, PA	15.1 *	15.3 *	19.3	48,960		
Sunbury, PA	12.9	13.3	15.4	37,602		
Williamsport, PA	12.9	13.8	14.9	39,968		(3,164)
York-Hanover, PA	8.9	8.0	9.0	57,027		

Notes. *Poverty rate is statistically different at the 90 percent confidence level from the 2009 poverty rate.
 **Change in median income is listed only if statistically significant at the 90 percent confidence level from the 2009 level.
 Source. Keystone Research Center and Pennsylvania Budget and Policy Center calculations based on the American Community Survey 2007-2009

Table 4. Poverty Rates (2007-2009) and Median Household Income (2009) in Pennsylvania Counties

County	Poverty Rates (in %)			2009 Median Household Income		
	2007	2008	2009	Median Income 2009	Change from 2008**	Change from 2007**
Adams	7.4%	7.3%	5.7%	\$56,628		
Allegheny	11.7 *	12.4	13.3	46,215	\$(2,388)	\$(1,764)
Armstrong	13.3	8.4 *	12.1	43,922		
Beaver	9.1	11.4	11.1	44,689		
Berks	11.3	11.5	12.5	53,485		
Blair	13.7	14.3	14.7	38,455		(5,499)
Bucks	5.2 *	4.8 *	3.5	76,169		3,112
Butler	8.3	8.3	8.8	54,879		
Cambria	13.9	15.7	15.9	38,870		
Centre	15.1 *	15.3 *	19.3	48,960		
Chester	5.4	5.8	6.3	81,495	(3,893)	(4,478)
Clearfield	15.8	16.1	12.9	37,282		
Columbia	12.9	14.4	13.6	42,575		
Crawford	13.8	16.2	16.0	38,192		
Cumberland	6.0	7.9	6.1	58,606		
Dauphin	11.1 *	10.8 *	13.3	48,742		(3,019)
Delaware	9.8	8.9	9.2	62,385		
Erie	14.5	14.5	15.8	42,888		
Fayette	19.8 *	21.8 *	16.5	35,807		(3,397)
Franklin	7.8	8.7	9.5	46,929		
Indiana	20.8	16.1	18.2	39,582		5,004
Lackawanna	12.8 *	13.2	15.0	44,481		
Lancaster	8.7	9.4	9.4	55,673		
Lawrence	14.3 *	12.9	10.1	43,232		
Lebanon	8.6	9.3	8.5	50,728		
Lehigh	8.6 *	9.9 *	12.7	53,260		
Luzerne	11.5	14.2	13.0	39,945		(3,280)
Lycoming	12.9	13.8	14.9	39,968		(3,164)
Mercer	10.4	13.6	12.1	43,450		
Monroe	8.7	10.0	9.4	54,879		
Montgomery	5.3	6.4	5.4	74,856	(2,924)	
Northampton	7.5	8.5	8.4	58,325		
Northumberland	12.9	13.3	15.4	37,602		
Philadelphia	23.8	24.1	25.0	37,045		
Schuylkill	12.0	12.1	11.4	41,503		
Somerset	10.3	14.5	13.2	39,362		
Washington	9.2	9.9	10.8	48,071		
Westmoreland	9.4	10.0	10.3	47,418		
York	8.9	8.0	9.0	57,027		

Notes. *Poverty rate is statistically different at the 90 percent confidence level from the 2009 poverty rate.
 **Change in median income is listed only if statistically significant at the 90 percent confidence level from the 2009 level.
 Source. Keystone Research and Pennsylvania Budget and Policy Center calculations based on the American Community Survey 2007-2009

Table 5. Uninsured Rates by County and Age Group, 2009

County	Total	Children (0-17)	Working Aged Adults (18-64)	Elderly (65+)
United States	15.1%	8.6%	20.6%	0.9%
Pennsylvania	9.9	5.3	13.7	0.5
Adams	9.0	3.4	12.9	1.1
Allegheny	8.6	2.4	12.6	0.3
Armstrong	9.0	4.4	13.1	0.4
Beaver	7.2	3.0	10.6	0.2
Berks	10.9	6.1	14.9	1.0
Blair	10.0	3.9	14.9	-
Bucks	5.8	3.1	8.0	0.3
Butler	8.9	4.4	12.2	0.5
Cambria	9.2	4.0	13.7	-
Centre	7.6	9.0	8.5	0.1
Chester	7.8	4.4	10.4	0.8
Clearfield	13.0	7.9	18.3	-
Columbia	8.3	2.0	12.1	-
Crawford	14.2	15.4	17.3	1.2
Cumberland	7.1	6.4	9.1	0.1
Dauphin	10.6	6.0	14.5	0.4
Delaware	8.3	3.3	12.0	0.4
Erie	8.7	2.4	12.9	0.2
Fayette	12.9	5.1	18.7	1.2
Franklin	14.4	13.9	18.1	1.9
Indiana	12.4	9.6	16.1	-
Lackawanna	8.5	2.9	12.8	-
Lancaster	13.2	15.4	14.9	1.9
Lawrence	9.0	2.8	14.1	0.1
Lebanon	8.7	7.4	11.5	0.2
Lehigh	10.4	5.8	14.6	0.5
Luzerne	9.0	4.8	12.9	0.0
Lycoming	10.2	5.0	14.5	0.1
Mercer	10.1	5.9	14.3	0.2
Monroe	12.7	4.4	18.2	0.6
Montgomery	6.3	3.4	8.8	0.2
Northampton	8.9	3.4	12.8	0.1
Northumberland	11.5	4.0	17.3	0.2
Philadelphia	14.7	6.4	20.3	1.4
Schuylkill	9.0	5.0	13.0	-
Somerset	11.0	7.5	15.6	0.1
Washington	8.1	3.3	11.8	-
Westmoreland	7.7	2.1	11.8	0.2
York	7.8	3.1	11.2	0.2

Source. Keystone Research and Pennsylvania Budget and Policy Center calculations based on the American Community Survey 2009