



NEWS RELEASE

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Poverty Up, Median Income Down as Recession's Effects Linger in Alabama

Forrister: Grocery Tax Cut, Protection of Public Services Could Improve State's Economic Future

Alabama's poverty and child poverty rates were the nation's fourth worst last year, and the state's median household income was the fifth lowest in the country, new U.S. Census Bureau data released today show. Deep budget cuts to education, health care and other public services could make the state's poverty and income pictures even bleaker, ACPP executive director Kimble Forrister said.

Almost one in five Alabamians, or 19 percent, lived in poverty in 2010, according to Census data. That figure, up from 17.5 percent in 2009, includes more than 380,000 people living in deep poverty, defined as having incomes below half the federal poverty line. Things were even worse for Alabama children, 27.5 percent of whom were in poverty last year. That figure was up sharply from 24.5 percent the year before. Only Mississippi, New Mexico and the District of Columbia fared worse on those measures in 2010 than Alabama.

The economic downturn is still hammering Alabama's median household income, which fell to \$40,474 last year. That is down 5 percent from the pre-recession level in 2007 and almost \$10,000 below the national average. Amid high unemployment and a resulting loss of private insurance coverage, the overall share of Alabamians without health insurance crept up to 14.6 percent last year. One bright spot was the state's rate of uninsured children, which held steady at 5.9 percent and remained much better than the national average.

"A decade of hard work to help low-income children get health coverage through Medicaid and ALL Kids is still paying off for Alabama," Forrister said. "It's an example of what can happen when we make improving lives a top goal of public policy and then work together to get results."

Ending the state grocery tax would be one way to help millions of Alabamians struggling to make ends meet during an era of higher poverty and lower incomes, Forrister said. Another key step, he said, would be to protect education, health care and other public services that help people get ahead.

"Alabama's economic future can be bright if our leaders make a strong effort to meet the needs of working families," Forrister said. "A cuts-only approach to budgeting means more job losses, more strain on struggling families and higher poverty down the road. We need to take a more balanced approach that includes both spending cuts and significant new revenues to protect our vital commitment to public schools and health care."

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Arise Citizens' Policy Project is a statewide nonprofit, nonpartisan coalition comprising 150 congregations and organizations that promote public policies to improve the lives of low-income Alabamians.