

WE'RE GETTING POORER

The headline news from the Census bureau's poverty numbers today is that median income continues to fall, a pretty significant 2.3% last year.

Real median household income in the United States in 2010 was \$49,445, a 2.3 percent decline from the 2009 median.

So in addition to the rising commodity prices not counted in inflation, Americans are also suffering an inflation-like effect as their wages get smaller and smaller.

The other incredibly troubling piece of this news is that child poverty continues to increase—faster than for other age groups.

The poverty rate increased for children younger than 18 (from 20.7 percent in 2009 to 22.0 percent in 2010) and people 18 to 64 (from 12.9 percent in 2009 to 13.7 percent in 2010), while it was not statistically different for people 65 and older (9.0 percent).

The kids, of course, are exposed to all sorts of developmental issues, with food scarcity and education inequality, which will haunt them for the rest of their life. When will our country start to get alarmed that over a fifth of our kids are in poverty?

There are a few more details of interest the Census release focused on, such as the number of “doubled up” households, which seems to tie closely to adult kids living at home.

- Doubled-up households are defined as households that include at least one “additional” adult: a person 18 or older who is not enrolled in school and is not the householder, spouse

or cohabiting partner of the householder. In spring 2007, prior to the recession, doubled-up households totaled 19.7 million. By spring 2011, the number of doubled-up households had increased by 2.0 million to 21.8 million and the percent rose by 1.3 percentage points from 17.0 percent to 18.3 percent.

- In spring 2011, 5.9 million young adults age 25-34 (14.2 percent) resided in their parents' household, compared with 4.7 million (11.8 percent) before the recession, an increase of 2.4 percentage points.

Also, as would be suspected but in what I believe is important to emphasize nevertheless, flyover country is getting poorer more quickly than the Northeast.

U.S.	\$50,599	\$49,445	*-2.3
Northeast	\$53,949	\$53,283	-1.2
Midwest.	\$49,684	\$48,445	*-2.5
South	\$46,368	\$45,492	*-1.9
West	\$54,722	\$53,142	*-2.9

This, I suspect, offers one explanation for why we're not more worried about this. While a percentage drop in median income is real, unlike the rest of the country, it is not statistically significant.