

CITY OF SHORELINE SNAPSHOT: POVERTY

Summary

The poverty rate, as determined by comparing three year estimates from the American Community Survey for the periods 2005-7 and 2011-2013 increased from 8.2% to 12.8% of the population. This 4.6% increase is statistically significant at the 90% confidence level.

Children under 18 experienced an increase in poverty from an estimated 7.5% in 2005-7 to 16.3% in 2011-13. The 8.8% increase is statistically significant at the 90% confidence level.

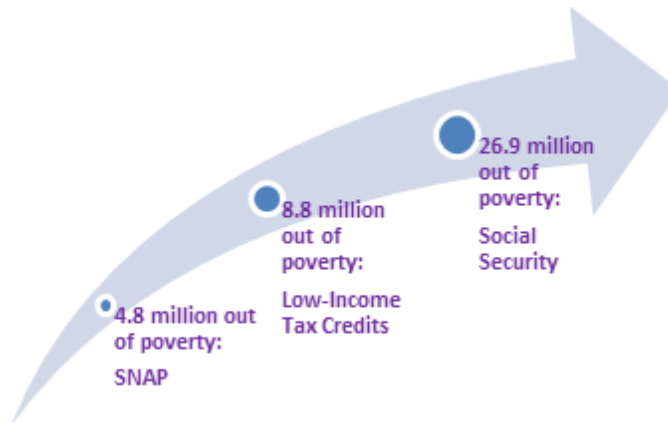
The number of people living below twice poverty increased. Twice poverty is an estimate of what it takes to provide for basic necessities. Between one in four and almost one in three Shoreline residents has an income of twice poverty or less.

BACKGROUND

Poverty levels are measured by family size and composition and are adjusted annually. The federal poverty guideline, established in 1964, was based on a USDA 1955 Household Food Consumption Survey that found that the average family spent one-third of their income on food. The food fraction was multiplied by three to calculate the poverty level. By 2012, food costs were about 13% of an average household budget, according to the U.S. Bureau of Labor Statistics, and a variety of other costs, not included in the original household budget calculation, such as childcare, transportation and health care, have increased substantially.

Few people can survive on a poverty income without outside public or family financial or in-kind supports. Major living costs such as transportation, health care, housing and child care are not factored into the poverty definition. Non-cash assistance such as Supplemental Nutritional Assistance Program (SNAP), housing vouchers and tax credits are also not counted in determining poverty status, but have been very important in keeping many people out of poverty.

The graphic below shows the number of people in the U.S. kept out of poverty by three key federal programs.



The poverty guidelines, shown below, are used for administrative purposes such as qualifying for benefits. The Census Bureau computes poverty rates using a different statistical measure called a poverty threshold.

2013 Poverty Guidelines for the 48 Contiguous States and the District of Columbia	
Persons in family/household	Poverty guideline
1	11,490
2	15,510
3	19,530
4	23,550
5	27,570
6	31,590
7	35,610
8	39,630
For families/households with more than 8 persons, add \$4,020 for each additional person.	

In 2005, the U.S. Census Bureau implemented the American Community Survey (ACS) which measures social, economic and housing characteristics of the population on a continuous basis. In North King County, minimum population thresholds (65,000) for one year estimates are not met, but three and five year estimates are available. Prior to the ACS, poverty data was collected once every ten years using a point-in-time sample that was part of the Decennial Census. For Shoreline, estimates of poverty and other social, economic and housing characteristics of the population are available for three year and five year periods. In comparing the American Community Survey, three year poverty estimates for 2005-7, 2009-11, and 2011-13 the poverty rate for Shoreline varied from 8.2 % to 12.8%. The 4.6% increase in the percent of people living below poverty between the 2005-7 and 2011-13 periods is statistically significant, meaning there is a 90 percent chance this is



a true difference, not caused by sampling error and that the true value falls within the margin of error.

For the 2011-13 estimate, the lower estimate (6856-1376 is 5,480 and the upper estimate is (6856+1376) 8,232 people living at or below poverty.

Poverty Status in the Past 12 Month American Community Survey 3- Year Estimates			
Year	Percent Poverty	Estimate	Margin of Error
2005-2007	8.2	4,203	+/-855
2011-2013	12.8	6,856	+/-1376

Other Measures of Economic Insecurity

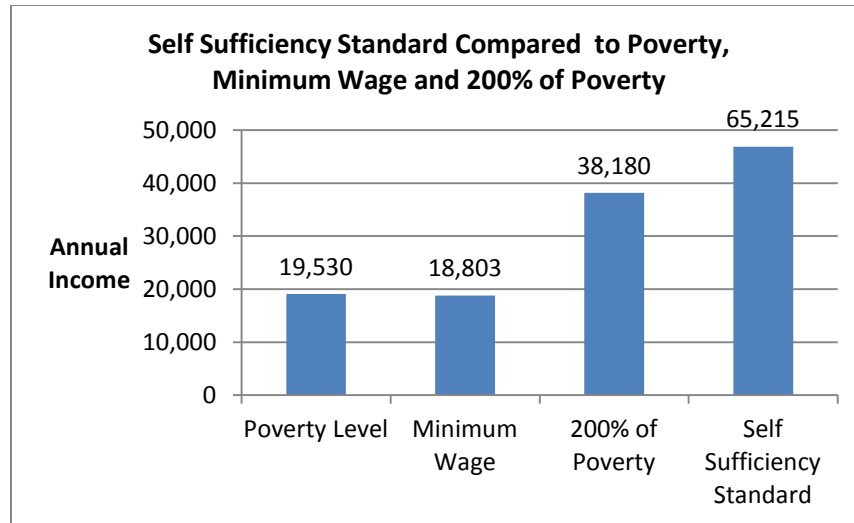
Two other measures that describe the minimum income needed to purchase the basic necessities of life are the number of people living below 200% of poverty and the Self Sufficiency Standard. The number of people living below 200% of poverty, for two separate three year estimates, is shown below. The difference between the two period estimates is statistically significant, meaning the true value has a 90% probability of being between 13,495 and 16, 613 (plus or minus the margin of error) or between one in four and almost one in three Shoreline residents.

All Individuals Below 200 Percent of Poverty American Community Survey, 3-Year Estimates			
Year	Percent	Estimate	Margin of Error
2005-2007	NA	10,267	1,343
2011-2013	NA	15,054	1,559

People living at or below 200% of poverty have enough income for basic necessities but may lack assets to weather an employment gap, or unexpected financial emergency lasting more than 90 days and have limited to no capacity to save money.

The second measure, the Self Sufficiency Standard, measures the income required to provide for basic necessities without subsidies. A calculator (www.thecalculator.org) allows comparison of costs by city. In the Shoreline example, a one adult two child household, with one child pre-school age is shown. This family needs \$5,435 per month (\$30.88 per hour job) or an annual wage of \$65,215 to meet basic expenses without subsidies. The largest expenses are child care \$1,733, housing \$1,409, and taxes \$956. The chart below compares the three other measures of minimum income with the Self Sufficiency Standard. Compared to the Self Sufficiency Standard, the other three measures fall short.





- Poverty Level- 30% of Self Sufficiency Standard
- Minimum Wage -29% of Self Sufficiency Standard
- 200% of Poverty -59% of Self Sufficiency Standard

Poverty by Age

Shoreline residents 65 and older experience poverty at a lower rate than the overall population and the percent in poverty has remained stable. In comparing the 2005-2007 with the 2011- 2013 three year American Community Survey estimates, the number in poverty increased by 105 but the change is not statistically significant. The margin of error is large relative to the estimate size which further reduces the reliability of the estimate.

Year	Percent Poverty	Estimate	Margin of Error
2005-2007	8.7	646	+/-391
2011-2013	8.7	751	+/-222

Poverty among children under 18 increased 8.8% between 2005-2007 and 2011-2013 and the increase is statistically significant meaning there is a 90% probability the true number in poverty is between 1,015 and 2,345 (plus or minus the margin of error).

Year	Percent Poverty	Estimate	Margin of Error
2005-2007	7.5	759	+/-392
2011-2013	16.3	1680	+/-665

Poverty by Race

The rate of poverty increased for Asians by 7.1% between the 2005-7 and 2011-13 periods and during the same period for White's by 4.7%. The change is statistically significant for white's but not statistically significant for Asians.

Year	Percent Poverty White	Estimate	Margin of Error
2005-2007	6.8	2,581	620
2011-2013	11.5	4,303	1,091

Year	Percent Poverty Asian	Estimate	Margin of Error
2005-2007	6.7	490	293
2011-2013	13.8	907	571

No Shoreline poverty data was available for the 2005-2007 period for African Americans. In the 2011-2013 period an estimated 972 or 25% of the African American population in Shoreline was living below poverty. The percent of African Americans below poverty in King County increased from 28% for the period 2005-7 to 32% for the 2011-2013 period, an increase of 4% that is statistically significant.

No Shoreline data was available for the 2005-2007 periods for the Hispanic or Latino population. For the 2011-2013 periods, an estimated 610 people were living below poverty or 11.9% of the Hispanic or Latino population.

Poverty by Educational Level

The poverty rate for people who did not graduate high school decreased from 26.1% or 764 people in the 2005-2007 period to 22.1%, or 787 people in the 2011-2013 period. The change between the two periods was not statistically significant however the rates of poverty for those who do not finish high school are second only to African American rates of poverty.

Poverty by Family Type

Families headed by female householder with no husband and children under 18 had the highest poverty rates among families in poverty. The poverty rate was estimated at 59% in 2005-2007 and 40.9% in 2009-2011; however, the difference between the two periods was not statistically significant. This represents the highest rate of poverty among the population segments studied.

Chance of Becoming Poor

Nationally, it is estimated that the chance of becoming poor is roughly 4% a year. ¹However, this number does not include people who cycle through poverty. Based on national data, slightly more than half the population (51.4%) will experience poverty before age 65.

For more information contact:

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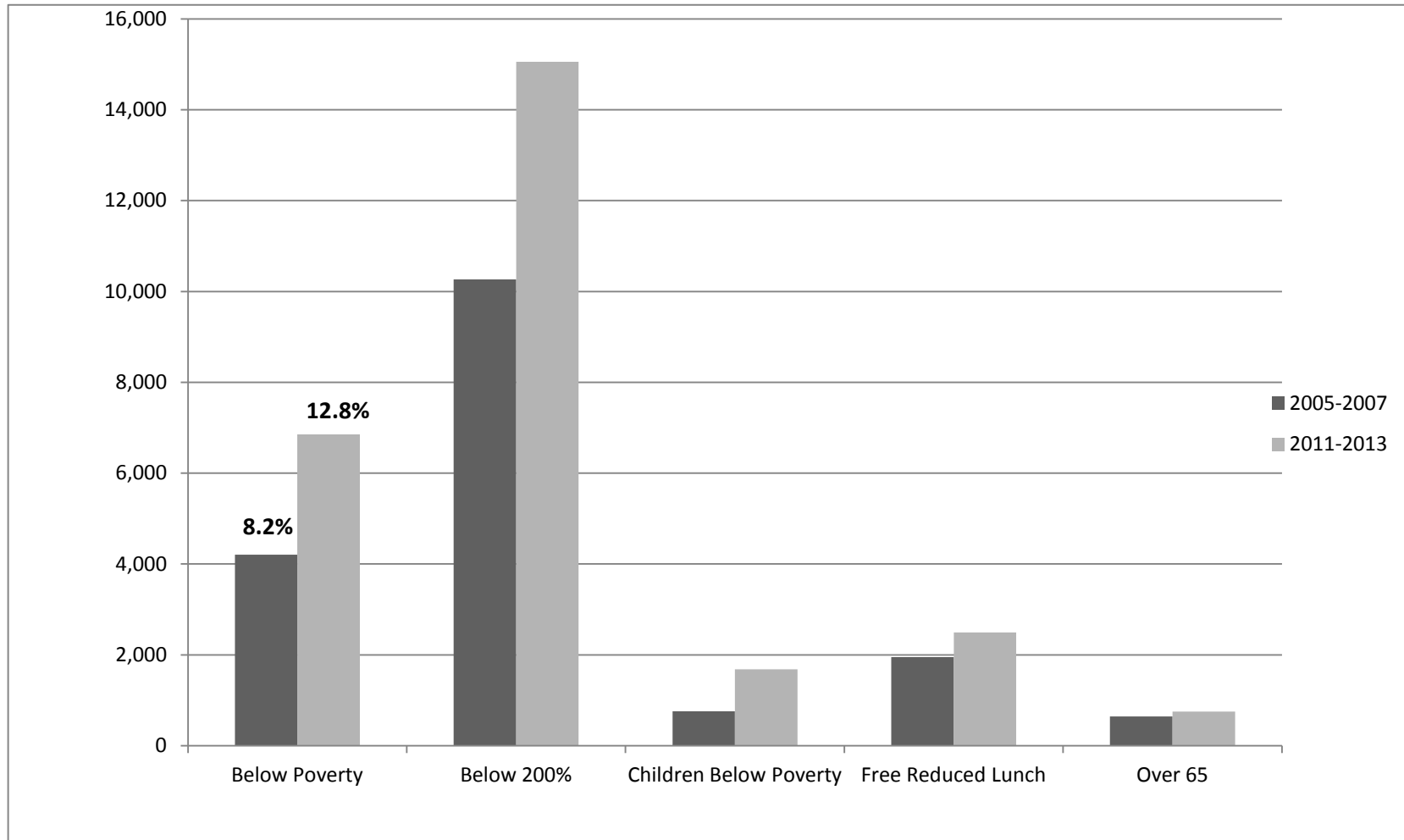
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¹ Transitioning In and Out of Poverty, Urban Institute, Mary Signe-McKernan, Caroline Ratcliffe, Stephanie R. Cellini.





CITY OF SHORELINE POVERTY

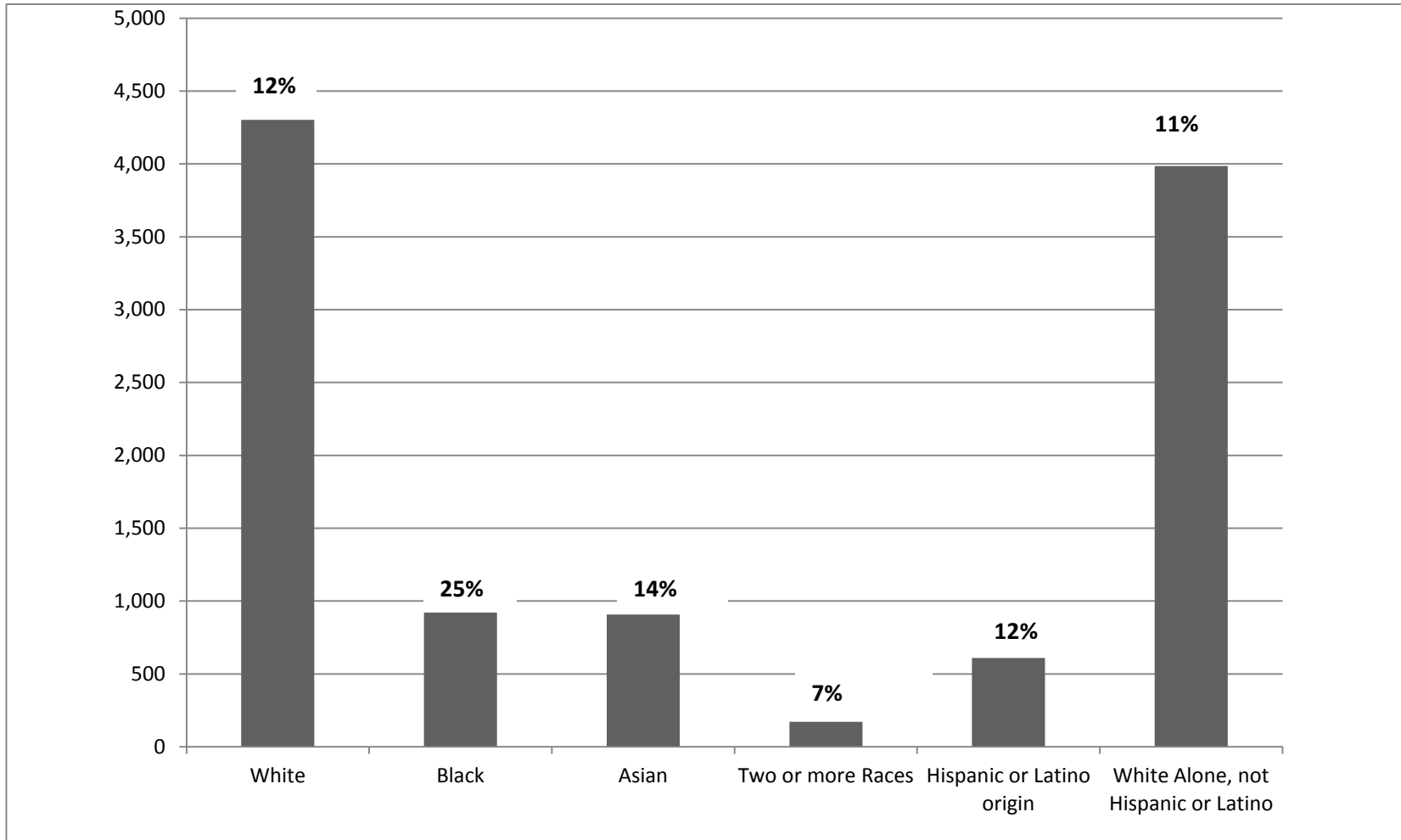


	2005-2007	2011-2013
Below Poverty	4,203	6,856
Below 200%	10,267	15,054
Children Below Poverty	759	1,680
Free Reduced Lunch	1,954	2,492
Over 65	646	751

SOURCE: ACS, OSPI



CITY OF SHORELINE POVERTY AND RACE



Race	Below Poverty	% of Race Below Poverty
White	4,303	12
Black	972	25
Asian	907	14
Two or more Races	172	7
Hispanic or Latino origin	610	12
White Alone, not Hispanic or Lat	3,986	11

SOURCE: U.S. Census Bureau American Fact Finder