



**For Immediate Release**

August 26, 2008 ; 2:45 p.m.

**New Census Data Shows Growing Poverty in Virginia**

**Despite Gains in Median Income, More Virginians Live in Poverty,  
and the Number of Uninsured Grows**

RICHMOND, VA – New data released by the Census Bureau today reveals that poverty and the number of uninsured in the state are growing and the incomes of Virginia’s families are no better off now than at the start of the recent economic expansion.

While the poverty rate fell nationally in 2007 from 13.3 percent to 13 percent, Virginia saw a significant increase in the share of its population that lives below the federal poverty threshold (increasing from 9.6 percent to 9.9 percent). Additionally, while the number of uninsured nationally fell, the number of Virginians who are uninsured continues to climb. The number of uninsured in the state topped one million for the second year in a row in 2007.

“Despite seeing incomes rise this past year, more Virginians are falling into poverty and fewer are able to obtain health insurance,” said Michael Cassidy, Executive Director of The Commonwealth Institute for Fiscal Analysis. “This demonstrates how the bottom has fallen out for low income workers in the state’s economy – their wages have tanked in recent years – and the benefits like health insurance coverage that go along with most jobs have vanished.”

More troubling is what the latest Census data reveals about how average families in the state fared during the recent economic expansion. The Census data released today provides information on what happened in 2007, the last year of the economic expansion. Since it is commonly thought that the economy has slipped into recession – or close to one – in 2008, this latest data through 2007 provides an opportunity to take stock of the whole economic

| <b>Poverty and Median Household Income, 2007<br/>Virginia's Metropolitan Statistical Areas</b> |                                |                     |
|--|--------------------------------|---------------------|
|  | <b>Median Household Income</b> | <b>Poverty Rate</b> |
| Blacksburg-Christiansburg-Radford, VA  | \$39,462                       | 20.80%              |
| Charlottesville, VA  | \$53,398                       | 13.30%              |
| Danville, VA   | \$33,239                       | 16.10%              |
| Harrisonburg, VA   | \$44,172                       | 15.50%              |
| Kingsport-Bristol-Bristol, TN-VA   | \$36,458                       | 15.90%              |
| Lynchburg, VA  | \$42,086                       | 14.70%              |
| Richmond, VA   | \$56,739                       | 10.40%              |
| Roanoke, VA  | \$46,896                       | 10.50%              |
| Virginia Beach-Norfolk-Newport News, VA-NC   | \$54,824                       | 10.40%              |
| Washington-Arlington-Alexandria, DC-VA-MD-WV   | \$83,200                       | 6.80%               |
| Winchester, VA-WV  | \$55,860                       | 9.90%               |
| *US Census Bureau  |                                |                     |

expansion and assess how the economy fared throughout the whole business cycle. In 2000/2001, median household income in Virginia was \$57,813. In 2006/2007, it was only \$58,950. There is no statistically significant difference between the two figures. Virginians are still no better off in terms of median income at the end of this business cycle than they were when it began.

“For as long as the government has kept records on this topic, median income in this country is higher at the end of the business cycle than it is at the beginning,” explained Cassidy. “People are usually better off at the peak year of an expansion compared to where they were at the peak year of the last expansion. Unfortunately, that did not happen this time in Virginia.”

Virginia’s 2007 median income of \$59,562 is the ninth highest in the country. Three of Virginia’s counties rank in the top ten large localities nationally, (Loudon county: 1st, Fairfax county: 2<sup>nd</sup>, and Prince William county: 9<sup>th</sup>) and three more rank in the top ten of medium sized localities (Arlington county: 3<sup>rd</sup>, Stafford county: 4<sup>th</sup>, and the Fauquier county: 5<sup>th</sup>).

The number of uninsured in Virginia in 2007 increased to 1,135,000. The percentage of the total population that is uninsured also rose from 13.3% in 2006 to 14.8% in 2007. The number of working Virginians getting health insurance through their job has decreased as well: in 2006, 66.7% received coverage through their jobs while now only 61.9% do.

The Census Bureau recommends using two-year average medians in order to ensure accurate comparisons across years. All figures are adjusted for inflation to equal the purchasing power of the dollar in 2007. Highlights include:

**Median Income:** Median income in the state increased between 2006 and 2007 by 2.9 percent. Virginia’s 2006-2007 average median income of \$58,950 places Virginia in the top ten highest income states.

**Poverty:** While low compared to other states and the nation, Virginia’s average overall poverty rate across 2006-2007 of 8.6 is not an improvement from the 2000-2001 rate.

Virginia fares relatively well in terms of the poverty rate for children- only eleven states have fewer children in poverty than Virginia and Virginia falls 5 percentage point below the national average. Between 2006 and 2007, however, the poverty rate for children in the Commonwealth increased from 11.7 percent in 2006 to 13 percent in 2007.

**Health Insurance:** Although Virginia still has a lower uninsured rate than the national average, the percentage of uninsured has shown a statistically significant increase over the past eight years. In 2000-2001, 10.3 percent of the population was without health insurance coverage. By 2006-2007, the percentage had risen to 14.1 percent. Over that same time period, the national uninsured rate has increased from 13.9 percent to 15.3 percent.

## **Fact Sheet: Health Coverage In Virginia Growing Number of Uninsured in Virginia and Shrinking Coverage through Employers**

Both the number and percentage of Virginians without health insurance increased for the third consecutive year, according to data released August 26, 2008 by the United States Census Bureau. In 2007, according to Census estimates, Virginia had over 1.1 million uninsured residents (14.8 percent of the population). The national health insurance data showed an opposite trend, with a decline of over 300,000 in the overall uninsured population.

Additionally, Census data shows that significantly fewer Virginians are receiving coverage through their employer. The key data from the Census include:

### **More Virginians Have Become Uninsured**

- While Virginia's uninsured rate has typically been well below the national average, Census data shows that the rate has risen substantially this decade and now more closely mirrors the national rate (15.3 percent in 2007). The percentage of Virginians without health insurance coverage increased from 13.1 percent in 2004-2005 to 14.1 percent in 2006-2007<sup>1</sup>. The percentage of uninsured has shown a statistically significant increase of 3.8 percentage points (10.3 to 14.1) between 2000-2001 and 2006-2007.
- Since the last economic expansion ended in 2000, almost 700,000 additional Virginia residents have become uninsured. The number and percentage of uninsured are expected to continue to rise in 2008 and 2009, as the effects of the current economic downturn are measured.

### **Employment Coverage Is Eroding**

- Virginia's employer provided health insurance coverage substantially declined in 2007. Only 61.9 percent of Virginians had health insurance through their employer in 2007, 4.8 percentage points less than in 2006. Virginia typically has a high insurance coverage rate for its workers, but the rising cost of coverage for both the employer and employee has likely had a negative effect on the affordability of employer provided insurance.
- The *overall* private insurance market, which includes coverage obtained through an employer and insurance purchased on the open market, declined for the fourth year in a row. According to Census data, 69.4 percent of Virginians received coverage from any private insurance plan in 2007, down from 72.1 percent in 2006. Since 2000, the private insurance rate has fallen by 6.2 percentage points.

### **Medicaid and SCHIP Have Prevented Further Increases in the Number of Uninsured**

- The strength of Medicaid and SCHIP (the children's health insurance program) has prevented further declines in the insurance coverage rates, both in Virginia and nationally.
  - In Virginia, 641,000 were enrolled in Medicaid in 2007, an increase of 77,000 from 2006.
  - In addition, according to data from the U.S. Department of Health and Human Services, Virginia's SCHIP program, Family Access to Medical Insurance Security (FAMIS), helped prevent an increase in the number of children without health insurance. According to federal SCHIP data, Virginia FAMIS enrollment increased from 137,182 in fiscal year 2006 to

---

<sup>1</sup> To account for small sample sizes in the survey, Census uses two-year averages to measure changes in state uninsured rates

144,163 in fiscal year 2007.

- Relying heavily on Medicaid and FAMIS, Virginia was able to counter the overall state trend for the child population. In 2007, Census reports that Virginia has 187,000 children without health insurance, a change that is not statistically significant from the 185,000 uninsured children in 2006.

**About The Commonwealth Institute**

*The Commonwealth Institute for Fiscal Analysis provides credible, independent and accessible information and analyses of state fiscal issues with particular attention to the impacts on low- and moderate-income persons. Our products inform state fiscal and budget policy debates and contribute to sound decisions that improve the well-being of individuals, communities and Virginia as a whole.*

*This research was funded by the Annie E. Casey Foundation. We thank them for their support but acknowledge that the findings and conclusions presented in this report are those of the author alone, and do not necessarily reflect the opinions of the Foundation.*

**For more information**

The Commonwealth Institute's analysis is available at [www.thecommonwealthinstitute.org](http://www.thecommonwealthinstitute.org)

Contact: Michael Cassidy, Executive Director  
The Commonwealth Institute for Fiscal Analysis  
[www.thecommonwealthinstitute.org](http://www.thecommonwealthinstitute.org)  
P.O. Box 12516, Richmond, VA 23241  
[michael@thecommonwealthinstitute.org](mailto:michael@thecommonwealthinstitute.org)  
804-643-2474 x. 112