

Poverty data should be a wake-up call for Louisiana

While the national economy continues to gain momentum, far too many families in Louisiana continue to be left behind. Data released this week by the U.S. Census Bureau show that poverty and economic inequality remain stubbornly high across the state. Louisiana continues to trail other Southern states and the nation as a whole on many key economic indicators. And in some parts of the state things are getting worse, not better.

HOW LOUISIANA COMPARES NATIONALLY		
	2017 Ranking	2016 Ranking
Poverty Rate	2nd highest	2nd highest
Child Poverty Rate	1st highest	3rd highest
Median Household Income	4th lowest	4th lowest
Income Inequality	4th highest	2nd highest

Source: American Community Survey, 2017

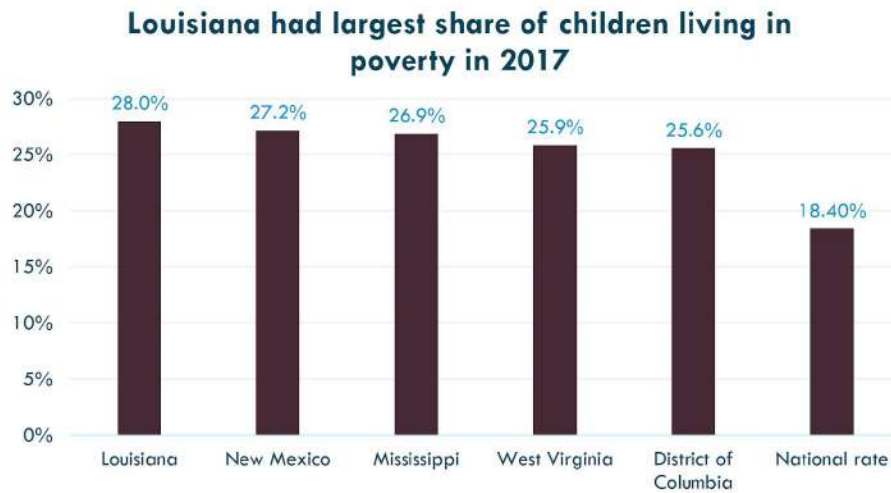
Statewide poverty rate

Louisiana’s economy is showing some signs of improvement, but the state’s poverty rate remained statistically unchanged in 2017, declining nominally from 20.3 percent in 2016 to 19.7 percent last year. That means Louisiana had the second highest poverty rate in the nation, second only to Mississippi at 19.8 percent and nearly 50 percent higher than the national poverty rate of 13.4 percent.

Louisiana tied for second highest share of residents living below poverty line		
51	Mississippi	19.8%
50	Louisiana	19.7%
50	New Mexico	19.7%
48	West Virginia	19.1%
47	Kentucky	17.2%
-	National poverty rate	13.4%
5	Connecticut	9.6%
4	Hawaii	9.5%
3	Minnesota	9.5%
2	Maryland	9.3%
1	New Hampshire	7.7%

Source: American Community Survey, 2017

The news is even worse for children, as Louisiana now has the highest child poverty rate in the nation. The state’s child poverty rate actually declined slightly from 28.6 percent in 2016 to 28.0 percent in 2017, but other high-poverty states experienced more substantial declines.



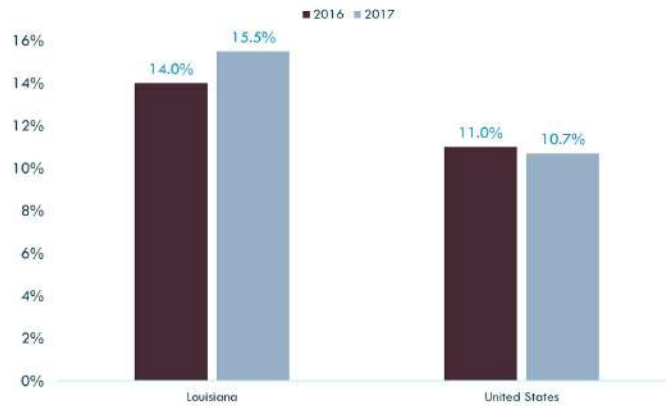
Source: American Community Survey, 2017



Louisiana also continues to have wide gaps between rich and poor, with the fourth-highest income inequality in the country. This means a smaller share of people in the state garner a large share of total state income compared to other states, as measured by the [Gini Coefficient](#). Connecticut, New York and the District of Columbia take the top three spots for highest income inequality, which is hardly surprising due to the high concentration of billionaires and millionaires in those states. Louisiana’s ranking, by contrast, highlights a disturbing pattern of inequality driven by the high prevalence of low-wage jobs and lack of a state minimum wage.

Racial inequality also continues to pervade Louisiana, and in some instances is worsening. In 2017, 15.5 percent of African Americans in Louisiana lived in “deep poverty,” meaning their household income was below 50 percent of the federal poverty line (or about \$6,000 per year for an individual). That’s a 1.5 percentage point jump from 2016. The national percentage of African Americans living in extreme poverty dropped slightly, from 11 percent in 2016 to 10.7 percent in 2017.

Percentage of African American Louisianans living in deep poverty increased

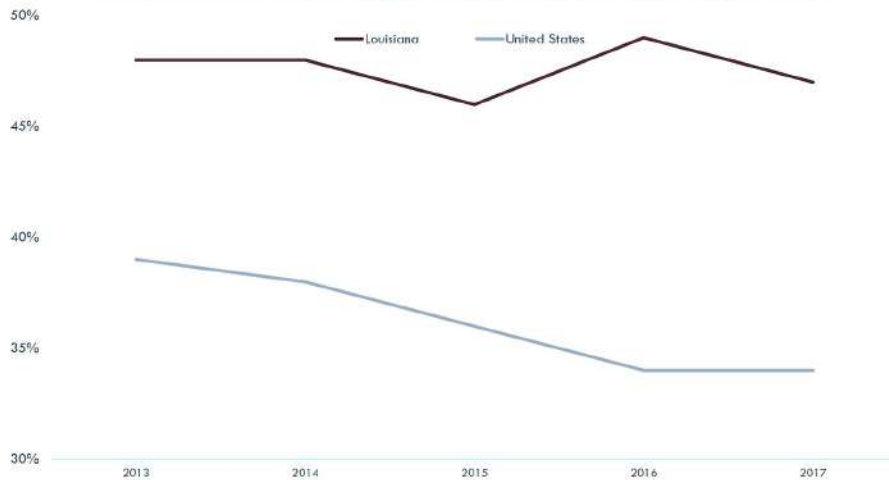


Source: American Community Survey, 2017



Since 2013, the national poverty rate for African-American children has been gradually declining. But that’s not the case in Louisiana, where an unacceptably high percentage of African-American children continue to live below the poverty line. For the fifth consecutive year, nearly half of Louisiana’s African-American children live in poverty – meaning they have an annual household income less than \$25,100 for a family of four.

Poverty rate for African American children in Louisiana remains high while national rate improves



Source: American Community Survey, 2017

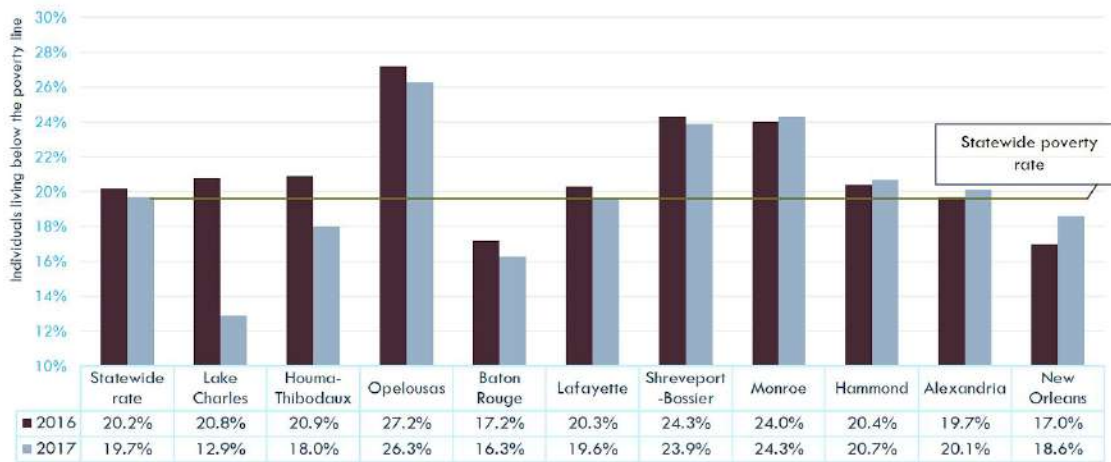


Local poverty data

Louisiana continues to have wide regional disparities in household income and poverty, an indicator that economic security and opportunity can depend in large part on where you live. In the Lake Charles region, for example, the poverty rate plummeted from 20.8 percent in 2016 to 12.9 percent last year - likely due to the massive petrochemical plants under construction there. Less than 100 miles away in Opelousas, the poverty rate was more than double at 26.3 percent.

New Orleans was the only metro area in the state to have a statistically significant increase in its poverty rate.

Poverty rates vary substantially across Louisiana's metro areas



Source: American Community Survey, 2017



While the New Orleans area poverty rate fell below the statewide rate in Louisiana, the increase in poverty in the region left New Orleans with the highest poverty rate of the [50 largest urban areas](#). Poverty among those without a high school diploma, women and African Americans in New Orleans are driving the high rates of poverty.

Racial and gender inequities and low education levels drive New Orleans' poverty rate

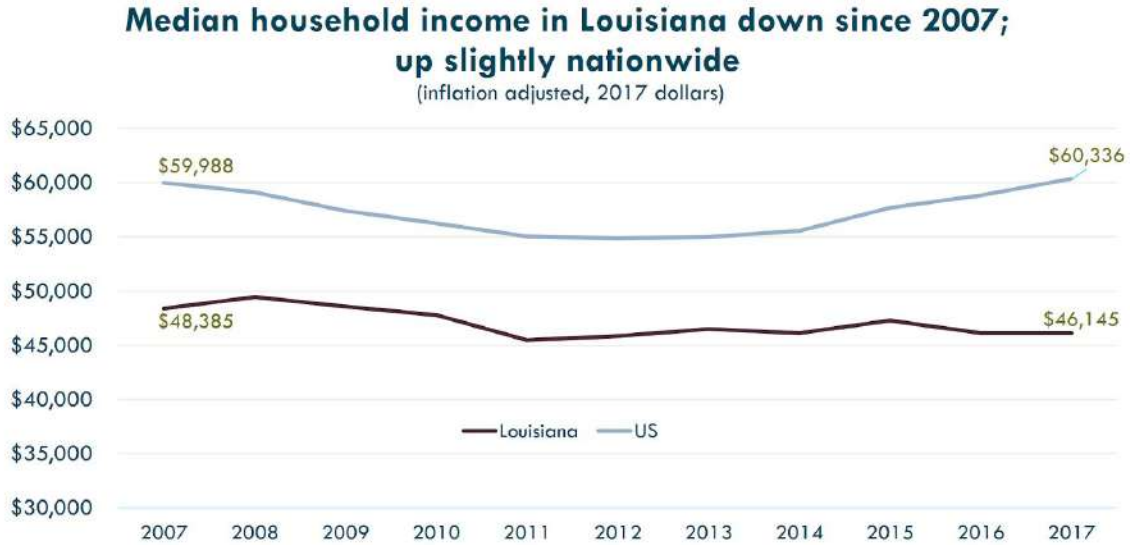
	Poverty rate
Overall	18.6%
Female	20.8%
Male	16.3%
White	10.9%
Black	29.8%
Asian	14.8%
Hispanic	25.3%
Less than high school diploma	33.3%
High school diploma	19.1%
Bachelor's degree or higher	5.4%

Source: American Community Survey, 2017



Median household income

The median household income in Louisiana in 2017 was \$46,145, which is 24 percent below the national median of \$60,336 and fourth-lowest among the states. Adjusted for inflation, Louisiana’s median household income has actually decreased by more than \$2,000 since 2007.



Source: American Community Survey, 2017



Like poverty rates, median household incomes also vary sharply by region in Louisiana. In four of the state’s metro areas, the median household income actually declined from 2016 to 2017, while median incomes went up by 10.4 percent in Opelousas, 9.4 percent in Baton Rouge and 13.7 percent in Lake Charles.

Median household income down in four Louisiana metro areas (nominal income data)

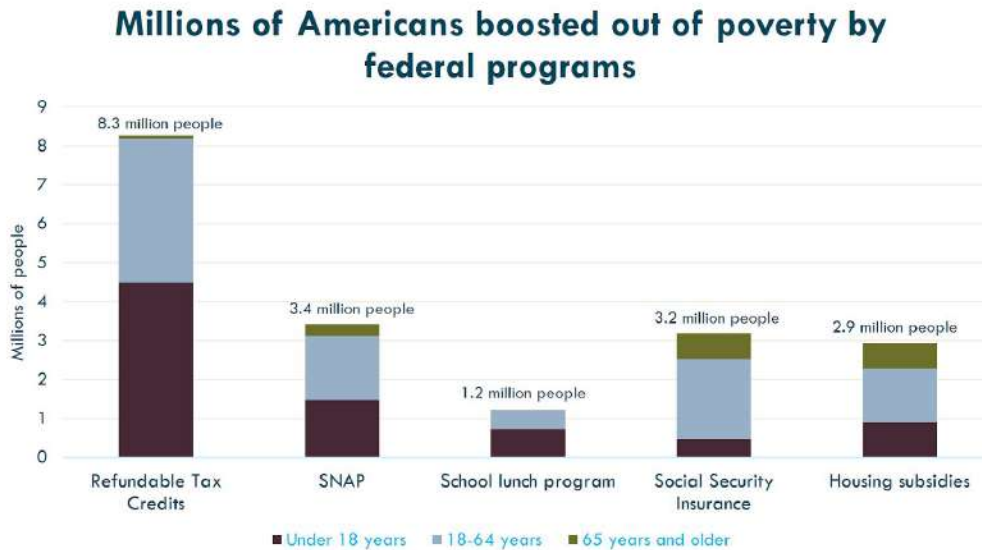
	2016	2017	16-17 change
Statewide median	\$ 45,146	\$ 46,145	\$ 999
Hammond	\$ 48,162	\$ 44,861	\$ (3,301)
Houma-Thibodaux	\$ 49,929	\$ 47,069	\$ (2,860)
Shreveport-Bossier	\$ 40,445	\$ 38,627	\$ (1,818)
Alexandria	\$ 42,136	\$ 40,585	\$ (1,551)
Monroe	\$ 38,004	\$ 39,610	\$ 1,606
New Orleans	\$ 48,804	\$ 50,528	\$ 1,724
Lafayette	\$ 45,409	\$ 47,848	\$ 2,439
Opelousas	\$ 31,207	\$ 34,462	\$ 3,255
Baton Rouge	\$ 52,487	\$ 57,401	\$ 4,914
Lake Charles	\$ 46,005	\$ 52,314	\$ 6,309

Source: American Community Survey, 2017



Federal safety net programs

With so many Louisiana families working hard to make ends meet but still coming up short, federal safety-net programs provide an important boost. The most effective tools in the federal safety net are the refundable tax credits that go to working families. In 2017, the Earned Income Tax Credit and the low-income portion of the Child Tax Credit lifted 8.3 million families above the poverty line nationwide.



Source: American Community Survey, 2017



Poverty rates, income levels and disparities by race and gender are, in many ways, the result of policy decisions made by local, state and federal lawmakers.

In Louisiana, policymakers have tools at their disposal that can help remove barriers to economic opportunity and help more families reach the middle class and beyond. For example, establishing a statewide minimum wage above the federal minimum would disproportionately increase the incomes of female workers and workers of color. Increased state investments in need-based financial aid would help to ensure the high proportion of African American children who grow up in poverty have an opportunity to attend college. Continuing to invest in the state Earned Income Tax Credit and ensuring access to safety net programs like the Supplemental Nutrition Assistance Program and Medicaid helps to keep working poor families from slipping below the poverty line and into deep poverty.

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