Census 2022 Poverty, Income and Health Insurance in Louisiana



November 2023

Census 2022: Overview

Louisiana Budget Project

Key Findings for Louisiana

- * 18.6% Official Poverty Rate,
 - an annual measure, fell slightly, making Louisiana the second-poorest state in the nation. An estimated **829,565** people, including **255,159** children, lived in poverty in 2022.
- 10.9% Supplemental Poverty Rate, a state-level, 3-year average that includes pandemic-era federal aid, fell slightly, representing 492,000 people.
- 6.9% Health uninsured rate, an annual measure, fell to a historic low, representing 312,196 people.
- \$55,416 Median household income decreased by 1.6% in 2022 inflation-adjusted dollars. Income inequality in Louisiana is the sixth highest nationally.

Expiring federal aid leaves Louisianans vulnerable

Each September, the U.S. Census Bureau releases data about poverty, income and health insurance for the previous year for every state and the nation as a whole. This glimpse into economic conditions in 2022 offers a mixed picture as some pandemic-era safety-net program protections remained in effect while others were allowed to expire.

Though the data paint a somewhat complex picture, **the policy conclusion is clear:** A strong federal safety net improves lives.

- Pandemic-era Medicaid enrollment protections **drove down Louisiana's uninsured rate**, yet those protections are gone and people are losing coverage.
- **Pandemic-era federal aid** kept the state's three-year Supplemental Poverty measure low; though, it will likely rise sharply again next year.
- Historic gains in reducing child poverty nationally were completely erased as Congress failed to renew the pandemic-era enhanced child tax credit.

The pandemic provided a snapshot of how **strong federal safety net programs** help low-income families. But, as federal aid expires, Louisiana policymakers face a choice: build on the success of proven pandemic-era policies, or go back to the status quo. Louisiana families deserve a strong safety net and proven policies to help them thrive.



By the Numbers: How Louisiana Ranks Nationally



The overall poverty rate in Louisiana was 18.6% in 2022, down from 19.6% in 2021, the second highest in the nation. This means 829,565 Louisianans lived at or below the federal poverty line last year.

The share of children living in poverty in Louisiana remained high at 24.4%, down from 26.7% in 2021. This leaves 255,159 children - 1 in 4 growing up in poverty in Louisiana.

Household median income remained among the nation's lowest, falling slightly to \$55,416 in 2022 from \$56,301 in 2021, continuing a downward trend since pre-pandemic 2019 income levels.

Income inequality remained high in Louisiana. That's largely due to the high concentration of poverty - not high accumulation of wealth.

Census 2022: Supplemental Poverty Measure



Supplemental Poverty Measure improvements short-lived as federal aid programs expire National Official Poverty Measure and Supplemental Poverty Measure rates from 2013 to 2022



Source: U.S. Census Bureau, Current Population Survey, Emily A. Shrider and John Creamer, "Poverty in the United States 2022," September 12, 2023, Report Number P60-280

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Federal aid made all the difference

After Congress failed to renew pandemic-era federal aid, including the enhanced child tax credit, the nation's Supplemental Poverty Measure (SPM), which includes federal aid, spiked from an all-time low of 7.8% to **12.4%**, or about **41 million** people.

The Official Poverty Measure (OPM), which does not account for federal safety-net programs, remained statistically unchanged at **11.5%** representing about **37.9 million** people in 2022.

Why Supplemental Poverty Measure?

The Official Poverty Measure (OPM) has been the federal government's main method of calculating poverty since the 1960s. However, it is a limited measure that often undercounts economic hardship. The SPM was developed in 2009 and provides a more comprehensive picture. It includes geographic differences in cost of living, a broader definition of household size, and accounts for refundable tax credits and other government programs.

Census 2022: Supplemental Poverty Measure



Gains in reducing child poverty erased

Child poverty doubled from a historic low of **5.2%** in 2021 to **12.4%** in 2022 according to the nation's more comprehensive poverty measure, the SPM. Pandemic-era federal aid, specifically the enhanced child tax credit, greatly accelerated a trend of gradually decreasing child poverty rates in the United States. An estimated **three million children would have been kept out of poverty in 2022** if Congress had made the American Rescue Plan's expansion of the Child Tax Credit permanent according to the Center on Budget and Policy Priorities.

Spotlight on state-level SPM

The U.S. Census Bureau publishes the nation's SPM each year for the population as a whole and by age group. However, it publishes state-level SPM using three-year averages without age group-specific data. This makes it difficult to isolate single-year policy impacts at the state level, including the impact of pandemic-era federal programs. However, it is reasonable to assume that Louisiana experienced a similar single-year spike in child poverty, as 94% of Louisiana children benefited from the enhanced child tax credit.

Nationally, child poverty rates soared after pandemic-era low

National child poverty rate as measured by the Supplemental Poverty Measure(SPM)



Source: U.S. Census Bureau, Current Population Survey, Emily A. Shrider and John Creamer, "Poverty in the United States 2022," September 12, 2023, Report Number P60-280 Louisiana Budge

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Census 2022: Supplemental Poverty Measure



Safety-net programs

Public safety-net programs provide critical economic aid for people with low incomes. They help with basic needs such as food, housing and income supports and lift millions out of poverty each year.

When these programs expanded during the pandemic, we saw the truly transformative power of robust financial supports for working-poor families.

A return to the status quo

Lawmakers' decision to let the pandemic-era expansion of the CTC and some other safety net programs expire led to a predictable decrease in those programs' effectiveness in fighting poverty in 2022. Refundable tax credits lifted **6.4 million** out of poverty in 2022, down from 9.6 million in 2021. That includes the **2.4 million** that were lifted out of poverty by the CTC in 2022, which is down from 5.3 million in 2021.

Safety-net programs still essential in fighting poverty as pandemic-era expansions end

Number of people (in millions) lifted out of poverty in 2022 by federal safety net programs



NOTES: Refundable tax credits included the Earned Income Tax Credit (EITC), Child Tax Credit, and the Child and Dependent Care Credit. Source: U.S. Census Bureau, Current Population Survey, Emily A. Shrider and John Creamer, "Poverty in the United States 2022," September 12, 2023, Report Number P60-280

Census 2022: Income



Racial income disparities persist in Louisiana

Louisiana median household income(inflation adjusted) from 2005 to 2022 by race



Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates (B19013); Bureau of Labor Statistics, CPI-U-RS

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Back-to-back years of declining incomes

Louisiana's median household income - the amount at which half of households earn above and half below - fell to **\$55,416**, well below the national median of **\$74,755**.

In 2022, Louisiana median household income varied widely by race:

- **♦ Black:**\$36,166
- White: \$67,499 (non-Hispanic)
- **♦ Latino:** \$57,039 (any race)
- **Asian:** \$66,807
- American Indian and Alaska Native: \$49,691

Incomes for Black Louisianans have remained stagnant over the last 17 years - only increasing from \$35,011 in 2005 to 36,166 in 2022 when adjusted for inflation. Black households on average bring home **\$31,333** less per year in income than their white counterparts.

Census 2022: Income



Incomes across Louisiana

Median household income in 2022 varied greatly depending on where you live in Louisiana. Incomes were highest in southeastern region and lowest in central and northern Louisiana parishes.

The metro areas of **Houma- Thibodaux** and **Lafayette**, like the state as a whole, saw incomes fall slightly. No metropolitan area experienced statistically significant growth in incomes, and no region recorded incomes on par with the national average.

Low household incomes hurt Louisianans well-being, making it hard for families to meet everyday needs, save for the future, or deal with unexpected expenses such as evacuating during natural disasters.

*For more information on Louisiana incomes, see Appendices 1 & 2.

Income in Louisiana varies by region

Median household income(inflation-adjusted) for select metro areas in 2022



Source: U.S. Census Bureau, American Community Survey, 2021 and 2022 1-year estimates.



Poverty persists in Louisiana

Louisiana's poverty rates remain persistently high, hurting our state's families and our economy. The share of Louisianans living in poverty account for **18.6%** of the state, or **829,565** individuals, living below the poverty line. In 2022, Mississippi and Louisiana had the highest and second-highest poverty rates, respectively. Both states experience much higher poverty rates than the national average of **11.5%**. Their is an **11.4%** percentage point gap between New Hampshire, the state with the lowest poverty rate, and Louisiana.

The **Official Poverty Measure** accounts for annual pretax dollars but does not consider public aid, like the child and earned income tax credit.

2022 Poverty Thresholds



Louisiana poverty rate second highest in the nation

Official Poverty Rate for top and bottom five states and the United States in 2022



Source: U.S. Census Bureau, American Community Survey, 2021 1-year estimates. (Table DP03); U.S. Census Bureau Poverty Thresholds

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Poverty persists in Louisiana

As with average household income, the percentage of people living in poverty in Louisiana continues to vary drastically by race.

- **Black:** 29.4% or 404,064 people
- Another Race: 21.7% or 18,973 people
- Latino: 20.3% or 51,704 people (any race)
- American Indian or Alaskan Native: 18.8% or 4,941 people
- White: 12.8% or 326,114 people (non-Hispanic)
- **Asian:** 12.3% or 9,815 people

Historic racial inequities in both income and wealth drive these disparities that impact Louisiana communities, with close to **1 in 3 Black Louisianans living in poverty**. All racial and ethnic groups in Louisiana experience higher rates of poverty than the national average of **11.5%** in 2022.

Louisiana poverty levels vary widely by race

Official poverty rates in Louisiana by race in 2022



Source: U.S. Census Bureau, American Community Survey, 2021 1-year estimates. (Table DP03); U.S. Census Bureau Poverty Thresholds



Deep poverty in Louisiana

Deep poverty rate (below 50% of the poverty line) in the United States and Louisiana



Note: *Denotes a statistically significant change at the 90% confidence level. Source: U.S. Census Bureau, American Community Survey, 2019, 2021, 2022 1-year estimates. (Table S1703) Louisiana Budget Project | labudget.org

Deep poverty on the rise

The share of Louisianans living in deep poverty below half the federal poverty line or **\$14,975** for a family of four - fell to **8.5%** in 2022 from 9.4% in 2021. This brings deep poverty levels back to similar 2019 pre-pandemic rates. Louisianans still experience deep poverty at much higher rates than the national average.

Deep poverty has harmful, long-lasting effects on families. It disproportionately affects female-headed households, those without a college degree, people of color, women and children.

In Louisiana, **10.9% of children** lived in deep poverty in 2022. **Women (9.5%)** and people **without a high school diploma (14.6%)** were more likely than **men (7.3%)** and people with a **bachelor's degree (3.2%)** to be affected. Female-headed households without a spouse were among the most impacted (**17.2%**). **Black Louisianans (12.9%)** were more than twice as likely as **whites (6.2%)** to live in deep poverty.



Child poverty remains too high

Child poverty in Louisiana remained stubbornly high at **24.4% in 2022**, meaning that nearly **1 in 4 children** in the state are growing up in poverty - the third-highest rate in the nation.

The Census estimates that **255,159** children in Louisiana live in households struggling to afford basic necessities such as food, shelter and transportation.

The national child poverty rate - as measured by the Official Poverty Measure - remained high at **16.3% in 2022**, down from 16.9% in 2021. National child poverty under the Supplemental Poverty Measure, which takes government aid into account, spiked from **5.2% in 2021** to **12.4% in 2022** as a direct result of federal policy choices, such as Congress's decision to let the Child Tax Credit expansion expire.

Louisiana child poverty rate remains among highest in the nation

Child poverty rate from OPM for top and bottom five states and the United States in 2022



Source: U.S. Census Bureau, American Community Survey, 2019 and 2021 1-year estimates.

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Poverty in Louisiana by parish

Note: *Denotes a statistically significant change at

Source: U.S. Census Bureau, American Community Survey, 2021 and 2022 1-year estimates.



The poverty rate in Louisiana varies greatly by metro area - with the highest concentrations in central Louisiana in Opelousas at 29.8% and the lowest rate of 15.7% in both New Orleans and Baton Rouge. By parish, St. Landry **Parish** experienced the highest rate of poverty at **29.8%** while **Ascension** Parish had the lowest at 9.9%.

The **New Orleans-Metairie** metro area was the only urban area with a statistically significant change in poverty levels, with the poverty rate dropping from **18.4%** in 2021 to 15.7% in 2022. Several metros, including Hammond and Opelousas, saw non-statistically significant poverty rates increases.

*For more information on poverty rates by Louisiana metropolitan area, see Appendix 3.

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Census 2022: Health Insurance

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Health coverage matters

Louisiana's uninsured rate **fell to 6.9%** in 2022, which marks the lowest percentage of residents without health coverage in the state's history. This was the result of the state's 20216 decision to extend Medicaid coverage to low-income adults, a pandemic-era policy that barred the state from dropping people from the Medicaid rolls and improved affordability of Marketplace coverage.

The state has made progress in decreasing in the number of **uninsured children** during the pandemic. The child uninsured rate fell to 3.5%, or about 39,500 children in 2022, compared to a <u>recent</u> <u>peak</u> of 4.4% or about 50,000 children in 2019.

While Louisiana and the nation achieved historic lows in uninsured rates because of pandemic era policies, the conclusion of these protections raises concerns. As we transition to a post-pandemic era, preserving those coverage gains, especially for children, is critical.

Uninsured rates in Louisiana and the nation drop to historic lows amid pandemic-era protections

Uninsured rate for Louisiana and United States 2013 to 2022



Source: U.S. Census Bureau, American Community Survey, 1-year estimates.

Census 2022: Health Insurance

Stark racial disparities remain between Louisianans despite historic gains in coverage



Uninsured rate in Louisiana by racial and ethnic group in 2022

Source: U.S. Census Bureau, 2022 Annual Social and Economic Supplement Table S2701

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Health coverage varies by race

There are large racial disparities between:

- White 5.2% (133,602 people)
- **Black** 6.4% (88,406),
- Latino 25.8% (65,974)
- American Indian or Alaska Native 24.3% (6,444)
- Another race 35.0% (30, 831)

Eligibility limitations for non-citizen residents and other administrative barriers may contribute to the high uninsured rate among Latinos and another-race Louisianans.

Louisiana has the third-largest share of its population covered by public programs, with **47.7% (2,145,830)** Louisianans covered by Medicare, Medicaid, or Veterans Affairs coverage. More than half (**53.2%, or 595,426)** of children under 19 in Louisiana are covered by Medicaid. Other Southern states such as Georgia, South Carolina, and Texas could see similar coverage gains, if they adopted Medicaid expansion.



Census 2022: Health Insurance

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Medicaid expansion keeps Louisiana uninsured rate lower than surrounding non-expansion states

Uninsured rate in neighboring states 2021 and 2022



Note: *Denotes a statistically significant change at the 90% confidence level. Source: U.S. Census Bureau, American Community Survey, 2021 and 2022 1-year estimates.

Keeping people covered

Uninsured rates in states that expanded Medicaid, are much lower than in states that refuse to expand eligibility. This keeps medical costs affordable for those who need care and can least afford it.

Medicaid expansion states have lower uninsured rates

Uninsured rate in expansion and non-expansion states 2021 and 2022

Expansion States Nonexpansion States



Census 2022



Related LBP Reports

This report is the latest in a series of publications based on the Census Bureau data. Related LBP publications in the series include:

- "<u>Census 2021: Louisiana: Poverty,</u> <u>Income and Health Insurance</u>" a chart book of national census data on poverty, income, and health insurance
- "<u>Census 2020: Covid-19</u>" a chart book of national data amid Covid-19,
- "Poverty in Louisiana: Census 2019" a chart book on poverty and income,
- "Louisiana Children Health Uninsured Rates Census 2019" an in-depth look at the historic rise in uninsured rate for Louisiana children,
- "Census 2018: <u>Poverty Drops</u> (slightly) in Louisiana" a policy brief on income and poverty in Louisiana.

These and many other LBP publications may be found on our website at labudget.org.

What's next?

Louisiana can build a stronger, more equitable economy that works for all Louisianans and provides opportunities for our youth and families to reach their highest potential. State lawmakers can take action to provide a better tomorrow for Louisiana families by:

- Establishing a state minimum wage above the federal minimum that rises with inflation;
- Reforming the state tax structure to ensure Louisiana raises enough revenue each year to support students, build strong communities and safeguard its most vulnerable citizens;
- Expanding the Earned Income Tax Credit and establishing a Child Tax Credit to provide families with the resources they need to afford basic necessities; and
- Ensuring a strong safety net to help families when they need it most, including eliminating barriers for eligible people to enroll in anti-poverty programs.

Together we can <u>Invest in Louisiana</u> and ensure every family has what they need to thrive.

Census 2022: Appendix 1. Median Household Income



Household median income in Louisiana by race from 2005 to 2022

	Overall	Black	White	Latino	Asian	AIAN
2022	55,416	36,166	67,499	57,039	66,807	49,691
2021	56,301	36,293	69,965	58,638	65,235	67,611
2020						
2019	58,643	37,547	71,152	49,296	72,185	49,070
2018	56,004	35,292	70,076	50,825	66,868	54,493
2017	55,264	33,799	68,524	47,264	75,642	42,461
2016	55,217	33,507	68,272	48,037	65,962	52,705
2015	56,650	34,115	70,196	51,384	72,904	41,678
2014	55,293	34,320	68,181	55,769	78,547	48,599
2013	55,722	34,179	68,746	58,111	59,782	53,517
2012	55,002	34,739	67,828	50,584	58,140	44,550
2011	54,570	33,768	67,607	54,657	73,290	49,888
2010	57,351	36,584	68,950	60,595	68,275	47,380
2009	58,263	36,648	70,631	54,928	65,841	51,673
2008	59,756	37,451	72,038	56,114	64,583	48,383
2007	58,072	35,891	70,697	51,940	72,968	45,545
2006	57,402	35,002	68,396	56,584	69,377	62,800
2005	55,337	35,011	66,744	56,603	68,760	51,461

Source:U.S. Census Bureau, ACS, 2021 and 2022 1-year estimates. Table B19013 (overall); Tables B19013B-B19013I (by race); and CPI-U-RS from BLS

Census 2022: Appendix 2. Income by Metro Area



Household median income by Louisiana metro area

Metro Area	2022	2021	2019
Opelousas	\$41,976	\$41,722	\$44,414
Monroe	\$44,507	\$48,642	\$46,085
*Lafayette	\$50,837	\$58,295	\$61,422
Shreveport-Bossier City	\$52,775	\$52,061	\$54,480
Hammond	\$55,391	\$57,150	\$54,913
Louisiana	\$55,416	\$56,301	\$58,643
Alexandria	\$56,339	\$50,837	\$58,046
*Houma-Thibodaux	\$58,332	\$66,452	\$57,266
New Orleans-Metairie	\$61,602	\$61,436	\$63,967
Lake Charles	\$62,184	\$63,488	\$59,188
Baton Rouge	\$64,222	\$62,991	\$69,750
*United States	\$74,755	\$75,358	\$75,452

Note: *Denotes a statistically significant change from 2021 to 2022. Both Louisiana overall and Baton Rouge experienced statistically significant changes in income from 2019 to 2022. Source: U.S. Census Bureau, American Community Survey, 2021 and 2022 1-year estimates (Table CP03).

Census 2022: Appendix 3. Poverty by Metro Area



Official Poverty Measure rate by Louisiana metro area

Metro Area	2022	2021
Opelousas	29.8%	27.1%
Monroe	24.9%	27.2%
Lafayette	20.2%	19.6%
Hammond	19.4%	15.4%
Shreveport-Bossier City	19.1%	21.4%
*Louisiana	18.6%	19.6%
Alexandria	17.8%	19.9%
Lake Charles	16.3%	18.7%
Houma-Thibodaux	16.0%	14.6%
Baton Rouge	15.7%	17.0%
*New Orleans-Metairie	15.7%	18.4%

Note: *Denotes a statistically significant change from 2021 to 2022. Source: U.S. Census Bureau, American Community Survey, 2021 and 2022 1-year estimates (Table CP03).

Census 2022: Resources



Resources

- Center for Budget and Policy Priorities, "<u>Analyzing the Census Bureau's 2022 Poverty, Income, and Health Insurance Data.</u>" (Sept. 12, 2023).
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- Keisler-Starkey, K., Bunch, L., and Lindstrom, R., "<u>Health Insurance Coverage in the United States: 2022</u>," United States Census Bureau, (Sept 12, 2023).
- Parrott, S., "<u>Record Rise in Poverty Highlights Importance of Child Tax Credit; Health Coverage Mark a High Point Before Pandemic Safeguards Ended</u>," Center for Budget and Policy Priorities, (Sept. 12, 2023),.
- Shrider, E. and Creamer, J. "Poverty in the United States: 2022," United States Census Bureau, (Sept. 12, 2023).



American Community Survey

The American Community Survey (ACS), is an ongoing yearly survey conducted by the Census Bureau that provides data that gives communities up-to date information for planning and policy decisions. In addition to providing demographic information, the Survey asks about a variety of individual and household attributes, including income, family relationships, housing, etc. Because the Survey provides information at the local level, the ACS offers a larger sample than the CPS and other nationally representative samples, surveying more than 3 million people every year. Normally, this data can be used to provide state- and local-level data, but due to the Covid-19 pandemic disrupting survey collection through much of the spring and summer of 2020, the Census Bureau was unable to meet its data quality standards for normal release in 2021. Consequently, state and local data is compared to 2019 in this report, the last year it was available.

Current Population Survey

The Current Population Survey (CPS), which is conducted jointly by the Bureau of Labor Statistics (BLS) and the Census Bureau, is one of the oldest, largest and most well- recognized surveys in the United States. Because of its longevity - its beginnings date back to the 1930s - it is immensely useful in providing information on employment, income, and education among other statistics over long periods of time. The survey is administered throughout the year with special supplemental questions added to individual months. It is recommended for national level data and provides the basis for the national Official Poverty Measure, national and state Supplemental Poverty Measure, and national household median income.

Household Pulse Survey

After the onset of Covid-19, the Census Bureau initiated the Household Pulse Survey to quickly gather information about how the pandemic was impacting U.S. households. The Pulse Survey has been administered on a weekly or bi-weekly basis since April 2020 in 3 phases with multiple subsets. It has been featured in previous LBP publications.



Louisiana Budget Project

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The Louisiana Budget Project (LBP) monitors and reports on public policy and how it affects Louisiana's low- to moderate-income families. We believe that the lives of Louisianans can be improved through profound change in public policy, brought about by: creating a deeper understanding of the state budget and budget-related issues, looking at the big picture of how the budget impacts citizens, encouraging citizens to be vocal about budget issues that are important to them, and providing insight and leadership to drive the policy debate.

This chart book was created by Christina LeBlanc, Paul Braun, and Courtney Foster, and edited by Stacey Roussel and Jan Moller. This work was made possible by generous financial support from the Annie E. Casey Foundation, the W.K. Kellogg Foundation, the Ford Foundation, the Mary Reynolds Babcock Foundation, and individual donors. LBP is a member of the State Priorities Partnership, coordinated by the Center on Budget and Policy Priorities, and the Economic Analysis and Research Network, managed by the Economic Policy Institute.