

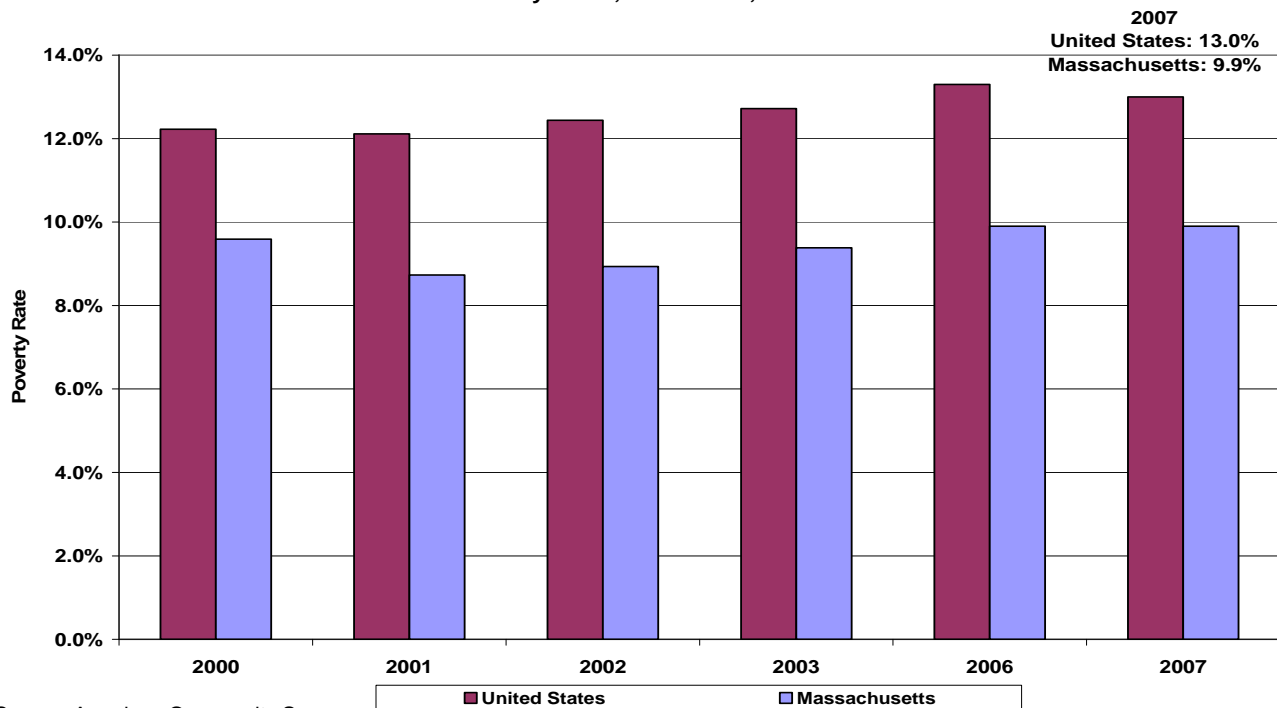


Census Bureau Shows No Change in Poverty Rate in Massachusetts

Today, the U.S. Census Bureau released its annual updates on poverty, median household incomes, and health insurance coverage in the United States.

- According to the American Community Survey (ACS), the total poverty rate for Massachusetts for 2007 remains at 9.9 percent, the same level as 2006.
- The Census Bureau’s data indicate that, six years in to an economic recovery, poverty rates have not declined in Massachusetts. In 2000, the poverty rate, as measured by the ACS, was 9.6 percent. In 2007, the most recent period for which the Bureau has released data, the Massachusetts poverty rate stood at 9.9 percent.

Total Poverty Rates, MA and US, 2000 - 2007

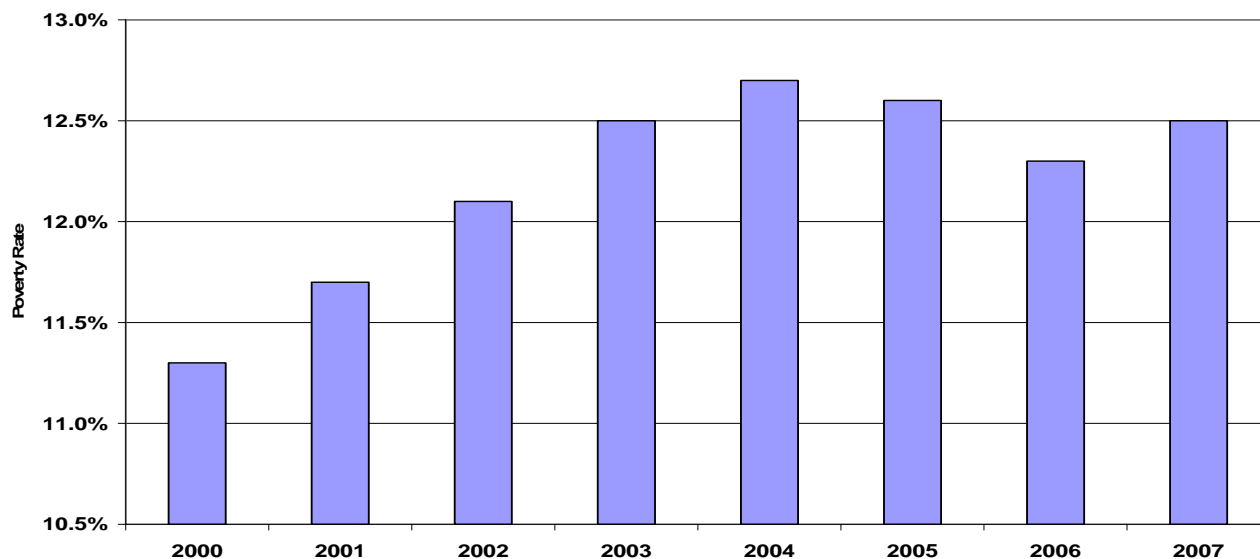


Source: American Community Survey

Note: According to the Census Bureau, 2004 and 2005 poverty data from the ACS are not comparable to other years due to a change in the way that survey respondents living in group quarters are recorded.

- According to the ACS, for the country as a whole, the poverty rate fell from 13.3 percent in 2006 to 13.0 percent in 2007.
- As explained in the notes below, the ACS is the official source of information for state-level poverty data. A different source, the Current Population Survey, is the primary source of national poverty data. According to the ACS, the national poverty rate increased from 12.2 percent in 2000 to 13.0 percent in 2007. According to the CPS, for the country as a whole, the poverty rate increased from 11.3 percent in 2000 to 12.5 percent in 2007.

Total Poverty Rate, United States, 2000 - 2007



Source: Current Population Survey

Methodological Notes

- The poverty rate measures the percentage of people who live in households with incomes below a certain level, known as the poverty threshold. This threshold varies depending on the number of people in a family and their ages; it is updated each year for inflation. For 2007, the poverty threshold for a single person under the age of 65 was \$10,787; for a family of four with two children, it was \$21,027; and, for a single parent with one child, it was \$14,291. For purposes of determining the poverty rate, income is defined as all money income earned by a family, before taxes and excluding any non-cash benefits such as Medicaid or food stamps.
- The poverty threshold does not vary from state to state. If the poverty threshold were adjusted to take differences among the states into account, it is likely that the poverty rate for Massachusetts would be higher, given the Commonwealth's high cost of living. For instance, a December 2003 study by two U.S. Census Bureau analysts found that the poverty rate in Massachusetts for the period 1999-2001 would have been 13.3 percent, rather than 10.2 percent, if the federal poverty threshold were adjusted to account for differences in housing prices.
- The Census Bureau's recent data on poverty and incomes derives from two main sources: the Current population Survey (CPS) and the American Community Survey (ACS). The CPS is the official source for national poverty and income data. However, the ACS is based on a larger sample and is thus able to provide information on a state and sub-state basis that does not have to be pooled over multiple years.
- At various points in this analysis we refer to whether or not the difference between two numbers, usually from two years, is statistically significant. Because the ACS data are based on a survey of a random sample of individuals meant to represent the entire state or nation, one cannot be certain that the estimate produced by the sample is the actual rate for the entire population. For each number they publish, the Census Bureau includes a "margin of error." Statistically we can say that if there is no difference between the most recent data and the year it is being compared to, 90 random samples out of 100 would fall within our margin of error. This is called a 90 percent confidence interval. Therefore, when this report states that the difference between two numbers is not statistically significant, we are saying that our sample falls within the confidence interval.