

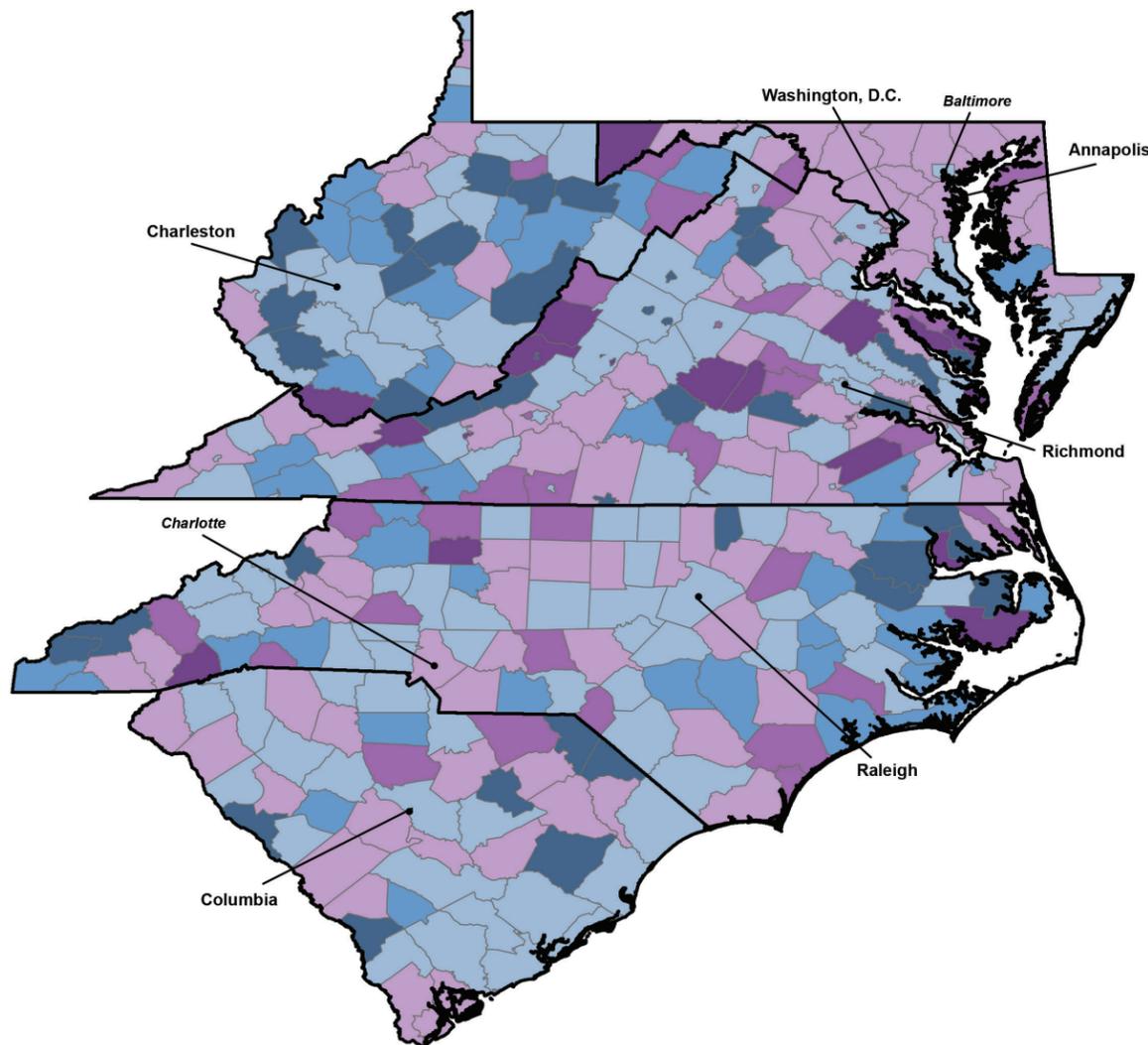
5th District Footprint

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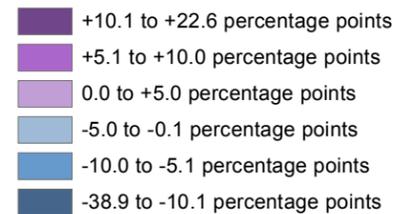
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Poverty Rate of 25- to 34-Year-Olds, Percentage Point Change by County, 2009-2016



Source: U.S. Census Bureau, 2009 and 2016 American Community Survey 5-Year Estimates.

Note: The U.S. Census Bureau determines poverty status using federal poverty thresholds that account for household income, family size and family composition. Poverty status is determined over the preceding 12 months.

Poverty Among 25- to 34-Year-Olds in the Fifth District

Adults who are currently between the ages of 25 and 34 were high school students, college students and young adults during the Great Recession.¹ This group of individuals matured during tumultuous economic times and poverty rate data for this population segment indicate that the Great Recession had long-term effects on their economic well-being. This issue of *5th District Footprint* examines national trends in the poverty rate of 25- to 34-year-olds and drills down to answer the question: How has the poverty rate of 25- to 34-year-olds changed in Fifth District counties since the Great Recession?²

Historically, children under the age of five and adults over the age of 64 have experienced the highest poverty rates nationwide.³ However, since the early 2000s, this dynamic has shifted among adults over the age of 18.⁴ While children under five years old continue to experience a persistently high poverty rate, the highest poverty rate among adults is now experienced by individuals ages 18 to 34.⁵

The U.S. Census Bureau provides poverty rate data for two segments of the 18- to 34-year-old adult population: 18- to 24-year-olds and 25- to 34-year-olds. This issue focuses on the 25- to 34-year-old segment of the population because this slightly older group of young adults includes a higher percentage of individuals who are not in school and who are forming independent households and families.⁶ The poverty rate experienced by 25- to 34-year-olds may have an immediate impact on household formation and wealth-building milestones, such as homeownership, as well as potential long-term implications for household economic stability.⁷

The national poverty rate for all individuals rose from 13.5 percent in 2009 to 15.1 percent in 2016. Adults ages 25 to 34 experienced a national poverty rate of 13.3 percent in 2009 and 15.3 percent in 2016. The national poverty rate among all individuals and individuals ages 25 to 34 peaked in 2014 at 15.6 percent and 16.0 percent, respectively. Although the national poverty rate among 25- to 34-year-olds has not differed substantially from the total poverty rate, it becomes notable when compared to the poverty rates for adults ages 35 to 64 and older than 64: 9.4 percent and 9.8 percent in 2009, respectively, and 11.5 percent and 9.3 percent in 2016, respectively.

Within the Fifth District, 14.2 percent of 25- to 34-year-olds (4,366,745 individuals) lived in poverty in 2016, up from 12.7 percent (3,612,097 individuals) in 2009. At the state level, North Carolina, South Carolina and West Virginia had the highest poverty rates for 25- to 34-year-olds in 2009 and 2016,

which is relatively unsurprising given that these states have some of the highest total poverty rates in the Fifth District.⁸

Of the 359 Fifth District counties, 159 counties (44.3 percent) experienced an increase in the percentage of 25- to 34-year-olds living in poverty from 2009 to 2016. Less-populated counties experienced some of the largest percentage point increases. However, these larger percentage point increases may translate to relatively small gross changes. For example, Hyde County, North Carolina — a rural county on the state's eastern shore and the second most sparsely populated county in the state with 4,946 residents in 2016 — had one of the largest percentage point increases in poverty rate among 25- to 34-year-olds (8.6 percent to 26.9 percent).⁹ This change translates to an additional 111 individuals living in poverty. Meanwhile, Mecklenburg County, North Carolina (which contains the city of Charlotte), the District of Columbia and Baltimore, Maryland, experienced the largest gross increases in 25- to 34-year-olds living in poverty (12,831 individuals, 10,356 individuals and 9,818 individuals, respectively).¹⁰

One hundred and ninety-five Fifth District counties (54.3 percent) had decreased poverty rates among 25- to 34-year-olds from 2009 to 2016. However, 179 of these counties (91.2 percent) experienced a gross increase in the number of 25- to 34-year-olds living in poverty, which indicates that the percentage point decreases were driven by an influx of higher-income 25- to 34-year-olds rather than a decrease in the number of lower-income 25- to 34-year-olds. In contrast, of the 16 Fifth District counties that experienced gross decreases, Logan County, West Virginia, Giles County, Virginia, and Lancaster County, Virginia, experienced the largest decreases with 223, 99 and 90 fewer 25- to 34-year-olds living in poverty, respectively.¹¹

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1 The Great Recession lasted from September 2007 to December 2009. "U.S. Business Cycle Expansions and Contractions." National Bureau of Economic Research.

2 The poverty rate is determined by federal poverty thresholds, which are income limits based on household size and composition. The poverty rate represents the number of individuals with a household income below the respective federal poverty threshold as a percentage of the total population. For more information on federal poverty thresholds and poverty rates, see "Poverty Thresholds." U.S. Census Bureau. Chaudry, Ajay, Christopher Wimer, Suzanne Macartney, Lauren Frohlich, Colin Campbell, Kendall Swenson, Don Oellerich and Susan Hauan. "Poverty in the United States: 50-Year Trends and Safety Net Impacts." Office of Human Services Policy, U.S. Department of Health and Human Services, 2016.

3 See e.g. O'Brien, Ellen, Ke Bin Wu and David Baer. "Older Americans in Poverty: A Snapshot." AARP Public Policy Institute, 2010.

4 Ibid.

5 The national poverty rate among children under five years old in 2016 was 23.6 percent, compared to a national poverty rate of 15.1 percent. The national poverty rate among 18- to 24-year-olds trends higher than the poverty rate among 25- to 34-year-olds. In 2016, the poverty rate of 18- to 24-year-olds was 24.3 percent. U.S. Census Bureau, 2012–2016 American Community Survey 5-Year Estimates.

6 For additional information on the poverty rate experienced by 18- to 24-year-olds, see e.g. Ross, Martha and Nicole Prchal Svajlenka. "Employment and disconnection among teens and young adults: The role of place, race and education." The Brookings Institution 2016.

7 Although a full discussion of the factors driving the disproportionate increase in poverty among 25- to 34-year-olds is beyond the scope of this publication, existing research points to the economic impact of job market entry during a recession or during an economic downturn in general (see e.g. Danziger, Sheldon, Koji Chavez and Erin Cumberworth. "Poverty and the Great Recession." *A Great Recession Brief*. The Russell Sage Foundation and The Stanford Center on Poverty and Inequality, 2012; Kalleberg, Arne L. and Till M. von Wachter. "The U.S. Labor Market During and After the Great Recession: Continuities and Transformations." *The Russell Sage Foundation Journal of the Social Sciences*, vol. 3, num. 3, 1–19, 2017.). Furthermore, adults ages 18 to 34 represent the most racially and ethnically diverse generation in the U.S., and the disproportionate economic hardship experienced by racial and ethnic minorities during and after the Great Recession may be an additional driving factor (see e.g. Fry, Richard. "5 Facts about Millennial Households." *FactTank*, Pew Research Center, 2017.)

8 North Carolina, South Carolina and West Virginia had state-level poverty rates of 15.1 percent, 15.8 percent and 17.6 percent in 2009, respectively, and 16.8 percent, 17.2 percent and 17.7 percent in 2016, respectively. Only the District of Columbia had higher poverty rates at 18.3 percent in 2009 and 17.9 percent in 2016.

9 The population of Hyde County, North Carolina, comes from the U.S. Census Bureau 2012–2016 American Community Survey 5-Year Estimates Table B17001.

10 The percentage point in Mecklenburg County, North Carolina, was an increase of 1.3 percentage points. The percentage point change in the District of Columbia and Baltimore, Maryland, were decreases of 1.6 and 1.1 percentage points, respectively.

11 The percentage point decreases in Logan County, West Virginia, Giles County, Virginia, and Lancaster County, Virginia, were 21.1 percentage points, 18.8 percentage points and 24.1 percentage points, respectively.