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Wages & Household Incomes Fell in 2011: Another Casualty of the Slow Recovery

**Unemployment insurance kept 2.3 million people out of poverty in 2011,
down from 3.2 million in 2010, as fewer receive jobless support**

Washington, DC – Poverty in the U.S. remained high in 2011, the Census Bureau [reported](#) today, as household incomes stagnated and median earnings for full-time workers fell. The number of Americans kept out of poverty by unemployment insurance also declined, due to a drop in the number of people accessing jobless aid. The looming expiration of all federal unemployment insurance at the end of the year could force even more Americans into poverty.

“America’s families and the recovery are paying the price for cuts in unemployment insurance, barriers to program participation, and a stubborn lack of investment in the nation’s workers, jobs, and communities,” said **Christine Owens, executive director of the National Employment Law Project**. “The only way to get the economy back on track is with an aggressive national job creation agenda. That includes reauthorizing the federal program of jobless aid, raising the minimum wage, and pursuing a job creation strategy that reaches all Americans – especially the most vulnerable.”

In 2011, 46.2 million Americans were living in poverty, putting 15.0 percent of the public below the official poverty line. Income inequality also rose last year, with the top 20 percent of households experiencing a 1.6 percent increase in their share of total income, while the share held by the rest of households either decreased or did not change.

“These numbers depict a low-wage recovery compounded by decades of falling wages, a depleted safety net, and inadequate enforcement of workplace laws,” **Owens** said. “More cuts to unemployment insurance will push more of America’s workers into poverty – and dramatically reduce their chances of ever regaining economic security.”

While unemployment insurance kept 2.3 million Americans from falling into poverty last year, it kept 3.2 million from falling into poverty the year before. As the Center on Budget and Policy Priorities [notes](#), this reflects a 25 percent decrease in unemployment insurance payments in 2011, due in part to a decline in the number of unemployed filing for benefits and to an increase in the number of workers reaching the end of their benefits still without work.

If Congress allows all federal unemployment insurance programs to expire at the end of the year, two million unemployed job seekers will be stripped of unemployment insurance between Christmas and New Year’s. That number is estimated to climb to nearly three million by April 2013.

The Census report also reflected the downward pressure on wages for those who are employed. Median earnings for both men and women working full time, year round, fell by 2.5 percent from 2010 to 2011.

Declining wages affected household incomes as well. Real median household income in 2011 was \$50,054, down 1.5 percent from 2010. Real median household income has declined 8.1 percent since 2007, the year before the Great Recession, and it is 8.9 percent lower than the peak in 1999.

The National Employment Law Project is a non-partisan, not-for-profit organization that conducts research and advocates on issues affecting low-wage and unemployed workers.

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