RESEARCH REPORT

POVERTY AND INCOME INSECURITY IN THE PITTSBURGH METROPOLITAN AREA

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Executive Summary

Poverty and income insecurity are growing issues in many communities across the nation. In the Pittsburgh metropolitan area, about one in eight residents (or 284,000 people) had incomes below the official US poverty level in 2012, and an additional 192,000 people were just above the poverty threshold.

This report, commissioned by the Pittsburgh Foundation, expands on the Urban Institute's 2012 report, *Understanding Trends in Poverty in the Pittsburgh Metropolitan Area* by updating data on poverty in the region and the nonprofit organizations that provide services in the region. Poverty and economic insecurity present thorny challenges for policymakers and community leaders who want to improve the region's quality of life, strengthen its economic base, and build the capacity of the local nonprofit sector.

Poverty Trends in the Pittsburgh Metropolitan Area

The US economy has rebounded since the Great Recession of 2007, but there are lingering and troubling signs of economic insecurity. The recovery bypassed some parts of the region, leaving relatively high levels of poverty and creeping income inequality in local communities. In the Pittsburgh metropolitan area, poverty rates have steadily risen from 10.6 percent in 2000 to 11.5 percent in 2007, and they reached 12.3 percent in 2012. For the seven counties that make up the Pittsburgh metro, poverty rates ranged from 8 to 19 percent. Except for Fayette County, the poverty rates of counties in the region have been at or lower than the state and national averages.

Who Is Most at Risk of Being Poor?

Poverty is not a random event. Decades of research show that certain groups are more likely to be poor. Among the groups most likely to fall into poverty are:

- **Children.** The poverty rate for children is higher than any other group in the US, more than one in five US children lives in poverty. In the Pittsburgh region, about one in six children (or 84,500 children) were poor in 2012—up nearly 6 percent since 2000.
- **Elderly.** In contrast to children, the older population fared much better during the recession. Research shows, however, that the elderly are the least likely age group to move out of poverty

once they fall into it. Nationally, the 2012 poverty rate for individuals age 65 and older was 9.3 percent; in the Pittsburgh region, it was 7.8 percent.

- **Female-Headed Households.** Households headed by single women are almost twice as likely to live in poverty as married-couple households. Since 2000, the number of poor female-headed households in the Pittsburgh region rose by nearly 15 percent. Most of this increase occurred during the recession.
- **People of Color.** People of color felt the brunt of the economic downturn. For more than a decade, the Pittsburgh region's African American poverty rate has been roughly 30 percent, suggesting deep and persistent poverty in the community. Hispanics and Asians are arguably the groups most impacted by the recession. Poverty rates for Hispanics hovered around 17 percent until the recession hit and then climbed to nearly 23 percent. Similarly, Asians experienced a spike in poverty rates, rising from 15 percent in 2000 to 23 percent in 2012. In contrast, the poverty rate for non-Hispanic whites rose from roughly 9 percent in 2000 to 10 percent in 2012.
- **People with Disabilities, including Veterans.** Households that have someone with a disability are likely to be poor since income may be constrained by the type and quantity of work the individual can do. In the Pittsburgh region, 27 percent of working age adults (ages 20 to 64) with a disability is poor. Young veterans with disabilities also are at high risk of poverty. In 2012, about 1 in 5 veterans with a disability (ages 18 to 34) was poor, compared with fewer than 1 in 10 veterans age 55 and older who have a disability.

Capacity of Nonprofits to Address Poverty

When times are tough, people often turn to nonprofit organizations for assistance. In the Pittsburgh region, there are more than 1,600 nonprofit health and human service organizations providing a wide range of services such as food distribution, domestic violence shelters, housing for seniors, job training, adult education, mental health treatment, utilities and heating assistance, pregnancy support, and more. Hospitals and higher education facilities were omitted from this study because of their enormous size and concentration of resources.

On average, the number of providers in the region grew by 7 percent since 2000, but there were considerable differences among counties. For example, Butler County's health and human services sector grew by 31 percent, even though its poverty rate remained fairly constant. In contrast, Armstrong and Beaver Counties had increasing poverty rates, but fewer providers in 2012 than in 2000. Undoubtedly demand for services increased for the remaining providers in these two counties. Only 10 percent of nonprofits in the region provide services to the entire seven-county area; most focus their efforts in the county where they are located. Roughly two-thirds of the region's nonprofit health and human service providers are concentrated in or near the city of Pittsburgh, making access to services potentially problematic for residents in rural areas.

Financially, the region's health and human services nonprofit sector is a considerable economic force, reporting $2.5 billion in revenue, $2.4 billion in expenses, and $2.9 billion in assets. However, most nonprofits in the region are small. About two in five organizations operate on budgets of less than $250,000; fewer than one in ten have budgets of $10 million or more. The large organizations account for almost two-thirds of the sector's expenditures.

While the number of nonprofits in the region grew, revenues, expenses, and assets took a hit and have not recovered to pre-recession levels. Many nonprofits spent more than they generated in revenue. Financial instability can make it difficult for nonprofits to continue offering services to those in need.

Conclusion

Officially, the Great Recession ended in 2009, but the uneven economic recovery produced higher levels of poverty, and greater income inequality and economic insecurity across the nation. People with higher levels of education and skills were able to weather the economic downturn; those at the very top of the income scale often made substantial gains. It is the poor and the near-poor who continue to struggle in this post-recession economy.

The causes and consequences of poverty and economic insecurity are complex. Research shows that a constellation of factors, including education, job skills, child care, transportation, housing, disabilities, health care, and hunger, play a role in expanding or limiting opportunities for a better life. Most individuals need an array of services, not just one, to get them on their feet so they can achieve self-sufficiency. Community leaders and policymakers need to think creatively and holistically to create both economic development and service delivery strategies that will provide more opportunity and a better quality of life for all the region's residents.

Funding and supporting service delivery programs are only a start. Accountability and transparency are essential elements of an effective service delivery system. Nonprofit providers (and government agencies) might work together to create or improve systems to share client information so that services are better structured and coordinated to meet client needs. This might start with a simplified and coordinated intake system or an easy way to make client referrals.

Measuring outcomes is also critical. We need to know more about what works, and what does not work, as well to ensure effective use of resources. While it is not easy to develop appropriate outcome measures and track clients over time to see if the services they received made a difference, it is essential for building a more effective service delivery system and helping people in need.

Reducing poverty and economic insecurity calls for public dialogue to inform people about the extent and severity of the problems. It also calls for public action. Reducing poverty can be a good strategy for increasing the region's attractiveness for business investment, economic growth, and creating strong and healthy neighborhoods. No one sector can do all this alone. Government, business, and the nonprofit sector, including foundations, must work together to effect change. As the economic climate improves, it is a good time to tackle the complex issues of poverty.

Introduction

The US economy has rebounded since the Great Recession of 2007, but there are lingering and troubling signs of economic insecurity. The recovery bypassed some parts of the population, leaving relatively high levels of poverty and widening income inequality in local communities. About one in eight residents (or 284,000 people) in the Pittsburgh metropolitan area had incomes below the official US poverty level in 2012. Poverty rates climbed from 10.6 percent in 2000 to 11.5 percent in 2007, and reached 12.3 percent in 2012. Although demographic factors such as the arrival of new immigrants and more single-parent households contributes to the growing number of people living in or near poverty, the economy is the driving force in changing poverty rates and income disparities.

This report, commissioned by The Pittsburgh Foundation, expands on the Urban Institute's 2012 report, *Understanding Trends in Poverty in The Pittsburgh Metropolitan Area,* by updating data on poverty in the region and the nonprofit organizations that provide services in the region. The report discusses how poverty and income insecurity are defined, the primary determinants of poverty, and the magnitude and depth of the problem in the seven counties that make up Pittsburgh's metropolitan area, and alternative ways to measure poverty and income insecurity. Poverty and income insecurity present thorny challenges for policymakers and community leaders who want to strengthen the region's economic base and its nonprofit sector.

Data for the study come primarily from the US Census Bureau and the Urban Institute's National Center for Charitable Statistics (NCCS). Socioeconomic characteristics of the population, including poverty rates, are from the US Census Bureau's 2000 Census and the American Community Survey's three-year estimates, covering 2007 and 2012. Financial data for Pittsburgh-area nonprofit organizations are from NCCS, which houses the Forms 990 that nonprofits filed with the US Internal Revenue Service for fiscal year 2012. These are the latest data available at the time this report was written.

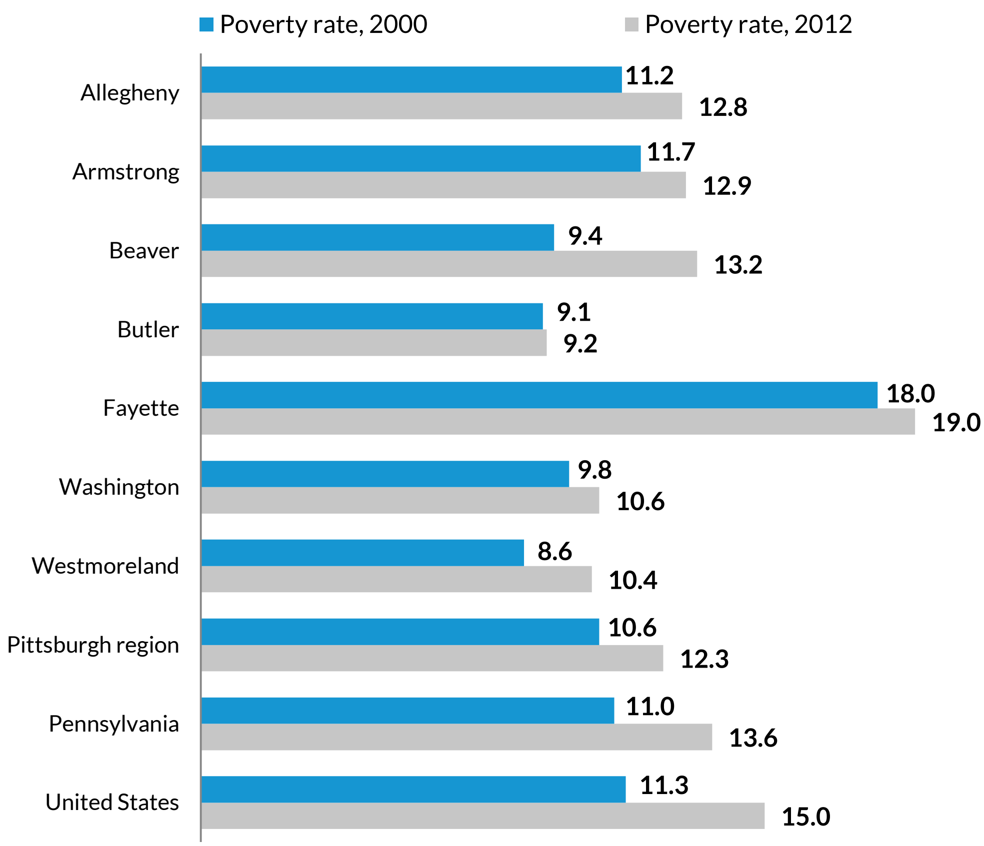
Poverty Trends in the Pittsburgh Metropolitan Area

Poverty data often yield a complex picture. The results depend in part on the time frame considered, the geographic area (i.e., city, county, state) studied, and the population group followed. Since 2000, poverty rates in the Pittsburgh metropolitan area steadily increased (figure 1). In 2000, the region's poverty rate was 10.6 percent; by 2007, it was 11.5 percent; by 2010, 12.1 percent; and by 2012, 12.3 percent. County poverty rates ranged from 8 to 19 percent. Except for Fayette County, the poverty rates for counties in the Pittsburgh region have been at or lower than the state and national averages. The Pennsylvania poverty rate stood at 11.0 percent in 2000 and 13.6 percent in 2012, while the US poverty rate was 11.3 percent and 15.0 percent, respectively.

FIGURE 1

Poverty Rates for Counties in the Pittsburgh Region, 2000 and 2012

Percentage in poverty



Sources: US Census Bureau, 2000 Census and 2010–12 American Community Survey. The 2012 US poverty rate is from the US Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement.

The Great Recession contributed to growing levels of poverty everywhere, but the Pittsburgh area mitigated some of the sharp upswing that occurred nationally and in other parts of Pennsylvania. The city of Pittsburgh's robust labor force has been an advantage. With nearly 20 percent of its workforce in education and health services, sectors that continued to grow in the recession, the city was able to mitigate the effects of the economic decline (Fee 2009).

Increases in poverty are not linked to changes in the size of the region's population (table 1). Most counties in the Pittsburgh region saw their poverty rates rise, while the number of people living in these counties declined between 2000 and 2012. But two counties followed different patterns. Butler increased its population (6 percent), while its poverty rate stayed virtually the same (9.1 percent in 2000 and 9.2 percent in 2012). Washington experienced increases in both population and poverty.

TABLE 1

Changes in Population and Poverty for Pittsburgh Region, 2000–12

	Total population, 2000	Total population, 2012	Percent population change, 2000–12	Poverty rate, 2000	Poverty rate, 2012
Pittsburgh region	2,431,087	2,359,225	-3.0	10.6	12.3
Allegheny	1,281,666	1,226,873	-4.3	11.2	12.8
Armstrong	72,392	68,659	-5.2	11.7	12.9
Beaver	181,412	170,404	-6.1	9.4	13.2
Butler	174,083	184,574	6.0	9.1	9.2
Fayette	148,644	136,102	-8.4	18.0	19.0
Washington	202,897	208,256	2.6	9.8	10.6
Westmoreland	369,993	364,357	-1.5	8.6	10.4
Pennsylvania	12,281,054	12,739,595	3.7	11.0	13.6
United States	281,421,906	311,609,369	10.7	11.3	15.0

Source: US Census Bureau, 2000 Census and 2010–12 American Community Survey.

The onset of the recession in 2007 generally spurred the growth in poverty (table 2). Between 2000 and 2012, the number of people in poverty regionally increased by 10.5 percent, with most of the increase occurring between 2007 and 2012. Although Allegheny County had the most people in poverty by 2012 (153,092), Beaver County had the most growth in its poverty population—a 32 percent increase between 2000 and 2012. Westmoreland County had the second biggest increase (18 percent), followed by Washington County (11.0 percent). Armstrong County had the smallest increase (5 percent). Butler County reduced its poverty population by almost 4 percent before the recession hit, but after the recession (2007–12), the number skyrocketed, growing by nearly 12 percent. By 2012, 16,437 people in Butler were officially poor.

TABLE 2

Number of Individuals in Poverty by County, 2000–12

County	2000	2007	2012	Percent change, 2000–07	Percent change, 2007–12	Percent change, 2000–12
Pittsburgh region	256,990	265,392	284,055	3.3	7.0	10.5
Allegheny	139,505	146,423	153,092	5.0	4.6	9.7
Armstrong	8,350	8,363	8,781	0.2	5.0	5.2
Beaver	16,635	16,857	22,029	1.3	30.7	32.4
Butler	15,269	14,702	16,437	-3.7	11.8	7.6
Fayette	26,434	26,527	25,119	0.4	-5.3	-5.0
Washington	19,513	19,678	21,667	0.8	10.1	11.0
Westmoreland	31,284	32,842	36,930	5.0	12.4	18.0

Source: US Census Bureau, 2000 Census and 2005–07 and 2010–12 American Community Survey.
Note: The data for 2007 and 2012 are based on a three-year average of the American Community Survey.

As table 2 also shows, only Fayette experienced a decrease in its poverty levels by the end of 2012 (5 percent). Interestingly, the decline occurred after 2007. It is unclear why Fayette experienced this drop. Some low-income people may have moved out of the county, thereby reducing the poverty numbers; some may have increased their income. Despite this reduction in poverty, Fayette nonetheless ranks third behind Allegheny and Westmoreland in the number of people living in poverty.

Populations Affected by Poverty

Poverty is not a random event. Decades of research shows that certain groups are more likely to be poor. This section examines the groups most at risk of poverty (children, elderly, female-headed households, and minorities) and the factors that influence poverty rates.

Age as a Factor in Poverty

Age is a particularly important factor in considering poverty. Children (younger than age 18) and elderly (age 65 and older) are considered particularly vulnerable for being in poverty. Children are dependent on their family incomes, and the elderly often have fewer options for employment than adults ages 18 to 64.

- The poverty rate for children is higher than any other age group in the US; nearly a third of US children will fall below the poverty level before they reach adulthood (Duncan and Rodgers 1988). Child poverty varies by race; nearly 9 out of 10 children living in a chronic state of poverty are African American (Corcoran 2001). Further, children that grow up in poverty are more than six times more likely to be poor in their mid-twenties (Corcoran 2001).
- The elderly are the least likely age group to move out of poverty once they fall into it. Government programs for the elderly help older individuals from falling below the federal poverty level, but there is little assistance to help these individuals become self-sufficient (McKernan and Ratcliffe 2002).

Children

Children have been particularly affected by the economic downturn. Nationally, the 2012 child poverty rate was 22.2 percent; in the Pittsburgh region, it was 17.6 percent. More than one in six children in the region lives in poverty.

As table 3 shows, the number of children in poverty grew by 5.8 percent since 2000. By 2012, nearly 83,400 children in the region were living in poverty. In fact, the recession wiped out the progress that the region had made earlier to lower its child poverty levels. Before the recession (2000–07), about 2,700 fewer children were living in poverty; since the recession (2007–12), the number increased by 7,255 children.

Most of the region's poor children live in Allegheny County, in part because it is the most populous county in the region. However, 2012 child poverty rates were higher in Armstrong, Beaver and Fayette Counties than in Allegheny (see appendix A).

TABLE 3

Number of Children under Age 18 in Poverty by County, 2000–12

County	2000	2007	2012	Percent change, 2000–07	Percent change 2007–12	Percent change, 2000–12
Pittsburgh region	78,832	76,128	83,383	-3.4	9.5	5.8
Allegheny	42,275	41,574	41,697	-1.7	0.3	-1.4
Armstrong	2,566	2,344	2,831	-8.7	20.8	10.3
Beaver	5,485	4,941	7,120	-9.9	44.1	29.8
Butler	4,397	4,278	4,312	-2.7	0.8	-1.9
Fayette	8,701	9,304	7,947	6.9	-14.6	-8.7
Washington	5,955	5,108	6,036	-14.2	18.2	1.4
Westmoreland	9,453	8,579	11,428	-9.2	33.2	20.9

Source: US Census Bureau, 2000 Census and 2005–07 and 2010–12 American Community Survey.
Note: The data for 2007 and 2012 are based on a three-year average of the American Community Survey.

Allegheny was making some strides in reducing child poverty before the recession: numbers decreased by 1.7 percent between 2000 and 2007. But the recession reversed this downward trend, producing an uptick in child poverty. By 2012, about 41,700 children were considered poor. Although the 2012 child poverty numbers are below 2000 levels, the upturn in the numbers suggests more children at risk of poverty in Allegheny County.

Butler County experienced a similar pattern of an initial drop in child poverty levels followed by an increase that almost wiped out earlier gains. By 2012, roughly 4,300 children in Butler County were poor.

Armstrong, Beaver, Washington, and Westmoreland Counties had more children in poverty in 2012 than in 2000, despite early drops in the child poverty rate. In Beaver County, for example, the number of children in poverty grew by nearly 30 percent, reaching 7,100 children by 2012. In Westmoreland, 11,400 children were in poverty by 2012—more than a 20 percent increase over 2000 levels.

In contrast, Fayette is the only county to see a decrease in the number of children in poverty during the recession years. Although Fayette had a growing number of children in poverty between 2000 and

2007, the trend reversed after 2007. By 2012, roughly 8,000 children in Fayette lived in poverty—about 700 fewer than in 2000.

Older Population

In contrast to children, the older population fared much better during the economic downturn. Nationally, the 2012 poverty rate for individuals age 65 and older was 9.3 percent; in the Pittsburgh region, it was 7.8 percent. Advocates for the older population note, however, that these rates underestimate levels of poverty because the official poverty measure does not adequately incorporate health care costs.

In the Pittsburgh region, the number of older people in poverty fell by nearly 16 percent between 2000 and 2012 (table 4). Even during the recession (2007–2012), the numbers in poverty fell. By 2012, about 31,000 older individuals lived in poverty—down from 36,800 in 2000.

TABLE 4

Number of Adults Age 65 and Older in Poverty by County, 2000–12

County	2000	2007	2012	Percent change, 2000–07	Percent change 2007–12	Percent change, 2000–12
Pittsburgh region	36,789	33,299	30,971	-9.5	-7.0	-15.8
Allegheny	19,520	18,752	16,736	-3.9	-10.8	-14.3
Armstrong	998	999	974	0.1	-2.5	-2.4
Beaver	2,323	2,197	2,583	-5.4	17.6	11.2
Butler	2,205	1,494	1,613	-32.2	8.0	-26.8
Fayette	3,532	2,798	2,240	-20.8	-19.9	-36.6
Washington	3,050	2,413	2,313	-20.9	-4.1	-24.2
Westmoreland	5,161	4,646	4,512	-10.0	-2.9	-12.6

Source: US Census Bureau, 2000 Census and 2005–07 and 2010–12 American Community Survey.
Note: The data for 2007 and 2012 are based on a three-year average of the American Community Survey.

Federal programs such as Social Security and Medicare are important sources of income for the elderly (Engelhardt and Gruber 2003, Fischer and Hayes 2013). About one in three people age 65 and older relies on Social Security to stay out of poverty (George Washington University 2012). One study estimates that Social Security kept roughly 15 million older Americans out of poverty in 2012 (Van de Water, Sherman, and Ruffing 2013). Without Social Security, poverty rates for the elderly would soar.

Medicare also contributes to the financial well-being of many older persons because it covers many health care costs. But its limited coverage of long-term care leaves many individuals at risk of falling into poverty if they have a serious illness or disability and need nursing home care.

Four counties (Allegheny, Fayette, Washington, and Westmoreland) had continuous reductions in their elder poverty levels since 2000. Three other counties (Armstrong, Beaver, and Butler) had unique patterns. Armstrong had very modest changes in elderly poverty between 2000 and 2012, leaving the number of older adults in poverty essentially the same. Beaver had a small decrease in elder poverty before the recession and then a sharp increase after 2007, which resulted in a net gain of older adults in poverty by 2012. Butler, on the other hand, had a sharp decline before the recession and a small increase after 2007. Although the number of older adults in poverty in 2012 was lower than in 2000, the uptick between 2007 and 2012 suggests an increasing number of older people in Butler are at risk of being poor.

Female-Headed Households

Research literature shows that the composition of households is another important factor that influences poverty status. Households headed by single women are almost twice as likely to live in poverty as married-couple households.

- Single-parent homes have only one potential earner, and because the single parent has to care for the child, he or she is less likely to work full time (Cancian and Reed 2001).
- Women's wages, on average, are lower than men's wages, which contributes to the high poverty rates among female-headed households—rates three to four times higher than the general population (Hoynes, Page, and Stevens 2005).
- The median decrease in income for the first five years following the transition from a two-adult household to a female-headed household is 40 percent. These income effects affect poorly educated and highly educated couples alike (Amato and Maynard 2007).
- Further, a household headed by a grandmother with children is almost 40 percent more likely to experience poverty than one headed by a single mother (Snyder, McLaughlin, and Findeis 2006).

Since 2000, the number of female-headed households in the Pittsburgh region that are poor rose by nearly 15 percent (table 5). Most of this change occurred during the recession. By 2012, roughly 32,100 female-headed households in the region were poor.

The growth in poor, female-headed households varied tremendously by county. Although Allegheny County reported the smallest percentage increase (5.2 percent), it had more than half of all such households in the region (nearly 17,400). Both Allegheny and Beaver Counties experienced some declines in the number of female-headed household in poverty before the recession (2000–07), but these improvements were erased after 2007. In fact, Beaver had nearly a 50 percent increase in female-headed households in poverty between 2007 and 2012. Large increases in the number of female-headed households in poverty were not unusual. Nationally, there was a 41 percent increase between 2000 and 2012.

TABLE 5

Number of Female-Headed Households in Poverty by County, 2000–12

County	2000	2007	2012	Percent change, 2000–07	Percent change 2007–12	Percent change, 2000–12
Pittsburgh region	27,977	28,544	32,142	2.0	12.6	14.9
Allegheny	16,495	15,911	17,349	-3.5	9.0	5.2
Armstrong	743	805	971	8.3	20.6	30.7
Beaver	1,947	1,779	2,651	-8.6	49.0	36.2
Butler	1,106	1,470	1,686	32.9	14.7	52.4
Fayette	2,646	3,327	2,547	25.7	-23.4	-3.7
Washington	1,914	2,004	2,549	4.7	27.2	33.2
Westmoreland	3,126	3,248	4,389	3.9	35.1	40.4

Source: US Census Bureau, 2000 Census and 2005–07 and 2010–12 American Community Survey.
Note: The data for 2007 and 2012 are based on a three-year average of the American Community Survey.

Since 2000, Butler County experienced the biggest increase in poor female-headed households. The numbers rose by 52 percent, leaving nearly 1,700 female-headed households in poverty. Armstrong, Beaver, Washington, and Westmoreland Counties reported increases of between 30 and 40 percent. Westmoreland had the second-highest number of female-headed household in poverty (4,400), followed by Beaver (2,700), Fayette, and Washington (2,500, each).

Populations of Color

Race and ethnicity play an important role in understanding poverty outcomes. People of color are more likely to encounter poverty than whites, but more whites live in poverty at any given time. Research shows that poverty is particularly pervasive and persistent in the African American community.

- Fully 9 of every 10 African American adults who live to age 75 (expected lifetime) will face poverty at some point in their adult lives, compared with 1 of every 2 white adults (Rank and Hirschl 1999).
- Of those individuals who do escape poverty, African Americans are more likely to fall below poverty in 5 or more of the next 10 years: about 50 percent compared with approximately 30 percent of whites (Stevens 1999).

People of color felt the brunt of the economic downturn. Nationally, nearly one in four persons of color lived below poverty in 2012. African Americans had the highest rate (27.8 percent), followed by Hispanics (25.3 percent), and Asians (12.8 percent). The poverty rate for non-Hispanic whites was 10.8 percent.

The Pittsburgh region followed a similar pattern. More than 1 in 4 persons of color was poor (roughly 28 percent) compared with 1 in 10 non-Hispanic whites. In total more than 70,000 people from non-white race and ethnic groups were poor in 2012.

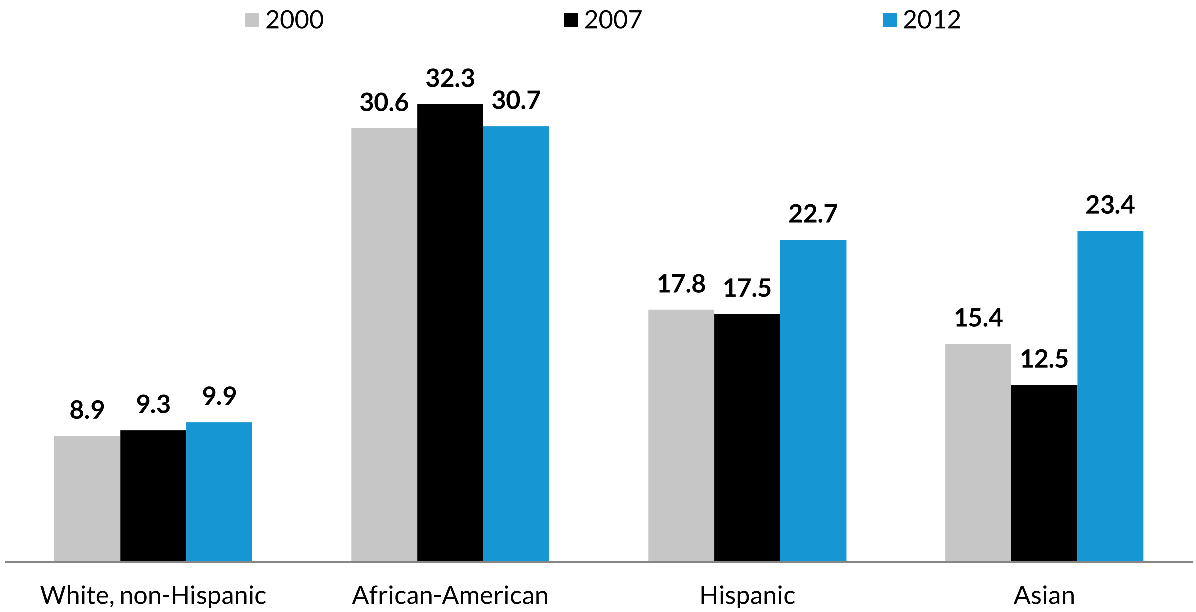
However, there are substantial differences between groups (figure 2). Nearly one in three African Americans is poor—the highest rate for any racial-ethnic group in the Pittsburgh region. In fact, African Americans make up almost 80 percent of the region's poverty population. Poverty rates for African Americans rose slightly at the start of the recession (2007), but returned to pre-recession levels by 2012. Nonetheless, the African American poverty rate has remained fairly constant at roughly 30 percent for more than a decade, suggesting deep and persistent poverty in this community.

Hispanics and Asians are arguably the groups most impacted by the recession. Poverty rates for Hispanics hovered around 17 percent until the recession hit. Then they climbed to nearly 23 percent. Similarly, Asians experienced a spike in poverty rates, rising from 15 percent in 2000 to 23 percent in 2012. In contrast, the poverty rate for non-Hispanic whites rose from roughly 9 percent in 2000 to 10 percent in 2012.

FIGURE 2

Poverty Rates for Racial-Ethnic Groups in the Pittsburgh Region, 2000–2012

Percentage in poverty



Source: US Census Bureau, 2000 Census and 2005–07 and 2010–12 American Community Survey.
Note: The data for 2007 and 2012 are based on a three-year average of the American Community Survey.

More than 80 percent of all minorities in the Pittsburgh metropolitan area live in Allegheny County, making it particularly prone to high poverty levels. While Allegheny County has seen considerable growth in its Hispanic population (84 percent since 2000) and Asian population (62 percent), the surrounding counties have experienced even more rapid growth. Butler, Fayette, and Washington Counties, for example, doubled the size of their Hispanic populations between 2000 and 2012; Westmoreland County had an 84 percent increase. Likewise, Beaver, Butler, and Washington Counties roughly doubled the size of their Asian populations; Westmoreland experienced a 70 percent increase. Though these percentage increases are based on relatively small numbers (in many cases, an increase of a few thousand residents), they suggest increasing risk of poverty, especially if labor market demands cannot absorb potential new workers. Furthermore, these new minority residents are likely to bring a different set of cultural expectations and needs to their communities. Businesses, schools, health providers, and a host of other public and private service providers may encounter new opportunities and challenges as they adapt to serving a more diverse clientele. (See appendices B and C, as well as the county-specific fact sheets in appendix H, for more information regarding poverty and racial-ethnic groups.)

Other Factors Affecting Poverty

Although age, race-ethnicity, and household composition are key characteristics for understanding the causes and consequences of poverty, other socioeconomic factors also come into play and are discussed below.

- **Education:** Individuals without high school diplomas are more likely to live in poverty than are those with high school diploma. In the Pittsburgh area, adults who lack a high school diploma are about 6.5 times more likely to be poor than those with a college degree—3.8 percent versus 24.1 percent (table 6). This difference is similar to rates found in the state of Pennsylvania and the nation as a whole.
- **People with Disabilities:** Households that have someone with a disability are more likely to enter poverty since income may be constrained by the type and quantity of work an individual with a disability is able to do. While three-quarters of individuals without disabilities work, just over one-third of those with disabilities do (US Census Bureau 2006). Many young people with disabilities are not prepared to enter the workforce when they become adults; they are less likely to complete high school and are more likely to work part-time than are individuals without disabilities (Urban Institute 2012). In the Pittsburgh region, more than a quarter (27.2 percent) of working-age adults (ages 20–64) with a disability lives in poverty (table 6).

TABLE 6

Poverty Indicators, 2012

Poverty indicator	Pittsburgh metropolitan area	State of Pennsylvania	United States
Education			
Percentage of individuals age 25 and older with less than a high school diploma below poverty	24.1	24.9	27.5
Percentage of individuals age 25 and older with a bachelor's degree or higher below poverty	3.8	3.7	4.4
People with disabilities			
Percentage of individuals (ages 20–64)with a disability in poverty	27.2	28.7	27.9
Veterans			
Percentage of veterans (ages 18–34) with a disability in poverty	21.5	21.1	19.3
Percentage of veterans (age 55+) with a disability in poverty	6.9	7.0	7.9

Source: US Census Bureau, 2010–12 American Community Survey, three year estimates.

- **Veterans:** Young veterans with disabilities are also at high risk of poverty. In 2012, about one in five veterans ages 18 to 34 was poor, compared with fewer than one in ten age 55 and older (table 6). Like their civilian counterparts, young veterans are likely to need special training and assistance to help them enter the workforce.

In addition, certain life events can trigger entry into poverty.

- **Change in family size:** Having a child increases the amount of income necessary to provide for a household. The chances of falling into poverty increase as the size of the family increases (McKernan and Ratcliffe 2002).
- **Teenage pregnancy:** Unwed teenage mothers face a high risk of falling into poverty. Teen mothers are less likely to graduate from high school than are non-teenage mothers. In addition, teenage mothers are more likely to have lower incomes than unwed mothers who had children as adults (Corcoran 2001).
- **Growing up in poverty:** It is difficult to escape poverty. Poverty often continues across generations (Corcoran 2001). Mazumder (2005) estimates that it would take about 125 to 150 years—five or six generations—for a poor family's income to be within 5 percent of the national average.
- **Chronic poverty:** While poverty is not a permanent condition, the longer a person lives in poverty, the less likely that person will become self-sufficient (Iceland 1997). Of those individuals that escape poverty, approximately half will fall below the federal poverty level during the next four years (Stevens 1999).

Households Seeking Public Assistance

The effects of the Great Recession and the increase in poverty led more households to seek public assistance. Many turn to Temporary Assistance to Needy Families (TANF), a federal and state program that provides cash assistance to families in need. By 2012, 33,200 households in the Pittsburgh region were receiving cash public assistance—up 15.1 percent from 2000 (table 7).

TABLE 7

Number of Households with Cash Public Assistance Income, 2000–12

County	2000	2007	2012	Percent change, 2000–07	Percent change 2007–12	Percent change, 2000–12
Pittsburgh region	28,870	27,473	33,221	-4.8	20.9	15.1
Allegheny	16,587	15,210	17,956	-8.3	18.1	8.3
Armstrong	959	891	1,025	-7.1	15.0	6.9
Beaver	2,131	1,710	2,769	-19.8	61.9	29.9
Butler	1,161	1,344	1,978	15.8	47.2	70.4
Fayette	2,929	3,050	2,921	4.1	-4.2	-0.3
Washington	1,948	1,804	2,422	-7.4	34.3	24.3
Westmoreland	3,155	3,464	4,150	9.8	19.8	31.5

Source: US Census Bureau, 2000 Census and 2005–07 and 2010–12 American Community Survey.
Note: The data for 2007 and 2012 are based on a three-year average of the American Community Survey.

Demand for public assistance increased throughout the region, except for Fayette County. Fayette has about the same number of people receiving cash assistance now as in 2000. Armstrong and Allegheny Counties had the smallest increases (around 8 percent), while Butler County had the largest increase (70 percent). About 30 percent more households received public assistance in 2012 in Beaver and Westmoreland Counties than in 2000. Allegheny County has the largest number of households receiving assistance (nearly 18,000 households), followed by Westmoreland County (4,150).

On average, the Pittsburgh region has about the same share of households receiving cash public assistance as does the state of Pennsylvania: 3.4 percent versus 3.7 percent, respectively. But, the average annual amount of cash assistance is lower in the Pittsburgh region ($2,624) than in the state as a whole ($3,010). In the US, a smaller share of households receives cash assistance (2.9 percent), but the average annual amount is higher ($3,892).

Measuring Poverty and Income Insecurity

For six decades, policy analysts and public policymakers have focused on the determinants and consequences of poverty. The official US poverty measure was developed in the 1960s as an indicator of persons who lack sufficient income to obtain food and other basic necessities of life. It uses a market basket approach to determine need—that is, it calculates the cost of a minimum nutritionally adequate diet multiplied by three to allow for other expenses. This simple formula has had some minor adjustments since the 1960s, but it basically remains unchanged and provides a consistent and long-term series of data to study poverty over time. However, critics of the approach argue that the measure does not adequately reflect many essential expenses in today's family budget—such as child care, transportation, housing, and medical costs—and call for extensive adjustments for calculating poverty rates (see appendix D for a discussion of the development of the US poverty measure).

Because of the limitations of the official poverty measure, many researchers began to explore other ways of measuring and understanding income insecurity. Among the popular approaches are studies of the near-poor and income inequality.

The Near-Poor

A growing segment of the population lives at or near the edge of poverty. These are the near-poor: individuals with income at or just above the official poverty threshold. Generally, this group is reported as individuals with incomes from 0 to 150 percent of the federal poverty level—that is, the poor and near-poor. By 2012, 475,700 individuals in the Pittsburgh region were considered poor or near-poor—a 6.7 percent increase over 2000 (table 8). Most of this growth came after the recession hit.

The largest increases in near-poor populations happened in Westmoreland (16.2 percent) and Beaver Counties (14.7 percent)—more than twice the percentage increase for the region, as a whole. Washington County had the smallest increase (4.5 percent). Two counties (Armstrong and Fayette) reported declines in their near-poor populations.

The reasons for these changes are unknown. While some individuals may have lifted themselves out of poverty and are now counted as near-poor, findings from a survey of human service agencies that belong to the Greater Pittsburgh Nonprofit Partnership show that previously middle-income individuals have fallen on hard times and are seeking assistance—many of them for the first time (Luk and Kehoe 2008).

TABLE 8

Number of Poor and Near-Poor Individuals by County, 2000–12

County	2000	2007	2012	Percent change, 2000–07	Percent change 2007–12	Percent change, 2000–12
Pittsburgh region	445,894	450,521	475,688	1.0	5.6	6.7
Allegheny	231,635	237,981	247,404	2.7	4.0	6.8
Armstrong	16,369	14,663	15,880	-10.4	8.3	-3.0
Beaver	30,858	32,547	35,384	5.5	8.7	14.7
Butler	26,563	25,439	28,994	-4.2	14.0	9.2
Fayette	44,146	44,758	40,244	1.4	-10.1	-8.8
Washington	35,610	32,976	37,230	-7.4	12.9	4.5
Westmoreland	60,713	62,157	70,552	2.4	13.5	16.2

Source: US Census Bureau, 2000 Census and 2005–07 and 2010–12 American Community Survey.
Note: Poor and near-poor are individuals that are below 150 percent of the federal poverty level. The data for 2007 and 2012 are based on a three-year average of the American Community Survey.

National studies show that macroeconomic conditions affect poverty and near-poverty rates. The transition of the US economy from manufacturing jobs to service sector jobs has depressed wages nationally. Service sector jobs are typically part-time, low-wage positions with limited ability for career advancement (Brady and Wallace 2001). Falling rates of unionization have also eroded wages since there is less pressure on non-union employers to raise wages (Mishel, Bernstein, and Allegretto 2006). Further, employment does not guarantee that individuals and households will not fall below the poverty level. Wages must be high enough to provide for the family. Nearly 24 percent of the US workforce earns poverty-level wages (Mishel et al. 2006). These macroeconomic conditions have powerful effects on household income and disproportionately affect groups more likely to experience poverty. Further study might explore how these factors affect poverty and near-poverty in the Pittsburgh region.

Income Inequality

Income inequality is yet another measure for studying income insufficiency. It looks at the distribution of income across the entire spectrum of high to low earners to see if income is concentrated in certain parts of the population. While the distribution of income has always fluctuated, the financial crisis of 2007 and the unbalanced recovery pushed inequality to new extremes. Income is now more concentrated than it was at any time in the past century (Saez 2013). Indeed, the Occupy Wall Street movement and the backlash against presidential candidate Mitt Romney's "47 percent" remark moved income inequality up the political agenda.

Most of the gains in income growth over the past 20 years were in the top 1 percent of earners (Saez 2013). Today, the top 1 percent accounts for 20 percent of all income, compared with 10 percent in 1980.[1] Further, the share of the top 0.01 percent of Americans—about 16,000 families averaging $24 million a year—has quadrupled from holding roughly 1 to 5 percent of all income. That is more than that segment of society had a century ago.[2]

Income inequality accelerated in the aftermath of the Great Recession: "From 2009 to 2012, average real income per family grew modestly by 6.0 percent but the gains were very uneven. Income of the top 1% grew by 31.4 percent while that of the bottom 99% grew by only 0.4 percent. Hence, the top 1% captured 95 percent of the income gains in the first two years of the recovery" (Saez 2013, 4).

Most studies of income inequality are done at the national and state levels. One study that compares states found that Pennsylvania ranked 23rd in average real family income in 1988, 1995, and 1999, the three years included in the study (Lynch 2003). However, the nuances of county and neighborhood inequality can be easily hidden at these larger geographic scales (Peters 2012). For instance, a state that shows a fairly even distribution of income may in fact have counties or neighborhoods that are highly segregated by income.

Economic segregation, which is often linked to economic mobility, increased in metro areas across the nation in the early 1970s, before levelling off again in the 1990s (Sharkey and Graham 2013). For example, New York's index increased by more than 50 percent in 30 years from 24 percent in 1970 to

37 percent in 2000. Pittsburgh has a relatively low rate of economic segregation with 16.7 percent of income variation occurring between neighborhoods in 2000. In the least-segregated areas, the figure is less than 10 percent. Unfortunately, data limitations to ensure privacy and confidentiality at the local level prohibit county-level analysis of income inequality in this report.

Shifts in employment have been a driving factor behind growing income inequality. The transition from industrial sector employment to service sector employment is often identified as a main cause. This transition saw a decline in the power of labor unions, and fewer employer-provided benefits for middle-income employees. Labor force factors are central determinants of income inequality.

However, demographic factors also contribute to income inequality. For example:

- Children from low-income neighborhoods are more likely to live in low-income neighborhoods as adults, especially African American children.[3]
- Concentrated poverty is a reliable predictor of poverty later in life (Chetty et al. 2014). Thus, zoning policies and neighborhood wealth are important determinants of income inequality.
- The rise of female-headed households and single-parent households has also contributed to higher poverty and family income inequality. Children raised in such homes have a greater chance than adults to live in poverty.
- Race is a strong factor impacting on family wealth. In a study tracing white and black families over 25 years, Shapiro, Meschede, and Osoro (2013) found the wealth gap between these racial groups tripled. Two of the main drivers were unemployment and education levels.
- Insofar as childhood poverty predicts income later in life, other drivers of the racial wealth gap, such as home ownership, inheritance, and financial support from friends and relatives, contribute to income inequality in the next generation.

Appendix E provides a fuller overview of income inequality.

Capacity of Nonprofits to Address Poverty and Income Inequality

For years, the nonprofit community has been a mainstay for helping people in need. People turn to nonprofits when times get tough. Since the 2007 recession, service providers have seen the demand for their services rise, and many have seen their financial resources fall. Increasing demand has also fostered growth in the sector, as more groups try to address the needs of the community.

In the seven-county Pittsburgh metropolitan area, there were more than 1,600 nonprofit health and human service public charities in 2012. These groups provide a wide range of services, including food distribution, domestic violence shelters, housing for seniors, job training, mental health treatment, utilities or heating assistance, adult education, pregnancy support, and more. There are about seven health and human service charities per 10,000 residents—slightly higher than the national average. For this study, hospitals and higher education facilities were omitted because of their enormous size and concentration of resources. Appendix F fully describes the types of health and human service providers included in this study.

The largest category of service providers is community and economic development organizations (table 9). These organizations focus broadly on strengthening the economic, cultural, and built environment of local communities. They typically provide technical assistance, loans, and management support to create businesses and jobs in local communities. Also prevalent in the Pittsburgh region are nonprofits focused on housing services, such as programs that offer Section 8 housing and low-cost temporary housing. Many of the area's nonprofits provide programs targeted at seniors, youth and teens, and family services. Work-readiness programs (such as job training programs) and emergency assistance or homeless services are far less common.

Most health and human services nonprofit service providers are concentrated in or near the Pittsburgh city center, with 63 percent located in Allegheny County (figure 3). For residents in rural areas, access to services can be problematic. While Allegheny County has the most health and human service nonprofits (1,040), Armstrong County has the fewest organizations (32 nonprofits). The number of health and human service providers in the region, on average, grew by roughly 7 percent since 2000. Butler County had the greatest increase, growing by 31 percent; Armstrong and Beaver Counties experienced declines (-3 and -5 percent, respectively).

TABLE 9

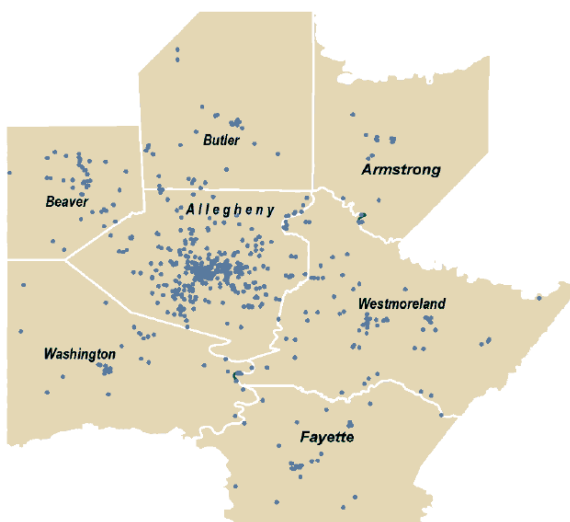
Types of Health and Human Service Providers in the Pittsburgh Region, 2012

Health and human service category	Number of registered nonprofit providers	Percentage of registered nonprofit providers	Number of providers filing Form 990 with the IRS	Percentage of providers filing Form 990 with the IRS
Community and economic development	344	21	145	17
Emergency assistance and homeless services	90	5	57	7
Family services	156	10	77	9
Housing and group homes	242	15	136	16
Physical, mental health, and disability programs	128	8	88	10
Senior and elder services	162	10	124	14
Work readiness programs	84	5	52	6
Youth and teen programs	176	11	84	10
Multipurpose programs	256	16	100	12
All health and human service providers	1,638	100	863	100

Source: The Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2012); the Internal Revenue Service, Exempt Organizations Division, Business Master File (2013).
Note: Multipurpose human service organizations provide a broad range of social services and include organizations such as the Salvation Army, Urban League, and YMCA. Percentages may not sum to 100 because of rounding.

FIGURE 3.

Location of Health and Human Service Providers in the Pittsburgh Region, 2010



Source: The Urban Institute, Nation Center for Charitable Statistics and the Internal Revenue Service, Exempt Organization Division, Business Master File (2012).
Note: The location of a health and human service provider is based on the address on file with the IRS and does not include satellite offices or multiple locations.

A 2011–12 Urban Institute survey of the region's nonprofits found that organizations were not only concentrated in the more urbanized parts of the metro area, but most tended to focus their efforts in just one county—generally the county where they are located. Fayette and Armstrong Counties, for example, mainly deliver services within their geographic boundaries. Only 10 percent of nonprofits in the region provide services to the entire seven-county area.[4]

Financially, the Pittsburgh area's health and human service nonprofit sector is a considerable economic force. The 863 health and human service providers that filed a Form 990 or Form 990-EZ (i.e., a financial return) with the IRS in 2012[5] reported a total of $2.5 billion in revenue, $2.4 billion in expenses, and $2.9 billion in assets. These counts do not include hospitals and higher education institutions. The nonprofits in Allegheny County accounted for 70 percent of these revenues and expenses and 73 percent of assets. In contrast, the region's nonprofits account for about 1 percent of all nonprofit health and human services revenues, expenses, and assets in the nation.

Although the aggregate totals are substantial, most nonprofits in the region are small. About two in five (41 percent) operate on budgets of less than $250,000 annually. In contrast, fewer than 1 in 10 (8 percent) have budgets of $10 million or more. The large organizations, however, account for most of the health and human service expenditures. As figure 4 illustrates, small nonprofits account for approximately 1 percent of expenditures, compared with 64 percent for the largest organizations.

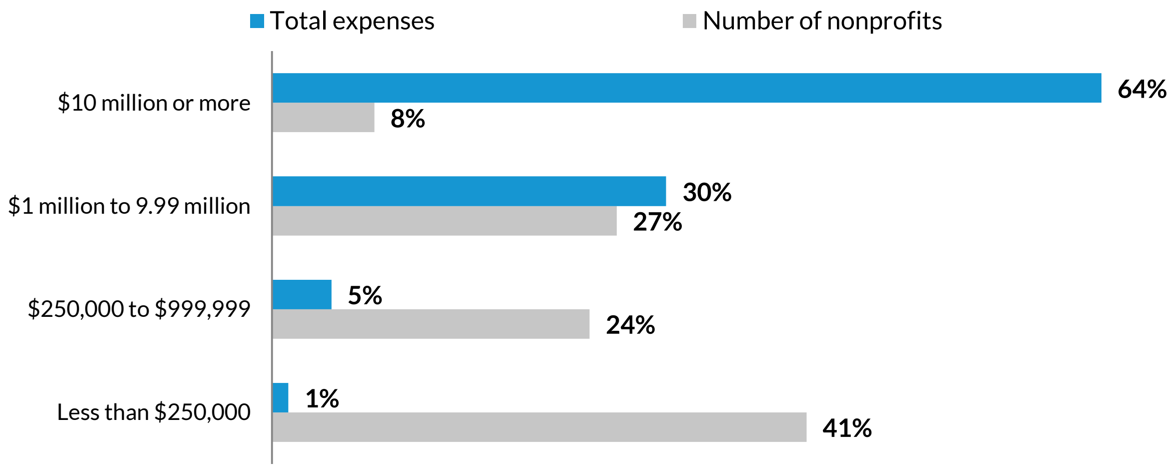
The Pittsburgh area's nonprofit health and human service sector showed considerable growth since 2000. Not only did the number of organizations grow, but so did revenues, expenses, and assets. Between 2000 and 2012, the region's revenues grew by 38 percent. Contributions from individuals, foundations, corporations, and government grants led the way with a 43 percent increase, followed by program service revenue (35 percent increase), which includes government contracts and fee-for-service revenue. Expenses also rose by 41 percent over the same period.

But the recession that began in 2007 took a toll on the region's nonprofit sector. While the number of nonprofits continues to grow, revenues, expenses, and assets have not recovered to pre-recession levels (table 10). Revenues took the biggest hit, declining by 20 percent since 2007.

Counties in the region responded differently to the recession and its aftermath. Between 2007 and 2012, revenues of human service providers declined by 26 percent in Allegheny County, and by 25 percent in Beaver and Westmoreland Counties. During the same time, Fayette County's nonprofit service providers increased revenues by 27 percent, and Washington and Butler Counties' nonprofit revenues rose 18 and 15 percent, respectively. However, many nonprofits were spending more than they generated in revenue. In Allegheny County, 54 percent ended 2012 with negative operating margins, followed by Washington County at 46 percent. Nationally, 44 percent of health and human service nonprofits ended 2012 with negative margins. Such financial vulnerability undermines nonprofits' ability to provide services to those struggling with or on the brink of poverty.

FIGURE 4

Number and Expenditures of Health and Human Service Providers in the Pittsburgh Region, 2012 (Percentage)



Source: The Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2012).
Note: Percentages may not sum to 100 because of rounding.

TABLE 10

Revenue, Expenses, and Assets in the Pittsburgh Region's Nonprofit Health and Human Service Sector, 2007–12

Year	Number	Total revenue ($ million)	Total expenses ($ million)	Total assets ($ million)
2000	690	1,788	1,709	2,421
2007	836	3,080	2,947	3,041
2008	843	3,027	2,950	3,058
2009	869	3,075	3,010	3,013
2010	867	2,431	2,350	2,812
2011	885	2,570	2,463	2,902
2012	863	2,463	2,414	2,876

Source: The Urban Institute, National Center for Charitable Statistics, Core Files (Public Charities, 2012).
Note: All figures are adjusted for inflation and are shown in 2012 dollars.
[a] The number of providers is based on the organizations that filed Forms 990 or Forms 990-EZ with the IRS in 2012 and therefore had financial information available.

Conclusions

Officially, the Great Recession ended in 2009, but the uneven economic recovery produced higher levels of poverty and greater income inequality across the nation. People with higher levels of education and skills were able to weather the economic downturn; those at the very top of the income scale often made substantial gains. It is the poor and the near-poor who continue to struggle in this post-recession economy.

In the Pittsburgh metropolitan area, 284,000 people were poor in 2012—a 7 percent increase since 2007, and a 10.5 percent increase since 2000. If one includes the near-poor, the number rises to 476,000. Women and children are especially vulnerable. Nearly 29 percent of families headed by a woman, with no husband present, were poor. Almost 18 percent of children lived in poverty. Although these rates are slightly lower than the national average, they nonetheless represent a substantial share of women and children in the Pittsburgh region who lack sufficient income to meet their basic needs.

These trends are not just a "big city" problem. Poverty increased everywhere in the region. Although Allegheny County has the most people living in poverty, the surrounding counties saw sharp upticks in their poverty populations. For example, Butler County had a 52 percent jump in the number of poor female-headed households since 2000; Westmoreland reported a 40 percent increase. In Beaver County, child poverty increased by nearly 30 percent since 2000, while Westmoreland posted a 20 percent increase. Interestingly, Fayette County, the county with the highest poverty rates overall, saw decreases in the number of people living in poverty—child poverty decreased by 9 percent; elder poverty by 37 percent; and poverty among households headed by a woman dropped roughly 4 percent.

The causes and consequences of poverty, income inequality, and income insecurity are complex. We know that a constellation of factors, including education, jobs, child care, transportation, housing, disabilities, health care, and hunger, play a role in expanding or limiting opportunities for a better life. Focusing on only one or two of these factors is unlikely to achieve the impact and long-term results needed to lift large numbers of people out of poverty. Community leaders and policymakers need to think creatively and holistically to find effective strategies that will provide more opportunity and a better quality of life for all the region's residents.

No one sector can do it alone. Government, business, and the nonprofit sector, including foundations, must work together through partnerships and collaborations to effect change. Effective service delivery requires a coordinated effort by all segments of the community with each sector contributing its unique strengths. Harnessing these strengths increases the likelihood of making a difference. A piecemeal approach to service delivery will not help individuals who need a coordinated package of supportive services to become self-reliant and self-sufficient.

Funding and supporting service programs are only a start. We need to know more about what works, and what does not work, to ensure effective use of resources. Sharing information related to clients and measuring outcomes is critical. Programs can use the information to adjust and strengthen their programs, and deliver more effective services. Measuring outcomes is not easy, but it is essential for addressing the needs of individuals and families, and for strengthening the economic fabric of the community.

Reducing poverty levels and income insecurity calls for public dialogue to educate people about the extent and severity of the problems. It also calls for public action. The Pittsburgh region has a relative advantage in addressing these concerns given that its poverty rates are lower than the national averages. Moreover, reducing poverty can be a good strategy for increasing the region's attractiveness for business investment, economic growth, and creating strong and healthy neighborhoods within the region. As the economic climate continues to improve, it is a good time to tackle the complex issues of poverty.

Appendix A. Poverty Rates for Counties in the Pittsburgh Metropolitan Area

TABLE A.1

Poverty Rates for Counties in the Pittsburgh Metropolitan Area (Percentage)

	Allegheny	Armstrong	Beaver	Butler	Fayette	Washington	Westmoreland	Pittsburgh region	United States
Total population below FPL, 2000	11.2	11.7	9.4	9.1	18.0	9.8	8.6	10.8	11.3
Total population below FPL, 2012	12.8	12.9	13.2	9.2	19.0	10.6	10.4	12.3	15.0
Children under age 18 below poverty, 2000	15.2	15.7	13.6	10.4	26.4	13.4	11.8	14.8	10.9
Children under age 18 below FPL, 2012	17.6	20.8	20.9	10.8	30.1	14.5	16.3	17.6	22.2
Adults (ages 18–64) below FPL, 2000	10.3	11.2	8.4	8.4	16.2	8.8	7.7	9.9	11.1
Adults (ages 18–64) below FPL, 2012	12.5	11.9	12.1	9.4	18.2	10.6	9.6	11.9	14.6
Elders (age 65+) below FPL, 2000	9.0	7.9	7.3	9.7	13.5	8.8	8.0	9.0	9.9
Elders (age 65+) below FPL, 2012	8.4	7.7	8.3	5.8	9.4	6.5	6.7	7.8	9.3
Families with female householder, no husband present below FPL, 2000	25.3	28.2	24.9	22.7	35.8	24.2	22.9	25.6	26.5

	Allegheny	Armstrong	Beaver	Butler	Fayette	Washington	Westmoreland	Pittsburgh region	United States
Families with female householder, no husband present below FPL, 2012	27.9	36.5	31.9	27.4	37.2	30.2	25.8	28.8	31.1
Public Assistance									
Percentage of all households with public assistance income, 2000	3.1	3.3	2.9	1.8	4.9	2.4	2.1	2.9	3.4
Percentage of all households with public assistance income, 2012	3.4	3.6	3.9	2.7	5.4	2.9	2.7	3.4	2.9

Source: US Census Bureau, 2000 Census and 2010–12 American Community Survey. The US poverty rate is from the US Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement.
Note: FPL = federal poverty level.

Appendix B. Individuals in Poverty by County and Race-Ethnicity, 2000–12

TABLE B.1

Individuals in Poverty by County and Race-Ethnicity, 2000–12

County	2000	2007	2012	Percent change 2000–07	Percent change 2007–12	Percent change 2000–12
			White, non-Hispanics in Poverty			
Pittsburgh region	190,792	190,042	200,203	-0.4	5.3	4.9
Allegheny	84,924	87,562	88,111	3.1	0.6	3.8
Armstrong	8,185	8,030	8,417	-1.9	4.8	2.8
Beaver	12,943	12,504	17,046	-3.4	36.3	31.7
Butler	14,617	13,450	15,090	-8.0	12.2	3.2
Fayette	24,228	23,761	22,474	-1.9	-5.4	-7.2
Washington	17,296	16,514	18,056	-4.5	9.3	4.4
Westmoreland	28,599	28,221	31,009	-1.3	9.9	8.4
			African Americans in Poverty			
Pittsburgh region	55,199	57,763	56,473	4.6	-2.2	2.3
Allegheny	46,793	47,544	47,139	1.6	-0.9	0.7
Armstrong	113	NA	115	NA	NA	1.8
Beaver	3,098	3,430	3,249	10.7	-5.3	4.9
Butler	332	285	329	-14.2	15.4	-0.9
Fayette	1,577	1,757	1,043	11.4	-40.6	-33.9
Washington	1,515	1,795	1,720	18.5	-4.2	13.5
Westmoreland	1,771	2,952	2,878	66.7	-2.5	62.5
			Hispanics in Poverty			
Pittsburgh region	2,959	3,985	6,786	34.7	70.3	129.3
Allegheny	2,154	2,384	4,256	10.7	78.5	97.6
Armstrong	36	NA	NA	NA	NA	NA
Beaver	157	294	223	87.3	-24.1	42.0
Butler	106	253	493	138.7	94.9	365.1
Fayette	108	106	252	-1.9	137.7	133.3
Washington	122	569	574	366.4	0.9	370.5
Westmoreland	276	379	988	37.3	160.7	258.0
			Asians in Poverty[a]			
Pittsburgh region	3,674	3,763	10,080	2.4	167.9	170.2
Allegheny	3,293	3,471	6,403	5.4	84.5	94.4

Source: US Census Bureau, 2000 Census and 2005–07 and 2010–12 American Community Survey.

Note: NA = data not available. Individual county data may not sum to regional totals because of limitations on reporting data at the county level.

[a] Because of the relatively small number of Asians living outside of Allegheny County, reliable poverty estimates for the Asian population are not available for other counties in the region.

Appendix C. Poverty Rates for Counties by Race-Ethnicity, 2000–12

TABLE C.1

Poverty Rates for Counties by Race-Ethnicity, 2000–12 (Percentage)

County	2000	2007	2012	Percent change 2000–07	Percent change 2007–12	Percent change 2000–12
	Poverty Rate for Whites, non-Hispanic					
Pittsburgh region	8.9	9.3	9.9	4.5	6.5	11.2
Allegheny	8.1	8.9	9.2	9.9	3.4	13.6
Armstrong	11.6	12.1	12.7	4.3	5.0	9.5
Beaver	7.9	8.0	11.3	1.3	41.3	43.0
Butler	8.9	7.9	8.7	-11.2	10.1	-2.2
Fayette	17.3	17.7	18.1	2.3	2.3	4.6
Washington	9.1	8.8	9.2	-3.3	4.5	1.1
Westmoreland	8.1	8.3	9.9	2.5	19.3	22.2
	Poverty Rate for African Americans					
Pittsburgh region	30.6	32.4	30.7	5.9	-5.2	0.3
Allegheny	30.9	31.8	30.8	2.9	-3.1	-0.3
Armstrong	17.7	NA	22.9	NA	NA	29.4
Beaver	30.3	34.6	31.9	14.2	-7.8	5.3
Butler	39.8	29.9	21.9	-24.9	-26.8	-45.0
Fayette	31.7	39.9	21.5	25.9	-46.1	-32.2
Washington	24.7	28.3	39.8	14.6	40.6	61.1
Westmoreland	28.7	39.5	30.7	37.6	-22.3	7.0
	Poverty Rate for Hispanics					
Pittsburgh region	17.8	17.6	22.7	-1.1	29.0	27.5
Allegheny	19.6	15.3	21.5	-21.9	40.5	9.7
Armstrong	16.9	NA	NA	NA	NA	NA
Beaver	11.9	19.1	10.7	60.5	-44.0	-10.1
Butler	9.7	19.6	25.0	102.1	27.6	157.7
Fayette	26.2	25.9	29.1	-1.1	12.4	11.1
Washington	14.3	34.0	31.2	137.8	-8.2	118.2
Westmoreland	15.8	18.2	22.7	15.2	24.7	43.7
	Poverty Rate for Asians[a]					
Pittsburgh region	15.4	12.3	23.4	-20.1	90.2	51.9
Allegheny	16.7	12.9	18.8	-22.8	45.7	12.6

Source: US Census Bureau, 2000 Census and 2005–07 and 2010–12 American Community Survey.

Note: NA = data not available.

[a] Because of the relatively small number of Asians living outside of Allegheny County, reliable poverty estimates for the Asian population are not available for other counties in the region.

Appendix D. Defining and Measuring Poverty

Over the past two decades, poverty, or economic deprivation, in the United States has trended upward. In 2012, 47.8 million people were living in poverty or 15.7 percent of the population. Just 12 years earlier, 31.6 million people, or 11.3 percent of the population, were poor. Poverty rates were fairly stable between 2000 and 2006, fluctuating between 11.3 and 12.3 percent. But when the Great Recession hit, both the number of people in poverty and the poverty rate began to climb. Poverty increased from 37.3 million individuals in 2007 (12.5 percent of the population) to 46.2 million (15.1 percent) in 2010, and to 47.8 million (15.7 percent) in 2012.

The official statistics on poverty come from the federal government. The Office of Management and Budget sets the criteria for whether a person is living in poverty or unable to secure the food, shelter, and clothing needed to sustain his or her health. Analysts examine various income thresholds based on family size and composition. Those with income below the threshold, or poverty line, are considered lacking the resources required to obtain basic life necessities.[6]

Although scholars and analysts debate how best to define and measure poverty, definitions typically fall into one of three categories. Poverty is most frequently defined in objective, absolute terms—that is, individuals are in poverty when they have less than a defined amount. The US government uses this approach to define poverty. Poverty can also be defined in objective, relative terms—that is, an individual has less compared with what others have. Third, poverty can be subjective—that is, a combination of absolute and relative measures. For example, individuals are in poverty if they feel they do not have enough money to make ends meet (Goedhart et al. 1977). This last definition is used infrequently because it is both subjective and hard to measure.

The origins of the official US government poverty definition can be traced back to Adam Smith. Smith associated poverty with an inability to acquire life's necessities. He defined necessities as "not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders indecent for creditable people, even of the lowest order to be without" (Smith 2009, 519). In the 1930s, President Franklin D. Roosevelt, in his second inaugural address, introduced poverty into the political dialogue and noted that, "a substantial part of [the United States'] whole population are denied the greater part of what the very lowest standards of today call the necessities of life."[7] President Lyndon B. Johnson again brought the issue of poverty to the American public's attention and declared a "war on poverty." To fight this war, President Johnson worked to pass legislation that expanded the government's role in helping those living in poverty acquire the skills and resources necessary to become self-sufficient.

Today, many policy experts regard the government's definition of poverty as antiquated. Some argue that it should be expanded to include a social dimension—that is, individuals live in poverty when their income is inadequate for them to "play the roles, participate in the relationships, and follow the customary behavior which is expected of them by virtue of their membership in society" (Townsend 1979, 10). This argument is based on the idea that items once viewed as luxuries are now necessities; thus, such items need to be taken into account when determining the poverty status of individuals.

Official Poverty Measure

Almost all definitions of poverty assume that when household income falls below a certain threshold, a family is unable to secure necessities. The US government began using the current poverty measure in the 1960s as an indicator of individuals without sufficient family income to obtain food and other basic life necessities. The poverty measure developed by Mollie Orshansky and adopted by the Social Security Administration (SSA) was based on the cost of a minimum adequate diet multiplied by three to allow for other expenses (Citro and Michael 1995).

To determine the minimum cost of an adequate diet, Orshansky turned to the Department of Agriculture, which had developed four food plans and provided data on the approximate cost of each plan. Orshansky used the economy food plan, the least expensive of the four options, which allowed for a nutritionally adequate diet when funds were low (Fisher 1992). Orshansky then multiplied the cost of the economy food plan by three because families in 1955 spent about a third of their after-tax income on food (1963).

In addition to the cost of food multiplied by three, the poverty measure, as developed by Orshansky, varied by the size, composition, and farm/nonfarm status of the household (1963). The official poverty measure takes into account that income needs fluctuate based on family size. Orshansky also had evidence that household needs vary by the gender of the head of household and the age of the household residents. Finally, since households on a farm could grow food, it was assumed that farm households would not need as much income to ensure a nutritionally adequate diet. Therefore, farm/nonfarm status was included in the calculation of the poverty threshold. Under this early methodology, there were 124 poverty thresholds, which reflected different family characteristics and living arrangements (Fisher 1992).

As early as 1965, SSA expressed concern that, as the standard of living improved the poverty measure would need to be adjusted as items shifted from luxury status to necessities (Orshansky 1965). Three interagency subcommittees formed the Subcommittee on Updating the Poverty Threshold and were tasked with reviewing the state of income and poverty in the United States. The Subcommittee recommended that the official poverty measure should examine the cost of an adequate food plan and the cost of food compared to other household items to ensure that an appropriate multiplier was used (Fisher 1992). Although the Subcommittee recommended a review of the poverty measure every 10 years, no changes to the official poverty measure were made after the Subcommittee's report (Fisher 1992).

Research into changing the poverty measure continued in 1974 with Congress mandating a review of the official poverty measure and supplemental measurements. Once again, no changes were made to the official poverty measure based on the report or 17 technical papers (Fisher 1992).

However, in 1981, a few changes were made to the poverty thresholds. The changes decreased the number of poverty thresholds from 124 to 48 by eliminating the farm/nonfarm status and adopting the nonfarm threshold; eliminating gender of the head of household and using an average male and female threshold; and changing the largest family size from seven persons or more to nine persons or more. These changes had only minor effects on how the government measured poverty (Fisher 1992).

By the 1990s, Congress again sought to reexamine the poverty measure. In 1995, the Panel on Poverty and Family Assistance at the National Academy of Sciences (NAS) proposed significant changes to the official poverty measure based on a number of weaknesses identified by the group. Two main factors are used to determine poverty status: household resources and family size and composition. Four of the six weaknesses focused on items that were not taken into account when determining household resources. These included expenses necessary for employment (e.g., child care, transportation, etc.), variations among health care costs for different groups such as the elderly, variations in expenses based on geographic areas, and participation in government assistance programs. These factors alter the amount of discretionary income in a household (Citro and Michael 1995). The remaining weaknesses focused on adjusting the poverty thresholds. Experts at NAS concluded that changing demographic and family characteristics, and changes in the standard of living over the past 20 years highlighted the need to reassess what constitutes minimum needs and adjust the poverty thresholds accordingly (Citro and Michael 1995). While the government did not make changes to the official poverty measures following release of the NAS report, it began developing supplemental poverty measures.

Supplemental Poverty Measures

In 2011, the US Census Bureau released a report comparing the official poverty estimates with those developed under the supplemental poverty measure (SPM). The SPM draws on the recommendations of the National Academy of Sciences report and provides additional insights into measuring poverty. While the government continues to use the official poverty definition to determine eligibility for government program participation, the SPM provides new insights into poverty by incorporating additional information into the calculation of poverty thresholds (Short 2011).

Kathleen Short (2011) highlights the differences between the two poverty measures. For example, the two measures use different units of analysis. The official poverty measure uses the census-defined family—that is, all individuals residing together who are related by birth, marriage, or adoption, with all unrelated individuals over the age of 15 treated independently. The SPM uses the family unit, where everyone residing in the household is counted, regardless of blood relationship. Thresholds are also adjusted for the size and composition of the family. The official poverty measure thresholds based on family size, number of children and adults, and whether an individual age 65 or older heads the household. The SPM resource unit uses an equivalence scale based on the two-adult, two-child threshold (Short 2011). Conceptual and methodological differences between the two measures are outlined in table D.1.

Overall, the poverty thresholds are slightly higher when using SPM. The threshold for two adults with two children in 2010 is $24,343 using the SPM, and $22,113 using the official poverty measure. It is also worth noting that the SPM thresholds rose slightly more between 2009 and 2010 (by $489) than the thresholds for the official poverty measure (by $357) (Short 2011).

TABLE D.1

Official and Supplemental Poverty Measure Concepts

	Official poverty measure	Supplemental poverty measure
Measurement units	Families and unrelated individuals	All related individuals who live at the same address, including any coresident unrelated children who are cared for by the family (such as foster children) and any cohabitors and their children.
Poverty thresholds	Three times the cost of minimum food diet in 1963	The 33rd percentile of expenditures on food, clothing, shelter, and utilities (FCSU) of consumer units with exactly two children multiplied by 1.2
Threshold adjustments	Vary by family size, composition, and age of householder	Geographic adjustments for differences in housing costs and a three-parameter equivalence scale for family size and composition
Updating thresholds	Consumer price index: all items	Five-year moving average of expenditures on FCSU
Resource measure	Gross before-tax cash income	Sum of cash income, plus in-kind benefits that families can use to meet their FCSU needs, minus taxes (or plus tax credits), minus work expenses, minus out-of-pocket medical expenses

Source: Kathleen Short, “The Research Supplemental Poverty Measure: 2010,” Current Population Report P60-241 (Washington, DC: US Census Bureau, 2011).
http://www.census.gov/hhes/povmeas/methodology/supplemental/research/Short_ResearchSPM2010.pdf

Appendix E. Overview of Income Inequality

Income inequality in the United States is not new; it has been evident for decades. But the financial crisis of 2007 and the unbalanced recovery pushed inequality to new extremes. Income is now more concentrated than it was at any time in the past century (Saez 2013). Indeed, the Occupy Wall Street movement and the backlash against presidential candidate Mitt Romney's "47 percent" remark moved income inequality up the political agenda.

A Recurring Issue

Wealth distribution was highly unequal in the early 1900s and into the Roaring Twenties, as some families amassed huge fortunes. The Great Depression followed by World War II cut deeply into the capital stocks of these families and helped rebalance the income distribution.[8] In the 1950s, policies to support returning veterans and the growing white middle class helped many families start on a path of wealth accumulation, importantly through home ownership (Saez 2013). Other factors that contributed to relative income equality include strong labor unions, progressive tax policies, employer provided health and retirement benefits, changing social norms about pay inequality, and integration (Chetty et al. 2014). Average (mean) wages grew quickly in the 1950s and 1960s, but the distribution of income remained fairly constant during this time. With high average wage growth, poverty decreased from 22.4 percent in 1959 to 11.1 percent in 1973 (Gottshalk and Smeeding 1997).

Beginning in the 1970s, average wage growth slowed and income inequality surged. Over the next two decades, the poverty rate rose by 30 percent, reaching 14.5 percent in 1994. The slow and steady growth of the average income during this time is explained by increasing income inequality and changing demographic trends, such as a rise in female-headed households (Gottshalk and Smeeding 1997).

The trend of growing income inequality continued throughout the 1990s (Lynch 2003). From 1988 to 1999, total average income rose, while average income in the bottom 60 percent of earners fell during the same period. States exhibited differing levels of inequality, but tended toward income convergence: Incomes in states with relatively lower average income grew faster over the period.

Most of the gains and fluctuations in income growth in the past 20 years were in the top 1 percent of earners (Saez 2013). In fact, the top 1 percent account for 20 percent of all income today, compared with 10 percent in 1980.[9] Furthermore, the share of the top 0.01 percent of Americans—about 16,000 families averaging $24 million a year—has quadrupled from holding roughly 1 percent to 5 percent of all income. That is more than that segment of society had a century ago.[10] Whereas the top incomes in the early 1900s were from capital, today they are from wages and salaries (Saez 2013).

Income inequality accelerated in the aftermath of the Great Recession: "From 2009 to 2012, average real income per family grew modestly by 6.0 percent but the gains were very uneven. Income of the top 1% grew by 31.4 percent while that of the bottom 99% grew by only 0.4 percent. Hence, the top 1% captured 95 percent of the income gains in the first two years of the recovery" (Saez 2013, 4).

Measuring Inequality

There are many ways to measure income inequality. One practice is to divide income into quartiles, or, more often, quintiles. This allows one to see income at every level of society.

Another common measure of income inequality is the Gini coefficient, which was developed by the Italian economist Corrado Gini. This measure is a scale between 0 and 1, where 0 represents perfect equality, and 1 represents perfect inequality, or all income held by one person. This measure is especially useful for comparisons across countries and is prevalent in development literature. The Gini coefficient in the US increased from about 0.3 in 1980 to over 0.4 in 2010.[11] The US has the highest after-tax Gini coefficient in the rich world.[12]

The distinction between market income and income after taxes and transfers is an important factor in measuring income inequality. Hagopian and Kip (2012) argue that income inequality is overstated in the literature because some scholars use market income as their measure. They point out that inequality is lower after taxes and government transfers are taken into account. However, the *Economist* notes that it is precisely after-transfer income that shows the US is highly unequal.[13] The Gini based on market income in the US is fairly standard, and even in line with Scandinavian countries, which are known for their social equality. The difference lies in the Gini coefficient of post-tax income, which is the highest in the rich world. The American tax and transfer systems only decrease the Gini by 0.15.

Most inequality studies are done at the national or state level. Inequality is more pronounced at larger geographic scales because areas with varied economic attributes, such as urban and rural areas, can be compared directly. However, the nuances of county and neighborhood inequality can be easily hidden at these larger geographic scales (Peters 2012). For instance, a state that shows a fairly even distribution of income may in fact have counties or neighborhoods that are highly segregated by income. Data limitations to ensure privacy and confidentiality at the local level restrict county-level analysis in this report.

Determinants of Income Inequality

Shifts in employment have been a driving factor behind growing income inequality. The transition from industrial sector employment to service sector employment is commonly identified as a main cause. This transition saw a decline in the power of labor unions, and fewer employer-provided benefits for middle-income employees. Labor force factors are central determinants of income inequality.

Demographic factors also contribute to income inequality. For example:

- Children from low-income neighborhoods are more likely to live in low-income neighborhoods as adults, especially African American children.[14]
- Concentrated poverty is a reliable predictor of poverty later in life (Chetty et al. 2014). Thus, zoning policies and neighborhood wealth are important determinants of income inequality.
- The rise of female-headed households and single-parent households has also contributed to higher poverty and family income inequality. Children raised in such homes have a greater chance than adults to live in poverty.
- Race is a strong determinant of family wealth. In a study tracing white and black families over 25 years, Shapiro, Meschede, and Osoro (2013) found the wealth gap between these racial groups tripled. Two of the main drivers were unemployment and education levels.
- Insofar as childhood poverty predicts income later in life, other drivers of the racial wealth gap, such as home ownership, inheritance, and financial support from friends and relatives, contribute to income inequality in the next generation.

Inequality and Growth

The relationship between inequality and growth is not clearly established. Economist Simon Kuznets pointed out in 1955 that as economies begin to industrialize, inequality increases. After industrialization, citizens demand more from their government and inequality shrinks. The inverted U-shaped curve describing the relationship between inequality and GDP is widely taught in economics courses, and is referred to as the Kuznets curve. However, recent trends have called into question the logic of this relationship. "These days the inverted U has turned into something closer to an italicized *N*, with the final stroke pointing menacingly upwards," points out the *Economist*.[15]

There are two competing theories for how the shift from an industrial-based economy to a service-based economy affects growth. The professionalization theory says that low- and medium-skilled workers in manufacturing are replaced by high-skilled, highly educated workers in services, such as lawyers and software engineers, essentially moving the whole economy one step up the value chain. This theory is ideologically aligned with the Kuznets curve, where eventually everyone is better off because of the shift. Alternatively, the polarization theory posits that some workers are able to make the transition to high-skilled services, but others are stuck with low-pay, low-skill service work, such as in restaurants and as janitorial staff.

There is little agreement about which theory is more accurate. A recent study of inequality and growth at the meso- and micro-geographic levels found that where economic opportunities exist, incomes for some rise and inequality increases; where there is little economic opportunity, incomes converge (Peters 2012). This finding supports the inequality-growth model and polarization theory.

Another study of income inequality and growth in United States from 1960 to 2000 found that it is not the level of inequality, but changes in inequality that affect growth (Hasanov and Izraeli 2011). Stable equality is good for growth. These findings create a dilemma for policymakers: "A policy aimed to increase college graduation rates among the adult population would help the economy grow faster but would increase income inequality. If inequality rises substantially, lower growth may follow. A similar dilemma applies to policies promoting higher graduation rates from high school. In this case, inequality declines, but the direct effect on economic growth is negative although it is mostly insignificant" (Hasanov and Izraeli 2011, 538).

A *New York Times* op–ed piece by Joseph Stiglitz (2013), former chief economist at the World Bank, argued that high inequality in the US is bad for growth. He points to four main reasons why "inequality is squelching our recovery." First, the middle class is too weak to support the level of consumer spending that typically drives the American economy. Second, the middle class is unable to invest in itself through education or through starting businesses. Third, a small middle class means an eroding tax base, and the top 1 percent is adept at avoiding taxes and negotiating tax breaks for itself. Smaller tax revenue means lower government investment in infrastructure, education, and services. And fourth, higher inequality is associated with more severe boom and bust cycles, such as the Roaring Twenties that led to the Great Depression. Stiglitz also points out that higher unemployment depresses wages, which exacerbates inequality (Stiglitz 2013).

Achieving the American Dream

Many Americans emphasize the importance of equal opportunities over equal outcomes. The American Dream is the idea that anyone who works hard can succeed. In this context, income inequality is viewed as a necessary incentive for hard work.

There is wide agreement in the literature that social mobility in the US is lower than in many European countries. Jantti and colleagues (2006) found that income persistence between father and son pairs was higher in the US than in the UK and the Nordic countries. Similarly, Corak (2006) found that 50 percent of income advantages passed from parents to children in the United States, compared with only 20 percent in Canada and Scandinavia. While income persistence was highest at the top earnings in the other countries, the most persistent trend in the US was at the lower end of the income distribution. This means that poor Americans are even more likely to stay poor than rich Americans are to stay rich.

A recent study by the National Bureau of Economic Research (NBER) shows that Americans are no more—or less—socially mobile than they were a generation ago. In 1971, a child from the poorest fifth of the income scale had an 8.4 percent chance of making it to the top fifth; by 1986, it was a 9 percent chance (Chetty et al. 2014). In contrast, another study shows that most poor children are in higher relative positions than their parents. About 30 percent of dependents of families in the bottom quintile in 1987 were in the bottom quintile of their peers 20 years later, and 11 percent were in the top quintile (Auten et al. 2013).

Auten and colleagues also show that movement at the top of the income bracket is fluid. Between 2000 and 2010, only 23 to 31 percent of people in the top 1 percent of income remained there for six years in a row; between 37 and 47 percent dropped out of this very high-income bracket after the first year. So while the amount of wealth held by the top 1 percent may be shockingly high, the income variation from year-to-year for individuals in this group is also high (Auten et al. 2013). However, the fact that the time frame for this analysis includes the Great Recession may have contributed to the variation.

The most striking aspect of the NBER study is that income mobility varied widely across geographic areas. For example, the probability that a child from the bottom quintile will make it to the top quintile is 4.4 percent in Charlotte, but 12.9 percent in San Jose. The authors found five main attributes that are shared by high-mobility areas: "less residential segregation, less income inequality, better primary schools, greater social capital, and greater family stability" (Chetty et al. 2014, 1). Research by the Pew Charitable Trusts found that education levels, race, and marital status all affect mobility.[16] College graduates, white people, and married couples are more upwardly mobile than other groups, other things being equal.

Regional Variation in Income Inequality

Just as income mobility varies across regions, so does income inequality. Pennsylvania ranked 23rd in average real family income in 1988, 1995 and 1999, the three years included in the study (Lynch 2003). The average real family income was $44,196, $43,239, and $46,836, respectively for each of those years. In those years, Pennsylvania's Gini coefficient ranked 25th (0.481), 21st (0.488), and 16th (0.519) in those years (where 1.0 = most unequal).

Using national data,[17] a Pew study (2012) of economic mobility at the state level found that Pennsylvania performed higher than the national average in absolute mobility (20 percent) and upward mobility (37 percent), and about the same as the national average in downward mobility (27 percent). However, compared to residents in the Mideast (comprising Delaware, the District of Columbia, Maryland, New Jersey, New York, and Pennsylvania), which had the highest absolute mobility of any region, Pennsylvanians did not do as well. It performed worse than the average in upward mobility for the region (32 percent versus 34 percent, respectively), and about the same as the regional average for downward mobility (31 percent).

Another recent study ranked cities using a measure of Intergenerational Elasticity of Income, or IGE (Sharkey and Graham 2013). On this scale, 0 is perfect mobility, where parents' income has no effect on their children's income, and children are equally likely to be on a higher or lower rung than their parents. A score of 1 is no mobility, where the only factor affecting the children's income is their parents' income, and children are always on the same rung of their parents. The authors explain, "An IGE between zero and one indicates how much of parents' advantage or disadvantage is passed on to their children, with numbers closer to zero signifying greater mobility across generations" (Sharkey and Graham 2013, 4). In metropolitan areas with low economic mobility, it takes four generations for a family's descendants with income half that of the average (mean) income of the area to reach the mean income, compared to only three generations in metro areas with high mobility. Pittsburgh has an IGE of about 0.43, which is the average mobility for American metro areas. The average IGE for the US as a whole is between 0.4 and 0.6, compared to 0.2 for some Western European countries. This is consistent with findings from the NBER study, which ranked Pittsburgh twelfth for the probability (9.6) that a child born into the bottom quintile would grow up to be in the top quintile (Chetty et al 2014). However, the NBER study ranked Pittsburgh second in absolute upward mobility.

Sharkey and Graham (2013) found that it is not absolute income inequality, but rather economic segregation, that drives the association with economic mobility. In other words, economically integrated neighborhoods are more important for improved mobility than is income equality. Using the Neighborhood Sorting Index, "which assesses whether family incomes in a metropolitan area vary more within neighborhoods—as in economically integrated areas—than between neighborhoods—as in more economically segregated areas," they found that the degree of neighborhood economic segregation varies widely in the United States (Sharkey and Graham 2013, 7).[18] Economic segregation increased in metro areas across the nation from the early 1970s, before levelling off again in the 1990s. For example, New York's index increased by more than 50 percent in 30 years from 24 percent in 1970 to 37 percent in 2000. Pittsburgh has a relatively low rate of economic segregation with only 16.7 percent of income variation occurring between neighborhoods in 2000. In the least-segregated areas, the figure is less than 10 percent.

The authors show that metropolitan areas with higher intergenerational elasticity of income—that is, with lower mobility—have higher income segregation. This is because, despite the advantages that wealthier parents can provide for their children regardless of location, such as books, enrichment activities, higher quality child care or private education, more segregated areas offer more advantages for their children—and even more disadvantages for poor children. These disadvantages include lower quality schools, higher crime rates, and fewer economic opportunities, compared to both wealthy areas and to less segregated areas.

Appendix F. Health and Human Services Sector Definitions

The health and human service sector can be defined in many ways. For this study, human service providers fall into one of the following eight categories:

- Community and economic development focus broadly on strengthening the economic, cultural, education, and social services of an urban community. More specifically, community development organizations provide technical assistance, loans, and management support to create businesses and jobs in local communities.
- Housing or group homes offer Section 8 housing and other forms of low-cost temporary housing. Group homes are facilities that provide 24-hour, nonmedical care for individuals with disabilities and/or neglected or abandoned youth.
- Emergency assistance and homeless services provide services to meet basic needs, particularly in emergency situations. This category includes food banks and pantries, congregate meals, homeless shelters and centers, and traveler's aid. It also includes violence shelters, sexual abuse and victim services, and spousal and child abuse services.
- Family and legal services support healthy family and individual development. This category includes family counseling centers, single-parent support agencies, adoption services, family planning, and foster care.
- Physical and mental health, and disability programs provide community-based health centers and clinics. This category includes substance abuse prevention and treatment centers, mental health centers, addiction support, and programs for the disabled. Hospitals are not included in this category.
- Senior or elder services target their services to the older population and include continuing care communities, senior centers, and Meals on Wheels programs.
- Work-readiness programs help individuals find, secure, and sustain gainful employment. This category includes adult continuing education, vocational rehabilitation, Goodwill Industries, sheltered employment for the disabled, job training, and vocational counseling.
- Youth and teen programs provide recreational and supportive services to children and youth. This category includes Boys and Girls Clubs, youth centers, and mentoring programs like Big Brothers-Big Sisters. It also includes services for adolescent parents and child care providers.
- Multipurpose programs supply a broad range of social services. Nationally recognized groups such as the YMCA, YWCA, Urban League, Salvation Army, and Volunteers of America are included in this category, as are immigration and neighborhood centers.

Appendix G. Government Antipoverty Programs

The federal government has been proactive in helping individuals and families that fall below the poverty level through various programs. In the 1960s, President Lyndon B. Johnson declared a war on poverty and worked to pass legislation that expanded the role of government in education and health care as ways to address poverty (Weisbrod 1965).[19] However, as time evolved and individuals were not transitioning from government assistance to self-sufficiency, policymakers decided that changes were needed to the antipoverty programs. By the 1990s, Americans were unhappy with welfare policies, and President William J. Clinton's 1992 campaign focused on "ending welfare as we know it" (Weaver 2000, 2).

Congressional debate as to how to solve the poverty problem focused on five areas:

1. Reforming welfare to work and implementing time limits on program participation
2. Reducing spending on poverty programs
3. Promoting parental responsibility
4. Addressing out-of-wedlock births
5. Promoting devolution and allowing states more flexibility in addressing poverty (Greenberg et al. 2000).

Four major antipoverty programs administered by the federal government are discussed below.

Temporary Assistance for Needy Families

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) significantly altered eligibility requirements and services provided by the federal and state governments to individuals living in poverty.[20] PRWORA abolished Aid to Families with Dependent Children (AFDC) and provided states with block grants to design welfare programs that had time limits and focused on employment (Greenberg et al. 2000).

AFDC was replaced by Temporary Assistance for Needy Families (TANF). Through TANF, each state received a fixed amount of funding, regardless of the number of individuals receiving services, which gives states discretion in administering TANF funds. Section 401 of the code outlines the primary purposes of TANF money, which is to

1. provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. end the dependence of needy parents on government benefits by promoting job preparation, work, and marriages;
3. prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
4. encourage the formation and maintenance of two-parent families.

Additionally under TANF, states are able to set limits regarding the length of time an individual can participate in the program—generally two years without working and five years over an individual's lifetime.

Critics of TANF argued that the bill blamed low-income women for their condition (Rose 2000; Eitzen and Baca Zinn 2000) and feared that low-income women and children would experience new hardships (Harris 1996; Sandefur 1996; Zedlewski et al. 1996). Others argue that PRWORA ignored the root causes of poverty, which include economic and social injustice, racial discrimination, and a split in the economy that favored the rich over the poor (O'Connor 2000).

The actual impact of TANF is not known. While the number of people receiving government assistance has declined since switching from AFCD to TANF, it is not clear if this is a result of eligibility changes or individuals becoming self-sufficient. Lichter and Jayakody (2002) found that welfare caseloads declined more quickly than employment rates rose for people who no longer received assistance. Additionally, the economy in the late 1990s was healthy, so it is not clear if the decrease in unemployment can be attributed to changes in welfare or a strong economy. What is clear is that the working poor compose a larger share of poor people. Regardless of the reason the individual stopped receiving TANF assistance, 20 percent of former welfare recipients will seek TANF assistance again as they are unable to maintain employment (Haskins, Sawhill, and Weaver 2001).

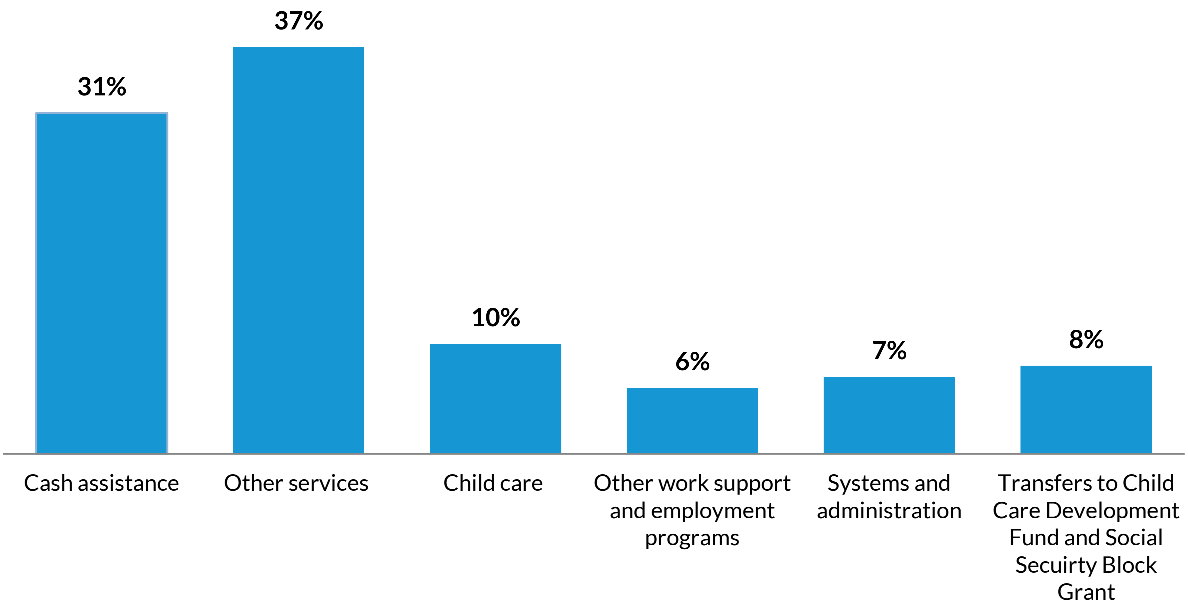
Since the passage of PRWORA in 1996, Congress has made several changes to the TANF program in various reauthorization acts. In 2005, Congress implemented stricter employment requirements. The Deficit Reduction Act of 2005 (DFA) increased "effective work participation rates, increased the share of welfare recipients subject to work requirements, limited the activities that could be counted as work, prescribed hours that could be spent doing certain work activities, and required states to verify activities for each adult beneficiary" (Zedlewski and Golden 2010, 7). DFA provided stipulations for

TANF until September 30, 2011, when Congress would need to reauthorize TANF funds. Congress opted not to create new legislation related to TANF funding, but did extend TANF benefits to September 30, 2012, through the Middle Class Tax Relief and Job Creation Act of 2012.

In January 2013, Congress passed the Protect Our Kids Act of 2012, "to establish a commission to develop a national strategy and recommendations for reducing fatalities resulting from child abuse and neglect."[21] The Act extended TANF funding through fiscal year 2014, and reserved $2 million per year for the child welfare commission it created. The requirements for TANF assistance were otherwise unchanged. Figure G.1 shows how TANF dollars were spent in 2013.

FIGURE G.1

Distribution of TANF Dollars, FY 2013



Source: Office of Family Assistance, Fiscal Year 2013 TANF Financial Data. http://www.acf.hhs.gov/programs/ofa/resource/tanf-financial-data-fy-2013.

Subsidized Housing

Federal housing programs in the United States started during the Great Depression with the passage of the Housing Act of 1937.[22] Section 8 of the Housing Act allows the federal government to make payment for low-income individuals and families to private property owners. Since 1965, the US

Department of Housing and Urban Development (HUD) has overseen Section 8 and other federal housing subsidy programs.

Housing Choice Vouchers (HCV) are tenant-based vouchers for very low income families,[23] elderly, and disabled individuals to assist them in affording safe housing. Recipients are allowed to choose their housing unit, as long as the owner agrees to accept the voucher and the housing unit is safe. The voucher stays with the recipient, so recipients can relocate and still maintain their assistance. Additionally, HCV recipients can use their vouchers to rent or purchase housing.

Local public housing authorities (PHAs) collect federal funds, manage vouchers, and ensure that the housing units meet general safety and health standards. A PHA pays the subsidy directly to the property owner, and the family pays the difference between the rent and the voucher directly to the owner. Eligibility for HCV is determined by family income, assets, and composition. However, demand for HCV often exceeds the amount available. Long periods on the wait list are common.[24] Also, PHAs will close the wait list if it gets too long.[25]

Unlike HCV, which is tenant based, Public Housing (PH) is property based and owned by the government or private sector. Like HCV, PHAs also manage PH and monitor properties to ensure they are decent and safe. If recipients of PH move, they will lose their housing subsidy unless they move to another PH-qualified property. This program is not designed to assist with homeownership. Eligibility requirements for PH are based on family income, assets, and composition.[26]

Supplemental Nutrition Assistance Program

Operated by the US Department of Agriculture (USDA), the Supplemental Nutrition Assistance Program (SNAP) helps more than 46 million people put healthy food on their tables each month.[27] The federal government has assisted Americans with their food needs since 1939, when the first food stamp program was implemented. Demand for assistance reached an all-time high in 2008 and continues to increase, partly because of increased demand and partly because of lowering eligibility requirements, additional outreach, and improved access to benefits.

Workforce Investment

Passed in 1998, the Workforce Investment Act (WIA) sought to "consolidate, coordinate, and improve employment, training, literacy, and vocational programs in the United States."[28] WIA replaced the Job Training Partnership Act (JTPA) and contains the Adult Education and Family Literacy Act and the Rehabilitation Act Amendments of 1998. The Department of Labor administers the programs and funds associated with WIA.

WIA encourages businesses to participate in workforce investment boards (WIBs). WIBs are state groups and normally comprise the governor, two members of each chamber of the state legislature, and business and other leaders appointed by the governor (Sec. 111). WIBs design the plan that outlines the employment needs of the state, job skills necessary to obtain employment in the state, skills and economic development needs of the state, and the type of workforce investment activities in the state. Additionally, each state's WIA designates local areas to create WIBs. Local WIBs consist of local business leaders as well as representatives from local educational institutions, labor unions, community organizations, economic development agencies, and other individuals that are deemed appropriate (Sec. 116).

Together, state and local WIBs reformed federal job programs and worked to create a comprehensive workforce investment system. The WIB help determine the job skills needed in the local area to ensure that training provided aligns with job opportunities. Overall, WIA focuses on seven principles:

1. Streamlining services
2. Empowering individuals
3. Universal access
4. Increasing accountability
5. Strong role for local workforce investment boards and the private sector
6. State and local flexibility
7. Improving youth programs

Appendix H. Fact Sheets for Counties in the Pittsburgh Metropolitan Area

ALLEGHENY COUNTY

Although Allegheny's total population has declined since 2000, the number of Asians and Hispanics is increasing. Poverty in the county is also increasing and reached 12.8 percent in 2012. People of color and female-headed families are most affected by this trend. Though Allegheny has the most health and human service nonprofits (6.4 per 1,000 residents in poverty), many struggle financially. More than half had financial operating deficits at the end of 2012.

Demographics

	2000	2012	CHANGE IN NUMBER (%)
Total population	1,281,666	1,226,873	↘ 4.3%
Population under age 5	71,081	63,841	↘ 10.2%
School age population (between 5 and 17)	210,095	175,387	↘ 16.5%
Working age population (between 18 and 64)	772,074	782,030	↗ 1.3%
Senior population (age 65 and older)	228,416	205,615	↘ 10.0%

Race and Ethnicity

	2000	2012	CHANGE IN NUMBER (%)
White, non-Hispanic	1,074,129	984,533	↘ 8.3%
Black or African American, non-Hispanic	158,049	158,020	0.0%
Hispanic	11,166	20,585	↗ 84.4%
Asian, non-Hispanic	21,635	34,934	↗ 61.5%
All other racial and ethnic groups[1]	16,687	28,801	↗ 72.6%

Economic Measures

	2000	2012	CHANGE IN NUMBER (%)[2]
Unemployment rate	4.1%	6.9%	↗ 75.8%
Median household income (2012 current dollars)	$50,978	$50,693	↘ 0.6%

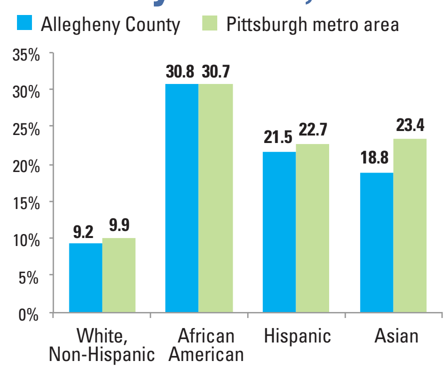
Public Assistance

	2000	2012	CHANGE IN NUMBER (%)[2]
Average annual household public cash assistance (TANF)[3] income (2012 current dollars)	$3,708	$2,856	↘ 23%
Percentage of all households with public cash assistance income	3.1%	3.4%	↗ 8.3%
Percentage of all households with food stamp/SNAP benefits in the past 12 months	NA	12.0%	NA

15.0% National poverty rate, 2012

12.3% Pittsburgh metro area poverty rate, 2012

Poverty Rates, 2012



Poverty

	2000	2007	2010	2012
Percentage of population below the poverty level	11.2%	12.3%	12.7%	12.8%
Percentage of children under age 18 below the poverty level	15.2%	16.5%	17.4%	17.6%
Percentage age 18–64 below the poverty level	10.3%	11.6%	12.1%	12.5%
Percentage age 65 and older below the poverty level	9.0%	9.4%	9.0%	8.4%
Percentage of families with female householder, no husband present, below the poverty level	25.3%	25.7%	27.6%	27.9%

For a family of four (two adults and two children), the 2012 poverty level is $23,283.

[1]Other racial-ethnic groups include Native American, Alaskan Native, Native Hawaiian or other Pacific Islander, mixed race or multiracial, and others.

[2]Percentage change is calculated based on the number of individuals or households and not the percentages shown.

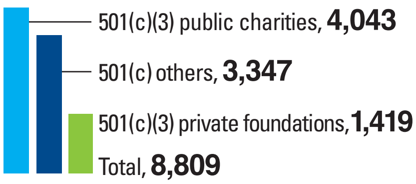
[3]Public assistance income includes general assistance and Temporary Assistance to Needy Families (TANF). Separate payments received for hospital or other medical care (vendor payments) are excluded. This does not include Supplemental Security Income or noncash benefits such as food stamps.

Notes: NA is not available. Poverty measures are based on the population for whom poverty status is determined and will differ from the total population figure shown. Subtotals may not sum to totals because of rounding.

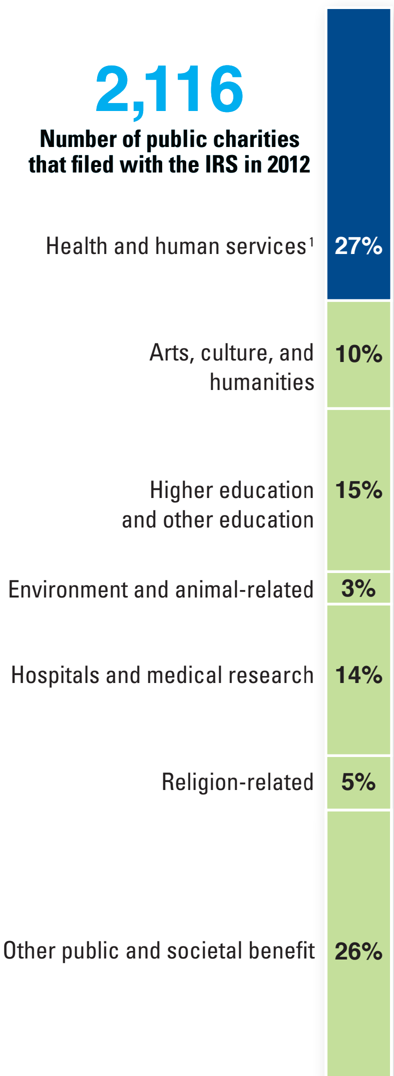
Sources: Data on age, race and ethnicity, poverty, public assistance, and income inequality are from the US Census Bureau, 2000 Census and the American Community Survey, three year estimates, 2005–07 and 2010–12. The national poverty rate is from the US Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement. The unemployment rate is from the US Department of Labor, Bureau of Labor Statistics, 2000 and 2012 annual averages.

NONPROFIT SECTOR IN ALLEGHENY COUNTY

All Registered Nonprofits, 2012



All Filing Public Charities, 2012

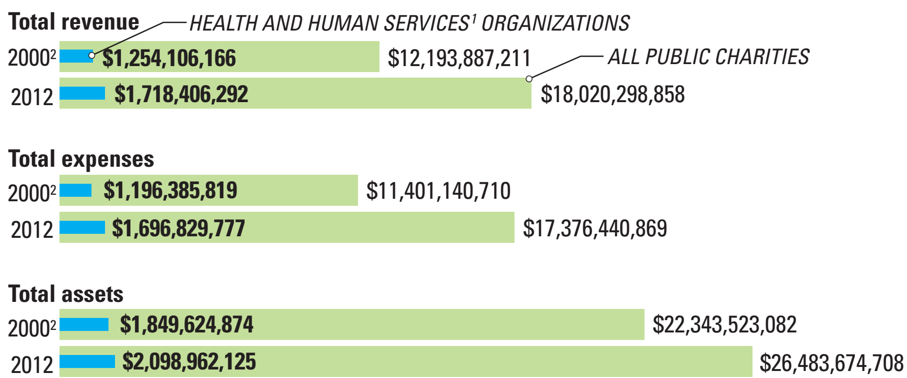


Nonprofit Resources

	2000	2012	CHANGE IN NUMBER (%)
Number of nonprofits registered with the IRS	6,657	8,809	↗ 32.3%
Number of public charities filing with the IRS	1,627	2,116	↗ 30.1%
Number of health and human services organizations registered with the IRS[1]	974	1,040	↗ 6.8%
Number of health and human services organizations filing with the IRS[1]	463	566	↗ 22.2%
Number of nonprofits per 1,000 county residents	5.2	7.2	↗ 38.2%
Number of health and human services organizations per 1,000 residents in poverty[1]	7.0	6.4	↘ 8.9%

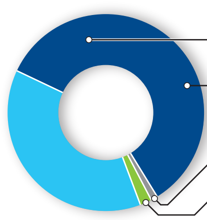
Financial Measures

AMONG ORGANIZATIONS FILING WITH THE IRS IN 2012



Health and Human Services[1]

SOURCES OF REVENUE, 2012



Contributions	37.9%	$651,266,414
Program service revenue[3]	59.2%	$1,017,203,020
Investment income	1.2%	$20,484,705
Other	1.7%	$29,452,153

566
Number of health and human services[1] organizations that filed with the IRS in 2012

FISCAL HEALTH OF HEALTH AND HUMAN SERVICES[1]

	2000	2012	CHANGE IN NUMBER (%)[4]
Percentage of nonprofits with positive operating margin	58.7%	44.9%	↘ 6.3%
Percentage of nonprofits with positive net assets	84.0%	80.7%	↗ 17.8%

[1]Health and human services organizations exclude hospitals and higher education.

[2]Adjusted for inflation and presented in 2012 constant dollars.

[3]Program service revenue includes government contracts and fee-for-service revenue.

[4]Percentage change is calculated based on the number of nonprofit organizations and not the percentages shown.

Notes: Filing public charities are nonprofit organizations that exceed $50,000 in revenue and filed a Form 990-EZ or Form 990. Public and societal benefit charities include civil rights organizations, service clubs, chambers of commerce, and veteran'sorganizations. Subtotals may not sum to totals because of rounding.

Sources: Nonprofit statistics come from The Urban Institute, National Center for Charitable Statistics, Core Files (2012) and the Internal Revenue Service, Exempt Organization Business Master File (2013).

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ARMSTRONG COUNTY

Armstrong, the smallest county in the Pittsburgh region, saw poverty increase since 2000. The African American poverty rate now stands at 22.9 percent, nearly double the rate for whites (12.7 percent). One in five children lives in poverty. Armstrong's 32 nonprofit health and human services providers are financially strong: three-quarters ended 2012 with a positive operating balance, and all had positive net assets.

Demographics

	2000	2012	CHANGE IN NUMBER (%)
Total population	72,392	68,659	↘ 5.2%
Population under age 5	3,913	3,421	↘ 12.6%
School age population (between 5 and 17)	12,661	10,407	↘ 17.8%
Working age population (between 18 and 64)	42,765	41,903	↘ 2.0%
Senior population (age 65 and older)	13,053	12,928	↘ 1.0%

Race and Ethnicity

	2000	2012	CHANGE IN NUMBER (%)
White, non-Hispanic	70,976	67,015	↘ 5.6%
Black or African American, non-Hispanic	578	611	↗ 5.7%
Hispanic	308	399	↗ 29.5%
Asian, non-Hispanic	82	128	↗ 56.1%
All other racial and ethnic groups[1]	448	506	↗ 12.9%

Economic Measures

	2000	2012	CHANGE IN NUMBER (%)[2]
Unemployment rate	5.7%	8.5%	↗ 51.7%
Median household income (2012 current dollars)	$41,971	$43,734	↗ 4.2%

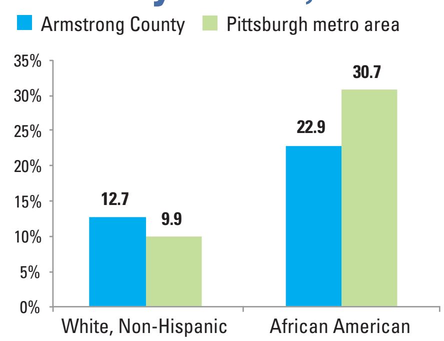
Public Assistance

	2000	2012	CHANGE IN NUMBER (%)[2]
Average annual household public cash assistance (TANF)[3] income (2012 current dollars)	$2,413	$1,899	↘ 21.3%
Percentage of all households with public cash assistance income	3.3%	3.6%	↗ 6.9%
Percentage of all households with food stamp/SNAP benefits in the past 12 months	NA	14.7%	NA

15.0% National poverty rate, 2012

12.3% Pittsburgh metro area poverty rate, 2012

Poverty Rates, 2012



Note: Data are not available for other race-ethnic groups.

Poverty

	2000	2007	2010	2012
Percentage of population below the poverty level	11.7%	12.3%	11.3%	12.9%
Percentage of children under age 18 below the poverty level	15.7%	16.7%	19.2%	20.8%
Percentage age 18–64 below the poverty level	11.2%	11.9%	9.6%	11.9%
Percentage age 65 and older below the poverty level	7.9%	8.7%	8.2%	7.7%
Percentage of families with female householder, no husband present, below the poverty level	28.2%	29.6%	31.9%	36.5%

For a family of four (two adults and two children), the 2012 poverty level is $23,283.

[1]Other racial-ethnic groups include Native American, Alaskan Native, Native Hawaiian or other Pacific Islander, mixed race or multiracial, and others.

[2]Percentage change is calculated based on the number of individuals or households and not the percentages shown.

[3]Public assistance income includes general assistance and Temporary Assistance to Needy Families (TANF). Separate payments received for hospital or other medical care (vendor payments) are excluded. This does not include Supplemental Security Income or noncash benefits such as food stamps.

Notes: NA is not available. Poverty measures are based on the population for whom poverty status is determined and will differ from the total population figure shown. Subtotals may not sum to totals because of rounding.

Sources: Data on age, race and ethnicity, poverty, public assistance, and income inequality are from the US Census Bureau, 2000 Census and the American Community Survey, three year estimates, 2005–07 and 2010–12. The national poverty rate is from the US Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement. The unemployment rate is from the US Department of Labor, Bureau of Labor Statistics, 2000 and 2012 annual averages.

NONPROFIT SECTOR IN ARMSTRONG COUNTY

All Registered Nonprofits, 2012

- 501(c)(3) public charities, **168**
- 501(c) others, **110**
- 501(c)(3) private foundations, **6**
- Total, **284**

All Filing Public Charities, 2012

69

Number of public charities that filed with the IRS in 2012

Health and human services[1]	26%
Arts, culture, and humanities	4%
Higher education and other education	16%
Environment and animal-related	9%
Hospitals and medical research	13%
Religion-related	4%
Other public and societal benefit	28%

Nonprofit Resources

	2000	2012	CHANGE IN NUMBER (%)
Number of nonprofits registered with the IRS	298	284	↘ 4.7%
Number of public charities filing with the IRS	43	69	↗ 60.5%
Number of health and human services organizations registered with the IRS[1]	33	32	↘ 3.0%
Number of health and human services organizations filing with the IRS[1]	13	18	↗ 38.5%
Number of nonprofits per 1,000 county residents	4.1	4.1	↗ 0.5%
Number of health and human services organizations per 1,000 residents in poverty[1]	4.0	3.8	↘ 4.9%

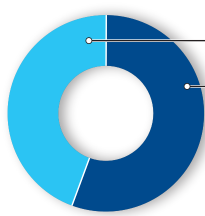
Financial Measures

AMONG ORGANIZATIONS FILING WITH THE IRS IN 2012

		HEALTH AND HUMAN SERVICES[1] ORGANIZATIONS	ALL PUBLIC CHARITIES
Total revenue	2000[2]	**$22,474,043**	$104,399,829
	2012	**$35,052,200**	$152,523,124
Total expenses	2000[2]	**$21,501,978**	$102,212,628
	2012	**$31,406,363**	$144,761,186
Total assets	2000[2]	**$11,999,126**	$103,330,308
	2012	**$28,868,616**	$123,771,725

Health and Human Services[1]

SOURCES OF REVENUE, 2012



Contributions	**44.5%**	$15,600,819
Program service revenue[3]	**55.5%**	$19,461,297
Investment income[4]	---	-$539,800
Other[4]	---	$529,884

18

Number of health and human services[1] organizations that filed with the IRS in 2012

FISCAL HEALTH OF HEALTH AND HUMAN SERVICES[1]

	2000	2012	CHANGE IN NUMBER (%)[5]
Percentage of nonprofits with positive operating margin	69.2%	77.8%	↗ 55.6%
Percentage of nonprofits with positive net assets	100.0%	100.0%	↗ 38.5%

[1]Health and human services organizations exclude hospitals and higher education.
[2]Adjusted for inflation and presented in 2012 constant dollars.
[3]Program service revenue includes government contracts and fee-for-service revenue.
[4]Investment income and other sources of revenue are excluded from the percentage calculation.
[5]Percentage change is calculated based on the number of nonprofit organizations and not the percentages shown.

Notes: Filing public charities are nonprofit organizations that exceed $50,000 in revenue and filed a Form 990-EZ or Form 990. Public and societal benefit charities include civil rights organizations, service clubs, chambers of commerce, and veteran'sorganizations. Subtotals may not sum to totals because of rounding.

Sources: Nonprofit statistics come from The Urban Institute, National Center for Charitable Statistics, Core Files (2012) and the Internal Revenue Service, Exempt Organization Business Master File (2013).

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BEAVER COUNTY

The 2007 economic recession sent Beaver's poverty rate soaring. By 2012, Beaver had the second-highest poverty rate (13.2 percent) in the region after Fayette County (19.0 percent). Nearly 15 percent of all households used food stamps or SNAP benefits in 2012. African Americans, children, and female-headed families were most heavily affected. Though need increased, total revenue for nonprofit health and human services providers has declined since 2000.

Demographics

	2000	2012	CHANGE IN NUMBER (%)
Total population	181,412	170,404	↘ 6.1%
Population under age 5	9,860	8,854	↘ 10.2%
School age population (between 5 and 17)	31,202	25,607	↘ 17.9%
Working age population (between 18 and 64)	106,926	104,068	↘ 2.7%
Senior population (age 65 and older)	33,424	31,875	↘ 4.6%

Race and Ethnicity

	2000	2012	CHANGE IN NUMBER (%)
White, non-Hispanic	167,018	153,820	↘ 7.9%
Black or African American, non-Hispanic	10,728	10,241	↘ 4.5%
Hispanic	1,315	2,114	↗ 60.8%
Asian, non-Hispanic	450	990	↗ 120.0%
All other racial and ethnic groups[1]	1,901	3,239	↗ 70.4%

Economic Measures

	2000	2012	CHANGE IN NUMBER (%)[2]
Unemployment rate	4.3%	7.3%	↗ 73.6%
Median household income (2012 current dollars)	$49,203	$48,417	↘ 1.6%

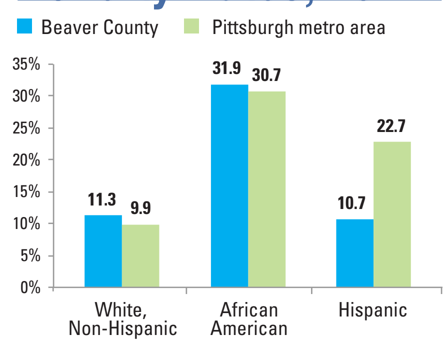
Public Assistance

	2000	2012	CHANGE IN NUMBER (%)[2]
Average annual household public cash assistance (TANF)[3] income (2012 current dollars)	$3,626	$2,204	↘ 39.2%
Percentage of all households with public cash assistance income	2.9%	3.9%	↗ 29.9%
Percentage of all households with food stamp/SNAP benefits in the past 12 months	NA	14.7%	NA

15.0% National poverty rate, 2012

12.3% Pittsburgh metro area poverty rate, 2012

Poverty Rates, 2012



Note: Data are not available for the Asian population.

Poverty

	2000	2007	2010	2012
Percentage of population below the poverty level	9.4%	9.9%	12.9%	13.2%
Percentage of children under age 18 below the poverty level	13.6%	13.8%	20.5%	20.9%
Percentage age 18–64 below the poverty level	8.4%	9.3%	12.0%	12.1%
Percentage age 65 and older below the poverty level	7.3%	7.2%	7.1%	8.3%
Percentage of families with female householder, no husband present, below the poverty level	24.9%	22.4%	31.4%	31.9%

For a family of four (two adults and two children), the 2012 poverty level is $23,283.

[1]Other racial-ethnic groups include Native American, Alaskan Native, Native Hawaiian or other Pacific Islander, mixed race or multiracial, and others.

[2]Percentage change is calculated based on the number of individuals or households and not the percentages shown.

[3]Public assistance income includes general assistance and Temporary Assistance to Needy Families (TANF). Separate payments received for hospital or other medical care (vendor payments) are excluded. This does not include Supplemental Security Income or noncash benefits such as food stamps.

Notes: NA is not available. Poverty measures are based on the population for whom poverty status is determined and will differ from the total population figure shown. Subtotals may not sum to totals because of rounding.

Sources: Data on age, race and ethnicity, poverty, public assistance, and income inequality are from the US Census Bureau, 2000 Census and the American Community Survey, three year estimates, 2005–07 and 2010–12. The national poverty rate is from the US Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement. The unemployment rate is from the US Department of Labor, Bureau of Labor Statistics, 2000 and 2012 annual averages.

NONPROFIT SECTOR IN BEAVER COUNTY

All Registered Nonprofits, 2012

- 501(c)(3) public charities, **422**
- 501(c) others, **267**
- 501(c)(3) private foundations, **12**
- Total, **701**

All Filing Public Charities, 2012

153

Number of public charities that filed with the IRS in 2012

Health and human services[1]	27%
Arts, culture, and humanities	10%
Higher education and other education	17%
Environment and animal-related	3%
Hospitals and medical research	9%
Religion-related	11%
Other public and societal benefit	24%

Nonprofit Resources

	2000	2012	CHANGE IN NUMBER (%)
Number of nonprofits registered with the IRS	684	701	↗ 2.5%
Number of public charities filing with the IRS	120	153	↗ 27.5%
Number of health and human services organizations registered with the IRS[1]	96	91	↘ 5.2%
Number of health and human services organizations filing with the IRS[1]	36	41	↗ 13.9%
Number of nonprofits per 1,000 county residents	3.8	4.1	↗ 9.1%
Number of health and human services organizations per 1,000 residents in poverty[1]	5.8	4.4	↘ 24.5%

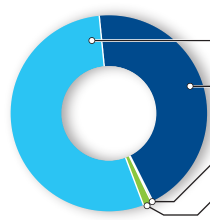
Financial Measures

AMONG ORGANIZATIONS FILING WITH THE IRS IN 2012

	HEALTH AND HUMAN SERVICES[1] ORGANIZATIONS	ALL PUBLIC CHARITIES
Total revenue		
2000[2]	$92,388,248	$269,279,285
2012	$74,625,955	$210,441,460
Total expenses		
2000[2]	$88,571,609	$257,427,369
2012	$69,433,105	$188,026,150
Total assets		
2000[2]	$83,833,249	$356,139,004
2012	$70,926,105	$332,677,336

Health and Human Services[1]

SOURCES OF REVENUE, 2012



Contributions	55.3%	$41,279,609
Program service revenue[3]	43.2%	$32,225,693
Investment income	0.4%	$293,550
Other	1.1%	$827,103

41

Number of health and human services[1] organizations that filed with the IRS in 2012

FISCAL HEALTH OF HEALTH AND HUMAN SERVICES[1]

	2000	2012	CHANGE IN NUMBER (%)[4]
Percentage of nonprofits with positive operating margin	63.9%	56.1%	0.0%
Percentage of nonprofits with positive net assets	97.2%	87.8%	↗ 2.9%

[1]Health and human services organizations exclude hospitals and higher education.

[2]Adjusted for inflation and presented in 2012 constant dollars.

[3]Program service revenue includes government contracts and fee-for-service revenue.

[4]Percentage change is calculated based on the number of nonprofit organizations and not the percentages shown.

Notes: Filing public charities are nonprofit organizations that exceed $50,000 in revenue and filed a Form 990-EZ or Form 990. Public and societal benefit charities include civil rights organizations, service clubs, chambers of commerce, and veteran'sorganizations. Subtotals may not sum to totals because of rounding.

Sources: Nonprofit statistics come from The Urban Institute, National Center for Charitable Statistics, Core Files (2012) and the Internal Revenue Service, Exempt Organization Business Master File (2013).

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BUTLER COUNTY

Butler has the lowest poverty rate in the region (9.2 percent), roughly the same as in 2000. Still, nearly one in five African Americans is poor, as is one in four Hispanics. About a quarter of Butler's nonprofit sector is composed of health and human services organizations. Most of the revenue (77 percent) to support these services comes from government contracts and fees for services. Private donations account for 20 percent of revenue.

Demographics

	2000	2012	CHANGE IN NUMBER (%)
Total population	174,083	184,574	↗ 6.0%
Population under age 5	11,141	10,788	↘ 3.2%
School age population (between 5 and 17)	31,707	29,783	↘ 6.1%
Working age population (between 18 and 64)	106,414	115,234	↗ 8.3%
Senior population (age 65 and older)	24,821	28,769	↗ 15.9%

Race and Ethnicity

	2000	2012	CHANGE IN NUMBER (%)
White, non-Hispanic	169,634	176,650	↗ 4.1%
Black or African American, non-Hispanic	1,343	2,032	↗ 51.3%
Hispanic	1,016	2,062	↗ 103.0%
Asian, non-Hispanic	973	1,937	↗ 99.1%
All other racial and ethnic groups[1]	1,117	1,893	↗ 69.5%

Economic Measures

	2000	2012	CHANGE IN NUMBER (%)[2]
Unemployment rate	4.1%	6.5%	↗ 80.6%
Median household income (2012 current dollars)	$56,270	$56,524	↗ 0.5%

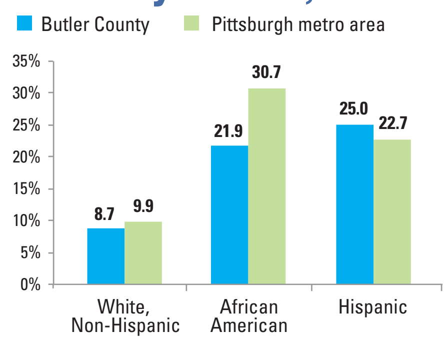
Public Assistance

	2000	2012	CHANGE IN NUMBER (%)[2]
Average annual household public cash assistance (TANF)[3] income (2012 current dollars)	$3,272	$2,561	↘ 21.7%
Percentage of all households with public cash assistance income	1.8%	2.7%	↗ 70.4%
Percentage of all households with food stamp/SNAP benefits in the past 12 months	NA	9.2%	NA

15.0% National poverty rate, 2012

12.3% Pittsburgh metro area poverty rate, 2012

Poverty Rates, 2012



Note: Data are not available for the Asian population.

Poverty

	2000	2007	2010	2012
Percentage of population below the poverty level	9.1%	8.3%	8.6%	9.2%
Percentage of children under age 18 below the poverty level	10.4%	10.4%	9.7%	10.8%
Percentage age 18–64 below the poverty level	8.4%	8.1%	8.8%	9.4%
Percentage age 65 and older below the poverty level	9.7%	6.1%	6.4%	5.8%
Percentage of families with female householder, no husband present, below the poverty level	22.7%	23.1%	24.9%	27.4%

For a family of four (two adults and two children), the 2012 poverty level is $23,283.

[1]Other racial-ethnic groups include Native American, Alaskan Native, Native Hawaiian or other Pacific Islander, mixed race or multiracial, and others.

[2]Percentage change is calculated based on the number of individuals or households and not the percentages shown.

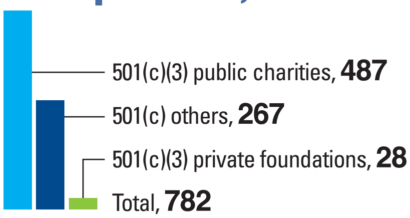
[3]Public assistance income includes general assistance and Temporary Assistance to Needy Families (TANF). Separate payments received for hospital or other medical care (vendor payments) are excluded. This does not include Supplemental Security Income or noncash benefits such as food stamps.

Notes: NA is not available. Poverty measures are based on the population for whom poverty status is determined and will differ from the total population figure shown. Subtotals may not sum to totals because of rounding.

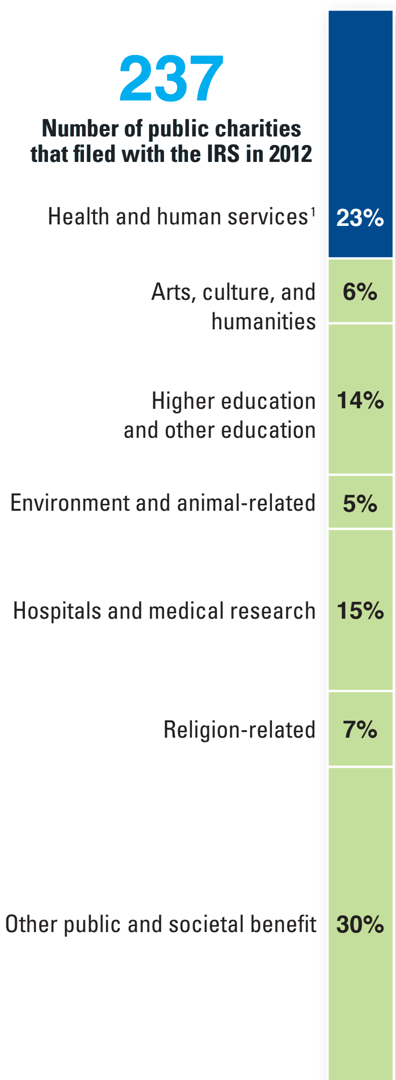
Sources: Data on age, race and ethnicity, poverty, public assistance, and income inequality are from the US Census Bureau, 2000 Census and the American Community Survey, three year estimates, 2005–07 and 2010–12. The national poverty rate is from the US Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement. The unemployment rate is from the US Department of Labor, Bureau of Labor Statistics, 2000 and 2012 annual averages.

NONPROFIT SECTOR IN BUTLER COUNTY

All Registered Nonprofits, 2012



All Filing Public Charities, 2012

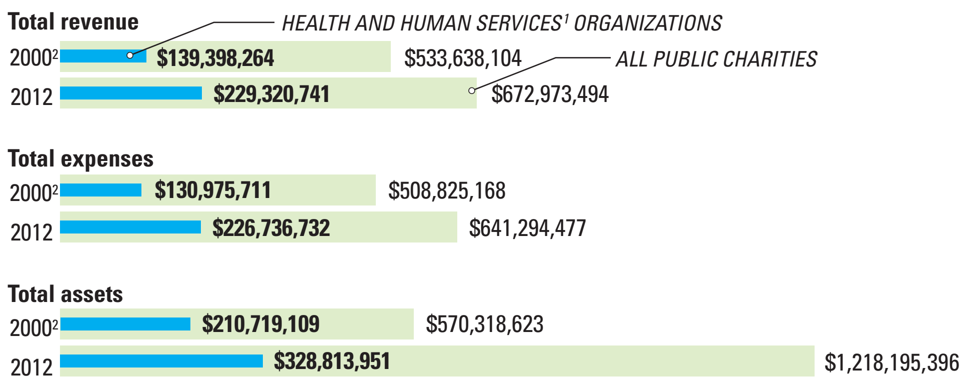


Nonprofit Resources

	2000	2012	CHANGE IN NUMBER (%)
Number of nonprofits registered with the IRS	606	782	↗ 29.0%
Number of public charities filing with the IRS	125	237	↗ 89.6%
Number of health and human services organizations registered with the IRS[1]	68	99	↗ 45.6%
Number of health and human services organizations filing with the IRS[1]	33	54	↗ 63.6%
Number of nonprofits per 1,000 county residents	3.5	4.2	↗ 21.7%
Number of health and human services organizations per 1,000 residents in poverty[1]	4.5	4.1	↘ 7.1%

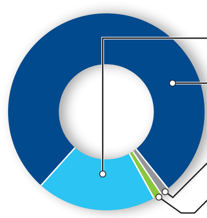
Financial Measures

AMONG ORGANIZATIONS FILING WITH THE IRS IN 2012



Health and Human Services[1]

SOURCES OF REVENUE, 2012



Contributions	**20.0%**	$45,848,457
Program service revenue[3]	**77.3%**	$177,273,665
Investment income	**1.3%**	$3,078,387
Other	**1.4%**	$3,120,232

54

Number of health and human services[1] organizations that filed with the IRS in 2012

FISCAL HEALTH OF HEALTH AND HUMAN SERVICES[1]

	2000	2012	CHANGE IN NUMBER (%)[4]
Percentage of nonprofits with positive operating margin	72.7%	50.0%	↗ 12.5%
Percentage of nonprofits with positive net assets	87.9%	79.6%	↗ 48.3%

[1]Health and human services organizations exclude hospitals and higher education.

[2]Adjusted for inflation and presented in 2012 constant dollars.

[3]Program service revenue includes government contracts and fee-for-service revenue.

[4]Percentage change is calculated based on the number of nonprofit organizations and not the percentages shown.

Notes: Filing public charities are nonprofit organizations that exceed $50,000 in revenue and filed a Form 990-EZ or Form 990. Public and societal benefit charities include civil rights organizations, service clubs, chambers of commerce, and veteran'sorganizations. Subtotals may not sum to totals because of rounding.

Sources: Nonprofit statistics come from The Urban Institute, National Center for Charitable Statistics, Core Files (2012) and the Internal Revenue Service, Exempt Organization Business Master File (2013).

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FAYETTE COUNTY

By every measure, Fayette has the highest poverty rates in the region. One in three children is poor, as is one in 10 elders. The poverty rate for non-Hispanic whites is nearly double the regional average (18.1 percent versus 9.9 percent, respectively). Almost one in three Hispanics in Fayette is poor. Although Fayette has relatively few nonprofit health and human services providers, the majority of these programs are fiscally sound.

Demographics

	2000	2012	CHANGE IN NUMBER (%)
Total population	148,644	136,102	↘ 8.4%
Population under age 5	8,454	6,732	↘ 20.4%
School age population (between 5 and 17)	25,280	20,439	↘ 19.1%
Working age population (between 18 and 64)	87,980	84,279	↘ 4.2%
Senior population (age 65 and older)	26,930	24,652	↘ 8.5%

Race and Ethnicity

	2000	2012	CHANGE IN NUMBER (%)
White, non-Hispanic	141,265	126,155	↘ 10.7%
Black or African American, non-Hispanic	5,191	5,983	↗ 15.3%
Hispanic	564	1,161	↗ 105.9%
Asian, non-Hispanic	316	129	↘ 59.2%
All other racial and ethnic groups[1]	1,308	2,674	↗ 104.4%

Economic Measures

	2000	2012	CHANGE IN NUMBER (%)[2]
Unemployment rate	5.7%	9.3%	↗ 62.2%
Median household income (2012 current dollars)	$36,510	$38,494	↗ 5.4%

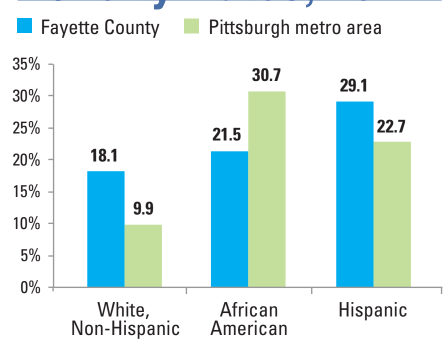
Public Assistance

	2000	2012	CHANGE IN NUMBER (%)[2]
Average annual household public cash assistance (TANF)[3] income (2012 current dollars)	$3,175	$2,400	↘ 24.4%
Percentage of all households with public cash assistance income	4.9%	5.4%	↘ 0.3%
Percentage of all households with food stamp/SNAP benefits in the past 12 months	NA	20.2%	NA

15.0% National poverty rate, 2012

12.3% Pittsburgh metro area poverty rate, 2012

Poverty Rates, 2012



Note: Data are not available for the Asian population.

Poverty

	2000	2007	2010	2012
Percentage of population below the poverty level	18.0%	18.9%	19.5%	19.0%
Percentage of children under age 18 below the poverty level	26.4%	31.3%	32.9%	30.1%
Percentage age 18–64 below the poverty level	16.2%	16.6%	17.5%	18.2%
Percentage age 65 and older below the poverty level	13.5%	11.6%	11.0%	9.4%
Percentage of families with female householder, no husband present, below the poverty level	35.8%	42.0%	45.6%	37.2%

For a family of four (two adults and two children), the 2012 poverty level is $23,283.

[1] Other racial-ethnic groups include Native American, Alaskan Native, Native Hawaiian or other Pacific Islander, mixed race or multiracial, and others.

[2] Percentage change is calculated based on the number of individuals or households and not the percentages shown.

[3] Public assistance income includes general assistance and Temporary Assistance to Needy Families (TANF). Separate payments received for hospital or other medical care (vendor payments) are excluded. This does not include Supplemental Security Income or noncash benefits such as food stamps.

Notes: NA is not available. Poverty measures are based on the population for whom poverty status is determined and will differ from the total population figure shown. Subtotals may not sum to totals because of rounding.

Sources: Data on age, race and ethnicity, poverty, public assistance, and income inequality are from the US Census Bureau, 2000 Census and the American Community Survey, three year estimates, 2005–07 and 2010–12. The national poverty rate is from the US Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement. The unemployment rate is from the US Department of Labor, Bureau of Labor Statistics, 2000 and 2012 annual averages.

NONPROFIT SECTOR IN
FAYETTE COUNTY

All Registered Nonprofits, 2012

- 501(c)(3) public charities, **303**
- 501(c) others, **261**
- 501(c)(3) private foundations, **10**
- Total, **574**

All Filing Public Charities, 2012

117

Number of public charities that filed with the IRS in 2012

Health and human services[1]	28%
Arts, culture, and humanities	6%
Higher education and other education	12%
Environment and animal-related	5%
Hospitals and medical research	16%
Religion-related	5%
Other public and societal benefit	27%

Nonprofit Resources

	2000	2012	CHANGE IN NUMBER (%)
Number of nonprofits registered with the IRS	618	574	↘ 7.1%
Number of public charities filing with the IRS	95	117	↗ 23.2%
Number of health and human services organizations registered with the IRS[1]	58	67	↗ 15.5%
Number of health and human services organizations filing with the IRS[1]	29	33	↗ 13.8%
Number of nonprofits per 1,000 county residents	4.2	4.2	↗ 1.4%
Number of health and human services organizations per 1,000 residents in poverty[1]	2.2	2.3	↗ 5.2%

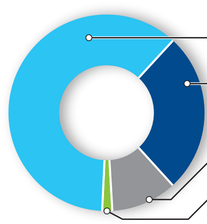
Financial Measures

AMONG ORGANIZATIONS FILING WITH THE IRS IN 2012

		HEALTH AND HUMAN SERVICES[1] ORGANIZATIONS	ALL PUBLIC CHARITIES
Total revenue	2000[2]	$43,752,080	$259,616,866
	2012	$81,133,429	$332,502,774
Total expenses	2000[2]	$42,390,948	$248,703,112
	2012	$75,498,005	$311,895,618
Total assets	2000[2]	$74,569,643	$309,852,614
	2012	$91,112,198	$431,449,422

Health and Human Services[1]

SOURCES OF REVENUE, 2012



Contributions	61.2%	$49,661,300
Program service revenue[3]	26.4%	$21,425,861
Investment income	10.9%	$8,834,766
Other	1.5%	$1,211,502

33

Number of health and human services[1] organizations that filed with the IRS in 2012

FISCAL HEALTH OF HEALTH AND HUMAN SERVICES[1]

	2000	2012	CHANGE IN NUMBER (%)[4]
Percentage of nonprofits with positive operating margin	51.7%	57.6%	↗ 26.7%
Percentage of nonprofits with positive net assets	82.8%	93.9%	↗ 29.2%

[1]Health and human services organizations exclude hospitals and higher education.

[2]Adjusted for inflation and presented in 2012 constant dollars.

[3]Program service revenue includes government contracts and fee-for-service revenue.

[4]Percentage change is calculated based on the number of nonprofit organizations and not the percentages shown.

Notes: Filing public charities are nonprofit organizations that exceed $50,000 in revenue and filed a Form 990-EZ or Form 990. Public and societal benefit charities include civil rights organizations, service clubs, chambers of commerce, and veteran'sorganizations. Subtotals may not sum to totals because of rounding.

Sources: Nonprofit statistics come from The Urban Institute, National Center for Charitable Statistics, Core Files (2012) and the Internal Revenue Service, Exempt Organization Business Master File (2013).

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WASHINGTON COUNTY

Washington County's population grew by 2.6 percent from 2000 to 2012—one of two counties in the region that didn't lose population (the other was Butler County). But poverty also increased. Children and female-headed families were among the most affected, as were people of color. Keeping up with demand for service is a challenge. In 2012, there were 4.8 nonprofit providers per 1,000 residents in poverty compared with 5.4 in 2000.

Demographics

	2000	2012	CHANGE IN NUMBER (%)
Total population	202,897	208,256	↗ 2.6%
Population under age 5	11,235	10,482	↘ 6.7%
School age population (between 5 and 17)	33,762	31,770	↘ 5.9%
Working age population (between 18 and 64)	121,577	128,947	↗ 6.1%
Senior population (age 65 and older)	36,323	37,057	↗ 2.0%

Race and Ethnicity

	2000	2012	CHANGE IN NUMBER (%)
White, non-Hispanic	192,511	194,391	↗ 1.0%
Black or African American, non-Hispanic	6,554	6,492	↘ 0.9%
Hispanic	1,170	2,507	↗ 114.3%
Asian, non-Hispanic	711	1,434	↗ 101.7%
All other racial and ethnic groups[1]	1,951	3,432	↗ 75.9%

Economic Measures

	2000	2012	CHANGE IN NUMBER (%)[2]
Unemployment rate	4.6%	7.3%	↗ 75.6%
Median household income (2012 current dollars)	$50,017	$52,771	↗ 5.5%

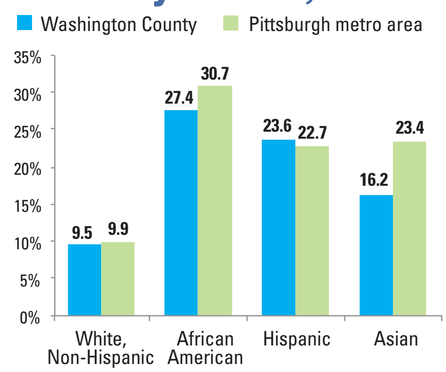
Public Assistance

	2000	2012	CHANGE IN NUMBER (%)[2]
Average annual household public cash assistance (TANF)[3] income (2012 current dollars)	$3,314	$2,022	↘ 39.0%
Percentage of all households with public cash assistance income	2.4%	2.9%	↗ 24.3%
Percentage of all households with food stamp/SNAP benefits in the past 12 months	NA	11.1%	NA

15.0% National poverty rate, 2012

12.3% Pittsburgh metro area poverty rate, 2012

Poverty Rates, 2012



Poverty

	2000	2007	2010	2012
Percentage of population below the poverty level	9.8%	9.9%	10.4%	10.6%
Percentage of children under age 18 below the poverty level	13.4%	12.2%	13.3%	14.5%
Percentage age 18–64 below the poverty level	8.8%	9.8%	10.1%	10.6%
Percentage age 65 and older below the poverty level	8.8%	7.4%	7.8%	6.5%
Percentage of families with female householder, no husband present, below the poverty level	24.2%	24.4%	28.0%	30.2%

For a family of four (two adults and two children), the 2012 poverty level is $23,283.

[1]Other racial-ethnic groups include Native American, Alaskan Native, Native Hawaiian or other Pacific Islander, mixed race or multiracial, and others.

[2]Percentage change is calculated based on the number of individuals or households and not the percentages shown.

[3]Public assistance income includes general assistance and Temporary Assistance to Needy Families (TANF). Separate payments received for hospital or other medical care (vendor payments) are excluded. This does not include Supplemental Security Income or noncash benefits such as food stamps.

Notes: NA is not available. Poverty measures are based on the population for whom poverty status is determined and will differ from the total population figure shown. Subtotals may not sum to totals because of rounding.

Sources: Data on age, race and ethnicity, poverty, public assistance, and income inequality are from the US Census Bureau, 2000 Census and the American Community Survey, three year estimates, 2005–07 and 2010–12. The national poverty rate is from the US Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement. The unemployment rate is from the US Department of Labor, Bureau of Labor Statistics, 2000 and 2012 annual averages.

NONPROFIT SECTOR IN WASHINGTON COUNTY

All Registered Nonprofits, 2012

- 501(c)(3) public charities, **519**
- 501(c) others, **405**
- 501(c)(3) private foundations, **33**
- Total, **957**

All Filing Public Charities, 2012

235

Number of public charities that filed with the IRS in 2012

Health and human services[1]	28%
Arts, culture, and humanities	9%
Higher education and other education	20%
Environment and animal-related	3%
Hospitals and medical research	11%
Religion-related	3%
Other public and societal benefit	26%

Nonprofit Resources

	2000	2012	CHANGE IN NUMBER (%)
Number of nonprofits registered with the IRS	940	957	↗ 1.8%
Number of public charities filing with the IRS	143	235	↗ 64.3%
Number of health and human services organizations registered with the IRS[1]	105	110	↗ 4.8%
Number of health and human services organizations filing with the IRS[1]	44	65	↗ 47.7%
Number of nonprofits per 1,000 county residents	4.6	4.6	↘ 0.8%
Number of health and human services organizations per 1,000 residents in poverty[1]	5.4	4.8	↘ 9.9%

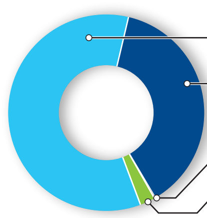
Financial Measures

AMONG ORGANIZATIONS FILING WITH THE IRS IN 2012

		HEALTH AND HUMAN SERVICES[1] ORGANIZATIONS	ALL PUBLIC CHARITIES
Total revenue	2000[2]	**$63,538,496**	$673,302,568
	2012	**$146,136,536**	$760,121,211
Total expenses	2000[2]	**$61,946,463**	$628,403,906
	2012	**$142,954,569**	$725,240,383
Total assets	2000[2]	**$51,257,860**	$907,418,733
	2012	**$80,338,001**	$1,207,193,972

Health and Human Services[1]

SOURCES OF REVENUE, 2012



Contributions	**59.7%**	$87,267,208
Program service revenue[3]	**37.6%**	$55,017,074
Investment income	**0.3%**	$491,994
Other	**2.3%**	$3,360,260

65

Number of health and human services[1] organizations that filed with the IRS in 2012

FISCAL HEALTH OF HEALTH AND HUMAN SERVICES[1]

	2000	2012	CHANGE IN NUMBER (%)[4]
Percentage of nonprofits with positive operating margin	56.8%	50.8%	↗ 32.0%
Percentage of nonprofits with positive net assets	81.8%	87.7%	↗ 58.3%

[1]Health and human services organizations exclude hospitals and higher education.

[2]Adjusted for inflation and presented in 2012 constant dollars.

[3]Program service revenue includes government contracts and fee-for-service revenue.

[4]Percentage change is calculated based on the number of nonprofit organizations and not the percentages shown.

Notes: Filing public charities are nonprofit organizations that exceed $50,000 in revenue and filed a Form 990-EZ or Form 990. Public and societal benefit charities include civil rights organizations, service clubs, chambers of commerce, and veteran'sorganizations. Subtotals may not sum to totals because of rounding.

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WESTMORELAND COUNTY

Westmoreland County had one of the lowest poverty rates in the region (10.4 percent) in 2012. But this countywide rate masks some deep pockets of poverty: almost 40 percent of African Americans, 31 percent of Hispanics, and 21 percent of Asians are poor. With 5.2 nonprofit health and human services providers per 1,000 residents in poverty, the county faces high demand. Revenues grew 3.2 percent from 2000 to 2012, while the poverty population grew by 15.7 percent.

Demographics

	2000	2012	CHANGE IN NUMBER (%)
Total population	369,993	364,357	↘ 1.5%
Population under age 5	19,175	17,198	↘ 10.3%
School age population (between 5 and 17)	62,055	54,039	↘ 12.9%
Working age population (between 18 and 64)	220,982	223,507	↗ 1.1%
Senior population (age 65 and older)	67,781	69,613	↗ 2.7%

Race and Ethnicity

	2000	2012	CHANGE IN NUMBER (%)
White, non-Hispanic	355,944	344,649	↘ 3.2%
Black or African American, non-Hispanic	7,375	8,363	↗ 13.4%
Hispanic	1,869	3,433	↗ 83.7%
Asian, non-Hispanic	1,897	3,216	↗ 69.5%
All other racial and ethnic groups[1]	2,908	4,696	↗ 61.5%

Economic Measures

	2000	2012	CHANGE IN NUMBER (%)[2]
Unemployment rate	4.7%	7.4%	↗ 68.2%
Median household income (2012 current dollars)	$49,351	$48,250	↘ 2.2%

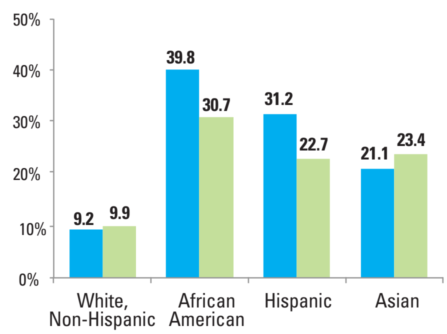
Public Assistance

	2000	2012	CHANGE IN NUMBER (%)[2]
Average annual household public cash assistance (TANF)[3] income (2012 current dollars)	$3,445	$2,617	↘ 24.0%
Percentage of all households with public cash assistance income	2.1%	2.7%	↗ 31.5%
Percentage of all households with food stamp/SNAP benefits in the past 12 months	NA	11.7%	NA

15.0% National poverty rate, 2012

12.3% Pittsburgh metro area poverty rate, 2012

Poverty Rates, 2012



Poverty

	2000	2007	2010	2012
Percentage of population below the poverty level	8.6%	9.3%	9.8%	10.4%
Percentage of children under age 18 below the poverty level	11.8%	11.8%	13.9%	16.3%
Percentage age 18–64 below the poverty level	7.7%	9.0%	9.1%	9.6%
Percentage age 65 and older below the poverty level	8.0%	7.3%	7.4%	6.7%
Percentage of families with female householder, no husband present, below the poverty level	22.9%	23.3%	27.0%	25.8%

For a family of four (two adults and two children), the 2012 poverty level is $23,283.

[1]Other racial-ethnic groups include Native American, Alaskan Native, Native Hawaiian or other Pacific Islander, mixed race or multiracial, and others.

[2]Percentage change is calculated based on the number of individuals or households and not the percentages shown.

[3]Public assistance income includes general assistance and Temporary Assistance to Needy Families (TANF). Separate payments received for hospital or other medical care (vendor payments) are excluded. This does not include Supplemental Security Income or noncash benefits such as food stamps.

Notes: NA is not available. Poverty measures are based on the population for whom poverty status is determined and will differ from the total population figure shown. Subtotals may not sum to totals because of rounding.

Sources: Data on age, race and ethnicity, poverty, public assistance, and income inequality are from the US Census Bureau, 2000 Census and the American Community Survey, three year estimates, 2005–07 and 2010–12. The national poverty rate is from the US Census Bureau, Current Population Survey, 2013 Annual Social and Economic Supplement. The unemployment rate is from the US Department of Labor, Bureau of Labor Statistics, 2000 and 2012 annual averages.

NONPROFIT SECTOR IN WESTMORELAND COUNTY

All Registered Nonprofits, 2012

- 501(c)(3) public charities, **933**
- 501(c) others, **654**
- 501(c)(3) private foundations, **65**
- Total, **1,652**

All Filing Public Charities, 2012

404

Number of public charities that filed with the IRS in 2012

Health and human services[1]	21%
Arts, culture, and humanities	10%
Higher education and other education	20%
Environment and animal-related	6%
Hospitals and medical research	9%
Religion-related	6%
Other public and societal benefit	28%

Nonprofit Resources

	2000	2012	CHANGE IN NUMBER (%)
Number of nonprofits registered with the IRS	1,698	1,652	↘ 2.7%
Number of public charities filing with the IRS	289	404	↗ 39.8%
Number of health and human services organizations registered with the IRS[1]	192	199	↗ 3.6%
Number of health and human services organizations filing with the IRS[1]	73	86	↗ 17.8%
Number of nonprofits per 1,000 county residents	4.6	4.5	↘ 1.2%
Number of health and human services organizations per 1,000 residents in poverty[1]	6.1	5.2	↘ 15.3%

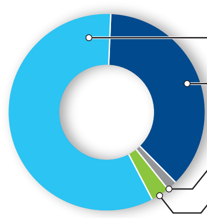
Financial Measures

AMONG ORGANIZATIONS FILING WITH THE IRS IN 2012

		HEALTH AND HUMAN SERVICES[1] ORGANIZATIONS	ALL PUBLIC CHARITIES
Total revenue	2000[2]	$172,602,565	$744,644,685
	2012	$178,358,232	$961,548,779
Total expenses	2000[2]	$167,423,612	$711,929,409
	2012	$170,710,705	$915,572,737
Total assets	2000[2]	$139,020,363	$1,004,305,726
	2012	$176,833,126	$1,595,230,861

Health and Human Services[1]

SOURCES OF REVENUE, 2012



Contributions	58.4%	$104,177,900
Program service revenue[3]	37.1%	$66,127,644
Investment income	1.7%	$2,975,495
Other	2.8%	$5,077,193

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Number of health and human services[1] organizations that filed with the IRS in 2012

FISCAL HEALTH OF HEALTH AND HUMAN SERVICES[1]

	2000	2012	CHANGE IN NUMBER (%)[4]
Percentage of nonprofits with positive operating margin	71.2%	62.8%	↗ 3.8%
Percentage of nonprofits with positive net assets	94.5%	98.8%	↗ 23.2%

[1]Health and human services organizations exclude hospitals and higher education.

[2]Adjusted for inflation and presented in 2012 constant dollars.

[3]Program service revenue includes government contracts and fee-for-service revenue.

[4]Percentage change is calculated based on the number of nonprofit organizations and not the percentages shown.

Notes: Filing public charities are nonprofit organizations that exceed $50,000 in revenue and filed a Form 990-EZ or Form 990. Public and societal benefit charities include civil rights organizations, service clubs, chambers of commerce, and veteran'sorganizations. Subtotals may not sum to totals because of rounding.

Sources: Nonprofit statistics come from The Urban Institute, National Center for Charitable Statistics, Core Files (2012) and the Internal Revenue Service, Exempt Organization Business Master File (2013).

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Notes

1. "For Richer, for Poorer," *Economist*, October 13, 2012, http://www.economist.com/node/21564414.
2. *Economist*, "For Richer, for Poorer."
3. Richard Florida, "The Persistent Geography of Disadvantage," *Atlantic CityLab*, July 25, 2013, http://www.theatlanticcities.com/neighborhoods/2013/07/persistent-geography-disadvantage/6231/.
4. These findings are from a survey conducted in 2011–12 by the Urban Institute's Center on Nonprofits and Philanthropy as part of its earlier report, *Understanding Trends in Poverty in the Pittsburgh Metropolitan Area* (De Vita, Pettijohn, and Roeger 2012).
5. Organizations with more than $50,000 in gross receipts are required to file a tax return with the IRS.
6. US Census Bureau, "How the Census Bureau Measures Poverty," http://www.census.gov/hhes/www/poverty/about/overview/measure.html
7. Franklin D. Roosevelt, Second Inaugural Address, January 20, 1937. Available at http://www.bartleby.com/124/pres50.html.
8. *Economist*, "For Richer, for Poorer."
9. *Economist*, "For Richer, for Poorer."
10. *Economist*, "For Richer, for Poorer."
11. "Inequality in America: Gini in the Bottle," Democracy in America, *Economist*, November 26, 2014, http://www.economist.com/blogs/democracyinamerica/2013/11/inequality-america.
12. John Cassidy, "American Inequality in Six Charts," *New Yorker*, November 18, 2013, http://www.newyorker.com/online/blogs/johncassidy/2013/11/inequality-and-growth-what-do-we-know.html.
13. *Economist*, "Inequality in America: Gini in the Bottle."
14. Florida, "The Persistent Geography of Disadvantage."
15. *Economist*, "For Richer, for Poorer."
16. "Faces of Economic Mobility," *Pew Charitable Trusts*, September 17, 2013, http://www.pewtrusts.org/en/multimedia/data-visualizations/2013/faces-of-economic-mobility.
17. This study is based on data from the Survey of Income and Program Participation and the Social Security Administration for 1997 to 2007.
18. Higher values of the Neighborhood Sorting Index indicate that there is more variation between than within neighborhoods, and thus more concentrated wealth and poverty.
19. The Office of Economic Opportunity, an office created by Johnson to combat poverty, administered most of the antipoverty programs in Johnson's administration. Office of Economic Opportunity programs included Volunteers in Service to America, Head Start, Legal Services, and Community Action Programs (The Economic Opportunity Act. US Code 1964. PL 88-452, 78 Stat. 508, 42 USC ₴ 2701-29961).
20. US Code 1996. Pub-L. 104-193, 110 Stat. 2107, 42 USC ₴ 601-687.
21. HR 6655, Protect Our Kids Act of 2012 https://www.govtrack.us/congress/bills/112/hr6655/text/enr#link=9_a&nearest=HC9D6215F58C04F94A8E5A3F93F9EB8AA
22. Housing Act. US Code 1937. PL 75-412, 50 Stat. 888, 42 USC ₴ 1401-1440.
23. HUD classifies individuals and/or families that make less than the median income for their geographic area into three categories. The first group is individuals and/or families that earn less than 30 percent of the median income for their geographic area. The second group, designated as very poor, includes individuals and families

that do not earn more than 50 percent of the median income for their geographic area. Finally, individuals and families that earn less than 80 percent of the median income for their geographic area are classified as low-income. Federal law requires that 75 percent of HCV goes to very low income individuals or families (HUD, “Homeownership Vouchers,” http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/homeownership).

24. Wait times vary by jurisdiction and can vary from several months to several years (HUD, “Homeownership Vouchers.”)
25. HUD, “Housing Choice Vouchers Fact Sheet,” http://portal.hud.gov/hudportal/HUD?src=/topics/housing_choice_voucher_program_section_8.
26. HUD, “HUD’s Public Housing Program,” http://portal.hud.gov/hudportal/HUD?src=/topics/rental_assistance/phprog.
27. US Department of Agriculture, “A Short History of SNAP,” http://www.fns.usda.gov/snap/rules/Legislation/about.htm.
28. Workforce Investment Act of 1998 (PL 105-220, 29 USC 9201), 1.

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