

**Some Changes in Economic Conditions
2000 Census to 2006 American Community Survey (ACS)¹**

Cleveland-Akron-Elyria Consolidated Statistical Area²

Prepared by

**Mark Salling, Ph.D.
Northern Ohio Data & Information Service (NODIS)
Maxine Goodman Levin College of Urban Affairs
Cleveland State University
and
The Center for Community Solutions**

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Note: The changes noted here are generally limited to those that are significant at the 90 percent confidence level. Exceptions are noted.

1. The percentage of the population age 16 and older that were in the labor force (working or looking for work) increased from 64.8 percent to 65.7 percent, and the civilian labor force increased by an estimated 34,729 or 2.4 percent. Yet the number of unemployed persons in the civilian labor force increased by an even larger number – an estimated 36,318 persons. Thus the unemployment rate jumped 47.5 percent - from 5.18 percent to 7.46 percent.
2. Women entering the labor force accounted for most of the increase in the labor force participation, increasing their numbers by about 23,000. Yet, the number of employed females did not increase in proportion to those in the labor force, indicating that many sought employment unsuccessfully.
3. The increase in labor force participation among women apparently affected younger families more. The number of children under 6 years old in families in which all parents were in the labor force increased by an estimated 6,449; but the number of children ages 6-17 in such families decreased by an estimated 10,099 persons.
4. While more persons were seeking jobs, the census data also show a very small loss in number of employed residents (1,589 – not a statistically significant difference).
5. Manufacturing jobs among the region’s population continued to decline rapidly – by an estimated 45,481 or 16.7 percent. The loss of income resulting from such job losses contributed to a loss in jobs in retail trade, which was down an estimated 7,750 or 4.8 percent in the 6 year period. Public administration jobs fell by an estimated 5,590 or 10.8 percent. The information sector also lost a significant number of jobs (4,448 or 12.8%) in the six-year period.
6. Meanwhile other sectors saw significant increases in the number employed., including finance, insurance, real estate, and rental and leasing (14.3%), educational services (10.8%), and arts, entertainment, recreation, and accommodation and food services (9.9%). Self-employment also apparently increased (6.2%).
7. The period saw a continued shift to service occupations (+14.4%), while production, transportation, and material moving (-11.4%) and construction, extraction, and maintenance and repair (-6.0%) occupations declined.

¹ See attached table – “Profile of General Economic Characteristics.”

² The Cleveland-Akron-Elyria CSA includes Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit counties.

8. Though we warn that comparisons between 2000 Census and 2006 ACS estimates are problematic, it is evident that the impact of these employment changes on household and family incomes was dramatic.³ On the face of it, median household income declined by an estimated \$6,367 or 12.4 percent in 2006 adjusted dollars and median family income declined by \$5,383 or 8.5 percent. However, if we adjust the data based on an analysis of differences between ACS and 2000 Census methods concerning income measurement, we find virtually no change in median household or family income. A downward shift in household income is discussed in the attached discussion of incomes - see "Comparison of Estimates of Changes in Household Incomes: 2000-2006, With and Without Adjustment for Difference in Methods."
9. Increases in the number of low income households and losses in at least the middle income ranges resulted in increased poverty rates. See Figure 1. The overall poverty rate in the seven-county region climbed from 10.6 percent to 12.7 percent, a 19.8 percent increase in those six years. The poverty rate for children (persons under age 18) higher than the overall rate (18.2%) in 2006 and increased at about the same amount (19.0%) since 2000. Poverty among the older population, 65 and over, increased too (12.7%), though at a slower pace than others.
10. Poverty rates increased much faster among married-family households than among families with a female householder, no husband present (26.7% versus 6.9%).

Summary and Conclusion

Shifts in the region's economic structure have strongly impacted the traditional family's economic and social well-being. The large increase in the poverty rate for married-couple households is linked to the observations concerning changes in labor force participation, employment and unemployment, and industries and occupations.

More families are required to have, or seek to have, two wage earners. This is largely due to the shift in job opportunities to the generally lower paying service occupations, inadequately compensating for the lost jobs in higher wage manufacturing and construction.

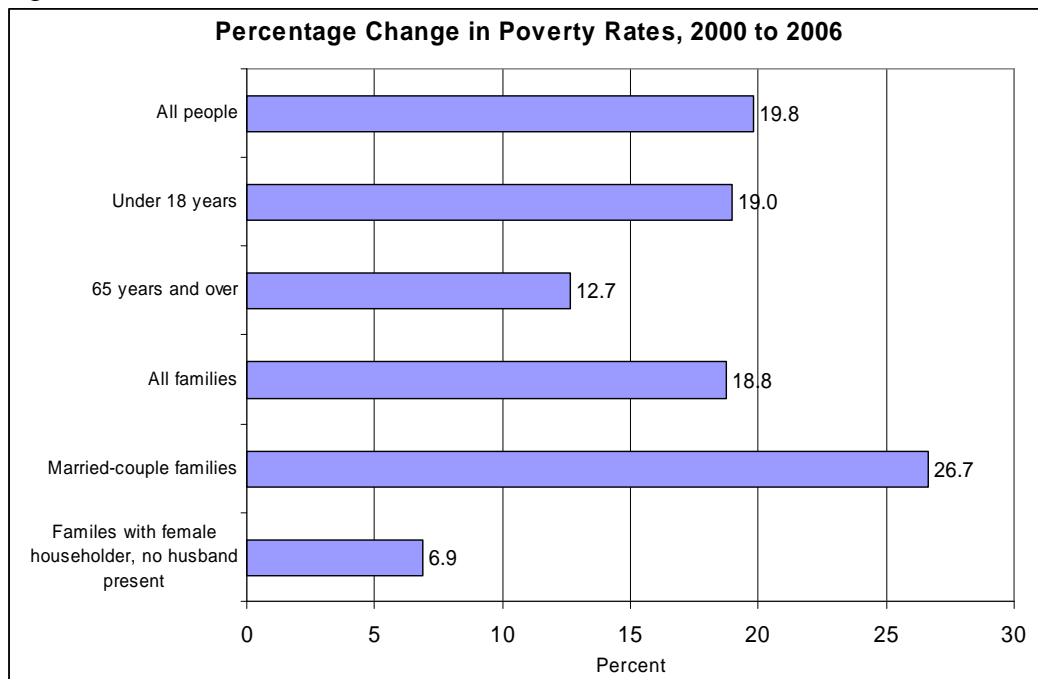
As a result, despite their strong efforts to adjust and stay afloat in the region's changing economy, more two-earner households are seeing lower incomes and falling below the poverty threshold. These changes are then reflected in other trends of concern for the region, most particularly in the current crises in increased home foreclosures.⁴

The current release of census data document the spread of economic hardship to many who may have been previously thought to be immune.

³ The Census Bureau warns users that an analyses of differences in incomes obtained using methods employed in the 2000 census versus the methods used in the ACS and the Census 2000 Supplemental Survey (C2SS) show significant variations in results. Nationally it was found that the ACS/C2SS method yielded a median household income that was 4.6 percent lower than the median income derived from method used in the 2000 Census (see Kirby G. Posey, Edward Welniak, and Charles Nelson, "Income in the American Community Survey: Comparisons to Census 2000." American Statistical Association Meetings, San Francisco, California, August 2003 [http://www.census.gov/acs/www/Downloads/ACS/ASA_nelson.pdf]). NODIS also found the C2SS median household income to be 7.3 percent lower than the 2000 Census for the eight-county Cleveland-Akron-Lorain CMSA.

⁴ See "Cleveland's outer suburbs see jump in foreclosures," The Plain Dealer, August 24, 2007; "Rating agencies potential target in Ohio's foreclosure fight," The Plain Dealer, September 7, 2007; "Cleveland rocked by home foreclosures," The Columbus Dispatch, March 23, 2007; "Responding to Foreclosures in Cuyahoga County: An Assessment of Progress," Alan C. Weinstein, Kathryn W. Hexter, Molly Schnoke, November 20, 2006, at http://urban.csuohio.edu/civic_education/publications/foreclosures_11_06.pdf.

Figure 1



**Comparison of Estimates of Changes in Household Incomes: 2000-2006,
With and Without Adjustment for Difference in Methods**

Mark Salling, Ph.D.

Ellen Cyran, MS

Northern Ohio Data & Information Service (NODIS)
Maxine Goodman Levin College of Urban Affairs
Cleveland State University

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The Census Bureau warns users that an analyses of differences in incomes obtained using methods employed in the 2000 census versus the methods used in the ACS and the Census 2000 Supplemental Survey (C2SS) show significant variations in results. Nationally it was found that the ACS/C2SS method yielded a median household income that was 4.6 percent lower than the median income derived from the method used in the 2000 Census.⁵

NODIS found the C2SS median household income to be 7.3 percent lower than the 2000 Census for the eight-county Cleveland-Akron-Lorain CSA. We do not know what whether this difference would hold for the 2006 ACS, but with an adjustment of 7.3 percent in the 2006 ACS median income estimates there is still a significant decline since 2000.

Figure 1 shows two estimates of income distributions – one using the unadjusted distribution (after inflation adjustment), and the second using an adjustment in households in each income range based on the 7.3 difference in methods found with the 2000 data. The adjustment is based on the difference in income estimates in the Cleveland CSA between the 2000 Census and the C2SS methods. That is, 2000 census households are apportioned to 2006 income ranges after adjusting for the overall difference in the 2000 Census and Census 2000 Supplementary Survey (C2SS) estimates.

The graph shows that, using the adjustment, there are smaller numbers of changes in households in each income range. The total change in estimated households stays at 11,321 fewer in 2006 than in 2000. The overall pattern of change from 2000 to 2006 is found in both distributions. However, the estimated lose of households in the \$100,000-\$149,999 range shows virtually no change once the adjustment is applied.

Figure 2 shows the same analysis but uses the income distribution derived from the 2000 Public Use Microdata Sample (PUMS), which allows for the adjustment of individual incomes before collapsing into income ranges. With this method the \$100k to \$200k categories show slightly positive gains, the \$25k to \$50k categories small losses, and a large increase in the lowest income bracket.

Regardless of which distribution is considered, the conclusion holds that more households were in lower income ranges in 2006 than in 2000. Adjusting for differences in the ACS versus 2000 Census methods indicates that the middle income households, in the \$50k to \$75k suffered the greatest losses. Households with incomes at the higher levels went relatively unchanged in number once the adjustment in methods is made.

⁵ See Kirby G. Posey, Edward Welniak, and Charles Nelson, "Income in the American Community Survey: Comparisons to Census 2000." American Statistical Association Meetings, San Francisco, California, August 2003 [http://www.census.gov/acs/www/Downloads/ACS/ASA_nelson.pdf].

Figure 1: Comparison of Estimates of Changes in Household Incomes: 2000-2006, With and Without Adjustment for Difference in Methods

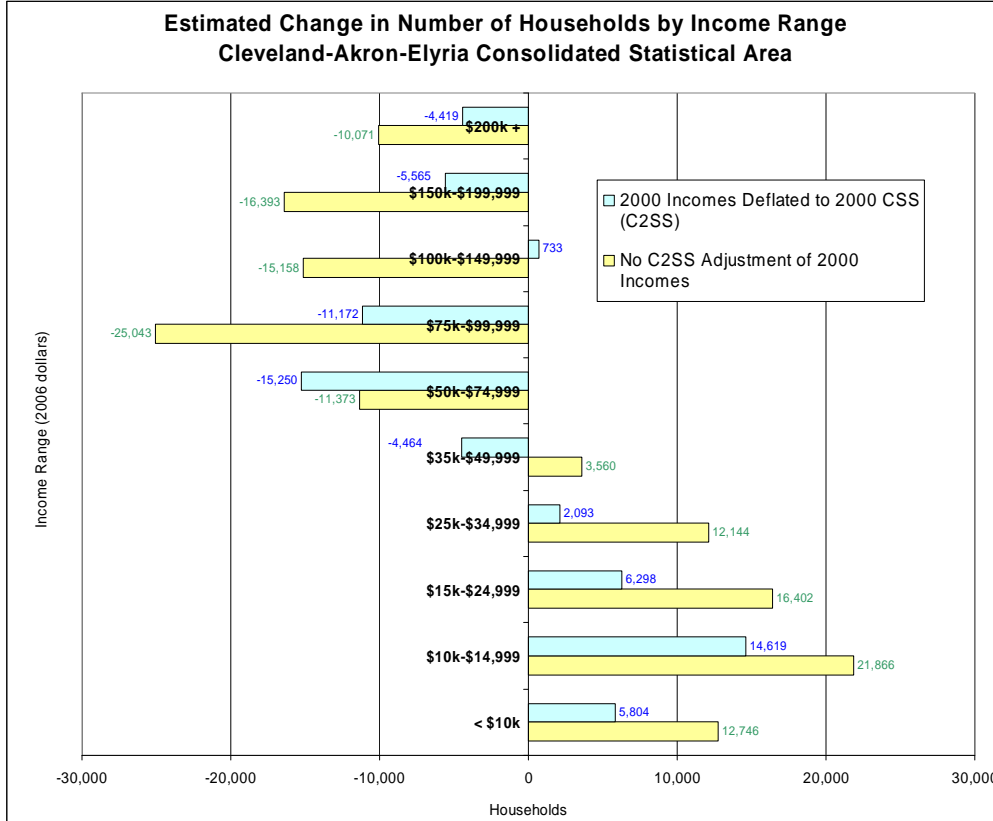


Figure 2: Estimate of Changes in Household Incomes: 2000-2006, With and Without Adjustment for Difference in Methods, Using 2000 PUMS

