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New Study from Rockefeller Foundation & Yale Professor Jacob Hacker Finds Biggest Decline in Nationwide Economic Insecurity in Over a Quarter Century

Drop brings insecurity to lowest level since 2005

WASHINGTON, DC (November 1, 2012)—The Rockefeller Foundation and Yale University professor Jacob Hacker today released new data for its [Economic Security Index](#) (ESI), a comprehensive measure of the security of household finances across the country. The latest research found that nationwide, economic insecurity declined by 1.3 percentage points in 2011—the largest yearly decline over the last quarter century. Today’s report is an update of ESI’s “Economic Insecurity Across the American States,” which measured the impact of the 2008–2010 Great Recession.

The Economic Security Index (ESI) tracks the proportion of Americans who see their “available household income”—their household income after paying for medical care and servicing their financial debts—decline by 25 percent or more from one year to the next and who lack sufficient financial wealth (such as savings) to replace this lost income.

In 2011, 18.9 percent of Americans experienced the major economic losses measured by the ESI, compared with 20.2 percent in 2010. The 2011 findings are the lowest level of insecurity since 2005.

“Almost five years after the start of the Great Recession, Americans’ household resources are beginning to stabilize in many portions of the country,” Jacob Hacker, Director of the Institution for Social and Policy Studies at Yale University, wrote in the update. “But it is important to recognize that the ESI may also fall when individuals have sustained large losses and have remained at a stably low income—for example, due to long-term unemployment.”

Across the lower forty-eight states, twenty-six states experienced statistically significant decreases in insecurity in 2011, with Arizona, Alaska, Mississippi, and Utah seeing the largest decreases. But four states—Kansas, Montana, South Dakota, and Texas—experienced significant increases. Eighteen states and the District of Columbia experienced no statistically significant change.

The data still show a difficult economic climate, with almost one in five Americans facing economic insecurity. Many of the states with large declines in insecurity last year were also states that had high levels of insecurity from 2008 to 2010, which suggests that some of the decline may be caused by chronic joblessness.

The new data were compiled by political scientists Jacob S. Hacker and Gregory Huber of Yale University, aided by Stuart Craig, a research associate; Philipp Rehm of Ohio State University; and Austin Nichols of the Urban Institute, guided by a technical committee retained to reinforce the intellectual and analytical integrity of the work.

*** *For the full update and state-specific data visit www.EconomicSecurityIndex.org* ***

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