



# Who Are America's Poor Children?

## *The Official Story*

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Over 13 million American children live in families with incomes below the federal poverty level, which is \$21,200 a year for a family of four in 2008. The number of children living in poverty increased by 15 percent between 2000 and 2007. There are 1.7 million more children living in poverty today than in 2000.

Not only are these numbers troubling, the official poverty measure tells only part of the story – it is widely viewed as a flawed metric of economic hardship (see box). Research consistently shows that, on average, families need an income of about twice the federal poverty level to make ends meet.

Children living in families with incomes below this level – for 2008, \$42,400 for a family of four – are referred to as low income. Thirty-nine percent of the nation's children – more than 28 million in 2007 – live in low-income families.<sup>1</sup>

Nonetheless, official poverty statistics continue to be used by researchers, policymakers, and the media to define economic disadvantage. In addition, eligibility for many public benefits is based on the official poverty measure. This fact sheet details some of the characteristics of American children who are considered poor by the official standard.<sup>2</sup>

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### The Official, Yet Flawed, Poverty Measure

The U.S. poverty measure needs to be overhauled. Based on data from the 1950s, the poverty level was set at three times the cost of food and adjusted for family size. Yet food now comprises only one-seventh of an average family's expenses, while the cost of housing, child care, health care, and transportation have grown disproportionately. The result? Current poverty thresholds are too low and arguably arbitrary. Also, they don't adjust for differences in the cost of living within and across states.

Further, the way we measure poverty can't tell us whether many of the programs designed to reduce economic hardship – such as the federal Earned Income Tax Credit, food stamps, Medicaid, and housing and child care assistance – are effective. When determining whether an individual or family is poor, the value of these benefits is ignored.

Considerable research has been done on better measures of income poverty, and policymakers at the federal and state levels have begun to explore these alternatives.

Source: Cauthen, Nancy K.; Fass, Sarah. 2008. Measuring Income and Poverty in the United States. New York, NY: National Center for Children in Poverty, Columbia University, Mailman School of Public Health.

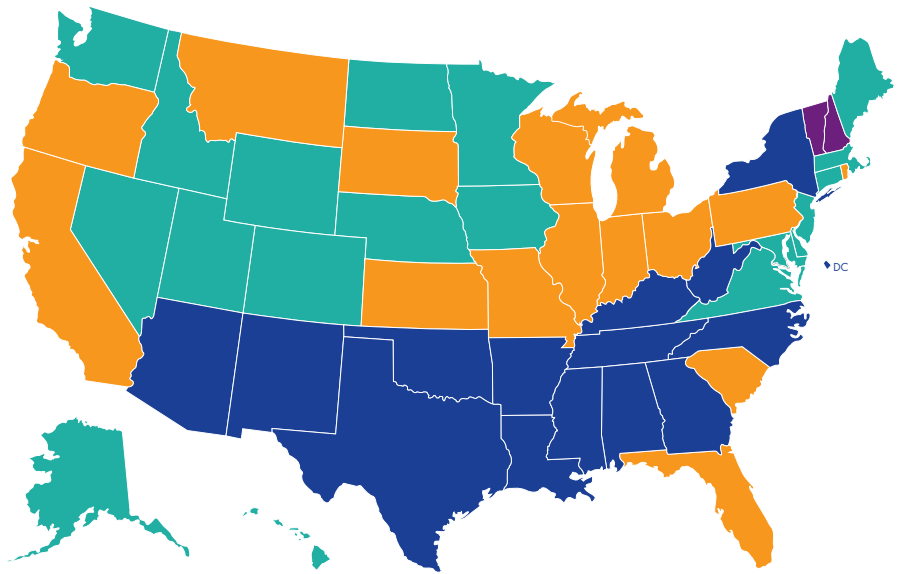
## How many children in America are officially poor?

### *Rates of official child poverty vary tremendously across the states.*

- ▶ Nationwide, 18% of children live in families that are considered officially poor (13.2 million children).
- ▶ Across the states, child poverty rates range from 6% in New Hampshire to 31% in Mississippi.

### Child poverty rates across the states, 2007

- 20% or more (15 states): AL, AZ, AR, DC, GA, KY, LA, MS, NM, NY, NC, OK, TN, TX, WV
- 15%-19% (15 states): CA, FL, IL, IN, KS, MI, MO, MT, OH, OR, PA, RI, SC, SD, WI
- 10-14% (19 states): AK, CO, CT, DE, HI, ID, IA, ME, MD, MA, MN, NE, NV, NJ, ND, UT, VA, WA, WY
- Under 10% (2 states): NH, VT



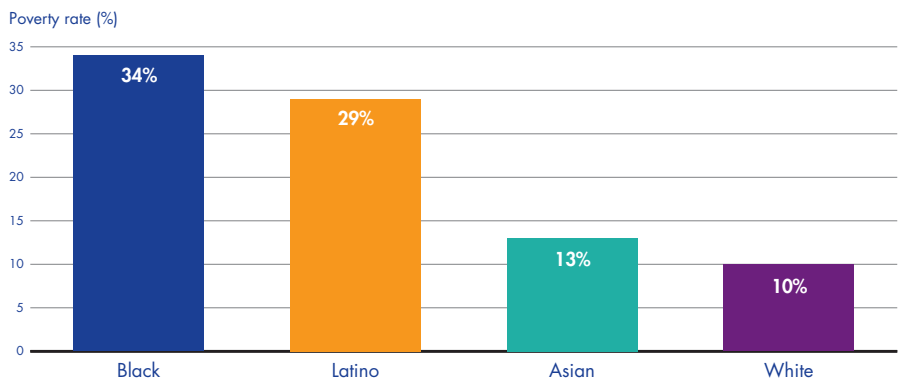
## What are some of the characteristics of children who are officially poor in America?

### *Black and Latino children are disproportionately poor.<sup>3</sup>*

- ▶ 34% of black children live in poor families. In the 10 most populated states, rates of child poverty among black children range from 28% in California to 48% in Ohio.
- ▶ 29% of Latino children live in poor families. In the 10 most populated states, rates of child poverty among Latino children range from 19% in Florida to 34% in North Carolina.
- ▶ 13% of Asian children live in poor families (comparable state comparisons are not possible due to small sample sizes).

- ▶ 10% of white children live in poor families. Across the 10 most populated states, rates of child poverty among white children do not vary dramatically; the range is 8% to 11%.

### Child poverty rates by race/ethnicity, 2007



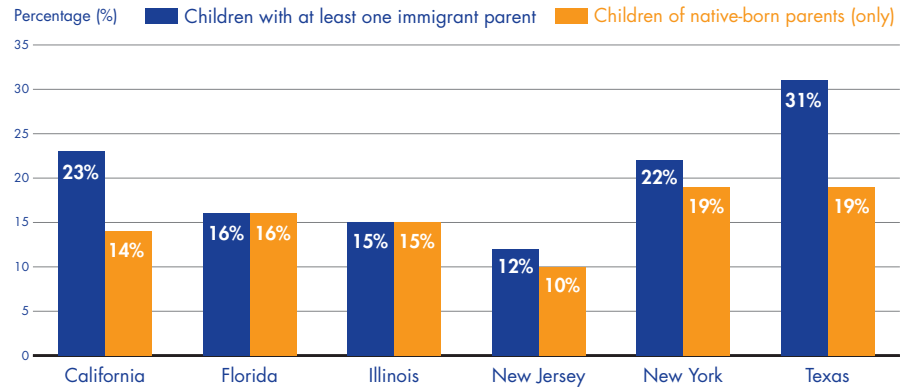
**Having immigrant parents can increase a child's chances of being poor.**

- ▶ 23% of children in immigrant families are poor; 17% of children with native-born parents are poor.
- ▶ In the six states with the largest populations of immigrants – California, Florida, Illinois, New Jersey, New York, and Texas – the poverty rate among children in immigrant families ranges from 12% to 31%.

**Official poverty rates are highest for young children.**

- ▶ 21% of children under age 6 live in poor families; 16% of children age 6 or older live in poor families.
- ▶ In about half the states, 20% or more of children under age 6 are poor, whereas 15 states have a poverty rate for all children (up to age 18) that is as high.

**Poor children by parents' nativity, 2007**



- ▶ Research suggests that parents of young children do not earn as much as parents of older children because they tend to be younger and have less work experience.

**What are some of the economic hardships faced by children in America?**

**Food insecurity, lack of affordable housing, and other hardships affect millions of American children, not just those who are officially poor.**

- ▶ 16% of households with children experience food insecurity.<sup>4</sup>
- ▶ 50% of families who rent their homes spend 30 percent or more of their income on rent.<sup>5</sup>
- ▶ Compared to white families with children, black and Latino families with children are more than twice as likely to experience economic hardships.<sup>6</sup>

**Many poor children lack health insurance.**

- ▶ 17% of poor children lack health insurance, whereas 11% of all children (poor and nonpoor) lack health insurance.
- ▶ In the 10 most populated states, the percent of poor children who lack health insurance ranges from 9% in Michigan to 33% in Florida.

## What can be done about child poverty?

Child poverty is not intractable. Effective public policies can make a difference. NCCP recommends two major policy strategies to improve the well-being of children and families living in poverty:

### *Make work pay*

Since research is clear that poverty is the greatest threat to children's well being, strategies that help parents succeed in the labor force can help children.<sup>7</sup> Low earning workers need higher wages, and policies such as earned income tax

credits and the minimum wage are critical. Working families also need help with the high cost of basic necessities, such as child care and housing.<sup>8</sup> And many low-wage workers lack access to benefits that higher-wage earners take for granted, such as health insurance and paid sick days.

### *Support parents and their young children*

To thrive, children need nurturing families and high quality early learning experiences. Programs

that target families with infants and toddlers, such as Early Head Start, have been shown to improve children's cognitive development and their behavior, as well as parenting skills. Investments in preschool for 3- and 4-year-olds are just as critical. High-quality early childhood experiences can go a long way toward closing the achievement gap between poor children and their more well-off peers.<sup>9</sup>

## Endnotes

*Unless otherwise noted, data estimates in this fact sheet were prepared by Ayana Douglas-Hall and Michelle Chau of NCCP based on the U.S. Current Population Survey, Annual Social and Economic Supplement. National estimates are based on the March 2008 Supplement and represent information from calendar year 2007. State estimates are three-year averages (due to small sample sizes in some states) based on the March 2006, 2007, and 2008 Supplements, representing information from calendar years 2005, 2006, and 2007. Estimates include children living in households with at least one parent and most children living apart from both parents (for example, children being raised by grandparents). Among children who do not live with at least one parent, parental characteristics are those of the householder and/or the householder's spouse.*

1. Douglas-Hall, Ayana; Chau, Michelle. 2008. *Basic Facts About Low-income Children, Birth to Age 18*. New York, NY: National Center for Children in Poverty, Columbia University, Mailman School of Public Health.

2. To learn more about child poverty and family economic hardship, see Cauthen, Nancy K.; Fass, Sarah. 2008. *Ten Important Questions About Child Poverty and Family Economic Hardship*. New York, NY: National Center for Children in Poverty, Columbia University, Mailman School of Public Health.

3. Data for American Indian children are unavailable due to small sample sizes.

4. Nord, Mark; Andrews, Margaret; Carlson, Steven. 2007. *Household Food Security in the United States, 2006* (Economic Research Report No. 49). Washington, DC: U.S. Department of Agriculture.

5. American FactFinder. *Selected Housing Characteristics: 2006*. Washington, DC: U.S. Census Bureau. American Community Survey.

6. Sherman, Arloc. 2006. *African American and Latino Families Face High Rates of Hardship*. Washington, DC: Center on Budget and Policy Priorities.

7. Fass, Sarah; Briggs, Jodie; Cauthen, Nancy K. 2008. *Staying Afloat in Tough Times: What States Are and Aren't Doing to Promote Family Economic Security*. New York, NY: National Center for Children in Poverty, Columbia University, Mailman School of Public Health.

8. To see how much families need to make ends meet in selected states and localities, see NCCP's Basic Needs Budget Calculator: <http://nccp.org/tools/frs/budget>.

9. Stebbins, Helene; Knitzer, Jane. 2007. *State Early Childhood Policies*. New York, NY: National Center for Children in Poverty, Columbia University, Mailman School of Public Health.