



COALITION ON HUMAN NEEDS

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Coalition on Human Needs Declares the Recession is Not Over for a Record-Breaking 46.2 Million Poor Americans *More than 100 Million are Poor or Near Poor*

WASHINGTON, DC – Although the Great Recession officially ended in June 2009, the ranks of the poor grew by 2.6 million in 2010, the highest number on record. Close to 104 million people (more than one in three) were either poor or near poor (for a three-person family, with less than \$35,000 in income in 2010).

“Every day that we do nothing to get people back to work pushes more people out of the middle class and into poverty,” said Deborah Weinstein, Executive Director of the Coalition on Human Needs. “President Obama’s jobs package takes key steps to target jobs to low-income people and communities. The growing number of poor Americans shows how urgent it is for Congress to act quickly.”

Continuing high levels of joblessness and reduced wages hit low- and moderate-income people especially hard in 2010, with unemployment highest for those with little education, for people of color, and for women heads of households. The new data released by the U.S. Census Bureau today showed that poverty was extremely high for those groups. More than one in four adults without a high school diploma were poor (26.3 percent); for blacks, the number in poverty climbed by 1.6 million, to 27.4 percent; the number of poor Hispanics rose by 1.3 million, to 25.3 percent. Large numbers of the poor work, but high joblessness meant a surge in the number of poor people without any earnings in 2010 – an increase of 1.8 million (from 18.944 million in 2009 to 20.717 million in 2010).

The number and proportion of poor people has increased steadily since 2006. The proportion of people in poverty rose to 15.1 percent, up from 14.3 percent in 2009.

Poverty remains disproportionate and high for children. “We know that persistent and deep poverty threatens children’s opportunities for a healthy, productive life,” said Weinstein. “Poverty this high and this deep among America’s children is nothing less than shameful – and harmful.” A large body of research has shown the relationship between childhood poverty and chronic health, development, and educational problems. There were 1.3 million additional children in poverty in 2010; 22 percent of children were poor, up from 20.7 percent in 2009. Especially troubling, the proportion of children living in extreme poverty (below \$8,700 for a family of three) rose from 9.3 percent in 2009 to 9.9 percent in 2010 (nearly 7.4 million children, or an increase of almost half a million).

The Census Bureau data also showed the benefits of Medicaid and the Children’s Health Insurance Program, Unemployment Insurance, the Earned Income Tax Credit, and SNAP/food stamps. Children were more likely to have health insurance than working age adults, because of their greater coverage through Medicaid and CHIP.

In 2010, 9.8 percent of children were uninsured, compared with 16.3 percent overall. Thirty-eight percent of children are covered by public health insurance; only 22 percent of people younger than age 65 are covered by public plans. Press materials provided by the Census Bureau also showed that Unemployment Insurance lifted 3.2 million people out of poverty. If the Earned Income Tax Credit were counted in the official poverty measure, it would show that 5.4 million people had been lifted out of poverty; similarly, SNAP/food stamps would have prevented poverty in 3.9 million people, including 1.7 million children (in unpublished data available from the Census Bureau).

“Some Members of Congress are now talking about reducing the federal deficit by slashing Medicaid, food stamps, and low-income tax credits. Some would allow federal unemployment benefits for the long-term jobless to expire. These programs are preventing millions of people from falling into poverty,” said Weinstein.

“Preserving and expanding them will help to rebuild our economy by giving people the chance they need to get back on their feet. Slashing vital services will slam the brakes on our weak economy, and add to our deficits for years to come.”

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