

READING BETWEEN THE LINES

Women's Poverty in the United States, 2004

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In 2004 poverty rates grew for the fourth straight year and women were once again much more likely to be poor than men, with 14.3 million poor adult women compared to 9.7 million poor adult men. Indeed, there has been a large gender poverty gap in every year since the official poverty standard was created in the 1960's.

The Census Bureau unfortunately has done little to publicize this gap. While the Bureau's annual report highlights poverty rate differences based on categories such as age and race,¹ the Census Bureau has so far resisted giving similar attention to poverty rate differences based on gender, and this failure distorts the public perception of poverty in this country.²

Legal Momentum has compiled the information in this report from the detailed poverty tables that the Census Bureau posts on its website.³ These statistics reveal a deep gender gap in poverty rates, even when factors such as work experience, education, or family structure are taken into account.

POVERTY RATES FOR ADULT WOMEN AND MEN IN 2004

	Women	Men	Increased incidence of poverty among women compared to men
All adults (18 or above)	12.7	9.3	37%
Age 65 or above	12.0	7.0	71%
Single parents	35.9	17.2	109%
Worked	7.0	5.4	30%
High School only	13.5	10.1	34%
College less than 4 yrs	9.7	7.1	37%
College 4 yr degree	4.8	3.8	26%

(continued)

Overall Poverty

Poverty is measured by comparing annual income with the federal poverty standard which the federal government updates annually for inflation. In 2004, the poverty standard was \$9,645 for an individual, \$12,334 for a family of 2, \$15,067 for a family of 3, and \$19,307 for a family of 4.

Women were about 37% more likely to be poor than men in 2004, with a poverty rate of 12.7% compared to 9.3% for men. One of every eight women was poor, compared to about one of every eleven men. The gender gap was even larger among the aged, with aged women over 70% more likely to be poor than aged men.

While the gender poverty gap remains large, it has been declining. From 1987 to 1998, the ratio of women's poverty rate to men's poverty rate fluctuated between 1.51 and 1.58. The ratio fell to 1.48 in 1999, to 1.47 in 2000, to 1.42 in 2001, to 1.41 in 2002, to 1.39 in 2003, and to 1.37 in 2004.

Work Experience

Work outside the home reduced the likelihood of being poor for both men and women. However, women who worked outside the home in 2004 were 30% more likely to be poor than men who worked outside the home, with a poverty rate of 7.0% compared to 5.4% for men. About one of every fourteen working women was poor, compared to about one of every nineteen working men.

Education

While education reduces the likelihood of being poor for both men and women, women are much more likely to be poor than men with the same level of education. In 2004, women with a high school diploma but no college were 34% more likely to be poor than men with a high school diploma but no college, with a poverty rate of 13.5% compared to 10.1% for men. The 4.8% poverty rate for women with a bachelor's degree (or more) was 26% greater than the 3.8% rate for men with such a degree.

Family Structure

The 33.2% poverty rate for solo parents in 2004 was about 4.7 times the 7% poverty rate for married parents. However, comparing married parents with all solo parents gives a misleading impression of the significance of family structure by concealing the sharp difference in poverty rates between solo fathers and solo mothers. The 35.9% poverty rate for solo mother families was over twice the 17.2% rate for solo father families.

BEYOND THE SIMPLE NUMBERS

Child Care Costs

Poverty is measured based on gross income, rather than on income net of child care expenditures, perhaps because mothers were much less likely to be in the paid labor force when the poverty standard was formulated in the 1960's. If poverty were measured based on income net of child care expenditures in order to exclude income that is not available for other basic needs, many more women (and men) would be counted as poor. In 1999, the most recent year for which this Census Bureau data is available, child care expenditures for employed mothers with child care costs averaged \$340 a month.⁴

Hardship

Poverty is strongly associated with real hardship. A recent study by the Economic Policy Institute (EPI) found that in a given year about 30% of those below the poverty line experienced critical hardship, defined as being evicted, having utilities disconnected, doubling up in others' housing due to lack of funds, or not having enough food to eat; and that an additional 30% to 45% of the poor experienced other serious hardships.⁵

International Comparisons

Many studies have found that poverty rates in the United States are much higher than in other rich countries. One recent study concluded that the United States had the highest poverty rate for female-headed households among the 22 countries studied, 30.9% compared to the 10.5% average for the group.⁶ This study defined poverty as an income less than 50% of the median income and was based on national income surveys conducted in the early 1990's.

Rising Living Standards

There is a broad consensus that poverty should be defined relative to contemporary living standards and consequently that any poverty line must be revised periodically. However, the official U.S. poverty line has not been adjusted in response to the rise in real income and the changes in general living standards since it was formulated over 35 years ago. If the poverty standard were adjusted to reflect the 30% increase in real household median income since 1967, many more women (and men) would be counted as poor.

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Notes

1. The Census Bureau's report of key poverty statistics for 2004 is included in *Income, Poverty, and Health Insurance Coverage in the United States: 2004*, U.S. Census Bureau, P60-229 (2005). This report is available at <http://www.census.gov/prod/2005pubs/p60-229.pdf>
2. For example, the August 31, 2005 article about the new Census report in *The Washington Post -- Poverty Rate Continues to Climb* (<http://www.washingtonpost.com/wp-dyn/content/article/2005/08/30/AR2005083001727.html>) -- highlights racial and regional differences in poverty but does not mention gender differences in poverty.
3. These more detailed reports are available at <http://pubdb3.census.gov/macro/032005/pov/toc.htm>
4. For child care expense data, see <http://www.census.gov/population/socdemo/child/pp1-168/tab06.pdf>.
5. Boushey & Gunderson, *When Work Just Isn't Enough*, EPI Briefing Paper (June 2001), available at <http://www.epinet.org/briefingpapers/hardshipsbp.pdf>
6. Pressman, *Explaining the Gender Poverty Gap in Developed and Transitional Economies*, Luxembourg Income Study Working Paper No. 243 (Sept. 2000), available at <http://www.lisproject.org/publications/liswps/243.pdf>.