



September 19, 2014

New Census Data Confirm Millions Are Still Being Left Behind:

Wrongheaded Policy Choices Will Leave Even More on the Brink

Too many of our neighbors are still being left behind even as our economy continues to recover, four years after the end of the Great Recession. Data released this week by the Census Bureau show that some progress has been made – the child poverty rate, for example, declined from 21.8 percent in 2012 to 19.9 percent in 2013, most likely due to a rise in employment and income among parents. The official overall poverty data were mixed, as the percentage of people in poverty fell from 15.0 in 2012 to 14.5 in 2013, but the number of people in poverty remains over 45 million.¹ A greater proportion of Americans were poor in 2013 than in 2009, the year the Great Recession officially ended. All in all, the data are clear that poverty remains stubbornly and unacceptably high, and too many Americans are struggling to find a job, pay their rent, and feed their families.

We are clearly not doing enough as a country to make progress on reducing poverty. Our safety net programs are effective in keeping millions of people out of poverty and in keeping many from becoming more deeply poor. But they do not reach everyone in poverty, and recent cuts to these programs have left them less able to help the number of people who need it. Further automatic funding cuts or wrongheaded budget proposals, as well as plans that claim to fight poverty by turning social service programs into block grants, would actually increase poverty and only make the situation worse. We need more investments in the programs that keep our neighbors from falling even deeper into poverty, not less.

Years after the Recession Ended, Millions are Still Struggling

While the recession officially ended in June of 2009, millions of Americans have yet to see any relief. In 2009, 14.3 percent of the country was poor. In 2013, 14.5 percent – or more than one in seven - lived in poverty.² For a family of four, that means living on an income under \$23,834. The share of households with income under \$25,000 has grown, while the share of households making \$50,000 or more has fallen.³

There are also 6 million more people living in near-poverty than in 2009; one-third of the nation lives below twice the federal poverty level, or less than \$47,668 for a family of four.⁴ Those who work are not immune to poverty, either; 12.9 percent of families headed by part-time or part-year workers are poor,⁵ and 29.4 of similar families are near poor.⁶ We've long known how important education is in fighting poverty, and the Census Bureau data reinforce that – one out of four people with education below a high school degree is poor, while one out of seven with a high school degree and one out of 20 with a college degree are poor.⁷

Children remain the age group most disproportionately poor – roughly one out of five children in the U.S. is poor – and the statistics are far worse for children of color. Nationally, more than one out of three African American

children and nearly one out of three Hispanic children are poor.⁸ Numerous previous studies have shown that children who grow up poor are more likely to suffer from poor health, developmental delays, behavioral problems, and lower academic achievement. They are also more likely to be unemployed as adults.⁹ In a country where half of our children are children of color and where they are a growing percentage of the population, these are very worrying statistics.

While poverty has grown since the recession, so too has inequality. Between 2009 and 2013, inequality as measured by the Gini index rose by 1.7 percent.¹⁰ The income of the top 1 percent of U.S. earners grew by 31.4 percent, while incomes for the other 99 percent grew only by 0.4 percent.¹¹ The wealthiest are getting richer and enjoying more tax breaks and loopholes, while those at the bottom are struggling to stay afloat – and in many cases, to stay in their homes. Nationally, 42.5 percent of renters pay more than 35 percent of their income in rent, well over the official definition of families overburdened by rent costs (30 percent).

In addition to the Census Bureau data, other data also depict a nation in which too many are left behind, even years after the recession officially ended. In 2009, the year the recession ended for the statisticians, the national annual unemployment rate was 9.3 percent.¹² The official unemployment rate declined to 7.4 percent in 2013, and dropped further to 6.1 percent nationally in August of 2014. The decrease is important, as parents finding work have contributed to a falling child poverty rate. But there are still 9.6 million people who are unable to find a job. Nearly 7.3 million workers are working part-time because they can't find a full-time job or because their hours have been cut back,¹³ and still millions more have given up looking for a job altogether because they believe none exists for them. According to data released by the U.S. Department of Agriculture this month, one in seven households had trouble providing adequate food for everyone in 2013. The number of people struggling against hunger remains dramatically higher than it was before the Great Recession. In 2007, before the recession, 36.2 million people were in a food insecure household (12.2 percent). In 2013, 49 million faced hunger (15.8 percent).¹⁴ Another recent study notes that one in seven Americans rely on food pantries and meal programs to feed themselves and their families.¹⁵ Again, the statistics were worse for African American and Hispanic households and for households with children.¹⁶

One bright spot in our nation's picture is health insurance. A new report from the Urban Institute shows that the number of uninsured adults fell by 22.3 percent from September 2013 to June 2014, with most of this drop coming from low- and middle- income adults. In states that implemented the Affordable Care Act's Medicaid expansion, the uninsured rate dropped 37.7 percent. The uninsured rate for low-income adults remains high, at 31.7 percent, but it's much higher in non-expansion states (40.0 percent) than in expansion states (23.1 percent).¹⁷ Nationally, 42 million people remained uninsured in 2013.¹⁸

What We Can – and Must – Do to Reduce Poverty

Clearly, more must be done to lift up the millions of Americans who have been left out of the recovery. Strong federal programs create jobs, grow the economy, reduce inequity, and keep millions out of poverty. In 2013, 3.7 million people were kept out of poverty when benefits they receive from the Supplemental Nutrition Assistance Program (SNAP) were counted as part of their income. Similarly, unemployment insurance kept 1.2 million people out of poverty last year,¹⁹ and unemployment insurance expansions during the Great Recession prevented roughly 1.4 million foreclosures.²⁰ The Earned Income Tax Credit (EITC) and Child Tax Credit lifted 10.1

million people, including 5.3 million children, out of poverty in 2012.²¹ Children from families that benefit from the EITC also do better in school and end up working and earning more as adults.²²

Other federal legislation can also break down the barriers that leave millions of Americans in dire conditions. Raising the federal minimum wage to \$10.10 per hour would lift nearly 6 million people above the poverty threshold and help the families of nearly 14 million children,²³ all while saving \$4.6 billion in SNAP expenditures²⁴ and adding \$33 billion in new economic activity.²⁵ Raising the federal minimum wage for tipped workers is just as important; poverty rates for tipped workers are roughly twice as high as rates for workers overall. However, the average poverty rate for female tipped workers in the eight states where employers must pay their tipped employees the regular minimum wage is 33 percent lower than in states with the \$2.13 per hour tipped federal minimum cash wage.²⁶

Without these programs, the number of those in poverty would be much higher. We know these programs work for those who are able to access them, but limited funding means that too many aren't able to get the help they need to move up. Stopping cuts to these proven programs should be the first step. Nearly 100 human needs programs that require annual appropriations saw their funding cut by more than 10 percent since 2010, adjusted for inflation. Some important low-income programs have been cut very deeply: heating and cooling assistance for low-income households was cut 38 percent over this period; juvenile justice programs were slashed by one-third or more; child welfare services were cut by more than one-third; the public housing capital fund was cut by 31 percent.²⁷

As we've previously noted, access to quality education is critical in fighting poverty, but federal education programs have been cut by almost \$40 billion since 2010.²⁸ The 2013 sequester cuts resulted in 57,000 fewer children enrolled in Head Start.²⁹ Housing vouchers lifted 2.8 million people — including 1 million children — above the poverty line in 2012,³⁰ but only one in four households eligible for federal rental assistance receives it because of limited funding. Additionally, sequestration cuts caused the loss of 70,000 housing vouchers in 2013.³¹ Only one in six eligible children receives subsidized child care.³² More than eight in ten low-wage workers have no paid sick leave, forcing them to go without pay to take care of themselves or a sick family member.³³ Expanding Medicaid provides health coverage for millions, many for the first time, but too many states have chosen the self-inflicted wound of refusing to extend coverage to their low-income neighbors. And the House has voted more than 50 times to repeal the Affordable Care Act altogether.³⁴

Beyond halting cuts, we need additional investments in these programs to be able to reach those who haven't yet been helped and remove the barriers that prevent all Americans from getting a fair shot to fulfill their potential. Too many aren't able to access these lifesaving programs because of limited funding. Closing tax loopholes and ending tax breaks that allow corporations to avoid paying their fair share will provide necessary revenues for these investments. The House Ways and Means Committee approved \$614 billion in unpaid tax breaks for corporations and the wealthy in 2014.³⁵ The House-passed budget, introduced by House Budget Committee Chair Paul Ryan (R-WI), would provide at least \$200,000 to each millionaire in FY 2015 alone and would increase Pentagon spending by \$483 billion over sequestration levels.³⁶ Tax reductions for the rich create few jobs. In fact, research of countries around the world — including the U.S. — found that cutting taxes for the wealthy does not lead to economic growth; instead, it leads to higher levels of inequality.³⁷ It's not that we as a country can't afford to make the investments we need to increase jobs for all and help our struggling neighbors; it's that we're choosing not to.

Some Proposals that Purport to Fight Poverty Will Actually Increase It

In addition to providing tax cuts to millionaires and billionaires, budgets drafted by Chairman Ryan and adopted by the House over the past several years would drastically cut human needs programs that keep people out of poverty. Specifically, the House budget would slash SNAP by \$137 billion, which would cut or end food assistance for millions of low-income families. The budget would gut Medicaid and the Children's Health Insurance Program by \$732 billion, drop 170,000 children from Head Start and 200,000 moms and children from the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), repeal the Affordable Care Act and swell the ranks of the uninsured by at least 40 million, and on and on. All told, 69 percent – or \$3.3 trillion – of the budget cuts in the most recent House-passed budget come from programs for people with low or moderate incomes.³⁸ At the same time, the plan slashes taxes for the rich and super-rich by about \$5 trillion.³⁹ Just like his budgets, Chairman Ryan's recently-released plan to fight poverty will actually do more harm than good, driving more people into poverty and driving the already poor further down. His plan would allow states to opt for a block grant of up to 11 safety net programs, including SNAP and numerous housing assistance programs. SNAP's current effectiveness at reducing poverty comes from its ability to respond to increased need during hard times. But Ryan's block grant would largely end that flexibility. Historically, most block grants have received fewer and fewer funds over time, resulting in reduced benefits and services.⁴⁰ He promised that total funding to states taking the grant would not decrease, despite the fact that his budget proposes drastic cuts for most of the programs he would pool in the grant.

Rep. Ryan says we need customized and personalized case management for each person needing aid. Some people would almost certainly benefit from these services, but they are expensive. Increased costs for case management will have to come from cuts in other services. His plan eliminates the Social Services Block Grant, despite the fact that it provides \$1.7 billion in services to children, the elderly, and people with disabilities.⁴¹ His plan would exclude working poor immigrant families without a Social Security number from receiving the Child Tax Credit for their children, despite the fact that as many as 5.5 million low-income children would be affected, 80 percent of whom are U.S. citizens (a similar bill that passed the House in July would do this as well).⁴² His plan would require work in exchange for benefits, despite the fact that there are still two job seekers for every job available,⁴³ with the situation far worse in many low-income communities, leaving many more out in the cold.

Congress Needs to Make the Right Choices to Move Us All Forward Together

We need more investments, not less, in programs that help people move up and out of poverty. Massive cuts like those in the House budget and wrongheaded policies like those in Rep. Ryan's plan will not reduce poverty – they would increase it. At a time when poverty, unemployment, and food insecurity remain stubbornly high and our economy continues to leave too many behind, we need more investments in the programs that help our neighbors from falling even deeper into despair. Only this will lead to a shared economic growth and a shared prosperity for all, not just the wealthy and big corporations.

New Census Data Confirms Too Many Are Still Being Left Behind

Numbers in 1000's

	2013 Number	2013 Percent	2012 Number	2012 Percent	2009 Number	2009 Percent
All Poor	45,318	14.5	46,496	15.0	43,569	14.3
All Below 200% Poverty Line	106,024	33.9	106,376	34.2	100,411	33.0
Children in Poverty	14,659	19.9	16,073	21.8	15,451	20.7
Children below 50% Poverty Line	6,484	8.8	7,143	9.7	6,914	9.3
Poor Families with Children with at Least 1 Worker ¹	4,281	12.0	4,654	13.1	4,405	12.3
All Poor Blacks	11,959	27.1	11,809	27.1	10,575	25.9
Poor Black Children	4,838	36.9	4,815	36.7	4,480	35.4
All Poor Hispanics	12,744	23.5	13,616	25.6	12,350	25.3
Poor Hispanic Children	5,415	30.4	5,976	33.8	5,610	33.1
All Poor Asians	1,974	10.4	2,072	11.4	1,901	12.4
Poor Asian Children	457	9.6	570	12.5	531	13.3
All Poor Whites (Not Hispanic)	18,796	9.6	18,940	9.7	18,530	9.4
Poor White Children (Not Hispanic)	4,094	10.7	4,782	12.3	4,850	11.9
Poor Families with Children Headed by Women	3,937	39.6	4,099	40.9	3,800	38.5
Average Amount Below the Poverty Line, Income for all Poor Families	\$9,834		\$9,785		\$9,042	
Poor with Disability ²	4,352	28.8	4,257	28.4		
All Uninsured	42,000	13.4	47,951	15.4	50,674	16.7
With Private Insurance	201,064	64.2	198,812	63.9	194,500	63.9
With Employer Insurance	169,000	53.9	170,877	54.9	169,700	55.8
Uninsured Working 18-64 Year Olds	41,260	15.3	28,378	19.5	49,998	18.8

1. Row reads: Of families with children with at least 1 worker, X% are poor

2. This characteristic was not available in the 2009 data

Source: U.S. Census Bureau, Current Population Survey, 2013 data released September 16, 2014.

Racial/ethnic definitions: Black and Asian figures are from the Census category "Alone or in Combination." Those listed as "Hispanic" may be of any race.

This report was prepared by Lecia Imbery, Senior Policy Writer for the Coalition on Human Needs (CHN). CHN is an alliance of national organizations working together to promote federal policies to address the needs of low-income and other vulnerable people. The Coalition's members include service providers, policy experts, religious, labor, and civil rights organizations, and other advocates concerned with the well-being of low-income people, including children, women, seniors, and people with disabilities. Since 1981, the Coalition has been promoting policies to reduce poverty and expand opportunity. Recognizing that poverty reduction and broadly shared economic growth require investment of public dollars, CHN works for adequate funding for effective human needs programs and progressive tax policies. CHN has been a leader in the SAVE for All campaign (Strengthening America's Values and Economy for All), bringing together many thousands of advocates nationwide in support of four principles essential in federal budget or deficit reduction plans: protect low-income and vulnerable people; incorporate investments to create jobs; pay for sustainable public programs through increased revenues from fair sources; and seek savings by targeting wasteful spending in the Pentagon and other areas.

¹ Census Bureau Current Population Survey data for 2013, accessed by the Coalition on Human Needs, September 2014.
<http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249.pdf>

² Census Bureau Current Population Survey data for 2013, accessed by the Coalition on Human Needs, September 2014.

³ American Community Survey data for 2013, accessed by the Coalition on Human Needs, September 2014.

⁴ http://www.census.gov/hhes/www/cpstables/032014/pov/pov01_200.htm

⁵ http://www.census.gov/hhes/www/cpstables/032014/pov/pov06_100.htm

⁶ http://www.census.gov/hhes/www/cpstables/032014/pov/pov06_200.htm

⁷ http://www.census.gov/hhes/www/cpstables/032014/pov/pov29_100.htm

⁸ <http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249.pdf>

⁹ http://futureofchildren.org/futureofchildren/publications/docs/07_02_03.pdf

¹⁰ <http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249.pdf>

¹¹ <http://eml.berkeley.edu/~saez/saez-UStopincomes-2012.pdf>

¹² <http://www.bls.gov/cps/cpsaat01.pdf>

¹³ <http://www.bls.gov/news.release/empsit.t08.htm>

¹⁴ <http://www.ers.usda.gov/media/1565415/err173.pdf>

¹⁵ <http://help.feedingamerica.org/HungerInAmerica/hunger-in-america-2014-full-report.pdf>

¹⁶ <http://www.ers.usda.gov/media/1565415/err173.pdf>

¹⁷ <http://hrms.urban.org/briefs/taking-stock-at-mid-year.pdf>

¹⁸ <http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-250.pdf>

¹⁹ <http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249.pdf>

²⁰ <http://www.nber.org/papers/w20353>

²¹ <http://apps.cbpp.org/3-5-14tax/?state=US>

²² <http://www.cbpp.org/cms/?fa=view&id=3793>

²³ <http://www.oxfamamerica.org/static/media/files/Working-Poor-in-America-report-Oxfam-America.pdf>

²⁴ <http://www.americanprogress.org/issues/economy/report/2014/03/05/85158/the-effects-of-minimum-wages-on-snap-enrollments-and-expenditures/>

²⁵ <http://www.epi.org/publication/bp357-federal-minimum-wage-increase/>

²⁶ http://www.nwlc.org/sites/default/files/pdfs/tipped_minimum_wage_worker_wage_gap.pdf

²⁷ <http://www.chn.org/wp-content/uploads/2014/07/Shrinking-Funding-Since-2010-plus-FY-15-Updates-Attachment.pdf>

²⁸ <http://cef.org/wp-content/uploads/2014/04/Education-Budget-cuts-since-2010.pdf>

²⁹ <http://www.americanprogress.org/issues/budget/report/2014/04/09/87430/how-the-ryan-budget-fails-our-economy-by-failing-economics/>

³⁰ <http://www.cbpp.org/cms/index.cfm?fa=view&id=4098>

³¹ <http://www.offthechartsblog.org/why-and-how-congress-should-restore-lost-housing-vouchers/>

³² <http://www.clasp.org/resources-and-publications/publication-1/Olivia-CCDBG-testimony-3-25-final.pdf>

³³ <http://www.nationalpartnership.org/issues/work-family/paid-sick-days.html>

³⁴ <http://www.washingtonpost.com/blogs/the-fix/wp/2014/03/21/the-house-has-voted-54-times-in-four-years-on-obamacare-heres-the-full-list/>

³⁵ [http://thomas.loc.gov/cgi-](http://thomas.loc.gov/cgi-bin/cpquery/?&dbname=cp113&sid=cp113CY1L4&refer=&n=hr509.113&item=&&&sel=TOC_150983&)

[bin/cpquery/?&dbname=cp113&sid=cp113CY1L4&refer=&n=hr509.113&item=&&&sel=TOC_150983&](http://thomas.loc.gov/cgi-bin/cpquery/?&dbname=cp113&sid=cp113CY1L4&refer=&n=hr509.113&item=&&&sel=TOC_150983&)

³⁶ http://www.chn.org/human_needs_report/chn-chairman-ryans-budget-plan-passes-house-hitting-poor-harder-ever/

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- ³⁷ <http://www.americanprogress.org/issues/budget/report/2014/04/09/87430/how-the-ryan-budget-fails-our-economy-by-failing-economics/>
- ³⁸ http://www.chn.org/human_needs_report/chn-chairman-ryans-budget-plan-passes-house-hitting-poor-harder-ever/
- ³⁹ <http://taxvox.taxpolicycenter.org/2012/03/23/paul-ryans-budget-plan-more-big-tax-cuts-for-the-rich/>
- ⁴⁰ <http://www.offthechartsblog.org/history-suggests-ryan-block-grant-would-be-susceptible-to-cuts/>
- ⁴¹ <http://www.cbpp.org/cms/?fa=view&id=3765>
- ⁴² http://www.chn.org/human_needs_report/chn-ryan-poverty-plan-increase-poverty/
- ⁴³ <http://stateofworkingamerica.org/charts/job-seekers-ratio-total/>