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Economic Growth Leaves the Poorest Americans Behind

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At the Current Rate, it Would Take a Quarter Century to Cut Poverty in Half

A new <u>report</u> by the Coalition on Human Needs analyzing the Census Bureau's poverty and income data for 2014 shows that even under the optimistic assumption that poverty continues to decline at the same rate it did from 2013 to 2014, it would take until 2040 for the poverty rate to be cut in half, down to 7.7 percent. To erase the higher poverty rate for children and bring child poverty down to 7.7 percent, it would take until 2049, or 35 years. The Census Bureau's Supplemental Poverty Measure, released along with the official measures on September 16-17, shows that federal programs including Social Security, low-income tax credits, and nutrition and housing assistance lift millions of people out of poverty. According to the Coalition on Human Needs, the Census Bureau's findings demonstrate that the economy alone is not doing enough to reduce poverty. A greater investment in programs with demonstrated antipoverty effectiveness is needed to step up the pace so that millions of Americans can be spared poverty's hardships and can contribute to greater prosperity. *Report:* <u>http://www.chn.org/wp-content/uploads/2015/09/Final-CHN-Natl-Census-Poverty-Report-9-21-15.pdf</u>

"Five years after the Great Recession's end, economic growth has done very little to help the poorest Americans. We cannot make the progress we need if 48 million of us are stuck in poverty, and we cannot allow a quarter century to go by before we cut poverty in half," said Deborah Weinstein, executive director of the Coalition on Human Needs. "The evidence is clear that low-income tax credits, nutrition and housing assistance, Social Security, and other programs lift people out of poverty. Congress should be building upon this foundation to ensure that children can thrive and learn, parents can work at higher wages, and seniors are protected in their retirement. Instead, the nation is headed towards another round of cuts likely to stall the very modest progress we've made," said Weinstein.

At a time when many Americans are dissatisfied with the disproportionate economic gains by those with high incomes, the report points to advances by the top 5 percent (with average incomes rising from about \$325,000 to \$346,000 – in 2014 dollars – since 2010), and losses in the bottom fifth (from about \$12,300 down to \$11,900 over the same period). Although poverty declined from 15.8 percent to 15.5 percent from 2013 to 2014, it was still higher than it was in 2010 (15.3 percent in that year). More than one in five children was poor, with about one in three African American and Latino children in poverty. "At the current unacceptable pace, millions of children will be born into poverty and grow up to raise another impoverished generation. We must do better," said Weinstein.

"Only a few days before funding runs out for many vital programs, the majority in Congress has no plan to stop cuts that will make poverty worse and cost jobs," said Weinstein. "We need their commitment to invest so that millions of Americans can avoid poverty."

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The Coalition on Human Needs (CHN) is an alliance of national organizations working together to promote public policies that address the needs of low-income and other vulnerable populations. The Coalition's members include service providers and faith groups, civil rights, religious, labor and professional organizations and those concerned with the well-being of children, women, the elderly and people with disabilities. For more information please visit <u>www.chn.org</u>