



COALITION ON HUMAN NEEDS

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2.5 MILLION FEWER POOR IN 2016; BIGGEST 2-YEAR DECLINE IN POVERTY SINCE 1969

Improving Economy and Help from Now-Threatened Assistance Make the Difference

The poverty rate declined to 12.7 percent in 2016, down from 13.5 percent in 2015 and from 14.8 percent in 2014. That 2.1 percentage point drop is the largest two-year decline since 1969. Since 2014, the number of people in poverty has dropped by more than 6 million. Children remain disproportionately poor, with 18 percent (13.3 million) living in poverty, but the proportion of children in poverty also declined steeply over the past two years (down from 21.1 percent in 2014, nearly a 2.3 million decline).

In part, the improvement in poverty was related to the increase in people with earnings (up 1.2 million since 2015), and the increase in the number of people working full-time/year-round (up 2.2 million since 2015). The lowest 20 percent of households saw their incomes increase by about 9 percent over two years.

Also very important in reducing poverty were government programs. As shown by the Census Bureau's Supplementary Poverty Measure, without Social Security, the total number poor would have been more than 26 million higher (with nearly 1.5 million more children poor). Low-income tax credits such as the EITC and Child Tax Credit prevented nearly 8.2 million from being poor (nearly 4.4 million children). SNAP/food stamps lifted nearly 3.6 million out of poverty (1.5 million children). Housing subsidies and Supplemental Security Income each lifted more than 3 million people out of poverty.

"The increase in people with earnings and the help of tax credits and other assistance has helped millions of people escape poverty," said Deborah Weinstein, Executive Director of the Coalition on Human Needs. "But the Trump administration and the House Budget Committee have called for big cuts in some of the programs most effective at reducing poverty, including tax credits, SNAP/food stamps, and housing assistance. Weakening these programs would threaten the progress finally being made, years after the end of the Great Recession."

African Americans and Latinos are still more than twice as likely to be poor as non-Hispanic whites, but their poverty has also declined. 22 percent of African Americans (down from 24.1 percent in 2015) and 19.4 percent of Hispanic/Latinos (down from 21.4 percent in 2015) are poor, compared to 8.8 percent of non-Hispanic whites (whose poverty rate was 9.1 percent in 2015). African American and Latino children make up about 43 percent of all children, but two-thirds of all poor children. Their child

poverty rates remain extremely high (30.8 percent of African American children are poor, as are 26.6 percent of Hispanic children). “Lower earnings and higher poverty among communities of color remain among our nation’s biggest challenges,” said Weinstein. “In particular, reducing child poverty among communities of color should be a top priority, since they are such an important part of our future.”

Today’s release also showed a continued decline in the proportion of uninsured, from 9.1 percent in 2015 to 8.8 percent in 2016. Here too, government programs played an important role: In states that chose to expand their Medicaid programs, 13 percent of their working age population between 100 – 300 percent of the poverty line were uninsured in 2016, compared to 20.6 percent of the same income range for states that did not expand Medicaid. “Those in Congress who want to end the expansion of Medicaid will hurt a great many moderate income workers,” said Weinstein.

Editor’s note: [Click here](#) to view CHN’s “First Look at Poverty and Health Insurance: Progress We Need to Build On,” a chart detailing some of the statistics released today by the U.S. Census Bureau.