



COALITION ON HUMAN NEEDS

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The High Cost of Being Poor in the U.S.

Anti-Poverty Programs Help Alleviate Costs, But More Must Be Done to Reduce Burdens

Despite recent U.S. Census Bureau data showing reductions in the poverty rate and increases in household median income, millions of Americans still face double jeopardy in today's economy. They live below the poverty line, and they face high costs in areas such as rent, food, child care and predatory lending.

That's the finding of a *The High Cost of Being Poor in the U.S.*, a new report released today by the Coalition on Human Needs. Among the report's highlights:

- 59 percent of U.S. households with annual incomes below \$20,000 spend more than half of their income on rent alone – and child care accounts for another exorbitant expense.
- Anti-poverty programs help many. Programs such as low-income refundable tax credits, SNAP, free or reduced-price school lunch and child care subsidies have helped lift tens of millions of Americans out of poverty.
- But many anti-poverty programs don't reach many who are eligible and other programs would do more good if their benefits were higher or if more people were eligible.

"It is good news that the poverty rate is down, median household income is up, and more Americans are finally benefitting from an improved economy, coupled with federal programs that increase income or reduce expenses," said Deborah Weinstein, Executive Director of the Coalition on Human Needs.

"But the more troubling news is that the poor and near-poor live in a precarious situation. The simple fact is, it is expensive to be poor in the U.S."

The High Cost of Being Poor in the U.S. found many ways in which it is expensive to be poor: Rents consuming huge proportions of income, higher food prices because of lack of access to markets, late fees for unpaid rent and evictions, poor housing conditions leading to health issues, which in turn lead to missed days of school or work; lack of paid sick days, paid leave, and unpredictable work schedules; and predatory lending practices such as pay day lending.

And yet: for every expense the poor encounter, policy solutions could exist to alleviate the plight of struggling Americans. "Low-income refundable tax credits in 2015 lifted more than nine million people out of poverty and another 2.5 million fewer people were poor because of housing subsidies,"

Weinstein said. “Another 6.2 million people avoided poverty because of programs such as SNAP, school lunch and WIC. These programs are sound investments in America and in Americans. Like any sound investment, the more we put in, the more we get out.”

The report includes recommendations for reducing poverty even further for the 43.1 million adults and children who live at or below the poverty line. These recommendations include increasing federal funding for housing and child care subsidies; expanding the Earned Income Tax Credit and Child Tax Credit; increasing SNAP benefits and improving Child Nutrition programs while reauthorizing them; expanding health care coverage to low-income Americans by drawing down federal Medicaid dollars in the 19 states that have not done so; a strong rule finalized from the Consumer Financial Protection Bureau to stop predatory lending; and raising the minimum wage and helping workers get more paid hours through paid sick leave and more predictable hours.

The High Cost of Being Poor in the U.S. is available at <http://bit.ly/2d8zox4>

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The Coalition on Human Needs (CHN) is an alliance of national organizations working together to promote public policies which 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 www.chn.org.