



## Who are America's Poor Children? The Official Story

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Nearly 13 million American children live in families with incomes below the federal poverty level, which is \$20,000 a year for a family of four. The number of children living in poverty increased by more than 11 percent between 2000 and 2005. There are 1.3 million more children living in poverty today than in 2000, despite indications of economic recovery and growth.

Not only are these numbers dispiriting, the official poverty measure tells only part of the story—it is increasingly viewed as a flawed metric of economic hardship (see box). Research consistently shows that, on average, families need an income of about *twice the federal poverty level* to make ends meet. Children living in families with incomes below this level—for 2006, \$40,000 for a family of four—are referred to as *low income*. Thirty-nine percent of the nation's children—more than 28 million in 2005—live in low-income families.<sup>1</sup>

Nonetheless, official poverty statistics continue to be used by researchers, policymakers, and the media to define economic disadvantage. In addition, eligibility for many public benefits is based on the official poverty measure. This fact sheet details some of the characteristics of American children who are considered poor by these official standards.

### The Official—Yet Flawed—Poverty Measure

The current U.S. poverty measure is widely acknowledged to be inadequate. Although considerable research has been done on alternative methods to measure income poverty, the political will necessary to implement an official change is lacking.

Data collected in the 1950s indicated that families spent about one-third of their income on food. Poverty is still measured by multiplying food costs by three. Yet food now comprises far less than a third of an average family's expenses, while the costs of housing, child care, health care, and transportation have grown disproportionately.

The official poverty measure takes into account a variety of income sources, including earnings, interest, dividends, and benefits, such as Social Security and cash assistance. It does not, however, include the value of the major benefits that assist low-income families—the federal Earned Income Tax Credit, food stamps, Medicaid, and housing and child care assistance.

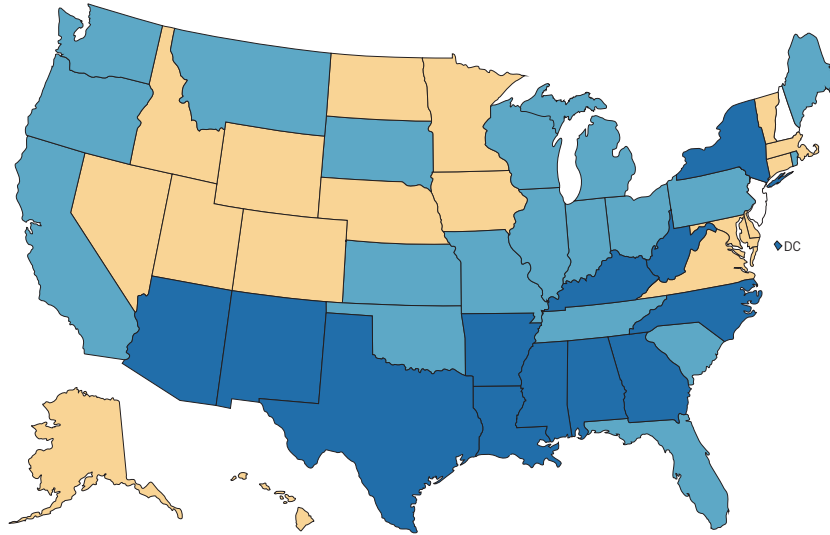
On the expense side, the official poverty measure does not include the cost of payroll and income taxes or work-related expenses, such as child care and transportation. Nor does it take into account varying family needs, such as the cost of out-of-pocket medical expenses. And finally, the poverty measure does not adjust for the substantial variation in the cost of living from state to state and between urban and rural areas.

## How many children in America are officially poor?

**Rates of official child poverty vary tremendously across the states.**

- Nationwide, 18% of children live in families that are officially considered poor (13 million children).
- Across the states, child poverty rates range from 7% in New Hampshire to 27% in Mississippi.

Child poverty rates across the states, 2005



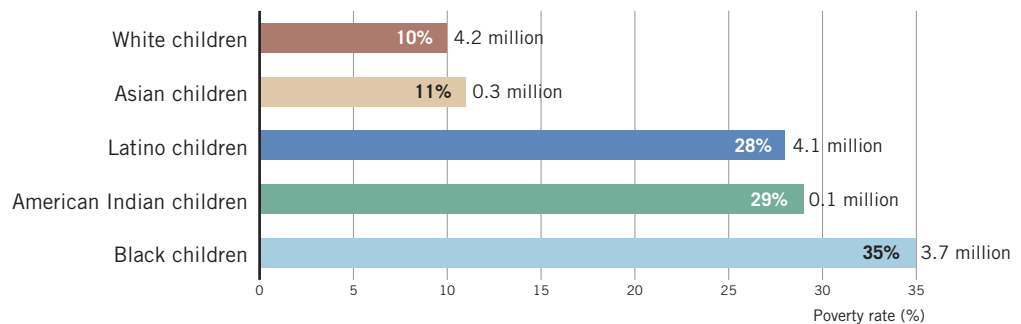
- 20% or more (13 states): AL, AZ, AR, DC, GA, KY, LA, MS, NM, NY, NC, TX, WV
- 15-19% (19 states): CA, FL, IL, IN, KS, ME, MI, MO, MT, OH, OK, OR, PA, RI, SC, SD, TN, WA, WI
- 10-14% (17 states): AK, CO, CT, DE, HI, ID, IA, MD, MA, MN, NE, NV, ND, UT, VT, VA, WY
- Under 10% (2 states): NH, NJ

What are some of the characteristics of officially poor children in America?

Poverty is especially prevalent among black, Latino, and American Indian children.

- 35% of black children live in poor families. In the 10 most populated states, rates of child poverty among black children range from 20% in New Jersey to 43% in Ohio.
- 28% of Latino children live in poor families. In the 10 most populated states, rates of child poverty among Latino children range from 20% in New Jersey, Florida, and Illinois to 35% in Texas.
- 29% of American Indian and 11% of Asian children live in poor families (comparable state comparisons are not possible due to small sample sizes).
- 10% of white children live in poor families. In the 10 most populated states, rates of child poverty among white children range from 4% in New Jersey to 12% in Georgia.

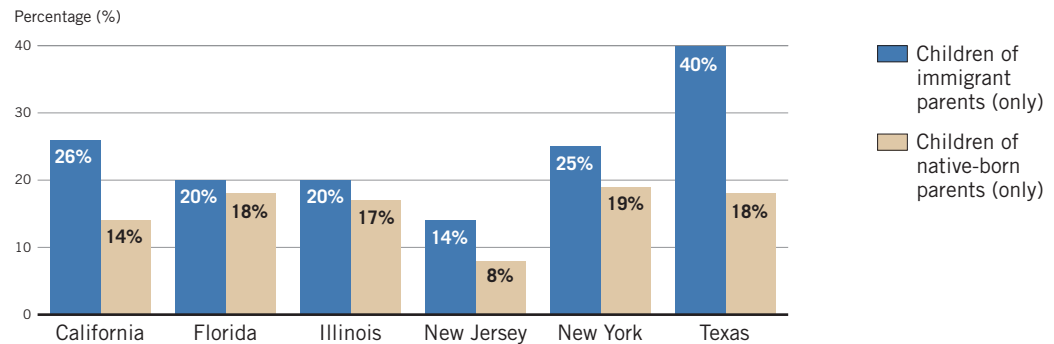
Child poverty nationwide, by race, 2005



### Having immigrant parents increases a child's chances of being poor.

- 26% of children of immigrants are poor; 16% of children of native-born parents are poor. (Children living with one immigrant parent and one native-born parent are not included.)
- In the six states with the largest populations of immigrants—California, Florida, Illinois, New Jersey, New York, and Texas—the poverty rate among children of immigrant parents ranges from 14% to 40%.
- In all six states, children living with immigrant parents are more likely to be poor than children of native-born parents.

#### Poor children by parents' nativity, 2005



### Official poverty rates are highest for young children.

- 20% of children under age 6—1 in 5—live in poor families; 16% of children age 6 or older live in poor families.
- In half the states, more than 20% of children under age 6 are growing up in poverty, whereas only 13 states have a child poverty rate (that is, for children up to age 18) that is as high.
- Researchers believe that parents of young children do not earn as much as parents of older children because they tend to be younger and have less work experience.

## What are some of the economic hardships faced by children in America?

### Food insecurity, lack of affordable housing, and other economic hardships affect millions of American children—not just those who are officially poor.

- 16% of households with children experience food insecurity.<sup>2</sup>
- 41% of families who rent their homes spend more than a third of their income on rent.
- Compared to white families with children, black and Latino families with children are more than twice as likely to experience economic hardships.<sup>3</sup>

### Many poor children lack health insurance.

- 19% of poor children lack health insurance—this is nearly double the percent of all children who lack coverage (10%).
- In the 10 most populated states, the percent of poor children who lack health insurance ranges from 12% in Michigan to 28% in Florida and Texas.
- The percent of all children who lack health insurance increased for the first time in nearly a decade in 2005—from 10.8% in 2004 to 11.2% in 2005.<sup>4</sup>

## What can be done about child poverty?

Child poverty is not intractable. Effective public policies can make a difference. NCCP recommends two major policy strategies to improve the well-being of children and families living in poverty:

- **Make work pay**

Since research is clear that poverty is the greatest threat to children's well being, strategies that help parents succeed in the labor force can help children. Policies such as earned income tax credits and regular increases in the minimum wage are critical to supporting income growth for low-wage workers. These workers also need access to benefits that higher-wage earners take for granted, such as health insurance and paid sick leave.

- **Support parents and their young children**

To thrive, children need nurturing families and quality early learning experiences. Programs that target families with infants and toddlers, such as Early Head Start, have been shown to improve children's cognitive development and their behavior, as well as parenting skills. Investments in preschool for 3- and 4-year-olds are just as critical. High-quality early childhood experiences can go a long way toward closing the achievement gap between poor children and their more well-off peers.

## Endnotes

*This fact sheet was prepared by Sarah Fass and Nancy K. Caughen.*

1. For more information about children living in low-income families—that is, defined as families with incomes below 200% of the official poverty level—see: Douglas-Hall, A.; Koball, H.; & Chau, M. (2006). *Basic facts about low-income children: Birth to age 18*. New York, NY: National Center for Children in Poverty, Columbia University Mailman School of Public Health <[www.nccp.org/pub\\_lic06b.html](http://www.nccp.org/pub_lic06b.html)>.
2. Nord, M.; Andrews, M.; & Carlson, S. (2006). *Household food security in the United States, 2005* (Economic Research Report No. 29). Washington, DC: U.S. Department of Agriculture <[www.ers.usda.gov/Publications/ERR29/ERR29.pdf](http://www.ers.usda.gov/Publications/ERR29/ERR29.pdf)> (accessed December 7, 2006).
3. Sherman, A. (2006). *African American and Latino families face high rates of hardship*. Washington, DC: Center on Budget and Policy Priorities <[www.cbpp.org/11-21-06pov.pdf](http://www.cbpp.org/11-21-06pov.pdf)> (accessed December 4, 2006).
4. DeNavas-Walt, C.; Proctor, B. D.; & Lee, C. H. (2006). *Income, poverty, and health insurance coverage in the United States: 2005*. Washington, DC: U.S. Census Bureau <[www.census.gov/prod/2006pubs/p60-231.pdf](http://www.census.gov/prod/2006pubs/p60-231.pdf)> (accessed December 7, 2006).

Sources: State data were calculated by NCCP analysts from the U.S. Current Population Survey, Annual Social and Economic Supplement, March 2004, 2005, and 2006, which represents information from calendar years 2003, 2004, and 2005. NCCP averaged three years of data because of small sample sizes in less populated states. National data were calculated from 2006 data, which represents information from calendar year 2005. Estimates include children living in households with at least one parent and most children living apart from both parents (for example, children being raised by grandparents). Children living independently, living with a spouse, or in group quarters are excluded from these data. Children ages 14 and under living with only unrelated adults were not included because data on their income status were not available. Among children who do not live with at least one parent, parental characteristics are those of the householder and/or the householder's spouse. Previous versions of this fact sheet counted children living apart from parents differently; therefore, comparisons with versions published prior to December 2006 are not valid. Data on renters is from the American Community Survey, 2005 <[factfinder.census.gov/servlet/DatasetMainPageServlet?\\_lang=en&\\_program=ACS](http://factfinder.census.gov/servlet/DatasetMainPageServlet?_lang=en&_program=ACS)>, accessed October 2, 2006.

For state-level and national demographic data, see the National Center for Children in Poverty web site:

[www.nccp.org](http://www.nccp.org)