Young Child Poverty in 2009: Rural Poverty Rate Jumps to Nearly 29 Percent in Second Year of Recession

MARYBETH J. MATTINGLY AND MICHELLE L. STRANSKY

American Community Survey (ACS) data released by the U.S. Census Bureau on September 28, 2010, reveal the impact of the recession on children, particularly young children under the age of 6. For many young children, the likelihood of living in poverty increased significantly since 2007 and 2008. Also striking is the very high rate of young child poverty experienced by those in the rural South: more than three out of ten young children in the rural southern United States are poor, and the poverty rate increased by over two percentage points to 33.3 percent for these children. Nearly 29 percent of young children in rural America are living in poverty.

Although all children suffer consequences of being poor, young children are especially vulnerable.1 The consequences of early poverty ripple through the life cycle for many children. Childhood health problems often follow into adulthood, and early childhood poverty is correlated with fewer years of completed schooling.2

While changes from 2008 through 2009 are important, they cannot fully reflect the impact of the recent recession. By looking back not only to 2008, but also to 2007, we get a broader perspective on how poverty rates have changed during the current recession. Experts also predict that with continued high unemployment, poverty rates will continue to rise through 2010 and 2011.3

Table 1 is restricted to very young children and estimates of those in poverty and poverty rates for 2009 by region and for the United States. We also present the percentage point change since 2007 and 2008, with statistically significant changes indicated (*p<0.05). Poverty determination is based on the U.S. Office of Management and Budget income thresholds, which vary by family composition. In 2009, the poverty line for a family of four (two adults, two children) was $21,756.4
TABLE 1. YOUNG CHILD POVERTY BY PLACE SIZE IN 2009

<table>
<thead>
<tr>
<th></th>
<th>2009 AMERICAN COMMUNITY SURVEY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RURAL</td>
</tr>
<tr>
<td>United States</td>
<td>3,686,503</td>
</tr>
<tr>
<td>Northeast</td>
<td>329,245</td>
</tr>
<tr>
<td>Midwest</td>
<td>1,102,241</td>
</tr>
<tr>
<td>South</td>
<td>1,704,913</td>
</tr>
<tr>
<td>West</td>
<td>550,104</td>
</tr>
</tbody>
</table>

1 P < 0.05
2 Levels of urbanization are defined as follows: rural consists of ACS geographic components “not in metropolitan or micropolitan statistical area” and “in micropolitan statistical area,” suburban includes “in metropolitan statistical area—not in principal city,” and central city includes “in metropolitan statistical area—in principal city.”
3 Data are based on 2009 American Community Survey estimates. For corresponding margins of error, refer to the U.S. Census American Community Survey.
4 Percentage point changes are based on unrounded poverty percentages and may differ slightly from those that would be obtained using rounded figures.

Earlier this month, the U.S. Census Bureau released nationwide estimates of poverty. These data suggest the poverty rate, at 14.3 percent, is up from 2008 and at its highest since 1994. There are an estimated 43.6 million people living in poverty, the most since measurement began over fifty years ago. The rate for children is up to 20.7 percent, an increase of 1.7 percentage points since 2008, a total increase of 2.7 percentage points since 2007 when the rate was 18 percent. Children were the age group most likely to be poor; in 2009, an estimated 15.5 million children were poor. They comprise 35.5 percent of the poor but are only 24.5 percent of the total population, according to the U.S. Census Bureau report. The report also indicates a rise in the poverty rate for young children. While 21.3 percent of young children were poor in 2008, this reached 23.8 percent, or nearly one in four, in 2009. The ACS samples approximately three million households in the United States each year, whereas the Current Population Survey (CPS), the source for poverty data released earlier this month, relies upon fewer than 100,000 households monthly. With its larger sample size, the ACS data allow examination of the poverty rate by state and place.

Table 2 shows estimated child poverty numbers and rates for each state, region, and the nation by place. These differences are likely driven by a host of factors not captured here, including the demographics of the population (race, single motherhood, parental education and employment, and so on) and local characteristics, including access to services, housing quality, social capital, and job market conditions. Again, we present the percentage point change since 2007 and 2008, with statistically significant changes indicated (*p<0.05).

Table 2 highlights the differences in child poverty rates.

- Children under age 18 are most likely to be poor in rural Mississippi, Arizona, South Carolina, Kentucky, urban Ohio, Michigan, Pennsylvania, Mississippi, Tennessee, and Georgia. More than three in ten children in these places are poor.
- Children under age 18 are least often poor in suburban America, where estimated poverty rates are below 10 percent in thirteen states. Rates are also very low in rural Connecticut, Nevada, and New Hampshire, and in urban Wyoming.
- In seven states, Alaska, Arizona, Florida, Kentucky, North Carolina, Oregon, and Washington, rural child poverty rates exceed those in urban places. In an additional twenty-two states, rural child poverty rates are similar to urban rates; suburban child poverty did not exceed rural child poverty in any place except suburban Nevada.
- Across the United States, rural child poverty rates increased significantly over the past two years. Rural child poverty rates increased in every region except the Northeast.
- Rural child poverty increased in fourteen states between 2007 and 2009. Increases were also evident in the suburbs in twenty states and in urban places in thirteen states during these years.
## TABLE 2. CHILD POVERTY BY PLACE SIZE IN 2009

### 2009 AMERICAN COMMUNITY SURVEY

<table>
<thead>
<tr>
<th>Place</th>
<th>Population</th>
<th>Poverty rate</th>
<th>Change since 2008</th>
<th>Change since 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>11,300,000</td>
<td>2,734,167</td>
<td>24.2%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Rural</td>
<td>4,380,584</td>
<td>20.1%</td>
<td>1.6%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Suburban</td>
<td>3,880,256</td>
<td>14.8%</td>
<td>1.6%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Central City</td>
<td>3,041,160</td>
<td>26.4%</td>
<td>2.0%</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

**Notes:**
- N/A = Not applicable
- P < 0.05
- Levels of urbanization are defined as follows: rural consists of ACS geographic components “not in metropolitan or micropolitan statistical area” and “in micropolitan statistical area,” suburban includes “in metropolitan statistical area—not in principal city,” and central city includes “in metropolitan statistical area—in principal city.”
- Data are based on 2009 American Community Survey estimates. For corresponding margins of error, refer to the U.S. Census American Community Survey.
- Percent point changes are based on unrounded poverty percentages and may differ slightly from those that would be obtained using rounded figures.
- Places where the percent change since 2008 is significant but the change since 2007 is not significant experienced declines in the child poverty rate from 2007 to 2008, except suburban North Dakota, where poverty significantly increased from 2007 to 2008 and declined in 2009.
While the official poverty measure is one important indicator of the well-being of America’s children, several limitations of the measure may mask the true experiences of the nation. The poverty threshold considers all reported sources of income and cash transfers but excludes the benefit of such programs as income tax credits (for example, the Earned Income Tax Credit (EITC) and the Child Tax Credit) and the Supplemental Nutrition Assistance Program (SNAP). Estimates from the recently released CPS data suggest that if the EITC were weighed, 2.2 million fewer children would be considered below the poverty threshold. When net income after all taxes and credits are considered, this number rises to 2.9 million. Estimates also suggest that SNAP benefits lift 1.7 million children out of poverty. The official poverty measure does include cash transfers such as unemployment insurance benefits and social security income. U.S. Census Bureau estimates suggest unemployment benefits kept one million children out of poverty, and social security kept 1.1 million children above the poverty threshold. These estimates highlight the crucial role of programs to support and assist low-income families.

Rising child poverty indicates a need for policies that focus on children, particularly in the early years. While it may be tempting to cut services to children and families during this “Great Recession,” this is a time when policies need to target these groups and do a better job of assisting those who are in poverty. Additionally, since this recession is not over and we have seen dramatic declines in income, many families above the poverty line may need additional support to remain afloat. Investing in children is an essential priority to ensure their long-term outcomes and the future success of the generation. Renewing the provisions provided for in the American Recovery and Reinvestment Act may be an important first step, but other measures to address child poverty and focus on poverty reduction are also important. While the Obama administration has taken important steps to assist struggling families, there is still immense work to be done at both the federal and state levels. Keeping poverty reduction as a top policy priority will enhance the well-being of America’s children.

Data

This analysis is based upon U.S. Census Bureau estimates from the 2007, 2008, and 2009 ACS. For more details or information, please refer to the U.S. Census American Community Survey. Tables were produced by aggregating information from detailed tables available on American FactFinder (http://factfinder.census.gov/home/saff/main.html?_lang=en). These estimates are meant to give perspective on child poverty, but since they are based on survey data, caution must be used in comparing across years or places, as the margin of error may indicate that seemingly disparate numbers fall within sampling error. Regional differences highlighted in this brief are statistically significant (p<0.05).
E N D N O T E S


4. See http://www.census.gov/hhes/www/poverty/about/overview/measure.html, and also see “U.S. Census Bureau, September 2010 Poverty: 2009 Highlights.”


10. Refer to the U.S. Census Bureau’s published tables for detailed margins of error.

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