

## One Million Additional Children in Poverty Since 2009

### 2010 Data Reveal Nearly One in Four Southern Children Now Live in Poverty

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American Community Survey (ACS) data released on September 22, 2011 allow for a detailed look at child poverty by state and place, adding to the understanding of the economic landscape described by the Current Population Survey (CPS) data released last week. While the CPS data are useful for providing a snapshot of poverty across the nation, the larger sample size of the ACS—three million addresses versus 100,000 addresses in the CPS—makes it better suited for nuanced analyses of poverty. In this brief, we use the ACS data released on September 22 to focus on child poverty.<sup>1</sup>

While understanding the overall landscape of national poverty provides a valuable snapshot of economic distress, these overall rates mask dramatic differences in poverty across age groups. In recent years, children have been the most likely citizens to live below the poverty line, with young children being particularly vulnerable. In this brief, we highlight changes in child poverty by region, state, and place type, and in young child poverty by region and place type.<sup>2</sup> We focus on two time periods—change since 2007, as the nation entered the recession, and change since 2009, as the recession was ending. Our findings show that child poverty persists in the first full year post-recession, continuing to rise significantly in 22 states. These effects are exacerbated among young children (under age 6), who experienced both a higher rate of poverty and larger increase in poverty. It is important to understand young child poverty specifically, as children who are poor before age 6 are at risk for educational deficits and health problems, with effects that span the lifecourse.<sup>3</sup>

#### Key Findings

- Between 2009 and 2010 an additional one million children joined the ranks of those in poverty. This brings the total to an estimated 15.7 million poor children in 2010, an increase of 2.6 million since the Great Recession began in 2007.
- Of the 15.7 million poor children in 2010, 5.9 million are young (under age 6), an increase of 220,000 over one year.
- Across the United States, rural, suburban, and central city areas all realized significant increases in child poverty between 2009 and 2010 and since the recent recession began in 2007.
- Twenty-nine percent of children in central cities and 25 percent of children in rural places now live in poverty, significantly higher than the 16 percent in suburban areas.
- Differences are even more striking among young children. Thirty-one percent of children under age 6 in America's central cities are poor, as are 30 percent of young children in rural places. In contrast, 19 percent of young children residing in the suburbs are poor.
- Poverty continues to be highest in the South, where nearly one in four children lives in poverty. Southern child poverty is even higher in rural places and central cities, where rates top 30 percent. Among young children, rural Southern poverty now nears 36 percent.
- Between 2009 and 2010, only two places experienced declines in child poverty rates: suburban Hawaii and rural Illinois. All other places had rates that were unchanged or increased.

**TABLE 1. YOUNG CHILD (UNDER AGE 6) POVERTY BY PLACE SIZE IN 2010**

	2010 AMERICAN COMMUNITY SURVEY															
	ALL PLACE TYPES				RURAL				SUBURBAN				CENTRAL CITY			
	Number below poverty	Percent below poverty	Percent Point Change Since 2009	Percent Point Change Since 2007	Number below poverty	Percent below poverty	Percent Point Change Since 2009	Percent Point Change Since 2007	Number below poverty	Percent below poverty	Percent Point Change Since 2009	Percent Point Change Since 2007	Number below poverty	Percent below poverty	Percent Point Change Since 2009	Percent Point Change Since 2007
<b>United States</b>	5,908,929	24.8	<b>1.9</b>	<b>4.2</b>	1,111,049	30.2	<b>1.6</b>	<b>4.5</b>	2,234,754	18.7	<b>1.5</b>	<b>1.7</b>	2,563,126	31.3	<b>2.7</b>	<b>4.5</b>
Northeast	784,889	20.6	<b>1.7</b>	<b>3.0</b>	77,538	23.2	1.2	<b>4.4</b>	303,706	13.4	0.9	<b>1.4</b>	403,645	33.1	<b>4.0</b>	<b>3.2</b>
Midwest	1,229,897	24.1	<b>1.4</b>	<b>4.7</b>	289,241	25.9	0.5	<b>4.9</b>	405,507	16.6	<b>1.3</b>	<b>1.8</b>	535,149	34.4	<b>2.4</b>	<b>5.8</b>
South	2,522,567	27.9	<b>2.1</b>	<b>4.2</b>	597,320	35.5	<b>2.1</b>	<b>4.4</b>	965,017	21.5	<b>1.7</b>	<b>2.2</b>	960,230	33.2	<b>2.6</b>	<b>3.9</b>
West	1,371,576	23.4	<b>2.1</b>	<b>4.7</b>	146,950	26.8	2.5	<b>4.0</b>	560,524	20.0	<b>1.7</b>	<b>2.3</b>	664,102	26.4	<b>2.4</b>	<b>5.2</b>

1. 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”.

2. Data are based on 2010 American Community Survey estimates. For corresponding margins of error, refer to the U.S. Census American Community Survey.

3. Percentage point changes are based on unrounded poverty percentages and may differ slightly from those that would be obtained using rounded figures.

4. Bold font indicates statistical significance ( $p < 0.05$ ).

## Young Child Poverty

Table 1 shows 2010 poverty estimates for children under age 6, both nationally and regionally. Also included are the percentage point changes since 2007 and 2009, with statistically significant changes indicated in bold.<sup>4</sup> Nationwide, 24.8 percent of young children were poor in 2010, as compared a 1.9 percentage point increase from 22.9 percent a year before. Young child poverty increased across the South, the region which already had the highest rates of poverty among this age group. Nearly 28 percent of young Southern children were poor in 2010. Rural poverty is particularly striking in this region, where nearly 36 percent of children under age 6 were poor. Rates of young child poverty also increased in the suburban and central city areas of the Midwest and West. The Northeast has the lowest young child poverty rate, at 20.6 percent.

## Child Poverty Through Age 18

Table 2 shows national, regional, and state-level child poverty numbers by place type. As with Table 1, we present the percentage point changes since 2007 and 2009, with statistically significant changes indicated in bold. Estimates show that there is wide variation in child poverty rates by state and region, with the highest rates in the South and the lowest rates in the Northeast. The largest increase in child poverty from 2007-2010 was in central cities in the Midwest (up 4.8 percentage points), while the largest one-year increase came in Northeastern central cities (up 3.4 percentage points). Child poverty increased significantly in 38 states between 2007 and 2010. Increases for that period were evident in the rural areas of 19 states, in the suburbs of 29 states and in the central cities of 26 states during these years.

Children under age 18 are least often poor in suburban America, where the rate is 16.1 percent nationally. Suburban rates are even lower in some states, with poverty rates especially low in Connecticut, Nebraska, and New Hampshire. In no rural or central city places are estimated child poverty rates below 10 percent.

In four states, rural child poverty rates exceed those in their central city places (Alaska, Arizona, North Carolina, and South Dakota). In an additional 24 states, rural child poverty rates are similar to central city rates; suburban child poverty did not exceed rural child poverty in any place.

## Background

On September 13, 2011 the U.S. Census Bureau released its nationwide estimates of poverty in 2010 from the Current Population Survey (CPS). Poverty determination is based on the U.S. Office of Management and Budget income thresholds, which vary by family size and composition. In 2010, the poverty line for a family of four (two adults, two children) was \$22,113.<sup>5</sup> The CPS data show the poverty rate at 15.1 percent, rising nearly a full percentage point from 14.3 percent in 2009, and translating into 46.2 million people now living below the poverty line, the greatest number since estimates were first published in 1959.<sup>6</sup> These numbers, computed for the first full year following the recent recession, show the toll of the economic downturn and its persistent effects. Increases in poverty correspond with unemployment rates that remain dramatically increased from pre-recession levels; in August 2011, unemployment was still at 9.1 percent, a rate that does not include those who are discouraged from finding work, those working fewer than their ideal hours, or those working at jobs for which they are overqualified.<sup>7</sup> The CPS data also reveal declines in household income (real median incomes fell by 2.3 percent since 2009 and 6.4 percent since 2007), and 0.9 million fewer individuals with health insurance coverage.<sup>8</sup> These signs of a weak economy have dramatic implications for children, effects that may differ widely based on the state and place of residence, the focus of this brief.



## Policy Implications

That child poverty is continuing to rise in the aftermath of the recession highlights the necessity of policies that can support vulnerable children and families. Congressional concerns over the federal debt have already resulted in an agreement that will force significant cuts to domestic spending, including many programs that serve children and families. In August 2011, Congress passed a law that will cut domestic spending steeply over the next decade, with decisions on which programs to cut being made through the appropriations process. Additionally, as a result of this law, a bipartisan “Super Committee” comprised of six Senators and six Representatives was formed.<sup>9</sup> This group is charged with developing a proposal to further reduce the debt by \$1.2 trillion over the next decade, with no limitations on the ways to reduce the deficit.<sup>10</sup> Such a proposal would receive “fast-track” consideration in Congress. However, if this plan (or an alternate plan) is not passed by the end of 2011, automatic spending cuts to reach targeted budget reductions will go into effect, cutting 9 percent spending across the board in addition to recent appropriations cuts to reach the \$1.2 trillion target. Although many important programs for low income families, such as tax credits (e.g. EITC and CTC), Medicaid, Children’s Health Insurance Programs, Supplemental Security Income (SSI)—which serves disabled children—and SNAP would be exempt from these automatic 9 percent cuts, such drastic measures would inevitably end up reducing funding for programs that affect all aspects of vulnerable children’s lives including education, nutrition, health, and housing. Though budget cuts are unavoidable, policy makers should carefully consider how cuts are distributed, keeping America’s most vulnerable families in mind as the effects of the recession reverberate, as demonstrated by high child poverty rates.

## Data

This analysis is based on U.S. Census Bureau estimates from the 2007, 2009, and 2010 American Community Survey. For more details or information, please refer to the U.S. Census American Community Survey.<sup>11</sup> Tables were produced by aggregating information from detailed tables available on American Fact-Finder (<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>). 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 reasonable sampling error.<sup>12</sup> All differences highlighted in this brief are statistically significant ( $p < 0.05$ ).

## ENDNOTES

1. U.S. Census Bureau, “Differences Between CPS ASEC and ACS,” *Fact Sheet* (Washington, DC: U.S. Census Bureau, 2011). The Census Bureau recommends using the American Community Survey when comparing states or other geographic areas smaller than the national level. See also U.S. Census Bureau, “Income and Poverty Estimates: Guidance on When to Use Each Survey,” *News Release*, September 13 (Washington, DC: U.S. Census Bureau, 2011). Available at <http://www.census.gov/newsroom/releases/pdf/incpovguidancedoc.pdf>.
2. Throughout this brief, we refer to “states.” It should be noted that our usage here includes Washington, DC.
3. See, for example, Jeanne Brooks-Gunn, Greg J. Duncan, and Nancy Maritato, “Poor Families, Poor Outcomes: The Well-Being of Children and Youth,” Chapter 1 in *Consequences of Growing Up Poor*, edited by Greg J. Duncan and Jeanne Brooks-Gunn (New York: Russell Sage Foundation, 1997).
4. Although some states/places appear to have percentage point increases in poverty, those not in bold are not statistically distinguishable from zero.
5. See “Poverty Thresholds for 2010.” Available at <http://www.census.gov/hhes/www/poverty/data/threshld/>.
6. U.S. Census Bureau, “Poverty Highlights,” *Income, Poverty, and Health Insurance Coverage: 2010* (Washington, DC: U.S. Census Bureau, 2011).
7. Bureau of Labor Statistics, “Employment Situation Summary: August 2011,” *Economic News Release*, September 2 (Washington, DC: Bureau of Labor Statistics, 2011).
8. U.S. Census Bureau, “Poverty Highlights,” 2011.
9. See Jon Carson, “All About the So-Called ‘Super Committee,’” *The White House Blog*, August 4 (Washington, DC: The White House, 2011).
10. *Ibid.*
11. See U.S. Census Bureau’s American FactFinder. Available at <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.
12. See U.S. Census Bureau’s American FactFinder. Available at <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.

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