

ONE IN EIGHT AMERICANS LIVING IN POVERTY

Highlights from the Federal Government's Update on Poverty in the United States

American families are experiencing very difficult economic times – the toughest in terms of stagnant incomes since World War II. Their incomes are lower in 2007 than at the end of the 1990s and income inequality has risen sharply. Under the Bush administration, the number of Americans living in poverty has increased by nearly 5.7 million; and incomes for families in the bottom 40 percent of the income distribution ladder have fallen. Today, one out of every eight Americans is living below the federal poverty line.

National:

The Number Of Americans Living In Poverty Has Increased By Nearly 5.7 Million Since 2000. The number of Americans living in poverty was almost 37.3 million in 2007 (Chart 1). The official poverty line for a family of four is \$21,027.

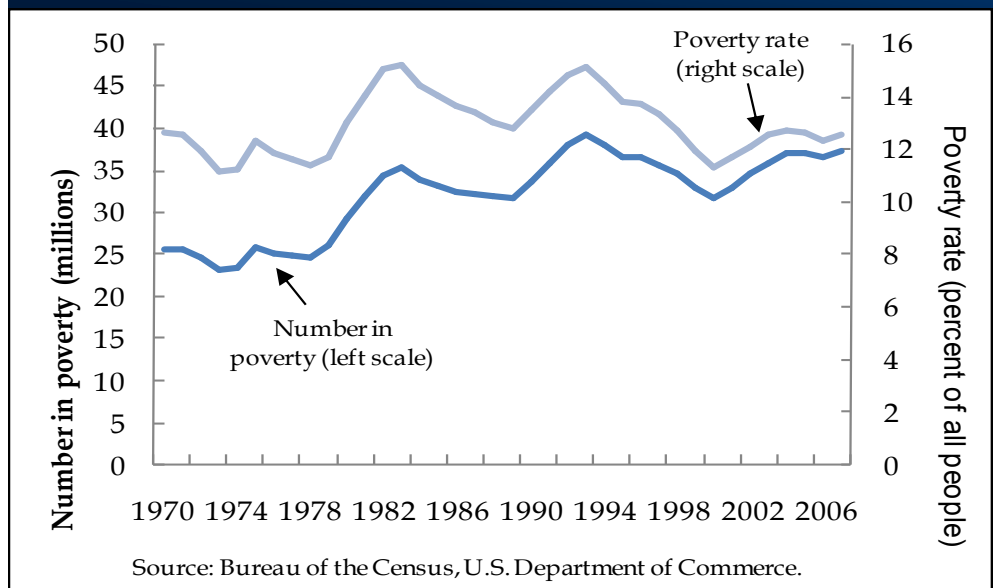
The National Poverty Rate Is More Than One Percentage Point Higher Than In 2000. The poverty rate in 2007 was 12.5 percent, increasing slightly from its level of 12.3 percent in 2006. The poverty rate increased for four straight years from 2000 to 2004. In 2007, the poverty rate was 1.2 percentage points higher than it was in 2000 (Chart 1).

More Than One In Six Children Lives In Poverty. The poverty rate for all children under 18 years of age was 18.0 percent in 2007, increasing from its level of 17.4 percent in 2006. In 2007, approximately half a million more children under 18 lived in poverty than in 2006. Since 2000, the number of children living in poverty has increased by 1.7 million, with the child poverty rate rising from 16.2 to 18.0 percent.

Blacks And Hispanics Are More Likely To Be Living In Poverty. The poverty rate was 24.4 percent for blacks in 2007 and 21.5 percent for Hispanics. The recent increase in the poverty rate among Hispanics is significant. In 2006, the poverty rate for Hispanics was 20.6 percent. Since 2000, the poverty rate among blacks has also increased significantly, rising by almost 2 percentage points (Chart 2). The poverty rates among black and Hispanic children were even higher, at 33.7 percent and 28.6 percent, respectively.

Cuts In Critical Federal Programs Are Contributing To Rising Poverty In America. Poverty has increased not only because of the relatively weak labor market, but also because income support programs like Food Stamps and Temporary Assistance for Needy Families (TANF) are not keeping pace with inflation and are helping fewer individuals. Food Stamp benefits are now \$46 a month below the cost of the Thrifty Food Plan for a family of four. While the number of children living in poverty has increased by nearly 2 percentage points since 2000, the number of children receiving TANF has moved in the opposite direction, declining by 29 percent – 1.2 million children – over the same period.

Chart 1: Poverty Substantially Higher than in 2000
 Number and percent of people in poverty, 1970-2007

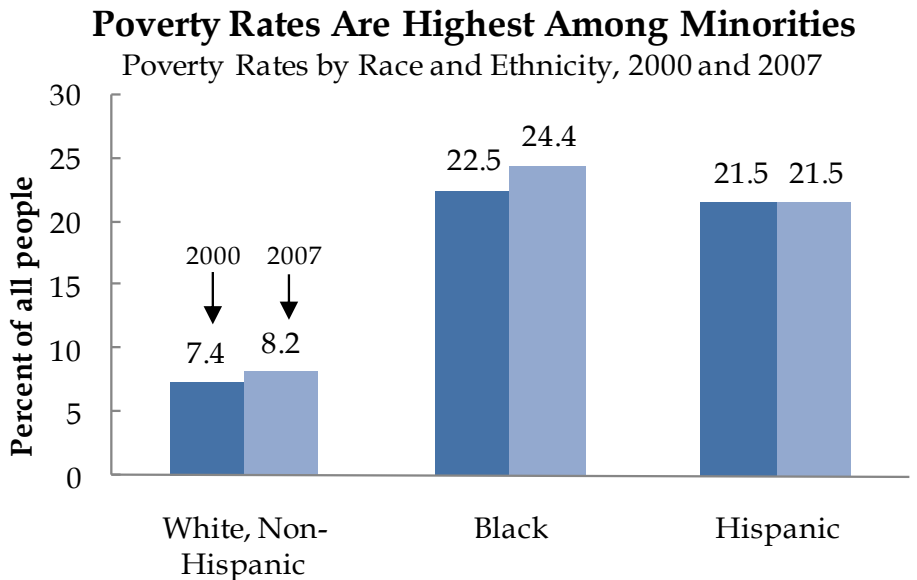


FACT SHEET: POVERTY IN AMERICA

States:

Since 2000, The Number of People in Poverty Rose By 20 Percent In The Midwest And The South. The number of poor people in the Midwest region of the country increased by 20 percent while its total population increased by only 3 percent (Table 1). One-third of states in the Midwest experienced a statistically significant increase in the number of people in poverty. In the South, poverty levels increased by 19 percent, or 2.5 million people. Half of the states in the South experienced a statistically significant increase in the number of poor people. Mississippi and Texas were hit the hardest. In Mississippi, the poverty rate increased by 6.1 percentage points. In Texas, the number of people living in poverty increased by over 700,000 people – more than double any other state.

Chart 2: Poverty Rates Are Highest Among Minorities
Poverty rates by race and ethnicity, 2000 and 2007



Source: Bureau of the Census, U.S. Department of Commerce.

Eight States Plus the District of Columbia Saw Significant Increases In The Poverty Rate. In three of these states and in the District of Columbia, the poverty rate increased by at least 3 percentage points (Table 2). Only two states (Idaho and New Mexico) experienced a significant decline in its poverty rate. The rate in the remaining 40 states was essentially unchanged.

The Number Of Poor People Increased Significantly In 15 States And The District of Columbia. Fifteen states and the District of Columbia experienced significant increases in the number of poor people (Table 2). In nine of these states and the District of Columbia, the increase was at least 25 percent.

Table 1: The Midwest and South Experienced Substantial Increases in Poverty
Two-year average of population and number of people in poverty, 1999-2000 and 2006-2007

Region	1999-2000		2006-2007		Percent Increase (1999-2000 vs. 2006-2007)	
	Total population (in millions)	Population in poverty (in millions)	Total population (in millions)	Population in poverty (in millions)	Total population	Population in poverty
West	63.0	7.7	69.4	8.2	10	6
South	98.1	12.7	108.7	15.2	11	19
Northeast	52.9	5.6	54.0	6.2	2	10
Midwest	63.6	6.1	65.4	7.3	3	20
United States	277.6	32.2	297.6	36.9	7	15

Source: US Census Bureau, Current Population Survey, 2000, 2001, 2007, and 2008 Annual Social and Economic Supplement

FACT SHEET: POVERTY IN AMERICA

Table 2: The Rates and Numbers of Americans in Poverty Are Rising from Coast to Coast (1999-2000 and 2006-2007)

State	2-year average (1999-2000)		2-year average (2006-2007)		Change (2006-2007 average less 1999-2000 average) ¹	
	Thousands	(Rate)	Thousands	(Rate)	Thousands	(Rate)
United States	32,186	(11.6)	36,868	(12.4)	4,681*	(0.8) *
Alabama	626	(14.3)	656	(14.4)	30	(0.1)
Alaska	48	(7.6)	55	(8.3)	7	(0.6)
Arizona	612	(11.9)	907	(14.4)	295*	(2.4) *
Arkansas	410	(15.6)	437	(15.8)	27	(0.2)
California	4,513	(13.4)	4,508	(12.5)	-5	(-0.9)
Colorado	395	(9.1)	472	(9.8)	77	(0.6)
Connecticut	252	(7.4)	292	(8.4)	40	(1)
Delaware	73	(9.4)	80	(9.3)	7	(-0.1)
District of Columbia	82	(15)	104	(18.1)	22*	(3.1) *
Florida	1,846	(11.7)	2,159	(12)	313*	(0.3)
Georgia	997	(12.5)	1,233	(13.1)	236*	(0.6)
Hawaii	119	(9.9)	105	(8.3)	-14	(-1.5)
Idaho	168	(13.3)	145	(9.7)	-23	(-3.5) *
Illinois	1,261	(10.3)	1,300	(10.3)	39	(-)
Indiana	455	(7.6)	707	(11.2)	253*	(3.6) *
Iowa	224	(7.8)	282	(9.6)	59	(1.8)
Kansas	267	(10.1)	334	(12.3)	67*	(2.1)
Kentucky	485	(12.3)	672	(16.2)	187*	(3.8) *
Louisiana	786	(18.2)	693	(16.5)	-93	(-1.7)
Maine	131	(10.3)	138	(10.5)	8	(0.2)
Maryland	377	(7.3)	480	(8.6)	103	(1.3)
Massachusetts	678	(10.8)	732	(11.6)	54	(0.8)
Michigan	972	(9.8)	1,199	(12.1)	227*	(2.3) *
Minnesota	315	(6.5)	452	(8.7)	137*	(2.3) *
Mississippi	432	(15.6)	625	(21.6)	194*	(6.1) *
Missouri	576	(10.4)	700	(12.1)	124	(1.7)
Montana	133	(15)	123	(13.2)	-10	(-1.8)
Nebraska	165	(9.8)	177	(10.1)	12	(0.3)
Nevada	205	(10)	246	(9.6)	41	(-0.4)
New Hampshire	76	(6.1)	73	(5.6)	-2	(-0.5)
New Jersey	629	(7.6)	752	(8.7)	123	(1.2)
New Mexico	348	(19.2)	300	(15.5)	-48	(-3.8) *
New York	2,640	(14)	2,713	(14.3)	72	(0.2)
North Carolina	1,034	(13.1)	1,324	(14.7)	290*	(1.5)
North Dakota	73	(11.7)	64	(10.3)	-9	(-1.4)
Ohio	1,230	(11)	1,409	(12.5)	178	(1.5)
Oklahoma	463	(13.9)	503	(14.3)	40	(0.4)
Oregon	401	(11.7)	460	(12.3)	59	(0.6)
Pennsylvania	1,075	(9)	1,335	(10.8)	260*	(1.9) *
Rhode Island	105	(10.1)	104	(10)	-	(-0.2)
South Carolina	443	(11.4)	545	(12.7)	103*	(1.3)
South Dakota	67	(9.2)	78	(10.1)	12	(0.8)
Tennessee	710	(12.7)	893	(14.8)	182*	(2.1)
Texas	3,138	(15.4)	3,860	(16.5)	722*	(1.1)
Utah	148	(6.7)	245	(9.4)	97*	(2.8) *
Vermont	59	(9.8)	54	(8.8)	-5	(-1)
Virginia	557	(8.1)	657	(8.6)	100	(0.6)
Washington	589	(10.2)	581	(9.1)	-8	(-1.1)
West Virginia	266	(15.2)	271	(15)	4	(-0.2)
Wisconsin	479	(8.9)	578	(10.6)	98	(1.6)
Wyoming	54	(11.2)	54	(10.4)	-	(-0.8)

*Statistically different from zero at the 90-percent confidence level.

¹Details may not sum to totals because of rounding

Source: U.S. Census Bureau, Current Population Survey, 2000,
2001, 2007, and 2008 Annual Social and Economic Supplement
JOINT ECONOMIC COMMITTEE

AUGUST 26, 2008

PAGE 3

jec.senate.gov