# **Federal Safety Net**

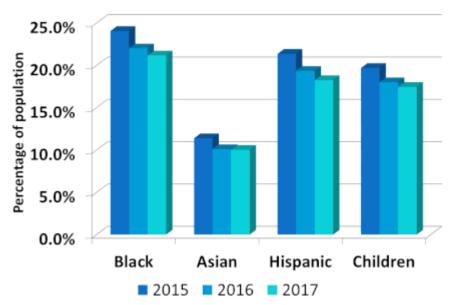
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# **U.S. Poverty Statistics**

Here are the current U.S. Poverty Statistics released September 2018 by the U.S. Census Bureau [i]. They represent various categories of the population and the percentage of people within those categories in a poverty status (more on <u>Poverty Threshold page</u>):

Adults not working - 31%
Single moms - 26%
Adults with a disability - 25%
Adults without a high school diploma - 25%
Black Americans - 21%
Foreign born non-citizens - 19%
Hispanic Americans - 18%
All children - 18%
Single dads - 12%
Seniors - 9%
Married couples - 5%
Adults with college degree or higher - 5%
Full time working adults - 2%

#### Poverty Comparison from 2015 to 2017



The U.S. poverty rate dropped to 12.3% of the population in 2017 from 12.7% in 2016.

The poverty rate has been fairly static over the past 30 years. The rate in 2007 was 12.5% and the average for the past thirty years is 13.4%. To understand why the rate of poverty is so static

## Full U.S. poverty statistics are shown below:

The statistics below were generated from data reported by the U.S. Census Bureau including the annual report on income and poverty released in September 2018 [i]. Overall, the total population of the U.S. was 322.5 million in 2017 and 39.7 million Americans were in poverty. Therefore, the overall Poverty Rate for the year 2017 was 12.3%. For more information on how poverty is defined and determined, see the Poverty Threshold page.

#### U.S. Poverty Statistics – Age of the Population

|                    | All<br>Americans<br>(Millions) | Americans<br>In Poverty<br>(Millions) | Poverty<br>Rate |
|--------------------|--------------------------------|---------------------------------------|-----------------|
| Under 18 years     | 73.4                           | 12.8                                  | 17.5%           |
| 18 to 64 years     | 198.1                          | 22.2                                  | 11.2%           |
| 65 years and older | <u>51.1</u>                    | <u>4.7</u>                            | 9.2%            |
|                    | 322.5                          | 39.7                                  | 12.3%           |

The Poverty Rate for seniors was 9.2% which is lower than the population as a whole of 12.3%. This is due to the Social Security and Medicare Programs which have worked well at protecting seniors from poverty. Seniors in a poverty status generally did not work ten or more years and pay enough taxes into the Social Security system to generate an adequate retirement pension.

The child Poverty Rate is 17.5%, therefore, about one in five children are in a poverty status. This is a disturbing poverty statistic to many Americans because children are helpless to influence their living conditions. Many of these children come from single parent families as shown below.

## U.S. Poverty Statistics - Race

|                     | All Americans In Category (Millions) | Americans<br>In Poverty<br>(Millions) | Poverty<br>Rate |
|---------------------|--------------------------------------|---------------------------------------|-----------------|
| White, not Hispanic | 195.3                                | 17.0                                  | 8.7%            |
| Black               | 42.5                                 | 9.0                                   | 21.2%           |
| Asian               | 19.5                                 | 2.0                                   | 10.0%           |
| Hispanic, any race  | 59.1                                 | 10.8                                  | 18.3%           |

There are 1.9 times more whites in Poverty than Blacks
There are 1.6 times more Whites in poverty than Hispanics

While the poverty rate for the population as a whole is 12.3% the rate varies greatly by race. Blacks have the highest poverty rate at 21.2% and Non-Hispanic whites the lowest at 8.7%.

The Poverty rate for Blacks and Hispanics is more than double that of non-Hispanic Whites.

|                | All<br>Families<br>(Millions) | Families<br>In Poverty<br>(Millions) | Poverty<br>Rate |
|----------------|-------------------------------|--------------------------------------|-----------------|
| Married Couple | 61.3                          | 3.0                                  | 4.9%            |
| Single Mother  | 15.4                          | 4.0                                  | 25.7%           |
| Single Father  | <u>6.4</u>                    | 0.8                                  | 12.4%           |
|                | 83.1                          | 7.8                                  | 9.3%            |

## **U.S. Poverty Statistics – Marital Status**

Overall 9.3% of the families in America are in poverty. Families headed by a single female have a Poverty Rate of 25.7% - over five times higher than married couple families.

There are 15.4 million families headed by a single mother which represent 19% of all families in America. But 4.0 million of these single mom families are in poverty which account for an astounding 51% of all the families in poverty. These statistics are the basis for the conclusion that marriage is one of the best defenses against poverty.

#### U.S. Poverty Statistics - Working Age Adults

|                   | Working<br>Age<br>Americans<br>(Millions) | Americans<br>In Poverty<br>(Millions) | Poverty<br>Rate |
|-------------------|---|---------------------------------------|-----------------|
| Full time workers | 109.7                                     | 2.4                                   | 2.2%            |
| Part time workers | 42.5                                      | 5.7                                   | 13.5%           |
| Not working       | <u>45.9</u>                               | <u>14.1</u>                           | 30.7%           |
|                   | 198.1                                     | 22.2                                  | 11.2%           |

Adults that work full time have a low Poverty Rate of 2.2%, which is not surprising. The 2.4 million full time workers that are in poverty generally have low paying jobs, such as a minimum wage job paying \$16,000 per year, and have two or more children thus pushing the family into poverty.

There are 45.9 million adults between the ages of 18 and 64 (working age) that are not working. They total 23% of working age adults, but account for 63% of working age adults in poverty.

## **U.S. Poverty Statistics – Disability**

|                       | Working<br>Age<br>Americans<br>(Millions) | Americans<br>In Poverty<br>(Millions) | Poverty<br>Rate |
|-----------------------|---|---------------------------------------|-----------------|
| With a<br>disability  | 15.1                                      | 3.8                                   | 24.9%           |
| With no<br>disability | <u>182.0</u>                              | <u>18.4</u>                           | 10.1%           |
|                       | 197.1                                     | 22.2                                  | 11.3%           |

15.1 million working age adults have a disability which represents 8% of the work force [ii]. They have a Poverty Rate of 24.9% which is less than the nonworking adult rate of 30.7% (See working age adults above).

#### **U.S. Poverty Statistics – Residence**

|  | All<br>Americans<br>(Millions) | Americans<br>In Poverty<br>(Millions) | Poverty<br>Rate |
|--|--------------------------------|---------------------------------------|-----------------|
| Inside metropolitan statistical areas  | 279.5                          | 33.3                                  | 11.9%           |
| Outside metropolitan statistical areas | 43.0                           | 6.4                                   | 14.8%           |
| statistical areas                      | 322.5                          | 39.7                                  | 12.3%           |

The Poverty Rate for those living in cities is slightly less than those living in rural areas. Many Americans would guess low-income Americans are disproportionately from metropolitan areas but that is not the case.

### **U.S. Poverty Statistics – Nativity and Citizenship**

|                     | All<br>Americans<br>(Millions) | Americans<br>In Poverty<br>(Millions) | Poverty<br>Rate |
|---------------------|--------------------------------|---------------------------------------|-----------------|
| Native born         | 277.2                          | 33.1                                  | 11.9%           |
| Foreign born        |                                |                                       |                 |
| Naturalized citizen | 21.9                           | 2.2                                   | 10.1%           |
| Not a citizen       | 23.5                           | 4.4                                   | 18.7%           |
|                     | 322.5                          | 39.7                                  | 12.3%           |

Foreign born non-citizens have a Poverty Rate of 18.7% - almost twice as high as foreign born naturalized citizens.

Foreign born non-citizens make up 7% of the U.S. population but account for 11% of all Americans in poverty.

Foreign born naturalized citizens had a Poverty Rate of 10.1% which is slightly less than the population as a whole of 12.3%.

#### **U.S. Poverty Statistics – Educational Attainment**

|                                 | Americans<br>Over 25 years<br>old<br>(Millions) | Americans<br>In Poverty<br>(Millions) | Poverty<br>Rate |
|---------------------------------|---|---------------------------------------|-----------------|
| No high school diploma          | 22.4  | 5.5                                   | 24.5%           |
| High school diploma, no college | 62.7  | 7.9                                   | 12.7%           |
| Some college, no degree         | 57.8  | 5.1                                   | 8.8%            |
| College degree or higher        | 76.9  | 3.7                                   | 4.8%            |
| conege degree of migner         | 219.8   | 22.2                                  | 10.1%           |

The educational level attained by individuals has a dramatic impact on poverty. 24.5% of adults over 25 years old without a high school diploma are in poverty versus 4.8% for those with a college degree.

| Working Age Adults in Poverty           |             |            |
|---|-------------|------------|
|   |             |            |
|   | Millions of |            |
|   | Adults      | Percentage |
| Worked full time                        | 2.4         | 11%        |
| Worked part time                        | 2.7         | 12%        |
| Total                                   | 5.1         | 23%        |
|   |             |            |
| Spent time out of work force            | 3.0         | 13%        |
| Did not work in the year                | <u>14.1</u> | 63%        |
| Full or part time out of the work force | 17.1        | 77%        |
|   |             |            |
| Total working age adults in poverty     | 22.2        | 100%       |

# **Analysis of Working Age Adults In Poverty**

The graph to the right shows the makeup of Working Age adults (18-64 years of age) in a poverty status [iii]. 63% of working age adults in poverty did not work in the year and another 13% spent at

least part of the year out of the workforce. Only 11% of working age adults in poverty worked full time. People working full time jobs who are in poverty have low paying jobs and a family size that puts them and their spouse and children in a poverty status. For example a spouse working a \$10.00 an hour full time job would earn approximately \$20,800 in a typical work year which is below the poverty threshold for a family of four of \$25,094. Individuals working part time or seasonal jobs also often don't make enough to raise their income above the poverty threshold. Both of these categories of poverty are most likely not caused by a lack of available jobs (especially in times of low unemployment such as 2017) but a problem of education, job training and job advancement.

| Working Age Adults in poverty - Reason for not working |             |  |            |
|--|-------------|--|------------|
|  |             |  |            |
|  | Millions of |  |            |
| Reason for not working                                 | Adults      |  | Percentage |
| School   | 4.8         |  | 28%        |
| Retired early  | 1.7         |  | 10%        |
| III or disabled  | 5.2         |  | 30%        |
| Home or family reasons                                 | 4.4         |  | 26%        |
| Could not find work                                    | 1.1         |  | <u>6%</u>  |
|  | 17.1        |  | 100%       |

#### Reason for not working

There are 17.1 million working age adults in a poverty status in 2017 that spent at least part of the year out of the work force. The chart to the left shows their reason for not working [iv].

- 1. School. Students are generally young and just getting started in life. It makes sense they would not have annual income greater than the poverty threshold and be labeled as being in poverty. However, even though students are often in poverty they are on a track to earn a living in future years that moves them out of poverty.
- Retired early. Individuals who retire early (below age 65) and are seeking no new income
  most likely have past earnings and pensions that are adequate for their lifestyle. Poverty
  status measures annual income only and does not take into account assets acquired in the
  past.
- 3. Disabled or ill. This is a broad class of individuals who have mental or physical disabilities preventing them from working. This category can include those who are not capable of earning a living by themselves, such as a down syndrome adult. The category also includes individuals that are prevented from working in their trade because of a physical injury. To return to the workforce these individuals require training or education in a different trade.
- 4. Home or Family. This is very broad category of poverty and includes a variety of reasons the individual is not a participant in the workforce. It includes those taking care of a sick parent, those with limited child care options, and those with addiction, homelessness or other more extreme challenges. This category of poverty is generally not a problem of job availability but of circumstances preventing the individual from working.
- 5. Can't find work. This represents 6% of the poverty population of working age adults not working and can be attributed on the job market in the location where the individual lives.

## **Poverty Dynamics**

Percentage of the U.S. Population in a poverty status in 2009 and remaining in poverty at the start of 2013

| White, non-Hispanic | 54% |
|---------------------|-----|
| Black               | 62% |
| Asian               | 33% |
| Hispanic            | 65% |
|                     |     |
| All People          | 58% |

The chart at the left shows the turnover rate of poverty [v]. 58% of those in poverty in 2009 remained in poverty in 2013 - only 42% escaped poverty over the four year period. Nearly two-thirds of Blacks and Hispanics in poverty in 2009 were in poverty for the entire four year reporting period of 2009 – 2012. Only one-third of the Asian population in poverty in 2009 remained in poverty for the four year period.

| Percentage of the popular<br>poverty for a four year per<br>2009 – 2012 |       |
|---|-------|
| Married Couples with  |       |
| Children  | 1.5%  |
| Single Mothers with   |       |
| Children  | 10.1% |
| Single Fathers with   |       |
| Children  | 3.3%  |

The chart to the right shows the dynamics of families in poverty for the four year period of 2009 - 2112 [vi]. 10.1% of all single mother families were in poverty for the entire four year period. In any single year about 30% of single mother families were in poverty and most of them escaped poverty sometime over the four year period.

For comparison only 1.5% of married couples with children were in poverty for the entire four year period.

## Only 2% of the population is in poverty with three attributes



"Young people can virtually assure that they and their families will avoid poverty if they follow three elementary rules for success – complete at least a high school education, work full time, and wait until age 21 and get married before having a baby. Based on an analysis of Census data, people who followed all three of these rules had only a 2 percent chance of being in poverty and a 72 percent chance of joining the middle class (defined as above \$55,000 in 2010."

Ron Haskins of the Brookings Institution, testifying before Congress on June 5, 2012

[i] U.S. Census Bureau. Income and Poverty in the United States: 2016; Issued September 2018. Available here.

[ii] As reported by the Census Bureau "The sum of those with and without a disability does not equal the total [population] because disability status is not defined for individuals in the Armed Forces". See U.S. Census Bureau. Income and Poverty in the United States: 2017; Issued September 2018. Table 3. <u>Available here</u>.

[iii] Data constructed from U.S. Census Bureau. Income and Poverty in the United States: 2017. Poverty Status POV-24 and Poverty Status POV-23. <u>Available here</u>.

[iv] Data constructed from U.S. Census Bureau. Income and Poverty in the United States: 2017. Poverty Status POV-24. Reason For Not Working or Reason For Spending Time Out of the Labor Force--Poverty Status of People Who Did Not Work or Who Spent Time Out of the Labor Force. <u>Available here</u>.

[v] The United States Census Bureau. Dynamics of Economic Well-Being: Poverty 2009-2012. Table 6. [Internet] Retrieved September 15, 2017. Available here.

[vi] The United States Census Bureau. Dynamics of Economic Well-Being: Poverty 2009-2012. Table 4. [Internet] Retrieved September 15, 2017. <u>Available here</u>.

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