Rising Poverty in America

In the United States, the most affluent economy in the world, 46.2 million people or 15.1 percent of the population live in poverty.¹ The Great Recession (2007-2009) and the ensuing Jobless Recovery have pushed more people into poverty. During the Great Recession, nearly 6.3 million more people slipped into poverty, increasing the poverty rate from 12.5 to 14.3 percent. In the Jobless Recovery year of 2010, 2.6 million more people fell into poverty, thus raising poverty to its highest rate since 1983.

The family poverty rate increased from 12.5 in 2009 to 13.2 percent in 2010. Nearly 33 million American families lived in poverty, an increase of 5.8 percent from the previous year. Families with female householders and no husband present were most vulnerable to poverty. Approximately 15.9 million of such families lived below the poverty line, a rise of 7.8 percent from the previous year. As a result, their poverty rate jumped from 32.5 to 34.2 percent.

Likewise, the number of men living in poverty climbed 7.9 percent from 19.5 to 21.0 million. Nearly 1.5 million more men lost their means to support themselves. Their

¹ The 2010 Threshold Poverty Line is $11,319 for all ages, $14,218 for a household of two, and $22,314 for a family of four.
poverty rate inclined from 13.0 to 14.0 percent. The number of women living below the poverty line grew 4.5 percent from 24.1 to 25.2 million. With nearly 1.1 million more women falling into poverty, their rate increased from 15.5 to 16.2 percent.

Meanwhile, 16.4 million or 22.0 percent of those younger than 18 years of age lived in poverty, up from 15.5 million or 20.7 percent in 2009. Among members of the work force (18 to 64 years of age), poverty grew by 1.6 million or 6.4 percent from 24.7 to 26.3 million. As a result, their poverty rate climbed from 12.9 to 13.7 percent. Senior citizens (65 years and older) had the lowest poverty rate and the smallest increase in poverty numbers. In 2010, nearly 3.5 million or 9.0 percent of the elderly lived in poverty compared with 3.4 million or 8.9 percent in 2009.

Minorities were hit hardest. Blacks experienced the highest poverty rate of 27.4 percent, up from 22.5 percent. The number of African Americans living in poverty increased from 9.9 to 10.7 million. The poverty rate for Hispanics rose to 26.6 from 25.3 percent. The number of poor Hispanics increased by 890,000 from 12.4 to 13.3 million. Among Whites (not Hispanics), 9.9 percent lived in poverty, up from 9.4 percent. The number of Whites living below the poverty line increased from 18.5 to 19.6 million. Interestingly, Asians had not only the lowest rate of poverty, their rate actually declined from 12.5 to 12.1 percent as 17,000 fewer of them lived in poverty.

Mississippi had the highest poverty rate at 22.7 percent followed by Louisiana at 21.6 percent and Washington, D.C. at 19.9 percent. In contrast, the poverty rate was the lowest in New Hampshire at 6.6 percent, Connecticut at 8.3 percent, and Wyoming at 9.6 percent. In the financially troubled state of California, the poverty rate increased to 16.3 percent from 15.3 percent.

The rate of poverty would have been higher without a variety of government programs intended to blunt the impact of the Great Recession and Jobless Recovery. For example, The U.S. Census Bureau has estimated that the extension of unemployment benefits enacted in 2009 helped 3.2 million people remain above the poverty line. Likewise, the payments of Social Security benefits helped 20.3 million senior citizens and disabled working-age adults avoid falling into poverty.

Massive layoffs and the resulting unemployment and underemployment are the main culprit pushing more Americans into poverty. Without a significant number of jobs created by the private sector, nearly 10 million more people are expected to fall to the ranks of the poor by the middle of the decade.

Source:
“Poverty and Income in 2010,” Brookings Institute, September 13, 2010

Historical Poverty Tables – People, The United States Census Bureau
http://www.census.gov/hhes/www/poverty/data/historical/people.html