US child poverty on the rise—statistics mask depth of crisis

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The child poverty rate in the US has steadily risen every year from 2000, according to several recent reports and press releases from public policy institutes and government agencies.

Child Poverty in Rich Countries, 2005, a report by the UNICEF *Innocenti* Research Centre, provides a comparative assessment of the conditions facing poor children in industrialized nations, primarily in Europe but also including the US.

The study begins with this assertion: “Protecting children from the sharpest edges of poverty during their years of growth and formation is both the mark of a civilized society and a means of addressing some of the evident problems that affect the quality of life in the economically developed nations.” By this standard, the US has the dishonor of being one of the most uncivilized of the major industrialized countries.

While Denmark and Finland led the 26 participating OECD (Organization for Economic Cooperation and Development) countries with child poverty rates below 3 percent last year, Mexico and the United States were at the other end of the spectrum, both with child poverty rates of more than 20 percent. The current rate for the US, 21.9 percent, is greater than the still comparatively high figure of 17 percent reported by the US Federal Interagency Forum on Child and Family Statistics. The discrepancy is due to qualitative differences in definitions and measures of poverty.

The UNICEF report notes that the US, in compiling federal data on the poor, has generally favored an “absolute” poverty line defined as a level of consumption, “the ability to purchase a defined quantity of goods and services.” Most other OECD members, on the other hand, generally draw poverty lines based upon median national incomes, or the relative wealth and lifestyles of their communities. A child is considered poor by this measure if the income available to that child is less than half of the median income available to a child in a given country. It is the preferred definition of poverty by public aid programs and the measure used by UNICEF.

By the absolute measurement, child poverty in the US is lower today than a decade ago. However, from 2001 to 2002, a significant rise occurred that placed nearly half a million more children in poverty. From 2002 to 2003, the rate increased again, from 16.7 to 17.6 percent, even during what has been characterized as a period of economic recovery following recession. More significantly, children living in extreme poverty, or less than half of the poverty line, grew by 11.5 percent in 2002, signaling the collapse of social protective measures for the nation’s poorest citizens. Federal statistics indicate that the percentage of children in poverty is still lower overall than the peak of 22 percent in 1993, when nearly 8.4 million families lived below the poverty line.

In 1996, in a display of bipartisan cruelty, the federal government enacted the Personal Responsibility and Work Opportunity Reconciliation Act as a radical welfare “reform.” The Clinton administration began dismantling welfare via the abolition of the federal entitlement program, Aid to Families with Dependent Children. In its place, the state-based Temporary Assistance for Needy Families program was established. Millions of welfare recipients were forced off of benefits and into low-wage employment with no health benefits. Welfare rolls were cut in half, and by the end of Clinton’s second term, children who remained dependent on the government for support saw an average drop of more than 6 percent in the real value of aid they received, according to UNICEF. As of 2000, the value of governmental support was $200 less each year than the average assistance that was provided in 1991 to a low-income family.

There has been no economic recovery to speak of for the majority of families with children in the past decade. The 1990s, a period often characterized as an economic boom for the middle class, was a wringer for America’s poor, particularly insofar as it set the stage for elimination of New Deal-era social programs, beginning with welfare reform. The entire political establishment, both Democratic and

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Republican, bears responsibility for the problems now befalling poor children in the US.

Plans at the state and federal levels to streamline costs in the Medicaid, Food Stamps and Social Security programs through direct cuts and privatization will likely translate into further decreases in the average amount received per child. Whether fresh cuts to public assistance will also translate into an upward revision of poverty figures depends upon how rigidly the outdated absolute poverty threshold is maintained.

Perhaps the most inaccurate indication of impoverishment in the US is the official poverty line itself. It was adopted under the Democratic administration of Lyndon Johnson in 1969 as part of the “War on Poverty,” and set the threshold for poverty at three times the cost of what the Agriculture Department determined in 1955 to be a nutritionally adequate diet, plus adjustments for family size. After more than 35 years, it still does not appropriately address medical, transportation or child care costs.

The federal poverty line for a family of four in 2004 was $18,850 or less per year. However, according to the National Center for Children in Poverty, a research and policy organization at Columbia University, families need an income roughly twice that before parents can provide for adequate housing, food and health care for their children. Cost of living is not factored into the federal definition of poverty, although it varies widely from region to region. In Boston, Massachusetts, for example, a family of four with an annual income of $49,000 is not classified by the Federal Census Bureau as living in poverty, yet they are low-income for their region and struggle to afford basic necessities.

Currently, 17.6 percent, or 11.6 million US children, live in poor families below the poverty line. Another 21 percent, more than 15 million children, live in low-income families, defined as within 100 to 200 percent of poverty. Most of these families are either spread throughout the under-serviced rural areas, or in the densely concentrated urban areas. The artificial distinction between poor and low-income families is misleading, since many households defined as low-income are in some respects even more vulnerable than those earning less, mainly because they may not qualify for many state- and federally funded social services.

Another report issued this year is the *City and Rural Kids Count Databook*, put out by the Annie E. Casey Foundation. The report provides an overview of the demographics of the working poor in the non-metropolitan portions of each state, in addition to 71 of the largest cities in the US. The Kids Count program is an assessment based mainly on a compilation of 2000 Census data.

Statistics from key metropolitan areas and the rural regions of each state illustrate the growing inequality in the US and its especially detrimental effects on the living standards of children.

A pattern of economic crisis emerges from the data, most apparent in urban areas. In Detroit, Michigan, the rate of children below the official poverty line last year is 35 percent. Another 22 percent are classified as living in low-income families but not below the poverty line. These figures are by no means limited to cities. Rural families are also in financial straits. In Mississippi, a predominantly rural child population has a poverty rate of 31 percent, and a low-income rate of 29 percent. Child poverty stands at 34 percent for Jackson, Mississippi; low-income children account for almost another third in the city.

One third of children in the District of Columbia are living in poverty, and another fifth are part of low-income households. Rates for Chicago and New York City are proportionally similar. Of low-income children in New York City, nearly three quarters live in families that spend 30 percent or more of their income on housing. Even in the rural areas of Minnesota and Pennsylvania, nearly half of all low-income households pour more than 30 percent of their earnings into house and rent payments.

Cleveland, Ohio, has a child poverty rate of 38 percent and a low-income rate of 27 percent. Rates in Memphis, Tennessee, are 30 percent and 26 percent, respectively. All six Texas cities participating in the Kids Count study—Houston, Austin, San Antonio, El Paso, Fort Worth and Dallas—surpass the federal child poverty figure of 17 percent by at least 12 percentage points.

The population of Tucson, Arizona, has grown by a fifth from Census year 1990 to 2000, unlike many urban areas involved in the study, which have seen a steady decline in jobs, population and infrastructure. Even so, a quarter of all Tucson children lived below the poverty line, and another 29 percent lived in low-income families.

The full UNICEF report can be found at: http://www.unicef.gr/reports/rc06/UNICEF%20CHILD%20POVERTY%20IN%20RICH%20COUNTRIES%202005.pdf. *The Kids Count report is available online through the Casey Foundation web site at:* http://www.aecf.org/kidscount/rural_databook/entire_city_rural_databook.pdf.

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