Child poverty in the US doubled in 2022 with ending of expanded benefits

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Child poverty in the United States more than doubled during 2022, according to new data from the Census Bureau. Child poverty increased from 5.1 percent of children in 2021 to 12.4 percent in 2022, or about 9 million children. At the same time, overall poverty increased by 4.6 percent to 12.4 percent, the first increase in the overall Supplemental Poverty Measure since 2010.

This sudden jump in child poverty was caused by the expiration of expanded benefits through the Child Tax Credit (CTC), which gave families up to $3,600 per child in monthly installments, as well as the elimination of expanded unemployment insurance and Supplemental Nutrition Assistance Program (SNAP) payments. All together, these programs, launched in response to the stay-at-home orders that were issued at the onset of the COVID pandemic, helped bring down child poverty from a rate of 12.6 percent in 2019.

The doubling of poverty is the direct result of a deal cut between President Joe Biden and congressional Republicans last year on a federal budget which protected massive military spending while slashing the limited social program expansions implemented at the outset of the pandemic.

On top of the end of these benefits there has been a mass unwinding of Medicaid programs across the country, with millions of people kicked off of their Medicaid health insurance after the ending of the official COVID-19 Public Health Emergency by Biden earlier this year.

In March 2020 a continuous enrollment provision was created for Medicaid that prevented states from disenrolling Medicaid recipients. This provision ended on March 31, 2023, and states will continue to review the eligibility of the 94 million people that were enrolled in Medicaid coverage as of March.

At least 6.4 million people enrolled in Medicaid have been disenrolled as of September 13 of this year, about 36 percent of all people who attempted to renew their coverage. States run by Republican-controlled legislatures lead this trend, with Texas disenrolling nearly 900,000 people and Florida disenrolling 430,000.

Only 15 states reported data with breakdowns by age, but the trends from these states alone show a massive impact on children. Of those disenrolled, children made up 42 percent across the 15 states, totaling 1,278,000. In Texas the share of children skyrocketed to 81 percent, while in Kansas, Idaho and Missouri the figure was 50 percent or greater.

For people who were able to re-enroll in Medicaid, only 55 percent were re-enrolled through an “ex parte” process by the state administration on behalf of the participant. The other 45 percent had to renew their coverage by themselves through a renewal form.

Compounding the evisceration of pandemic era benefits overseen by the Democratic Biden administration is a significant decline in household income as the cost of living continues to soar.

According to the Census, real median household income in the US fell by 2.3 percent from $76,330 to $74,580 in 2022, the largest decline since 2008. Since 2019, real median household income has fallen a total of 4.7 percent. Meanwhile, the cost of living rose by 7.8 percent between 2021 and 2022, the largest increase since 1980.

The data also showed that the percentage of women working full-time rose to 65.6 percent in 2022, the largest figure ever recorded, while the percentage of men who hold full-time jobs stood at 74.8 percent, potentially reflecting a rise in the number of families where both parents work (48.9 percent in 2022 compared to 46.8 percent in 2021).

As the cost of living continues to rise and real wages are eroded, more and more people face destitution and poverty. Among those suffering from the decline in living standards are an increasingly large number of aging Baby Boomers—the generation born between 1946 and 1964—who are facing homelessness.

Since 2019, the percentage of people aged 55 and over living in homeless shelters has risen from 16.5 percent to 19.8 percent. This rapid rise in homelessness for older people has been described as a "silver tsunami," as more people near retirement age without enough savings to pay their expenses. A typical cause of homelessness for older people is the death of a spouse or a medical emergency.

The average Social Security payment is just $1,781.63 a month, while the average cost of rent is $2,038 a month. Many Baby Boomers do not have adequate pensions after decades of pension fund mismanagement and concessions given to employers by the pro-corporate union bureaucracies.

A common misconception is that the Baby Boomer generation is incredibly wealthy. In terms of total wealth held by people in that age group, this is technically true. More than $78 trillion, about half of all wealth in the US, is held by Baby Boomers. However, the vast majority of this money is owned by an aging cohort of capitalists and billionaires.

Research by the National Institute of Retirement Security found that the bottom half of Baby Boomers owned only 2 percent of the financial assets of their generation, while the top 5 percent owned 58 percent. The middle 40 percent of Baby Boomers, between the 30th and 70th percentile, owned just 14 percent of their generation's financial wealth.

Fundamentally, the distribution of wealth in society is across class lines, not generational.

While the average retirement savings for those aged over 55 is above $400,000, according to the Federal Reserve, the median retirement savings for that same group is significantly less. Figures from the Federal Reserve place retirement savings for those aged 65-74 at $164,000, while figures from Vanguard are even lower, at just $70,000 for those 65 and older.

Even at the higher end, elderly people can be overwhelmed with the price of medical care and the increasing cost of living. As the economic crisis within the United States deepens, the percentage of people without homes who are over the age of 55 will continue to increase.

These rapid rises in poverty and homelessness are the product of bipartisan policies by the ruling class to force people back to work during the COVID-19 pandemic to generate profits for corporations and banks. By ending the expansion of these benefits the ruling class aims to force people back to work by cutting off essential funds that had suppressed poverty rates. Now the Biden administration is attempting to suppress wage growth by triggering a rise in unemployment through rising interest rates.

Combined, these policies will have disastrous effects for the working class. Millions of people have been kicked off of expanded benefit programs and millions more are now being denied access to Medicaid health insurance. The rapid rise in child poverty to pre-pandemic levels is only likely to continue into the coming years as parents struggle to afford even the most basic necessities.

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