

## U.S. Poverty on the Rise: New Census Data Show Why We Need Social Safety Net and Health Care Reform More than Ever

Between 2007 and 2008, 2.6 million more people fell below the poverty line as the poverty rate rose from 12.5 percent to 13.2 percent, according to the [U.S. Census Bureau's](#) recently released [annual report](#). Some 39.8 million people lived below the federal poverty level, which is \$22,025 for a family of four, in 2008. The number of Americans without health insurance coverage rose from 45.7 million in 2007 to 46.3 million in 2008, and [employment-based coverage continued to decline](#) for the eighth year in a row. However, the 2008 data reveal only the [tip of the recession iceberg](#). One clear indicator that the recession has made poverty more prevalent is the rising unemployment rate. While the full-year average national unemployment rate for 2008 was 5.8 percent, the unemployment rate this year to date has averaged 8.9 percent and registered at 9.7 percent in August ([10 percent](#) in Illinois).

In making up the majority (59 percent) of adults living in poverty in 2008, women continue disproportionately to face the burdens of material deprivation. [Unmarried and elderly women](#) have been especially hurt by the deepening recession. Three-quarters of adult women who lived in poverty were single—widowed, divorced, separated, or never married—despite being less than half (47 percent) of the adult women population. More than one in five women living in poverty were 60 and older. Compared to 2007, nearly [half a million more women lacked health insurance coverage](#), bringing the total number of women without insurance in 2008 to nearly 17.6 million. A wide [gender gap in poverty rates](#) persists, even when factors such as work experience, education, or family structure are taken into account:

- In 2008 the poverty rate for adult women ages 18 to 64 (13.2 percent) was 31 percent higher than the poverty rate for adult men ages 18 to 64 (10.1 percent).
- Although education makes being poor less likely for both men and women, women were about 30 to 40 percent more likely to be poor than men at every education level.
- Female-headed families with children had a poverty rate of 37.2 percent—over twice the 17.6 percent poverty rate for male-headed families with children, and nearly five times the 7.5 percent poverty rate for married-couple families with children.
- The [ratio of women's and men's median annual earnings](#) in 2008 was 77.1 for full-time, year-round workers (73.9 in Illinois), down from 77.8 in 2007.

Children continue to be the age group most likely to be poor: while children constitute just 24.6 percent of the overall population, more than one-third (35.3 percent) of all people living in poverty in 2008 were children.

- Nearly one in five children (18 and under) is living in poverty, with the total number rising from 13.3 million in 2007 to 14.1 million in 2008.
- Poverty rates rose for white, non-Hispanic children (from 10.1 percent to 10.6 percent), Asian children (from 12.5 percent to 14.6 percent), and Hispanic children (from 28.6 percent to 30.6 percent). Black child poverty remained nearly unchanged (up from 34.5 percent to 34.7 percent), yet the poverty rate for black children remains more than three times higher than the rate for white children.
- Economists predict that [by 2010](#) the poverty rate for all children will increase to 26.6 percent.

Although mainly intended to stimulate the broad economy, the \$787 billion American Recovery and Re-Investment Act (ARRA) has played an important role in supporting low-income Americans. The ARRA is [preventing more than six million Americans](#), including two million children and half a million seniors, from

falling below the poverty line and is making less severe the poverty of 33 million others. In Illinois the ARRA has protected 305,000 residents, including 109,000 children, from poverty. However, the ARRA is providing only temporary relief. The 2008 Census data, together with experts' analysis of the current economy, add urgency to calls for creating a more humane safety net and overhauling our national health care system. In order to ensure that all people in poverty receive adequate assistance, policymakers must extend unemployment benefits, increase the earned income tax credit for childless adults, secure quality and affordable health care for all, and revise the federal poverty measure to reflect more realistic family budgets.

For detailed 2008 Census poverty data, visit the Census website [here](#).

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