

JOINT ECONOMIC COMMITTEE

Fact Sheet

Senator Charles E. Schumer, Chairman
Congresswoman Carolyn B. Maloney, Vice Chair

NEARLY ONE IN EIGHT AMERICANS LIVING IN POVERTY

Highlights from the Census Bureau's Update on Poverty in the United States

Each year, the Census Bureau releases new estimates on the number and percent of Americans living in poverty. Under the Bush administration, the number of Americans living in poverty has increased by 4.9 million people. Today, nearly one out of every eight Americans is living below the federal poverty line.

The National Picture

Since 2000, 4.9 million more Americans are living in poverty. The number of Americans living in poverty increased in five of the last six years, reaching 36.5 million people in 2006 (Chart 1). Since 2000, the number of people in poverty has increased by 4.9 million. The official poverty line for a family of four is now \$20,614 per year.

The poverty rate is a full percentage point higher

than in 2000. The poverty rate in 2006 was 12.3 percent, declining slightly from its level of 12.6 percent in 2005. Before 2005, the poverty rate had increased for four straight years. While the poverty rate decreased slightly in 2006, it remains a full percentage point higher than it was in 2000 (Chart 1). The Census Bureau defines the poverty rate as the percent of the population with incomes below the poverty line.

More than one in six children lives in poverty. The poverty rate for all children under 18 years of age was 17.4 percent in 2006, declining slightly from its level in 2005. Between 2000 and 2006, the number of children living in poverty increased by 1.2 million, or 11 percent, to 12.8 million children. The poverty rate for children rose from 16.2 to 17.4 over the same period.

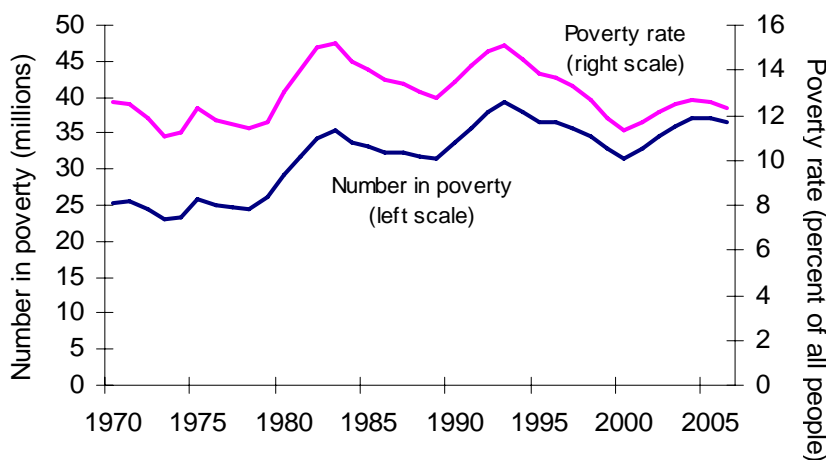
Minorities are more likely to be living in poverty.

The poverty rate was 24.2 percent for blacks in 2006 and 20.6 percent for Hispanics. Since 2000, the poverty rate among blacks has risen by 1.7 percentage points (Chart 2). The poverty rates among black and Hispanic children were even higher, at 33.0 percent and 26.9 percent, respectively.

Poverty is severe for families headed by women. The poverty rate for families with female heads of households and no husband present is now 30.5 percent, up from 28.5 percent in 2000. Most vulnerable are families headed by black women: more than one in every three such families (39.2 percent) lives below the poverty line.

Cuts in federal programs are contributing to rising poverty in America. Poverty has increased not only because of the relatively weak labor market, but also because

Chart 1: Poverty was Substantially Higher In 2006 than in 2000
Number and percent of people in poverty, 1970-2006



Source: Bureau of the Census, U.S. Department of Commerce.

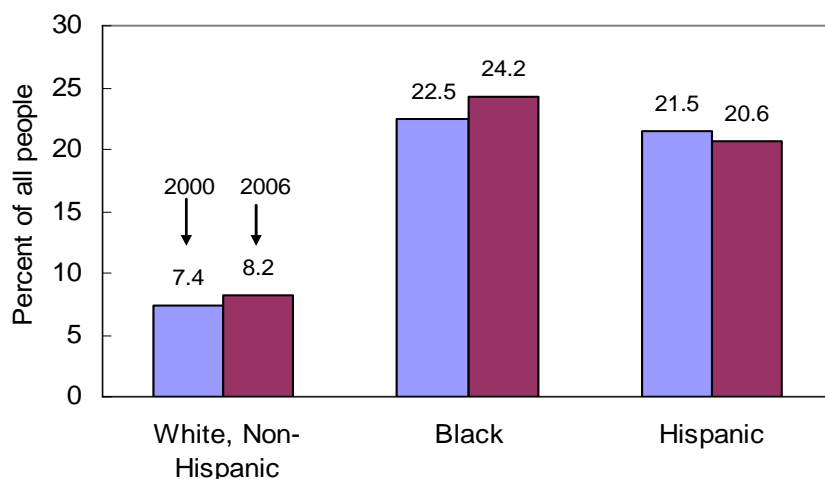
income support programs like Unemployment Insurance (UI) and Temporary Assistance for Needy Families (TANF) are helping fewer individuals. For example, although the number of children living in poverty has increased by 11 percent since 2000, the number of children receiving TANF has moved in the opposite direction, declining by 22.2 percent over the same period.

The State Picture

Following Census guidance on how to use state level data, this report compares the two-year average for 1999-2000, the last years of the Clinton Administration, with the two-year average for 2005-2006 to analyze state-level changes in poverty under President Bush. During that period:

The Midwest saw the greatest percentage increase in the number of poor people. The number of poor people in the Midwest region of the country increased by 21 percent while its total population increased by only two percent (Table 1). Half of the states in the Midwest experienced a statistically significant increase in the number of poor people. Indiana was hit the hardest. There, the number of poor people increased by 59 percent while its total population increased by only five percent.

Chart 2: Poverty Rates Are Highest Among Minorities
Poverty rates by race and ethnicity, 2000 and 2006



Source: Bureau of the Census, U.S. Department of Commerce.

Nine states plus the District of Columbia (DC) saw increases in the poverty rate. The poverty rate increased significantly in nine states and DC (Table 2). In four of these states and in DC, the poverty rate increased by at least 3.0 percentage points. Only one state (Idaho) experienced a significant decline in its poverty rate. The rate in the remaining 40 states was essentially unchanged.

The number of poor people increased in 18 states and DC. Eighteen states and DC experienced significant increases in the number of people living in poverty (Table 3). In 14 of these states and DC, the increase was at least 25 percent.

Table 1: The Midwest Experienced a Substantial Increase in Poverty
Two-year average of population and number of people in poverty, 1999-2000 and 2005-2006

Region	1999-2000		2005-2006		Percent change (1999-2000 vs. 2005-2006)	
	Total population (in millions)	Poor population (in millions)	Total population (in millions)	Poor population (in millions)	Total population	Poor population
West	63.0	7.7	68.6	8.3	9	7
South	98.1	12.7	107.0	14.9	9	17
Northeast	52.9	5.6	54.0	6.2	2	9
Midwest	63.6	6.1	65.2	7.4	2	21
United States	277.6	32.2	294.8	36.7	6	14

Source: U.S. Census Bureau, Department of Commerce.

FACT SHEET: POVERTY 2006

**Table 2: Percent of People in Poverty, by State,
1999-2000 and 2005-2006**

State	1999-2000 average	2005-2006 average	Change (2005-2006 average less 1999-2000 average)
	Percent	Percent	Percentage points
United States	11.6	12.5	0.9 *
Alabama	14.3	15.5	1.2
Alaska	7.6	9.4	1.8
Arizona	11.9	14.8	2.9 *
Arkansas	15.6	15.8	0.2
California	13.4	12.7	-0.7
Colorado	9.1	10.6	1.4
Connecticut	7.4	8.7	1.2
Delaware	9.4	9.3	-0.2
District of Columbia	15.0	19.8	4.8 *
Florida	11.7	11.3	-0.4
Georgia	12.5	13.5	1.0
Hawaii	9.9	8.9	-0.9
Idaho	13.3	9.7	-3.6 *
Illinois	10.3	11.0	0.7
Indiana	7.6	11.6	4.0 *
Iowa	7.8	10.8	3.0 *
Kansas	10.1	12.7	2.5 *
Kentucky	12.3	15.8	3.5 *
Louisiana	18.2	17.6	-0.6
Maine	10.3	11.4	1.1
Maryland	7.3	9.1	1.7
Massachusetts	10.8	11.1	0.3
Michigan	9.8	12.6	2.9 *
Minnesota	6.5	8.1	1.7
Mississippi	15.6	20.4	4.8 *
Missouri	10.4	11.5	1.0
Montana	15.0	13.7	-1.3
Nebraska	9.8	9.9	0.1
Nevada	10.0	10.1	0
New Hampshire	6.1	5.5	-0.6
New Jersey	7.6	7.8	0.2
New Mexico	19.2	17.4	-1.8
New York	14.0	14.3	0.2
North Carolina	13.1	13.5	0.3
North Dakota	11.7	11.3	-0.5
Ohio	11.0	12.2	1.2
Oklahoma	13.9	15.4	1.5
Oregon	11.7	11.9	0.2
Pennsylvania	9.0	11.3	2.3 *
Rhode Island	10.1	11.3	1.1
South Carolina	11.4	13.1	1.7
South Dakota	9.2	11.3	2.0
Tennessee	12.7	14.9	2.2
Texas	15.4	16.3	0.9
Utah	6.7	9.2	2.5 *
Vermont	9.8	7.7	-2.2
Virginia	8.1	8.9	0.9
Washington	10.2	9.1	-1.1
West Virginia	15.2	15.3	0.2
Wisconsin	8.9	10.2	1.2
Wyoming	11.2	10.3	-0.9

*Statistically different from zero at the 90-percent confidence level.

Source: Bureau of the Census, U.S. Department of Commerce.

FACT SHEET: POVERTY 2006

**Table 3: Number of People in Poverty, by State,
1999-2000 and 2005-2006**

State	1999-2000 average	2005-2006 average	Change (2005-2006 average less 1999-2000 average) ¹
	Thousands	Thousands	Thousands
United States	32,186	36,705	4,518 *
Alabama	626	700	74
Alaska	48	62	14 *
Arizona	612	910	298 *
Arkansas	410	434	24
California	4,513	4,571	58
Colorado	395	498	103 *
Connecticut	252	300	48
Delaware	73	79	6
District of Columbia	82	109	27 *
Florida	1,846	2,022	176
Georgia	997	1,235	238 *
Hawaii	119	113	-6
Idaho	168	142	-26
Illinois	1,261	1,389	128
Indiana	455	724	270 *
Iowa	224	314	91 *
Kansas	267	343	76 *
Kentucky	485	644	160 *
Louisiana	786	731	-56
Maine	131	150	19
Maryland	377	505	129 *
Massachusetts	678	699	21
Michigan	972	1,259	287 *
Minnesota	315	417	102 *
Mississippi	432	584	152 *
Missouri	576	659	83
Montana	133	127	-7
Nebraska	165	174	9
Nevada	205	251	46
New Hampshire	76	72	-4
New Jersey	629	677	48
New Mexico	348	337	-11
New York	2,640	2,714	74
North Carolina	1,034	1,170	136
North Dakota	73	70	-3
Ohio	1,230	1,382	151
Oklahoma	463	537	74
Oregon	401	437	36
Pennsylvania	1,075	1,384	310 *
Rhode Island	105	119	14
South Carolina	443	550	107 *
South Dakota	67	86	20 *
Tennessee	710	875	165 *
Texas	3,138	3,748	611 *
Utah	148	233	85 *
Vermont	59	48	-11
Virginia	557	667	111
Washington	589	569	-21
West Virginia	266	277	10
Wisconsin	479	554	75
Wyoming	54	53	-1

*Statistically different from zero at the 90-percent confidence level.

¹Details may not sum to totals because of rounding.

Source: Bureau of the Census, U.S. Department of Commerce.