

Income and Hardship

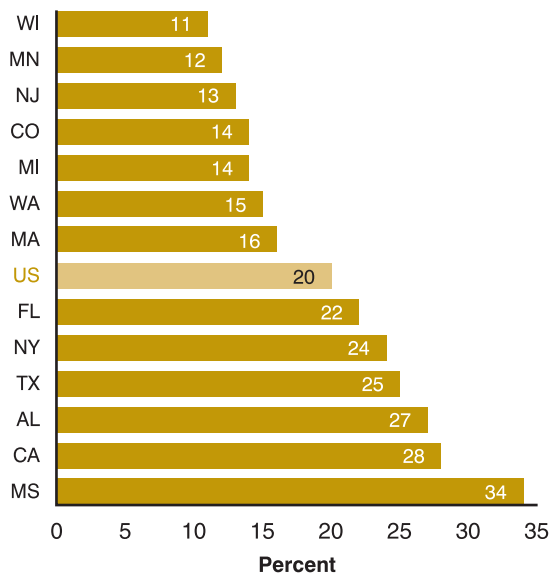
Poverty among Children



Because poverty is associated with inadequate nutrition and health care, the child poverty rate is frequently used as a tool by groups seeking to monitor the well-being of children. In fact, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires states to monitor child poverty rates as a means of assessing the effects of new state assistance programs for low-income families.

Adults' reports of family income during the previous year were used to determine the proportion of children living in families whose cash income falls below the federal poverty level. (For a single parent with two children, the poverty level was \$12,641 in 1996.) While important, the poverty rate is a relatively blunt measure of children's well-being because it is limited to cash income. It excludes such government support as food stamps, housing assistance, and the earned income tax credit, as well as deductions from income tax for essential child care and health care spending.

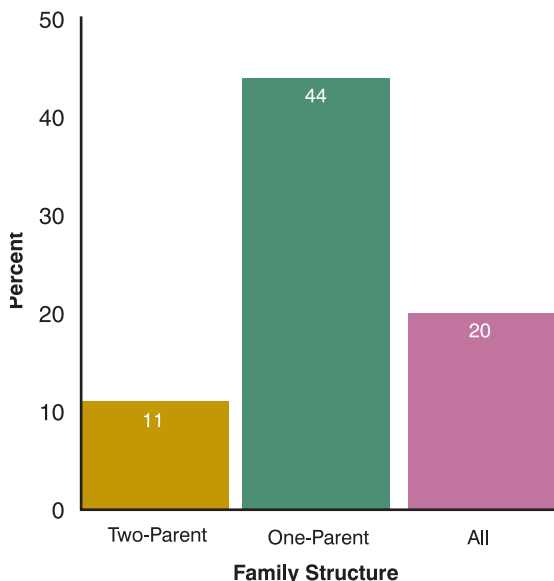
Children below the Poverty Level, by State, 1996



Source: Urban Institute

Nationally, 20 percent of all children lived in a family with income below the poverty level. Child poverty varied considerably across the 13 states surveyed, with rates exceeding the national average in five states (Alabama, California, Mississippi, New York, and Texas) and falling below the average in seven states (Colorado, Massachusetts, Michigan, Minnesota, New Jersey, Washington, and Wisconsin). The range of poverty rates in these states was dramatic, with one in ten children in Wisconsin living in poverty, compared to one in three children in Mississippi.

Children below the Poverty Level, by Family Structure, 1996



Source: Urban Institute

Megan Gallagher

Sheila Zedlewski

Assessing the New Federalism

An Urban Institute Program to Assess Changing Social Policies



Urban Institute
2100 M Street, NW
Washington, DC 20037

Phone: 202-261-5709
E-mail: paffairs@ui.urban.org
<http://www.urban.org>



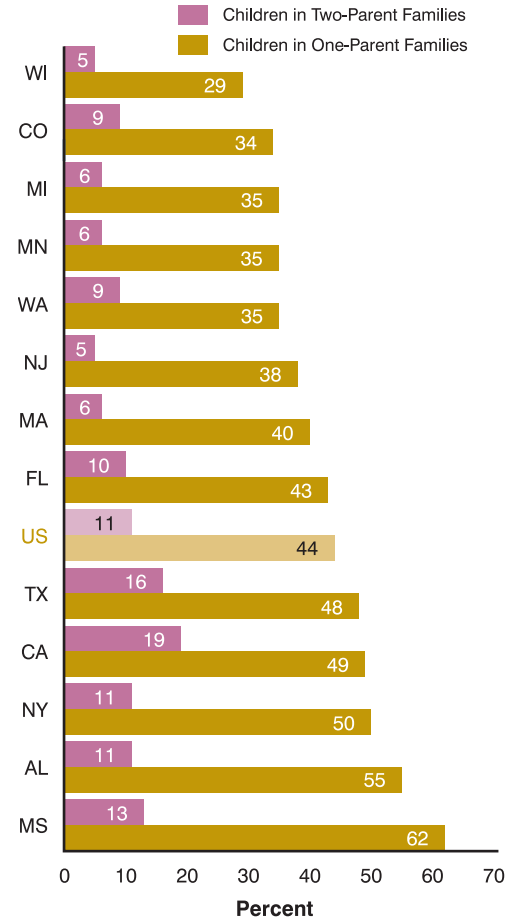
This *Snapshot* presents findings from the National Survey of America's Families (NSAF), a 1997 survey of 44,461 households with and without telephones that are representative of the nation as a whole and of 13 states. As in all surveys, the data are subject to sampling variability and other sources of error.

Copyright © January 1999. Urban Institute. Permission is granted to reproduce this document with attribution to the Urban Institute. The views expressed are those of the authors and do not necessarily reflect those of the Urban Institute, its board, its sponsors, or other authors in the series.

Children living with one parent were much more likely to be poor than children living with two parents—44 percent compared to 11 percent—because one-parent families typically rely on a lone adult for economic support. Even with support from the noncustodial parent, some children in one-parent families remain poor.

Mirroring the national figures, child poverty rates in the states also varied greatly by family structure. Nearly two-thirds of children living in one-parent families in Mississippi were poor, compared to less than one-third in Wisconsin. Poverty rates for children in two-parent families varied somewhat less, although rates were above the national average in California and Texas and below in Massachusetts, Michigan, Minnesota, New Jersey, and Wisconsin.

Children below the Poverty Level, by Family Structure and State, 1996



Source: Urban Institute



Children (%) below the Poverty Level, 1996

Family Structure	AL	CA	CO	FL	MA	MI	MN	MS	NJ	NY	TX	WA	WI	US
One-parent	55.0	49.3	34.3	42.7	40.3	34.7	34.8	61.9	38.5	50.3	47.8	34.7	29.2	44.1
Two-parent	10.5	19.3	8.7	9.5	6.2	5.5	6.3	13.0	5.1	10.9	16.0	9.3	5.1	10.5
All families	27.0	28.4	14.3	21.8	15.5	13.7	12.5	33.5	13.3	24.1	25.4	15.2	11.4	20.5

Figures in color represent statistically significant differences from the national average at the .05 confidence level. Figures in black are not statistically significantly different from the national average. All figures in text, charts, and table are rounded.

Source: Urban Institute