

POVERTY AMONG WOMEN AND FAMILIES, 2000-2008: RECESSION DEEPENS POVERTY

September 2009

The latest Census Bureau data show that poverty and extreme poverty increased significantly¹ among women, children and men in the United States in 2008.² Poverty among women and children was already far higher than poverty among men, and the recession that began in December 2007 has substantially increased hardship. Furthermore, as disturbing as the 2008 numbers are, they do not reflect accelerated job losses in 2009,³ which have likely increased poverty further.

The data also show that even before the current recession began, after six years of growth in the overall economy, poverty among women and children was at a higher level than at the start of the decade, and persistently higher than poverty among men.⁴ These trends highlight the need for concerted strategies to reduce poverty and increase economic security for women and their families.

National Snapshot: Poverty among Women and Children, 2008

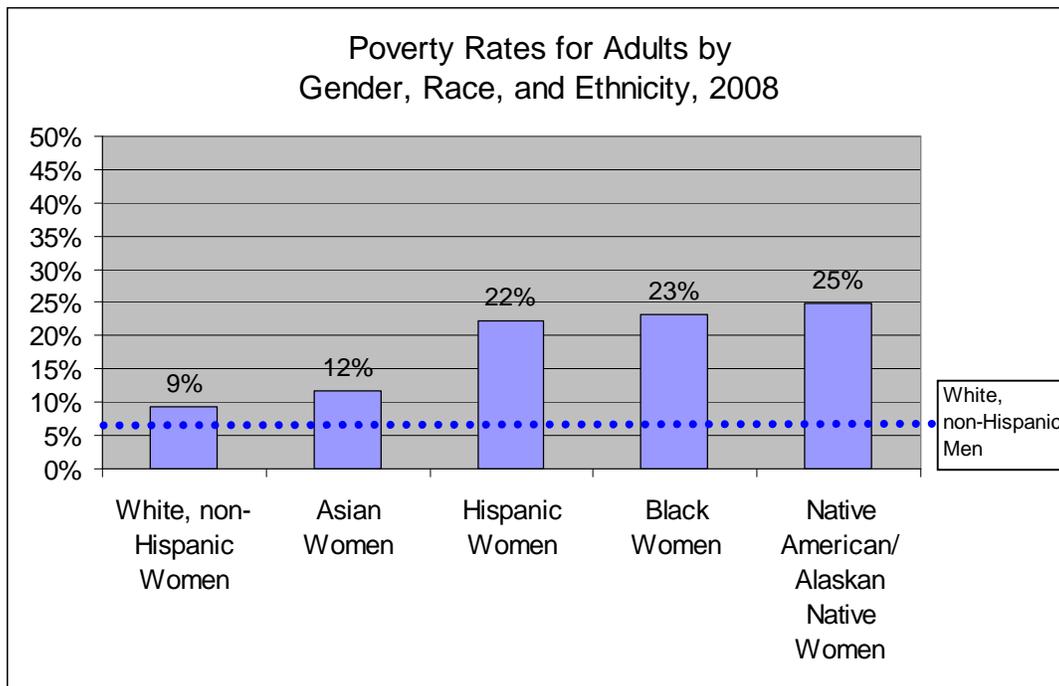
The data reveal that women and children in 2008 continued to be disproportionately impacted by poverty, despite an increase in male poverty since 2007. The highest poverty rates were among female-headed families with children, women over age 65 living alone, and Black, Hispanic, and Native American women and children.

Adult Women, 2008

- More than one in eight women, over 15 million, lived in poverty in 2008. Over one third of these women (6.4 million) lived in extreme poverty, defined as income below 50 percent of the Federal Poverty Level. The percent of all women living in extreme poverty was 5.5 percent.
- The poverty rate for women (13.0 percent) was 35 percent higher than it was for men (9.6 percent). The extreme poverty rate for women (5.5 percent) was 37 percent higher than it was for men (4.0 percent).
- Women in all racial and ethnic groups experienced higher poverty rates than White, non-Hispanic men.⁵ Poverty rates were particularly high, at more than one in five, among Black (23.3 percent), Hispanic (22.3 percent), and Native American (24.9 percent) women. Rates for White, non-Hispanic women (9.4 percent) and Asian

women (11.8 percent), were also considerably higher than the rate for White, non-Hispanic men (6.8 percent).

- The median income of women working full time, year round in 2008 was only 77 percent of the median income of their male counterparts. This translates to a gender gap in median income of over \$10,600 per year.

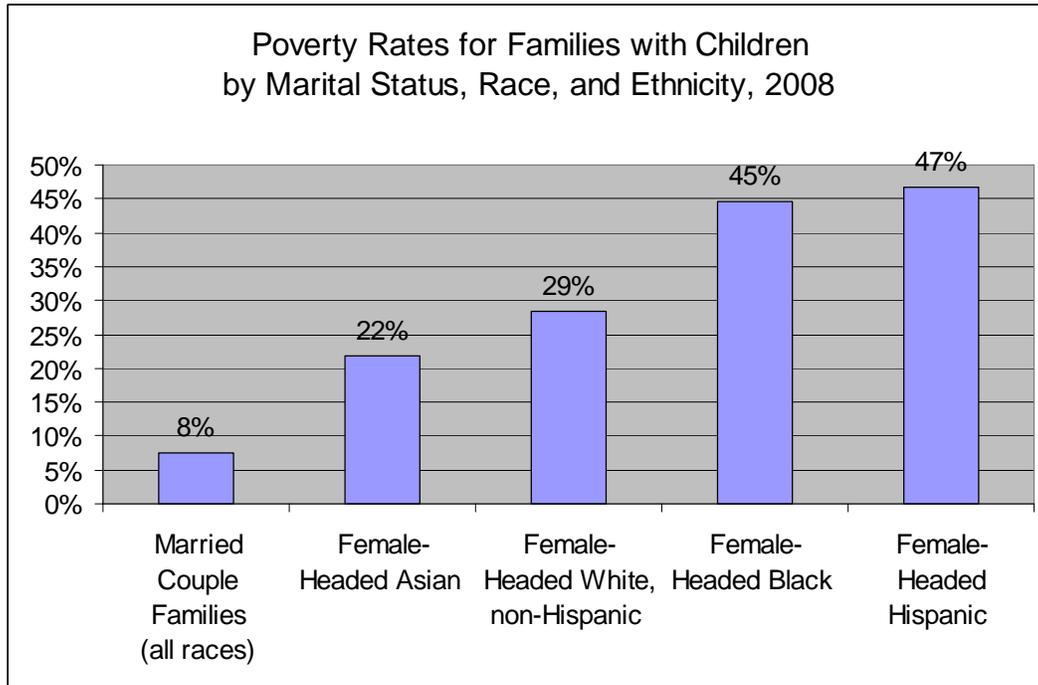


Single Mothers and Children, 2008

- Over 14 million children lived in poverty in 2008, close to half of whom (44.6 percent) were living in extreme poverty.
- Nineteen percent of children were poor, almost twice the rate for adult men (9.6 percent). Poverty rates were particularly high, at about one third, for Black (34.7 percent), Hispanic (30.6 percent), and Native American (37.0 percent) children. The poverty rate was 14.6 percent for Asian children and 10.6 percent for White, non-Hispanic children.
- The poverty rate for female-headed families with children was 37.2 percent, compared to 17.6 percent for male-headed families⁶ with children, and 7.5 percent for families headed by a married couple.
- Poverty rates were especially high for Black female-headed families with children (44.5 percent) and Hispanic female-headed families with children (46.6 percent).⁷

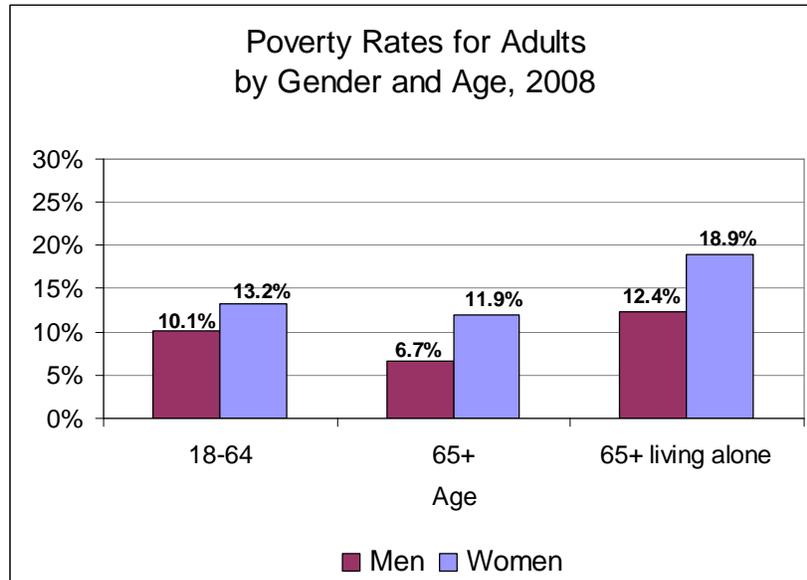
The poverty rate was 28.5 percent for White, non-Hispanic female-headed families with children and 21.9 percent for Asian female-headed families with children.

- Nearly six in ten poor children (56.2 percent) lived in female-headed families.



Women 65 and Older, 2008

- Among people 65 and older, 2.6 million women and 1.1 million men lived in poverty in 2008.
- The poverty rate for women 65 and older was 11.9 percent, 78 percent higher than the poverty rate for men 65 and older (6.7 percent).
- Poverty rates were particularly high, at over one in five, for Black (23.8 percent), Hispanic (21.9 percent), and Native American/Alaskan Native (23.1 percent) women 65 and older. The poverty rate was 9.5 percent for White, non-Hispanic women 65 and older and 12.8 percent for Asian women 65 and older.
- Women 65 and older living alone had a particularly high poverty rate of 18.9 percent, compared to 12.4 percent for men 65 and older living alone.



The Recession Hits Hard: Increases in Poverty, 2007 to 2008

The impact of the recession is evident in increases in poverty and extreme poverty between 2007 and 2008 for women, children, and men. Though poverty increased at a faster rate for men than for women, the gap widened between men's and women's median wages.

Adult Women, 2007-2008

- In 2008, almost 800,000 more women lived in poverty than in 2007.⁸
- The poverty rate among women increased from 12.5 to 13 percent between 2007 and 2008. Extreme poverty among women increased from 5.1 to 5.5 percent.
- The poverty rate among men increased at a faster rate than among women in 2008 (from 8.8 to 9.6 percent for the poverty level, and from 3.5 to 4 percent for the extreme poverty level), and the number of men in poverty increased by 1 million. However, the poverty rate was still 35 percent higher for women than for men, and the extreme poverty rate was 37 percent higher.
- Women working full time, year round in 2008 earned 77 percent of what their male counterparts earned – a decrease from 78 percent in 2007. The median full-time, full-year female worker earned \$10,622 per year less than her male counterpart in 2008, a gap that is over \$200 wider (adjusted for inflation) than in 2007.

- Hispanic women saw an increase in their poverty rate from 20.8 in 2007 to 22.3 percent in 2008. There was no statistically significant one-year change for women who were Black, Asian, Native American, or non-Hispanic, White.

Single Mothers and Children, 2007-2008

- Over 700,000 more children lived in poverty in 2008 than in 2007.
- The poverty rate for children increased from 18 percent in 2007 to 19 percent in 2008. In addition, the extreme poverty rate increased from 7.8 to 8.5 percent.
- There was no statistically significant change in poverty rates for female-headed or male-headed families with children from 2007 to 2008. The poverty rate for families headed by a married couple increased significantly from 6.7 percent in 2007 to 7.5 percent in 2008. However, poverty rates for female-headed households (37.2 percent) and male-headed households (17.6 percent) continued to be considerably higher than for households headed by a married couple.
- Poverty rates increased from 28.6 to 30.6 percent for Hispanic children and from 26.2 to 37.0 percent for Native American children between 2007 and 2008. There was no statistically significant change for children who were Black, Asian, or non-Hispanic, White.

Women 65 and Older, 2007-2008

- There was no statistically significant change in the poverty rate for women or men 65 and older in 2008.
- The extreme poverty rate for women 65 and older increased from 2.6 percent in 2007 to 3.1 percent in 2008. There was no statistically significant change in the extreme poverty rate for men 65 and older.

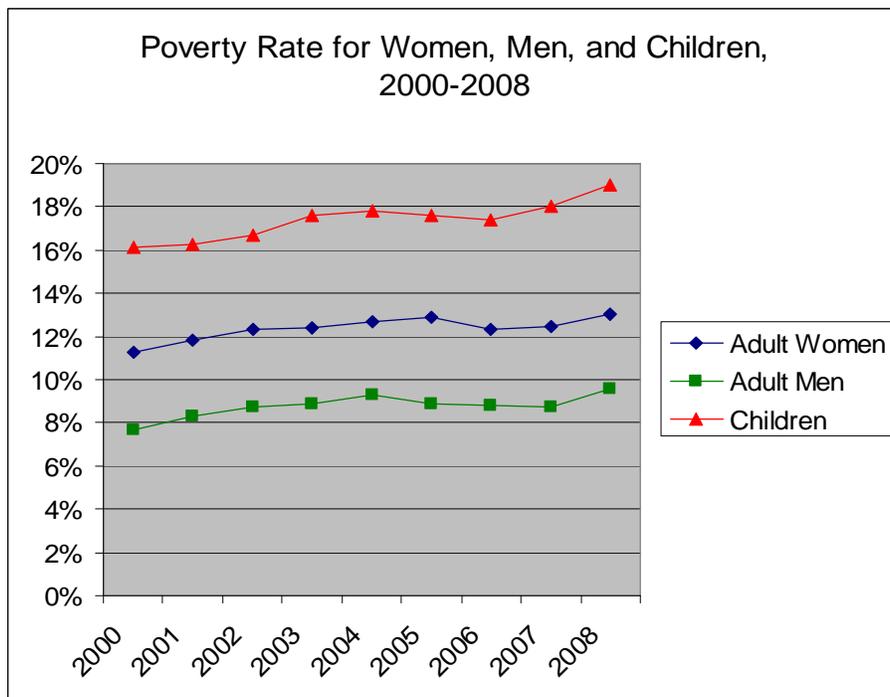
National Trends: Women's and Children's Poverty, 2000-2008

In addition to comparing poverty rates in 2008 to rates just before the recession, it is useful to compare to data from 2000, the peak of the previous business cycle.⁹ Census data reveal that women, children and men had higher poverty rates and extreme poverty rates in 2008 than in 2000. Though the recession that began in December 2007 accelerated this increase, pre-recession poverty rates in 2007 were already above those of 2000.¹⁰

Adult Women, 2000-2008

- Relative to 2000, about 3.3 million more women and 3.0 million more men lived in poverty in 2008.

- The women's poverty rate was higher in 2008 (13.0 percent) than in 2000 (11.3 percent). The men's poverty rate was also higher in 2008 (9.6 percent) than in 2000 (7.7 percent), but has consistently been well below the women's poverty rate.
- The extreme poverty rate for women increased from 4.3 percent in 2000 to 5.5 percent in 2008, while the extreme poverty rate for men increased from 3.0 to 4.0 percent.
- The poverty rate for White, non-Hispanic women rose to 9.4 percent in 2008 from 8.2 percent in 2000. While there was no statistically significant change in poverty rates for Black and Hispanic women from 2000 to 2008, the poverty rates for both Black women (23.3 percent) and Hispanic women (22.3 percent) continued to be well above that of White women (9.4 percent).¹¹
- The percentage of women living in extreme poverty increased for White, Black, and non-Hispanic women from 2000 to 2008. The extreme poverty rate increased from 3.1 to 3.9 percent for White women, from 8.3 to 10.3 percent for Black women, and from 7.3 to 9.0 percent for Hispanic women.
- Since 2000, women have made gains in closing the wage gap. In 2008, the median income of women working full time, year round was 77 percent the median income of their male counterparts, compared to 73 percent in 2000.



Single Mothers and Children, 2000-2008

- The poverty rate for children increased from 16.2 percent in 2000 to 19.0 percent in 2008. There were 2.5 million more children living in poverty in 2008 compared to 2000.
- Poverty rates increased among White children and Black children from 2000 to 2008. Poverty rates rose to 10.6 percent from 9.3 percent for White children and to 34.7 percent from 31.2 percent for Black children. There was no statistically significant change among Hispanic children.
- From 2000 to 2008, poverty rates increased to 7.5 percent from 6.0 percent for families with children headed by married couples and to 37.2 percent from 33 percent for families headed by single females. There was no statistically significant change for male-headed families with children.

Women 65 and Older, 2000-2008

- From 2000 to 2008, there was no statistically significant change in the poverty rates for women and men over 65.
- The extreme poverty rate for women over 65 increased from 2.4 to 3.1 percent between 2000 and 2008. There was no statistically significant change in the extreme poverty rate for men over 65 during this time period.

A Look Ahead: Further Increase in Poverty Likely in 2009

The growth in poverty in 2008 is grim news, and poverty in 2009 is likely to be even higher due to sharply rising unemployment. The average (seasonally adjusted) unemployment rate across the first 8 months of 2009 was 8.3 percent for adults age 20 and over,¹² 60.0 percent higher than the unemployment rate (5.2 percent) in 2008.¹³ The Economic Policy Institute estimates that the rise in unemployment in 2009 will increase the overall poverty rate by 1.5 percentage points to 14.7 percent, an 11.4 percent increase.¹⁴

Some significant steps have already been taken to alleviate immediate poverty and hardship resulting from the recession. The American Recovery and Reinvestment Act of 2009 (ARRA) extended and expanded unemployment insurance, protecting families that might have otherwise slipped into poverty. In addition, the ARRA provided a number of supports that are of particular importance to low- and moderate-income women and their families, such as expanded tax credits, increased funding for child care assistance, and restored funding for child support enforcement.¹⁵

Though the ARRA provides essential protections for the immediate impact of the recession, further measures are needed to address the recession's long-term effect, as well as earlier poverty increases that are unrelated to the recession. According to a simulation by the Brookings

Institution, it will be a decade or more before the poverty rate decreases to its pre-recession level.¹⁶ However, many important protections in the ARRA expire in 2010 or sooner. Without an additional extension of unemployment benefits, one and a half million workers are expected to exhaust benefits provided by the ARRA by the end of 2009.¹⁷ In addition, the ARRA's increased funding for child care, child support, and expanded tax credits disappears after 2010. As such, there is an urgent need for extension of protections provided through the ARRA. Furthermore, the pre-recession poverty levels in 2007 were already above those of 2000, underscoring the need for a comprehensive, long-term strategy to expand economic security for women and their families.¹⁸

Select Census Bureau Poverty Thresholds, 2008

One person under 65:	\$ 11,201
One person age 65 and over:	\$ 10,326
One adult under 65, one child:	\$ 14,840
One adult, two children:	\$ 17,346
Two adults, one child:	\$ 17,330
Two adults, two children:	\$ 21,834

Note: the Census Bureau Poverty Thresholds for households of three or more persons do not vary by age of householder. For a complete list of poverty thresholds see:
<http://www.census.gov/hhes/www/poverty/threshld/thresh08.html>.

¹ The word “significant” is used throughout this document to refer to statistical significance at the 90-percent confidence level.

² U.S. Census Bureau (2009). *Income, Poverty, and Health Insurance Coverage in the United States: 2008* and “Detailed Poverty Tables and Historical Tables.” Retrieved September 21, 2009 from <http://www.census.gov/hhes/www/poverty/poverty.html>.

³ Bureau of Labor Statistics (2009). “Labor Force Statistics, Including the National Unemployment Rate.” Retrieved September 21, 2009 from <http://www.bls.gov/data>.

⁴ National Women’s Law Center (2008). “Poverty Among Women and Families, 2000-2007: Getting Worse Even Before the Downturn.” Retrieved September 21, 2009 from <http://www.nwlc.org/pdf/WomenPoverty2000-2007.pdf>.

⁵ White, non-Hispanic men were chosen as the comparison group because they are the largest racial and ethnic group of men and the least likely to face labor-market discrimination.

⁶ The terms “female-headed” and “male-headed” are both used exclusively for families where no spouse is present.

⁷ Available Census data do not allow calculation of the poverty rate for Native American female-headed families with children.

⁸ Unless otherwise noted, all changes over time are statistically significant at the 90-percent confidence level or higher.

⁹ Though some economists may prefer to compare poverty rates from one recession to another, the goal of this analysis is not to compare how the impact of this recession on poverty compares to previous recessions. Instead, the goal is to assess how much deeper poverty is in 2008 relative to the recently obtained benchmark of 2000 levels.

¹⁰ National Women’s Law Center (2008). “Poverty Among Women and Families, 2000-2007: Getting Worse Even Before the Downturn.” Retrieved September 21, 2009 from <http://www.nwlc.org/pdf/WomenPoverty2000-2007.pdf>.

¹¹ 2000 data specific to Asian and Native American persons are not available on the Census web site.

¹² Bureau of Labor Statistics (2009). “Labor Force Statistics, Including the National Unemployment Rate.” Retrieved September 21, 2009 from <http://www.bls.gov/data>.

¹³ Bureau of Labor Statistics (2008). “Labor Force Statistics, Including the National Unemployment Rate.” Retrieved September 21, 2009 from <http://www.bls.gov/data>.

¹⁴ Shierholz, Heidi (2009). “New 2008 poverty, income data reveal only tip of the recession iceberg.” Retrieved September 10, 2009 from http://www.epi.org/publications/entry/income_picture_20090910/.

¹⁵ See National Women’s Law Center (2009). “*How the American Recovery and Reinvestment Act Addresses Women’s Needs*,” <http://www.nwlc.org/pdf/Conference%20Agr't%20Fact%20Sheet%2002-13-09.pdf>.

¹⁶ Monea, Emily and Isabel Sawhill (2009). “Simulating the Effects of the ‘Great Recession’ on Poverty.” Retrieved September 24, 2009 from http://www.brookings.edu/papers/2009/~media/Files/rc/papers/2009/0910_poverty_monea_sawhill/0910_poverty_monea_sawhill.pdf.

¹⁷ National Employment Law Project (2009). “Over Half a Million to Exhaust Benefits by End of September; 1.5 Million by End of ‘09.” Retrieved September 21, 2009 from http://nelp.3cdn.net/fc4bd4e4ad6f2e26c6_oqm6i2qrf.pdf.

¹⁸ See National Women’s Law Center (2008). “*A Platform for Progress: Building a Better Future for Women and Their Families*.” <http://www.nwlc.org/details.cfm?id=3308§ion=infocenter>.