



Poverty in the United States: 50-Year Trends and Safety Net Impacts

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Executive Summary

The War on Poverty

Just over 50 years ago, President Lyndon B. Johnson declared an “unconditional war on poverty,” and signed the Economic Opportunity Act of 1964 and the Civil Rights Act of 1964 into law. The initiatives undertaken as part of the War on Poverty were designed to improve the education, skills, health, and resources of low-income individuals and families to help them expand their productivity and ability to make ends meet and enhance their lifelong economic outcomes. Many cornerstones of the modern-day social safety net (e.g., food stamps, later renamed the Supplemental Nutrition Assistance Program [SNAP], Community Health Centers, Head Start) were first established in 1964. The additional building blocks of Medicaid, Medicare, and Title I of the Elementary and Secondary Education Act followed in 1965, among many new and expanded anti-poverty programs.

Building on this foundation, the safety net has expanded during the past 50 years to further alleviate poverty and better meet the needs of low-income individuals and families. Some of the major additions to the safety net included the Supplemental Security Income (SSI) program in 1972, the Women, Infants, and Children (WIC) nutrition program in 1972, Pell Grants in 1972, the Earned Income Tax Credit (EITC) in 1975, the child support program in 1975, the Low Income Home Energy Assistance Program (LIHEAP) in 1981, the Children’s Health Insurance Program (CHIP) in 1997, Medicare Part D (Low Income Subsidy) in 2003, and the Affordable Care Act (ACA) in 2010.

This report provides a statistical portrait of progress in the reduction of poverty and economic hardship over the past five decades among America’s most vulnerable citizens. The poverty measures presented in this volume show that the federal safety net has advanced the economic circumstances of low-income children and families since 1964. Three key metrics assess whether families were able to secure resources to meet their basic human needs and avoid severe material deprivation:

1) *Official poverty measure*. Developed by Mollie Orshansky in 1963-1964 and designated as the federal government’s official statistical definition of poverty in 1969.ⁱ The initial measure determined levels of basic need, which have been updated only for inflation. The measure accounts for the cash resources available to meet needs, but does not include non-cash benefits. In the 1960s, the federal social safety net was much smaller than today and consisted largely of cash benefit programs, most notably the Aid to Families with Dependent Children (AFDC) program.

2) *Supplemental poverty measure*. First released by the Census Bureau for 2009, it offers a modern measurement of family needs and includes tax credits and noncash benefits as available resources.ⁱⁱ Unlike the official poverty measure which is updated only for inflation, the supplemental measure is updated as spending on basic necessities among lower income families changes. The supplemental poverty measure allows for an analysis of the current impact of the full array of government policies and programs on poverty rates in recent years.

3) *Alternative poverty measure*. Recently developed by researchers at Columbia University, it extends the supplemental poverty measure back decades and fills the critical gap in knowledge necessary to evaluate the impact of the full federal safety net prior to 2009.¹ Drawing on the supplemental poverty measure, the alternative poverty measure in this report takes the cost of basic necessities at 2012 spending levels, and applies these spending levels to each year between 1967 and 2012, adjusting only for inflation. By anchoring or fixing at 2012 spending levels, the alternative poverty measure sets a fixed assessment of what constitutes basic needs. These needs are then compared to a broader, more comprehensive set of income and in-kind resources over time.

By employing the official poverty, the supplemental poverty, and the alternative poverty measures, this report highlights shifts and changes not only in overall poverty rates and trends, but demonstrates the clear positive impact of the evolving social safety net on the economic well-being of individuals and families during the past 50 years.

Key Trends in Reducing Poverty and Economic Deprivation

The War on Poverty and subsequent initiatives and programs substantially reduced the level of poverty in the United States and provided critical supports to improve the lives of the most vulnerable children and families, particularly in the areas of nutrition assistance, housing access, health care coverage, child support for families, and employment support for workers. Compared to 1972, in 2012 the school breakfast and lunch programs provided meals to 19.1 million more children; Medicaid/CHIP covered 36.7 million more recipients; and 3.3 million more households received housing assistance to help ensure they had adequate shelter.² Among programs created after 1972, in 2012 the child support program assisted 17.2 million children and the EITC raised the family income of 28.2 million working tax filers (Table 1).

Poverty measures gauge a family's financial ability to meet the basic needs of each family member within the context of the economic conditions of the nation. The measures also account for the breadth and depth of the social safety net available to ease periods of hardship. Tracking poverty trends over economic cycles highlights the importance of the safety net's rapid response to increased need during times of economic contraction, most notably in recent years.

- Poverty has decreased for the overall population since the 1960s. Official poverty in the United States stood at 19.0 percent in 1964 and decreased by 4.2 percentage points to 14.8 percent in 2014, moving up and down with economic cycles. The official poverty rate for children decreased by 1.9 percentage points, from 23.0 percent to 21.1 percent, during this time.

¹ A 2014 Council of Economic Advisors report also used this measure to examine poverty trends (The Council of Economic Advisors, *The War on Poverty 50 Years Later: A Progress Report* (2014), at www.whitehouse.gov/sites/default/files/docs/50th_anniversary_cea_report_-_final_post_embargo.pdf).

² These increases are likely due to both policy changes and population growth.

- The alternative poverty measure shows the safety net’s impact on reducing poverty rates has increased greatly over time. Since the 1960s the share of Americans lifted out of poverty by government programs has increased tenfold. The safety net cut the poverty rate nearly in half in 2012, from 28.7 percent to 16.0 percent. Nearly 40 million people, including more than 8 million children, were lifted out of poverty in 2012 (Figure 1). By comparison, government programs in 1967 lifted less than 3 million people out of poverty and reduced the poverty rate by 1.3 percentage points.
- During periods of economic contraction, the safety net slows potential growth in poverty and alleviates many severe conditions of material deprivation. At the start of the Great Recession in 2007, the alternative poverty measure shows the safety net reduced the share of the population in poverty by 8.9 percentage points. The poverty reduction impact of federal anti-poverty policies and programs grew in response to the recession and by 2012, the safety net reduced the alternative poverty rate by 12.7 percentage points.

Figure 1. Number of People Lifted out of Poverty, Using the Alternative Poverty Measure, 1967 and 2012



Source: Calculations based on Wimer et al. 2013. “Trends in Poverty with an Anchored Supplemental Poverty Measure.” Institute for Research on Poverty Discussion Paper No. 1416-13.

Safety Net Programs Alleviate Poverty

The supplemental poverty measure also allows for a program-by-program analysis of the safety net’s impact on poverty rates in recent years, an analysis that is not possible with historical data. Individual programs reach distinct segments of the low-income population and help needy families in different ways, from cash income supports and near-cash food and nutrition assistance, to subsidies for housing and energy costs, to facilitating the financial support of children from non-custodial parents. Social Security cash transfers, the refundable portion of tax credits including the additional child tax credit, and

nutrition programs reach broad segments of the population and have the largest overall impacts on the U.S. poverty rate. Safety net programs that reach relatively fewer individuals and families, such as housing assistance, TANF cash assistance, the child support program, and SSI, reduce total poverty to a lesser degree, but have substantial poverty reduction impacts for the group of individuals who received each particular benefit.

- Social Security had the largest impact in reducing poverty rates in 2014 (by 8.2 percentage points), followed by refundable tax credits (by 3.1 percentage points), and SNAP (by 1.5 percentage points).
- For children, refundable tax credits and SNAP had particularly large positive effects in 2014 on poverty rates for the nation (reducing child poverty rates by 7.1 and 2.8 percentage points respectively).
- Housing assistance and SSI had a meaningful impact on poverty *among recipients* of those programs (reducing poverty by 27.5 percentage points and 25.9 percentage points respectively). Although relatively fewer Americans receive assistance from the programs, their value is important in reducing poverty rates for those within the programs' reach.
- TANF cash assistance reduced poverty by 11.3 percentage points among TANF recipients, a similar level of reduction among recipients of SNAP. Child support payments reduced poverty by 6.3 percentage points among individuals in families who received payments.

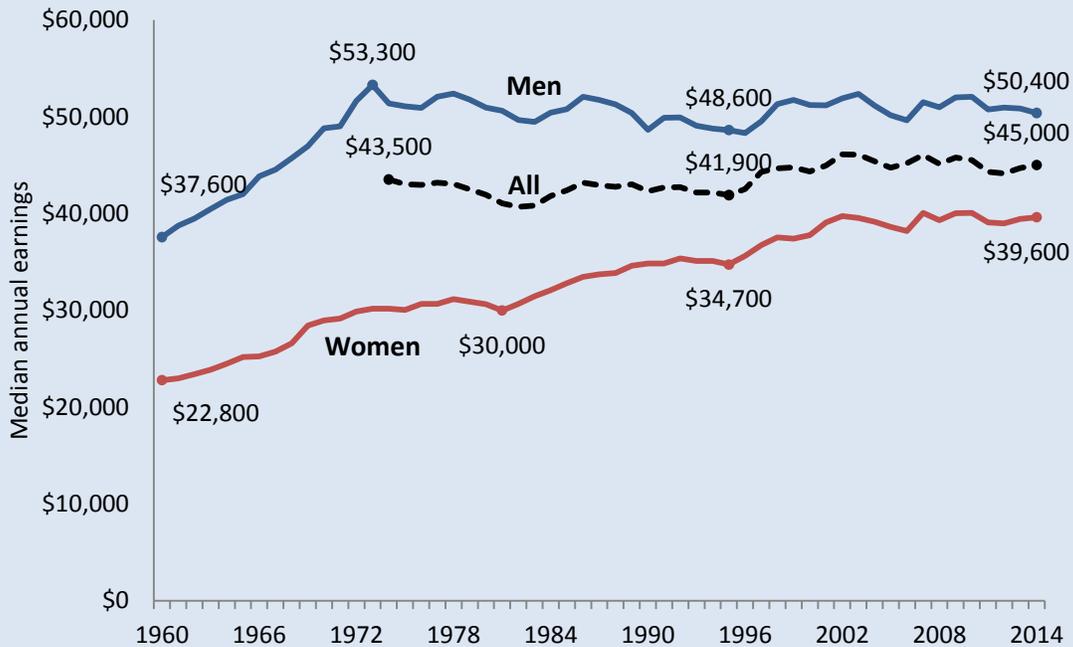
Economic Context and Challenges

The very sharp initial drop in the number of poor Americans and in the poverty rate in the first decade of the War on Poverty corresponded with rapidly growing, inflation-adjusted earnings for men. After the early 1970s, however, men's wages stagnated and declined in value over the subsequent decades. Among women who joined the workforce in great numbers over the course of the War on Poverty, wages have stood still over the past decade and a sizable gender gap in earnings remains.

- Figure 2 shows the sharp growth in median annual earnings for male workers during the 1960s. Men's wages grew substantially, rising from \$37,600 in 1960 to \$53,300 in 1973 for full-time, full-year workers, a more than 40 percent increase in just 13 years. However, these earnings began to stagnate and even decline after 1973.
- In the 40 years between 1974 and 2014, as millions more workers joined the labor force, including an increasing number of women with young children, the median earnings of all workers barely budged, from \$43,500 in 1974 to \$45,000 in 2014.

Wage stagnation was driven by the decline in men’s earnings. Men’s earnings rose significantly through the 1960s then declined after 1973 and became more stagnate over recent decades. Median annual earnings for female workers steadily increased, rising from \$22,800 in 1960 to \$39,600 in 2014.

Figure 2. Median Annual Earnings for Full-Time, Full-Year Workers, 1960-2014



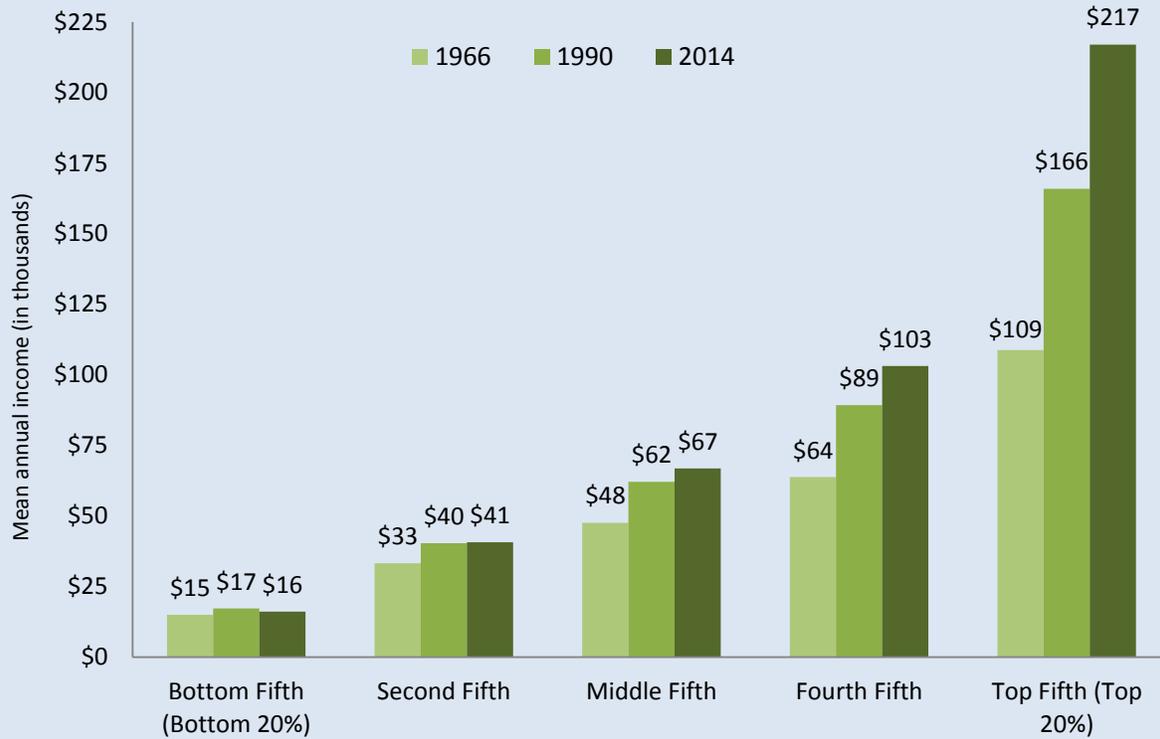
Note: Dollars values were adjusted for inflation to 2014 constant dollars based on the Consumer Price Index Research Series (CPI-U-RS) for all urban consumers. Data for median annual earnings for *all* full-time, full-year workers are available from 1974. Source: U.S. Census Bureau, Current Population Survey Annual Social and Economic Supplements. Historical Income Tables P-38 and P-43. www.census.gov/hhes/www/income/data/historical/people/.

In addition to wage stagnation, economic inequality has increased. An examination of total family income reveals that income inequality has increased substantially over the past 50 years. For families at the lowest levels of the income distribution, average annual income has not changed substantially in value since 1966. Yet, among those at the highest levels, average annual income has continued to grow.

- For families at the bottom of the income distribution, average income has remained largely the same since 1966 (Figure 3). The bottom 20 percent of families averaged \$15,000 in annual income in 1966 compared with \$16,100 in 2014, an increase of 7 percent.
- During the same period, average income increased by 40 percent for families in the middle of the income distribution, increasing from \$47,600 in annual income in 1966 to \$66,900 in 2014.

- Families at the highest end of the income distribution experienced the greatest income growth. Average annual income nearly doubled for families in the top 20 percent of the income distribution between 1966 and 2014.

Figure 3. Mean Annual Income for Families in Each Fifth of the Income Distribution, 1966, 1990, and 2014



Note: Income is annual and reported in constant 2014 Consumer Price Index Research Series (CPI-U-RS) adjusted dollars. Income is money income before taxes received on a regular basis, and excludes noncash benefits, such as nutrition assistance, health benefits, or subsidized housing. Capital gains are also excluded.
 Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Historical Income Tables.
 Table F-3. www.census.gov/hhes/www/income/data/historical/families/.

The Economic Circumstances of Key Population Groups

Over the course of the half-century, poverty has remained an unevenly shared experience. While official poverty rates have come down for the population as a whole since 1964 and the safety net is lifting tens of millions out of poverty today, some groups continue to face much higher levels of economic hardship. Official poverty rates, which allow for detailed comparisons among important population subgroups over time, have remained much higher among single-mother families, Black and Hispanic populations, those with the lowest levels of education, and among individuals and families living in neighborhoods of concentrated poverty.

- Single-mother families as a share of all families with children grew substantially during the past 50 years. Single-mother family poverty rates, however, have decreased by 10 percentage points since 1964. In 2014, 39.8 percent of single-mother families were poor, more than double the rate for all families with children.
- For decades, Black and Hispanic Americans have had official poverty rates about two to three times higher than those for non-Hispanic Whites. Trends over time show progress in shrinking the race-ethnic poverty gap. Yet, poverty rates in 2014 for both Blacks and Hispanics were double the rate for non-Hispanic Whites.
- Educational attainment has increased substantially among the full population since the 1960s. But official poverty among those without a high school degree remains about 15 percentage points higher than for those who completed high school. Of particular concern, Black men with a high school degree or less education have experienced acutely steep decreases in employment levels since the late 1960s.
- Poverty continues to be concentrated more heavily in some neighborhoods than others, and in certain regions and areas of the country. Over the course of the past 50 years, both the concentration of poverty and overall poverty rates have remained high in the South and have increased in the West. When areas experience very high levels of family poverty, the entire community can face great challenges.

Clear Progress Made, Further Efforts Needed

The analyses in this report show clear progress in helping to protect vulnerable children and families from the worst economic hardships associated with poverty. The full social safety net has cut poverty substantially and its impact on poverty rates among all people and among children has grown since the start of the War on Poverty. The positive impact of the tax and transfer system was especially apparent during the Great Recession, when the safety net expanded rapidly to meet higher levels of need as families faced increased difficulties making ends meet with earnings alone.

Continued focus is necessary to reduce the number of people in need of society's help. Some groups have faced an elevated risk of poverty and its consequences for many decades. For children, the potential consequences of exposure to poverty, including impaired health and cognitive development, lower educational attainment, and lower employment rates and earnings as adults, are too severe to remain only partially addressed.ⁱⁱⁱ Increased long-term investment in human and social capital through early childhood services and education, as well as ongoing investments in targeted training, the creation of employment opportunities, and community development are key. A strong safety net, in combination with these social investments, is needed to alleviate material deprivation, to ensure that vulnerable individuals can attain economic self-sufficiency for themselves and their children, and to pave the way for even more progress for the nation over the next 50 years.

Part I: 50-Year Official Poverty Levels and Trends

Poverty, as defined by the official poverty measure, has decreased overall since President Lyndon B. Johnson’s Declaration of War on Poverty, from 19.0 percent in 1964 to 14.8 percent in 2014. Trends during the last 50 years show the most progress in reducing poverty occurred in two distinct periods—from 1964 to 1973 and from 1993 to 2000, both periods of sustained economic growth. During these years, reductions in poverty were widely shared across many demographic groups. Unfortunately, much of the gains were lost in subsequent economic downturns, including the deep recessions of the early 1980s and the Great Recession that began in late 2007, and economic well-being remains a persistent challenge for individuals, families, communities, and the nation.

Poverty Fluctuates with Economic Cycles

Poverty rates in the United States vary with the economic cycle, increasing during recessionary periods and decreasing with economic expansion. Although the official poverty rate fell precipitously during the 1960s progress slowed in the 1970s and it remained within a fairly narrow range—between 11.3 and 15.2 percent—during the three decades that followed (Figure 4). In 2014, official poverty stood at 14.8 percent.

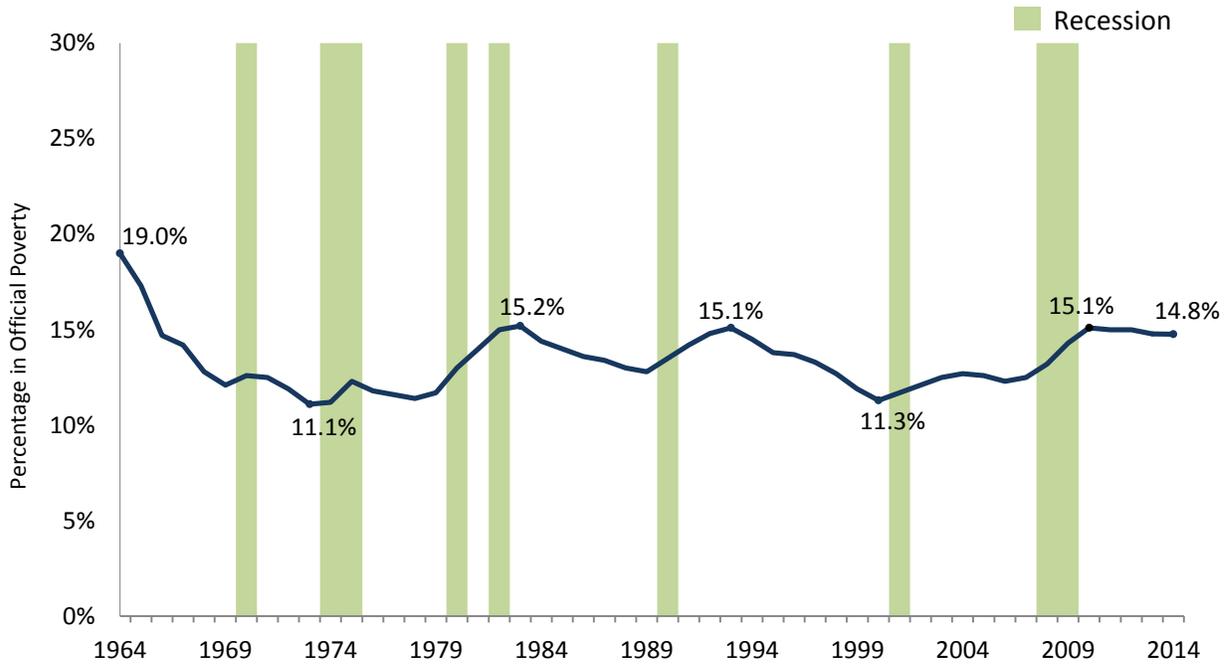
- In 1964, 19.0 percent of the population lived in official poverty. The rate fell to 11.1 percent by 1973 following the economic expansions in the 1960s and early 1970s.
- Following the recessions in 1980, 1981, and 1990, the official poverty rate increased to just above 15 percent.³ The rate fell substantially with the growing economy of the 1990s, once again approaching 11 percent by 2000.
- Beginning with the brief recession in 2001, the official poverty rate began to rise nearly continuously during the first decade of the new century, growing more quickly with the onset of the Great Recession in 2007 before beginning to decline again during economic recovery.

The number of poor individuals also increased and decreased in response to changes in the economy (Figure 5).

- In 1964, 36.1 million Americans lived below the official poverty threshold. A fast-growing economy and higher wages reduced the number by more than one-third, to 23.0 million by the early 1970s despite a short recession that began in 1969.
- By 1993, the number of poor Americans rose to 39.3 million, before falling throughout the decade to 31.6 million in 2000.
- The number of poor people reached 46.3 million in 2010 following the Great Recession, and was at 46.7 million in 2014.

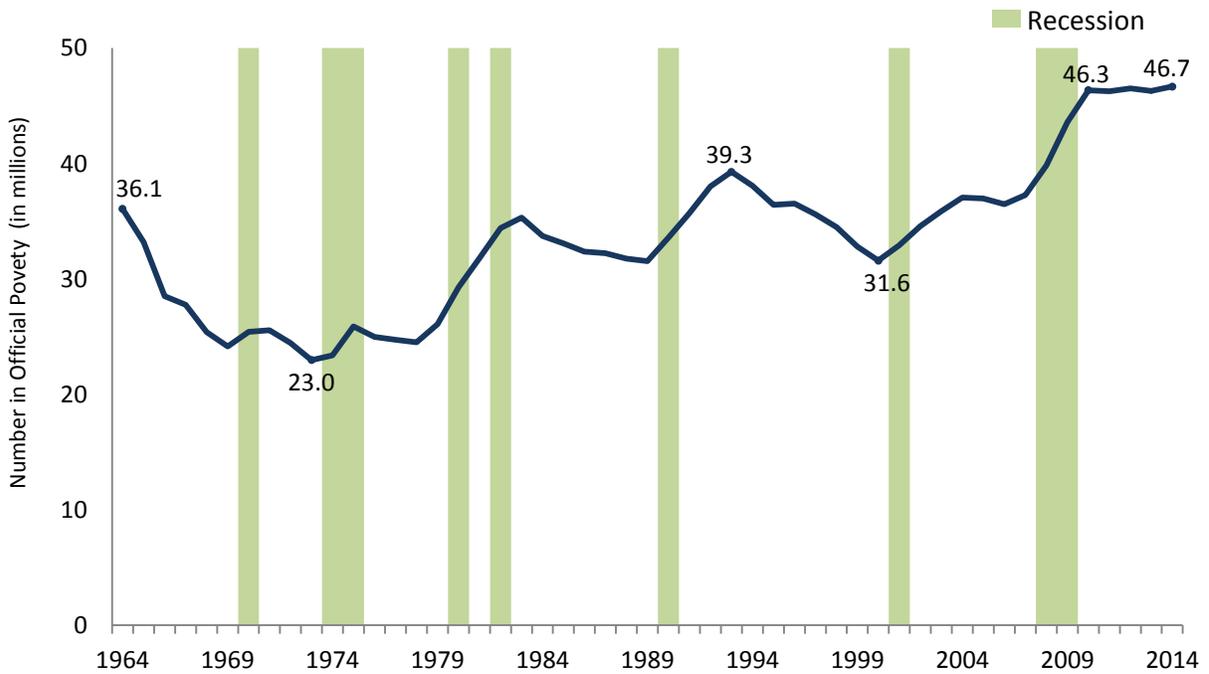
³ Business cycle determinations are made by the National Bureau of Economic Research, available at www.nber.org/cycles.html, and are denoted by the shaded bars in Figures 4 and 5.

Figure 4. Percentage of Population in Official Poverty, 1964-2014



Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Historical Poverty Tables.
www.census.gov/hhes/www/poverty/data/historical/people.html.

Figure 5. Number of People in Official Poverty, 1964-2014



Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Historical Poverty Tables.
www.census.gov/hhes/www/poverty/data/historical/people.html.

Spotlight on Safety Net Expenditures Over Time

Many programs and considerable federal expenditures were added to the safety net in the 1960s and 1970s. However, the official poverty measure does not count these noncash and tax transfers when determining whether families fall below or above the official poverty thresholds. Table 1 displays federal expenditures for five major safety net programs as they existed in 1972 and 13 programs as they existed in 2012.⁴

Table 1. Social Safety Net Expenditures and Recipients, 1972 and 2012

Program	Federal Spending (in billions of 2014 dollars)		Recipients (in millions)	
	1972	2012	1972	2012
Income Support				
AFDC/TANF (cash only)	\$18.3	\$5.2	10.6	4.5
SSI	—	\$53.7	—	8.0
EITC	—	\$67.5	—	28.2 (TF)
Additional Child Tax Credit	—	\$28.8	—	23.0 (TF)
Child Support Enforcement	—	\$2.6	—	17.2*
Nutrition				
Food Stamps/SNAP	\$9.1	\$77.0	11.1	46.6
WIC	—	\$7.0	—	8.9
School Breakfast and Lunch	\$5.9	\$15.3	25.4	44.5
Housing Assistance				
LIHEAP	—	\$3.6	—	—
Pell Grants	—	\$31.1	—	9.0
Health				
Medicare Part D low-income subsidy	—	\$23.0	—	11.0
Federal Medicaid/CHIP	\$23.0	\$260.4	16.5	53.2

* Number of children served by the federal child support program (IV-D), including those in cases with and without established support orders, paternity establishments, and collections. Total distributed collections for 2012 totaled \$28.6 billion in 2014 dollars.
 Note: *Recipients* refers to person counts except for EITC and the Additional Child Tax Credit, which are tax filers (TF), and housing assistance, which refers to households (HH). Dollar values were adjusted for inflation to 2014 constant dollars based on the Consumer Price Index Research Series (CPI-U-RS) for all urban consumers. See Appendix A for sources.

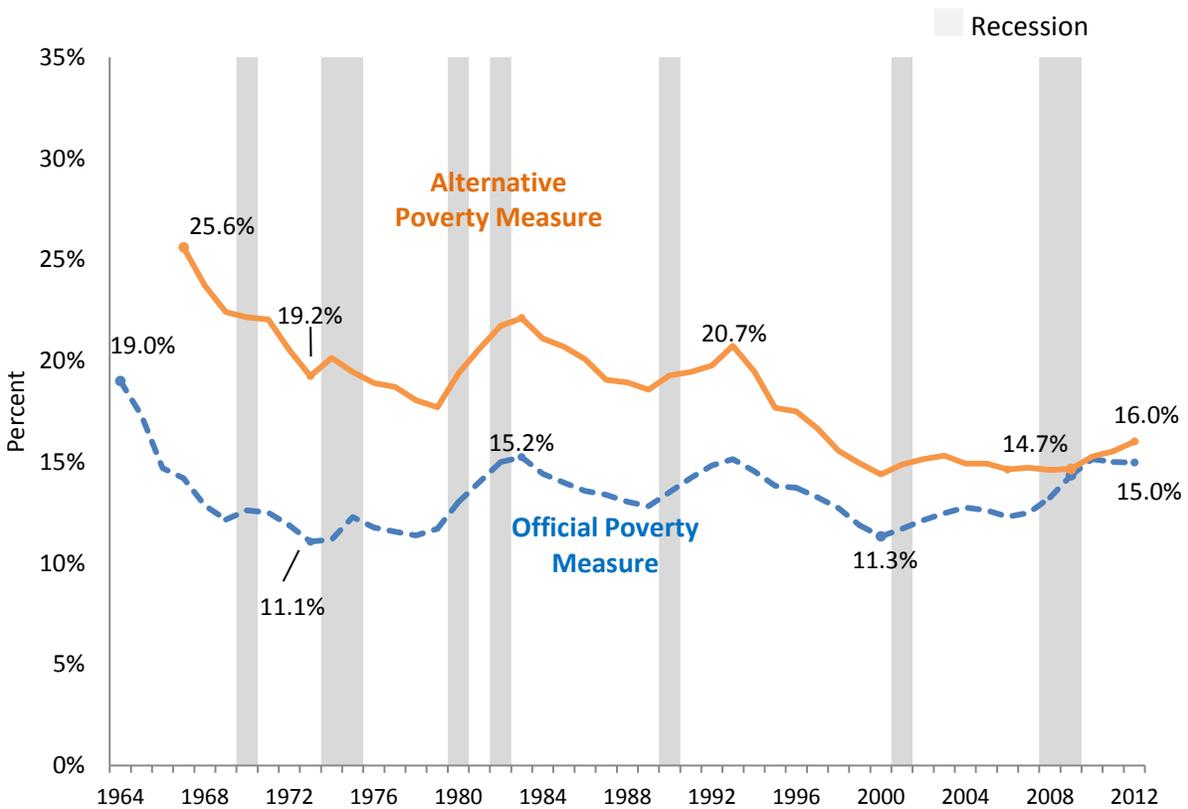
Federal safety net expenditures totaled \$620.4 billion in 2012 (in 2014 dollars). This includes \$283.4 billion for health programs for low-income individuals and families, \$58.9 billion for pre-tax cash assistance (Supplemental Security Income [SSI] and Temporary Assistance for Needy Families [TANF]), \$2.6 billion for administering the child support program, and \$275.5 billion for other noncash and tax benefits. Increased expenditures for noncash safety net programs, health insurance, and child support reached many more low-income households in recent years than in 1972, helping an additional 35.5 million Supplemental Nutrition Assistance Program (SNAP) recipients (formerly food stamps), 36.7 million more Medicaid/Children’s Health Insurance Program (CHIP) recipients, and 17.2 million children served by child support. Between 1972 and 2012 the U.S. population increased from 209.9 million to 313.9 million and the GDP increased from \$27,000 per capita to \$53,700 per capita in constant 2014 dollars.^{iv}

⁴ Expenditure data are for federal expenditures only and exclude state and local spending on behalf of low-income individuals and families.

The following section of the report uses the alternative poverty measure to assess the historical impact of the safety net on poverty rates. The alternative poverty measure uses the supplemental poverty measure as a starting point and was created to extend the supplemental poverty methodology back to the 1960s. The alternative poverty measure takes the cost of basic necessities at 2012 spending levels and adjusts costs only for inflation back to 1967. It also includes the full breadth of cash and noncash tax and transfer benefits as resources to meet a set of basic family needs—food, clothing, shelter and utilities. This alternative measure is available only from 1967 through 2012.

For reference, Figure 6 shows poverty trends for the official and alternative poverty measures over time. The trend lines follow a very similar pattern over the full time period. The difference in level between the two measures at various points largely reflects the alternative poverty measure including a more comprehensive assessment of basic needs balanced against its incorporation of a broader set of resources available to meet these needs.⁵

Figure 6. Percentage of People in Poverty, by Official and Alternative Measures, 1964-2012



Source: Wimer et al. 2013. "Trends in Poverty with an Anchored Supplemental Poverty Measure." Institute for Research on Poverty Discussion Paper No. 1416-13.

⁵ Other contributing factors include differences in family definition, living standards calculations, and inflation adjustment estimates. For a full list of differences see *Appendix B*.

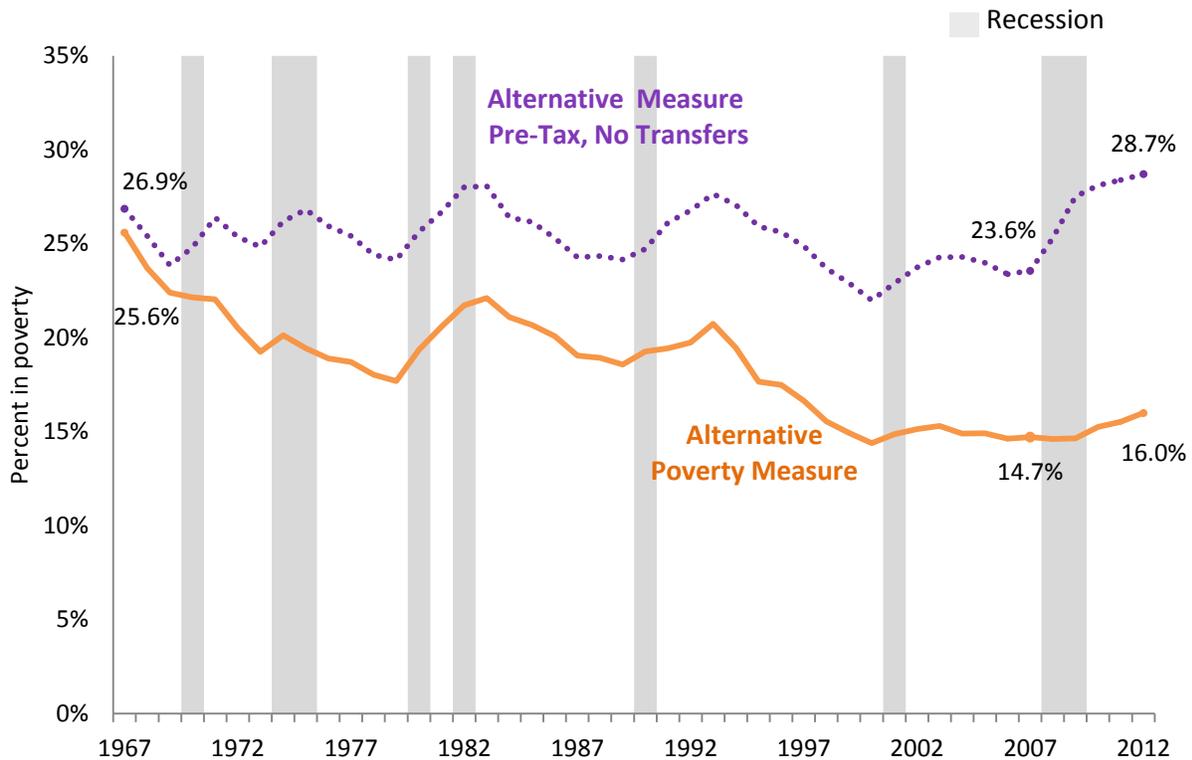
Part II: Impact of the Safety Net on Poverty

This section of the report examines in greater detail the role of the safety net in lessening poverty rates, considering first the effects of government programs and policies as a whole since the 1960s and then the effects of specific programs in 2014. The trends presented in Figures 7 and 8 compare alternative poverty rates both with and without taxes and safety net transfers that count as available resources. These analyses provide estimates of what alternative poverty rates would have looked like had resources from government policies and programs not been counted. The data estimates in Figures 9-11 show the most recent poverty reduction impacts for individual programs.

Trends for the full population show the safety net had a large, positive impact on poverty rates and its impact on poverty reduction has increased tenfold since the 1960s. Among individual means-tested programs, SNAP and tax credits like the EITC had the largest impact on overall poverty rates, especially among children. When analyzing data for recipients only, additional low-income programs such as housing assistance, SSI, TANF cash assistance, and child support each had large impacts on reducing poverty rates as well.

Historical Trend: The Safety Net Reduces Poverty

Figure 7. Percentage of People in Poverty, Using the Alternative Poverty Measure, 1967-2012

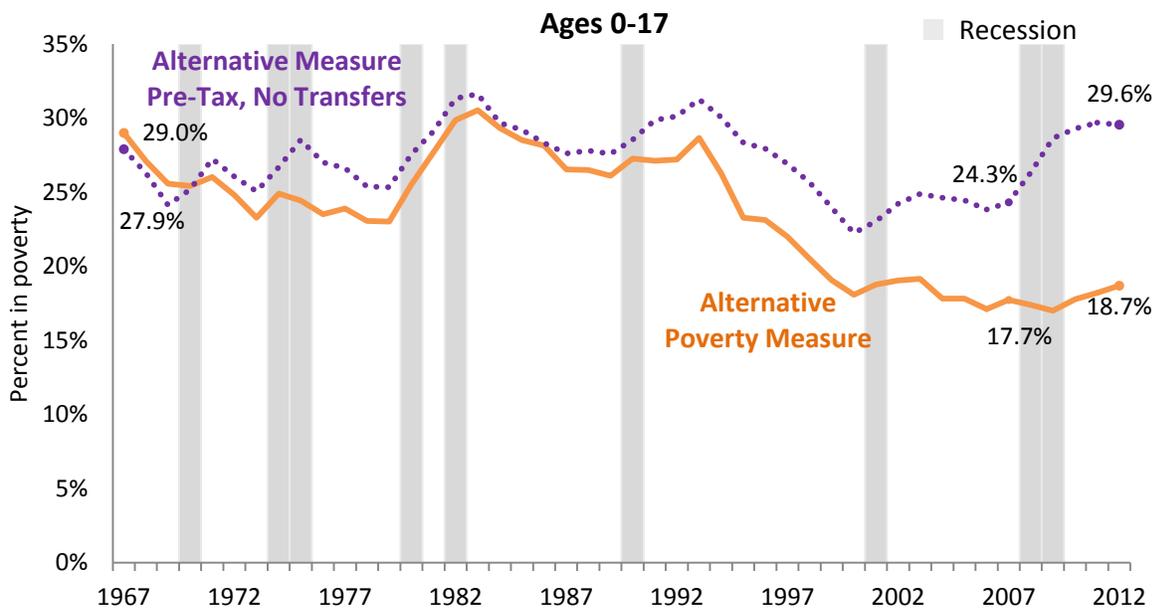


Note: Transfers include SNAP, housing subsidies, school lunch, LIHEAP, WIC, EITC and stimulus payments, cash welfare, SSI, Social Security, unemployment insurance, worker's compensation, and veteran's payments.
 Source: Wimer et al. 2013. "Trends in Poverty with an Anchored Supplemental Poverty Measure." Institute for Research on Poverty Discussion Paper No. 1416-13.

Figure 7 presents alternative poverty trends, first using the actual definition of resources, which accounts for taxes, cash and in-kind safety net transfers (the solid line). The dotted line excludes these transfers from the calculation of resources. The role of transfers was particularly pronounced during the recent Great Recession. Without taxes and transfers, poverty would have risen from 23.6 percent to 28.7 percent (5.1 percentage points) between 2007 and 2012. Instead, poverty only rose from 14.7 percent to 16.0 percent (1.3 percentage points) during the same period.

- In 1967, government policies and programs reduced alternative poverty rates by 1.3 percentage points, from 26.9 percent to 25.6 percent.
- By 2012, government policies and programs reduced alternative poverty rates by 12.7 percentage points, from 28.7 percent to 16.0 percent. This amounts to nearly 40 million people lifted out of poverty.
- The magnitude of the effects of taxes and transfers on reducing alternative poverty rates increased markedly over the past 50 years with poverty reduction impacts ten times larger in 2012 than in 1967.

Figure 8. Percentage of Children Ages 0-17 in Poverty, Using the Alternative Poverty Measure, 1967-2012



Note: Transfers include SNAP, housing subsidies, school lunch, LIHEAP, WIC, EITC and stimulus payments, cash welfare, SSI, Social Security, unemployment insurance, worker's compensation, and veteran's payments.
 Source: Wimer et al. 2013. "Trends in Poverty with an Anchored Supplemental Poverty Measure." Institute for Research on Poverty Discussion Paper No. 1416-13.

For child poverty, the impact of policies and programs is similarly large, and the impact of policies and programs on child poverty rates has grown substantially over time (Figure 8).

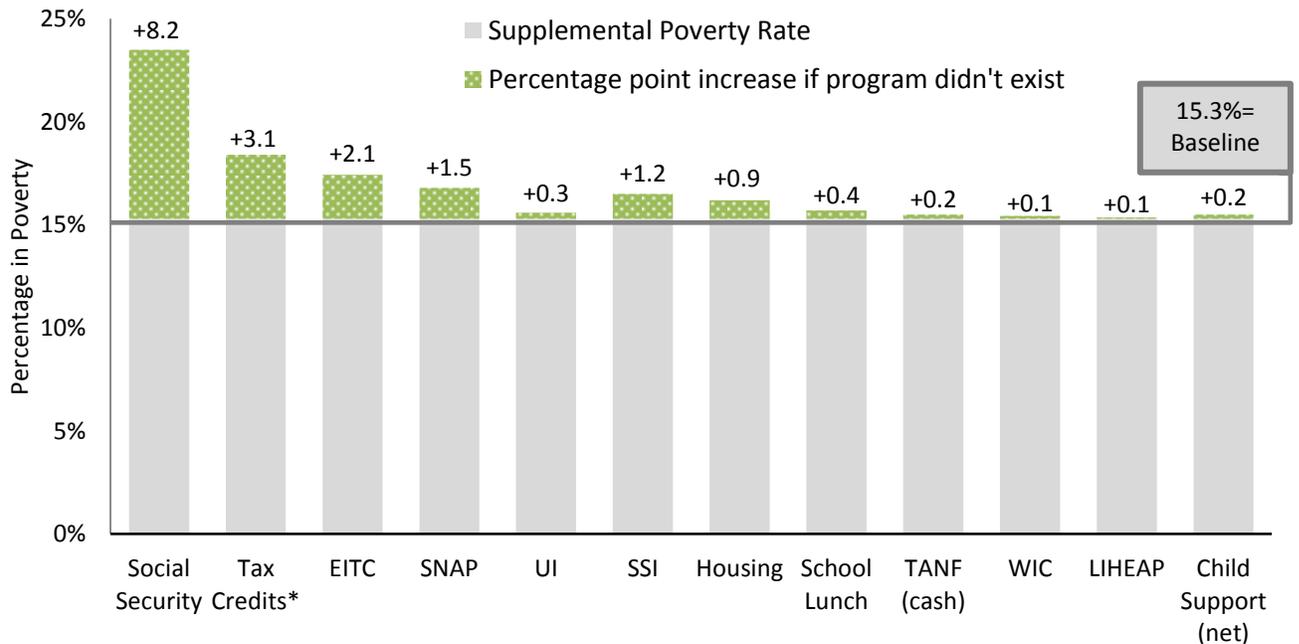
- In 1967, government policies and programs had no net anti-poverty impact on the alternative child poverty rate. The small positive effect of cash and in-kind social programs, when combined with the net effect of parents' income and payroll, state, and federal taxes owed, resulted in a small post-tax, post-transfer increase in the child poverty rate of 1.1 percentage points.
- During the 1970s and 1980s, the net impact of government policies and programs on child poverty reduction was positive and remained fairly steady, with alternative poverty rates for children reduced by 1.6 percentage points on average when tax and transfer programs were accounted for.
- Following the economic expansions of the 1990s, the impact of policies and programs on the child poverty rate grew substantially, peaking at 11.6 percentage points at the end of the Great Recession in 2009.

Safety Net Programs Reduce Overall Poverty Rate

The impact of individual government policies and programs on the poverty rate can be accurately demonstrated using the supplemental poverty measure available only in recent years. For example, if families did not have access to the school lunch program, the poverty rate would have been 15.7 percent in 2014. Because children and their families did have access to the school lunch program, the actual supplemental poverty rate for the population as a whole was 15.3 percent in 2014.

Figure 9 illustrates the individual impact of selected programs on the total U.S. supplemental poverty rate. The patterned portion of each bar shows the additional percentage of the population that would be poor if a program's resources were not counted.

Figure 9. Impacts of Select Safety Net Programs on Supplemental Poverty Rate, 2014

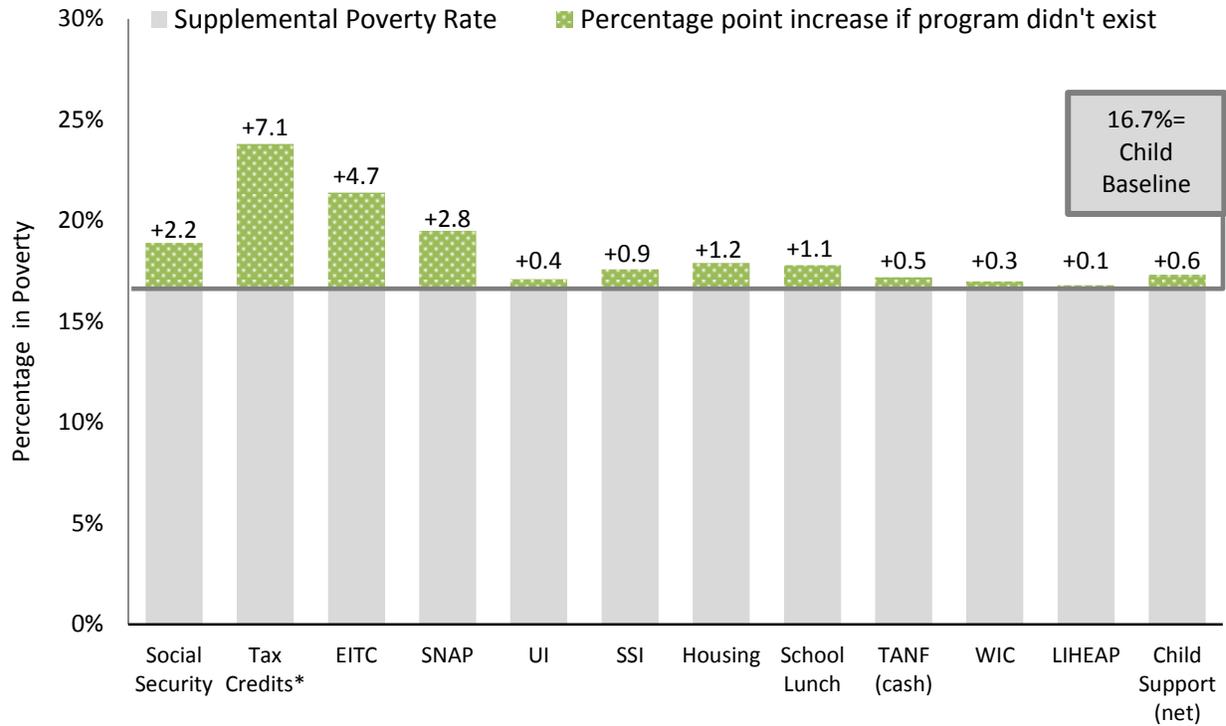


*Tax credits include both the refundable EITC and the refundable Additional Child Tax Credit, thus, the impact of the EITC on poverty rates is represented in both the tax credit and EITC bars.

Sources: Tabulations by the U.S. Census Bureau, Social, Economic and Housing Statistics Division, Poverty Statistics Branch; Current Population Survey, Annual Social and Economic Supplement, 2015; U.S. Census Bureau, "Current Population Reports," P60-254; Kathleen Short, "The Supplemental Poverty Measure: 2014," at www.census.gov/hhes/povmeas.

- Overall, Social Security had the largest estimated impact on the poverty rate for the total U.S. population. The supplemental poverty rate would have been 8.2 percentage points higher, or 23.5 percent, if individuals and families did not receive any Social Security benefits in 2014.
- Refundable tax credits had the next largest impact. Poverty would have been 2.1 percentage points higher in the absence of EITC alone. Excluding EITC and the additional child tax credit would have increased the poverty rate by 3.1 percentage points in 2014. About 9.8 million people would have been poor in 2014 without refundable tax credits.
- Nutrition assistance to individuals and families had the largest anti-poverty impact after tax credits. SNAP reduced the national poverty rate by 1.5 percentage points compared with poverty measured in the absence of SNAP benefits.
- Housing assistance and SSI each had the effect of reducing poverty by about 1 percentage point. In the absence of housing assistance alone or SSI alone, 2.8 to 3.8 million additional adults and children would have fallen into poverty in 2014.

Figure 10. Impacts of Select Safety Net Programs on Supplemental Poverty Rate for Children Ages 0-17, 2014



* Tax credits include both the refundable EITC and the refundable Additional Child Tax Credit, thus, the impact of the EITC on poverty rates is represented in both the tax credit and EITC bars.
 Sources: Tabulations by the U.S. Census Bureau, Social, Economic and Housing Statistics Division, Poverty Statistics Branch; Current Population Survey, Annual Social and Economic Supplement, 2015; U.S. Census Bureau, "Current Population Reports," P60-254; Kathleen Short, "The Supplemental Poverty Measure: 2014," at <http://www.census.gov/hhes/povmeas>.

Many social safety net programs for low income families have larger anti-poverty impacts for children than for the low income population as a whole. These programs include WIC, the school lunch program, housing assistance, and child support. Nutrition assistance and refundable tax credits had the greatest anti-poverty impacts.

For children, the supplemental poverty rate was 16.7 percent, representing a total of 12.4 million poor in 2014.

- Excluding EITC and the additional child tax credit from the resources available to meet needs, child poverty would have increased by 7.1 percentage points, representing 5.2 million children (Figure 10). The effect of EITC alone lifted 3.5 million children out of poverty in 2014.
- About 2.1 million more children would have been in poverty in the absence of nutrition assistance from SNAP. Without SNAP benefits alone child poverty would have increased by 2.8 percentage points in 2014.

- Housing assistance to low-income families was also important for reducing child poverty. The supplemental poverty rate for children would have increased by 1.2 percentage points without this benefit. Housing assistance alone lifted about 900,000 children out of poverty in 2014.
- Nutrition assistance through the school lunch program is a critical benefit for children in low income families. Without accounting for the value of receiving free or reduced price school lunches, the child poverty rate would have increased by 1.1 percentage points in 2014.
- Child support is a critical resource for children in low income families. The net impact of child support was to reduce the child poverty rate by 0.6 percentage points. About 500,000 children were lifted out of poverty by the child support program.

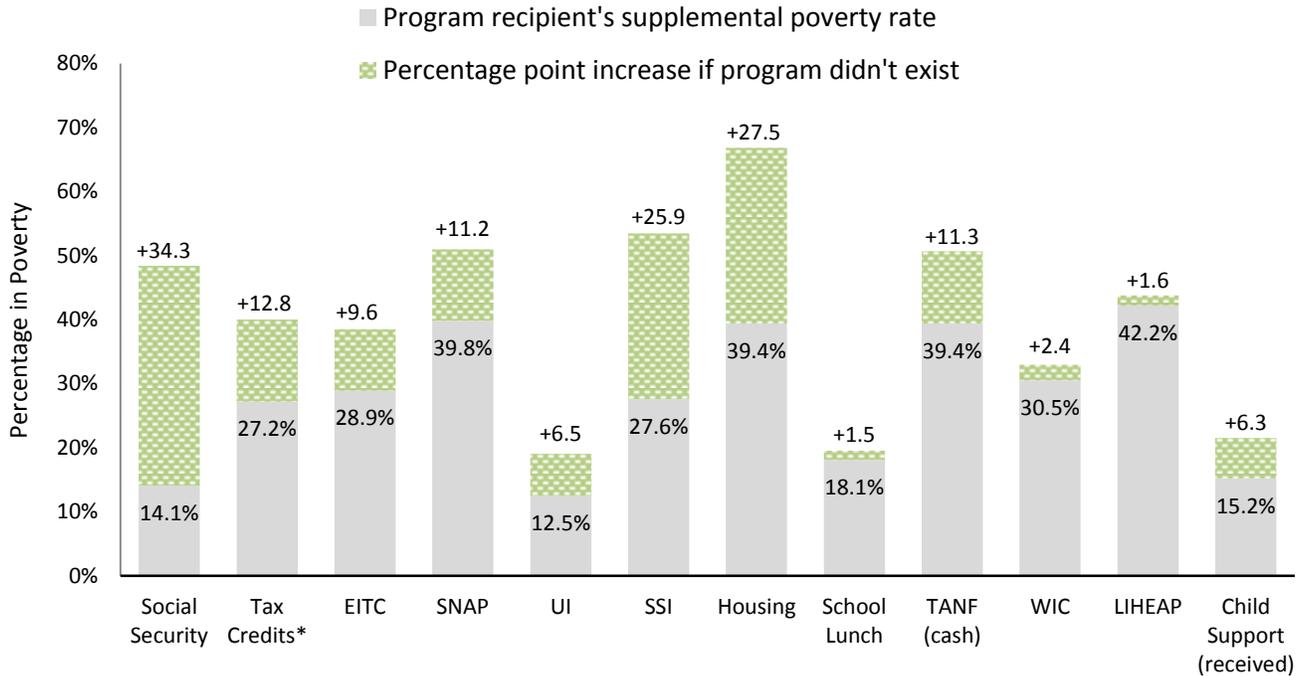
Larger Poverty Rate Impact Among Program Recipients

The analysis presented so far has focused on the overall population, and does not necessarily show the importance of benefits for the smaller population of recipients themselves. The anti-poverty impact of the social safety net is even more substantial for those who participate in individual programs.

For example, SSI is narrowly targeted, and in the case of housing assistance, many low income families are eligible but the need for subsidized and affordable housing greatly outpaces supply. For the individuals enrolled in these programs, however, the anti-poverty impact is large. The same is true for other safety net programs. Only a small fraction of the population receives TANF cash assistance or child support payments, but for families who receive the benefit, the anti-poverty impact is substantial on otherwise high poverty rates.

Figure 11 reveals how much higher poverty rates would be among program recipients if the particular benefit was not counted as a resource. The solid, lower portion of the bar shows the 2014 supplemental poverty rate among recipients of the specific program, and the top portion shows what the poverty rate would have been among recipients without the program benefit.

Figure 11. Impacts of Select Safety Net Programs on Supplemental Poverty Rate for Program Recipients, 2014



* Tax credits include both the refundable EITC and the refundable Additional Child Tax Credit, thus, the impact of the EITC on poverty rates is represented in both the tax credit and EITC bars.
 Source: Tabulations by the U.S. Census Bureau, Social, Economic and Housing Statistics Division, Poverty Statistics Branch; Current Population Survey, Annual Social and Economic Supplement, 2015.

- For those who receive cash benefits from Social Security or SSI, anti-poverty impacts are large. Without the Social Security program, the supplemental poverty rate would have increased by 34.3 percentage points among recipients in 2014, and without SSI benefits, the rate among recipients would have been 25.9 percentage points higher.
- Housing assistance had a similarly large impact. Among the individuals who benefit from housing assistance, 27.5 percent were lifted out of poverty.
- Other social safety net programs including refundable tax credits, SNAP, and TANF cash assistance had the effect of reducing poverty by 11 to 13 percentage points among program participants. For SNAP participants, about 4.7 million more people would have been in poverty in 2014 without the benefit. Among TANF participants, about 700,000 adults and children were lifted out of the poverty with program benefits.
- Child support payments reduced poverty for recipients by 6.3 percentage points.

Spotlight on Deep Poverty

Official poverty estimates typically refer to individuals living in families with income below 100 percent of the value of the official poverty threshold. This measure provides a consistent barometer of economic disadvantage, but it represents just one income cutoff. “Deep poverty” is another gauge. Deep poverty is defined as income below one-half of the poverty threshold. For example, in 2014, a family with two parents and two children would officially be considered poor if their income fell below \$24,008. They would be in deep poverty if their income fell below \$12,004.⁶

Figure 12. Percentage of People with Income below 50 Percent, 100 Percent, and 200 Percent of Threshold (deep poverty, poverty, and low income), 1964-2014

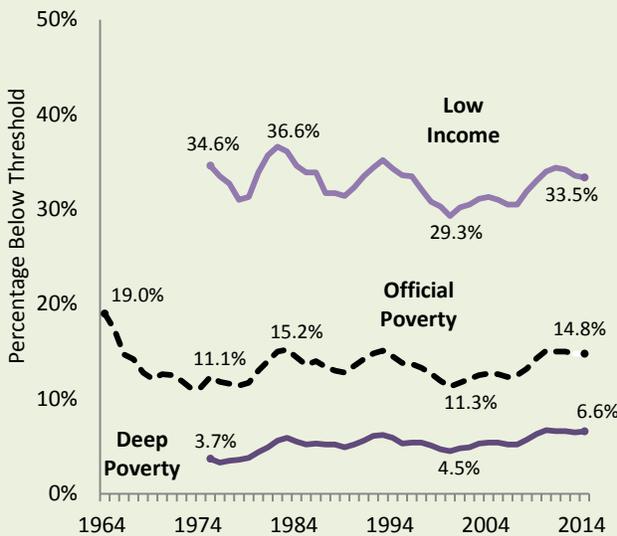
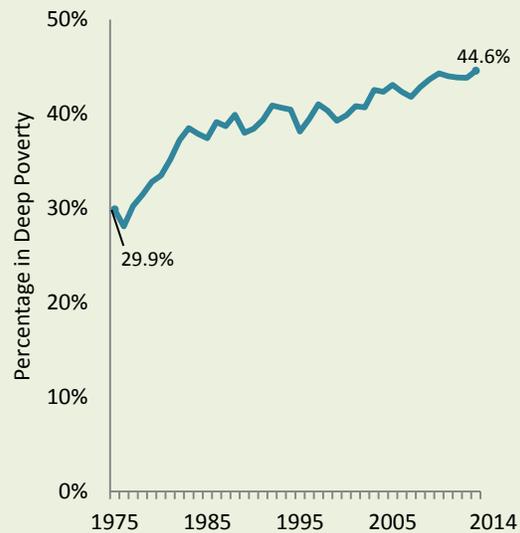


Figure 13. Percentage of the Poor Population in Deep Poverty, 1975-2014



Note: Published data for deep poverty and low income rates were unavailable before 1975.

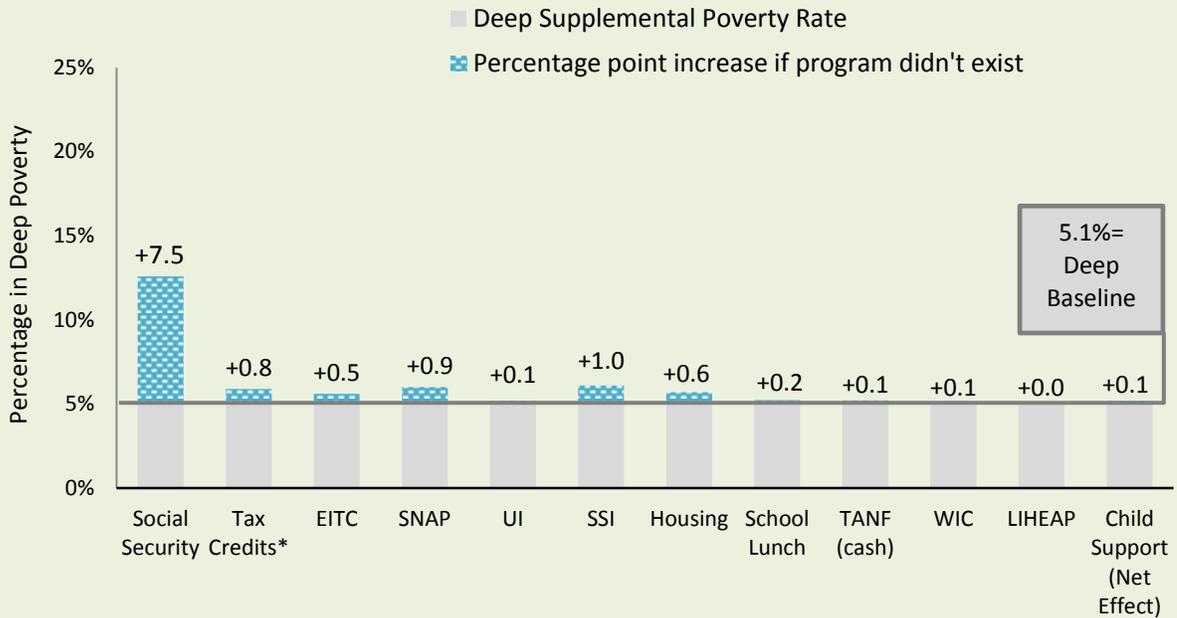
Sources: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Historical Poverty Tables.

- The proportion of persons in deep poverty based on the official poverty measure has doubled during the past four decades, from 3.3 percent in 1976 (the low point for this measure) to 6.6 percent in 2014 (Figure 12).
- The proportion of the poor in deep poverty has been rising steadily since the late 1970s. About 30 percent of the poor lived in families with incomes lower than one-half of the official poverty line in 1975. By 2014 the proportion had increased to 44.6 percent (Figure 13).

These trends highlight the importance of understanding the impact of the safety net on the most vulnerable segment of the poverty population.

⁶ U.S. Census Bureau, Current Population Survey 2015 ASEC, POV35. Poverty Thresholds by Size of Family and Number of Related Children at <http://www.census.gov/hhes/www/cpstables/032015/pov/toc.htm>.

Figure 14. Impacts of Select Safety Net Programs on Deep Supplemental Poverty Rate, 2014

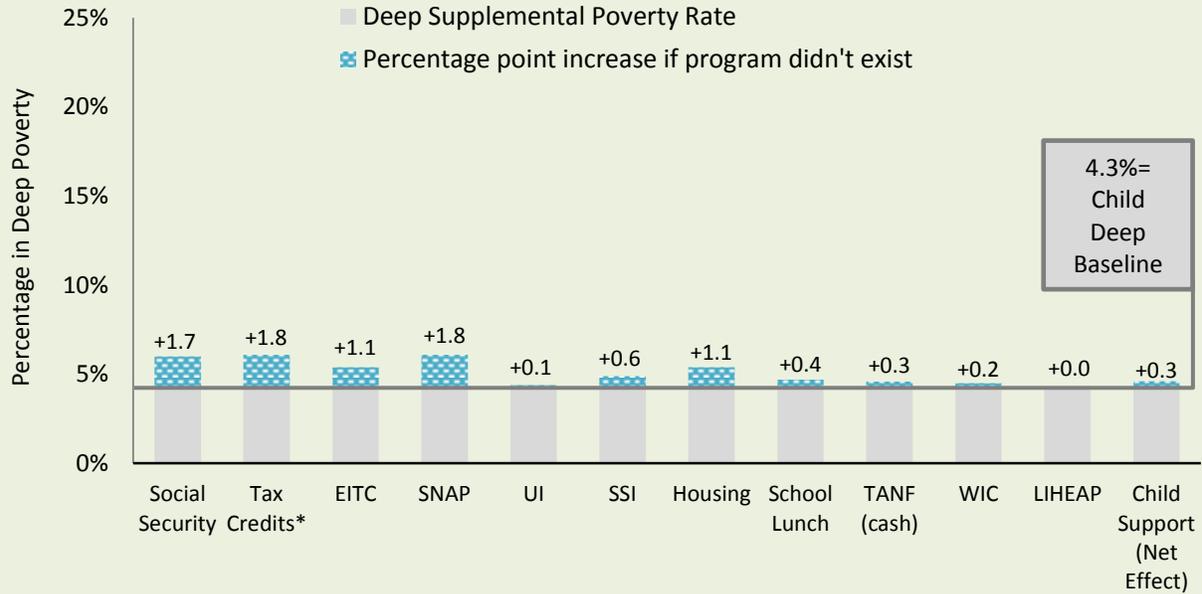


* Tax credits include both the refundable EITC and the refundable Additional Child Tax Credit, thus, the impact of the EITC on poverty rates is represented in both the tax credit and EITC bars.
 Source: Tabulations by the U.S. Census Bureau, Social, Economic and Housing Statistics Division, Poverty Statistics Branch; Current Population Survey, Annual Social and Economic Supplement, 2015.

Figure 14 shows that government policies and programs reduce deep supplemental poverty rates. In general, impacts of safety net programs are smaller overall for deep poverty than for poverty as the deep poverty rate baseline is fairly low, 5.1 percent, based on the supplemental measure. However, reductions in deep poverty rates are still substantial.

- Social Security had the largest impact on deep poverty; without it, deep poverty would have been 7.5 percentage points higher.
- Tax credits, SNAP, and SSI had the next largest impacts on deep poverty rates. For each program, deep poverty would have been about one percentage point higher without these benefits.
- Housing assistance reduced the deep supplemental poverty rate by 0.6 percentage points.

Figure 15. Impacts of Select Safety Net Programs on Deep Supplemental Poverty Rate for Children Ages 0-17, 2014

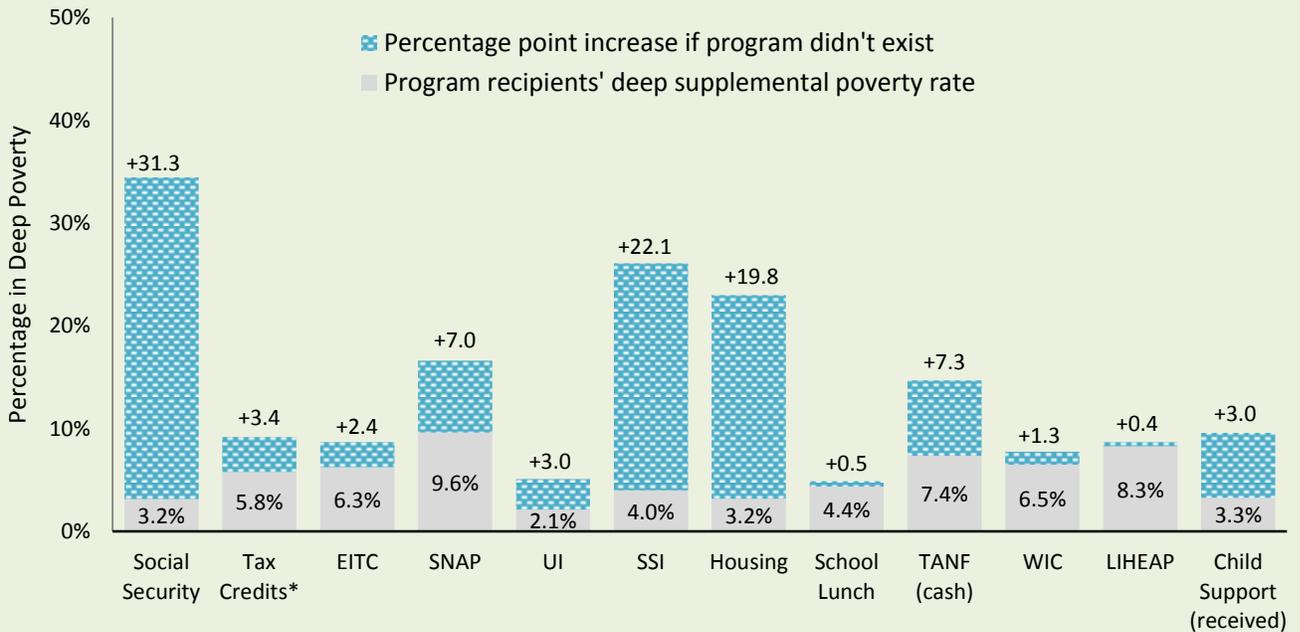


* Tax credits include both the refundable EITC and the refundable Additional Child Tax Credit, thus, the impact of the EITC on poverty rates is represented in both the tax credit and EITC bars.
 Source: Tabulations by the U.S. Census Bureau, Social, Economic and Housing Statistics Division, Poverty Statistics Branch; Current Population Survey, Annual Social and Economic Supplement, 2015.

Figure 15 shows the impacts of various government programs on reducing deep poverty among children ages 0 to 17. As with deep poverty across the full population, the impact of individual programs tends to be small in absolute terms. Social Security, tax credits, and SNAP played the largest roles in reducing deep poverty rates among children.

- Tax credits and SNAP had the largest impacts on deep poverty among children. Deep poverty rates would have been 1.8 percentage points higher in the absence of either refundable tax credits or SNAP.
- Social Security reduced the deep supplemental poverty rate for children by 1.7 percentage points.
- SSI reduced deep poverty for children by 0.6 percentage points.

Figure 16. Impacts of Select Safety Net Programs on Deep Supplemental Poverty Rate for Program Recipients, 2014



* Tax credits include both the refundable EITC and the refundable Additional Child Tax Credit, thus, the impact of the EITC on poverty rates is represented in both the tax credit and EITC bars.
 Source: Tabulations by the U.S. Census Bureau, Social, Economic and Housing Statistics Division, Poverty Statistics Branch; Current Population Survey, Annual Social and Economic Supplement, 2015.

Figure 16 depicts the impacts of various programs on the deep supplemental poverty rate among program recipients. As with overall poverty, reductions in deep poverty rates are much greater among recipient groups than among the full population, especially for safety net programs that reach a smaller share of people.

- The largest reductions in deep poverty among those receiving program benefits were associated with Social Security (31.3 percentage points among recipients) and SSI (22.1 percentage points among recipients).
- Housing assistance was next with a 19.8 percentage point deep poverty reduction.
- TANF cash assistance and SNAP had substantial impacts among recipients, reducing the deep poverty rate among recipients by 7.3 percentage points and 7.0 percentage points, respectively. Without counting resources from these programs, TANF cash recipients would have had a deep poverty rate of 14.7 percent, and SNAP recipients would have had a rate of 16.6 percent.
- Among those who received it, child support reduced deep poverty by 3.0 percentage points, which represents 440,000 recipients lifted out of deep poverty.

Part III: Poverty Trends for Vulnerable Populations

The War on Poverty focused its efforts on the most disadvantaged in society. Different segments of the population—children, single mothers and their families, Blacks and Hispanics, and individuals with lower levels of education—have faced unique economic challenges during the past 50 years. Dramatic population changes, shifts from manufacturing to service industries, and the broader reach of the global economy during this period may relate differently to experiences of poverty among these specific population groups.

Much of the 4.2 percentage point decline in the official poverty rate between 1964 and 2014 occurred in the earliest years when the economy was growing rapidly and inflation-adjusted earnings were rising, especially among male workers. As noted, since the 1970s, earnings among all workers have stagnated, and the poverty rate for the U.S. population has fluctuated within a fairly narrow band (Figures 2 and 4). This overall picture of early decline and subsequent modest change in the official poverty rate, however, masks major differences in the incidence of poverty along key demographic dimensions, including by family type, race and ethnicity, education and employment, and geography.

Using the official poverty measure, this section of the report illuminates patterns of poverty in the United States since the War on Poverty began, highlighting persistent differentials in poverty levels experienced by the vulnerable population groups who have been an integral focus of this major social policy effort. Alternative poverty rates are not available for these detailed subgroups across the five-decade historical time period.

Poverty through the Lens of Women, Families, and Children

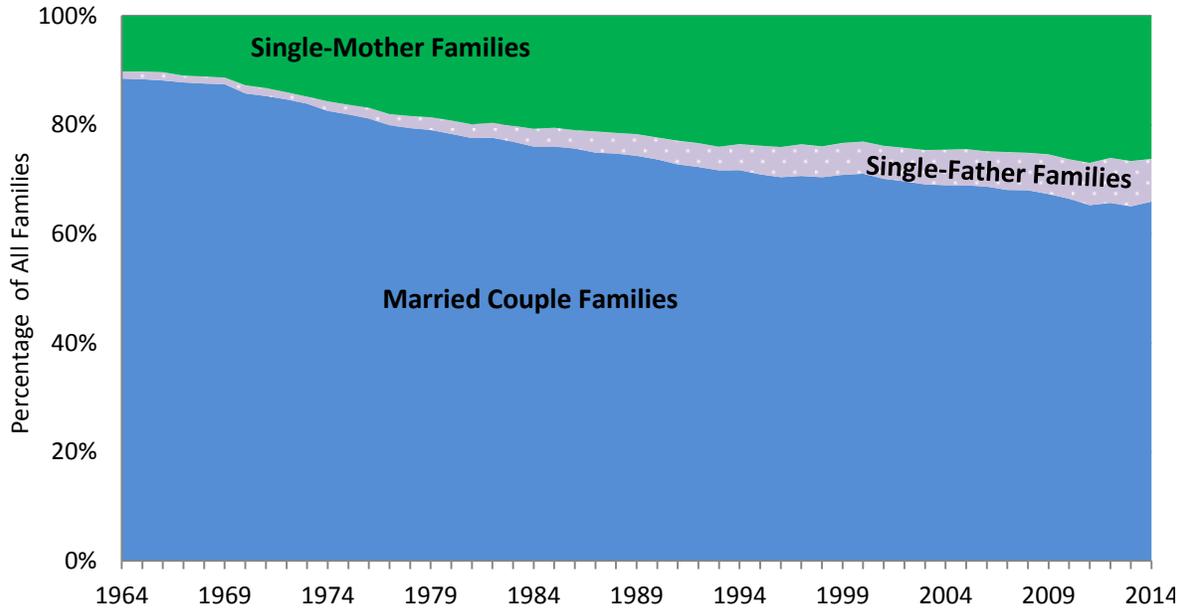
Following a trend underway since the turn of the 20th century, the U.S. population continues to age, with women making up a larger share of the older adult population. At the same time, the proportion of the population composed of children has declined, yet more of these children are living in single-parent, especially single-mother, families than five decades earlier.

Official poverty rates remain high among single-mother families, who are much more likely to be poor than married-couple or single-father families.

Single-Mother Families Increase, Poverty Declining but High

Single mothers have long had very high poverty rates; what has changed dramatically since 1964 is the proportion of children in single-mother families. As Figure 17 shows, children today are much more likely than in the past to live in single-parent families, particularly single-mother families.

Figure 17. Percentage of All Families with Children by Family Type, 1964-2014

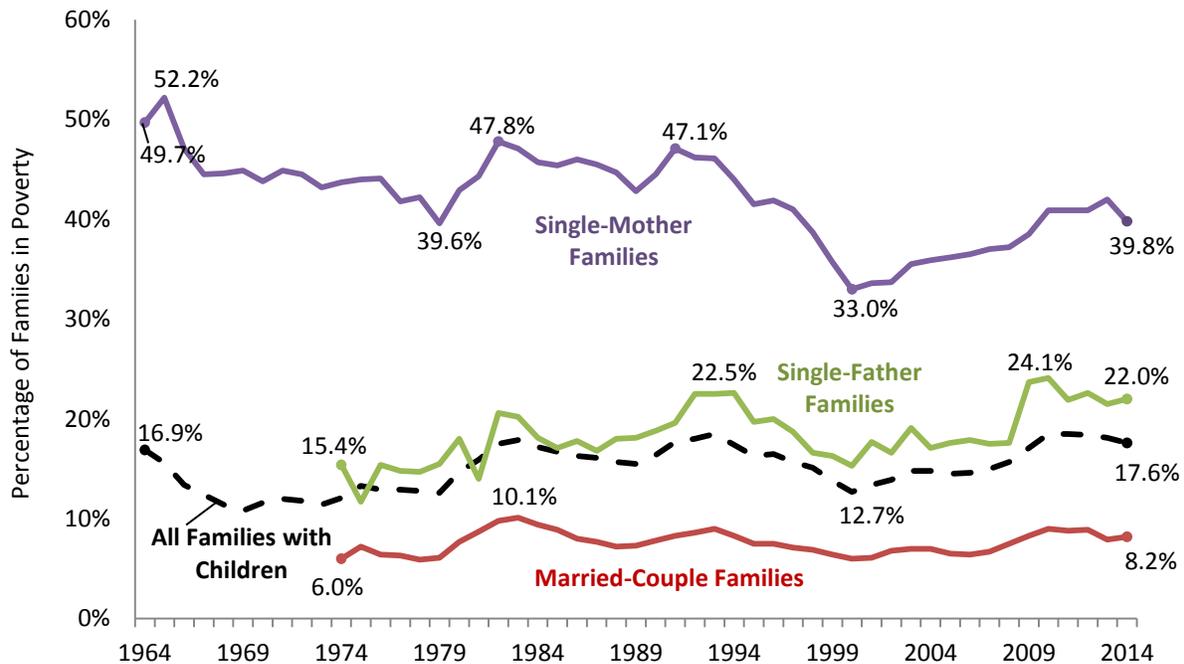


Note: Single-mother families, and particularly single-father families, may include cohabiting partners. In 2013, 17.6 percent of female-headed households with children and 49.7 percent of male-headed households with children included the householder's cohabiting partner. In 2013, 4.1 percent of children lived with two cohabiting, unmarried parents. The data are not available to identify in each year which single-parent families include a cohabiting partner. Thus, for the trends presented here, families with a cohabiting partner are included within the single-mother or single-father family categories.

Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Historical Poverty Tables, Table 4, www.census.gov/hhes/www/poverty/data/historical/families.html.

- In 1964, about 1 in 10 families with children (10.2 percent) was headed by a single mother. Single-mother families as a share of all families with children increased rapidly, particularly through the 1960s and 1970s. This share doubled to nearly 20 percent of all families with children by 1980. It has since continued to increase but at a slower rate.
- In contrast, nearly 9 in 10 families with children were married-couple families in 1964 (88.5 percent), which fell to under 7 in 10 (65.9 percent) by 2014.
- Single-father families grew as a share of all families with children during this same period.

Figure 18. Percentage of Families with Children in Official Poverty by Family Type, 1964-2014



Note: Single-mother families and particularly single-father families may include cohabiting partners. In 2013, 17.6 percent of female-headed households with children and 49.7 percent of male-headed households with children included the householder's cohabiting partner. In 2013, 4.1 percent of children lived with two cohabiting, unmarried parents. The data are not available to identify in each year which single-parent families include a cohabiting partner. Thus, for the trends presented here, families with a cohabiting partner are included within the single-mother or single-father family categories.

Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Historical Poverty Tables, Table 4, www.census.gov/hhes/www/poverty/data/historical/families.html.

Figure 18 shows the official poverty rate among different family forms.

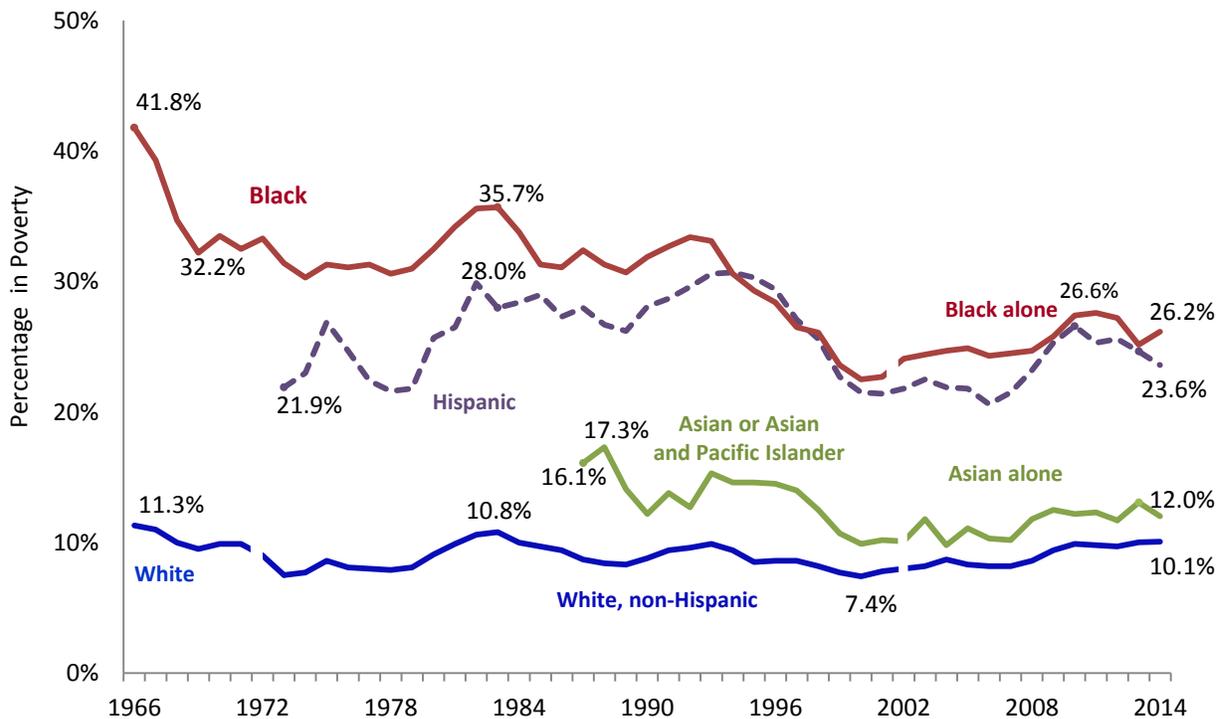
- The official poverty rate for single-mother families began declining in the mid-1960s and fell further with the economic expansion of the 1990s. In 2014, the poverty rate for single-mother families was 39.8 percent compared with 49.7 percent in 1964. Still, poverty rates among single-mother families remain more than double those of all families with children. About 8.5 million children in 2014 were poor and lived with single mothers, representing more than one-half (57 percent) of children in poverty.^v
- As the number of married-couple families with children was declining, their poverty rates increased between 1974 and 1983, from 6.0 percent to 10.1 percent, the highest poverty level experienced by this group in the past 40 years. Following this initial increase, the official poverty rate for married-couple families with children fluctuated between 6 and 9 percent through 2014.
- The official poverty rate for single-father families tracks the rate for all families with children closely, though consistently a few percentage points higher.

Higher Poverty Rate for Blacks and Hispanics

The racial gap in poverty is associated with many institutional and economic factors. For example, the unemployment rate has historically been twice as high for Blacks as for Whites. Among Hispanics, the unemployment rate also typically outpaces the national average.^{vi} Although the racial-ethnic earnings gap has narrowed somewhat over time, Black and Hispanic workers continue to earn less in the labor market than White and Asian workers.^{vii}

The past four decades have seen major changes in official poverty rates by racial and ethnic groups, though poverty rates for Blacks and Hispanics remain persistently higher than those for non-Hispanic Whites and Asians (Figure 19). The Black poverty rate has declined from its peak in the mid-1960s, but it has remained close to three times the poverty rate observed for non-Hispanic Whites. The Hispanic poverty rate has tracked the Black poverty rate during much of the period and also remains substantially higher than the poverty rate for non-Hispanic Whites. Poverty among all racial and ethnic groups increased the most between the late 1970s and the early 1980s, coinciding in part with the deep recessions in 1980 and 1981, while the sharpest decline in poverty for all groups occurred from the mid-1990s to the early 2000s, a time of sustained economic growth.

Figure 19. Percentage of Population in Official Poverty by Race and Ethnic Origin, 1966-2014

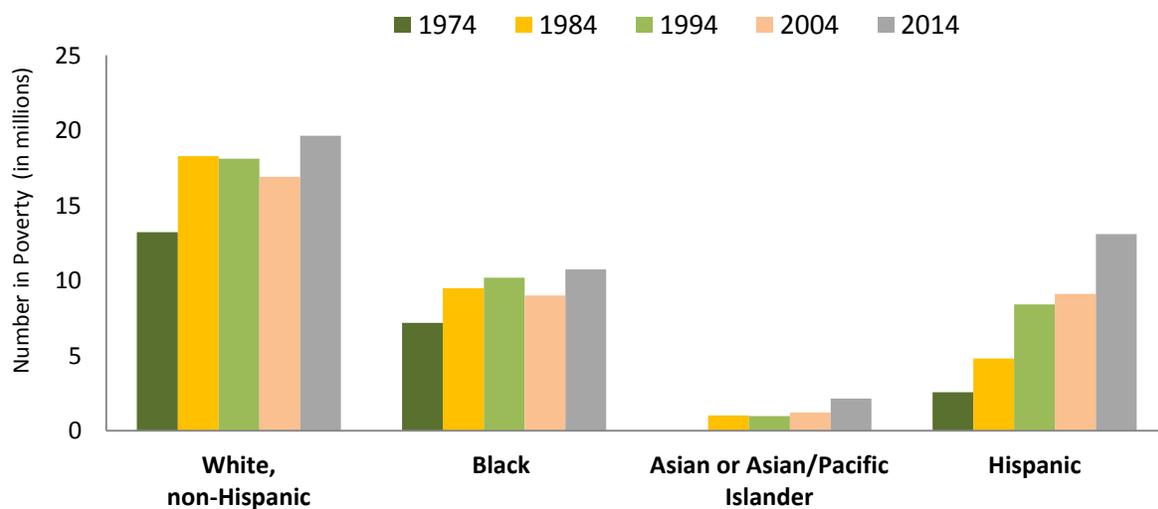


Note: Hispanics may be of any race. Data from 1966 to 2001 are not directly comparable with data for 2002 and later. Race categories for 1966 to 2001 refer to Black, Asian and Pacific Islander, White, and available beginning in 1973 White, non-Hispanic. Beginning in 2002, respondents could select more than one race. Sample size was insufficient for analysis of American Indian or Alaskan Native groups. From 2002 to 2014, the figure depicts Black alone, Asian alone, and White alone, non-Hispanic; it does not include persons who identified with more than one race.

Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Historical Poverty Tables.
www.census.gov/hhes/www/poverty/data/historical/people.html.

- The Black population has had the highest official poverty rates for nearly all of the last 50 years, experiencing poverty at rates two to three times those for non-Hispanic Whites. Poverty declined steeply for Blacks in the mid-1960s, and again beginning in 1993, falling to an all-time low of 22.5 percent in 2000. Since then, the rate has climbed to 26.2 percent in 2014, rising particularly during the years of the Great Recession.
- Hispanics also saw large declines in their official poverty rates from 1993 to 2001. During the Great Recession, however, the Hispanic poverty rate increased more than for other groups. At 23.6 percent in 2014, the Hispanic poverty rate remains above its historic low of 20.6 percent in 2006.
- For non-Hispanic Whites, the official poverty rate has held largely constant. Only a few percentage points separate the highest rate, at 10.8 percent in 1983, from the lowest rate, 7.4 percent in 2000.
- The official poverty rate among Asians tracks a bit higher than that for non-Hispanic Whites. Despite an increase during the Great Recession, the poverty rate for Asians has fallen over the long term, from a peak of 17.3 percent in 1988 to 12.0 percent in 2014.

Figure 20. Number of People in Official Poverty by Race and Ethnic Origin, 1974, 1984, 1994, 2004 and 2014



Note: Hispanics may be of any race. Race categories for 1974 to 1994 refer to 1) White, non-Hispanic, 2) Black, and 3) Asian and Pacific Islander. Later data depict White alone, non-Hispanic; Black alone; and Asian alone.

Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Historical Poverty Tables.

- Figure 20 shows the number of poor for select racial-ethnic groups from 1974 to 2014. In 2014, 19.7 million non-Hispanic Whites were in poverty, the highest number. This was followed by 13.1 million Hispanics, 10.8 million Blacks, and 2.1 million Asians. Among racial-ethnic groups, the number of Hispanics who are poor has increased the most – about fivefold – from 2.6 million in 1974 to 13.1 million in 2014.

Poverty Rates by Human Capital: Education and Employment

The U.S. labor market has shifted dramatically since the 1960s. Competition from the global market along with computerization and automation substantially reduced the availability of lower-skilled jobs that paid a middle-class wage.^{viii} The current labor market rewards highly specialized workers and those with advanced technical skills. Good paying jobs are becoming inextricably linked to higher levels of education.^{ix}

One way families maintained their incomes during the structural changes of the 1970s and 1980s was for women, especially mothers with young children, to join the labor force.^x This strategy helped many families maintain their economic stability, but among the lowest earners, wages and incomes have largely stalled since the early 1990s. During the first 25 years of the War on Poverty, income increased somewhat for families in the bottom 20 percent of the income distribution, climbing slowly from \$15,000 in 1966 to \$17,300 in 1990 (Figure 3, in 2014 constant dollars). Family income among those in the bottom 20 percent of the income distribution then fell after 1990 to an average income of \$16,100 in 2014.

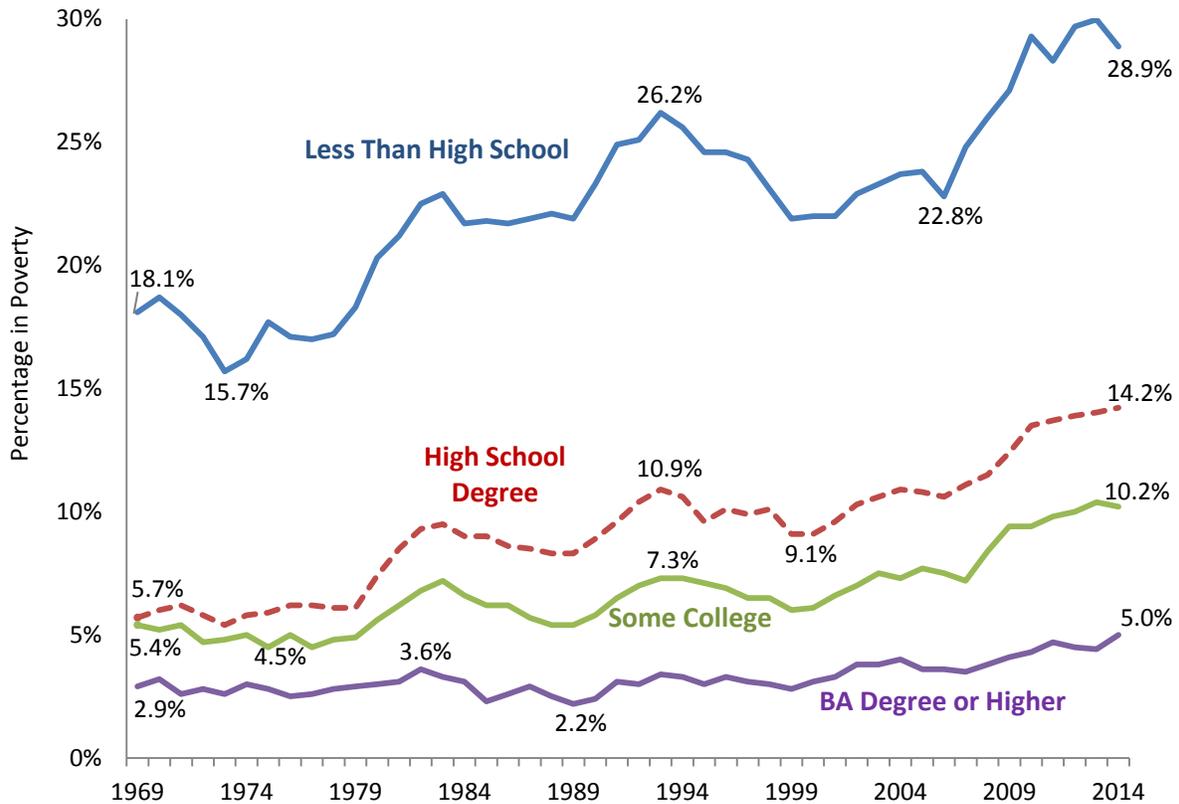
Human capital measures of education and labor market access and attachment illustrate the challenges in maintaining adequate family income faced by those with fewer educational skills and those unable to secure full-time employment throughout the year. For adults who did not complete high school, it has become harder to avoid poverty. Those without a high school degree are more vulnerable to poverty during major economic downturns, and the poverty rate for this group is consistently two to three times higher than the rate for high school graduates. For men with no more than a high school education, employment rates have steadily declined since the late 1960s. This trend is particularly pronounced for non-Hispanic Black men with a high school degree or less education, whose employment rate declined between 1968 and 2014 by more than one third.

Labor force participation remains key to avoiding poverty. Poverty remains low for those who work full-time for the full year, while adults working part-time hours or for only part of the year have much higher poverty rates.

Education-Driven Poverty Gap Is Increasing

Lack of education is a key determinant of poverty. Individuals who complete high school are less likely to be in poverty than those who do not complete high school, and individuals who complete college are less likely to be in poverty than those who do not complete college (see Figure 21). Although the U.S. population has become more educated as a whole, gaps in poverty rates by educational attainment have widened since the 1970s. Figures 21 and 22 explore these trends between 1969 and 2014.

Figure 21. Percentage of Population in Official Poverty by Educational Attainment, Ages 25 and Older, 1969-2014



Note: "Some College" includes Associate's Degrees.

Sources: Steven Ruggles et al., *Integrated Public Use Microdata Series: Version 5.0* [Machine-readable database] (Minneapolis: University of Minnesota, 2010) using Current Population Survey Data, 1970 to 2014. U.S. Census Bureau, Current Population Survey table creator using Current Population Survey, Annual Social and Economic Supplement, 2015, www.census.gov/cps/data/cpstablecreator.html.

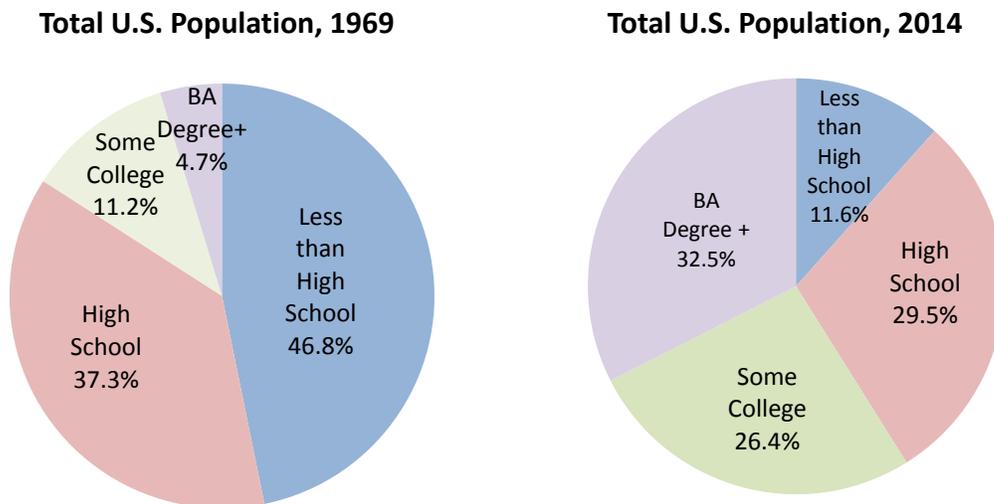
- Among all education levels, poverty has risen most steeply for adults who did not complete high school. The official poverty rate among those with less than a high school education has been consistently two to three times higher than the poverty rate for high school graduates. In addition, the poverty rate for those who did not complete high school has risen more sharply during major economic downturns.
- For those with a high school degree only, poverty increased substantially over the course of the last five decades, from 5.7 percent in 1969 to 14.2 percent in 2014.
- For those with some college education but who have not completed a four-year degree, the official poverty rate nearly doubled during the last four decades, with more than 1 in 10 living in poverty in 2014.

- College graduates, the group with the lowest official poverty rates, have seen a smaller overall increase in poverty. Between 1969 and 2014, poverty among this growing group increased 2.1 percentage points, from 2.9 percent to 5.0 percent.

The U.S. population as a whole has become increasingly educated. Figure 22 provides a summary picture of how the educational background of the total U.S. population has changed in the last half century.

- The group experiencing the lowest poverty levels—college graduates—has increased nearly sevenfold, from 4.7 percent to 32.5 percent of the total adult population over age 25 between 1969 and 2014.
- During the same period, the group with the highest levels of poverty—those who have not completed high school—declined as a share of the total adult population over age 25, from 46.8 percent to 11.6 percent.
- In 1969, 3 out of every 4 poor adults over age 25 lacked a high school degree. An additional 18.7 percent had completed high school but no further education. Just 6.5 percent had some college or had completed college.
- The total adult population today includes far fewer adults without a high school degree than in 1969. As a result, the poverty population is more diverse in terms of educational attainment.

Figure 22. Percentage of Total Population by Educational Attainment, Ages 25 and Older, 1969 and 2014



Note: "Some College" includes Associate's Degrees.

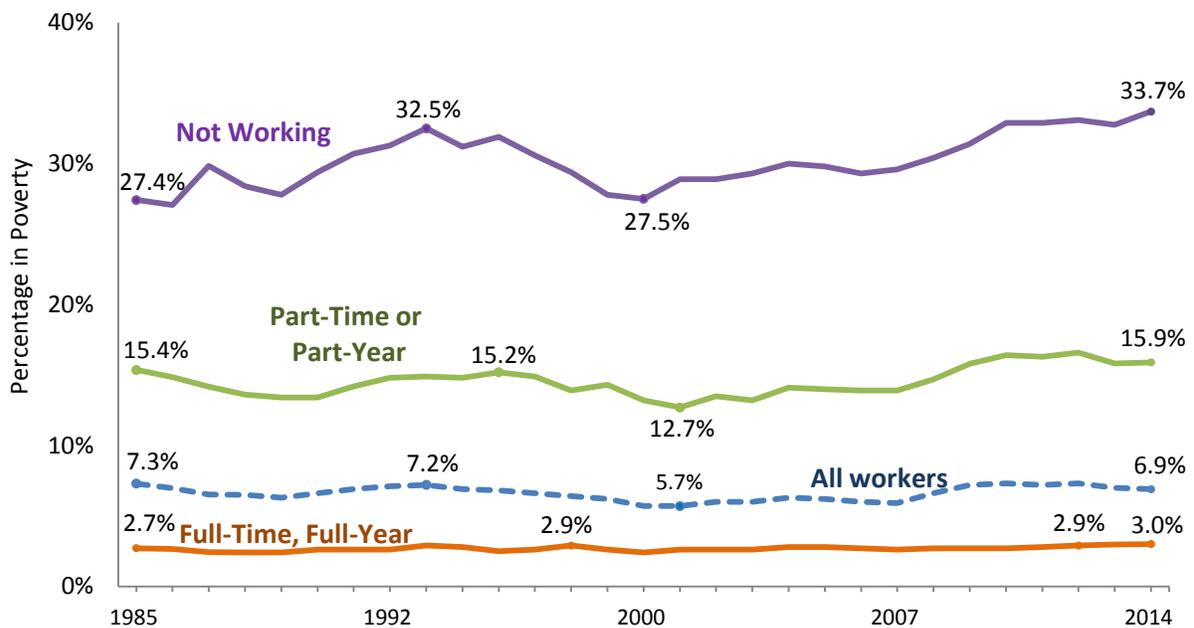
Sources: Steven Ruggles et al., *Integrated Public Use Microdata Series: Version 5.0* [Machine-readable database]. (Minneapolis: University of Minnesota, 2010); using Current Population Survey Data, 1970 to 2014, at <https://usa.ipums.org/usa/>; U.S. Census Bureau, Current Population Survey table creator using Current Population Survey, Annual Social and Economic Supplement, 2015, www.census.gov/cps/data/cpstablecreator.html.

Poverty and Employment

Employment is a critical factor for a family’s economic well-being and the U.S. labor market has undergone major changes during the past five decades. In particular, technological advancements, deindustrialization, and globalization have increased demand for highly specialized and educated workers.

For those who find full-time, full-year employment, poverty rates remain historically low. The poverty rates of part-time or part-year workers and nonworkers are more volatile, and have risen in recent decades. Figure 23 shows trends in poverty by work status.

Figure 23. Percentage of Adults Ages 18-64 in Official Poverty by Work Status, 1985-2014



Sources: U.S. Census Bureau, “Current Population Reports, Consumer Income and Poverty, Consumer Income Reports” (P-60), 1985-1993, nos. 158, 160, 163, 171, 175, 181, 185, 188; U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 1994 to 2001. Detailed Poverty Tables, Table 10; 2002 to 2014, Detailed Poverty Tables, Table 22.

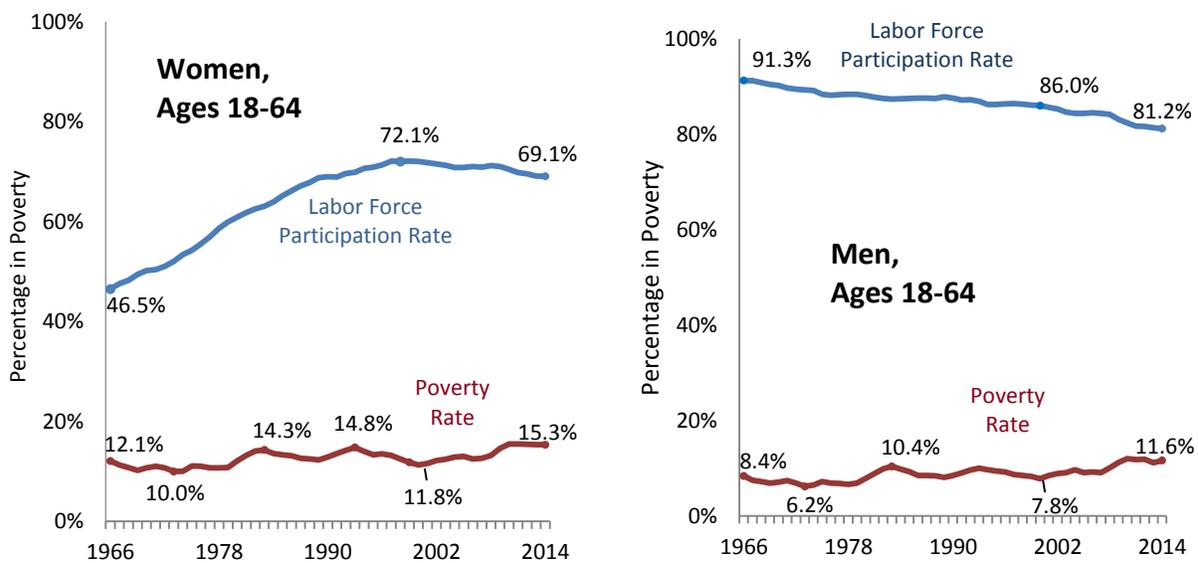
- The official poverty rate among all workers has been very close to 7 percent for the last three decades and was at its lowest rate in 2000 and 2001, when poverty declined to 5.7 percent.
- The official poverty rate for part-time or part-year workers has been consistently double that of all workers. Their poverty rate reached a low of 12.7 percent in 2001, but has risen steadily, reaching 15.9 percent in 2014.
- The official poverty rate for nonworkers has remained above 25 percent since 1985 and is more volatile than rates for workers. Poverty among nonworkers has moved between lows of about 27.5 percent in 1985 and 2000 and a high of 33.7 percent in 2014.

- Among workers employed full-time for the full year, the official poverty rate has hovered in a narrow range, between 2.4 percent and 3.0 percent from 1985 to 2014.

Despite dramatic increases in women’s labor force participation, working-age women’s official poverty rates have not declined much over the long run. This is due, in part, to the wage gap between men and women and, in part, to an increase in the number of women supporting children.^{xi} Poverty remains consistently several percentage points higher for working-age women compared with working-age men.

- Women’s labor force participation increased by more than 50 percent, or 25.6 percentage points, between the mid-1960s and the end of the 1990s, rising from 46.5 percent of adult working-age women in 1966 to 72.1 percent in 1999 (see Figure 24).
- During the same period, working-age women’s official poverty rate changed little. It was 12.1 percent in 1966 and 11.8 percent in 1999 at the peak of women’s labor force participation.
- In contrast, working-age men’s labor force participation has been declining, while their official poverty rates have been inching upward in recent years.
- Men ages 18 to 64 had a high labor force participation rate in 1966 (91.3 percent). During the next five decades, it decreased steadily to 81.2 percent in 2014. During the same period, the poverty rate remained fairly steady, with some increase between 1966 and 2014 (8.4 percent in 1966 and 11.6 percent in 2014) as men’s labor force participation fell.

Figure 24. Percentage of Women and Men Ages 18-64 in Official Poverty and in the Labor Force, 1966-2014

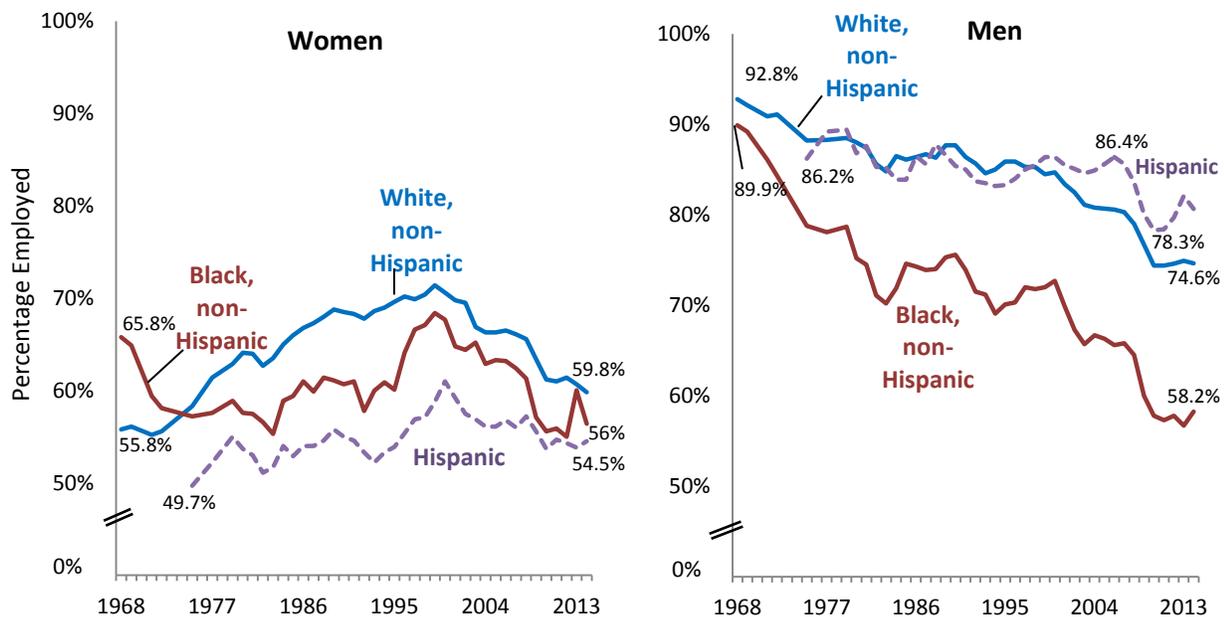


Sources: U.S. Department of Labor, Bureau of Labor Statistics, “Not Seasonally Adjusted Labor Force Participation Rate for Women and Men by Age,” www.bls.gov/cps/tables.htm; U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Poverty Tables, Table 7, <http://www.census.gov/hhes/www/poverty/data/historical/people.html>.

Employment Is Declining for Black Men with Less Education

Figure 25 shows employment rates for men and women with no more than a high school education by race and ethnicity. Employment is defined as any work hours in the previous year. Men saw an overall decline in employment across race-ethnic groups, but the losses were not evenly shared. The employment rate for non-Hispanic Black men with a high school degree but no further education decreased by more than one-third, while the employment rate for similar non-Hispanic White men decreased by about one-fifth. For women with a high school degree or less education, the trends by race-ethnicity largely mirror one another, with employment rates increasing through the 1990s and then decreasing from 2000 to 2014.

Figure 25. Percentage Employed at Any Time during the Year for Adults Ages 18-65 with a High School Degree or Less Education by Sex and Race and Ethnicity, 1968-2014



Note: Data include both full- and partial-year employment for the given calendar year. Figure depicts White and Black non-Hispanic men and women. Beginning in 2002, estimates for Whites and Blacks are for persons reporting a single race. Hispanic origin was not available until 1975. Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 1969-2015.

- Non-Hispanic White and Black men with no more than a high school education had similar rates of employment at the end of the 1960s. However, between 1968 and 2014, the gap in employment levels between the two groups widened. Employment declines were substantial for both groups but larger among Black men.
- The employment rate for Black men with a high school degree or less education decreased from 89.9 percent in 1968 to 58.2 percent in 2014. Much of this decline occurred during the 1970s and between 2000 and 2014.
- For Hispanic men with no more than a high school education, employment rates fluctuated within a narrow range from 1975 to 2007, reaching a high of 89.4 percent in

1979 and a low of 83.2 percent 1994. However, employment rates decreased during the Great Recession, declining from 86.4 percent in 2006 to 78.3 percent in 2010.

- In 1968, Black women with a high school degree or less education had a higher rate of employment than similarly educated non-Hispanic White women. Owing to steep decreases in the employment rate of Black women and small increases in the rate for non-Hispanic White women, employment rates for non-Hispanic White women had surpassed those of Black women by 1975 among those with a high school degree and no further education.
- Since 1975, among women with no more than a high school degree, non-Hispanic White women had the highest employment rate, followed by Black and then Hispanic women. For each group of women the employment rate peaked in 2000 and decreased gradually through 2014.

The Geography of Poverty

Many factors shape the geographic distribution of poverty across the United States, such as population increase, migration, and changes in regional centers of industry and employment.^{xii} This section considers trends in the distribution of poverty by geography over the last five decades. Trends show a general shift in both concentrated poverty at the county level and in family level poverty away from the South toward the West.

Poverty Is Becoming Less Concentrated in South

Figures 26a and 26b illustrate the shift in official poverty rates by county between 1969 and 2013. A poverty level of 20 percent or higher is commonly used to designate an area as higher than average in its concentration of poverty.^{xiii} These maps show that counties with official poverty rates above 20 percent were widespread across the South in 1969. By 2013, there were fewer such counties in the South. However, other areas of the country saw increases in high-poverty counties, particularly the West.

- In 1969, nearly three-quarters of counties (73.0 percent) in the South had high official poverty rates. By 2013, this share had dropped to 43.2 percent of counties.
- In 1969, 21.8 percent of counties in the Midwest had high official poverty rates. By 2013, this share was cut in half, to 10.2 percent.
- The Northeast had the smallest share of counties with official poverty rates above 20 percent in both 1969 and 2013.

Figure 26a. Percentage of Population in Official Poverty by County, 1969

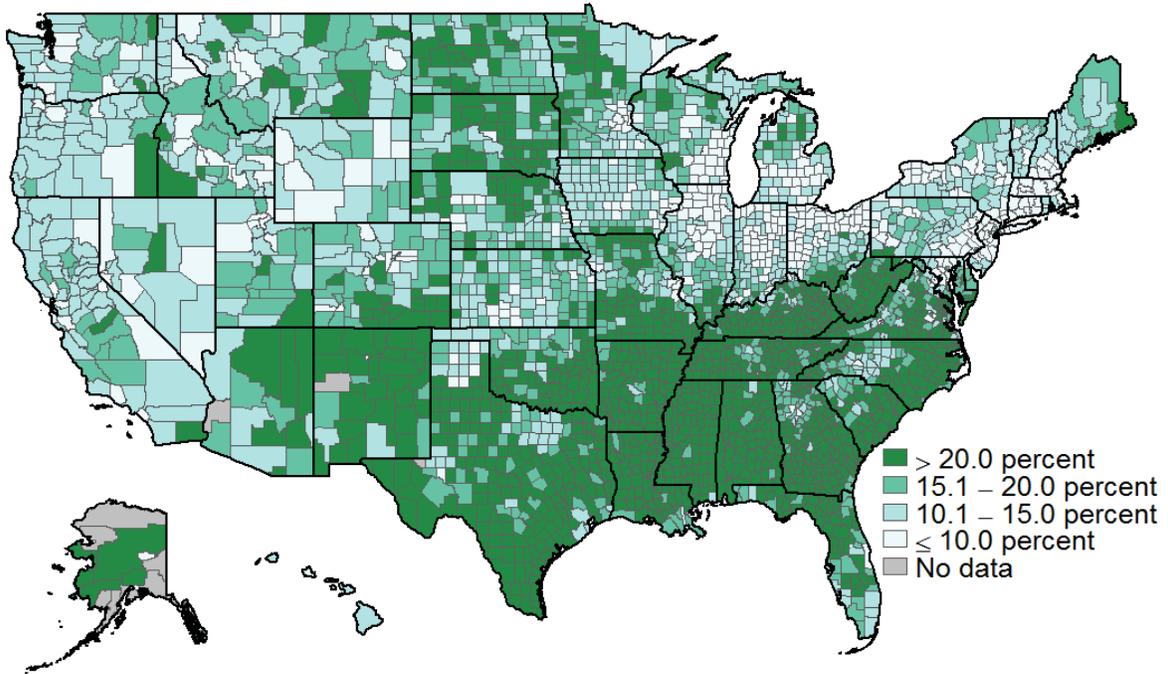
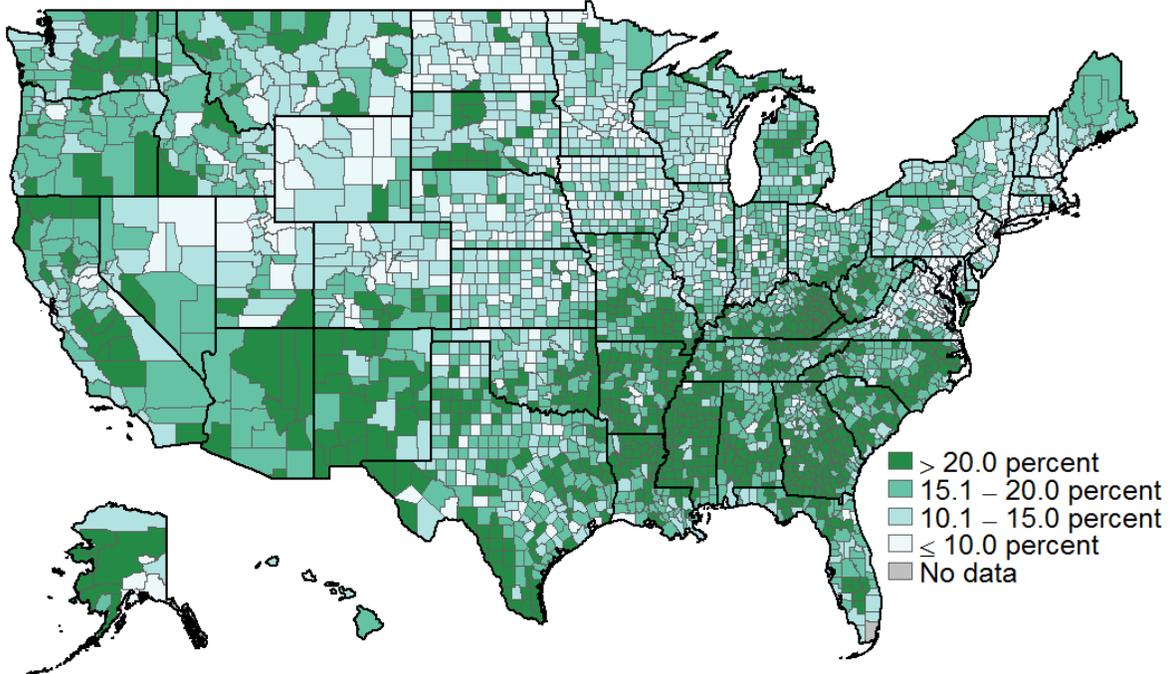


Figure 26b. Percentage of Population in Official Poverty by County, 2013



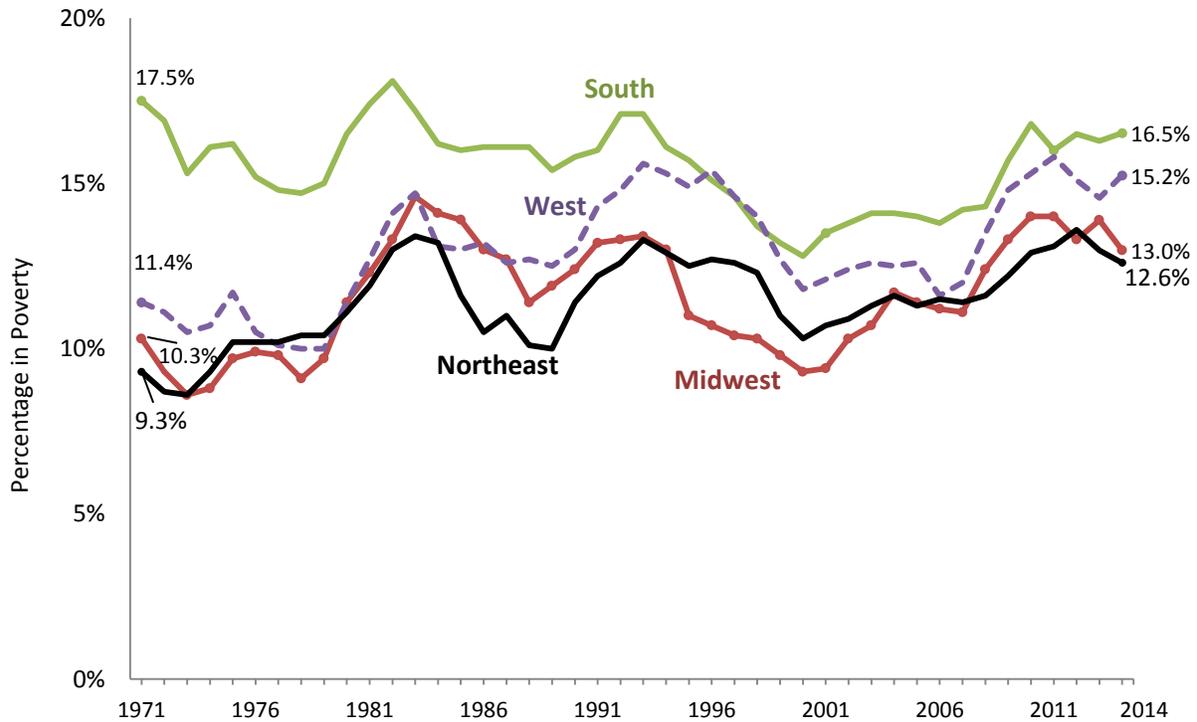
Source: U.S. Census Bureau, 1970 Decennial Census, Population by Poverty Status by Counties, 1969, at www.census.gov/hhes/www/poverty/data/census/1960/1970-Census-by-County.xls.

U.S. Census Bureau, "2009-2013 American Community Survey 5-Year Estimates," Table S1701 Poverty Status in the Past 12 Months, at <http://factfinder.census.gov/>.

Poverty Remains High in South, Increases in West

Similar to changes in levels of concentrated poverty across the nation since the late 1960s, regional poverty trends show the gap in official poverty levels between the South and other regions narrowing over time with official poverty levels increasing particularly in the West.

Figure 27. Percentage of Population in Official Poverty by Region, 1971 to 2014



Source: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, Historical Poverty Tables, Table 9, www.census.gov/hhes/www/poverty/data/historical/people.html.

- The South has historically had the highest official poverty rate, but during the last four decades it is the one region with an overall net decline in poverty, from 17.5 percent in 1971 to 16.5 percent in 2014. Declines occurred primarily in the 1970s and 1990s (Figure 27).
- The West experienced an increase in official poverty rates, from 11.4 percent to 15.2 percent between 1971 and 2014. Poverty rates in the West have generally been higher than in the Northeast and Midwest.
- Official poverty rates in the Northeast and Midwest are similar and have tracked closely over the years. These regions have lower poverty than others, but their rates have increased during the last four decades.

Conclusion

This report has presented poverty trends, analyses of the impact of the safety net on poverty rates, and closer looks at populations experiencing elevated levels of poverty during the 50 years since the War on Poverty began. The official poverty rate has provided a consistent metric by which to examine changes in the statistical portrait of poverty during these five decades. The supplemental poverty measure and the alternative poverty measure allowed for a full accounting of the strength of the safety net in alleviating poverty for families and children, particularly during times of economic distress.

Social safety net programs initiated or expanded during the War on Poverty helped to mitigate poverty among families and children across the nation. The alternative poverty measure showed that the broad array of safety net benefits available to low-income families to help make ends meet—including cash assistance, noncash benefits, and supports provided through the tax system—nearly cut poverty in half for the U.S. population in 2012.

- The impact of government programs on reducing poverty rates is substantial, and increased tenfold between 1967 and 2012.
- The impact of the full safety net on child poverty in 2012 was more than ten times the impact estimated in the 1960s.
- Policies and programs played a particularly important role in reducing poverty rates for the American population during the Great Recession.

The safety net has successfully moved the needle on poverty during the past 50 years, with individual programs designed to alleviate economic hardship shielding many children, parents, workers, older adults, and persons with disabilities from poverty, particularly in recent years.

- In 2014, Social Security, tax credits for working families, and SNAP had the largest effects on reducing poverty.
- Tax credits and SNAP benefits have done the most to protect children from poverty in 2014.
- Additional programs, including SSI, housing assistance, TANF, and child support, had a substantial impact on poverty rates in 2014 among *program recipients*.
- In 2014, SSI and housing assistance, in particular, had large impacts on deep poverty, each bringing down the deep poverty rate among program recipients by more than three-quarters.

Nonetheless, poverty remains a persistent challenge for the nation, and more work is needed. As highlighted in this report, of particular concern are the continued high poverty rates among children and

single-parent families.^{xiv} Also of concern is the ongoing poverty gap between adults who did not complete high school and those with higher levels of education, with particular attention toward the economic circumstances of Blacks and Hispanics. Geographic areas with high concentrations of poverty also signal the importance of continued efforts to address poverty and economic need at the community level.

Reducing Poverty Improves Child Development and Subsequent Outcomes

Children who are Black or Hispanic or live in single-parent households are more likely to be in poverty. Poverty, especially when deep or experienced early in life, is associated with poorer cognitive development, school-readiness, academic achievement, educational attainment, and future employment outcomes, as well as greater adult poverty.^{xv} In particular, children who lived in families experiencing poverty for a longer duration during their childhood were significantly less likely to graduate from high school, less likely to attend any college, earned significantly less money, and were more likely to receive SNAP benefits as adults compared with those who experienced poverty for a shorter duration during childhood.^{xvi}

Growing up in poverty has been shown to have detrimental effects on long-term life outcomes, but research has shown that certain interventions can help to counteract these effects. Studies show that children who attend a Head Start program experience benefits across a broad range of outcomes into young adulthood compared with similar children who did not attend. These benefits include greater high school graduation rates, lower rates of teen pregnancy, and improved health.^{xvii} Attending high-quality and public early education and care programs also benefits children of all racial, ethnic, and income groups. Evaluations of pre-kindergarten education in two sites indicate that pre-kindergarten attendance in such programs is particularly beneficial to the most disadvantaged children.^{xviii} As such, programs and interventions that improve the material well-being of children and their families, and provide high quality cognitive and emotional development, work together to boost children's future prospects.

Job- and Skills-Driven Training Get Results

The relationship between low-levels of education, weak labor force attachment, and poverty is well-documented, and is especially acute for low-income, Black men as demonstrated in this report. As such, education and job training are critical to anti-poverty efforts. Studies have found that each additional year of schooling leads to an earnings increase of 6 to 9 percent, and some recent studies have shown average increases between 10 and 15 percent per year.^{xix} A growing body of evidence shows that the more closely education or training aligns with the requirements of a real job or occupation, the better the employment results for training participants. Sectoral employment programs—or industry-specific training programs that prepare workers for skilled positions and connect them with employers—have produced substantial earnings gains for disadvantaged adults in large U.S. cities.^{xx} A recent evaluation of sectoral training programs found that participants who received a comprehensive set of services were more likely to be employed, worked significantly more hours, and earned 18 percent more than members of a control group.^{xxi} Likewise, high schools organized as Career Academies, which integrate

academic and technical curricula and work-based learning opportunities with local employers, produce sizable long-term (11-year) earnings gains for youth in low-income urban settings.^{xxii}

Poverty of Place Matters

Living in communities with high levels of poverty is associated with less favorable health and behavioral outcomes, and evaluation studies show that neighborhood poverty is associated with lower education and earnings. Children born into neighborhoods with concentrated poverty are likely to have low birth weights,^{xxiii} and living in high-poverty communities and neighborhoods during childhood and adolescence is associated with increases in problem behaviors and substance abuse.^{xxiv} Previous results from the Moving to Opportunity housing mobility demonstration also show that moving from a high-poverty to a lower-poverty neighborhood resulted in better mental health and some better physical health and behavior outcomes for adults.^{xxv} In addition, moving to a lower-poverty neighborhood before age 13 significantly improved later college attendance rates, the quality of college attended, and later earnings. These children also lived in better neighborhoods themselves as adults and were less likely to become single parents.^{xxvi} Even children living in poor neighborhoods whose families themselves are not poor exhibit less favorable outcomes later in life, such as lower graduation rates, higher levels of teen pregnancy, and lower earnings than children in low-poverty communities with family incomes above the poverty level.^{xxvii}

The Next 50 Years

Anti-poverty strategies including early childhood interventions, job-driven training, and place-based initiatives bring critical research results to bear on the nation's continued progress in reducing poverty among at-risk and disadvantaged populations. Strategies like these, coupled with a safety net that adequately helps Americans through rough patches, are important to ensure vulnerable individuals can attain economic self-sufficiency for themselves and their children, and that the next 50-year report will show even more progress.

Appendix A: Program Source Data

Sources for program data in Table 1:

- **Aid to Families with Dependent Children (AFDC)/ Temporary Assistance for Needy Families (TANF):** U.S. Department of Health and Human Services, Administration for Children and Families, Office of Family Assistance, various years.
- **Supplemental Security Income (SSI):** “Annual Statistical Supplement to the Social Security Bulletin, 2013,” Tables 7.A3 and 7.A4 at www.ssa.gov/policy/docs/statcomps/supplement/2013/index.html.
- **Earned Income Tax Credit (EITC) and the Additional Child Tax Credit:** Historical tax data at www.irs.gov/uac/SOI-Tax-Stats-Historical-Table-1.
- **Supplemental Nutrition Assistance Program (SNAP):** “National Level Annual Summary: Participation and Costs, 1969-2014,” www.fns.usda.gov/pd/supplemental-nutrition-assistance-program-snap.
- **Women, Infants, and Children (WIC) program:** “National Level Annual Summary: Participation and Costs, 1969-2013,” at www.fns.usda.gov/pd/wic-program.
- **School Breakfast and Lunch:** National School Lunch program (NSLP), School Breakfast Program (SBP), and Special Milk Program (SMP) “Program Costs--Cash and Commodities,” at www.fns.usda.gov/pd/child-nutrition-tables.
- **Housing Assistance:** Table 8.8: Outlays for Discretionary Programs: 1962-2019, at www.whitehouse.gov/omb/budget/historicals.
- **Low Income Home Energy Assistance Program (LIHEAP):** U.S. Department of Health and Human Services, “LIHEAP Reports to Congress,” various years.
- **Child Support Enforcement:** Congressional Research Service, “Analysis of Federal-State Financing of the Child Support Enforcement Program,” Table 2. Federal, State, and Taxpayer “Savings” or “Costs” from Income and Expenditures Generated by Child Support Enforcement (CSE) Program, FY1979-FY2009. U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement, FY2013 Preliminary Report – Tables P-1 and P-2 at www.acf.hhs.gov/programs/css/resource/fy2013-preliminary-report. Child support expenditures are equal to the federal share of total administrative expenditures minus the federal share of total assistance reimbursement. Incentive payments to states are not counted here as federal expenditures.
- **Pell Grants:** U.S. Department of Education. Student Financial Assistance: Fiscal Year 2016 Budget Request, at <http://www2.ed.gov/about/overview/budget/budget16/justifications/p-sfa.pdf>.
- **Medicare Part D low income subsidy:** “Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds, 2014,” Tables IV.B9 and IV.B10 at www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/Downloads/TR2014.pdf.
- **Federal Medicaid/Children’s Health Insurance Program/CHIP:** “National Health Expenditures by Type of Service and Source of Funds: Calendar Years 1960 to 2013,” at www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html.

Appendix B: How is Poverty Measured?

This report uses three poverty measures: the official poverty measure, the supplemental poverty measure, and an alternative poverty measure. The Appendix outlines how each measure is calculated, discusses each measure's strengths and limitations, and provides an overview of the major similarities and differences between the measures.

Official Poverty Measure

Official poverty is calculated by comparing families' incomes to a specific dollar value, called a *poverty threshold*. Thresholds differ by family size, though not by place of residence. If a family's yearly income falls below the poverty threshold, each person in the family is counted as poor. The official poverty measure considers only cash income such as earnings, TANF, or Social Security payments, and only pretax income. That is, taxes and tax credits are not considered when calculating official poverty. The 2014 poverty threshold for a family of four, with two adults and two children, was \$24,008.

Mollie Orshansky, an economist in the Social Security Administration, developed the original absolute dollar value thresholds in 1963 and 1964 using the U.S. Department of Agriculture's food plans and costs and the 1955 Household Food Consumption Survey. The food plans outlined the necessary costs to feed a family at a minimal level.⁷ Orshansky estimated the poverty thresholds by multiplying the cost of this minimal diet by three, given survey expenditure data showing that families in 1955 spent about one-third of their total family budgets on food. Subsequent thresholds were adjusted for family size and composition, and each year the threshold values have been updated for inflation.⁸

As a widely used barometer, the official poverty measure offers a consistent metric by which to view changes in poverty over time. However, critics of the official poverty measure argue that it does not reflect current family circumstances. Some families receive government benefits that the measure does not count. For example, noncash benefits such as SNAP and WIC are not counted as income. By this logic, poverty may be overstated. Alternatively, the official measure ignores nondiscretionary expenses, such as payroll and Social Security taxes, work-related expenses, and medical care costs. Thus poverty could be understated. In addition, because poverty status is based on family relationships and household residence, certain groups are excluded, including foster children and those living in college dormitories, institutional group quarters, or military barracks.

⁷ USDA food plans were "liberal," "moderate," "low-cost," and "economy." The economy food plan was intended for "temporary or emergency use when funds are low." For detail see Gordon M. Fisher, "The Development of the Orshansky Poverty Thresholds and Their Subsequent History as the Official U.S. Poverty Measure" 1992, available at: <https://www.census.gov/hhes/povmeas/publications/orshansky.html>.

⁸ The poverty thresholds were calculated separately for farm and non-farm families until 1980

Supplemental Poverty Measure

The supplemental poverty measure emerged from decades of research by poverty scholars and government agencies. In 1995, the National Academy of Sciences outlined recommendations for improving the official poverty measure.^{xxviii} In the 15 years following the report, researchers at the Census Bureau, the Bureau of Labor Statistics, and elsewhere have experimented with implementing and refining these recommendations. In 2011, the Census Bureau began formally releasing supplemental poverty measure estimates based on the results of this exploratory research as well as recommendations from an Interagency Technical Working Group in 2010.^{xxix}

The official poverty measure continues to serve as a benchmark for program eligibility and remains the official source of poverty statistics for the United States. However, the supplemental poverty measure is a critical tool for understanding the impact of the social safety net for those struggling to meet basic needs. Though the technical details and differences between the supplemental poverty measure and the official measure are numerous, the advancements embodied by the supplemental poverty measure can roughly be categorized along four key dimensions.

First, the supplemental poverty threshold accounts for a set of basic goods including food, clothing, shelter and other basic, necessary goods and services. The official poverty threshold was initially set based only on the cost of a minimally adequate or “economy” food budget in 1963 and the relationship between that budget and overall household spending for other necessities around that same time. Since then, it has only been adjusted to reflect overall changes in prices. The supplemental poverty threshold, on the other hand, explicitly accounts for not only food but also clothing, shelter, utilities, and a small multiplier for assorted other necessities. Also, unlike the official poverty threshold, the supplemental poverty threshold is adjusted over time to reflect changing patterns of consumption.

Second, the supplemental poverty measure defines a separate poverty threshold for people in different types of housing arrangements, letting the poverty threshold vary by whether one is a homeowner who is paying a mortgage, a homeowner without a mortgage, or a renter. The effect can be seen in the table below which compares the official and supplemental thresholds for 2013. The supplemental poverty thresholds are somewhat higher compared with the official measure for renters and homeowners with a mortgage. For owners who do not have a mortgage, the supplemental thresholds are lower compared with the official measure.

The supplemental threshold also varies geographically, recognizing the fact that more resources are needed to live in some areas of the country than in others. Whereas the official poverty threshold is the same in both high-cost and low-cost areas, the supplemental poverty measure sets higher (or lower) poverty thresholds in different areas based on differences in housing costs across 358 geographic areas.

Table B1. Poverty Thresholds for Two-Adult, Two-Child Families, 2013

	Official Poverty	Supplemental Poverty Measure	
	All Metro and Non-Metro Areas	Jackson Mississippi Metro Area	Washington DC-VA-MD Metro Area
Renters	\$23,624	\$23,599	\$32,485
Homeowners with Mortgage	\$23,624	\$24,032	\$33,276
Homeowners, no Mortgage	\$23,624	\$20,316	\$26,536

Third, the supplemental poverty measure changes the definition of the family unit and broadens both who is considered to be sharing resources within a household and whose needs and resources are considered in measuring poverty. In particular, the supplemental poverty measure includes cohabiters and their families in the family unit, assuming these individuals share resources within households. In addition, the broader supplemental poverty measure family unit includes foster children and children who are unrelated to anyone else in the household, ensuring that the needs of these children are represented in supplemental poverty thresholds. In contrast, the official measure considers only related individuals in defining family units.

Fourth, and perhaps most importantly for understanding the impacts of the safety net on poverty rates, the supplemental poverty measure considers a broader set of inputs beyond pre-tax, cash income in its definition of resources. The supplemental poverty measure counts a variety of other resources used to support individuals' and families' basic needs. Other resources may be in-kind benefits (such as food or housing assistance) or net benefits delivered through the tax system (e.g., the EITC). The supplemental poverty measure also subtracts non-discretionary expenses (payroll and income taxes, child care, and out-of-pocket medical costs) from resources.

Alternative Poverty Measure

The alternative poverty measure featured in this report builds on the supplemental poverty measure. The Census Bureau does not provide estimates of the supplemental poverty measure for any years prior to 2009. The alternative poverty measure used in this report, which was developed by a team of researchers at Columbia University, addresses this shortcoming by adjusting the 2012 supplemental poverty measure for inflation for each year between 1967 and 2012. In effect, the alternative poverty measure is anchored in 2012 and—like the official poverty measure—year-to-year measures only change with inflation. For more information on this alternative poverty measure and the technical details of how it differs from the supplemental poverty measure, see work by Christopher Wimer and colleagues.

Endnotes

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