

# Economic Security



## ES 1.1

**MEDIAN FAMILY INCOME**

Median income<sup>1</sup> of families with children is a good starting point for assessing the economic well-being of children since it measures the ability of a family at the midpoint of the income distribution to purchase food, shelter, clothing, child care, and other basic goods and services required to raise children.<sup>2</sup>

However, median family income fails to capture important economic resources that may also be available to a family, such as employer-paid health benefits, Medicaid, or Food Stamps; moreover, it says nothing about changes in the distribution of income across families. For a more complete picture of children's economic well-being, it is necessary to look at several measures of economic well-being, including those in the following sections.

**Median Family Income of All Families with Children.** Between 1975 and 1996, median income of all families with children (in constant 1997 dollars)<sup>3</sup> fluctuated in a narrow range—never falling below \$40,208 and never rising above \$42,143 (see Figure ES 1.1).<sup>4</sup> However, between 1996 and 1997, median income of all families with children increased by about 4 percent from \$41,925 to \$43,545, a statistically significant increase.<sup>5</sup>

**Median Family Income by Family Type.** Throughout the period from 1975 through 1997, median income of mother-only families has never exceeded 35 percent of median income of two-parent families (see Figure ES 1.1). In 1997, the median family income of mother-only families was \$17,256, compared with \$54,395 for married-couple families with children.

Between 1990 and 1997, median income of father-only families never exceeded 62 percent of median income of two-parent families (see Figure ES 1.1). In 1997, median income of father-only families was \$28,668.

Although real median income of mother-only families was no higher in 1993 than in 1975, there has been a 15 percent increase in median income of mother-only families between 1993 and 1997. In contrast, median income of married-couple families has risen steadily throughout the 1975-1997 period.<sup>6</sup> Between 1975 and 1993, median income of married-couple families rose about 13 percent from \$44,911 to \$50,591. Between 1993 and 1997, their median income continued to rise to \$54,395, an additional increase of over 7 percent.

<sup>1</sup> Median income is the amount that divides the income distribution into two equal groups, half having incomes above the median, half having incomes below the median.

<sup>2</sup> When median family income is rising, the likelihood is that children in a typical family are enjoying a rising standard of living.

<sup>3</sup> In constructing income figures in constant 1997 dollars, we have followed the practice of the Bureau of the Census and used the CPI-U-X1 consumer price index. This index differs from the standard CPI-U index in its treatment of the costs of owner-occupied housing for years prior to 1986. After 1986, it is identical to the CPI-U.

<sup>4</sup> However, this apparent stagnation was in part the result of a shift in the living arrangements of families with children. As shown in Table PF 2.1.A, between 1970 and 1997 the percentage of children living in female-headed families increased from 11 percent to 24 percent. Since, as will be described in the next section, female-headed families have much lower incomes than two-parent families, this shift in living arrangements depressed the median income of all families with children.

<sup>5</sup> Tests of statistical significance were carried out using estimates of standard errors provided by the Bureau of the Census. See [http://ferret.bls.census.gov/macro/031997/faminc/04\\_001.htm](http://ferret.bls.census.gov/macro/031997/faminc/04_001.htm), and [http://ferret.bls.census.gov/macro/031998/faminc/04\\_001.htm](http://ferret.bls.census.gov/macro/031998/faminc/04_001.htm). In accordance with Census Bureau procedures, a .10 level of statistical significance is used.

<sup>6</sup> This is due in part to an increase in maternal employment. As shown in Table ES 3.2.A, between 1980 and 1997 the percentage of mothers who worked increased from 53 percent to 68 percent.

**Differences in Median Family Income by Race and Hispanic Origin.** Median family incomes are substantially higher for white families with children than for black and Hispanic families with children. In 1997, whites enjoyed median family incomes that were about 85 percent higher than those of black families and 79 percent higher than those of Hispanic families (see Table ES 1.1).

Much of the black-white difference and some of the Hispanic-white difference in median family income is due to the fact that black and Hispanic families are more likely than white families to be mother-only. As shown in Table PF 2.1.A, 52 percent of black children were being raised in mother-only families in 1997, compared with 27 percent of Hispanic children and only 18 percent of white children.<sup>7</sup>

<sup>7</sup> Among female-headed families, the black-white difference in median family income was 25 percent, while among married-couple families the difference was 16 percent (see Table ES 1.1). Among female-headed families, the Hispanic-white difference in median family income was 46 percent, while among married-couple families the difference was 66 percent. Thus, over half of the Hispanic-white income difference remains even after taking into account differences in living arrangements (see Table ES 1.1).

Table ES 1.1

Median income of families in the United States with related children under age 18, by race and Hispanic origin<sup>a</sup> and family structure (in constant 1997 dollars):<sup>b</sup> selected years, 1975-1997

	1975	1980	1985 <sup>c</sup>	1990	1991	1992 <sup>d</sup>	1993	1994	1995	1996	1997
<b>All families</b>	\$40,671	\$41,666	\$41,326	\$42,035	\$41,233	\$40,649	\$40,208	\$41,073	\$42,143	\$41,925	\$43,545
White	—	—	—	\$44,823	\$44,426	\$44,575	\$44,248	\$44,602	\$45,381	\$45,549	\$46,770
Black	—	—	—	\$23,773	\$22,180	\$21,228	\$20,738	\$23,189	\$23,876	\$23,438	\$25,236
Hispanic	—	—	—	\$27,020	\$26,001	\$25,931	\$24,566	\$24,958	\$24,293	\$25,184	\$26,120
<b>Married-couple families</b>	\$44,911	\$47,402	\$48,253	\$50,667	\$50,099	\$50,554	\$50,591	\$51,165	\$52,625	\$52,956	\$54,395
White	—	—	—	\$51,189	\$50,882	\$51,811	\$51,512	\$52,278	\$53,283	\$53,554	\$55,232
Black	—	—	—	\$43,866	\$41,666	\$41,591	\$40,718	\$45,578	\$46,282	\$43,677	\$47,631
Hispanic	—	—	—	\$33,739	\$32,166	\$32,465	\$31,655	\$31,878	\$31,250	\$32,337	\$33,233
<b>Mother-only families</b>	\$15,664	\$16,506	\$15,030	\$16,077	\$15,334	\$15,178	\$14,964	\$16,139	\$17,098	\$16,765	\$17,256
White	—	—	—	\$18,258	\$18,281	\$17,960	\$17,794	\$18,123	\$19,061	\$18,555	\$18,939
Black	—	—	—	\$12,656	\$11,092	\$11,889	\$11,524	\$12,903	\$13,679	\$13,960	\$15,111
Hispanic	—	—	—	\$12,454	\$12,039	\$12,897	\$11,660	\$12,057	\$12,433	\$11,499	\$12,983
<b>Father-only families</b>	—	—	—	\$30,959	\$28,483	\$25,416	\$24,823	\$26,092	\$28,425	\$27,109	\$28,668
White	—	—	—	\$32,134	\$28,879	\$27,637	\$29,206	\$28,204	\$29,684	\$28,329	\$30,201
Black	—	—	—	\$25,254	\$24,652	\$20,557	\$20,945	\$20,695	\$23,500	\$22,737	\$21,815
Hispanic	—	—	—	\$25,512	\$22,604	\$17,768	\$19,810	\$18,791	\$20,541	\$23,070	\$20,028

<sup>a</sup>Persons of Hispanic origin may be of any race. Estimates for whites and blacks include persons of Hispanic origin.

<sup>b</sup>Income statistics converted to constant 1997 dollars using the CPI-U-X1 (all items) price index. CPI-U-X1 is a rental equivalence approach to homeowners' costs for the consumer price index prior to 1983, the first year for which the official index (CPI-U) incorporates such a measure.

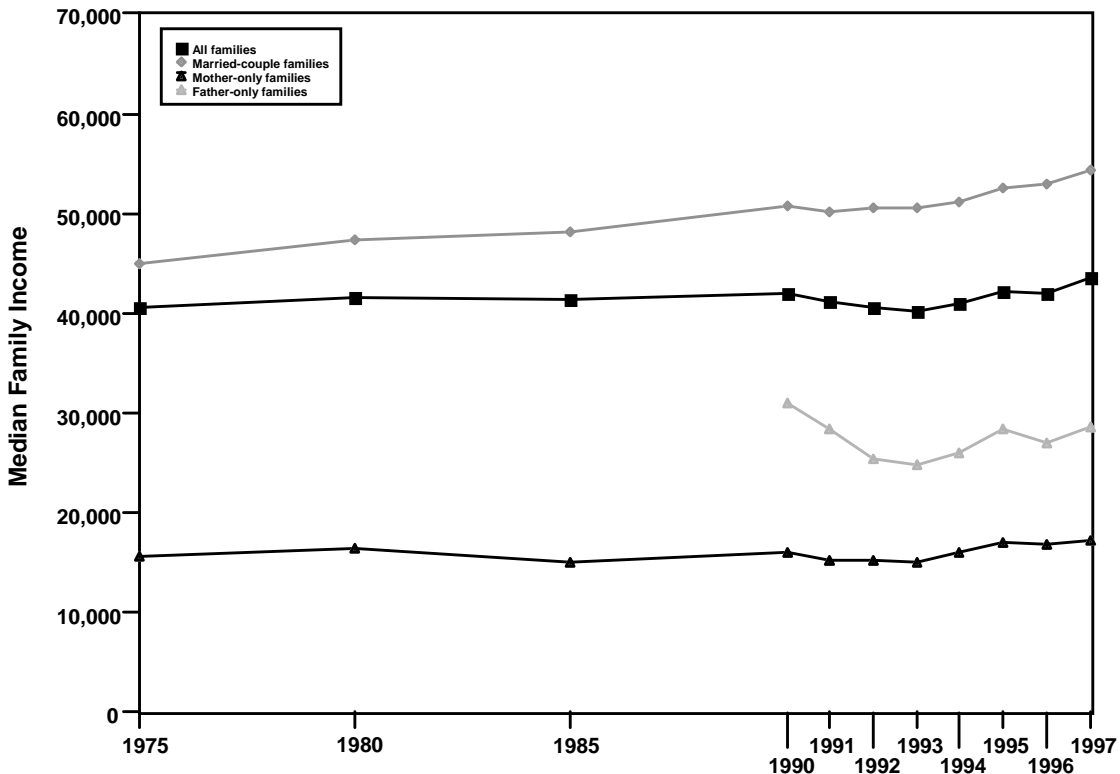
<sup>c</sup>Recording of amounts for earnings from longest job increased to \$299,999.

<sup>d</sup>Implementation of 1990 census population controls.

Sources: Unpublished tabulations of the March Current Population Survey supplied by U.S. Bureau of the Census; U.S. Bureau of the Census, Current Population Survey, Annual Demographic Survey: March Supplement, Table FINC-04 available online at [http://ferret.bls.census.gov/macro/031998/faminc/04\\_000.htm](http://ferret.bls.census.gov/macro/031998/faminc/04_000.htm), 1/20/99; Council of Economic Advisors, 1997. Economic Report of the President, 1997, Table B-58; U.S. Bureau of the Census, 1998. Current Population Reports, Money Income in the United States: 1997 (With Separate Data on Valuation of Noncash Benefits), P60-200. Washington, D.C.: U.S. Government Printing Office, Table B-1.

Figure ES 1.1

Median income of families in the United States with related children under age 18, by family structure (in constant 1997 dollars):<sup>a</sup> selected years, 1975-1997



<sup>a</sup>Income statistics converted to constant 1997 dollars using the CPI-U-X1 (all items) price index. CPI-U-X1 is a rental equivalence approach to homeowners' costs for the consumer price index prior to 1983, the first year for which the official index (CPI-U) incorporates such a measure.

Sources: Unpublished tabulations of the March Current Population Survey supplied by U.S. Bureau of the Census; U.S. Bureau of the Census, Current Population Survey, Annual Demographic Survey: March Supplement, Table FINC-04 available online at [http://ferret.bls.census.gov/macro/031998/faminc/04\\_000.htm](http://ferret.bls.census.gov/macro/031998/faminc/04_000.htm), 1/20/99; Council of Economic Advisors, 1997. Economic Report of the President, 1997, Table B-58. U.S. Bureau of the Census, 1998. Current Population Reports, Money Income in the United States: 1997 (With Separate Data on Valuation of Noncash Benefits), P60-200. Washington, D.C.: U.S. Government Printing Office, Table B-1.

## ES 1.2

**THE INCOME DISTRIBUTION: THE INCOME-TO-POVERTY RATIO OF FAMILIES WITH CHILDREN, BY INCOME QUINTILE**

Figures ES 1.2.A and ES 1.2.B present trends in the income of the poorest and richest families with children. The poorest families are those whose income falls in the bottom 20 percent (or bottom quintile) of all families; the richest families are those whose income falls in the top 20 percent of all families. The measure shown is the income-to-poverty ratio, the ratio of annual family income to the poverty line. For example, families whose pretax income was half of the poverty line would have a value of 0.50 for this measure. Each figure shows results separately by type of family.

Between 1967 and 1973, the income-to-poverty ratio of the poorest families increased from 0.74 to 0.88 (see Figure ES 1.2.A). By 1994, the ratio had dropped to 0.66.

**Differences in the Income-to-Poverty Ratio by Family Type.** The poorest single-mother families fared much worse than the poorest married-couple families (see Figure ES 1.2.A). After an increase from 0.21 to 0.33 between 1967 and 1973, the ratio for the poorest single-mother families dropped and was at 0.25 in 1994. The poorest married-couple families crossed over the poverty line between 1967 and 1973 (from 0.89 to 1.16; see Figure ES 1.2.A); however, since 1979, their ratio has declined, reaching 1.06 by 1994.

**Difference in the Income-to-Poverty Ratio by Income Quintile.** While the poorest families with children were getting poorer, the richest families with children were getting richer (see Figure ES 1.2.B). Between 1967 and 1994, the income-to-poverty ratio of the richest families increased from 4.77 to 7.14.

For the richest married-couple families, the picture was even brighter (see Figure ES 1.2.B). The income-to-poverty ratio increased from 4.88 to 7.68 between 1967 and 1994. The richest single-parent families headed by women were also well above the poverty line throughout the entire period. Their income-to-poverty ratio increased from 2.78 to 4.14 between 1967 and 1989 before declining to 4.02 in 1994.

Data for all five income quintiles show that the poorest families (the lowest quintile) were the only families to lose ground between 1967 and 1994 (see Table ES 1.2). For all time periods and all income groups, families headed by single mothers had considerably less income than those headed by married couples.

Table ES 1.2

The income-to-poverty ratio. Average pretax income as a multiple of poverty<sup>a</sup> among families in the United States with children under age 18,<sup>b</sup> by family structure and income quintile: 1967, 1973, 1979, 1989, 1992, and 1994

Family type and income quintile	1967	1973	1979	1989	1992	1994
<b>All families with children</b>						
Lowest quintile	0.74	0.88	0.84	0.74	0.65	0.66
Second quintile	1.54	1.88	1.95	1.87	1.72	1.73
Middle quintile	2.13	2.65	2.84	2.93	2.77	2.79
Fourth quintile	2.84	3.54	3.85	4.14	4.00	4.09
Highest quintile	4.77	5.73	6.15	7.20	6.86	7.14
<b>Total</b>	<b>2.40</b>	<b>2.94</b>	<b>3.13</b>	<b>3.38</b>	<b>3.20</b>	<b>3.28</b>
<b>Married couples with children</b>						
Lowest quintile	0.89	1.16	1.18	1.14	1.07	1.06
Second quintile	1.66	2.12	2.29	2.34	2.25	2.26
Middle quintile	2.23	2.84	3.12	3.34	3.26	3.31
Fourth quintile	2.93	3.71	4.11	4.52	4.43	4.58
Highest quintile	4.88	5.94	6.41	7.67	7.36	7.68
<b>Total</b>	<b>2.52</b>	<b>3.15</b>	<b>3.42</b>	<b>3.80</b>	<b>3.67</b>	<b>3.78</b>
<b>Single mothers with children</b>						
Lowest quintile	0.21	0.33	0.32	0.25	0.23	0.25
Second quintile	0.59	0.71	0.75	0.64	0.58	0.62
Middle quintile	0.91	1.03	1.22	1.14	1.06	1.11
Fourth quintile	1.45	1.67	2.01	2.03	1.89	1.94
Highest quintile	2.78	3.29	3.65	4.14	3.81	4.02
<b>Total</b>	<b>1.19</b>	<b>1.41</b>	<b>1.59</b>	<b>1.64</b>	<b>1.51</b>	<b>1.59</b>

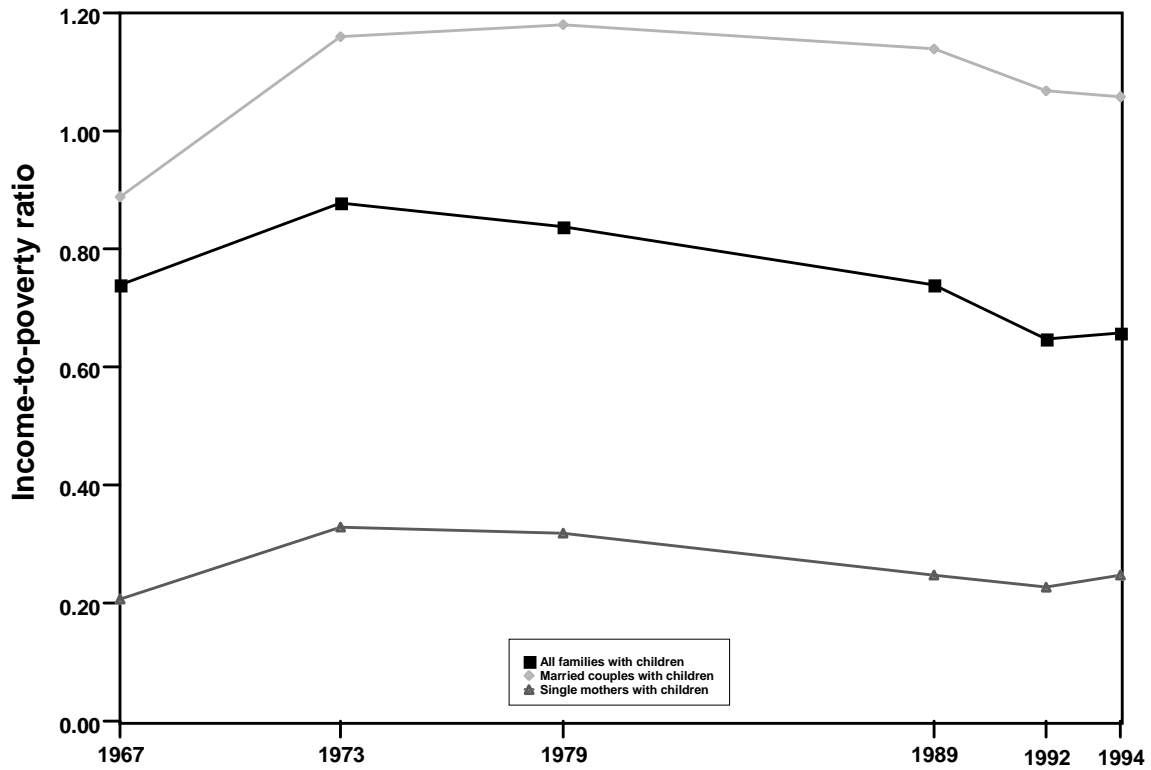
<sup>a</sup>Poverty thresholds are based on the 1989 distribution of family sizes, with no adjustment for the age of the head of household or the number of children. Quintiles are based on the number of persons.

<sup>b</sup>Weighted by persons.

Sources: U.S. Congress, House Ways and Means Committee, 1994 (Table H-21) and 1996 (Table H-16) Green Book.

Figure ES 1.2.A

Income-to-poverty<sup>a</sup> ratio for families in the United States with children under age 18, lowest income quintile, by family structure: selected years, 1967-1994



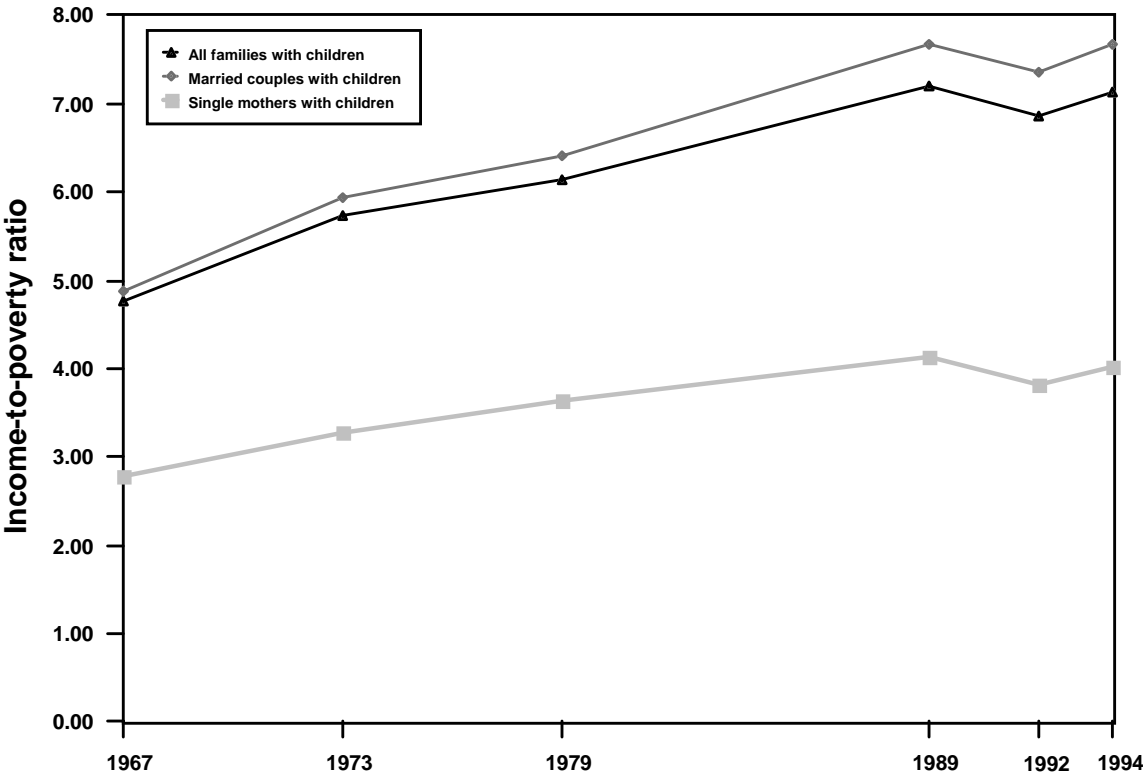
<sup>a</sup>Poverty thresholds are based on the 1989 distribution of family sizes, with no adjustment for the age of the head of household or the number of children. Quintiles are based on the number of persons.

Sources: U.S. Congress, House Ways and Means Committee, 1994 (Table H-21) and 1996 (Table H-16) Green Book.



Figure ES 1.2.B

Income-to-poverty<sup>a</sup> ratio for families in the United States with children under age 18, highest income quintile, by family structure: selected years, 1967-1994



<sup>a</sup>Poverty thresholds are based on the 1989 distribution of family sizes, with no adjustment for the age of the head of household or the number of children. Quintiles are based on the number of persons.

Sources: U.S. Congress, House Ways and Means Committee, 1994 (Table H-21) and 1996 (Table H-16) Green Book.

## ES 1.3

**CHILDREN IN POVERTY**

Being raised in economically deprived circumstances can have far-reaching negative consequences for children. Growing up at or near the poverty line (\$16,276 for a family of four in 1997) means not only that a child has a much lower level of consumption than other children but also that he or she is more likely than a non-poor child to experience difficulties in school,<sup>8</sup> to become a teen parent,<sup>9</sup> and, as an adult, to earn less and experience greater unemployment.<sup>10</sup> The effects of being raised in a family with income significantly below the poverty line are correspondingly more damaging.<sup>11</sup>

**Children at, below, and Slightly above the Poverty Level.** Figures ES 1.3.A and ES 1.3.B illustrate trends in the proportions of children living in various degrees of poverty and near-poverty.

- *Children in families with incomes below 50 percent of the poverty line.* Between 1975 and 1993, the proportion of children living in extreme poverty, that is, at or below 50 percent of the poverty line,<sup>12</sup> doubled from 5 percent in 1975 to 10 percent by 1993. By 1997, this percentage had dropped back to 8 percent (see Figure ES 1.3.A).
- *Children in families with incomes at or below the poverty line.* Less dramatic but still striking, the proportion of children at or below 100 percent of the poverty line increased by 31 percent<sup>13</sup> from 17 percent in 1975 to 22 percent by 1993 before dropping to 19 percent in 1997 (see Figure ES 1.3.A).
- *Children above but near the poverty line.* In contrast, the proportion of children living at or below 150 percent of the poverty line was about the same in 1997 (30 percent) as it was in 1975. As shown in the upper line of Figure ES 1.3.B, the proportion of children living at or below 200 percent of the poverty line in 1997 was 41 percent, compared with 43 percent in 1975.

**Differences by Race and Hispanic Origin.** The proportion of black and Hispanic children at or below 100 percent of the poverty line dropped significantly between 1996 and 1997 (from 40 percent to 37 percent for black children and from 40 percent to 36 percent for Hispanic children). In contrast, the proportion of white children dropped only slightly from 16 percent to 15 percent.<sup>14</sup> There was also a significant drop between 1996 and 1997 in the proportion of black and Hispanic children living at or below 200 percent of the poverty line (from 68 percent to 64 percent for black children and from 72 percent to 69 percent for Hispanic children) (see Table ES 1.3.A). However, the proportion of Hispanic children living in extreme poverty (at or below 50 percent of the poverty line) *increased* significantly between 1996 and 1997 from 14 percent to 16 percent.

<sup>8</sup> Parker, S., Greer, S., and Zuckerman, B. 1988. "Double Jeopardy: The Impact of Poverty on Early Childhood Development." *Pediatric Clinics of North America* 35: 1-10.

<sup>9</sup> An, C., Haveman, R., and Wolfe, B. 1993. "Teen Out-of-Wedlock Births and Welfare Receipt: The Role of Childhood Events and Economic Circumstances." *Review of Economics and Statistics* 75: 195-208.

<sup>10</sup> Duncan, G., and Brooks-Gunn, J. 1997. "Income Effects across the Life Span: Integration and Interpretation." In *The Consequences of Growing Up Poor* (G. Duncan and J. Brooks-Gunn, eds.). New York: Russell Sage Press.

<sup>11</sup> For example, the effects of family poverty on measures of cognitive ability "varied dramatically depending upon whether a family was very poor (family income below 50 percent of the poverty level), poor, or near poor" (Smith, J.R., Brooks-Gunn, J., and Klebanov, P.K. 1997. "Consequences of Living in Poverty for Young Children's Cognitive and Verbal Ability and Early School Achievement." In *The Consequences of Growing Up Poor* (G. Duncan and J. Brooks-Gunn, eds.). New York: Russell Sage Press.

<sup>12</sup> Fifty percent of the poverty line was \$8,138 in 1997.

<sup>13</sup> Percentage change calculated using unrounded numbers.

<sup>14</sup> This change, although small, is statistically significant.

A more detailed (but less current) look at poverty by race and Hispanic origin, using data from the Decennial Census,<sup>15</sup> shows that the incidence of poverty is lowest by far for white children and highest for black and Native American children (see Table ES 1.3.B and Figure ES 1.3.C). While the incidence of poverty grew noticeably between 1979 and 1989 for all groups, the differences between the groups remained stable:

- The poverty rate for white children was 12 percent in 1989.
- The poverty rate for Asian children was 17 percent in 1989, more than a third higher than for white children.
- The poverty rate for Hispanic children was 32 percent in 1989, a rate 2.6 times as high as for white children.
- The poverty rate for American Indian and Alaska Native children was 38 percent in 1989, slightly more than three times the poverty rate for white children.
- The poverty rate for black children was 40 percent in 1989, slightly more than three times the poverty rate for white children.

Although statistics on Hispanics commonly group all Hispanics together, the incidence of poverty for Hispanic children varies substantially by their place of origin. The three most common places of origin for Hispanics are Mexico, Puerto Rico, and Cuba.

According to data for 1992 from a third source (the Panel Study of Income Dynamics),<sup>16</sup> children of Cuban descent were substantially less likely than other Hispanic children to experience either poverty (16 percent for Cubans compared with 31 percent for all Hispanic children) or extreme poverty (6 percent for Cubans compared with 12 percent for all Hispanic children); however, children of Puerto Rican descent were substantially *more* likely than other Hispanic children to experience poverty (45 percent) or extreme poverty (17 percent).

**Differences by Family Structure.** The chances of a child experiencing poverty are strongly influenced by the type of family in which he or she lives. Throughout the period from 1970 through 1997, about half of the children living in female-headed families were poor (see Table ES 1.3.C). In contrast, during the 1990s,<sup>17</sup> only about 10 percent of children living in married-couple families were poor (see Figure ES 1.3.D).

<sup>15</sup> Poverty estimates presented in Table ES 1.3.B are based on the Decennial Census rather than the Current Population Survey, which is used in Table ES 1.3.A and many other tables in this section. Estimates from the two sources differ because the Current Population Survey has a much smaller sample than the Decennial Census.

<sup>16</sup> The Panel Study of Income Dynamics excludes children who migrated to the United States after 1990. Consequently, it understates recent migrants' share of the Hispanic population. This is likely to lead to a lower estimate of child poverty than a more representative survey such as the Current Population Survey, which was used for Table ES 1.3.A.

<sup>17</sup> Statistics on children in married-couple families began to be published in 1990.

Table ES 1.3.A

Percentage of children in the United States under age 18 living below selected poverty<sup>a</sup> thresholds, by age and by race and Hispanic origin:<sup>b</sup> selected years, 1975-1997

	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997
<b>Under 50% of poverty</b>											
<b>Related children</b>											
<b>under age 18</b>	5	7	8	8	9	10	10	9	8	8	8
White	4	5	6	6	6	6	6	6	6	6	6
Black	14	17	21	22	25	27	26	23	20	20	19
Hispanic	—	—	—	14	14	15	14	17	16	14	16
<b>Under 100% of poverty</b>											
<b>Related children</b>											
<b>under age 18</b>	17	18	20	20	21	22	22	21	20	20	19
White	12	13	16	15	16	16	17	16	16	16	15
Black	41	42	43	44	46	46	46	43	41	40	37
Hispanic	33	33	40	38	40	39	40	41	39	40	36
<b>Under 150% of poverty</b>											
<b>Related children</b>											
<b>under age 18</b>	30	29	32	31	32	33	33	32	32	31	30
White	24	24	26	25	26	27	27	27	26	26	26
Black	60	57	59	57	60	60	61	58	56	56	51
Hispanic	—	—	—	55	58	58	59	58	59	57	56
<b>Under 200% of poverty</b>											
<b>Related children</b>											
<b>under age 18</b>	43	42	43	42	43	44	44	43	43	43	41
White	38	37	38	37	38	38	38	38	37	37	36
Black	73	70	71	68	70	71	72	68	68	68	64
Hispanic	—	—	—	69	71	70	72	72	72	72	69

<sup>a</sup>The poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,400 in 1997. The levels shown here are derived from the ratio of the family's income to the family's poverty threshold. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, or adoption.

<sup>b</sup>Persons of Hispanic origin may be of any race. Estimates for whites and blacks include persons of Hispanic origin.

Sources: Percentages were calculated by Child Trends based on data from the U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 106, Table 7; No. 133, Table 7; No. 158, Table 4; No. 175, Table 6; No. 181, Table 6; No. 185, Revised Table 6; No. 188, Table 8; No. 189, Table 9; No. 194, Table 2; No. 198, Table 2; and No. 201, Tables 2, A-1, and C-2.

Table ES 1.3.B

Percentage of children in the United States under age 18 living below the poverty level,<sup>a</sup> by race and Hispanic origin:<sup>b</sup> 1979 and 1989

	1979	1989
All children under age 18	16	18
White	11	12
Black	38	40
Hispanic	29	32
Asian	15	17
American Indian/ Alaska Native	33	38

<sup>a</sup>The poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,400 in 1997. The levels shown here are derived from the ratio of the family's income to the family's poverty threshold. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, or adoption.

<sup>b</sup>Persons of Hispanic origin may be of any race. Estimates for whites and blacks include persons of Hispanic origin.

Sources: U.S. Bureau of the Census, 1980 Census of the Population, "Detailed Population Characteristics," PC-80-1-D1-A, United States Summary, Table 304; U.S. Bureau of the Census, 1990 Census of the Population, "Social and Economic Characteristics," CP-2-1, United States Summary, Table 49.

Table ES 1.3.C (Part 1)

Percentage of children in the United States under age 18 living below the poverty level,<sup>a</sup> by family structure, age, and race and Hispanic origin:<sup>b</sup> selected years, 1960-1997

	1960	1965	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997
<b>All types of families with related children under age 18</b>	26	21	15	17	18	20	20	21	22	22	21	20	20	19
White	20	14	10	12	13	16	15	16	16	17	16	16	16	15
Black	—	—	42	41	42	43	44	46	46	46	43	41	40	37
Hispanic	—	—	—	33	33	40	38	40	39	40	41	39	40	36
Asian	—	—	—	—	—	—	17	17	16	18	18	19	19	20
<b>Related children under age 6</b>	—	—	17	18	20	23	23	24	26	26	25	24	23	22
White	—	—	12	14	16	18	18	19	20	20	19	18	18	18
Black	—	—	42	41	45	47	50	51	53	52	49	49	45	40
Hispanic	—	—	—	—	34	41	40	44	43	43	44	42	42	38
<b>Related children ages 6-17</b>	—	—	14	16	17	19	18	19	19	20	19	18	18	18
White	—	—	10	12	12	14	14	15	15	15	15	14	14	14
Black	—	—	41	42	40	41	41	42	43	43	40	37	37	35
Hispanic	—	—	—	—	32	39	36	37	37	38	39	37	38	35
<b>Married-couple families with related children under age 18</b>	—	—	—	—	—	—	10	11	11	12	11	10	10	9
White	—	—	—	—	—	—	9	10	10	11	10	9	9	9
Black	—	—	—	—	—	—	18	15	18	18	15	13	14	13
Hispanic	—	—	—	—	—	—	26	29	29	30	30	28	29	26
Asian	—	—	—	—	—	—	—	—	—	16	—	15	15	—
<b>Related children under age 6</b>	—	—	—	—	—	—	12	12	13	13	12	11	12	11
White	—	—	—	—	—	—	11	11	12	13	11	11	11	10
Black	—	—	—	—	—	—	20	17	22	20	15	14	14	13
Hispanic	—	—	—	—	—	—	28	33	32	33	33	31	32	28

<sup>a</sup>The poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,400 in 1997. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, or adoption.

<sup>b</sup>Persons of Hispanic origin may be of any race. Estimates for whites, blacks, and Asians include persons of Hispanic origin.

Sources: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 81, Table 4; No. 86, Table 1; No. 106, Table 11; No. 133, Table 11; No. 158, Table 7; No. 175, Table 6; No. 181, Table 5; No. 185, Revised Table 6; No. 188, Table 8; No. 189, Table 9; No. 194, Table 2; No. 198, Table 2; and No. 201, Tables 2, A-1, and C-2; U.S. Bureau of the Census, Current Population Reports, The Asian and Pacific Islander Population in the United States (Update), Series PPL, No. 32, Table 8; No. 77, Table 5; and No. 81, Table 5.

Table ES 1.3.C (Part 2)

Percentage of children in the United States under age 18 living below the poverty level,<sup>a</sup> by family structure, age, and race and Hispanic origin:<sup>b</sup> selected years, 1960-1997

	1960	1965	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997
<b>Married couple families with related children ages 6-17</b>	—	—	—	—	—	—	9	10	10	11	10	9	9	9
White	—	—	—	—	—	—	8	9	9	10	9	9	8	8
Black	—	—	—	—	—	—	17	14	16	17	14	12	14	13
Hispanic	—	—	—	—	—	—	25	26	26	28	28	27	28	25
<b>Female-headed families with related children under age 18</b>	68	64	59	53	51	54	53	55	55	54	53	50	49	49
White	60	53	43	44	42	45	46	47	46	46	46	42	43	44
Black	—	—	68	66	65	67	65	68	67	66	63	62	58	55
Hispanic	—	—	—	—	65	72	68	69	66	66	68	66	67	63
<b>Related children under age 6</b>	—	—	64	62	65	66	66	66	66	64	64	62	59	59
White	—	—	59	58	60	59	60	60	61	58	59	55	54	57
Black	—	—	71	67	72	75	73	74	73	72	70	71	64	61
Hispanic	—	—	—	—	70	78	77	74	72	72	74	72	72	68
<b>Related children ages 6-17</b>	—	—	49	49	46	48	47	50	49	48	47	45	45	45
White	—	—	38	40	36	40	39	41	39	40	40	37	38	39
Black	—	—	66	66	62	63	60	65	63	62	59	56	55	53
Hispanic	—	—	—	—	62	70	64	65	62	63	65	62	65	60

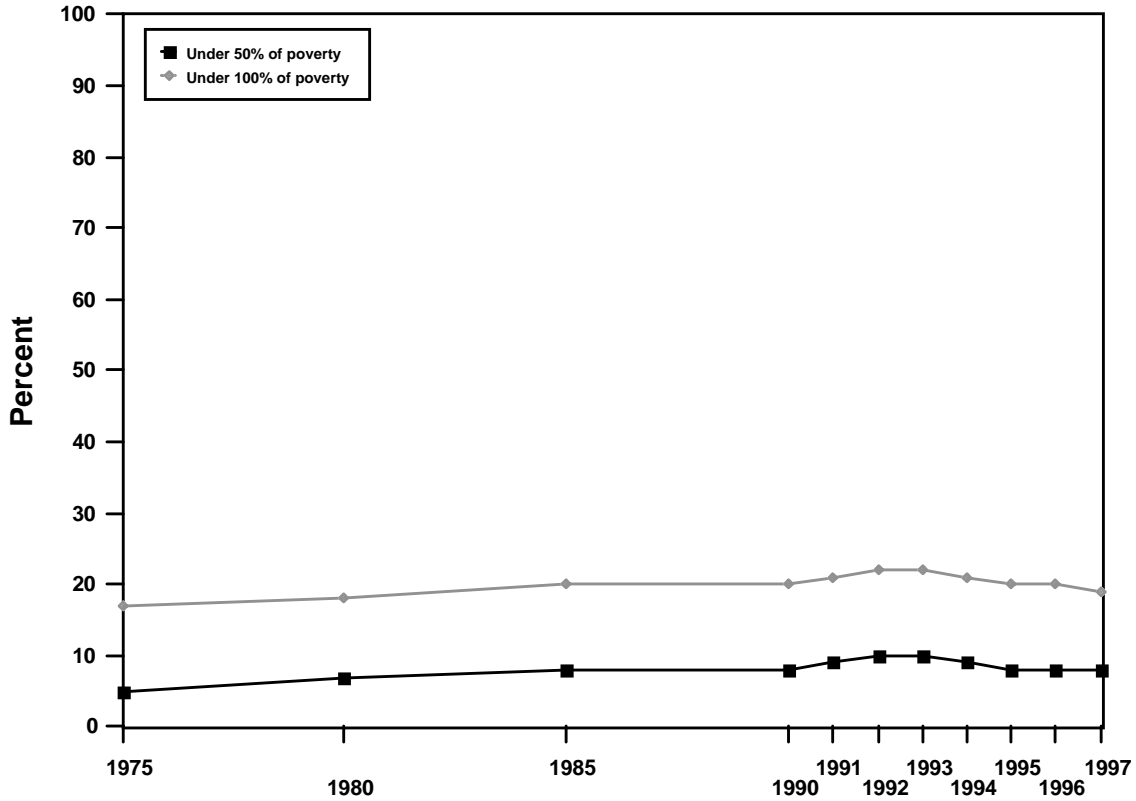
<sup>a</sup>The poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,400 in 1997. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, or adoption.

<sup>b</sup>Persons of Hispanic origin may be of any race. Estimates for whites, blacks, and Asians include persons of Hispanic origin.

Sources: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 81, Table 4; No. 86, Table 1; No. 106, Table 11; No. 133, Table 11; No. 158, Table 7; No. 175, Table 6; No. 181, Table 5; No. 185, Revised Table 6; No. 188, Table 8; No. 189, Table 9; No. 194, Table 2; No. 198, Table 2; and No. 201, Tables 2, A-1, and C-2; U.S. Bureau of the Census, Current Population Reports, The Asian and Pacific Islander Population in the United States (Update), Series PPL, No. 32, Table 8; No. 77, Table 5; and No. 81, Table 5.

Figure ES 1.3.A

Percentage of children in the United States under age 18 in families living below 50 percent and 100 percent of poverty:<sup>a</sup> selected years, 1975-1997



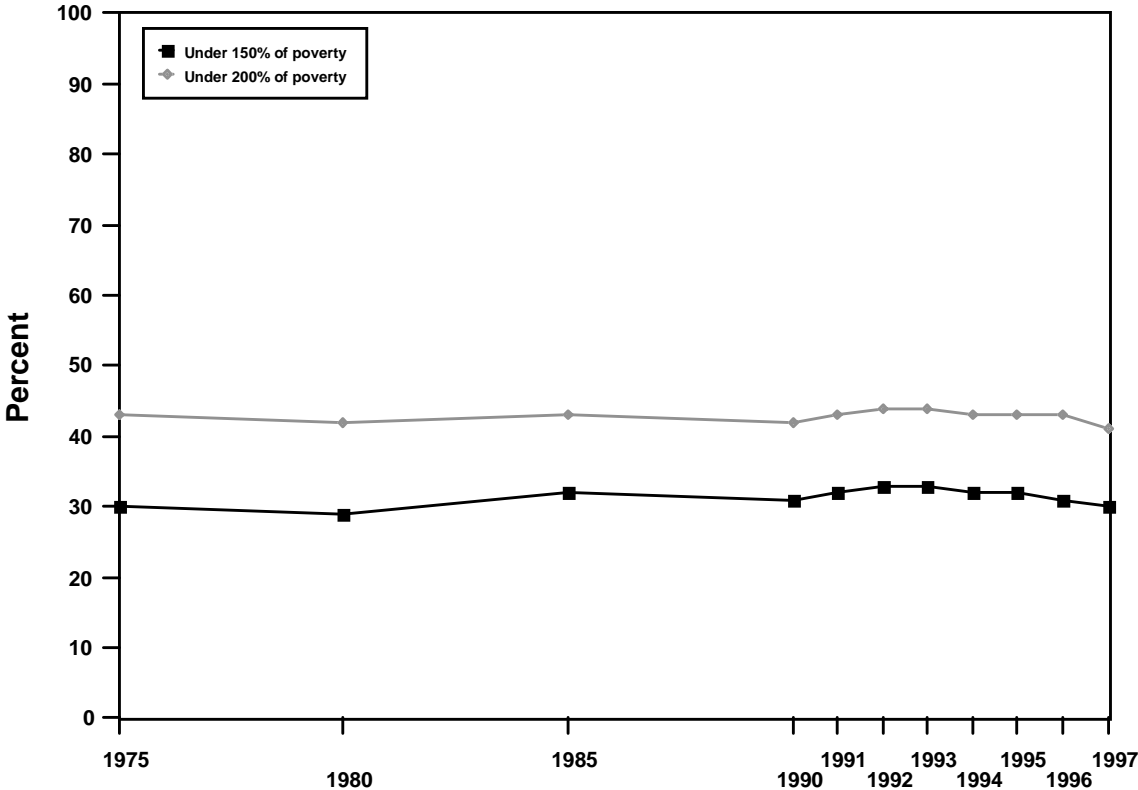
<sup>a</sup>The poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,400 in 1997. The levels shown here are derived from the ratio of the family's income to the family's poverty threshold. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, or adoption.

Sources: Percentages were calculated by Child Trends based on data from the U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 106, Table 7; No. 133, Table 7; No. 158, Table 4; No. 175, Table 6; No. 181, Table 6; No. 185, Revised Table 6; No. 188, Table 8; No. 189, Table 9; No. 194, Table 2; No. 198, Table 2; and No. 201, Tables 2 and A-1.



Figure ES 1.3.B

Percentage of children in the United States under age 18 in households in families living below 150 percent and 200 percent of poverty:<sup>a</sup> selected years, 1975-1997

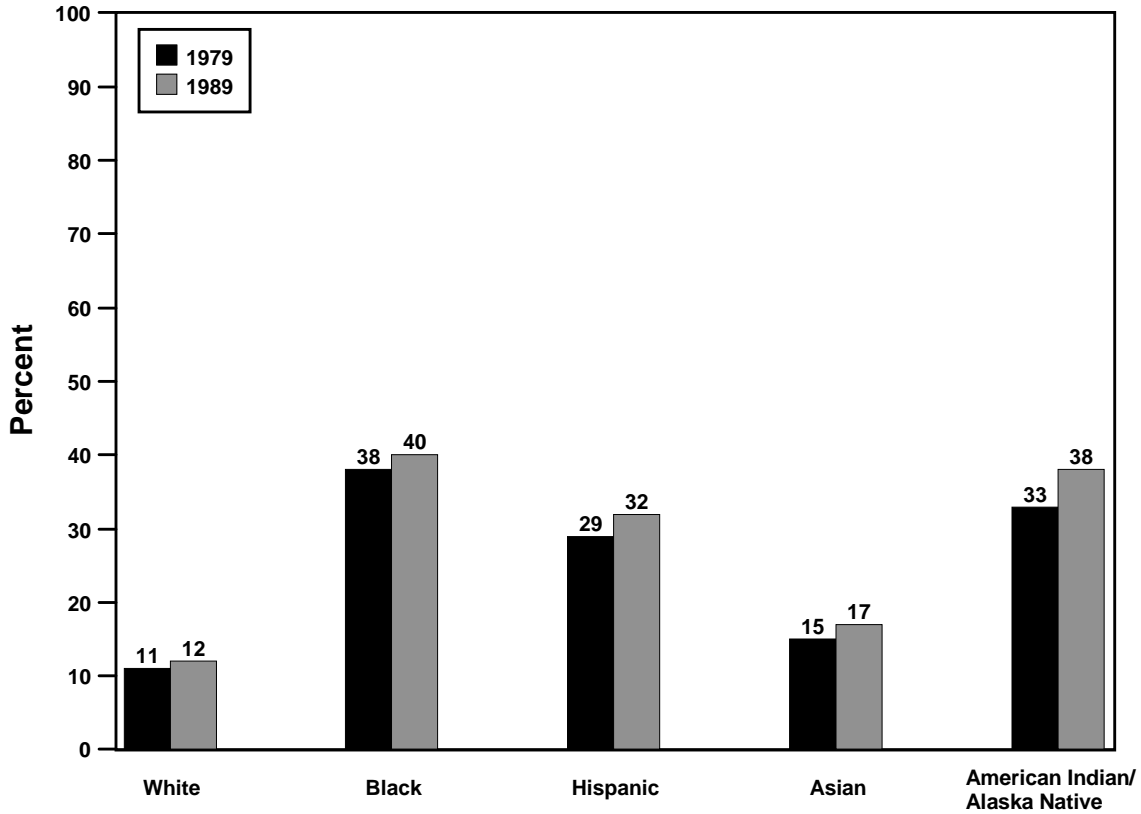


<sup>a</sup>The poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,400 in 1997. The levels shown here are derived from the ratio of the family's income to the family's poverty threshold. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, or adoption.

Sources: Percentages were calculated by Child Trends based on data from the U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 106, Table 7; No. 133, Table 7; No. 158, Table 4; No. 175, Table 6; No. 181, Table 6; No. 185, Revised Table 6; No. 188, Table 8; No. 189, Table 9; No. 194, Table 2; No. 198, Table 2; and No. 201, Tables 2 and A-1.

Figure ES 1.3.C

Percentage of children in the United States under age 18 living below the poverty level,<sup>a</sup> by race/ethnicity:<sup>b</sup> 1979 and 1989



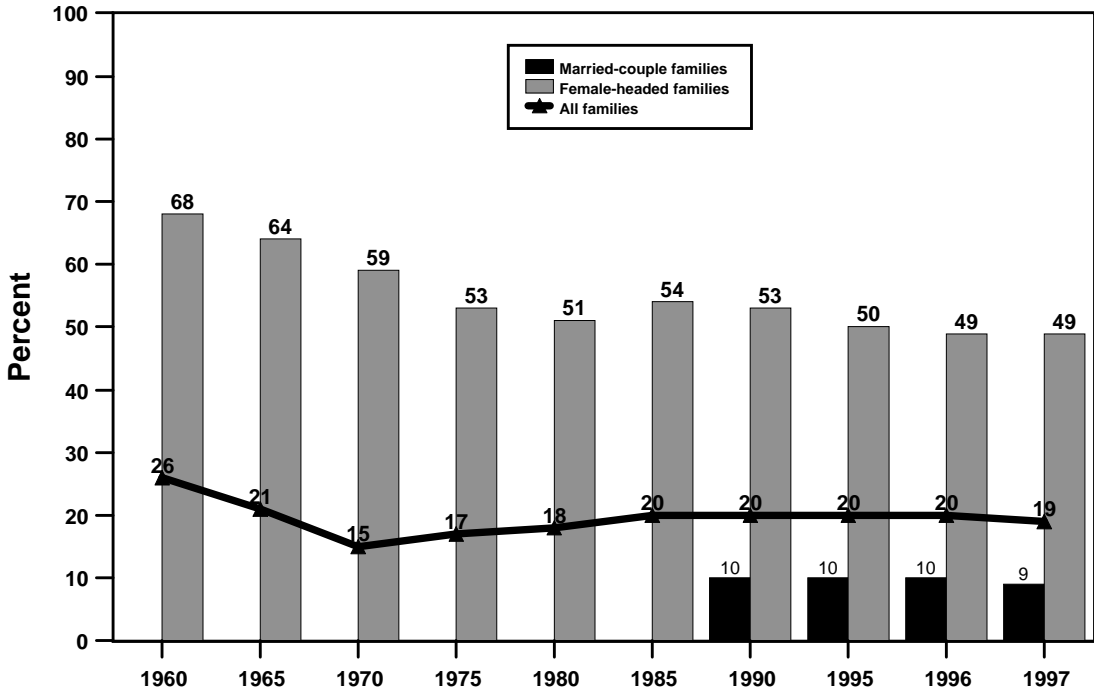
<sup>a</sup>The poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,400 in 1997. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, or adoption.

<sup>b</sup>Persons of Hispanic origin may be of any race. Estimates for all races include persons of Hispanic origin.

Sources: U.S. Bureau of the Census, 1980 Census of the Population, "Detailed Population Characteristics," PC-80-1-D1-A, United States Summary, Table 304; U.S. Bureau of the Census, 1990 Census of the Population, "Social and Economic Characteristics," CP-2-1, United States Summary, Table 49.

Figure ES 1.3.D

Percentage of children in the United States under age 18 living below the poverty level,<sup>a</sup> by family type: selected years, 1960-1997



<sup>a</sup>The poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,400 in 1997. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, or adoption.

Sources: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 81, Table 4; No. 86, Table 1; No. 106, Table 11; No. 133, Table 11; No. 158, Table 7; No. 175, Table 6; No. 181, Table 5; No. 185, Revised Table 6; No. 188, Table 8; No. 189, Table 9; No. 194, Table 2; No. 198, Table 2; and No. 201, Tables 2, A-1, and C-2.

## ES 1.4

**LONG-TERM CHILDHOOD POVERTY**

The statistics and discussion presented in ES 1.3 provide a “snapshot” of children in poverty in a single year; however, the effects of poverty on children are cumulative. Experiencing poverty year after year is more harmful to children than experiencing poverty occasionally.<sup>18</sup> The majority of children never experience poverty while growing up, and, among those who do, most are in poverty for only a small portion of their childhood. Many children, however, and particularly many black children, spend a large proportion of their formative years living in poverty, with correspondingly negative consequences for their development and well-being.

In this section, we focus on two cohorts of children.<sup>19</sup> The first cohort was age 0-5 in 1972; the second was age 0-5 in 1982. In each case, we look at the next ten years of the children’s lives<sup>20</sup> and calculate how many years of those ten years were spent in poverty.

**Changes in Childhood Poverty over Time.** Although 76 percent of all children who were under age 6 in 1972 were never poor over the next ten years, 11 percent were poor for three or more of those years, 6 percent were poor for six or more years, and 3 percent were poor for at least nine years (see Table ES 1.4 and Figure ES 1.4). The pattern is similar a decade later. Of children who were under age 6 in 1982, 73 percent were never poor over the next ten years, 15 percent were poor for three or more of those years, 7 percent were poor for six or more years, and 4 percent were poor for at least nine years.

**Differences by Race.** The risk of experiencing long-term poverty in childhood varies substantially by race (see Table ES 1.4). Of the nonblack children who were under age 6 in 1982, 79 percent never experienced poverty over the next ten years, 9 percent were poor for three or more of those years, 3 percent were poor for six or more years, and only 1 percent were poor for at least nine years. By contrast, 43 percent of all black children who were under age 6 in 1982 experienced poverty for at least three of those years, 28 percent were poor for six or more years, and 17 percent were poor for at least nine years.

Moreover, for black children the risk of experiencing long-term poverty in childhood changed between the 1970s and the 1980s. Of the black children who were under age 6 in 1972, 34 percent never experienced poverty over the next ten years. For black children who were under age 6 in 1982, 41 percent never experienced poverty over the next ten years. Thus, there was a significant increase between the 1970s and the 1980s in the percentage of black children avoiding poverty for ten consecutive years.

However, the risk for black children of experiencing poverty at least nine out of ten years also increased between the 1970s and the 1980s. Of the black children who were under age 6 in 1972, 13 percent experienced poverty in at least nine of the next ten years. For black children who were under age 6 in 1982, 17 percent experienced poverty in at least 9 of the next 10 years.

<sup>18</sup> Duncan, G. and Brooks-Gunn, J. (eds.). 1997. *The Consequences of Growing Up Poor*. New York: Russell Sage Press.

<sup>19</sup> Focusing on two cohorts ten years apart allows us to determine if long-term exposure to poverty has changed.

<sup>20</sup> This is different from the “Lifetime Childhood Poverty” concept, which was analyzed in the previous edition of this report. In the previous edition, we measured the number of years in poverty out of all 18 years of childhood.

Table ES 1.4

Percentage of children in the United States living in poverty over 10-year period,<sup>a</sup> by number of years in poverty<sup>b</sup> and by race: 1972-1981 and 1982-1991

Decade	Number of Years in Poverty				
	<u>Never</u>	<u>One or more years</u>	<u>Three or more years</u>	<u>Six or more years</u>	<u>Nine or more years</u>
<b>1972-1981</b>					
All children under age 6 in 1972	76	24	11	6	3
Black	34	66	44	24	13
Nonblack	82	18	6	3	1
<b>1982-1991</b>					
All children under age 6 in 1982	73	27	15	7	4
Black	41	59	43	28	17
Nonblack	79	21	9	3	1

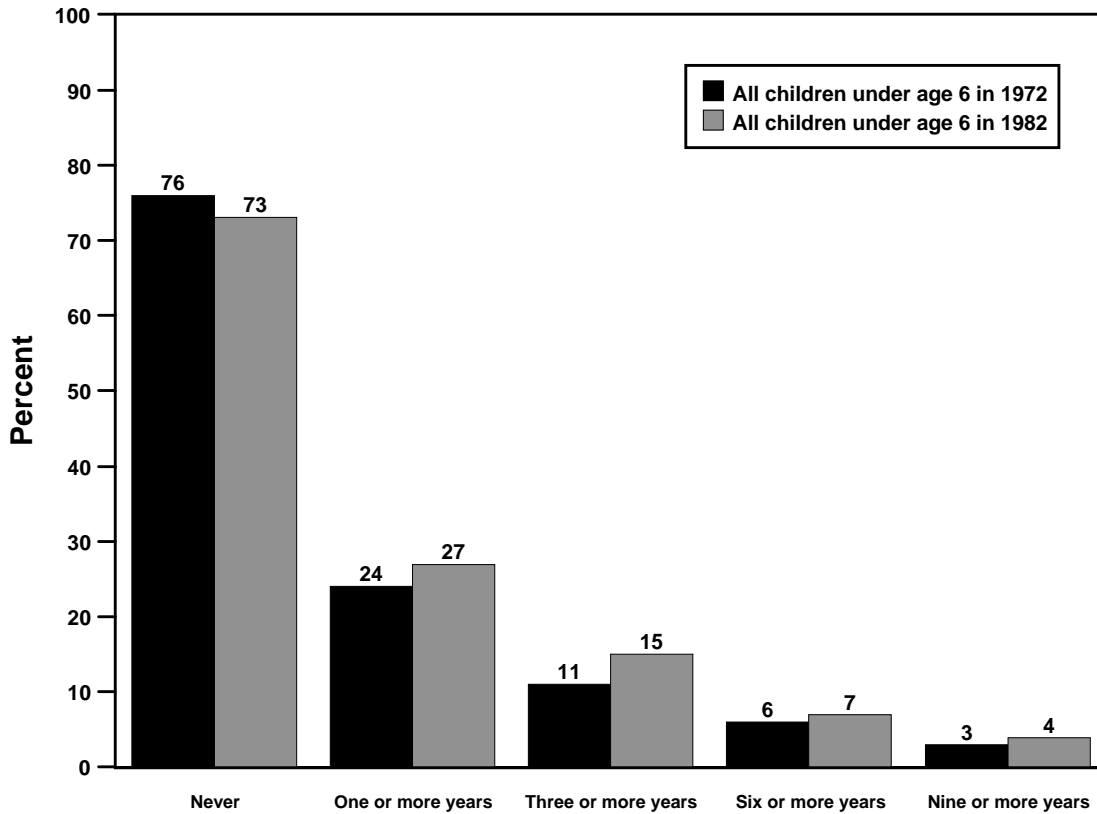
<sup>a</sup>The poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,400 in 1997. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, adoption or cohabitation.

<sup>b</sup>Poverty status for all children who were under age 6 in 1972 was monitored for the decade beginning in 1972 and ending in 1981. Similarly, poverty status for all children who were under age 6 in 1982 was monitored for the decade beginning in 1982 and ending in 1991. For these two cohorts of children, the table displays the percentage who were in poverty by number of years in poverty over each ten-year period (minimum is zero; maximum is 10 years).

Source: Estimates supplied by Greg J. Duncan, Northwestern University, based on data from the Panel Study of Income Dynamics (PSID).

Figure ES 1.4

Percentage of children in the United States living in poverty,<sup>a</sup> by number of years in poverty:<sup>b</sup> 1972-1981 and 1982-1991



<sup>a</sup>The poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,400 in 1997. Related children include biological children, stepchildren, and adopted children of the householder and all other children in the household related to the householder (or reference person) by blood, marriage, or adoption.

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