



Economic Security

ES 1.1

MEDIAN FAMILY INCOME

Median income¹ 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.²

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.

Family Income Apparently Stagnant Since 1975. Between 1975 and 1996, median income of all families with children (in constant 1996 dollars)³ has fluctuated in a narrow range—never falling below \$39,300 and never rising above \$41,200 (see Figure ES 1.1); 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 has depressed the median income of all families with children.

Family Income by Family Type. Throughout the period from 1975 through 1996, median income of female-headed families has never exceeded 35 percent of median income of two-parent families (see Figure ES 1.1). In 1996, the median family income of female-headed families was \$16,389, compared with \$51,768 for married-couple families with children.

Between 1990 and 1996, median income of single-parent families headed by men never exceeded 62 percent of median income of two-parent families (see Figure ES 1.1). In 1996, median income of single-parent families headed by men was \$26,501.

Although real median income of female-headed families was no higher in 1993 than in 1975, there has been a 12 percent increase in median income of female-headed families between 1993 and 1996. In contrast, median income of married-couple families has risen steadily throughout the period.⁴ Between 1975 and 1993, median income of married-couple families rose about 13 percent from \$43,904 to \$49,456. Between 1993 and 1996 their income continued to rise to \$51,768, an additional increase of nearly 5 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 1996, whites enjoyed family incomes that were about 94 percent higher than black families, and 81 percent higher than Hispanic families (see Table ES 1.1).

Much of the black-white difference and some of the Hispanic-white difference in family income is due to the fact that black and Hispanic families are more likely than white families to be female-headed. As shown in Table PF 2.1.A, 53 percent of black children were being raised in female-headed families in 1996 compared with 29 percent of Hispanic children and only 18 percent of white children.⁵

¹Median 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.

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

³In constructing income figures in constant 1996 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.

⁴This is due in part to an increase in maternal employment. As shown in Table ES 3.2.A, between 1980 and 1996, the percentage of mothers who worked increased from 53 percent to 66 percent.

⁵Among single-parent families the black-white difference in family income was 33 percent, while among married-couple families the difference was 23 percent (see Table ES 1.1). Among single-parent families the Hispanic-white difference in family income was 61 percent, while among married-couple families the difference was 66 percent. Thus, over three-quarters 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^a and family structure (in constant 1996 dollars):^b selected years, 1975-1996

	1975	1980	1985 ^c	1990	1991	1992 ^d	1993	1994	1995	1996
All families	\$39,759	\$40,732	\$40,399	\$41,092	\$40,308	\$39,737	\$39,307	\$40,151	\$41,198	\$40,985
White	—	—	—	\$43,818	\$43,429	\$43,575	\$43,255	\$43,602	\$44,363	\$44,527
Black	—	—	—	\$23,240	\$21,682	\$20,752	\$20,273	\$22,669	\$23,340	\$22,912
Hispanic	—	—	—	\$26,414	\$25,417	\$25,350	\$24,015	\$24,398	\$23,748	\$24,619
Married-couple families	\$43,904	\$46,338	\$47,171	\$49,530	\$48,976	\$49,420	\$49,456	\$50,017	\$51,444	\$51,768
White	—	—	—	\$50,041	\$49,741	\$50,648	\$50,356	\$51,106	\$52,088	\$52,353
Black	—	—	—	\$42,882	\$40,732	\$40,658	\$39,805	\$44,556	\$45,244	\$42,697
Hispanic	—	—	—	\$32,982	\$31,445	\$31,737	\$30,945	\$31,163	\$30,549	\$31,612
Female householder, no husband present	\$15,313	\$16,136	\$14,693	\$15,716	\$14,990	\$14,838	\$14,628	\$15,777	\$16,714	\$16,389
White	—	—	—	\$17,849	\$17,871	\$17,558	\$17,395	\$17,716	\$18,633	\$18,139
Black	—	—	—	\$12,372	\$10,843	\$11,622	\$11,266	\$12,613	\$13,373	\$13,647
Hispanic	—	—	—	\$12,175	\$11,769	\$12,608	\$11,398	\$11,787	\$12,155	\$11,241
Male householder, no wife present	—	—	—	\$30,265	\$27,845	\$24,846	\$24,266	\$25,506	\$27,787	\$26,501
White	—	—	—	\$31,414	\$28,232	\$27,017	\$28,551	\$27,572	\$29,018	\$27,694
Black	—	—	—	\$24,687	\$24,099	\$20,096	\$20,475	\$20,231	\$22,973	\$22,227
Hispanic	—	—	—	\$24,940	\$22,097	\$17,369	\$19,365	\$18,370	\$20,080	\$22,553

^aPersons of Hispanic origin may be of any race. Estimates for whites and blacks include persons of Hispanic origin.

^bIncome statistics converted to constant 1996 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.

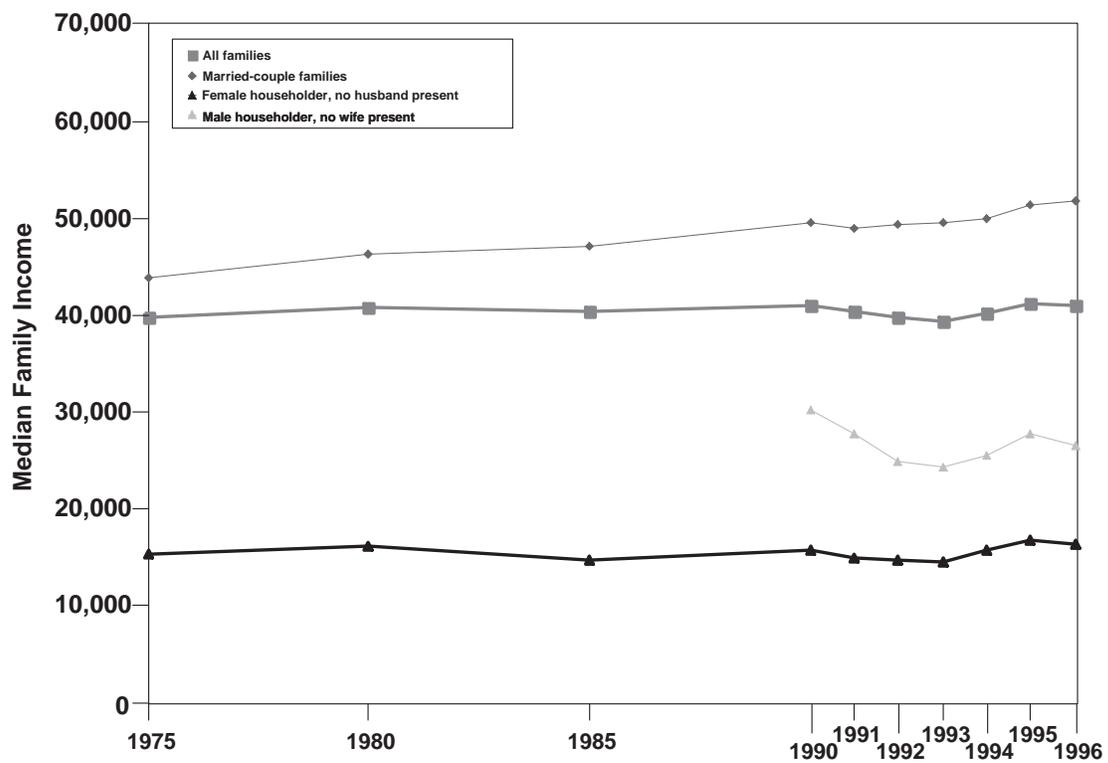
^cRecording of amounts for earnings from longest job increased to \$299,999.

^dImplementation of 1990 census population controls.

Sources: Unpublished tabulations of the March Current Population Survey supplied by U.S. Bureau of the Census; Council of Economic Advisors, 1997. *Economic Report of the President, 1997*.

Figure ES 1.1

Median income of families in the United States with related children under age 18, by family structure (in constant 1996 dollars):^a selected years, 1975-1996



^aIncome statistics converted to constant 1996 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; Council of Economic Advisors, 1997. *Economic Report of the President, 1997*.

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^a among families in the United States with children under age 18,^b by family structure and income quintile, 1967, 1973, 1979, 1989, 1992, and 1994

	1967	1973	1979	1989	1992	1994
Family type and income						
All families with children						
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
Total	2.40	2.94	3.13	3.38	3.20	3.28
Married couples with children						
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
Total	2.52	3.15	3.42	3.80	3.67	3.78
Single mothers with children						
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
Total	1.19	1.41	1.59	1.64	1.51	1.59

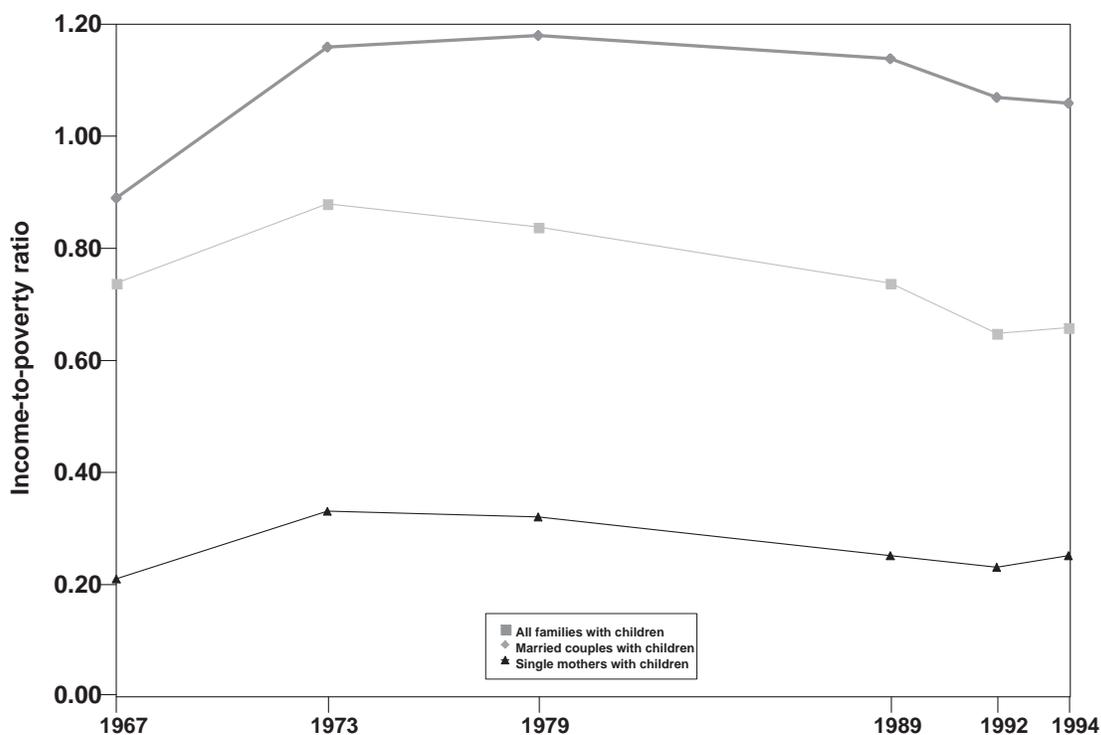
^aPoverty thresholds are based on the 1989 distribution of family sizes, with no adjustment for the age of the head of household or the number of children. Quintiles are based on the number of persons.

^bWeighted by persons.

Source: U.S. Congress, House Ways and Means Committee, 1994 and 1996 *Green Book*.

Figure ES 1.2.A

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

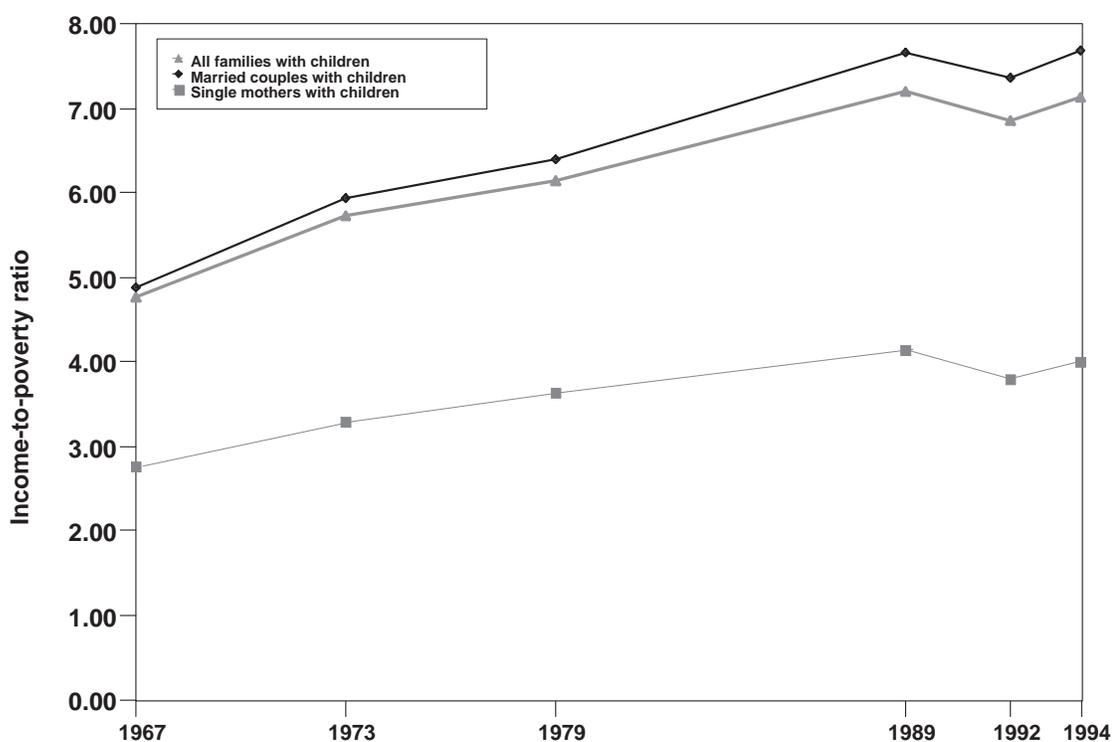


^aPoverty thresholds are based on the 1989 distribution of family sizes, with no adjustment for the age of the head of household or the number of children. Quintiles are based on the number of persons.

Source: U.S. Congress, House Ways and Means Committee, 1994 and 1996 *Green Book*.

Figure ES 1.2.B

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



^aPoverty 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.

Source: U.S. Congress, House Ways and Means Committee, 1994 and 1996 *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 (\$16,036 for a family of four in 1996) 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 nonpoor child to experience difficulties in school,⁶ to become a teen parent,⁷ and, as an adult, to earn less and experience greater unemployment.⁸ The effects of being raised in a family with income significantly below the poverty line are correspondingly more damaging.

Children At, Below, and Slightly Above the Poverty Level. Figures ES 1.3.A and 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,⁹ doubled from 5 percent in 1975 to 10 percent by 1993. By 1996, this percentage 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 29 percent from 17 percent in 1975 to 22 percent by 1993 before dropping to 20 percent in 1995 and 1996. The percentage of children living in poverty has remained at or above 20 percent since 1990 (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 1996 (31 percent) as it was in 1975 (30 percent). Similarly, as shown in the upper line of that figure, the proportion of children living at or below 200 percent of the poverty line in 1996 was 43 percent -- the same as in 1975.

Differences by Race and Hispanic Origin. There are no substantial differences by race or Hispanic origin in the trends described above, even though the percentage in poverty is consistently highest for blacks and lowest for whites (see Table ES 1.3.A). The increase in the percentage of children raised in extreme poverty occurred for all three groups, while the percentage of children raised at or below 200 percent of the poverty line has hardly changed at all.

⁶Parker, 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.

⁷An, 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.

⁸Duncan, G., and Brooks-Gunn, J. 1997. "Income Effects Across the Life Span: Integration and Interpretation." In *Consequences of Growing Up Poor* (G. Duncan and J. Brooks-Gunn, eds.). New York: Russell-Sage Press.

⁹Fifty percent of the poverty line was \$8,018 in 1996.

A more detailed (but less current) look at poverty by race and Hispanic origin, using data from the Decennial Census,¹⁰ 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 Native American 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),¹¹ 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 1996, about half of the children living in female-headed families were poor (see Table ES 1.3.C). In contrast, during the 1990s,¹² only about 10 percent of children living in married-couple families were poor (see Figure ES 1.3.D).

¹⁰Poverty 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.

¹¹The 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.

¹²Statistics 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^a thresholds, by age, and by race and Hispanic origin:^b selected years, 1975-1996

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

^aThe 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 \$16,036 in 1996. 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.

^bPersons of Hispanic origin may be of any race. Estimates for whites and blacks include persons of Hispanic origin.

Sources: Rates for 1975, 1980, and 1985 were calculated by Child Trends, Inc., 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; Rates for 1990 through 1996 are from the U.S. Bureau of the Census, *Current Population Reports*, Series P-60, Nos. 175, 185, 188, 189, 194, and 198, and revised data for 1992 provided by the U.S. Bureau of the Census, Poverty and Health Branch.

Table ES 1.3.B

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

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

^aThe 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 \$16,036 in 1996. 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.

^bPersons 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

Percentage of children in the United States under age 18 living below the poverty level,^a by family structure, age, and race and Hispanic origin:^b selected years, 1960-1996

	1960	1965	1970	1975	1980	1985	1990	1991	1992	1993	1994	1995	1996
All types of families with related children under age 18	27	21	15	17	18	20	20	21	22	22	21	20	20
White	20	14	11	13	13	16	15	16	17	17	16	16	16
Black	—	—	42	41	42	43	44	46	46	46	43	42	40
Hispanic	—	—	—	—	33	40	38	40	39	40	41	39	40
Asian	—	—	—	—	—	—	—	—	—	18	—	19	—
Related children under age 6	—	—	17	18	20	23	23	24	26	26	25	24	23
White	—	—	12	14	16	18	18	19	20	20	19	18	18
Black	—	—	42	41	46	47	51	51	53	52	49	49	45
Hispanic	—	—	—	—	34	41	40	44	43	43	44	42	42
Related children ages 6-17	—	—	14	16	17	19	18	20	19	20	20	18	18
White	—	—	10	12	12	14	14	15	15	15	15	14	14
Black	—	—	41	42	40	41	41	43	43	43	40	38	37
Hispanic	—	—	—	—	32	39	36	37	37	38	39	37	38
Married couple families with related children under age 18	—	—	—	—	—	—	10	11	11	12	11	10	10
White	—	—	—	—	—	—	9	10	10	11	10	9	9
Black	—	—	—	—	—	—	18	15	18	18	15	13	14
Hispanic	—	—	—	—	—	—	27	29	29	30	30	28	29
Asian	—	—	—	—	—	—	—	—	—	16	—	15	—
Related children under age 6	—	—	—	—	—	—	12	12	13	13	12	11	12
White	—	—	—	—	—	—	11	11	12	13	11	11	11
Black	—	—	—	—	—	—	20	17	22	20	15	14	14
Hispanic	—	—	—	—	—	—	28	33	32	33	33	31	32
Related children ages 6-17	—	—	—	—	—	—	10	10	10	11	10	9	9
White	—	—	—	—	—	—	8	9	9	10	9	9	8
Black	—	—	—	—	—	—	17	14	16	17	14	12	14
Hispanic	—	—	—	—	—	—	25	26	26	28	28	27	28
Female headed families with related children under age 18	68	61	53	53	51	54	53	56	55	54	53	50	49
White	60	53	43	44	42	45	46	47	46	46	46	43	43
Black	—	—	68	66	65	67	65	68	67	66	63	62	58
Hispanic	—	—	—	—	65	72	68	69	66	66	68	66	67
Related children under age 6	—	—	64	62	65	66	66	66	66	64	64	62	59
White	—	—	59	59	60	59	60	60	61	58	59	55	54
Black	—	—	71	67	72	75	73	74	73	72	70	71	64
Hispanic	—	—	—	—	70	78	77	74	72	72	74	72	72
Related children ages 6-17	—	—	49	49	46	48	47	50	49	49	47	45	45
White	—	—	38	40	36	40	39	41	39	40	40	37	38
Black	—	—	66	66	62	63	60	65	64	62	59	57	55
Hispanic	—	—	—	—	62	70	64	65	62	63	65	62	65

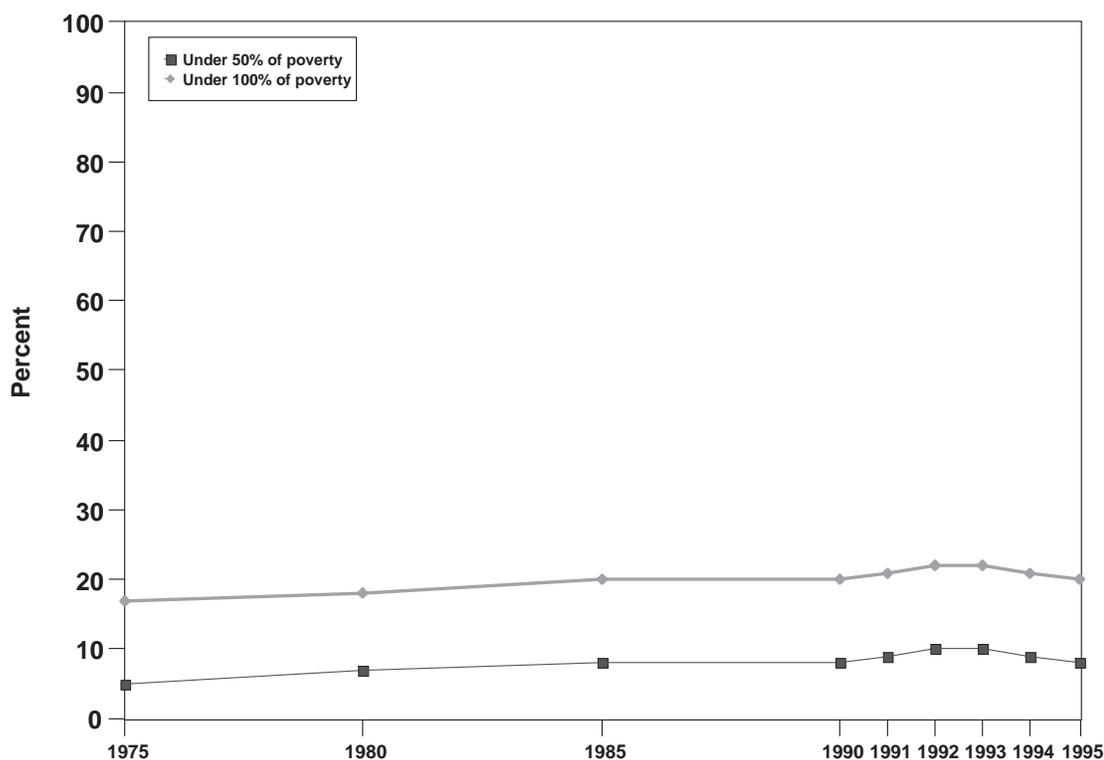
^aThe poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,036 in 1996. 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.

^bPersons 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. 188, Table 8; No. 194, Table 2; No. 198, Table 2; data for 1994 and revised data for 1992 provided by the U.S. Bureau of the Census, Poverty and Health Branch.

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:^a Selected years, 1975-1996

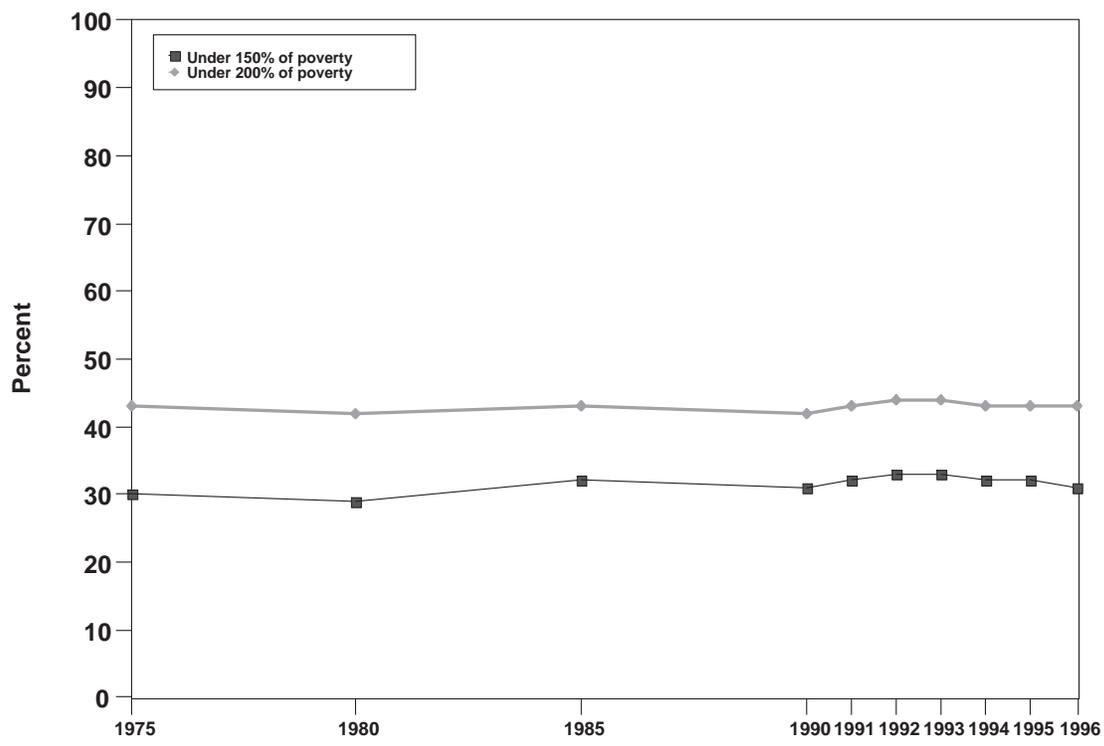


^aThe poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,036 in 1996. 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: Rates for 1975, 1980, and 1985 were calculated by Child Trends, Inc., 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; Rates for 1990 through 1996 are from the U.S. Bureau of the Census, *Current Population Reports*, Series P-60, Nos. 175, 185, 188, 189, 194, and 198, and revised data for 1992 provided by the U.S. Bureau of the Census, Poverty and Health Branch.

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:^a selected years, 1975-1996

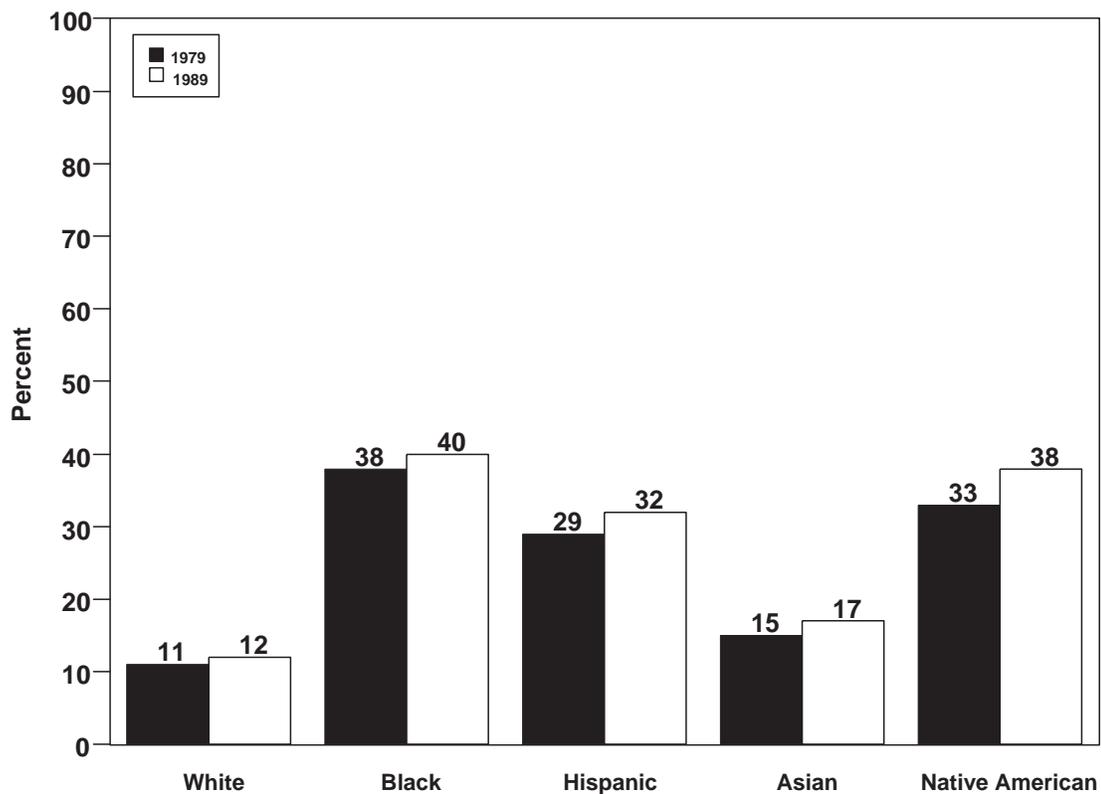


^aThe poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,036 in 1996. 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: Rates for 1975, 1980, and 1985 were calculated by Child Trends, Inc., 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; Rates for 1990 through 1996 are from the U.S. Bureau of the Census, *Current Population Reports*, Series P-60, Nos. 175, 185, 188, 189, 194, and 198, and revised data for 1992 provided by the U.S. Bureau of the Census, Poverty and Health Branch.

Figure ES 1.3.C

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



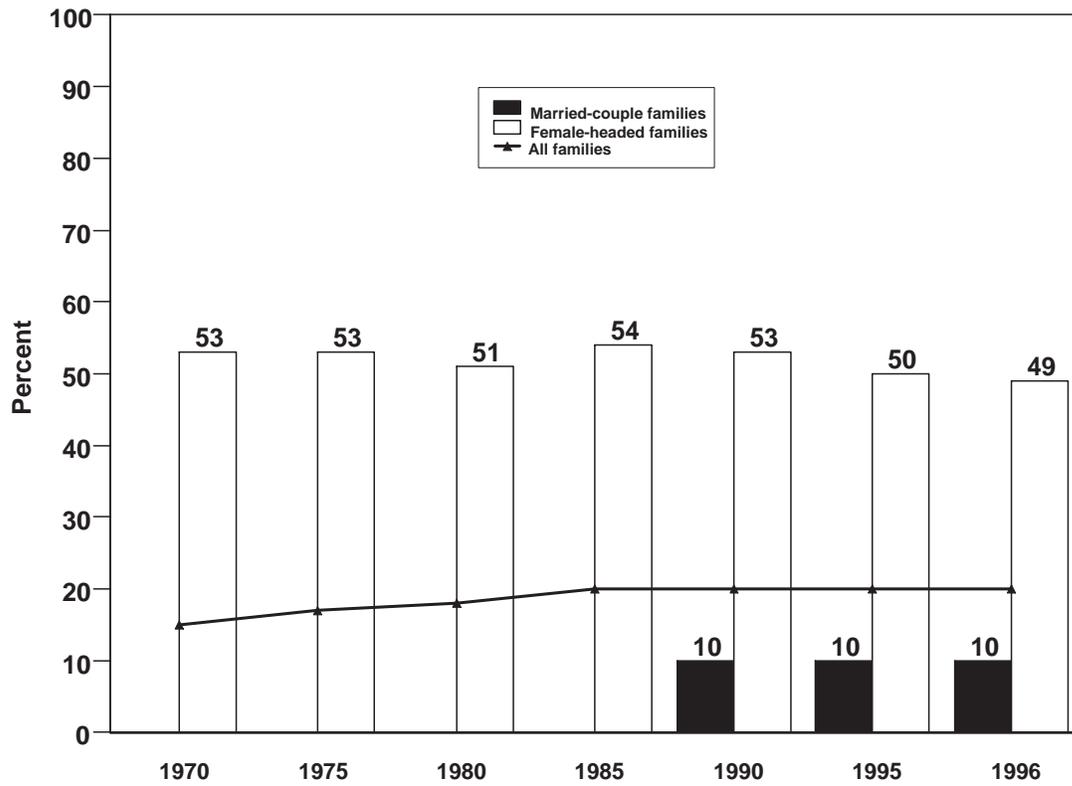
^aThe poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,036 in 1996. 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.

^bPersons 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,^a by family type: selected years, 1970-1996



^a The poverty level is based on money income and does not include noncash benefits, such as Foods 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 \$16,036 in 1996. 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. 188, Table 8; No. 194, Table 2; No. 198, Table 2; data for 1994 and revised data for 1992 provided by the U.S. Bureau of the Census, Poverty and Health Branch.

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.¹³ 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.¹⁴ 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 childrens’ lives¹⁵ 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 10 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 the 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.

¹³Duncan, G.J. and Brooks-Gunn, J. (eds.) *The Consequences of Growing Up Poor*. New York: Russell Sage, 1997.

¹⁴Focusing on two cohorts ten years apart allows us to determine if long-term exposure to poverty has changed.

¹⁵This 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,^a by number of years in poverty,^b and by race: 1972-1981 and 1982-1991

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

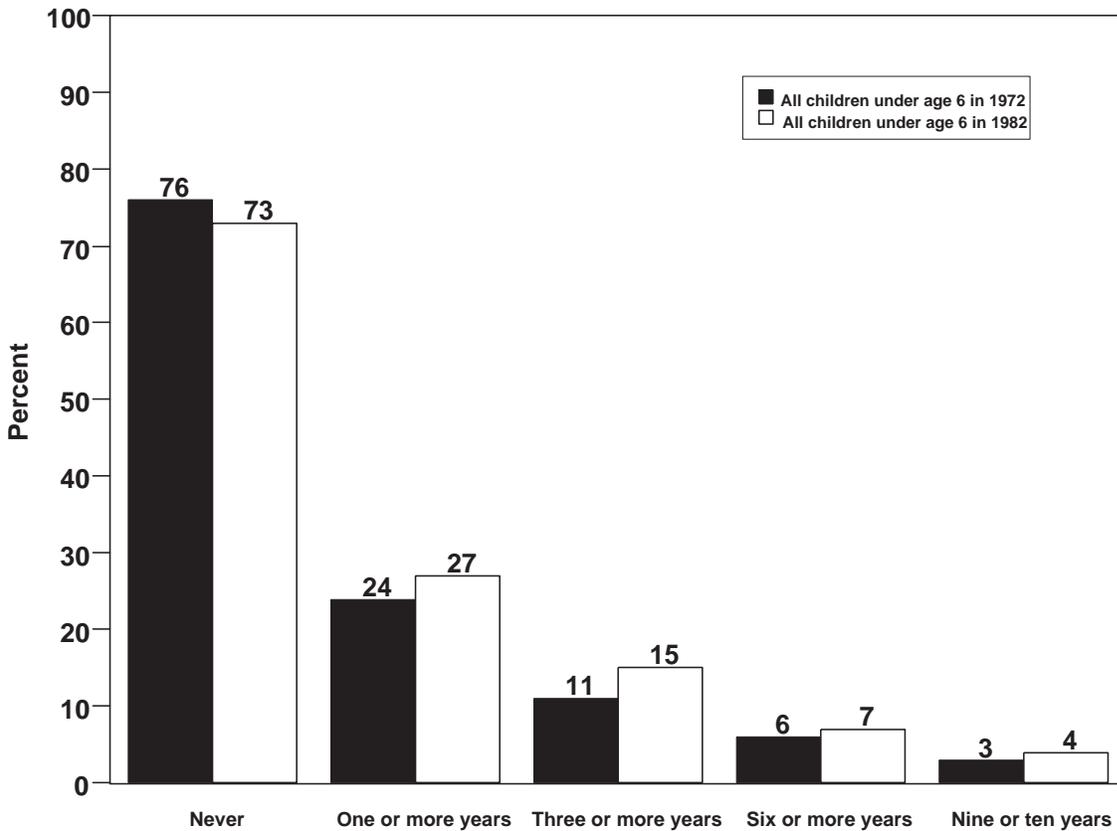
^aThe poverty level is based on money income and does not include noncash benefits, such as Food Stamps. Poverty thresholds reflect family size and composition and are adjusted each year using the annual average Consumer Price Index (CPI) level. The average poverty threshold for a family of four was \$16,036 in 1996. 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.

^bPoverty 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,^a by number of years in poverty:^b 1972-1981 and 1982-1991



^aThe 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 \$16,036 in 1996. 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.

^bPoverty 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 10-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).

