



Children, Young Adults Stuck in Poverty

Census Data Show Millions Left Behind

CLASP
Policy solutions that work for low-income people

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Overview

New data out today from the U.S. Census Bureau show that progress for low-income Americans came to a near halt during the first year of the Trump Administration, in sharp contrast to previous years of progress.¹ In 2017, the poverty rate fell slightly to 12.3 percent and the number of people in poverty was statistically unchanged from 2016, compared to the substantial decline in poverty in the previous two years (from 14.8 percent in 2014 to 13.5 percent in 2015 and 12.7 percent in 2016). While median household income rose for all households—at a far lower rate than in previous years—the improvement was concentrated among those in the top half of incomes.

The Census report shows particularly grim results for children and young adults—America’s next generation of students and workers. The poverty rate for children remains the highest for all age groups at about one in six children (17.5 percent), with no change from 2016, and significantly contrasting with major progress from 2014 to 2016. For young adults, ages 18-24, the poverty rate also remained flat at 16.1 percent after a steep decrease in the previous two years and remains higher than average poverty rates for all. The profound consequences of poverty, especially for young children, are well documented and include negative outcomes during childhood and in education, employment, and earnings into adulthood.²

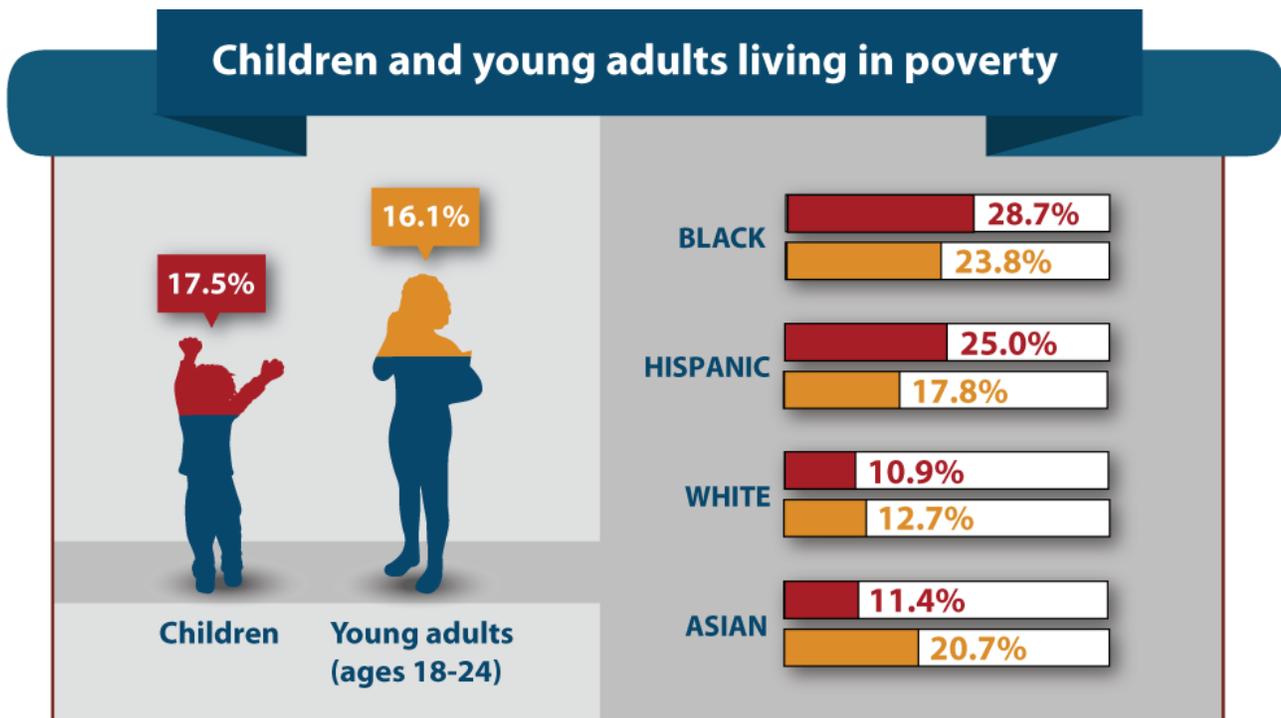
Progress in health insurance coverage also stalled, according to data released in a separate report, after years of major positive impacts of the Affordable Care Act (ACA). While coverage levels remained at a historic high—with 91.2 percent of Americans covered through public or private health insurance, 2017 was the first year since 2011 in which the share of Americans with health insurance did not improve.

The grim picture for struggling children and families would be much worse without key public programs that the Trump Administration and Congressional Republicans have attacked.

The Census Bureau's Supplemental Poverty Measure, which counts the effects of public programs not included in the official poverty measure, underscores the powerful impact of refundable tax credits and basic needs programs in helping to move people out of poverty.

The poverty data also highlight that low-wages and temporary and part-time work contribute to child and family poverty. More than two-thirds of children in poverty live with at least one worker. It's not that parents aren't working but that their jobs pay too little and offer too few hours to make ends meet.

Poverty continues to have a deeply disproportionate impact on people of color. Children of color—an emerging majority and crucial to the nation's future—are the most likely among all Americans to live in poverty because of systemic inequities in access to opportunity. Almost 3 in 10 Black children and 1 in 4 Hispanic children lived in poverty in 2017, compared to about 1 in 9 (10.9 percent) white children.



Key Findings

Poverty rates are high and stagnant among America's children and young adults.

Children comprise a disproportionate share of our nation's poor, with the highest poverty rates among the youngest and most vulnerable children. And poverty during a child's earliest years has long-lasting negative impacts on children's health and development.

2017 U.S. Census Poverty Rates

All Americans: 12.3%

Children 18 & under: 17.5%

Children 6 & under: 19.3%

Babies & toddlers under 3: 19.9%

Based on CLASP's analysis of the U.S. Census data, young adults ages 18-24 face sharply elevated rates of poverty compared to older adults, at 16.1 percent. And young adult parents are more likely to be poor. Among parents 18-24, more than a quarter (27.8 percent) are poor, and among all adult parents under 30, more than one in five (20.5 percent) are living in poverty.

Young parents raising children in poverty struggle with economic stability to meet their children's basic needs, while juggling caregiving needs. Elevated stress levels, which are common among poor people, make parenting difficult and can harm children's development.³

The government programs under attack from the Trump Administration play a strong role in reducing poverty and increasing health insurance coverage.

In 2017, 8.3 million people, including 4.5 million children, were lifted out of poverty by receiving the Child Tax Credit and the Earned Income Tax Credit (EITC). And the Supplemental Nutrition Assistance Program (SNAP) lifted 3.4 million people, including 1.5 million children, out of poverty.

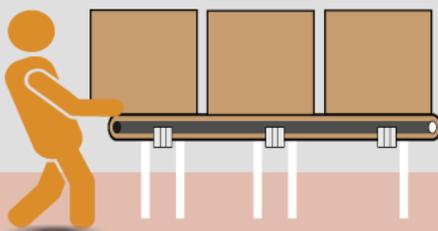
While progress in expanding health insurance has stalled—likely reflecting efforts by the Trump Administration and others to undercut the Affordable Care Act—coverage remained at an all-time high in 2017. The data highlight the stark difference between states that expanded Medicaid and those that didn't, with much higher levels of insurance coverage for the former.

Families are poor despite high levels of employment.

More than two-thirds of poor children—70 percent—live with at least one working parent but their families struggle with low wages, intermittent work, and inadequate hours. CLASP analysis show that 9.6 percent of poor parents are working part-time involuntarily—meaning they would prefer full-time employment but are unable to find it or get enough hours from their employer.

Most poor and low-income children live with a worker

70 percent of children in poverty live with someone who is **employed**



85 percent of children who are low income live with someone who is **employed**



Racial disparities are persistent and stark.

Disparities between racial and ethnic groups remain unacceptably high. Children and young adults of color are far more likely to be poor than their white counterparts. Both Black and Hispanic children are more than twice as likely to be poor as white children (28.7 percent, 25 percent, and 10.9 percent respectively), despite high levels of work among their families. With children of color soon to be a majority of all children, addressing these disparities—and reversing the negative impacts of poverty—is central to their future as students, workers and parents. Young adults of color face similar disparities, with almost one quarter of Black young adults, ages 18-24, living in poverty (23.8 percent), nearly twice the corresponding rate for white young adults (12.7 percent).

Continued Threats Could Worsen Poverty

The new Census data are a stark reminder that not all Americans are seeing the benefits of a strong economic recovery—and the data particularly underscore the precarious nature of economic improvements experienced by the lowest-income Americans as the policy environment turns hostile. Last year, Congress passed a tax bill that favors the wealthy to the detriment of middle- and lower-income families. While the 2017 data do not yet show the full effects of this tax bill, the stalling of improvement on key indicators reminds us that many working Americans have been left behind.

Data in the report point to the risks low-income workers and families face from policies now being pursued by the administration and Congress.

Cuts to basic needs programs.

As the Census data show, safety net programs like SNAP and the EITC lift millions of people out of poverty. Should the Trump Administration and House Republicans enact their proposals to cut millions of people off nutrition assistance,⁴ poverty, and hunger would rise sharply. Medicaid, which plays an essential role in meeting the health care needs of children and adults, also supports participants' employment and earnings by treating health conditions that create barriers to work.⁵ Despite evidence of the ACA's effectiveness, the administration continues to attack it and has invited states to introduce harmful "work requirements," time limits, and other obstacles to health insurance coverage in their state Medicaid programs.⁶

Denying benefits to immigrant families.

The Trump Administration is preparing a proposed rule that would change decades-old immigration policy that defines how the use of public benefits may affect individuals' immigration status. Current policy does not permit the consideration of non-cash benefits when making a "public charge" determination to grant or deny someone's application for lawful permanent residence or entry into the United States. The new proposal could expand "public charge" to include health, nutrition, and other programs previously excluded—and could take into account the use of such programs by family members, including U.S. citizen children. This would dramatically weaken the economic status of millions of families and put the health and nutrition of millions of children and adults at risk.

Threats to low-wage workers and labor enforcement.

The administration is using the regulatory process to undermine workers' health, safety, and economic protections, with devastating consequences for low-wage workers. Supreme Court nominee Brett Kavanaugh has consistently favored corporate interests over protecting workers' rights, and his confirmation on the Supreme Court would put more workers at risk.

Advancing Economic Opportunity for All

These data should be a signal that policies put forward by the Trump Administration in 2017 and since are headed in the wrong direction. Rather, we must recommit ourselves to reducing poverty and improving economic security and life chances for children and young adults. Lawmakers should build on success—for example, the Affordable Care Act's Medicaid expansion—expand and enhance core health, nutrition, and economic support programs, improve the wages and working conditions of low-wage jobs, and tear down systemic barriers holding back families of color.

The Trump Administration's agenda places the interests of the wealthy over those of struggling families and should be squarely rejected. It's not complicated; we know what works. Advocates and policymakers demonstrated last year the importance of health insurance by rejecting Republican attempts to dismantle the ACA. In 2018, a bipartisan farm bill passed by the Senate maintains important nutrition assistance and builds on successful employment and training experiments by excluding cuts proposed in a House Republican bill. And states are demonstrating what works to make jobs family-supporting, by passing increases in the minimum wage, paid sick days, and paid family and medical leave, among other crucial improvements.

Lawmakers should continue to reject the efforts to roll back policies that work and fight for health care, nutrition and economic supports, and good jobs. The health and wellbeing of today's children and young adults are the foundation of tomorrow's economic security.

Endnotes

¹ Unless otherwise cited, findings in this brief come from the Census Bureau's Current Population Survey (CPS) for 2017. The Census Bureau summarizes key income, poverty, and health insurance findings from the CPS in three reports: *Income and Poverty in the United States: 2017*, *Health Insurance Coverage in the United States: 2017*, and *The Supplemental Poverty Measure: 2017*. In addition, this brief includes additional findings from original CLASP analysis of the 2017 CPS data.

² American Psychological Association, *Effects of Poverty, Hunger and Homelessness on Children and Youth*, 2018, <https://www.apa.org/pi/families/poverty.aspx>; Caroline Ratcliffe and Signe-Mary McKernan, *Child Poverty and Its Lasting Consequence*, Urban Institute, 2012,

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³ American Academy of Pediatrics, *Poverty and Child Health in the United States*, 2016; Ratcliffe and McKernan, *Child Poverty and Its Lasting Consequence*,

⁴ Nune Phillips, *House Farm Bill Would Sabotage SNAP*, CLASP, 2018, <https://www.clasp.org/blog/house-farm-bill-would-sabotage-snap>.

⁵ Ladonna Pavetti, "Work Requirements Don't Cut Poverty, Evidence Shows," Center on Budget and Policy Priorities, 2016, <https://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows>.

⁶ Suzanne Wikle, *Medicaid Works: No Work Requirement Necessary*, CLASP, 2018,

http://www.clasp.org/sites/default/files/publications/2017/10/2017_MedicaidWorksFactSheet.pdf.