POVERTY AMONG WOMEN AND FAMILIES, 2000-2009: GREAT RECESSION BRINGS HIGHEST RATE IN 15 YEARS

September 2010

The latest Census Bureau data show a significant and alarming increase in poverty and extreme poverty among women, men and children in the United States in 2009. Poverty among women rose to 13.9 percent, up from 13.0 percent in 2008 – the highest rate in 15 years and the largest single-year increase since 1980. More than 16.4 million women were living in poverty in 2009, the largest number since the Census began collecting this data in 1966. Poverty among children also reached a 15-year high, rising from 19.0 percent in 2008 to 20.7 percent in 2009. These increases mirror the rise in the overall poverty rate from 13.2 percent to 14.3 percent in 2009, also the largest single-year increase since 1980.

The purpose of this report is to provide a gender analysis of national Census data for 2009. The National Women’s Law Center (NWLC) supplies this analysis, as it has for several years, because little information broken out by gender is available directly from the Census Bureau’s series of reports titled Income, Poverty, and Health Insurance Coverage in the United States. Determining, for example, if there were changes to the poverty rate among Black women or elderly women living alone, or the gap between the wages of Hispanic women and white men, requires examining separate detailed Census Bureau tables – which is the way NWLC prepared this report. However, while this report provides a picture of poverty and income data, its scope is largely confined to statistical analysis; it does not attempt to capture what increased poverty and economic insecurity mean in real terms for women, their families, and their futures.

The dramatic spike in poverty last year reflects the surge in job losses that began with the onset of the “Great Recession” in December 2007 and accelerated rapidly during 2009, with unemployment reaching its peak to date at 10.1 percent in October 2009. Though unemployment for the labor force as a whole has since declined slightly, unemployment rates for some women have increased; for example, unemployment among women who head families jumped to 13.4 percent in July 2010 and held at that rate during August. The 13.4 percent rate is almost twice the pre-recession rate of 6.9 percent in December 2007 and the highest rate in over 25 years, suggesting that poverty rates for this particularly vulnerable group are unlikely to turn around in the near term.

At the same time that unemployment has battered female-headed households, men’s rising unemployment (up from 5.4 percent in 2008 to 9.6 percent in 2009) has made two-parent families more dependent upon women’s wages. The number of married couples with children relying exclusively on women’s earnings jumped from about 1.4 million in 2008 to 1.9 million in 2009 – a 36.6 percent increase, compared with an increase of only 5.1 percent between 2007 and 2008. One-third of working mothers are the sole wage-earners in the family, either because their spouses are unemployed or out of the labor force or because they are heads of households.
But the wage gap between median earnings for men and women persisted in 2009: women working full-time, year round were paid only 77 cents for every dollar paid to their male counterparts, a disparity unchanged from 2008. The wage gap makes it more difficult for families relying on women’s wages to achieve and maintain economic security.

Even before the current recession began, after six years of growth in the overall economy, poverty among women and children was at a higher level than at the start of the decade, and persistently higher than poverty among men. Though measures in the American Recovery and Reinvestment Act of 2009 (ARRA), and subsequent extensions of unemployment benefits prevented even more severe outcomes, a number of supports for low-income workers will soon expire and job growth remains stagnant. There is a clear need for concerted strategies to reduce poverty, expand employment opportunities, close the wage gap, and increase economic security for women and their families.

**National Snapshot: Poverty among Women and Children, 2009**

The data reveal that women and children in 2009 continued to be disproportionately impacted by poverty, although male poverty also has increased since 2008. The highest poverty rates were among female-headed families with children, women over age 65 living alone, and Black, Hispanic, and Native American women and children.

**Adult Women, 2009**

- More than 1 in 8 women, over 16.4 million, lived in poverty in 2009. More than 40 percent of these women (nearly 7 million) lived in extreme poverty, defined as income below 50 percent of the Federal Poverty Level. Nearly 6 percent of all women were living in extreme poverty.

- The poverty rate for women (13.9 percent) was 3.4 percentage points higher than it was for men (10.5 percent). The extreme poverty rate for women (5.9 percent) was 1.3 percentage points higher than it was for men (4.6 percent).

- Women in all racial and ethnic groups experienced higher poverty rates than White, non-Hispanic men. Poverty rates were particularly high, at more than one in five, among Black (24.6 percent), Hispanic (23.8 percent), and Native American (24.7 percent) women. Rates for White, non-Hispanic women (10.1 percent) and Asian women (12 percent) were also considerably higher than the rate for White, non-Hispanic men (7.3 percent).
Single Mothers and Children, 2009

- Over 15 million children lived in poverty in 2009, close to half of whom (44.7 percent) were living in extreme poverty.

- 20.7 percent of children were poor, almost twice the rate for adult men (10.5 percent). Poverty rates were particularly high, at about one third, for Black (35.7 percent), Hispanic (33.1 percent), and Native American (35.2 percent) children. The poverty rate was 14 percent for Asian children and 11.9 percent for White, non-Hispanic children.

- The poverty rate for female-headed families with children was 38.5 percent, compared to 23.7 percent for male-headed families with children, and 8.3 percent for families with children headed by a married couple.¹²

- Poverty rates approached one in two for Black female-headed families with children (44.2 percent), Hispanic female-headed families with children (46.0 percent), and Native American female-headed families with children (44.4 percent). The poverty rate was 31.7 percent for White, non-Hispanic female-headed families with children and 22.6 percent for Asian female-headed families with children.

- More than five in ten poor children (51.5 percent) lived in families headed by women.¹³

- More than half a million single women with children (12.5 percent) who worked full-time, year round in 2009 were living in poverty.
Women 65 and Older, 2009

- Among people 65 and older, more than twice as many women (2.3 million) as men (1.1 million) lived in poverty in 2009.
- The poverty rate for women 65 and older was 10.7 percent, 4.1 percentage points higher than the poverty rate for men 65 and older (6.6 percent).
- Poverty rates were particularly high, at about one in five, for Black (21.8 percent), Hispanic (21.3 percent), and Native American (22.2 percent) women 65 and older. The poverty rate was 8.2 percent for White, non-Hispanic women 65 and older and 15.4 percent for Asian women 65 and older.
- Seventeen percent of women 65 and older living alone lived in poverty, compared to 12.2 percent for men 65 and older living alone.
The Recession Hits Harder: Increases in Poverty, 2008 to 2009

The continuing and compounding impact of the recession is evident in increases in poverty and extreme poverty between 2008 and 2009 for women, children, and men. Poverty increased (or was statistically unchanged) for most subgroups of women, with the exception of women 65 and older, who saw a decrease in poverty.

**Adult Women, 2008-2009**

- In 2009, over 1.2 million more women lived in poverty than in 2008.14
- The poverty rate among women increased from 13.0 to 13.9 percent between 2008 and 2009. Extreme poverty among women increased from 5.5 to 5.9 percent.
- The poverty rate among men increased from 9.6 to 10.5 percent between 2008 and 2009. Extreme poverty among men increased from 4.0 to 4.6 percent, and the number of men in poverty increased by more than 1.1 million. However, the poverty rate was still 3.4 percentage points higher for women than for men, and the extreme poverty rate was 1.3 percentage points higher.
- Among racial and ethnic groups, Hispanic women experienced the largest increase in poverty in 2009, with their poverty rate rising to 23.8 percent (up from 22.3 percent in 2008). White, non-Hispanic women saw an increase from 9.4 percent to 10.1 percent. There were no statistically significant one-year changes for Black, Asian or Native American women.

**Single Mothers and Children, 2008-2009**

- Over 1.3 million more children lived in poverty in 2009 than in 2008.
The poverty rate for children increased from 19.0 percent in 2008 to 20.7 percent in 2009. In addition, the extreme poverty rate rose from 8.5 percent to 9.3 percent.

At 38.5 percent, the poverty rate for female-headed families with children in 2009 was statistically unchanged from 2008 (37.2 percent). The poverty rate for male-headed families with children increased significantly from 17.6 percent in 2008 to 23.7 percent in 2009. The poverty rate for families with children headed by a married couple increased significantly from 7.5 percent in 2008 to 8.3 percent in 2009, but continued to be considerably lower than for families with children headed by a single parent.

For Hispanic children, the poverty rate increased from 30.6 percent in 2008 to 33.1 percent in 2009. The poverty rate for non-Hispanic, White children rose to 11.9 percent, up from 10.6 percent in 2008. There were no statistically significant changes in poverty rates among Black, Asian or Native American children.

**Women 65 and Older, 2008-2009**

For women 65 and older, the poverty rate *declined* from 11.9 percent in 2008 to 10.7 percent in 2009. There was no statistically significant change for men 65 and older.

Although women 65 and older living alone still experienced relatively high levels of poverty, their poverty rate also declined in 2009, dropping to 17.0 percent (from 18.9 percent in 2008).

There was no statistically significant change in the extreme poverty rate for women or men 65 and older.
National Trends: Women’s and Children’s Poverty, 2000-2009

In addition to analyzing changes in poverty rates for women and children over the past year, this analysis compares poverty rates in 2009 to data from 2000, the peak of the previous business cycle. This date, which was used in previous NWLC analyses of Census data, continues to be used in this report because, even at the peak of the most recent business cycle – 2007 – poverty rates among women and families with children were higher than in 2000.15 For that reason, 2000 provides a better benchmark than 2007 for what poverty rates look like after a real economic recovery.

Adult Women, 2000-2009

- Relative to 2000, about 4.5 million more women and 4.1 million more men lived in poverty in 2009.

- The poverty rate for women was higher in 2009 (13.9 percent) than in 2000 (11.3 percent). The men’s poverty rate was also higher in 2009 (10.5 percent) than in 2000 (7.7 percent), but has consistently been well below the women’s poverty rate.

- The extreme poverty rate for women increased from 4.3 percent in 2000 to 5.9 percent in 2009, while the extreme poverty rate for men increased from 3.0 to 4.6 percent.

- The poverty rate for White, non-Hispanic women rose to 10.1 percent in 2009 from 8.2 percent in 2000. While there were no statistically significant changes in poverty rates for Black and Hispanic women from 2000 to 2009, the poverty rates for both Black women (24.6 percent) and Hispanic women (23.8 percent) continued to be well above that of White, non-Hispanic women (10.1 percent).16

- The percentage of women living in extreme poverty increased for White, Black, and non-Hispanic women from 2000 to 2009. The extreme poverty rate increased from 3.1 to 4.4 percent for White, non-Hispanic women, from 8.3 to 10.5 percent for Black women, and from 7.3 to 9.7 percent for Hispanic women.
**Single Mothers and Children, 2000-2009**

- The poverty rate for children increased from 16.2 percent in 2000 to 20.7 percent in 2009. There were over 3.8 million more children living in poverty in 2009 compared to 2000.

- Poverty rates increased among White, non-Hispanic children, Black children and Hispanic children from 2000 to 2009. Poverty rates rose to 11.9 percent from 9.3 percent for White children, to 35.7 percent from 31.2 percent for Black children, and to 33.1 percent from 28.4 for Hispanic children.

- From 2000 to 2009, poverty rates increased among both single parent families and married couple families with children. The poverty rate increased to 38.5 percent from 33 percent for families with children headed by single females, to 23.7 percent from 15.3 percent for families with children headed by single males, and to 8.3 percent from 6.0 percent for families with children headed by married couples.
Women 65 and Older, 2000-2009

- Between 2000 and 2009, there were significant declines in the poverty rates for both women and men over 65. The rate for women dropped to 10.7 percent (from 12.2 percent in 2000), while the rate for men dropped to 6.6 percent (from 7.5 percent in 2000).

- The extreme poverty rate for women over 65 increased from 2.4 percent to 2.8 percent between 2000 and 2009.

- For elderly women living alone, poverty declined from 21.3 percent in 2000 to 17.0 percent in 2009.


- Though both men’s and women’s median annual earnings rose between 2008 and 2009 (in 2009 dollars, from $35,609 to $36,278 for women and from $46,191 to $47,127 for men), the wage gap persisted. Women working full time, year round in 2009 earned 77 percent of what their male counterparts earned – the same level as in 2008. The median full-time, full-year female worker earned $10,849 per year less than her male counterpart in 2009, a gap that is about $267 wider (adjusted for inflation) than in 2008. Black women working full time, year round in 2009 earned 62 percent of what their white, non-Hispanic male counterparts did while Hispanic women working full time, year round in 2009 earned only 53 percent of what their white, non-Hispanic male counterparts did.

- Since 2000, the wage gap has narrowed. The annual median earnings of women working full time, year round were 73 percent of the median earnings of their male counterparts in 2000. The narrowing of the wage gap is due to the larger increase in women’s median earnings than men’s since 2000. In 2009 dollars, men’s median earnings have increased by $619 since 2000; women’s median earnings have increased by $2,210 over the same time period.
Median Earnings for Full Time, Full Year Workers
(in 2009 $)

- White, non-Hispanic Men
- Men
- Asian Women
- White, non-Hispanic Women
- Women
- Black Women
- Hispanic Women
Conclusion

The sharp increase in poverty in 2009 is a grim indicator of the severity of the current downturn and the long road ahead to recovery. Unemployment for adults age 20 and over in the first eight months of 2010 averaged close to 9.8 percent, even higher than the 2009 average rate of 9.3 percent. Based on unemployment projections from the Congressional Budget Office (CBO) and the Office of Management and Budget (OMB), a Brookings Institution simulation predicts that poverty will continue to rise over the next several years, and could take more than a decade to decrease to its pre-recession rate in 2007, much less the lower levels of 2000.

Though these data present a bleak picture, there would be even higher unemployment rates and deeper and more widespread hardship – in 2009, 2010, and for years to come – had the federal government not implemented a series of economic recovery measures, including ARRA. Economists Alan Blinder and Mark Zandi estimate that, without ARRA and other financial policies designed to combat the economic crisis, unemployment would have reached 11.2 percent in 2009 and 15.2 percent in 2010 before peaking at 16.3 percent in 2011.

ARRA’s increased support for programs that are especially important to vulnerable families also helped keep poverty from being even worse in 2009. The ARRA supports include extended and expanded unemployment insurance, improvements to the Child Tax Credit and Earned Income Tax Credit, enhanced food stamp benefits, additional child care assistance and Head Start funding, increased funding for Medicaid and education, restored funding for child support enforcement, additional payments for Social Security and Supplemental Security Income beneficiaries, and a new Temporary Assistance to Needy Families (TANF) Emergency Contingency Fund that enabled states to create jobs and provide emergency assistance to families in crisis. Unemployment benefits kept 3.3 million people out of poverty in 2009, and the majority of the increase in these benefits in 2009 came from ARRA. The TANF Emergency Contingency Fund created approximately 250,000 subsidized jobs in 2009 and 2010. Without income from Social Security, which was boosted by ARRA, 20.5 million additional Americans, including 14 million adults ages 65 and older, would have been poor in 2009. Food stamp benefits, enhanced by ARRA, are not counted as income for purposes of the poverty measure; if they were, 3.6 million fewer people would be counted as poor in 2009.

Some Members of Congress have objected to ARRA, extensions of expiring ARRA assistance, and additional measures to reduce poverty and expand opportunity on the grounds that such spending will burden our children with a greater deficit. However, the failure to make these investments will effectively increase an already severe deficit in human potential that is sure to have lasting repercussions, including on our ability to reduce the nation’s fiscal deficits. A 2007 study estimates that the cumulative costs to the U.S. economy of childhood poverty – from lost productivity and earnings, as well as the costs associated with higher crime and poorer health in later years – are about $500 billion per year (approximately 4 percent of GDP), a figure that has likely increased since the onset of the recession. The nation cannot afford to accept recent levels of poverty and inequality as the new normal. It must make a commitment to rebuilding an economy that works for all.
## Poverty Among Women and Families, 2000-2009

<table>
<thead>
<tr>
<th>Group</th>
<th>Number in Poverty, 2009 (in millions)</th>
<th>Poverty Rate, 2009</th>
<th>Poverty Rate, 2008</th>
<th>Poverty Rate, 2000</th>
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<td>Adult Women 18+</td>
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<tr>
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</table>

*Indicates a statistically significant change compared to 2009
1 The word “significant” is used throughout this document to refer to statistical significance at the 90-percent confidence level.

2 Extreme poverty is defined as having income at or below 50 percent of the Federal Poverty Level. For more information on 2009 poverty thresholds, please see U.S. Census Bureau, Poverty Thresholds for 2009 by Size of Family and Number of Related Children Under 18 Years, available at http://www.census.gov/hhes/www/poverty/data/threshold/thresh09.html.


10 Pub. L. 111-5.

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

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


14 This statistic is a conservative estimate calculated by determining the total number of poor related children in single mother families as a percentage of the total number of poor children. The statistic limited to only poor related children is 53.7%.

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

16 2000 data specific to Asian and Native American women are not available on the Census web site.


Ibid. See also Arloc Sherman, Ctr. on Budget and Policy Priorities, State-Level Data Show Recovery Act Protecting Millions from Poverty (Dec. 17, 2009), available at http://www.cbpp.org/cms/index.cfm?fa=view&id=3035. CBPP estimates that seven provisions in ARRA kept more than six million Americans out of poverty and reduced the severity of poverty for 33 million more. The seven measures analyzed were the Making Work Pay tax credit; improvements to the Child Tax Credit and Earned Income Tax Credit; enhanced levels of Supplemental Nutrition Assistance Program (SNAP) benefits; additional weeks of unemployment compensation (UC) and a $25 weekly supplemental UC payment; and a $250 one-time payment to elderly people and people with disabilities who receive Social Security, SSI, or veterans’ benefits.
