



# Census: 1 in 7 Americans lives in poverty



WASHINGTON – The ranks of the working-age poor climbed to the highest level since the 1960s as the recession threw millions of people out of work last year, leaving one in seven Americans in poverty.

The overall **poverty rate** climbed to 14.3 percent, or 43.6 million people, the Census Bureau said Thursday in its annual report on the economic well-being of U.S. households. The report covers 2009, President Barack Obama's first year in office.

The poverty rate increased from 13.2 percent, or 39.8 million people, in 2008.

The share of Americans without health coverage rose from 15.4 percent to 16.7 percent — or 50.7 million people — mostly because of the loss of employer-provided health insurance during the recession. Congress passed a health overhaul this year to address the rising numbers of uninsured people, but its main provisions will not take effect until 2014.

In a statement, President Barack Obama called 2009 a tough year for working families but said it could have been worse.

"Because of the Recovery Act and many other programs providing tax relief and income support to a majority of working families — and especially those most in need — millions of Americans were kept out of poverty last year," Obama said.

The new figures come at a politically sensitive time, just weeks before the Nov. 2 congressional elections, when voters restive about high unemployment and the slow pace of economic improvement will decide whether to keep Democrats in power in the House and Senate or turn to Republicans.

The 14.3 percent poverty rate, which covers all ages, was the highest since 1994. It was lower than predicted by many demographers who were bracing for a record gain based on last year's skyrocketing unemployment. Many had expected a range of 14.7 percent to 15 percent.

Broken down by state, Mississippi had the highest share of poor people, at 23.1 percent, according to rough calculations by the Census Bureau. It was followed by Arizona, New Mexico, Arkansas and Georgia. On the other end of the scale, New Hampshire had the lowest share, at 7.8 percent.

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Analysts said the full blow of lost incomes was cushioned somewhat by increases in Social Security payments in 2009 as well as federal expansions of unemployment insurance, which rose substantially under the economic stimulus program. With the additional unemployment benefits, workers were eligible for extensions that gave them up to 99 weeks of payments after a layoff.

David Johnson, the chief of the Census Bureau's household economics division, estimated that expanded unemployment benefits helped keep 3.3 million people out of poverty last year.

He said demographic changes, too, were a factor as many families "doubled up" in single homes and young adults ages 25 to 34 moved back in with their parents to save money in the economic downturn.

The 2009 poverty level was set at \$21,954 for a family of four, based on an official government calculation that includes only cash income, before tax deductions. It excludes capital gains or accumulated wealth, such as home ownership, as well as noncash aid such as food stamps.

An additional 7.8 million people would have been counted above the poverty line if food stamps and tax credits were included as income, Johnson said.

Last year saw the biggest single-year increase in Americans without health insurance, lifting the total number to the highest since the government began tracking the figures in 1987. The number of people covered by employment-based health plans declined from 176.3 million to 169.7 million, although those losses were partially offset by gains in government health insurance such as Medicaid and Medicare.

Diane Rowland, executive vice president of the Kaiser Family Foundation, said additional increases in the uninsured are probable in the short run.

In 2014, under the new health law, Medicaid will be expanded to pick up millions more low-income people, and the government will offer tax credits for many middle-income households to use to buy coverage through new online insurance markets in each state.

By 2019, the government has estimated that nearly 93 percent of the U.S. population will have health insurance, roughly a 10 percentage point increase from today's level.

Other census findings:

Among the working-age population, ages 18 to 64, poverty rose from 11.7 percent to 12.9 percent. That puts it at the highest since the 1960s, when the government launched a war on poverty that expanded the federal role in social welfare programs from education to health care.

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Poverty rose among all race and ethnic groups, but stood at higher levels for blacks and Hispanics. The number of Hispanics in poverty increased from 23.2 percent to 25.3 percent; for blacks it increased from 24.7 percent to 25.8 percent. The number of whites in poverty rose from 8.6 percent to 9.4 percent.

Child poverty rose from 19 percent to 20.7 percent.

Associated Press writer Ricardo Alonso-Zaldivar contributed to this report.

**AP look at state-by-state poverty levels: Click Below:**

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