



CENSUS RELEASES LATEST 2012 DATA ON INCOME, POVERTY AND HEALTH INSURANCE COVERAGE

For Children, Poverty Rate Remains High While Health Coverage Continues to Improve

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Every September, the U.S. Census Bureau releases new data on the latest poverty and health insurance coverage rates. In recent years these releases have come with few surprises when it comes to America's children. Consistent with last year's Census report, child poverty remains high while more children have health insurance thanks to Medicaid and the Children's Health Insurance Program (CHIP). The most important highlights from the report are listed below:

CHILD POVERTY RATE SAME AS 2011 AND REMAINS HIGH

The poverty rate for children was unchanged for a second year in a row. It remains high with 21.8 percent of children (16.1 million children) living under the federal poverty line, significantly higher than the poverty rate for the rest of the population. In 2012, nearly one in 10 children (9.7 percent of all children) lived in extreme poverty, or below 50 percent of the poverty line (household income of \$9,240 per year for a couple with one child). This is also significantly higher than the extreme poverty rate for the rest of the population: while children make up 23.7 percent of the total population, they represent 35 percent of the population living below 50 percent of the poverty line, and 34.6 percent of the population living below 100 percent of the federal poverty threshold. The data reveals that the youngest children (under age 6) are hit especially hard by poverty: nearly 1 in 4 children under age 6 were living below the poverty line in 2012. At 24.4 percent (5.8 million children), children under age 6 are again the age group with the highest poverty rate.

MEDICAID AND CHIP HELP REDUCE THE NUMBERS OF UNINSURED CHILDREN

Due almost entirely to Medicaid and CHIP, the numbers of uninsured children (under the age of 18) dropped from 9.4 percent (7.0 million kids) in 2011 to 8.9 percent (6.6 million kids) in 2012. Medicaid and CHIP have been enormously successful in reducing the rates of uninsured children to these record low numbers. When CHIP was launched in 1997, 22.8 percent of U.S. children were uninsured. With today's Census data, that number has been reduced by more than half.

OTHER FEDERAL INITIATIVES KEEP MILLIONS OF CHILDREN OUT OF POVERTY

While the child poverty rate remained high in 2012, it would have been even higher without federal initiatives designed to keep children out of poverty:

- The Supplemental Nutrition Assistance Program (SNAP) lowered the child poverty rate by 2.3 percent, keeping 1.7 million children out of poverty.
- The Earned Income Tax Credit (EITC) lowered the child poverty rate by 4 percent, keeping 2.9 million children out of poverty.

CONGRESS SHOULD INVEST IN WHAT WORKS TO REDUCE CHILD POVERTY

Now is the time for Congress to take action to preserve the programs that are working to tackle childhood poverty. Specifically, we urge lawmakers to act immediately to:

- Establish a child poverty target – to reduce child poverty by half in 10 years and end it in 20 – which would give us the focus necessary to successfully alleviate and end child poverty.

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- Protect and fully fund CHIP beyond 2015, when funding is currently set to expire.
- Reject the Nutrition Reform and Work Opportunity Act of 2013 (H.R. 3102), which would cut nutrition programs by \$39 billion over 10 years. The Census data release reveals that nutrition programs are a critical resource for vulnerable families and children and Congress should protect the current structure and funding of SNAP.
- Protect and strengthen the EITC, as well as the Child Tax Credit and Child and Dependent Care Tax Credit, all three of which are important tax credits for children.

Four years after the recession hit in 2008, Census data reveals that child poverty remains stubbornly high. While CHIP has cut the uninsured rate for children in half since its creation and federal initiatives such as SNAP and the EITC kept millions of children out of poverty last year, it is clear that Congress must protect these important investments and do more to lower child poverty.