

FACT SHEET: CHILD POVERTY IN THE WAKE OF COVID-19



On September 14, 2021, the U.S. Census Bureau released national child poverty estimates for 2020, including both the Supplemental Poverty Measure (SPM) and the Official Poverty Measure (OPM).

This new data shows us that when we have the political will to act, we can reduce child poverty even during a pandemic. Despite the loss of income that many households with children experienced last year, child poverty *decreased* when considering the impact of stimulus and other assistance, including the first two rounds of Economic Impact Payments, expansions to Unemployment Insurance benefits, nutrition assistance through the Supplemental Nutrition Assistance Program and the Pandemic-EBT program, and more.

Yet children were still the poorest group in the nation in 2020 and our country continues to experience significant racial and economic disparities. Many children living in households with incomes above the poverty line also continue to face considerable hardship, including food and housing insecurity.

It is important to note that this 2020 data does not take the significant investments made for children in [American Rescue Plan](#), which [are already nearly cutting child poverty in half in 2021](#). Improvements to the Child Tax Credit (CTC) are responsible for much of this impact - reaching families with the greatest level of hardship for the first time in the CTC's history with increased amounts (up to \$300 a month for children under 6/\$250 for children 6-17) of cash assistance. Half of this assistance is being delivered to households with children monthly from July 2021 through December 2021, with the rest coming at tax time. [When considering improvements to the CTC and other assistance in the American Rescue Plan, children are projected to have the lowest poverty rates in the nation, assuming all eligible children can access CTC payments.](#)

Without further action, these improvements are due to expire at the end of 2021, which may cause child poverty to double and raise taxes on over 60 million households with children. As of the publishing of this fact sheet, Congress is negotiating a spending package that includes provisions to continue these enhancements as well as other significant investments in child care, children's healthcare, and more, potentially making this one of the most important pieces of legislation for children in a generation.

ANNUAL CENSUS DATA FOR 2020

Supplemental Poverty Measure

The SPM is the most realistic measure of poverty, using a household income threshold based on the cost of food, clothing, shelter, and utilities, plus a small amount of other needs and adjusts this for family size and geographic differences in housing costs. The Census then considers cash income (including child support), non-cash benefits, minus taxes (or plus tax credits) work expenses, out-of-pocket medical expenses, and child support paid to another household.

Using this measure, which considers the impact of stimulus and other critical assistance provided for households with children in 2020, 9.7 percent of children lived in poverty compared to 12.6 percent in 2019, a 23 percent decrease. Nearly 3 percent of children were still living in deep poverty, which remains extremely worrisome since households living in deep poverty lack the income to meet their children's basic needs.



Below are government programs included in the SPM and the number of children lifted out of poverty because of each program.

Number of Children Lifted Out of Poverty in 2020 by Individual Programs*

- » Economic Impact Payments (first two rounds) – 3.24 million
- » Child Tax Credit (CTC) and Earned Income Tax Credit (EITC) – 2.7 million
- » Unemployment Insurance – 1.4 million
- » Supplemental Nutrition Assistance Program (SNAP) and School Lunch** – 1.3 million
- » SNAP – 1.1 million
- » School Lunch – 157,000
- » Housing Subsidies – 785,000
- » Child Support Received – 305,000
- » Social Security Insurance (SSI) – 354,000
- » Temporary Assistance for Needy Families (TANF)/general assistance – 211,000
- » Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – 66,000
- » Low Income Home Energy Assistance Program (LIHEAP) – 27,000
- » Workers' Compensation – 41,000

**Note that in response to the outbreak of COVID-19, some of these programs received increases and benefits were enhanced to reach more households in 2020. Aid in the Families First Coronavirus Response Act (Public Law 116-127), the Coronavirus Aid, Relief, and Economic Security (CARES) Act (116-136), and the second round of Economic Impact Payments in the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (Public Law 116-123) H.R. 6074 are reflected here. Assistance including in the American Rescue Plan (H.R. 1319) was passed in 2021 and not included in this data.*

***Reflects the [Pandemic-EBT program](#), which provides emergency nutrition benefits to supplement for missed school meals while children learn virtually.*

Official Poverty Measure

The OPM data represents the share of children in the United States under age 18 who live in families with incomes below the federal poverty level, which is used to determine eligibility for many public

assistance and [means-tested federal programs](#). The federal poverty definition consists of a series of thresholds based on family size and composition. In 2020, poverty was defined as annual income below \$26,246 for a family of four with two children, while extreme poverty was defined as less than \$13,123 per year. It is important to stress that many families continue to experience hardship and the inability to afford basic needs well beyond the federal poverty line.



The OPM does not reflect the impact of most assistance, with the exception of unemployment insurance benefits. **The OPM shows that without this assistance, child poverty would have increased by over 10 percent from 2019-2020, causing an additional 1.1 million children to experience poverty in 2020.** Young children had the highest rates of poverty, experiencing significant hardship while undergoing critical stages of brain development. Under the OPM, children represented 22.2 percent of the total population and 31.2 percent of the people in poverty in 2020.

All Children

- » 11.6 million children (16.1 percent) experienced in poverty in 2020 (threshold is an annual income below \$26,246 for a family of four with two children)
- » 5.5 million children (7.6 percent) experienced deep poverty (threshold is an annual income below \$13,123 for a family of four with two children)
- » 25.9 million children (35.8 percent) lived in low-income families (threshold is an annual income below \$52,492 for a family of four with two children)

Children of Color

- » 27.7 percent of Black (non-Hispanic) children and 23.1 percent of Hispanic (any race) children lived in poverty, compared to 9.9 percent of white (non-Hispanic) children
- » 14.7 percent of Black (non-Hispanic) children and 9.9 percent of Hispanic (any race) children lived in extreme poverty, compared to 4.6 percent of white (non-Hispanic) children
- » **Over half of Black and Hispanic children lived in low-income families** – 53.2 percent of Black (non-Hispanic) children and 51.9 percent of Hispanic (any race) children.

Young children

- » 3.3 million children under 5 (17.6 percent) experienced poverty
- » 1.6 million children under 5 (8.8 percent) lived in deep poverty
- » 16.6 percent of Black (non-Hispanic) young children under 5 and 11 percent of Hispanic (any race) children under 5 lived in poverty, compared to 10.4 percent of white (non-Hispanic) children under 5

OTHER IMPORTANT CHILD POVERTY DATA

[Expanded Child Tax Credit Leads to Further Decline in Child Poverty in August 2021](#)

Columbia Center on Poverty & Social Policy

Finds that assistance in the American Rescue Plan kept 6.3 million children out of poverty in August 2021, reducing child poverty by 43 percent. CTC payments alone resulted in 3.5 million fewer children experiencing poverty and had an outsized impact in reducing poverty for children of color.

This analysis builds on CPSP's findings from July 2021, which found that CTC payments kept 3 million children out of poverty. The CTC reached an additional 1.6 million children in August, lifting an additional 500,000 out of poverty.

CPSP's [monthly poverty tracker](#) illustrates the impact of assistance on household economic security in real-time.

[2021 Poverty Projections: Assessing the Impact of Benefits and Stimulus Measures](#)

Urban Institute

Projects a child poverty rate (using the Supplemental Poverty Measure) of 5.6 percent for 2021 based on analysis of the impact of assistance in the American Rescue Plan, meaning that children would have the lowest poverty rate of any age group (compared to 2020, when they had the highest rate).

[Household Food Security in the United States in 2020](#)

USDA Economic Research Service

Finds that in 2020, child food insecurity and very low food insecurity (when children do not have regular, predictable access to food) increased significantly from 2019. Children and adults were food insecure in 7.6 percent of households with children (2.9 million households), up from 6.5 percent in 2019. Very low food insecurity of children occurred in 0.8 percent of households with children (322,000 households), up from 0.6 percent in 2019. The spike in hunger can be attributed to the COVID-19 pandemic and most likely would have been higher had families not had access to food assistance. The study finds that 55 percent of food insecure households reported participating in federal nutrition assistance programs, such as SNAP, WIC, and the National School Lunch Program.

The study also finds that 11.7 million children lived in a food insecure household and 584,000 children lived in households with very low food security in 2020.

For more information and to receive our updates, visit the U.S. Child Poverty Action Group website at www.endchildpovertyus.org.