

Poverty

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The number of poor rose significantly between 1992 and 1993.

There were 39.3 million persons below the official poverty level¹ in 1993, significantly different from the 38.0 million poor in 1992. However, the proportion of the population with income below the poverty level, 15.1 percent in 1993, was not significantly different from the 1992 poverty rate of 14.8 percent.

Poverty estimates based on the current definition date back to the early 1960's. The number of persons in poverty as well as the poverty rate fell dramatically during the 1960's, from 40 million (22.2 percent) in 1960 to 24 million (12.1 percent) in 1969. The next decade experienced relatively small changes, with the number of poor fluctuating

¹The poverty definition used by the Federal Government for statistical purposes is based on a set of money income thresholds which vary by family size and composition and do not take into account non-cash benefits. The average poverty threshold for a family of four was \$14,763 in 1993. A four-person family with cash income below their threshold would be counted as poor.

from 23 to 26 million, and poverty rates varying between 11.1 and 12.6 percent. This was followed by a rapid increase in poverty during the 1978-83 period as the number of persons in poverty increased by 11 million to a total of 35.3 million. The poverty rate reached 15.2 percent in 1983, unsurpassed since 1965. While the poverty rate in 1993 (15.1 percent) was not statistically different from this recent peak of 15.2 percent in 1983, it remains well above the 1978 level of 11.4 percent, a recent low point.

The poverty rate varied across race and ethnic groups.

In 1993, the poverty rate was 12.2 percent for Whites, 33.1 percent for Blacks, and 30.6 percent for persons of Hispanic origin.² For Asians and Pacific Islanders, the largest component of the remaining race groups, the poverty rate was 15.3 percent in 1993, not significantly different from

²Persons of Hispanic origin may be of any race. These data do not include the population of Puerto Rico.

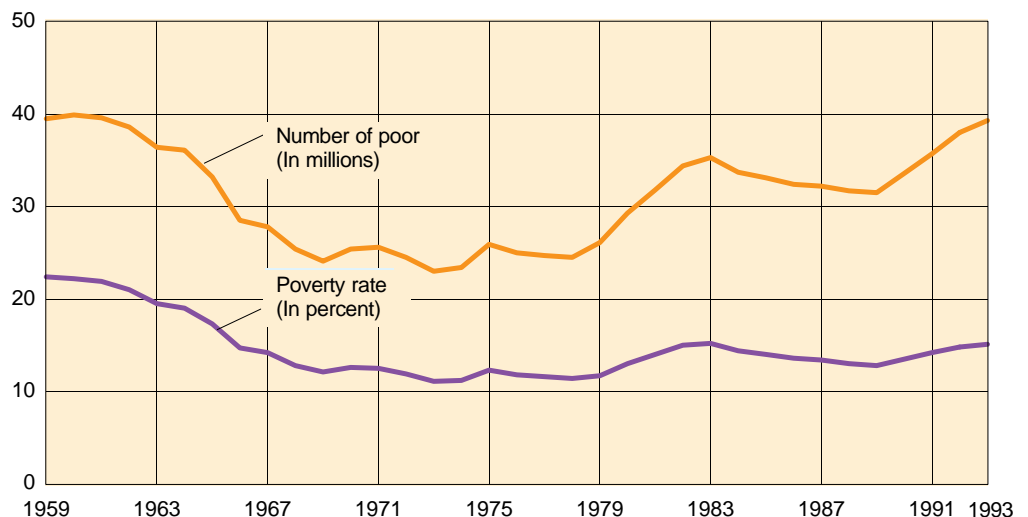
the 1992 rate of 12.7 percent. Blacks showed no significant increase in poverty between 1992 and 1993. Whites and persons of Hispanic origin showed an increase only in the number living in poverty, not in the rate.

Even though the poverty rate for Whites was lower than that for the other racial and ethnic groups, the majority of poor persons in 1993 were White (66.8 percent). Blacks constituted 27.7 percent of all persons below the poverty level, whereas Asians and Pacific Islanders represented 2.9 percent of the Nation's poor. Persons of Hispanic origin comprised 20.7 percent of the poor in 1993.

About one-third of families maintained by women with no spouse present had income below the poverty level.

While 12.3 percent of all families had incomes below the poverty level in 1993, 35.6 percent of families maintained by female householders with no spouse present were poor. In contrast, only 6.5 percent of married-couple families lived in

Persons Below the Poverty Level: 1959 to 1993



poverty. The proportion of female-householder families in poverty was substantially higher for Blacks and Hispanics than for Whites. White families with a female householder, no spouse present, had a poverty rate of 29.2 percent. The corresponding rates for Blacks and Hispanics (49.9 and 51.6 percent, respectively) were not significantly different.

In 1993, 41.5 percent of all poor families were maintained by a married couple; whereas, 52.7 percent were headed by a female householder, no spouse present.

One-half of the poverty population consisted of the elderly and children.

Half of the Nation's poor in 1993 were either children under 18 years old (40.1 percent) or persons 65 years old and over (9.6 percent). The poverty rate for children was 22.7 percent, higher than that for any other age group. The proportion of the elderly living in poverty was 12.2 percent, 2.9 percentage points below the poverty rate for all persons. However, a higher proportion of elderly than non-elderly were concentrated just over their respective poverty threshold, that is, between 100

and 125 percent of their threshold. Consequently, 18.5 percent of the Nation's 12.5 million "near poor" persons were elderly.

Half of poor family householders worked in 1993.

Poor family householders were much less likely to work than nonpoor family householders, regardless of family composition. Among poor family householders, 49.4 percent worked in 1993, and 15.3 percent worked year-round, full-time. In contrast, 80.2 percent of nonpoor family householders worked, and

61.9 percent worked year-round, full-time. In 68.1 percent of poor married-couple families, at least one person worked in 1993, and in 25.5 percent of these families both spouses worked. In poor families maintained by women with no spouse present, 42.7 percent of the householders worked, with only 9.2 percent working year-round, full-time. For the nonpoor householders in this category, 76.7 percent worked in 1993, and 54.9 percent worked year-round, full-time.

The number of poor persons varied considerably under alternative definitions of income.

Since much of means-tested assistance is in the form of noncash benefits, such as Medicaid and food stamps, experimental estimates were prepared by the Census Bureau to demonstrate the effects of including such benefits. Subtracting all government cash transfers from the official definition of income resulted in a poverty population of 60.6 million persons and a corresponding poverty rate of 23.4 percent in 1993. When taxes are subtracted from income and government cash transfers as well as noncash benefits (such as food stamps, housing, and Medi-caid) are included in income, the number of persons below poverty was 31.5 million and the poverty rate was 12.1 percent.

For Further Information

See: Current Population Reports, Series P60-188, *Income, Poverty, and Valuation of Noncash Benefits: 1993*.

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Poverty Rates for Persons and Families With Selected Characteristics: 1993

