

# Census: Fewer Children, More Seniors in Poverty

By Kat Aaron,  
New America Media

WASHINGTON, D.C.—New numbers released Monday by the U.S. Census Bureau paint a fresh and complex picture of poverty in America. For the first time, the figures count the impact of benefits like food stamps, tax credits and housing assistance. For the first time, the data reflect not only income but spending, factoring in medical expenses and child-care costs.

Under the new measure, the number of children in poverty is lower than under the long used poverty calculations. The number of sen-

iors in poverty is higher. At a time when many benefit programs are facing deep cuts, the data show that the social safety net is having a big impact, particularly for children. And it shows that for seniors, the economic situation may be far more dire than previously understood.

“The main driving force behind this measure was to give policy makers a handle on the effectiveness of policies,” said Kathleen Short, a researcher at the Census Bureau and the report’s author.

The new numbers reflect many “policies that are aimed at the people whose incomes are at the bottom

end of the income distribution. The official measure simply did not include a lot of those programs.”

What the Data Reveal According to the new data, more people overall are in poverty than under the offi-

children, the new measure lowers the poverty rate by more than 4 percentage points. Among elders, the poverty rate rises by almost 7 percentage points.

“In the past we’ve certainly seen that story that the

ilies with children,” Short said.

Seniors tend to have incomes just above the official poverty line, Short said, while households with children are more likely to be below the official poverty measure. The supplemental measure counts benefits that lift children up, and counts expenses that drop seniors into poverty.

Because so many seniors are living on the precipice of poverty, “anything you subtract from their income is likely to bring them below the line,” she adds. The main drain on seniors’ income is medical costs. Once they are subtracted from their income, the

poverty rate for seniors skyrockets.

Without counting out-of-pocket medical costs, merely 8.6 percent of elders are in poverty. But once those costs are factored in, the poverty rate for seniors rises to 15.9 percent.

That’s because the new measure doesn’t do much to change how much money older adults are taking in, since the federal poverty line already accounts for Social Security benefits. The income seniors have doesn’t change much under the supplemental calculations, but the demands on their income are more clearly reflected.

For households with children, the new measure generally lifts their income significantly, while only slightly raising their expenses. Low-income families can get thousands of dollars through the Earned Income Tax Credit, which is counted under the supplemental measure, but not under the official poverty calculations.

Without the credit, 22.4 percent of children are living in poverty, according to the new data. With the credit, that number drops to 18.2 percent. Food stamps also have a big impact for children: Without the food assistance, the poverty rate for children rises by 3 percent.

There are racial and regional differences as well. The poverty rates for non-Hispanic whites, Asians and Hispanics are all higher under the supplemental measure than under the official poverty rates, while those for blacks are lower. The poverty levels in the Northeast and West rise under the supplemental measure and fall in the South and West.

The official poverty measure, first developed in the 1960s, simply takes an estimate of spending on food and multiplies it by three. That measure takes into account only cash income, pre-tax, which means that any non-cash benefits, or any post-tax spending, gets left out. (See our earlier story for more on the history of the poverty line.)

The new measure is far more nuanced. The supplemental measure includes a wide range of in-kind government benefits that can functionally raise household income, including the Earned Income Tax Credit, heating and housing assistance, WIC benefits for women and young children and food stamps.

The main drain on seniors’ income is medical costs

cial measure, both as a percentage of the population and in raw numbers. But among specific age groups, differences emerge. For

elderly are not as poor as children. But it’s often because the benefits that are not included in the official measure are targeted at fam-

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