

# Extreme poverty: 2.8 million children in the U.S. live on \$2 per day

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(PhysOrg.com) -- One in five households with children in poverty are surviving on the cash equivalent of a half gallon of milk per person per day in a given month.

The National Poverty Center has released a new report that examines poverty trends between 1996 and 2011. The number of [households](#) with children who are in extreme poverty in a given month—living at \$2 or less in income per person per day—in 2011 totaled roughly 1.46 million households, including 2.8 million kids. This number is up from 636,000 households in 1996, nearly a 130 percent increase.

The study finds that in-kind public programs are having an effect, though. The number of children living in extreme poverty is cut in half to 1.4 million in 2011 when the statistics take into account benefits from the Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp Program).

"We think it is important to document this significant growth in extreme poverty in the U.S. since the mid-1990s, as well as the buffering effects of our key public in-kind assistance programs," said H. Luke Shaefer, an assistant professor in the U-M School of Social Work and the study's lead author.

In 1996, welfare reform ended the only cash entitlement program in the U.S. for poor families with children. This was replaced with a program that offers time-limited cash assistance and requires able-bodied

recipients to participate in work activities.

This reform has been followed by a dramatic decline in cash assistance caseloads, from an average of 12.3 million recipients per month in 1996 to 4.4 million in June 2011; only 1.1 million of these beneficiaries are adults.

As a result of shrinking access to cash assistance and the increasingly poor economic climate, researchers expected the size of the population of households with children living in extreme poverty to increase between 1996 and 2011, both in terms of total households, and as a proportion of all poor households.

In 1996, households in extreme poverty represented about 10 percent of all poor households. Fifteen years later, it's about 19 percent. When SNAP benefits are counted as cash, the rise in extreme poverty is from about 7.6 percent to about 10 percent.

In addition, many of the households in extreme poverty are accessing public health insurance for at least one of their children, and about one in five have a housing subsidy. "These in-kind safety-net programs are playing a vital role, and are probably blunting some of the hardship that American children living in extreme poverty would otherwise face," said Kathryn Edin, professor of public policy at the Harvard Kennedy School. Still, she said, "it would be wrong to conclude that the U.S. safety net is strong, or even adequate, when one in five poor households with [children](#) are living without meaningful cash income."

Provided by University of Michigan

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