

Poverty rate drops for the first time since 2006

September 16 2014, by Jesse J. Holland

The poverty rate in the United States has dropped for the first time since 2006, bringing a bit of encouraging news about the nation's economy as President Barack Obama and Congress gear up for the November elections.

The U.S. Census Bureau, in its annual look at poverty in the United States, said that the poverty rate in 2013 was 14.5 percent, down from 15 percent in 2012. The decrease in the poverty rate was attributed to the growth in year-round employment by 2.8 million jobs in the United States, government officials said.

White House officials cheered the positive information in the census release.

"There is reason to believe that this progress has continued into 2014, as the labor market has strengthened and millions have gained health insurance coverage," said Jason Furman and Betsey Stevenson, members of the White House Council of Economic Advisers. "At the same time, the data also offer a clear illustration of the large amount of work that remains to strengthen the middle class in the wake of the worst recession since the Great Depression."

The median household income for families was \$65,587 in 2013, and \$31,178 nonfamily households, which also was not statistically different from the 2012 levels. However, census officials said that income is 8 percent less than it was in 2007, the year before the United States

entered the recession.

Officials also say that the number of children under 18 in poverty declined from the previous year for the first time since 2000.

The number of children in poverty dropped from 21.8 percent in 2012 to 19.9 percent in 2013, and the number of children in poverty also declined from 16.1 million to 14.7 million.

The official poverty level is based on a government calculation that includes only income before tax deductions. It excludes capital gains or accumulated wealth, such as home ownership. As a result, the rate takes into account the effects of some government benefits, such as unemployment compensation. It does not factor in noncash government aid such as tax credits and food stamps.

Officials also said the percentage of people without health insurance coverage for the entire 2013 calendar year was 13.4 percent, which equaled 42 million people. Census officials said those numbers cannot be compared with previous year numbers because they changed the way they asked the question on their surveys.

Because the main coverage expansion under the Affordable Care Act didn't take effect until 2014, the latest census numbers offer a baseline number of uninsured by which increased coverage and effectiveness of the law will be measured.

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