

INCOME AND POVERTY IN COMMUNITIES OF COLOR

A Reflection on the 2009 U.S. Census Bureau Data

Newly Released Statistics from U.S. Census Show 1 out of 4 African-Americans in Poverty and Income Disparities for Single Women Mothers Increase

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The U.S. Census Bureau's recent statistics highlight the need for increased social supports for working families, the allocation of additional funds to create quality jobs with good wages, and the development of bold and targeted policies to help individuals and groups disproportionately impacted by the recession recover.



INCLUSION.

On September 16, 2010, the U.S. Census Bureau released 2009 income, poverty and health insurance coverage data that show over 14 million Americans have joined the ranks of the poor, pushing the number of individuals living in poverty to 45 million.

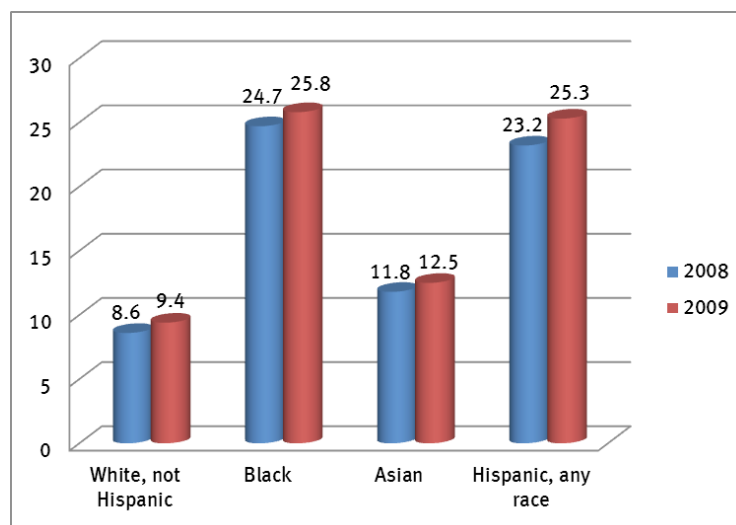
According to the report, poverty rates for Black and Latino people rose to over 25 percent – almost three times the rate for white non-Hispanics. Single mothers and children also experienced a significant increase in poverty, with an additional 200,000 families reporting an income of less than \$20,500 per year for a family of four.

High unemployment rates, lower wages and rising poverty rates for African-American and Latino families and individuals further illustrate the devastating impact of the most recent recession on the economic well-being and security of women and communities of color and the needed for targeted policies at the state and federal levels.

POVERTY

Although poverty rates increased across all racial groups since 2008, Blacks and Hispanics experienced significantly higher rates than their white and Asian counterparts. In 2009, one in four Black people and one in three Hispanic people were poor compared to one in eleven white people who lived below the poverty line.

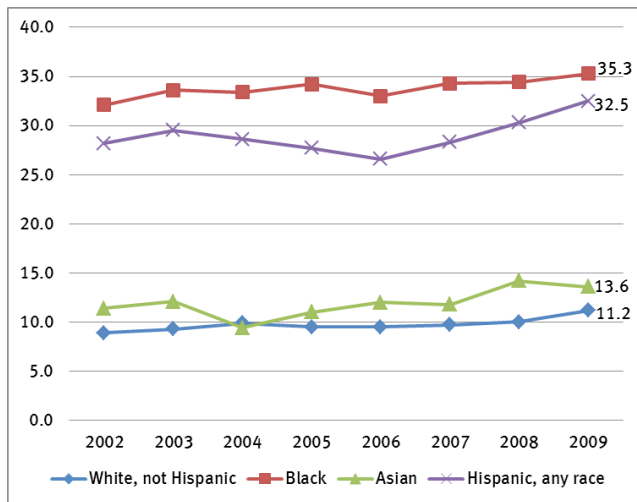
Figure 1. Poverty Rates by Race, 2008-2009



Source: Network Tabulations of U.S. Census Bureau, 2009

The number of Black and Hispanic children under 18 years living in families below the poverty line reached an all-time high in 2009. Nearly one in four Black children and one in three Hispanic children lived in poor households. Meanwhile, poverty rates for white and Asian children continue to rest nearly three times below their Black and Hispanic counterparts. The disparities in child poverty rates across racial groups did not solely occur in 2009 but have existed consistently for nearly the entire decade.

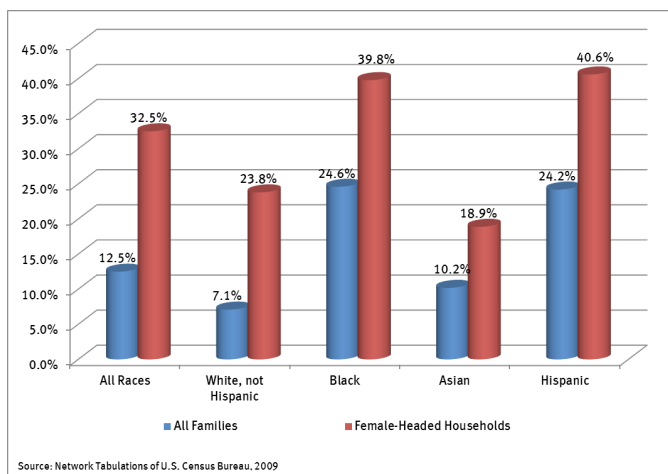
Figure 2. Poverty Rates for Children Under 18 Years by Race, 2002-2009



Poverty and Household Type

The economic downturn worsened the experiences of female-headed households, particularly families headed by single Black and Hispanic women. In 2009, four out of ten Black and Hispanic female-headed households were poor –nearly twice the rate of white female-headed households living below the poverty line.

Figure 3. Poverty Rates by Race and Household Status, 2009

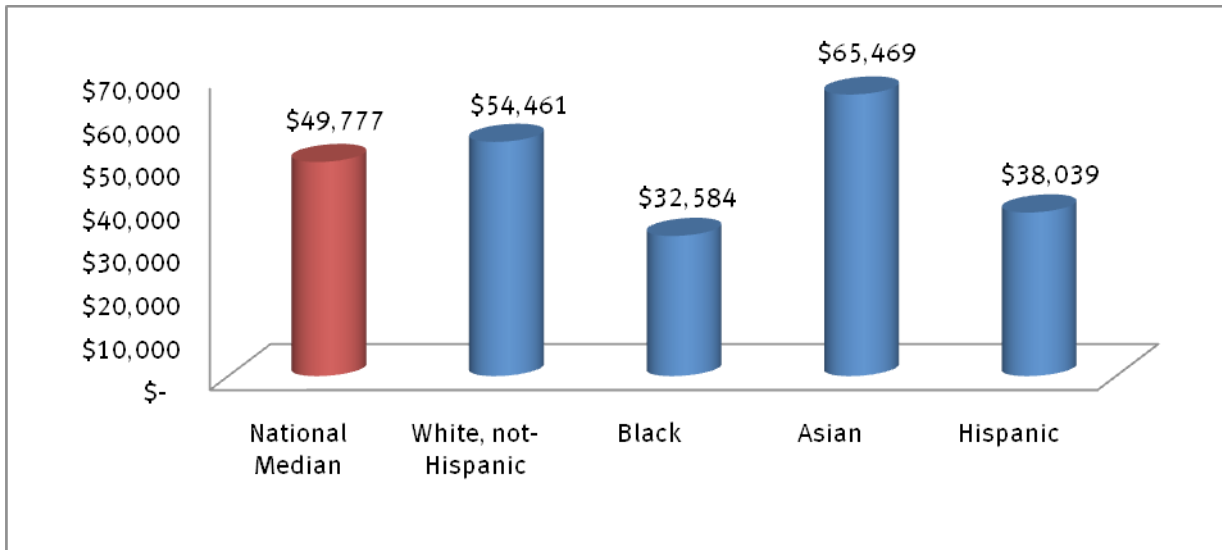


INCOME

There is a strong relationship between earnings and poverty, with income inequalities fueling the disproportionately high poverty rates for racial and ethnic minorities. Earnings for Black households, for example, took a huge hit from the economic recession in 2009. Although median income values remained relatively stable for most racial groups, Black households experienced a 4.4 percent decline in median earnings since 2008 –the largest decline for all groups.

In 2009, both white and Asian households earned more than the nation’s median household income (\$49,777) while Black and Hispanic households earned considerably less. The gap in median income was so wide that even if annual earnings for Black households were doubled, it still would not reach the median income reported for Asian households.

Figure 4. Median Income Levels by Race, 2009

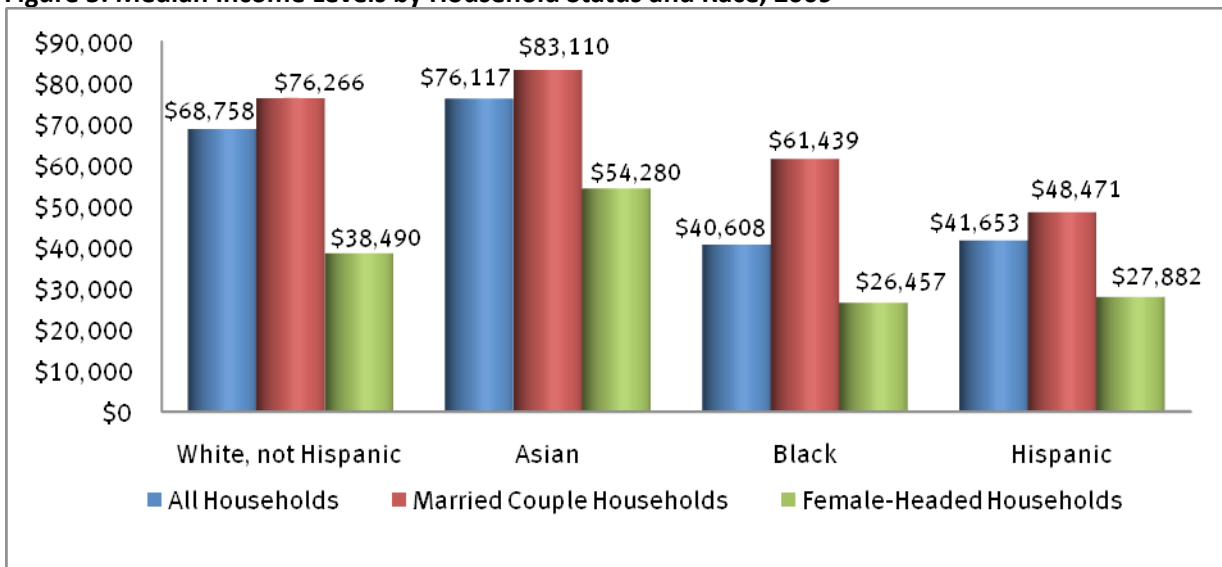


Source: Network Tabulations of U.S. Census Bureau, 2009

Income, Marital and Household Status

Married households reported higher median incomes in 2009 of \$71,830, while female-headed households reported much lower earnings of \$32,597. These trends persisted across race. However, Black and Hispanic households reported the lowest income levels in all three household categories and earned only a fraction of the incomes reported by white and Asian populations.

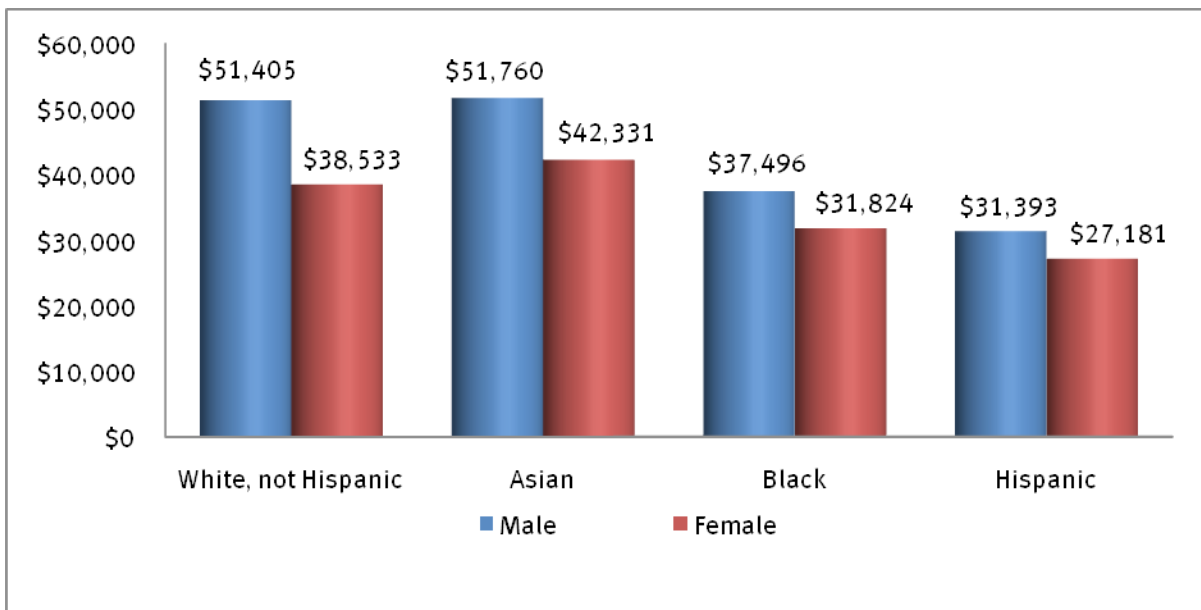
Figure 5. Median Income Levels by Household Status and Race, 2009



Income Level by Race and Gender

Although annual earnings for women continue to trail men across all racial groups, women of color experience the greatest gaps in median income, with Black women earning 62 cents and Hispanic women earning 53 cents of every dollar earned by a white man. In 2009, the median income for Asian women was nearly two times that of the median income for Hispanic women (\$27,181), the lowest annual earnings among all groups by race and gender.

Figure 6. Median Income Levels by Race and Gender, 2009



RECOMMENDATIONS

The U.S. Census Bureau's recent statistics highlight the need for increased social supports for working families, the allocation of additional funds to create quality jobs with good wages, and the development of bold and targeted policies to help individuals and groups disproportionately impacted by the recession recover.

- 1. Create and enforce policies and legislation to counter racial and gender discrimination in the labor market.** In addition to existing antidiscrimination laws, there should be increased support and incentives at the federal and state levels to promote diversity and the advancement of racial and ethnic minorities in the workforce.
- 2. Support legislation that aims to decrease the wage gap, such as the Paycheck Fairness Act.** Gender- and race-based pay discrimination continues to adversely impact the earning potential and economic security of women, particularly women of color, in the United States. Legislation that promotes equitable wages is essential to reducing the pervasive income disparities that hinder economic progress for all.
- 3. Support early links to the labor market and educational opportunities for youth of color.** Programs targeting youth and young adults should focus on long-term outcomes and career opportunities. Training and education programs should work to improve literacy and math skills, prepare participants for higher education and provide training for vocations with potential for higher pay and advancement.
- 4. Increase support and funding for workforce development programs that connect low-income communities to occupations with opportunities for career advancement, greater wages and comprehensive benefits.** Rather than merely focusing on short-term job placement, workforce development programs should focus on job quality and employment stability.