

## **READING BETWEEN THE LINES**

### Women's Poverty in the United States, 2008

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The recently released Census Bureau report on poverty in the United States in 2008 indicates that the national poverty rate rose to 13.2% in 2008, the last year of the Bush Administration.<sup>1</sup> The 13.2% rate was the highest poverty rate since 1997, and was significantly higher than the 11.3% rate in 2000, the year before President Bush took office. The growth in poverty in 2008 reflects the impact of the recession that began in 2007. Since unemployment has been even higher in 2009 than in 2008, the poverty rate is likely to increase again this year.

There has been a large gender poverty gap in every year since the official poverty standard was created in the 1960's and poverty measurement began. In 2008, adult women were thirty five percent more likely to be poor than adult men, with a poverty rate of 13.0% compared to a 9.6% rate for men. There were 15.2 million poor adult women compared to 9.6 million poor adult men.

The Census Bureau has done little to publicize the gender poverty gap. While its annual poverty reports highlight poverty rate differences based on categories such as age and race, the Bureau has resisted giving similar attention to poverty rate differences based on gender. As the lack of attention to gender distorts the public perception of poverty in this country, this Legal Momentum report focuses on women's poverty, using the detailed poverty information that the Census Bureau makes available on its website.<sup>2</sup> The Census statistics reveal a deep gender gap in poverty rates, even when factors such as work experience, education, or family structure are taken into account.

#### **POVERTY RATES FOR ADULT WOMEN AND MEN IN 2008**

	Women	Men	Increased incidence of poverty among women compared to men
All adults (18 or above)	13.0	9.6	35%
Age 65 or above	11.9	6.7	78%
Single parents	38.9	18.3	113%
Worked	7.2	5.6	29%
Not High School grad	26.6	20.5	30%
High School grad only	14.7	10.6	37%
College less than 4 yrs	10.9	7.7	42%
College 4 yr degree	4.6	3.5	31%

### **Overall Poverty**

Poverty is measured by comparing annual income with the federal poverty standard which the federal government updates annually for inflation. The current poverty guidelines are \$10,830 for an individual, \$14,570 for a family of 2, \$18,310 for a family of 3, and \$22,050 for a family of 4.

Women were thirty five per cent more likely to be poor than men in 2008, with a poverty rate of 13.0% compared to 9.6% for men. One of every eight women was poor, compared to about one of every ten men. The gender gap was even larger among the aged, with aged women seventy eight per cent more likely to be poor than aged men.

While the gender poverty gap has been persistently large, it has become smaller. The 1.35 ratio of women's poverty rate to men's poverty rate in 2008 was the lowest since at least 1987, and perhaps the lowest ever.

### **Work Experience**

Work outside the home reduces the likelihood of being poor for both men and women. However, women who worked outside the home in 2008 were twenty nine per cent more likely to be poor than men who worked outside the home, with a poverty rate of 7.2% compared to 5.6% for men. About one of every fourteen working women was poor, compared to about one of every eighteen working men.

### **Education**

While education reduces the likelihood of being poor for both men and women, women are much more likely to be poor than men with the same level of education. In 2008, at every education level women were about thirty to forty per cent more likely to be poor than men.

### **Single Parents**

The 34.6% poverty rate for solo parents in 2008 was four times the 8.6% poverty rate for married parents. However, comparing married parents with all solo parents gives a misleading impression of the significance of family structure by concealing the sharp difference in poverty rates between solo fathers and solo mothers. The 38.9% poverty rate for solo mother families was over twice the 18.3% rate for solo father families.

## **BEYOND THE SIMPLE NUMBERS**

### **Child Care Costs**

Poverty is measured based on gross income, rather than on income net of child care expenditures, perhaps because mothers were much less likely to be in the paid labor force when the poverty standard was formulated in the 1960's. If poverty were measured based on income net of child care expenditures so as to exclude income that is unavailable for other basic needs, many more women (and men) would be counted as poor. In 2002, the most recent year for which this data is available, child care expenditures for employed mothers with child care costs averaged \$412 a month.<sup>3</sup>

## **Hardship**

Poverty is strongly associated with hardship. A 2001 study by the Economic Policy Institute found that about 30% of those below the poverty line experienced critical hardship, defined as being evicted, having utilities disconnected, doubling up in others' housing due to lack of funds, or not having enough food to eat; and that an additional 30% to 45% experienced other serious hardships.<sup>4</sup>

## **International Comparisons**

Many studies have found that poverty rates in the United States are much higher than in other rich countries. One study concluded that the United States had the highest poverty rate for female-headed households among the 22 countries studied, 30.9% compared to the 10.5% average for the group.<sup>5</sup> This study defined poverty as an income less than 50% of the median income and was based on national income surveys conducted in the early 1990's. In another study reporting on poverty rates for single persons in twenty three high income countries, the United States had the largest gender poverty gap.<sup>6</sup>

The exceptionally high poverty rate for single mothers in the United States is not the result of below average work effort. In a study of single mothers' employment rates (full or part time) in eight rich countries in the mid-1990's, the 69% employment rate for mothers in the United States was the highest rate and was twenty percentage points higher than the 49% average employment rate for mothers in the other seven countries (United Kingdom, Australia, Netherlands, Germany, Norway, Finland, Denmark).<sup>7</sup> In a study reporting on average annual hours worked by poor single parents around 2000, the 1,087 average hours of work for poor single parents in the United States was the highest total, and almost twice the 582 average in the other six countries (Canada, Netherlands, Austria, Germany, Belgium, Ireland).<sup>8</sup>

One reason for the exceptionally high poverty rates in the United States seems to be that the U.S. invests less in social welfare programs: in 2000 the United States spent less than 3% of Gross Domestic Product on social assistance to the non-elderly, and this was less than half the spending on the non-elderly by Canada and Great Britain; less than a third of the spending by Germany, the Netherlands, and Belgium; and less than a fourth of the spending by Finland and Sweden.<sup>9</sup> The United States also has much less generous parental leave than other rich countries and far less public support for child care.<sup>10</sup>

## **Rising Living Standards**

There is a broad consensus that poverty should be defined relative to contemporary living standards and consequently that any poverty line must be revised periodically. However, the official U.S. poverty line has not been adjusted in response to the rise in real income and the changes in general living standards since it was formulated over 35 years ago. If the poverty standard were adjusted to reflect the 30% increase in real household median income since 1967, many more women (and men) would be counted as poor.

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Founded in 1970 as NOW Legal Defense and Education Fund, Legal Momentum is the nation's oldest legal advocacy organization dedicated to advancing the rights of women and girls. Legal Momentum occupies a unique position as a multi-issue organization dedicated solely to women's rights. It is a national leader in developing and implementing litigation, advocacy, and public education strategies to open and expand opportunities for women, and to ensure that all women can build safe and economically secure lives for themselves and their families. Among its many and historic contributions to the advancement of women's rights, Legal Momentum was instrumental in the passage of the Violence Against Women Act (VAWA) and the Freedom of Access to Clinic Entrances Act (FACE).

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<sup>1</sup> The Census Bureau's report of key poverty statistics for 2008 is included in *Income, Poverty, and Health Insurance Coverage in the United States: 2008*, U.S. Census Bureau, P60-236 (2009). This report is available at <http://www.census.gov/prod/2009pubs/p60-236.pdf>.

<sup>2</sup> Detailed Census poverty data for 2008 are available at <http://www.census.gov/hhes/www/cpstables/032009/pov/toc.htm>.

<sup>3</sup> For child care expense data, see <http://www.census.gov/population/www/socdemo/child/ppl-177.html>, Table 6.

<sup>4</sup> Boushey & Gunderson, *When Work Just Isn't Enough*, EPI Briefing Paper (June 2001), available at <http://www.epinet.org/briefingpapers/hardshipsbp.pdf>.

<sup>5</sup> Pressman, *Explaining the Gender Poverty Gap in Developed and Transitional Economies*, Luxembourg Income Study Working Paper No. 243 (Sept. 2000), available at <http://www.lisproject.org/publications/liswps/243.pdf>.

<sup>6</sup> Pamala Wiepking & Ineke Maas, *Gender Differences In Poverty: A Cross-National Research*, Luxembourg Income Study Working Paper No. 389 (Oct. 2004). In six of these countries, single men actually had somewhat higher poverty rates than single women.

<sup>7</sup> Mia Hakovirta, *The Income Sources Of Single Parents: A Comparative Analysis*, Luxembourg Income Study Working Paper No. 282 (Nov. 2001), available at <http://www.lisproject.org/publications/liswps/282.pdf>.

<sup>8</sup> Timothy Smeeding, *Poor People in Rich Nations: The United States in Comparative Perspective*, Luxembourg Income Study Working Paper No. 419 (Oct. 2005), available at <http://www.lisproject.org/publications/liswps/419.pdf>

<sup>9</sup> Timothy Smeeding, *Public Policy and Economic Inequality: The United States in Comparative Perspective*, Luxembourg Income Study Working Paper No. 367 (Feb. 2005), available at <http://www.lisproject.org/publications/liswps/367.pdf>

<sup>10</sup> Jane Waldfogel, "What Other Nations Do: International Policies Toward Parental Leave and Child Care," *The Future of Children* 11(4): 99–111 (2001), available at [http://www.futureofchildren.org/information2826/information\\_show.htm?doc\\_id=79378](http://www.futureofchildren.org/information2826/information_show.htm?doc_id=79378)