



NEW POVERTY STATISTICS SHOW POVERTY IS STILL A WOMEN'S ISSUE

A NOW Legal Defense Fact Sheet

The recently released 2001 poverty statistics confirm that poverty is still an important women's issue: many women still are poor, and women still are much more likely to be poor than men.

Poverty is measured by comparing annual income with the poverty standard which the federal government created in the 1960's and updates annually for inflation. In 2001, the poverty standard was \$9,039 for an individual, \$11,569 for a family of 2, \$14,128 for a family of 3, and \$18,104 for a family of 4.

The Census Bureau reports key poverty statistics for the prior year in an annual report which is issued in the fall. This year's report, "Poverty in the United States: 2001," US Census Bureau, P60-219 (2002), is available on the world wide web at <http://www.census.gov/prod/2002pubs/p60-219.pdf>.

Supplemental and more detailed information is also available on the web at <http://ferret.bls.census.gov/macro/032002/pov/toc.htm>.

Overall Poverty

60% of adults (i.e., age 18 or above) who were poor in 2001 were women. Women were over 40% more likely to be poor than men, with a poverty rate of 11.8% compared to 8.3% for men. Almost one of every eight women was poor, compared to about one of every twelve men.

Extreme Poverty

60% of adults who were extremely poor -- income less than half the poverty standard -- in 2001 also were women. Women were 40% more likely to be extremely poor than men, with an extreme poverty rate of 4.6% compared to 3.3% for men. About one of every twenty two women was extremely poor, compared to about one of every thirty men.

Work Experience

Work outside the home reduced the likelihood of being poor for both men and women. However, women who worked outside the home in 2001 were almost 40% more likely to be poor than men who worked outside the home, with a poverty rate of 6.6% compared to 4.8% for men. About one of every fifteen working women was poor, compared to about one of every twenty one working men.

Education

Education reduces the likelihood of being poor for both men and women. However, women are much more likely to be poor than men with the same level of education, with a notable exception. In 2001, women (age 25 or more) without a high school diploma were almost 50% more likely to be poor than men without a high school diploma, with a poverty rate of 26.5% compared to 17.8% for men.

Similarly, women with a high school diploma but no college were 40% more likely to be poor than men with a high school diploma but no college, with a poverty rate of 11.1% compared to 7.9% for men.

By contrast, the poverty rate for women with a bachelor's degree (or more) was only slightly higher than the rate for men with a bachelor's degree (or more), 3.5% compared to 3.2%; and, controlling for age, the rates were virtually identical except for those age 65 or above.

Single Household Heads

Families headed by a single women were twice as likely to be poor as families headed by a single man, with annual poverty rates of 26.4% and 13.1% respectively.

Girls and Boys

Poverty rates for girls and boys -- those under age 18 -- are virtually the same. However, children are much more likely to be poor than adults, with a poverty rate of 16.3% in 2001 compared to 10.1% for adults.

Child Care Costs

The poverty standard is based on gross income, rather than income net of child care expenditures, perhaps because mothers were much less likely to be in the labor force when the poverty standard was formulated in the 1960's. If there were an adjustment for child care expenditures, many more women (and men) would be counted as poor.

In 1997, the most recent year for which this Census Bureau data is available, child care expenditures for those with child care costs averaged \$288 a month, 32% of the monthly poverty line in that year for a family of two, and 27% of the monthly poverty line in that year for a family of 3.

Rising Living Standards

The official poverty line has not been adjusted in response to the rise in real income and in general living standards since the poverty line was initially formulated. If the poverty standard were adjusted to reflect the 32% increase in real median income since 1967, many more women (and men) would be counted as poor.

Hardship

Poverty is strongly associated with real hardship. A recent study by the Economic Policy Institute (EPI) found that in a given year about 30% of the poor 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% of the poor experienced other serious hardships. Hardship rates were much higher for the poor than for others Americans.

See Boushey & Gunderson, "When Work Just Isn't Enough," EPI Briefing Paper (June 2001), available at <http://www.epinet.org/briefingpapers/hardships.html>

International Comparisons

Many studies have concluded that poverty rates in the United States tend to be much higher than in other rich countries. One recent 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. 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 1990s.

See 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>.

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