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# Recession Raises Poverty Rate to a 15-Year High

By **ERIK ECKHOLM**

The percentage of Americans struggling below the poverty line in 2009 was the highest it has been in 15 years, the [Census Bureau reported](#) Thursday, and interviews with poverty experts and aid groups said the increase appeared to be continuing this year.

With the country in its worst economic crisis since [the Great Depression](#), four million additional Americans found themselves in poverty in 2009, with the total reaching 44 million, or one in seven residents. Millions more were surviving only because of expanded unemployment insurance and other assistance.

And the numbers could have climbed higher: One way embattled Americans have gotten by is sharing homes with siblings, parents or even nonrelatives, sometimes resulting in overused couches and frayed nerves but holding down the rise in the national poverty rate, according to the report.

The share of residents in poverty climbed to 14.3 percent in 2009, the highest level recorded since 1994. The rise was steepest for children, with one in five affected, the bureau said.

The report provides the most detailed picture yet of the impact of the [recession](#) and unemployment on incomes, especially at the bottom of the scale. It also indicated that the temporary increases in aid provided in last year's stimulus bill eased the burdens on millions of families.

For a single adult in 2009, the poverty line was \$10,830 in pretax cash income; for a family of four, \$22,050.

Given the depth of the recession, some economists had expected an even larger jump in the poor.

"A lot of people would have been worse off if they didn't have someone to move in with," said Timothy M. Smeeding, [director](#) of the Institute for Research on Poverty at the [University of Wisconsin](#).

Dr. Smeeding said that in a typical case, a struggling family, like a mother and children who would be in poverty on their own, stays with more prosperous parents or other relatives.

The Census study found an 11.6 percent increase in the number of such multifamily households over the last two years. Included in that number was James Davis, 22, of Chicago, who lost his job as a package handler for Fed Ex in February 2009. As he ran out of money, he and his 2-year-old daughter moved in with his mother about a year ago, avoiding destitution while he searched for work.

"I couldn't afford rent," he said.

Danise Sanders, 31, and her three children have been sleeping in the living room of her mother and sister's one-bedroom apartment in San Pablo, Calif., for the last month, with no end in sight. They doubled up after the bank foreclosed on her landlord, forcing her to move.

"It's getting harder," said Ms. Sanders, who makes a low income as a mail clerk. "We're all pitching in for rent and bills."

There are strong signs that the high poverty numbers have continued into 2010 and are probably still rising, some experts said, as the recovery sputters and unemployment remains near 10 percent.

"Historically, it takes time for poverty to recover after unemployment starts to go down," said [LaDonna Pavetti](#), a welfare expert at the Center on Budget and Policy Priorities, a liberal-leaning research group in Washington.

Dr. Smeeding said it seemed almost certain that poverty would further rise this year. He noted that the increase in unemployment and poverty had been concentrated among young adults without college educations and their children, and that these people remained at the end of the line in their search for work.

One indirect sign of continuing hardship is the rise in food stamp recipients, who now include nearly one in seven adults and an even greater share of the nation's children. While other factors as well as declining incomes have driven the rise, by mid-2010 the number of recipients had reached 41.3 million, compared with 39 million at the beginning of the year.

[Food banks](#), too, report swelling demand.

"We're seeing more younger people coming in that not only don't have any food, but nowhere to stay," said Marla Goodwin, director of Jeremiah's Food Pantry in East St. Louis, Ill. The pantry was open one day a month when it opened in 2008 but expanded this year to five days a month.

And Texas food banks said they distributed 14 percent more food in the second quarter of 2010 than in the same period last year.

The Census report showed increases in poverty for whites, blacks and Hispanic Americans, with

historic disparities continuing. The poverty rate for non-Hispanic whites was 9.4 percent, for blacks 25.8 percent and for Hispanics 25.3 percent. The rate for Asians was unchanged at 12.5 percent.

The median income of all households stayed roughly the same from 2008 to 2009. It had fallen sharply the year before, as the recession gained steam and remains well below the levels of the late 1990s — a sign of the stagnating prospects for the middle class.

The decline in incomes in 2008 had been greater than expected, and when the two recession years are considered together, the decline since 2007 was 4.2 percent, said Lawrence Katz, an economist at Harvard. Gains achieved earlier in the decade were wiped out, and median family incomes in 2009 were 5 percent lower than in 1999.

“This is the first time in memory that an entire decade has produced essentially no economic growth for the typical American household,” Mr. Katz said.

The number of United States residents without health insurance climbed to 51 million in 2009, from 46 million in 2008, the Census said. Their ranks are expected to shrink in coming years as the health care overhaul adopted by Congress in March begins to take effect.

Government benefits like food stamps and tax credits, which can provide hundreds or even thousands of dollars in extra income, are not included in calculating whether a family’s income falls above or below the poverty line.

But rises in the cost of housing, medical care or energy and the large regional differences in the cost of living are not taken into account either.

If food-stamp benefits and low-income tax credits were included as income, close to 8 million of those labeled as poor in the report would instead be just above the poverty line, the Census report estimated. At the same time, a person who starts a job and receives the earned income tax credit could have new work-related expenses like transportation and child care. Unemployment benefits, which are considered cash income and included in the calculations, helped keep 3 million families above the line last year, the report said, with temporary extensions and higher payments helping all the more.

The poverty line is a flawed measure, experts agree, but it remains the best consistent long-term gauge of need available, and its ups and downs reflect genuine trends.

The federal government will issue an alternate calculation next year that will include important noncash and after-tax income and also account for regional differences in the cost of living.

But it will continue to calculate the rate in the old way as well, in part because eligibility for many programs, from [Medicaid](#) to free school lunches, is linked to the longstanding poverty line.

*Reporting was contributed by Rebecca Cathcart in Los Angeles, Emma Graves Fitzsimmons in Chicago, Malcolm Gay in St. Louis, Robert Gebeloff in New York and Malia Wollan in San Francisco.*