

# ECONOMIC OPPORTUNITY STUDIES

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## Overview of Poverty in America in 2004: Key Findings from the Census Bureau

### Poverty Rate

In 2004, the poverty rate increased to 12.5% from 12.7%, a fourth consecutive annual increase. There were 37 million Americans in poverty, an increase of slightly more than 1.1 million from the year before.

The 2004 poverty rate was a full percentage point higher than was the case in 2001, a year of the economic recession when 11.7% of the nation was in poverty.

### The Newly Poor

Of the 1.1 million who were newly poor, 88% were White and not Hispanic.

The number of working poor in America expanded by 600,000, to 9.4 million.

2004 Weighted Average Poverty Thresholds, by Family Size	
One person	\$ 9,645
Two people	\$ 12,334
Three people	\$ 15,067
Six people	\$ 25,788
Source: U.S. Census Bureau	

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In fact, the number of workers who had year-round jobs and still were in poverty increased by 9.8% between 2003 and 2004. By contrast, the entire population of people in poverty grew by 1.6%. In other words, working adults made up more than half of the newly poor.

About one-third of the newly poor were children younger than 18 years of age. That number had increased by 361,000 since 2003. There was no change in the child poverty rate of 17.8%, a rate far higher than the rate for adults.

### Incomes

The 7.9 million families in poverty generally did not have incomes as high as the Census Bureau poverty threshold for their family size. The average gap between a family's income and its poverty threshold was \$7800. The 9.9 million individuals living alone who were in poverty had, on average, \$5300 less income than their poverty threshold of \$9645.

### Health Insurance

In 2004, as in 2003, 15.7% of Americans were without health insurance coverage. The percentage of uninsured children dropped slightly, from 11.4% to 11.2%, but coverage varied on the basis of a child's economic status; 18.9% of children in poverty were uninsured, about double the rate for children with family incomes above the poverty threshold.