A photograph of a woman with long dark hair, wearing a white t-shirt and dark pants, smiling while holding a baby in a patterned shirt. She is standing at a kitchen counter. A young boy in a striped shirt is standing opposite her, holding a glass of milk. The background is a light purple color with a pattern of white stars. The text 'Economic Circumstances' is overlaid on the right side of the image.

Economic Circumstances

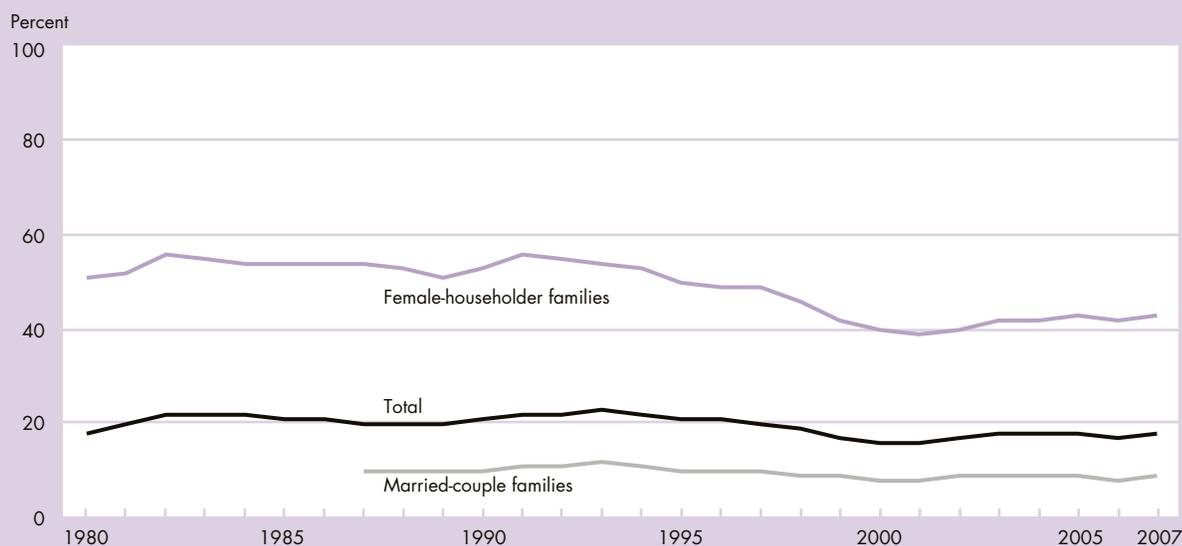
The well-being of children depends greatly on the economic circumstances and material well-being of their families. This section presents information on the economic resources of children's households and on their food-related well-being. Indicators of economic resources include income and poverty status of children's families and an indicator on secure employment of children's parents. An indicator on food security presents information on families with children that report difficulty obtaining adequate food. These indicators provide a broad perspective on children's economic situations.

Child Poverty and Family Income

Children in low-income families fare less well than children in more affluent families on many of the indicators in this report.³¹ Compared with children living in families that are not in poverty, children living in poverty are more likely to have difficulty in school, to become teen parents, and, as adults, to earn less and be unemployed more frequently.^{32,33} This indicator is based on the official poverty measure for the United States as defined in Office of Management and Budget Statistical Policy Directive 14.³⁴

Indicator ECON1.A

Percentage of related children ages 0–17 living in poverty by family structure, 1980–2007

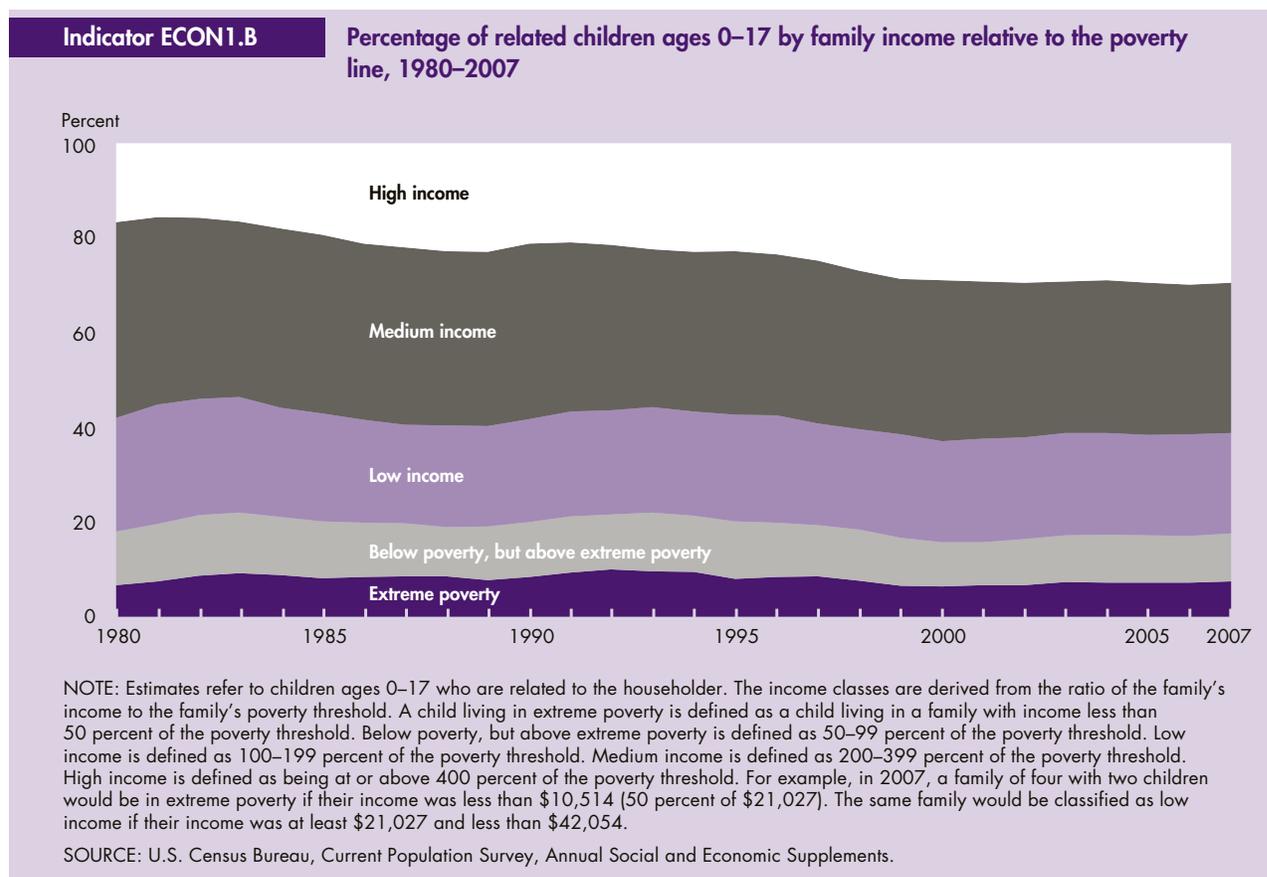


NOTE: Estimates for related children ages 0–17 include children related to the householder (or reference person of an unrelated subfamily) who are not themselves a householder or spouse of the householder (or family reference person). In 2007, the average poverty threshold for a family of four was \$21,203.

SOURCE: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements.

- In 2007, 18 percent of all children ages 0–17 lived in poverty, an increase from 17 percent in 2006. Compared with White, non-Hispanic children, the poverty rate was higher for Black children and for Hispanic children. In 2007, 10 percent of White, non-Hispanic children, 35 percent of Black children, and 29 percent of Hispanic children lived in poverty.^{2,31}
- As was the case for all children, the percentage of related children with family incomes below the poverty threshold was higher in 2007 (18 percent) than in 2006 (17 percent). The poverty rate for related children has fluctuated since the early 1980s, reaching a peak of 22 percent in 1993 and a low of 16 percent in 2000.
- The poverty rate for children living in female-householder families (no spouse present) also fluctuated between 1980 and 1994; it then declined between 1994 and 2000 by more than the decline in the poverty rate for all children in families. In 1994, 53 percent of children living in female-householder families were living in poverty; by 2007, this proportion was 43 percent.
- Children in married-couple families were less likely to live in poverty than children living in female-householder families. In 2007, 9 percent of children in married-couple families were living in poverty, compared with 43 percent in female-householder families.
- Related children ages 0–5 were more likely to be living in families with incomes below the poverty line than those ages 6–17. In 2007, 21 percent of related children ages 0–5 lived in poverty, compared with 16 percent of older related children.
- In 2007, some 5 percent of White, non-Hispanic children in married-couple families lived in poverty, compared with 32 percent of White, non-Hispanic children in female-householder families. Eleven percent of Black children in married-couple families lived in poverty, compared with 50 percent of Black children in female-householder families. Nineteen percent of Hispanic children in married-couple families lived in poverty, compared with 52 percent of Hispanic children in female-householder families.³⁵

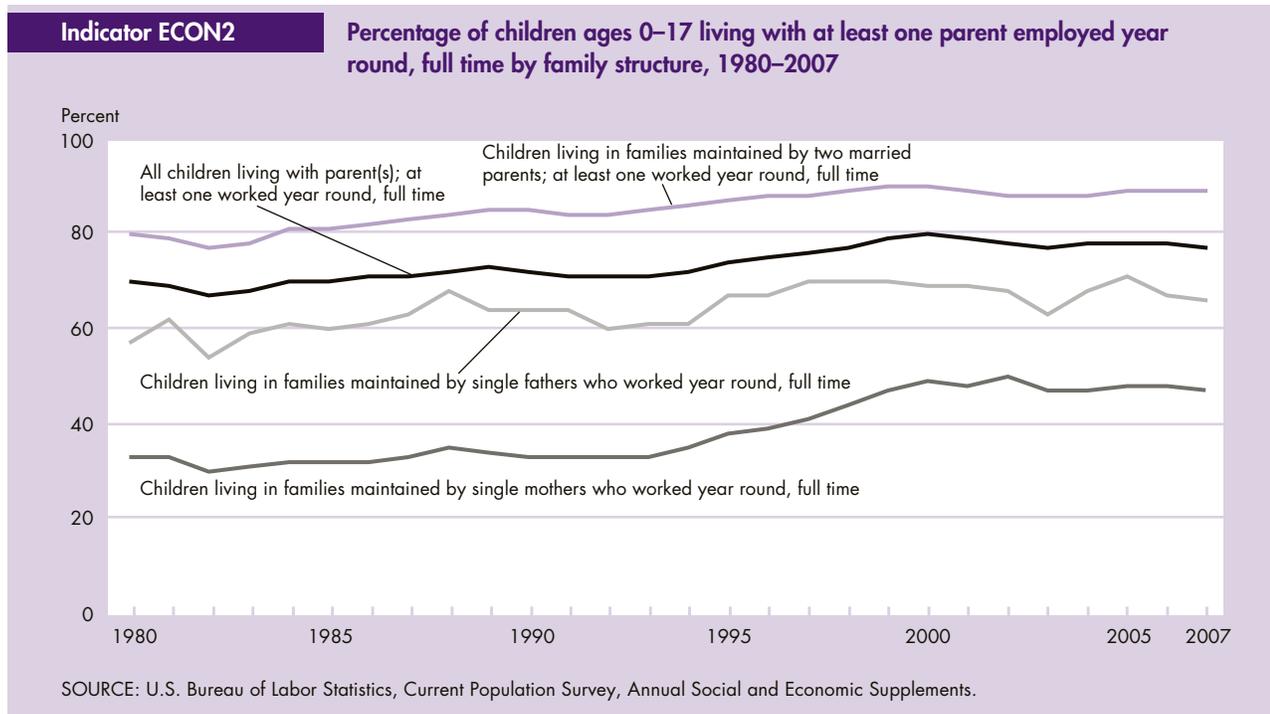
The distribution of the income of children's families provides a broader picture of children's economic situations.



- In 2007, more children lived in families with medium income (32 percent) than in families in other income groups. Fewer children lived in families with low income and with high income (21 and 30 percent, respectively) than lived in families with medium income.
 - The percentage of children living in families with medium income was lower in 2007, at 32 percent, than in 1980, at 41 percent. Conversely, the percentage of children living in families with high income was higher in 2007, at 30 percent, than in 1980, at 17 percent.
 - The percentage of children living in families classified as in extreme poverty was 6.6 percent in 1980. This percentage rose to 10 percent in 1992 and decreased to 7.4 percent in 2007. The percentage of children who lived in families with very high incomes (600 percent or more of the poverty threshold) was two times higher in 2007 than in 1980 (13 percent and 4 percent, respectively).
- Bullets contain references to data that can be found in Tables ECON1.A and ECON1.B on pages 115–120. Endnotes begin on page 73.*

Secure Parental Employment

Secure parental employment reduces the incidence of poverty and its attendant risks to children. Since most parents who obtain health insurance for themselves and their children do so through their employers, a secure job can also be a key variable in determining whether children have access to health care. Secure parental employment may also enhance children's psychological well-being and improve family functioning by reducing stress and other negative effects that unemployment and underemployment can have on parents.^{36,37} One measure of secure parental employment is the percentage of children whose resident parent or parents were employed full time during a given year.



- The percentage of children who had at least one parent working year round, full time was 77 percent in 2007, down from 78 percent in 2006 and below the peak of 80 percent in 2000. This proportion has remained relatively high, given its historical context; in the early 1990s, the proportion was 72 percent.
- In 2007, 89 percent of children living in families maintained by two married parents had at least one parent who worked year round, full time. In contrast, 66 percent of children living in families maintained by a single father and 47 percent of children living in families maintained by a single mother had a parent who worked year round, full time.
- Children living in poverty were much less likely to have a parent working year round, full time than children living at or above the poverty line (32 percent and 87 percent, respectively, in 2007). In 2007, 54 percent of children living in families maintained by two married parents who were living below the poverty line had at least one parent working year round, full time, compared with 92 percent of children living at or above the poverty line.
- Black, non-Hispanic children and Hispanic children were less likely than White, non-Hispanic children to have a parent working year round, full time. About 72 percent of Hispanic children and 64 percent of Black, non-Hispanic children lived in families with secure parental employment in 2007, compared with 82 percent of White, non-Hispanic children.
- In 2007, 32 percent of children in married two-parent families had both parents working year round, full time. This proportion is up from its most recent low in 2003 (29 percent).

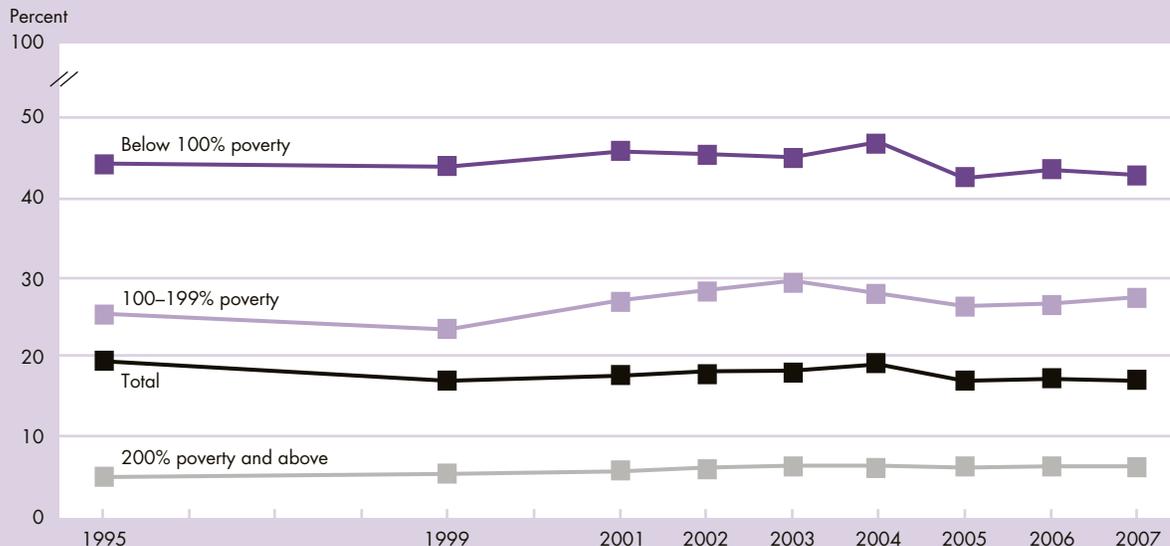
Bullets contain references to data that can be found in Table ECON2 on pages 121–122. Endnotes begin on page 73.

Food Security

A family's ability to provide for its children's nutritional needs is linked to the family's food security—that is, to its access at all times to adequate food for an active, healthy life.³⁸ The food security status of households is based on self-reports of difficulty in obtaining enough food, reduced food intake, reduced diet quality, and anxiety about an adequate food supply. In some households classified as food insecure, only adults' diets and food intakes were affected, but in a majority of such households, children's eating patterns were also disrupted to some extent and the quality and variety of their diets were adversely affected.³⁹ In a subset of food-insecure households—those classified as having very low food security among children—a parent or guardian reported that at some time during the year one or more children were hungry, skipped a meal, or did not eat for a whole day because the household could not afford enough food.⁴⁰

Indicator ECON3

Percentage of children ages 0–17 in food-insecure households by poverty status, selected years 1995–2007



NOTE: Food-insecure households are those in which either adults or children or both were food insecure. At times they were unable to acquire adequate food for active, healthy living for all household members because they had insufficient money and other resources for food. Statistics for 1996–1998 and 2000 are omitted because they are not directly comparable with those for other years.

SOURCE: U.S. Census Bureau, Current Population Survey Food Security Supplement; tabulated by U.S. Department of Agriculture, Economic Research Service and Food and Nutrition Service.

- About 12.4 million children (17 percent of all children) lived in households that were classified as food insecure at times in 2007. About 691,000 of these children (0.9 percent of all children) lived in households classified as having very low food security among children.
- The percentage of children living in food-insecure households in 2007 was essentially unchanged from 2005 and 2006 and was lower than the 19 percent observed in 2004. The percentage of children living in households with very low food security among children increased from 0.6 percent in 2006 to 0.9 percent in 2007.
- In 2007, the proportions of children living in food-insecure households were substantially above the national average (17 percent) for those living in poverty (43 percent), Black, non-Hispanics (26 percent), Hispanics (27 percent), those whose parents or guardians lacked a high school diploma or GED (38 percent), and those living with a single mother (32 percent).

Bullets contain references to data that can be found in Table ECON3 on pages 123–124. Endnotes begin on page 73.

Indicators Needed

Economic Circumstances

Economic security is multifaceted; therefore, several measures are needed to adequately represent it. While this year's report continues to provide some information on economic and food security, additional indicators are needed on:

- *Economic well-being.* Economic well-being over time needs to be anchored in an average standard of living context. Multiple measures of family income or consumption, some of which might incorporate estimates of various family assets, could produce more reliable estimates of changes in children's economic well-being over time.
- *Long-term poverty among families with children.* Although Federal data are available on child poverty (see Indicators ECON1.A and ECON1.B, Child Poverty and Family Income), the surveys that collect these data do not capture information on long-term poverty. Existing longitudinal survey data are available for identifying children living in poverty continually for a period of time and for producing estimates of the duration of poverty. However, those data are not available on a regular basis. The U.S. Census Bureau currently has longitudinal estimates of poverty for the 2001 to 2003 period based on the Survey of Income and Program Participation (SIPP) 2001 Panel. Estimates from the 2004 Panel of SIPP, covering the period 2004 to 2006, will be available later this year. Data from the 2008 Panel will not be available for several more years. Since long-term poverty can have serious negative consequences for children's well-being, regularly collected and reported estimates are needed.
- *Homelessness.* The Annual Homeless Assessment Report offers Congress a yearly update on the number of homeless people counted at a point in time by communities and of homeless people in shelters over time using local Homeless Management Information System (HMIS) data. The Forum is encouraged by the recent progress that has been made in the availability of data on homelessness. As a result, the U.S. Department of Housing and Urban Development hopes to be able to present information on the number of homeless children in future *America's Children* reports.