Low-Income Children in the United States (MAY 2004)

Overview

More than one-third of children in the United States live in low-income families, meaning their parents earn up to double what is considered poverty in this country. The federal poverty level for a family of four (2004) is $18,850.

- 16% of American children—more than 11 million—lived in poor families in 2002, meaning their parents' income was at or below the federal poverty level. These parents are typically unable to provide their families with basic necessities like stable housing and reliable child care.
- 37% of American children—more than 26 million—lived in low-income families in 2002. Their parents made less than 200% of the federal poverty line (FPL). These families often face material hardships and financial pressures similar to those families who are officially counted as poor.

After a decade of decline, the rate of children living in low-income families is rising again, a trend that began in 2000.

Demographics of Children in Low-Income Families

Younger children are more likely to live in low-income families.

- 42% of infants/toddlers—4.8 million—live in low-income families (poor: 2.2 million).
- 40% of preschool children—3.2 million (poor: 1.4 million)
- 40% of kindergarteners—1.5 million (poor: 0.6 million)
- 38% of school-age children—10.5 million (poor: 4.6 million)
- 32% of adolescents—6.2 million (poor: 2.4 million)

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1 Low-income is defined as twice the federal poverty level, or $37,700 for a family of four (2004). Estimates in this fact sheet were prepared by Ayana Douglas-Hall and Heather Koball of NCCP based on the Current Population Survey, March supplement 2003.
2 The federal poverty threshold for a two-parent family of four in 2002 was $18,244. The estimates in this fact sheet are produced by using the 2002 threshold that is appropriate for the most up-to-date CPS data.
3 Infants/toddlers are defined as 0 through 2 years old, preschool children are defined as 3 through 4 years old, kindergarteners are defined as 5 year olds, school-age children are defined as 6 through 12 years old, adolescents are defined as 13 through 17 years old.
While the largest group of children in low-income families is white, black and Latino children are significantly more likely to live in families with low incomes, and they account for the increase in low-income children.

- 58% of black children—5.8 million—lived in low-income families in 2002 (up 4% from 2001).
- 62% of Latino children—7.8 million (up 1% from 2001)
- 25% of white children—10.9 million (down 2% from 2001)

Common Misconceptions About Children in Low-Income Families

Most children in low-income families have parents who are employed full-time and year-round.

- 56% of all children in low-income families—14.6 million—have at least one parent who works full-time and year-round.
- 28% of children in low-income families—7.3 million—have at least one parent who works part-time or full-time, part year.
- Just 16%—4.2 million—do not have an employed parent.

Two out of three children in low-income families live in either the South or the West.

- In the Northeast and Midwest, children in urban areas are more likely to live in low-income families.
- In the South and West, children in rural areas are more likely to live in low-income families.5

Government Programs Can Make a Difference

As low-income families increase their earnings, they rapidly lose eligibility for assistance like child care subsidies and health benefits, the kinds of supports that enable parents to keep their jobs. This public assistance can help lift parents, and therefore children, into economic security.

Approximately 5 million people—roughly half of them children—are removed from poverty annually as a result of the federal Earned Income Tax Credit.6 It is estimated that an additional 1.1 million children could be lifted out of poverty if such credits were adopted by all states.7

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4 Includes all Latinos, regardless of race.