

CHILD POVERTY DURING THE GREAT RECESSION: PREDICTING STATE CHILD POVERTY RATES FOR 2010

EXECUTIVE SUMMARY

The country is slowly emerging from the Great Recession, the longest period of economic downturn since the Great Depression of the 1930s. As unemployment rates have risen, poverty also has risen. More than one in five children were poor in 2009, according to data released by the Census Bureau in September.

How much higher will child poverty be in 2010? Poverty statistics will not be released until next September, but many policy-makers and child advocates would like to have a sense of the child poverty rate now. Moreover they would like to know it not just nationally but also for their own state. A new issue brief by Julia Isaacs of the Brookings Institution attempts to meet this need by providing predictions of child poverty, by state, ten months before the actual statistics will be released.

Between June 2009 and June 2010, the number of people receiving nutrition assistance (food stamp) benefits increased by 21 percent, or 7 million people, as monthly caseloads averaged over the first six months of the year skyrocketed from 33.5 to 40.3 million participants. This increase in nutrition assistance caseloads was widespread, affecting almost all states. In addition, unemployment rates remain high, and the average for 2010 to date is actually higher than the average for 2009 in most states.

From a model that combines current data on nutrition assistance and unemployment, Isaacs predicts that most states will see a rise in child poverty in 2010, with the increase averaging 1.3 percentage points across the states. According to these predictions, half the states (26 states) will have child poverty rates of 20 percent or higher in 2010, almost double the number of states (14) with poverty of 20 percent or higher in the pre-recessionary period of 2000-2007.

Nationally, the number of poor children is predicted to rise by nearly 1 million, from 14.7 million in 2009 to 15.6 million children in 2010. The national child poverty rate is estimated to increase 20.0 in 2009 to 21.3 in 2010. These predictions are subject to uncertainty, but provide an early glimpse of how children are continuing to be affected by the lingering effects of the Great Recession.

To download a copy of the full report, *Child Poverty During the Great Recession: Predicting State Child Poverty Rates for 2010*, visit www.firstfocus.net