

## **Facts About Income Security**

### **How many Americans are poor?**

#### **In 2006:**

36.5 million people, or 12.3% of people were poor in the United States.

In New York State, 2.66 million people were poor. New York State's poverty rate of 14.3% was still significantly above the national rate and the 12<sup>th</sup> highest in the country. New York had the highest poverty rate of all Northeast and Midwest states.

In New York City, the poverty rate was 19.1%, remaining steady for the past 6 years, which means that 1 of every 5 City residents are poor. New York City's poverty rate stood in contrast to a national decline between 2005 and 2006.

2006 marked the first time on record that 5 years after a recession ended, the poverty rate still had not returned to its level during the recession.

#### **Child Poverty:**

Children in the United States are still more likely than adults to be poor, with a poverty rate of 17.4%, compared to 10.8% for adults age 18 to 64.

The poverty rate for children and working age adults is still well above 2001 levels.

#### **Poverty by Race:**

Blacks and Hispanics were still more likely to be poor than non-Hispanic whites, 24.3% and 20.6% were below poverty, compared to 8.2%.

#### **Public Assistance:**

For a typical family of three, the current maximum monthly public assistance grant, including the shelter allowance, in New York State is only \$691. Once the shelter allowance and energy assistance portions are removed, there is only \$238 left per month, or approximately \$8 per day for a family of three to pay for all other basic needs such as food, clothing, utilities, personal care, school supplies, laundry, recreation, household supplies, and transportation.

The welfare grant has been frozen since 1990 and has lost more than half its purchasing power.

#### **Income Inequality:**

The share of income going to the richest 5% of American households was 22.3% in 2006. This is the highest point it has ever reached, and represents a significant increase from 2002.

New York State and New York City again had the widest income gap of any state or major metropolitan area in the U. S.

New York is one of the wealthiest states in the nation on average when measured on a per capita basis: all income divided by all people. However, New York ranks only 20<sup>th</sup> in terms of median household income. When adjusted for inflation, median household income has remained flat from 2004-05 to 2005-06.

New York is the only state in which both the poverty rate and the median household income surpassed the national average. This means that New York is the only state that is considered to be both "high income" and "high poverty" state.

### **Gender Wage Gap & Women in Poverty:**

The poverty rate for American female-headed households with no husband present was 28.3%, as compared to 13.2% for male-headed households with no wife present. The overall family poverty rate was 9.8%, and for married households it was 4.9%.

In all 50 states, women had lower median earnings than men in 2006. Women across the U. S. earned 77.3% of men's earnings, and in New York, women earned slightly better than the national average – 80.2% of men's earnings.

At lower education levels, the gender wage gap is even wider. Across the U. S. women with only a high school degree or GED earned only 65.1% of men's earnings, and those with less than a high school education earned only 59.8% of men's earnings.

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