nevada kids count newsletter

WHAT'S NEW WITH KIDS?

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Site of the Month

INCOME, POVERTY, AND HEALTH-INSURANCE COVERAGE IN THE UNITED STATES: 2006

The U.S. Census Bureau's income, poverty, and health-insurance coverage estimates were released this week in a report that is available on-line at http://www.census.gov/prod/2007pubs/p60-233.pdf. Of particular interest are the data on children that the Bureau collected from their Current Population Survey, 2007 Annual Social and Economic Supplement which show that:

- In 2006, 11.7 percent of all children 17 and under in the U.S. were uninsured, an increase from 10.9 percent in 2005
- 19.3 percent of the uninsured children were in poverty
- 11.3 percent of the uninsured children were less than 6 years old
- 11.1 percent of the uninsured children were 6 to 11 years old
- 12.6 percent of the uninsured children were 12 to 17 years old
- 7.3 percent of the uninsured children were white, not Hispanic
- 14.1 percent of the uninsured children were black
- 11.4 percent of the uninsured children were Asian
- 22.1 percent of the uninsured children were of Hispanic origin (any race)

State-level health-insurance coverage data have not yet been published by the Census. However, the Population Reference Bureau and the University of Louisville calculated health-insurance coverage rates for children using the average of the Current Population Survey files from 2005-2007 (data reflect coverage for 2004-2006). The Annie E. Casey Foundation (AECF) forwarded the rates to KIDS COUNT grantees today and will update the existing data in the State Level Data Online System on their Web site next week (go to http://www.kidscount.org/sld/). The data show that of the 639,000 children in Nevada ages 0 to 17, 105,000 were uninsured, or about 16 percent.

The Census Bureau also reports that 17.4 percent of the all the children in the U.S. lived in poverty in 2006, the same percentage as in 2005. Mr. Douglas W. Nelson, president of AECF, expressed his views on the Census Bureau poverty estimates in the *Washington Times*, which are included on the following two pages.

Rennae Daneshvary, PhD

“Counting What Counts”
By Douglas W. Nelson
Special to the Washington Times

Article published in the Washington Times Aug 29, 2007
Counting what counts

August 29, 2007

By Douglas W. Nelson - For those of us who devote our working lives to helping vulnerable children and families, yesterday marked one of the most momentous days on the annual calendar: the Census Bureau’s release of the nation’s official poverty rate.

The event, held inside the Census Bureau’s headquarters in Suitland, Md., attracted a throng of journalists and generated a flurry of news coverage.

This attention is all for the good. Not only does poverty impose short-term hardships on millions of Americans, but it has tragic long-term consequences for children. Overwhelming evidence shows that growing up in poverty — especially deep and sustained poverty — compromises children’s health, dims their educational prospects, increases their risk of future arrest and incarceration and lowers their options for future success. Anything that reminds citizens of the vast number of American children handicapped by poverty — nearly 13 million as of last year — can only help.

This welcome attention, however, is steeped in a troubling irony. The poverty figure itself is deeply flawed and almost comically out of date. Developed in the 1960s, the poverty line was drawn by the federal government by calculating the cost of a rudimentary grocery budget and multiplying by three — because back in the 1960s food represented one-third of a typical family’s budget. The dollar figure developed in the 1960s has only been adjusted for inflation, even though food is now one-seventh of a typical family’s budget, and even though the formula takes no account of child care, health insurance and other expenses that are far greater today.

Further, the definition of income used to calculate poverty rates doesn’t include on-cash benefits such as housing assistance, the earned-income and other tax credits, and food stamps, and it doesn’t account for necessary expenses like transportation and state/local taxes.

Today, virtually no one supports the poverty threshold — currently set at $20,444 for a family of two adults and two children — as a realistic assessment of families’ genuine economic needs and circumstances. Indeed, scholar Nicholas Eberstadt of the American Enterprise Institute has dubbed the poverty measure “America’s worst statistical indicator.”

Unfortunately, efforts to update the poverty measure — which began in the 1970s — have foundered repeatedly due to political discord. Proponents and critics of the current system represent genuine philosophical differences about who should be counted as poor.

Conservatives have consistently sought changes that would reduce the number of Americans counted as poor. They note — correctly — that the vast majority of those counted as poor today have a much higher standard of living than those counted as poor 40 years ago. For example, most have televisions, microwave ovens and air conditioning. Liberals have sought changes that would increase the number of Americans counted as poor.

They note — again correctly — that the amount of money required to support a family — for housing, transportation, child care, groceries and clothing — far exceeds the poverty threshold, and that millions of families with incomes equal to or greater than the official poverty line suffer serious financial hardships every year — such as being evicted, having their utilities shut off or going without needed medical or dental care.

It is time for both sides in this debate to table their disagreements and come together around a new approach to poverty measurement. Why? Because, in the words of former Sen. Daniel Patrick Moynihan: “You can’t solve a problem until you first learn to measure it.”

Across the country, children’s advocates are rallying around a proposed campaign to cut the nation’s child poverty rate in half over the next decade. Yet many of our most promising approaches to improving the economic fortunes of children — expanding the earned-income and child tax credits for working families, increasing child care subsidies, increasing the utilization rates for food stamps and other means-tested programs — would never be counted by today’s poverty measure. So the official poverty data give us no indication of how well our public investments in the financial well-being of low-income families are paying off.

Fortunately, a much better poverty measure is ready and waiting. In the 1990s, a distinguished panel of scholars assembled by the National Academy of Sciences studied the challenge and devised a new poverty measure that includes non-cash benefits, accounts for child care costs and out-of-pocket medical expenses, and — unlike the existing measure — adjusts for regional differences in the cost of living.

For several years now, the Census Bureau has been calculating poverty data through this new formula. Yet, despite their manifest advantages and widespread support for the new standards among demographers and statisticians, the new numbers are published only online, with little fanfare or mention in the mainstream media or political debate.

Adopting the NAS methodology as the official poverty definition would be a big step forward in helping policy-makers understand who in the population is in need of assistance — and what kind of assistance they need. And it would provide us with a highly visible tool to measure the impact of public investments in family well-being.

A study released this January revealed that, due to its long-term effects on productivity, earnings, criminality and health, childhood poverty costs $500 billion a year. To help recapture those wasted dollars, and more importantly to improve the prospects of our nation’s children, it’s time to start counting what counts.

Douglas W. Nelson is president of the Annie E. Casey Foundation.