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'The new poor': Poverty reaches historic levels

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A homeless man eats a meal while seating on the sidewalk at Northeast 7th Street, between 1st and 2nd Avenues, in Miami, February 21, 2010.

The withering recession pushed the number of Americans who are living in poverty to a 51-year high in 2009 and left a record 50.7 million people without health insurance, the Census Bureau said Thursday.

The 43.6 million Americans who were poor last year -- up from 39.8 million the year before -- were the most since poverty estimates were first published in 1959. The national poverty rate of 14.3 percent, up from 13.2 percent in 2008, was the highest since 1994.

The bureau also found that median income -- the amount at which half of U.S. households earn more or less -- had fallen 4.2 percent by 2009 since the recession began in 2007.

In Florida, the numbers were just as bad. Preliminary state figures show Florida's poverty rate increased from 12

percent in 2007 to 13.9 percent in 2009.

By comparison, from 1999 to 2007, Florida's poverty rate only inched up .3 percent.

"It is huge," said Mike Leachman, a senior policy analyst for the Center on Budget and Policy Priorities, a research institute. "We are talking about a leap of about another 360,000 Floridians falling into poverty."

He noted that with an official poverty standard of \$22,000 annual income for a family of four, clearly many more Floridians are struggling than the statistics officially reflect.

"This really is the Great Recession," Leachman said. "There's no doubt that that's a statistically significant increase. There were only a small number of other states that jumped more than Florida."

Leading the nation: Arizona.

Experts said the impact is being felt at social service agencies throughout Florida, where once middle class professionals are showing up for services. Local food agencies have reported a 40 percent increase in clientele.

Statewide, the number of households using food stamps increased 62 percent in the past five years, federal statistics show. Last year, 240,000 more households turned to federal food aid as they struggled to pay bills and buy groceries.

"This is everybody -- everybody," said Daniella S. Levine, head of the Human Services Coalition in Miami. "The new poor is the professional and middle class. We are seeing more and more people eligible for

programs."

The Census Bureau stressed that more detailed local poverty statistics would be released Sept. 28.

Encompassing a near-record rise in unemployment from 5.8 percent in 2008 to 9.3 percent in 2009, the Census Bureau's annual income, poverty and health insurance survey is the first to capture the social and human toll of the Great Recession at its height.

It leaves no doubt that individuals and families of all incomes, races and ages are suffering.

"It's not a pretty picture at all for the typical American household," said Harvard University economist Lawrence Katz. "Only families headed by, essentially, people with professional degrees and Ph.D.s, if you look at the data, have withstood the recession without large losses in earnings."

President Barack Obama said the grim news made it clear that much work remained to bring the nation back from the recession, but he added that the groundwork to do so has been laid.

"Because of the recovery act and many other programs providing tax relief and income support to a majority of working families -- and especially those most in need -- millions of Americans were kept out of poverty last year," Obama said.

Income assistance from the American Recovery and Reinvestment Act -- last year's economic stimulus measure -- includes unemployment insurance, food stamps and tax cuts.

The \$28 billion in extended unemployment insurance benefits paid in 2009 helped keep 3.3 million more people from falling into poverty last year, said David Johnson, the chief of the Census Bureau's division on housing and household economics.

Food stamp benefits under the Supplemental Nutrition Assistance Program kept 2.3 million more people out of poverty, the survey estimates. The new law's tax cut provisions probably won't be reflected until next year's data.

Heidi Shierholz, an economist at the Economic Policy Institute, a nonpartisan research center, said the stimulus' biggest contribution was the estimated 1.3 million to 2.7 million full-time jobs that were created or saved in 2009, according to the Congressional Budget Office. "Today's report is ugly. Without [the recovery act] it would have been a lot uglier," she said.

The dark data in the census survey weren't surprising, considering the length and intensity of the recession. However, the 2009 findings were markedly worse than the 2008 data, which probably understated the severity of the recession because most of the job losses that year occurred after the survey was conducted in March.

Miami Herald staff writer Frances Robles contributed to this report.