

US poverty rate remains stuck at 15 percent

WASHINGTON (AP) — The nation's poverty rate stood still at 15 percent last year, the sixth straight year that it has failed to improve.

The Census Bureau reported Tuesday that 46.5 million Americans — or more than 1 in 7 — were living in poverty last year. That is not statistically different from the number of impoverished in 2011.

The median household income was \$51,017, unchanged from the previous year, following two consecutive annual declines. The share of people without health insurance declined slightly, from 15.7 percent to 15.4 percent.

The last significant decline in the poverty rate came in 2006, during the Bush administration and before the housing bubble burst. In 2011, the poverty rate dipped to 15 percent from 15.1 percent, but census officials said that change was statistically insignificant.

For the last year, the official poverty line was an annual income of \$23,492 for a family of four.

The latest poverty numbers present unwelcome news for President Barack Obama as he seeks credit for an economic turnaround after the 2007-2009 recession. He said Monday that congressional Republicans would reverse recent economic gains if they took uncompromising stands in connection with looming budget deadlines.

The Census Bureau's annual report offers a snapshot of the economic well-being of U.S. households for 2012, when the unemployment rate averaged 8.1 percent after reaching an average high of 9.6 percent in 2010. Typically, the poverty rate tends to move in a similar direction as the unemployment rate, so many analysts had been expecting a modest decline in poverty.

The latest census data show that the gap between rich and poor was largely unchanged over the last year, after increasing steadily since 1993.

GOP conservatives have been demanding a delay of Obama's new health care law as the price for supporting continued federal government spending. The House is also expect-

ed to consider a bill this week that would cut food stamps for the poor by an estimated \$4 billion annually — 10 times the size of cuts passed by the Democratic Senate — and allow states to put broad new work requirements in place for recipients.

"This lack of improvement in poverty is disappointing and discouraging," said John Iceland, a former Census Bureau chief of the poverty and health statistics branch who is now a Penn State sociology professor. "This lack of progress in poverty indicates that these small improvements in the economy are not yet being equally shared by all."

Ron Haskins, a senior fellow at the Brookings Institution who specializes in poverty, agreed.

"Everything's on hold, but at a bad level: poverty and income did not change much in 2012," he said. "So child poverty is still too high and family income is still too low. The recession may be over, but try to tell that to these struggling families. Don't expect things to change until the American economy begins to generate more jobs."

Broken down by state, Mississippi had the highest share of poor people, at 22 percent, according to rough calculations by the Census Bureau. It was followed by Louisiana, New Mexico and Arkansas. On the other end of the scale, New Hampshire had the lowest share, at 8.1 percent.

The official poverty level is based on a government calculation that includes only income before tax deductions. It excludes capital gains or accumulated wealth, such as home ownership.

As a result, the official poverty rate takes into account the effects of some government benefits, such as unemployment compensation. It does not factor in noncash government aid such as tax credits and food stamps.

[FILE - In this April 4, 2013 file photo, a group of boys walk past a partially collapsed row house i ...](#)

David Johnson, the chief of the Census Bureau's household economics division, estimated that unemployment benefits helped keep 1.7 million people out of poverty.

If non-cash government aid were counted in the official formula, the earned income tax credit would have lifted another 5.5 million people above the poverty threshold. Food

stamps would have boosted 4 million people, lowering the poverty rate to 13.7 percent.

The slight dip in Americans without health coverage meant 48 million people were without insurance. The drop was due mostly to increases in government coverage, such as Medicaid and Medicare. The number of people covered by employer-provided health insurance remained flat.

The decline was modest compared to a bigger drop in 2011, which occurred due to increased coverage for young adults under the new health care law.

Because the main provisions of the Affordable Care Act don't take effect until 2014, the latest census numbers offer a baseline number of uninsured by which increased coverage and effectiveness of the law will be measured. Many conservative Republicans remain committed to repealing it.

Starting next year, the government will offer tax credits for people without access to job-based health insurance to buy private coverage through new markets, called exchanges, in each state. Open enrollment starts Oct 1. The new health care law also expands Medicaid to cover millions more low-income people, but so far only 24 states plus Washington, D.C., have gone along with the expansion.

The Congressional Budget Office estimates that by next year, the health law will reduce the number of uninsured in the U.S. by about 25 percent. By 2017, it is projected that 92 percent of eligible Americans will have health insurance, a 10 percentage point increase from today's level.

Other census findings:

—Poverty remained largely unchanged across race and ethnic groups. Blacks continued to suffer the highest rates of poverty at 27.2 percent, compared to 25.6 percent for Hispanics and 11.7 percent for Asian-Americans. Whites had a poverty rate of 9.7 percent.

—Child poverty stood at 21.8 percent.

—Poverty among people 65 and older was basically unchanged at 9.1 percent, after hitting a record low of 8.9 percent in 2009.

Associated Press writers Mary Clare Jalonick and Ricardo Alonso-Zaldivar contributed to this report.