

The Daily Review

Hayward, California

SATURDAY

September 27, 2003

Poverty rate increases again

Census Bureau figures show 34 million Americans were living in poverty last year

FROM STAFF AND WIRE REPORTS

The poverty rate rose and income levels declined in 2002 for the second consecutive year as the nation's economy continued to struggle after the first recession in a decade, the Census Bureau reported Friday.

The poverty rate was 12.1 percent

last year, up from 11.7 percent in 2001. Nearly 34.6 million people lived in poverty, about 1.7 million more than the previous year. In California, the poverty rate was 12.8 percent averaged over three years, 2000-02.

Median household income declined 1.1 percent between 2001 and 2002 to \$42,408, after accounting for inflation. In California, the median income was \$48,113, averaged over three years.

The poverty rate rose again after having fallen for nearly a decade to

11.3 percent in 2000, its lowest level in more than 25 years. Income levels increased through most of the 1990s, but were flat in 2000 and fell the last two years.

"It kind of proves what we knew, that the Bush administration's policies aren't working," said Lupe Diaz of the Western Center for Policy Studies in Sacramento. "Trickle-down economics hasn't done what they thought it

would - Experts had predicted that rising unemployment last year and the still-shaky economy would increase poverty and lower income for most people, even though the recession officially ended in November 2001. And local experts blamed welfare reform for an increase in the ranks of the severely poor, which swelled from 13.4 million

to 14.1 million.

The percentage of people who are severely poor, meaning their incomes are half of the poverty level or less, remained virtually unchanged.

Bureau statistician Daniel Weinberg said changes between 2001 and 2002 were consistent with changes following past recessions.

The highest point in the cycle of poverty and the lowest point in income tend to come in the year after a recession.

See **POVERTY**, News 13

(OVER)

Economic protest staged in Oakland

► **POVERTY**, from News 1

sion," he said at a news conference at bureau headquarters in Suitland, Md.

At the White House, the numbers were fodder for President Bush's aides to call for enactment of virtually his entire domestic and economic agenda, from increased involvement in federal programs by religious groups to trade policy to legislation limiting personal injury lawsuits.

"The economy is moving in the right direction," Bush spokesman Scott McClellan said. "But the president is not satisfied. It's important to create the conditions for job growth, and that's why the president continues to say that there's more that we can do."

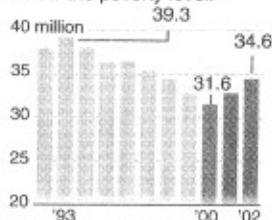
But two East Bay groups used the numbers to question the Bush administration's priorities, staging an "Economic Red Alert" protest Friday morning in front of the Ronald V. Dellums Federal Building in Oakland.

"They want to spend \$87 billion in Iraq. Our federal government doesn't even spend that much on its own people," said Diana Spatz of LIFETIME, an Oakland group that helps parents on welfare attend college. Spatz said the government's entire health and human services budget is only \$67 billion.

Spatz said she was not surprised that the numbers show an increase in poverty. She said her agency has seen a lot of people go back on the welfare rolls after the Sept. 11 attacks because they lost their jobs.

Census shows poverty levels on the rise

For the second year in a row, more Americans were living below the poverty level.



NOTE: Poverty figures for states are based on an average of rates for 2001 and 2002.

SOURCE: U.S. Census Bureau AP

Child poverty rate up

In 2002, 12.1 million children were in poverty, or 16.7 percent of all kids, up from 11.7 million, or 16.3 percent, the previous year. The Census Bureau said the increase in the child poverty rate was not statistically significant.

The estimates, calculated annually by the Census Bureau, came from a survey of 78,000 households taken in March. They are the government's official measure of income and poverty.

The poverty rate for blacks jumped from 22.7 percent in 2001 to 24.1 percent in 2002. It was slightly lower for people who identified themselves as being black and some other race.

Race-based comparisons were more difficult this year because the Census Bureau for the first time allowed survey respondents to report more than one race.

Poverty rates remained relatively unchanged for non-Hispanic whites, Asians and Hispanics, the bureau said.

Median income fell for blacks and Hispanics but was relatively unchanged for whites. Income was highest among whites and Asians.

Incomes also declined significantly for foreign-born noncitizens, people living in metropolitan areas and family households.

The poverty threshold differs by the size and makeup of a household.

A separate Census Bureau survey released earlier this month also showed more people in the United States living in poverty in 2002, along with a slight increase in median income. But that survey did not ask as detailed a series of questions on people's financial status.

Friday release criticized

Even before the data was made public, House Democrats charged the Bush administration was trying to hide bad economic news by releasing the numbers on a Friday when people are paying more attention to the upcoming weekend. In previous years, the estimates were released on a Tuesday or Thursday. Local poverty experts also blasted the move.

"I'm really upset that the Bush administration seems to be hiding the numbers. They seem to want to hide what's going on, rather than to address a problem," said Kaaryn Gustafson of Oakland's Women of Color Resource Center, which participated in Friday's protest.

Gustafson and other protesters said an increase in the number of married couples living in poverty calls into question the administration's push to include marriage promotion funds in the reauthorization of welfare.

Census Bureau spokesman Larry Neal said the time change was not politically motivated. The results originally were scheduled to be released this past Tuesday, he said, but the release was moved to Friday because statisticians asked for more time to process the numbers.

Staff writer Michele R. Marcucci contributed to this report.