

ISSUE BRIEF: U.S. CHILD POVERTY IN 2023



All children deserve to live happy, fulfilling lives. This means that all children should have their immediate health and safety needs met, and no child should be denied the chance for a bright future based on their family's hardship.

We are failing our nation's children in this regard. The **U.S. Census Bureau** reports that nearly 14% of children (nearly 10 million) in the United States lived in households with incomes below the poverty threshold in 2023 (\$37,482 for a family of four with two children). This represents a 10% increase in child poverty from 2022, resulting in almost one million more children experiencing poverty in a year.

The evidence that child poverty is on the rise is even more apparent when looking back further. Child poverty increased by 163% since 2021, meaning an additional 6.2 million children are living in poverty when compared to two years ago.

This is not a small problem — the number of kids experiencing poverty is greater than the population of 11 individual states. Millions of children in our country lack access to sufficient food, stable housing, clean diapers, and other resources that they need to nourish their developing brains and bodies. The hardships brought by poverty not only have repercussions for the children impacted, but for our nation as a whole.

Our country's recent upward child poverty trend is infuriating when you consider that just over two years ago, amidst a global pandemic, we were able to enact policies that cut child poverty nearly in half. We have the proven evidence as to what works, but too many of our lawmakers lack the political will to sustain this progress.

In **2021 the United States cut child poverty nearly in half** largely due to improvements to the Child Tax Credit that delivered monthly cash payments to children most in need. The expiration of these improvements — and in particular their reach to the poorest children — has increased suffering for **more than a quarter of our nation's children**.

In addition, Supplemental Nutrition Assistance Program (SNAP) emergency allotments and extra funding for school meals ran out in 2023. These programs all still have a significant impact in reducing child poverty but are having a lesser effect than in previous years.

Annual Census Data for Trends

Supplemental Poverty Measure

The SPM is the most realistic measure of annual poverty, using a household income threshold based on the cost of food, clothing, shelter, utilities, and a small number of other needs, and adjusts this figure for family size and geographic differences in housing costs. The census then considers cash income (including child support), in-kind benefits, minus taxes (or plus tax credits), work expenses, out-of-pocket medical expenses, and child support paid to another household.

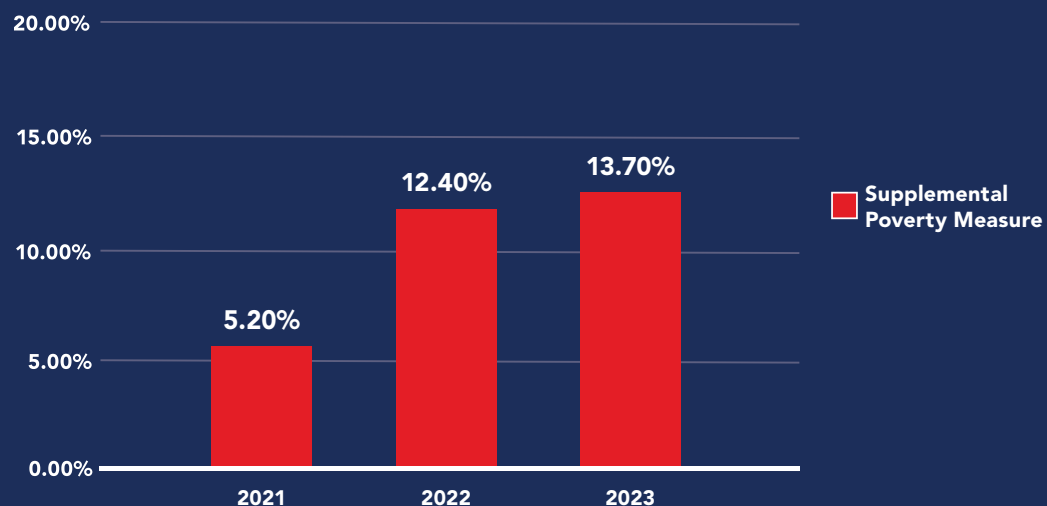
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Using the SPM, which takes into account the impact of the Child Tax Credit and other critical assistance:

- **13.7% of children (9.96 million) lived in poverty in 2023 compared to 12.4% (8.98 million) in 2022, an increase of nearly one million children.**
- **Child poverty increased by 163% from 2021, from a rate of 5.2% (3.82 million) to 13.7% (9.96 million), resulting in an additional 6.2 million kids in poverty.**

Child Poverty Rates

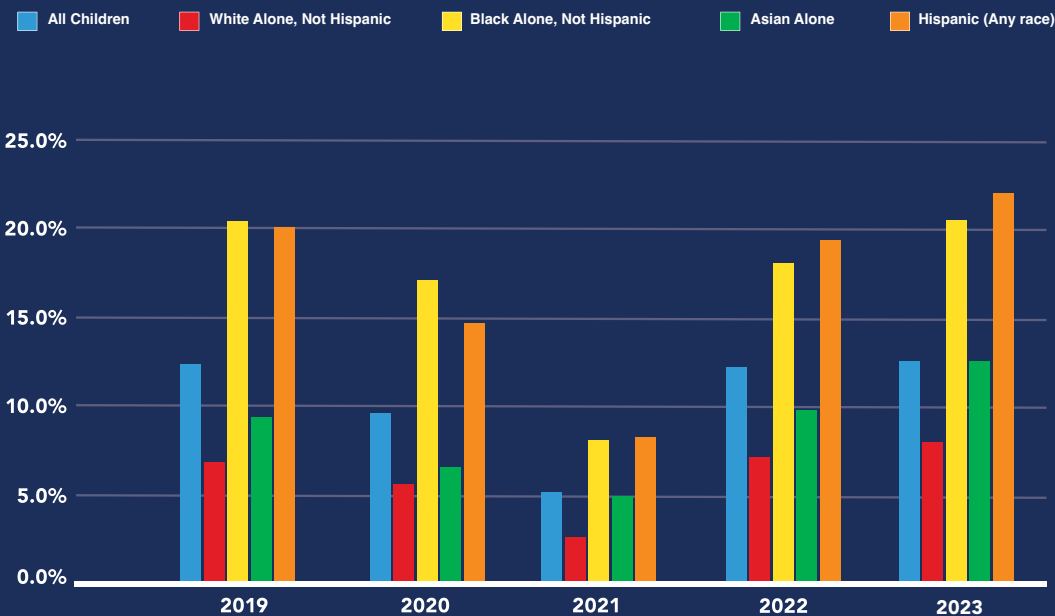


- **Following the expiration of improvements to the Child Tax Credit, the poverty gap between Black and white children, and Hispanic and white children has widened. In 2023, Black, Hispanic and American Indian/Alaska Native children all experience poverty at a rate about three times that of white children:**
 - Black children (alone, not Hispanic): 20.7%
 - Hispanic children (any race): 22%
 - American Indian and Alaska Native (alone): 19.7%
 - Asian (alone): 14%
 - White (alone, not Hispanic): 7.2%

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Child Poverty Rates, By Race

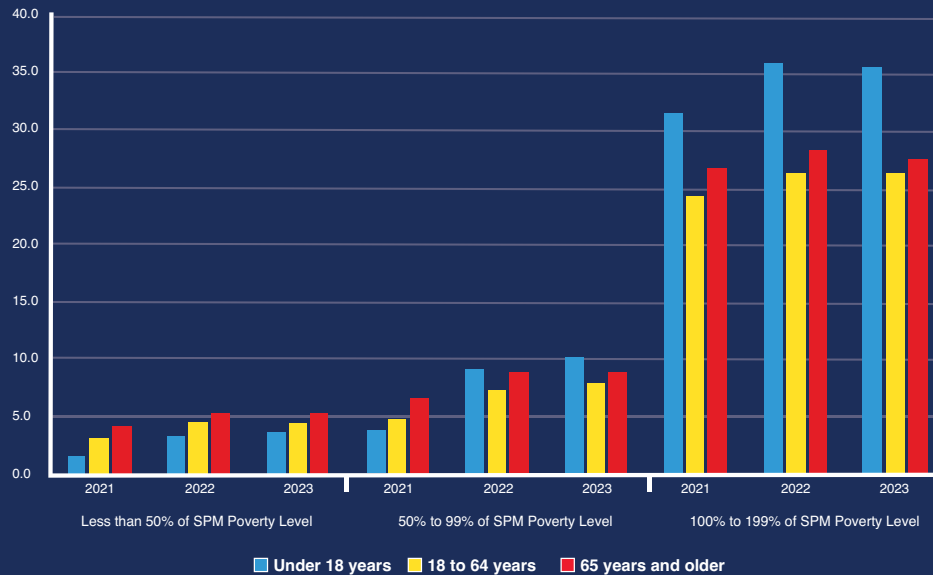


- 3.6% of children (2.59 million) were living in deep poverty. This is an 8% increase from 2022 and a more than doubling of the deep child poverty rate from 2021. These are children in households with very few resources (an annual income of less than \$19,000 a year for a family of four with two children) who face severe material deprivation.
- 35.3% of children (25.56 million) were living in households with annual incomes up to double the poverty threshold — around \$74,000 a year for a family of four with two children — but were still struggling with material hardship.
 - Using the **Economic Policy Institute's Family Budget Calculator**, in many places a family of four with two children needs at least an annual income of \$80,000 to cover household expenses.

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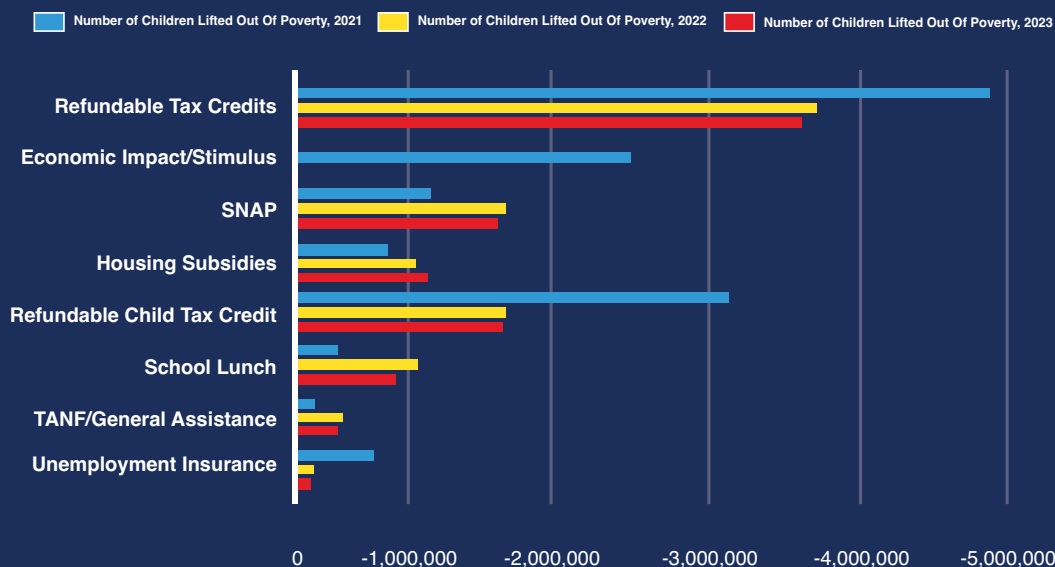


Percentage of People by Ratio of Income/Resources to Poverty Threshold



Below are government programs included in the SPM and the number of children lifted out of poverty because of each program.*

Effect of Individual Programs on the Number of Children in Poverty



*Note that these numbers reflect the expiration of SNAP emergency allotments and Pandemic EBT benefits in 2023

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The Impact of the Expiration of Improvements to the Child Tax Credit

In 2023 the refundable portion of the Child Tax Credit prevented 1.34 million children from experiencing poverty in the United States. This is significant, but much a smaller impact than if the improvements made in the American Rescue Plan (ARP) Act were still in place. Columbia University's Center on Poverty and Social Policy found that if the ARP improvements continued in 2023, **an additional 3.6 million children would have been spared from poverty**.

Improvements to the Child Tax Credit had narrowed the poverty gap between Black and white children as well as between Hispanic and white children by reaching many children of color that were previously left out of receiving some or all of the Child Tax Credit because their families earned too little to be eligible. That gap is now wider, as the Child Tax Credit reverted back to previous law which leaves out **over one quarter of all children** from receiving the full credit. Black and Hispanic children are disproportionately left behind, as well as young children, children in rural communities, and children in larger families.

An **estimated 1 million immigrant children without Social Security numbers** continue to be unfairly excluded from receiving the Child Tax Credit. Other immigrant households may have been unable to access the Child Tax Credit because of **delays in filing and receiving Individual Taxpayer Identification Numbers (ITINs)**, and some may avoid filing altogether for fear of negative implications for their immigrant status.

Improvements to the Child Tax Credit made in the American Rescue Plan Act included a permanent expansion to allow families of all sizes in Puerto Rico to be eligible. (Previously, only families with three or more children were eligible, leaving out 90% of families on the island.) Families in Puerto Rico, however, were not eligible to receive the advanced monthly payments.

Official Poverty Measure

The Official Poverty Measure (OPM) represents the share of children in the United States under age 18 who live in families with incomes below the federal poverty level, which is used to determine eligibility for many **public assistance and means-tested federal programs**. The OPM only accounts for pre-tax cash income and uses a federal poverty definition that consists of a series of thresholds based on family size and composition. In 2021, poverty under the OPM was defined as annual income below \$30,900 for a family of four with two children, while extreme poverty was defined as less than \$15,450 per year.

The OPM shows that without the impact of tax credits, such as the Child Tax Credit, and in-kind benefits, child poverty was higher in 2023, at 15.2% (11.07 million children) compared to 13.7% (9.96 million children) under the SPM, representing an additional 1.11 million children experiencing poverty under the OPM. Children experiencing deep poverty was also higher at 6.6%. The OPM did not see a significant statistical change from last year for the number of children in poverty.

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Poverty has Significant Implications for Our Children and Our Country

Poverty, even for a short time, can have significant negative implications for children's development and future success. Poverty means less income in households for a plentiful amount of nutritious food, safe shelter, proper physical and mental healthcare, clean diapers, education materials, and more that is critical to a child's healthy development. Poverty also means increased stress for parents and caretakers, reducing their mental and emotional bandwidth for their children as they struggle to try to make ends meet for their household.

Poverty is linked to **worse physical health outcomes for children**, including chronic disease such as asthma. Children living in poverty are at higher risk to experience food insecurity, **which negatively impacts their growth and development**. This contributes to a **lack of school readiness**, and poor children obtain **lower levels of educational attainment and earn less as adults** when compared to their non-poor peers. **The duration of poverty matters for children** — the longer a child experiences poverty, the greater likelihood they will experience poverty as an adult.

Poor families with children are more likely to come into contact with the child welfare system. This is often because reporters of child maltreatment too often conflate poverty with neglect due to misunderstanding or bias, and therefore report neglect when the real issue is poverty and a lack of household resources. Child Trends reports that **nearly half of states do not specifically exempt poverty-induced deprivation from their definitions of child maltreatment**, which makes children from poor families in these states are more susceptible to being reported, investigated, and substantiated for child neglect.

Poverty doesn't just have negative implications for individual children, but for our society as a whole, costing our country **upwards of \$1 trillion a year** in lost economic output.

We Know What Works to Address Child Poverty, Now It is Time to Act

The good news is, we know what works to combat child poverty. A 2019 **non-partisan, landmark study from the National Academy of Sciences** finds that the negative outcomes associated with child poverty directly result from a lack of income. When families receive cash assistance, it not only reduces child poverty but also improves children's short- and long-term health, educational, and economic outcomes, both by increasing access to resources that support children's healthy development as well as reducing household stress. Cash assistance has a two-generation effect in promoting economic mobility: In addition to supporting children, the assistance helps adults in the household afford child care, transportation to work, higher education, or job training programs that lead to steady employment and higher-paying jobs.

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The outcomes from the 2021 expansions to the Child Tax Credit confirm these findings. **Numerous surveys found** that households with children reported using the payments to buy food, pay rent, cover child care costs, and provide clothing, educational materials, and activities that enrich children's lives in the short- and long-term. Child poverty was nearly cut in half, and food insufficiency among families with children (households that reported that they sometimes or often do not have enough to eat) **decreased by over 25%. Families reported that the payments gave them a sense of relief** from the constant worry of how to cover bills and keep their household afloat.

In order to make sustainable progress in reducing child poverty, we must:

- **Advance Racial Equity:** Significant racial and ethnic economic disparities still persisted even with the progress made in 2021, and since the expiration of that progress the poverty gap has now widened between Black and Hispanic children compared to white children. **Children in immigrant families continue to face higher rates of poverty** than children in non-immigrant families due to racist and xenophobic laws that restrict their access to tax credits and other benefits. Children in Puerto Rico **face higher rates of poverty than children in the 50 states and the District of Columbia** due to their unequal access to federal benefits as part of a long history of racism and discrimination against Americans living in the territories.
- **Improve Poverty Measurement:** Thresholds used to measure poverty remain much too low and therefore underestimate how many children are experiencing material hardship and deprivation. In many areas of the country, **families with incomes significantly over poverty thresholds still struggle to cover household expenses**. The SPM also does not take **all household basic needs** into account. Finally, children in Puerto Rico and the other territories are **left out of most federal statistical products**, including the reporting of national child poverty rates.
- **Build Political Will:** While we have the evidence as to what works to combat child poverty, our country has lacked the political will necessary to sustain lasting progress. Establishing a national child poverty reduction target in the United States would provide a tool to increase accountability and focus on child poverty across the federal government. Other countries have proven the effectiveness of poverty reduction targets — the United Kingdom **cut its child poverty rate in half** between 1999 and 2008 after setting a child poverty reduction target, and before the outbreak of COVID-19, **Canada had reduced child poverty by more than a third since 2015**. In the United States, momentum is growing, with child poverty reduction targets established in **California, Puerto Rico, and New York state**. Setting a target will help create the momentum needed to pass long-term policies and investments needed to ultimately end child poverty in the United States.

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It is critical that we act to not only regain the progress we made in reducing child poverty in 2021 but build upon by it to ensure that every child in the U.S. can thrive. Find out more at [**firstfocus.org**](https://firstfocus.org) as well as [**endchildpovertyus.org**](https://endchildpovertyus.org).

Helpful Data Tools:

- [U.S. Census Bureau's Poverty in the United States: 2023](#)
- [First Focus's Child Investment Research Hub](#)
- [The Annie E Casey Foundation's Kids Count Data Center](#)
- [U.S. Census Bureau's Household Pulse Survey](#)
- [Columbia's Center on Poverty and Social Policy Monthly Poverty Data](#)
- [SchoolHouse Connection and University of Michigan's Data Profiles of Child and Youth Homelessness in the United States](#)
- [Save the Children's Rural Well-Being Child Dashboards](#)
- [Youth Development Institute's Puerto Rico Child and Youth Well-Being Index](#)