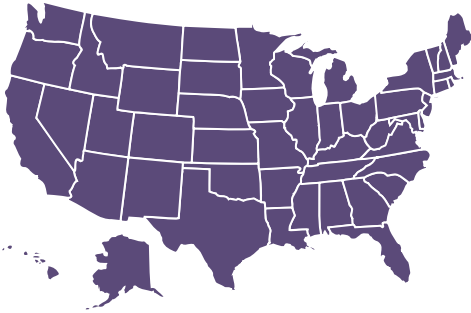


Issue Brief

INCOME IN THE UNITED STATES



As of 2009, 14.3% of the population—43.6 million people—lived in poverty.

WHAT IS SOCIETAL DISTRESS?

Societal distress describes living conditions that do not satisfy basic human needs, such as food, shelter, health, income, and education.

Visit www.humanneeds.vcu.edu for more details.

What are income and poverty?

As used here, **income** refers to the money received by a household in the preceding calendar year. **Wealth** refers to the accumulated assets of an individual or family. **Net worth** is the difference between gross assets and liabilities. **Poverty** refers to the condition in which household income falls below the official federal poverty threshold, which depends on the household size and composition.

How many Americans are affected?

As of 2009, the most current year for which data are available:

- The income of half of the households in the United States (the median income) was less than \$49,777, a 0.7% decline in household income from 2008.
- Households in the highest income quintile (top 20%), with a median income of \$170,844, earned 50.3% of all money income. Households in the lowest income quintile, with a median income of \$11,552, earned 3.4% of all income.
- More than one out of 10 families (11.1%)—a total of 8.8 million families—lived in poverty.
- Approximately 43.7% of the poor lived in severe poverty—with incomes that were less than 50% of the federal poverty threshold.



THE PROJECT ON SOCIETAL DISTRESS is an initiative of the Virginia Commonwealth University Center on Human Needs, which examines the prevalence of societal distress in five domains—food security, housing, health, education, and income—and makes the information available to the public and policymakers. This research effort focuses on presenting accurate data on the number of Americans affected by these conditions and not examining the causes or proposing solutions. The Project on Societal Distress is funded by the W.K. Kellogg Foundation.

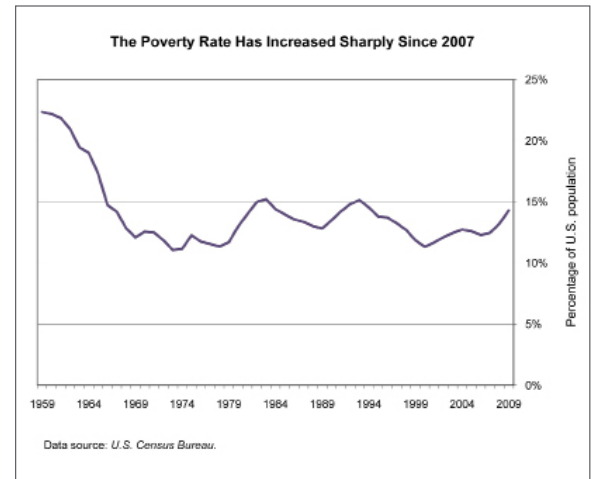
Approximately half of blacks and Hispanics live in poverty or near poverty.

WHY DOES IT MATTER?

Insufficient income to meet basic needs, low net worth, and inadequate savings intensifies material hardship, stress, and poor health. It limits opportunities for advancement by individuals, children, and families and limits in aggregate to the well-being of communities, consumer spending, and economic growth.

What are the trends?

The poverty rate increased from 11.3% in 2000 to 14.3% in 2009, the highest poverty rate since 1994 and the highest absolute number of poor people since 1960.



Who is affected?

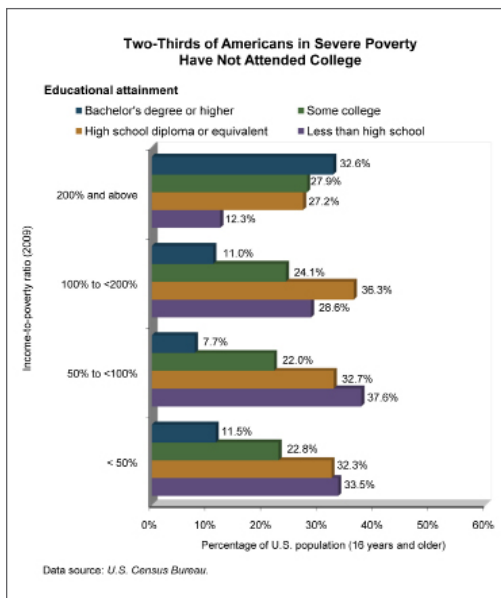
Females: In 2009, among full-time, year-long workers, women earned 77% of the median annual earnings of men.

Young Adults: In 2009, the highest poverty rate among adults (20.7%) occurred among those ages 18 to 24.

Minorities: Among blacks and Hispanics, the poverty rate in 2009 was 25.8% and 25.3%, respectively, almost three times the rate among non-Hispanic whites (9.4%).

Households with Less Education: In 2009, among adults age 25 and older, the poverty rate was 24.7% for those without a high school education, compared with 4.5% for those with four or more years of college.

Single-Parent Households: In 2009, families with a single female head of household had a higher poverty rate (29.9%) than those headed by a single male head of household (16.9%) or a married couple (5.8%).



SOURCES AND METHODS

The statistics reported here were obtained from U.S. Census Bureau, *Income, Poverty, and Health Insurance Coverage in the United States: 2009*; U.S. Census Bureau, *Annual Social and Economic Supplement, 2009 Poverty Tables*; Federal Reserve Board, *2007 Survey of Consumer Finances, Expanded Inflation-Adjusted Tables*; and Federal Reserve Board, *2007 Survey of Consumer Finances Chartbook*. The data underwent statistical analysis by the research staff of the Virginia Commonwealth University Center on Human Needs. Analytic methods are detailed at www.humanneeds.vcu.edu.

THE VIRGINIA COMMONWEALTH UNIVERSITY CENTER ON HUMAN NEEDS (www.humanneeds.vcu.edu) was chartered in 2007 to provide the public and policymakers with information about the prevalence of societal distress in the United States. Its mission is to document how many Americans confront food insecurity, precarious housing or homelessness, inadequate health and health care, inferior education, and inadequate income/poverty.

For more details, visit www.humanneeds.vcu.edu.