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MORE AMERICANS IN POVERTY IN 2002, CENSUS STUDY SAYS by LYNETTE CLEMETSON

The number of Americans living in poverty increased by 1.7 million last year, and the median household income declined by 1.1 percent, the Census Bureau reported today. The worsening economic conditions fell heaviest on Midwesterners and nonwhites. It was the second straight year of adverse changes in both poverty and income, the first two-year downturn since the early 1990's. The data, results of the Census Bureau's annual Current Population Survey, the official barometer for measuring income and poverty rates, showed that lingering negative effects of the recent recession cut across a broad swath of the population. The official poverty rate rose to 12.1 percent in 2002 from 11.7 percent the year before, bringing to total number of people living below the poverty line to 34.6 million. The median household earned income fell \$500 over the same period to \$42,400. Per capita income declined by 1.8 in 2002 to \$22,794, the first decline since 1991.

Daniel H. Weinberg, chief of the Census Bureau's Housing and Household Economic Statistics Division, said the findings were consistent with the bureau's expectations. "If you look at the historical timeline trend, there is a lag with poverty rates," Mr. Weinberg said. "Low points in poverty and income seem to come the year after a recession ends." The most recent recession lasted from March 2001 through November 2001, though job losses have continued at high rates this year. Asked about the census data, Scott McClellan, the White House spokesman, said, "The actions that we've taken to boost the economy and to create jobs are essential to turn this around." At his daily press briefing, Mr. McClellan, rather than focusing on the census data, pointed instead to newly released figures from the Commerce Department that showed a larger-than-expected rise in the gross domestic product. A 3.3 percent increase in G.D.P. in the second quarter of this year, Mr. McClellan suggested, indicates that the economy is moving in a positive direction. Gross domestic product is considered a leading economic indicator, while poverty is seen as a lagging indicator.

Within hours of the morning release of the data, Democrats seized on the figures to criticize Bush administration policies in a flurry of faxed press releases, e-mailed statements and news conferences. "This is sad news that the Bush administration is trying to sweep under the rug," said Senator John Edwards of North Carolina, a Democratic presidential candidate. "I'd like to hear President Bush explain to all the single mothers with kids living in poverty how his tax breaks for the rich are helping them." Gen. Wesley K. Clark, the newest Democratic candidate, said of Mr. Bush, "With a record like this he shouldn't be running for president, he should be running for the hills."

In general, poverty rates over the last two years have not been as severe as in the aftermath of past recessions, a point several conservative analysts pointed out. "As recessions go this is extremely good news," said Robert E. Rector, a senior research fellow with the Heritage Foundation. "This shows that this has been a shallow recession that has been mild in its impact, and it also shows the positive impact of welfare reform which has kept more women in the work force." The Midwest was the only area of the country to have a significant increase in poverty rates, rising to 10.3 percent from 9.4 percent a year earlier. Real median income declined 2 percent in the region, with drops in important battleground states in next year's presidential election, including Illinois, Michigan, Missouri and Ohio.

Among racial groups African-Americans suffered the worst increases in poverty, after several years of economic progress in the 1990's. The poverty rate among blacks rose to 24.1 percent from 22.7 percent a year earlier. Median income for blacks fell 3 percent. Other racial and ethnic groups also saw significant decreases in median income, which declined 4.5 percent for Asians, Native Hawaiians and Pacific Islanders and 2.9 percent for Hispanics, a group that Mr. Bush has been courting. And though rates of poverty did not change significantly from 2001 for those under age 18 and over age 65, staying afloat was harder last year for people aged 18 to 64, the bulk of the work force. The poverty threshold for a family of four is \$18,392. For individuals the amount is \$9,183. The percentage of people in severe poverty, those with incomes below half of the poverty threshold, increased to 14.1 million from 13.4 million.

Liberal economists took the position that any increase in poverty was too high, given the relative prosperity of the country. Many also criticized policy shifts, which they said reduced the social safety net for the poor, like reductions in child care assistance and reduced unemployment insurance benefits. "We

would all expect poverty go up some in an economic downturn," said Robert Greenstein, executive director for the Center on Budget and Policy Priorities, a liberal research group. "But misplaced priorities by Congress and the president are making the increase in poverty larger than it needs to be." As controversial as the data was the timing of its release. Typically the results of the annual survey have been released on a Tuesday in late September at the National Press Club in downtown Washington.

This year the bureau scheduled the release for a Friday, the first time it has done so, and moved the news conference from the centrally located press club to the bureau's suburban headquarters in Suitland, Md. The switch prompted some advocates and lawmakers to speculate that the government agency had been pressured by the administration to move the date and place so that that the results, which most people expected to be worse than they were last year, would generate less attention in the weekend news cycle. The effect of the move meant that the figures on poverty and income were released on the same day as the data on G.D.P., data that many economists expected to be more positive. Census officials maintained that the delayed release had to do with nothing more than a work backlog. "We were running into technical problems getting it all done; we were running behind," Mr. Weinberg said. "So we decided, hey, how about some more time."

A new report by the Census Bureau found that in 2002 household income, adjusted for inflation, declined for the third consecutive year and the poverty rate rose for the second consecutive year.

Income by Race and Ethnicity

Year	U.S.	White	N-H White	Black	Hispanic	Asian
2001	\$42,900	\$45,225	\$47,041	\$29,939	\$34,099	\$54,488
2002	\$42,409	\$45,086	\$46,900	\$29,026	\$33,103	\$52,291
% change	-1.1%	-0.3%	-0.3%	-3.0%	-2.9%	-4.0%

Income by Region

Year	Northeast	Midwest	South	West	Metro area	Non-metro
2001	\$46,443	\$44,531	\$39,523	\$45,804	\$45,938	\$34,135
2002	\$45,862	\$43,622	\$39,522	\$45,143	\$45,257	\$34,654
% change	-1.3%	-2.0%	Not sign.	-1.4%	-1.5%	+1.5%

Poverty by Race and Ethnicity

Year	U.S.	White	N-H White	Black	Hispanic	Asian
2001	11.7%	9.9%	7.8%	22.7%	21.4%	10.2%
2002	12.1%	10.2%	8.0%	24.1%	21.8%	10.3%
% change	+0.4%	+0.3%	+0.2%	+1.4%	+0.1%	+0.1%

Poverty by Region

Year	Northeast	Midwest	South	West	Metro area	Non-metro
2001	10.7%	9.4%	13.5%	12.1%	11.1%	14.2%
2002	10.9%	10.3%	13.8%	12.4%	11.6%	14.2%
% change	+0.2	+0.9%	+0.3%	+0.3%	+0.5%	Not sign.