

National Association for State Community Services Programs

SPECIAL REPORT

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The 2004 Poverty Conditions Addressed by the CSBG Network

In late August of 2004, the Bureau of the Census released its annual report on income and poverty in the U.S., *Income, Poverty, and Health Insurance Coverage in the United States: 2004*. These data allow the Community Services Block Grant (CSBG) network to quantify the needs to which their programs and initiatives were responding and to view their results in the context of national economic and social conditions affecting families and individuals in the low-income communities Community Action Agencies (CAAs) serve. Key findings of 2004 Census and CSBG Information System Survey data include the following:

A larger population of CSBG-eligible individuals and families was in need in 2004.

In 2004, the U.S. poverty rate increased for the fourth year in a row to 12.7%. This meant that the population in poverty was 1.6% larger than in 2003 and that 1.1 million people who had not been in poverty in 2003 had household incomes below the 2004 Census Bureau poverty threshold (\$15,067 for a family of three). This increase translates to a total of 37 million people, including nearly 13 million children and 7.9 million families, who were officially in poverty in 2004. The effect was felt across the nation as the poverty rate remained steady or increased in every region.

An additional 12.7 million individuals, of whom 3.8 million were children, had family incomes which exceeded the Census Bureau poverty threshold for their family size, but did not exceed 125% of the poverty guideline. Together these two populations equal 49.7 million individuals who were eligible to receive CSBG funded services in 2004. Other CAA programs, such as housing assistance and low-income energy programs, have higher eligibility thresholds, as such these programs were utilized by even more residents of low-income communities.

The populations CAAs serve experienced the highest changes in poverty.

For example:

◇ **Working poor households** make up more than a third of CAA program participants. In 2004, the number of year-round workers who remained in poverty grew by 9.8% over the previous year. Wages were not keeping pace with inflation even though an economic recovery was underway. For example, in FY 2004, wage growth for all workers averaged 2.4%, compared with the inflation rate of 2.5%. For service occupations, which employ many low-wage workers, wage growth was only 1.9%, or less than three-quarters of the one-year increase in the cost of living.

This led to an increase in the number of community residents who looked to their local CAA for supportive services such as child care and health services, which allow parents to remain in their jobs, or education and asset development, which enable families to boost their earning power and financial stability

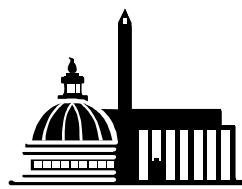
◇ **White families** in poverty are a preponderance of both CAA participants and the poverty population. Of the 1.1 million newly poor individuals, 88% were White.

◇ **Children** made up about a quarter of 2004 CAA program participants. Nationally, 18% of the nation's children were in poverty and another 3.8 million were in families with incomes between 100% and 125% of their poverty threshold. In other words, nearly a quarter of all children in the nation were eligible for CAA services, from Head Start and day care to after-school programs, summer jobs, substance abuse prevention and other health services.

◇ **Uninsured individuals** made up at least 20% of CAA participants in 2004; in some states, as many as 42% of CAA participants were uninsured. The ranks of those without coverage has continued to grow since 2003. While the nationwide number of very low-income individuals without insurance dropped slightly, the proportion remained at about 24%, which includes 19% of children in poverty. The health vulnerability of the many uninsured parents and wage earners whom CAAs served, remained a constant threat to their efforts to achieve economic stability.

The CSBG network faced these growing needs with dwindling resources. Compared to the purchasing power of FY 2003, the FY 2004 total network resources from all sources were 1% lower. CSBG funds, the source typically used by the network to fund responses to new needs and to mobilize new community resources totaled 97% of their real value a year earlier. Despite this challenging environment, CAAs reached more than 15 million people in almost 6 million families and served more than a fifth of all those living in poverty and another one million near-poor families, despite shrinking resources to allocate among growing family and community needs.

This information was compiled by Meg Power, Ph.D., & Jennifer Clark, Ph.D., Economic Opportunity Studies, Inc. FY 2004 CSBG statistics were taken from the CSBG Information System Statistical Report published by NASCSP in Dec 2005.



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