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Trends in Receipt of Public Assistance and Poverty Status, 1970 - 2014

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The Latino Data Project was developed with the goal of making information available on the dynamically growing Latino population of the United States and especially New York City through the analysis of extant data available from a variety of sources such as the U.S. Census Bureau, the National Institute for Health, the Bureau of Labor Statistics, and state and local-level data sources.

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Executive Summary

This report examines comparative trends in receipt of public assistance and poverty rates between 1970 and 2014 in the United States, using data from the U.S. Census Bureau.¹ It explores these trends by race/ethnicity, age structure, and among the five largest Latino national subgroups. *Receipt of public assistance* is defined by receiving any amount of one's income in the previous year from public assistance funds or not.² *Poverty status* is defined by living below the federal poverty line in the previous year or not.³

There was an overall decline in the percentage of people who received public assistance between 1970 and 2014, which coincided with an increase in poverty rates over that period. In 1970, 3.2% of the population received public assistance, which dropped to 1.6% in 2014. At the same time, about 12.9% of the population was living in poverty in 1970, which increased to 14.3% in 2014. These patterns suggest an inverse relation between public assistance and poverty rates. In short, when public assistance rates drop, poverty rates rise.

There were disparities in receipt of public assistance among the major race/ethnic groups. In 1970, Latinos accounted for 6.1% of the population living in poverty, but received 10.0% of the total available cash public assistance, and non-Hispanic blacks accounted for 23.7% of population living in poverty, but received 30.5% of the total public assistance income. By 2014, however, the non-Hispanic white population received a greater share of the total public assistance income available. In 2014 non-Hispanic whites accounted for 45.5% of population in poverty, but received 57.9% of available cash public assistance.

¹This study uses the American Community Survey PUMS (Public Use Microdata Series) data for all years considered here released by the Census Bureau and reorganized for public use by the Minnesota Population Center, University of Minnesota, IPUMSusa, (<https://usa.ipums.org/usa/index.shtml>). See Public Use Microdata Series Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series: Version 5.0 [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

The 1970 data comes from the "1970 1% Form 2 Metro sample." Despite the name, this sample is a national random sample of the population, not a sample only of metro areas (<https://usa.ipums.org/usa/sampdesc.shtml#us1970d>)

Data include adults aged 16 and above.

² Public assistance, commonly referred to as "welfare," is defined by the pre-tax income, if any, the respondent received during the previous year (https://usa.ipums.org/usa-action/variables/INCWELFR#description_section). The following three sources are included within determination of welfare received: federal/state Supplemental Security Income (SSI) payments to elderly (age 65+), blind, or disabled persons with low incomes, Aid to Families with Dependent Children (AFDC), and General Assistance (GA).

³ Poverty rates express each family's total income for the previous year as a percentage of the poverty thresholds established by the Social Security Administration in 1964 and subsequently revised in 1980 (See https://usa.ipums.org/usa-action/variables/POVERTY#description_section). The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty. The official poverty thresholds are updated for inflation using Consumer Price Index (CPI-U). The official poverty definition uses money income before taxes and does not include capital gains or noncash benefits (e.g., food stamps) (<https://www.census.gov/hhes/www/poverty/methods/definitions.html>).

Among individuals aged 16 to 64 years public assistance rates decline and poverty rates rose between 1970 and 2014. People 65 years and older were immune to this 40 year trend, which was likely a result of the additional supplemental security income that was made available in 1974.

Among people who received public assistance there were extremely high poverty rates in each year examined in this report, compared with people who did not receive public assistance. In 1970, 50.4% or one-half of those who received public assistance, were living in poverty, compared to a 11.7% poverty rate among those who did not receive public assistance. In 2014, about 47.8% of public assistance recipients were living in poverty, whereas this rate was 13.8% among people who did not receive public assistance. This finding suggests that the historical levels of available public assistance did not significantly reduce the poverty rate. However, it should also be noted that the poverty rate among public assistance recipients was the lowest when public assistance was at its height in 1980. That result suggests that increasing the amount of available public assistance could help to attenuate the poverty rate among public assistance recipients.

Public Assistance and Poverty Rates in the United States

Between 1970 and 2014, the public assistance rate declined. In 1970, 3.2% received public assistance, which rose to 4.4% in 1980 and 4.3% in 1990. In 2000, the percentage of people who received public assistance dropped to 1.9% and remained low in 2014 at 1.5%. (See table 1).

The poverty rate in the United States increased between 1970 and 2014. About 12.8% of the population lived in poverty in 1970. This figure dropped to 10.8% in 1980, 11.4% in 1990, and 11.0% in 2000. However, by 2014 the poverty rate rose to 13.2%.

As depicted in Figure 1, when the public assistance rate rose between 1970 and 1980, the poverty rate dropped. When public assistance rates were stable between 1980 and 1990, the poverty rate was also relatively stable. When public assistance rates declined between 1990 and 2014, the poverty rate rose sharply over the same time period. These patterns suggest that decline in the availability of public assistance may relate to increased poverty rates in the United States.

Figure 1
Public Assistance and Poverty Rates
United States, 1970 - 2014

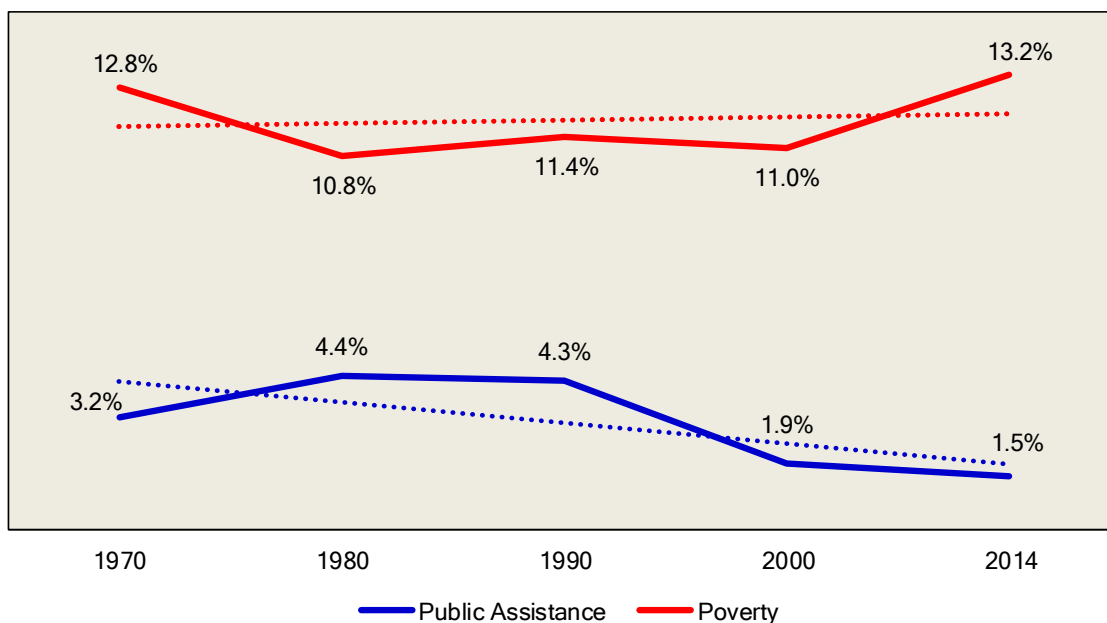


Table 1
Public Assistance and Poverty Rates
United States, 1970 - 2014

	1970	1980	1990	2000	2014
Public Assistance	3.2%	4.4%	4.3%	1.9%	1.5%
Poverty	12.8%	10.8%	11.4%	11.0%	13.2%

Public Assistance and Poverty Rates by Race/Ethnicity

The public assistance rate among the Latino population decreased between 1970 and 2014. In 1970, 6.6% of Latinos received public assistance, which temporarily increased to 7.8% in 1980. The public assistance rate dropped to 6.6% in 1990, 3.1% in 2000, and 1.8% in 2014. The percentage of Latinos living in poverty was high and unchanged between 1970 (20.1%) and 2014 (19.8%). (See figure 2).

The rate of public assistance among non-Hispanic black population dropped between 1970 and 2014. About 9.4% of non-Hispanic blacks received public assistance in 1970 and 12.2% received public assistance in 1980. Between 1990 (10.8%), 2000 (4.4%), and 2014 (2.9%) the public assistance rate among non-Hispanic blacks declined substantially. Poverty among the non-Hispanic black population declined between 1970 (30.4%) and 2014 (22.5%). (See figure 3).

Between 1970 and 2014, there was a decline in the percentage of non-Hispanic whites who received public assistance. In 1970, 2.4% received public assistance, which increased to 3.2% in 1980 and remained stable at 3.1% in 1990. In 2000, however, the percentage of non-Hispanic whites who received public assistance decreased to 1.3% and was stable at 1.2% in 2014. About 10.4% of the non-Hispanic white population was living in poverty in 1970. The poverty rate among non-Hispanic whites was 9.7% in 2014. (See figure 4).

The percentage of the Asian population who received public assistance dropped between 1970 (2.4%) and 2014 (1.2%). However, there was a peak in that rate between 1970, 1980 (4.2%), and 1990 (4.8%). The poverty rate among the Asian population rose slightly between 1970 (10.9%) and 2014 (12.1%). (See figure 5).

Comparatively, before 2000, public assistance rates were much higher among Latinos and non-Hispanic blacks compared to the rates among non-Hispanic whites and Asians. By 2014, however, the public assistance rates among each race/ethnic group were relatively similar and all less than 3.0%. (See table 2).

Figure 2
Public Assistance and Poverty Rates among the Latino Population
United States, 1970 - 2014

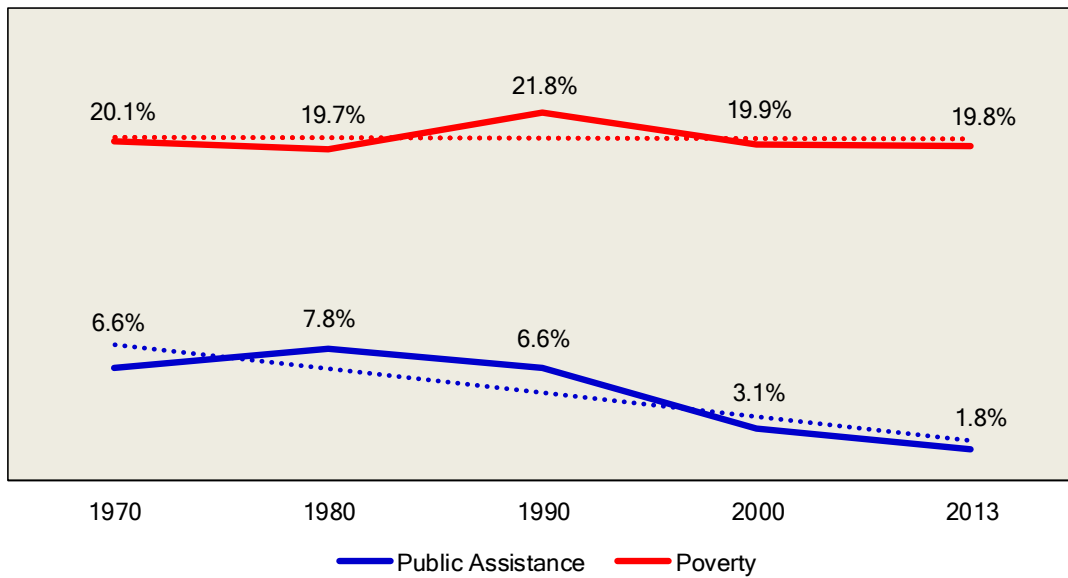


Figure 3
Public Assistance and Poverty Rates among the Non-Hispanic Black
Population
United States, 1970 - 2014

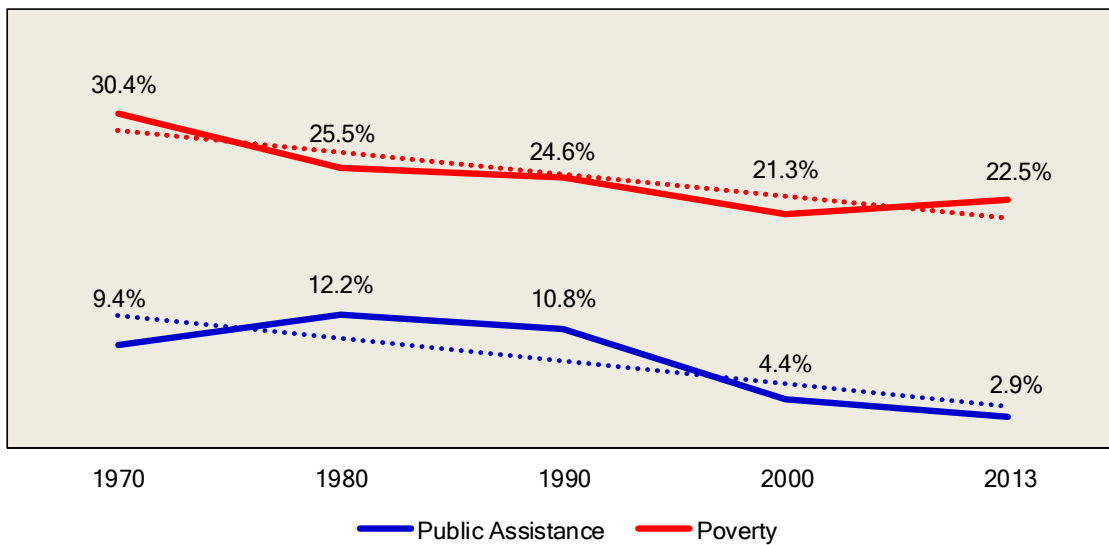


Figure 4
Public Assistance and Poverty Rates among the Non-Hispanic White Population
United States, 1970 - 2014

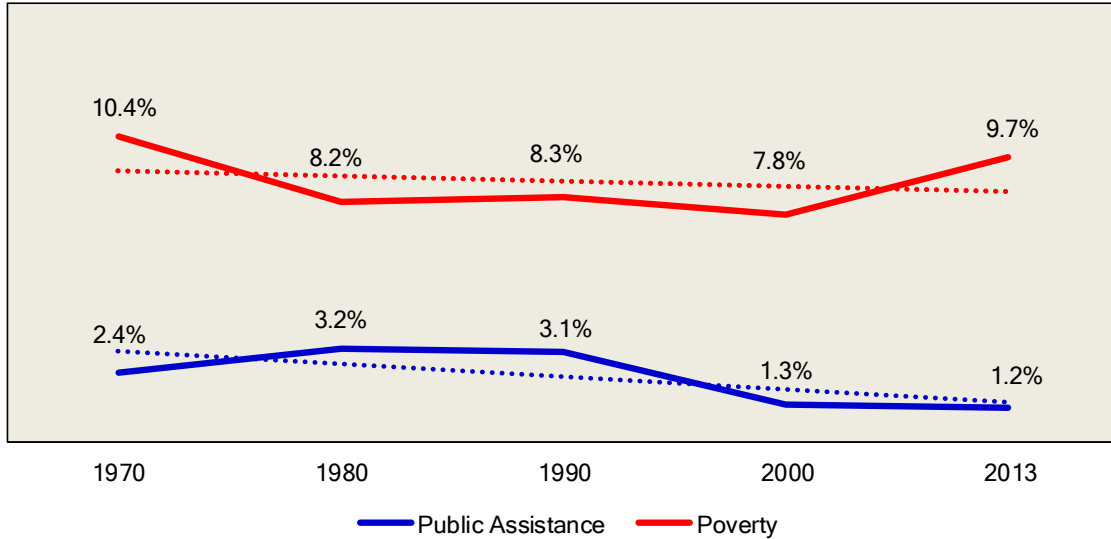


Figure 5
Public Assistance and Poverty Rates among the Asian Population
United States, 1970 - 2014

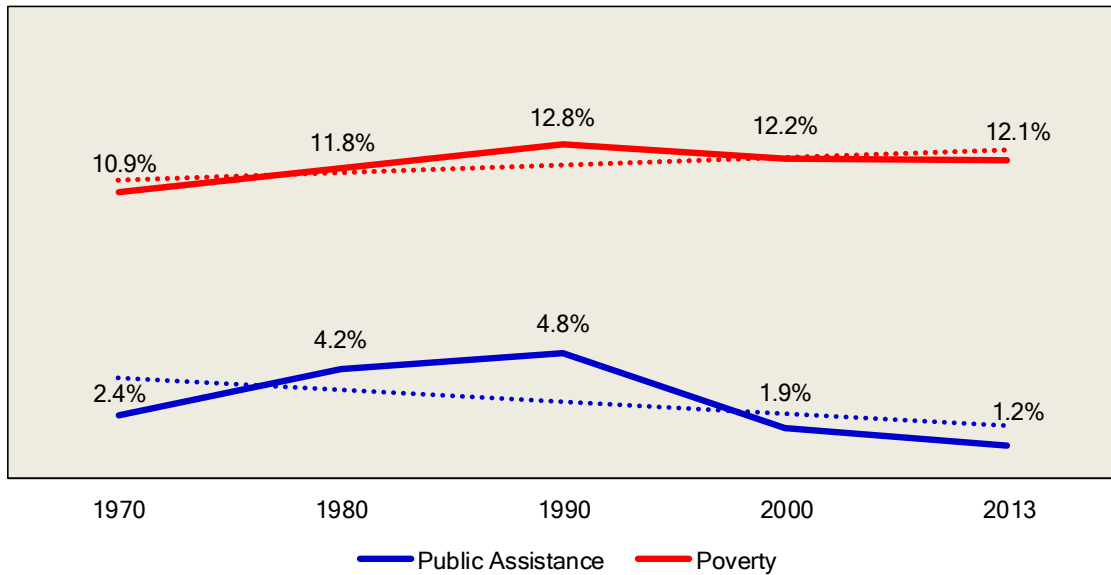


Table 2
Public Assistance and Poverty Rates by Race/Ethnicity
United States, 1970 - 2014

Rate	Race/Ethnic Group	1970	1980	1990	2000	2014
Public Assistance	Latino	6.6%	7.8%	6.6%	3.1%	1.8%
	Non-Hispanic White	2.4%	3.2%	3.1%	1.3%	1.2%
	Non-Hispanic Black	9.4%	12.2%	10.8%	4.4%	2.9%
	Asian	2.4%	4.2%	4.8%	1.9%	1.2%
Poverty	Latino	20.1%	19.7%	21.8%	19.9%	19.8%
	Non-Hispanic White	10.4%	8.2%	8.3%	7.8%	9.7%
	Non-Hispanic Black	30.4%	25.5%	24.6%	21.3%	22.5%
	Asian	10.9%	11.8%	12.8%	12.2%	12.1%

In 1970, Latinos accounted for 5.9% of the total population living in poverty, but Latinos received 9.9% of the total available cash public assistance. Non-Hispanic blacks accounted for 23.0% of the poverty rate, but received 30.2% of the total public assistance available in the U.S. On the other hand, non-Hispanic whites comprised 69.5% of the total population living in poverty, but controlled only 58.4% of public assistance income. The Asian population received a small and proportionate rate of public assistance, making up 0.6% of the population in poverty and receiving 0.6% of public assistance income. (See figure 6).

In 2014, non-Hispanic whites accounted for 47.6% of the population living in poverty, but received 53.5% of available cash public assistance. In contrast, Latinos made up 23.8% of the total population living in poverty, but received only 18.9% of public assistance income. Non-Hispanic blacks had nearly proportionate public assistance rates (17.7%) and percentage of the poverty rate (20.0%). Asians had small and proportionate public assistance and poverty rates, making up 5.0% of the population in poverty and receiving 4.8% of public assistance income. (See figure 7).

Table 3 provides complete data on the share of total public assistance received by each race/ethnic group, the percentage of the overall U.S. poverty rate that each group comprised, and percentage of the total U.S. population made up by each group, for each year examine in this report.

Figure 6
 Percentage of Public Assistance, Poverty Rate, and Total Population
 by Race/Ethnic Group
 United States, 1970

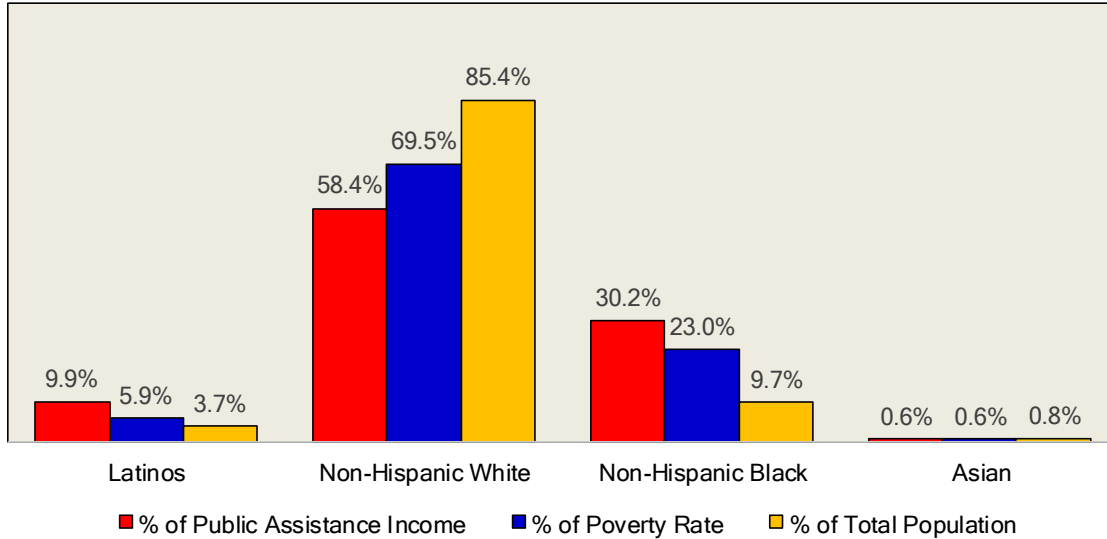


Figure 7
 Percentage of Public Assistance, Poverty Rate, and Total Population
 by Race/Ethnic Group
 United States, 2014

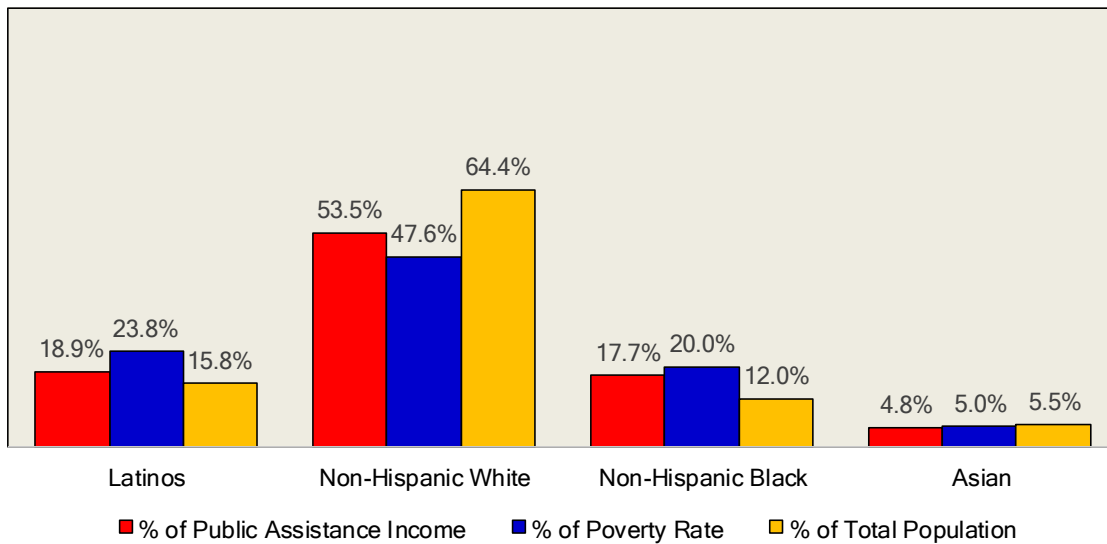


Table 3
Percentage of Public Assistance and Percentage in Poverty by Race/Ethnicity
United States, 1970 - 2014

Year	Race/Ethnic Group	% of Public Assistance Income	% of Poverty Rate	% of Total Population
1970	Latino	9.9%	5.9%	3.7%
	Non-Hispanic White	58.4%	69.5%	85.4%
	Non-Hispanic Black	30.2%	23.0%	9.7%
	Asian	0.6%	0.6%	0.8%
	Other	0.8%	0.9%	0.4%
1980	Latino	11.9%	10.6%	5.8%
	Non-Hispanic White	56.3%	61.9%	81.5%
	Non-Hispanic Black	28.9%	24.5%	10.5%
	Asian	1.6%	1.7%	1.5%
	Other	1.3%	1.4%	0.6%
1990	Latino	12.2%	14.8%	7.7%
	Non-Hispanic White	59.6%	57.2%	77.8%
	Non-Hispanic Black	21.5%	23.0%	10.9%
	Asian	4.5%	3.1%	2.7%
	Other	2.1%	1.8%	0.8%
2000	Latino	19.3%	20.9%	11.5%
	Non-Hispanic White	50.1%	50.3%	71.3%
	Non-Hispanic Black	21.0%	20.9%	11.2%
	Asian	4.6%	4.2%	3.8%
	Other	5.1%	3.7%	2.2%
2013	Latino	18.9%	23.8%	15.8%
	Non-Hispanic White	53.5%	47.6%	64.4%
	Non-Hispanic Black	17.7%	20.0%	12.0%
	Asian	4.8%	5.0%	5.5%
	Other	5.1%	3.5%	2.4%

Public Assistance and Poverty Rates by Age

Between 1970 and 2014 there was a decline in the public assistance rate among individuals aged 16 to 34 years. In 1970, 2.0% received public assistance, which increased to 3.6% in 1980 and remained stable at 3.8% in 1990. In 2000, however, public assistance rates among this age group declined to 2.2% and then dropped further to 1.7% in 2014. The poverty rate among individuals aged 15 to 34 years increased dramatically between 1970 (11.4%) and 2014 (18.2%). (See figure 8).

Among individuals aged 35 to 49 years, public assistance rates were relatively stable between 1970 and 2014. In 1970, 2.2% received public assistance, which increased to 3.5% in 1980 and 3.3% in 1990. The public assistance rate was 2.1% in 2000 and 1.8% in 2014. About 8.5% of this age group were living in poverty in 1970. Although the poverty rate declined to 7.9% in 1980, that rate rose between 1990 (8.1%), 2000 (8.9%), and 2014 (12.2%). (See figure 9).

Between 1970 and 2014, there was a small decline in the public assistance rates among people ages of 50 and 64 years. In 1970, 2.7% received public assistance, which rose to 3.9% in 1980 and remained steady at 3.8% in 1990. The percentage dropped to 1.4% in 2000 and 2014. Within this age group the poverty rate dropped from 11.1% in 1970 to 8.5% in 1980. That rate was then stable in 1990 (8.5%) and 2000 (8.6%). However, there was a sharp increase in the poverty rate between 2000 and 2014. In 2014 the poverty rate rose to 10.7%. Thus as public assistance rates dropped between 1990 and 2014, individuals aged 50 to 64 years experienced an increase in poverty by 2014. (See figure 10).

Among the population aged 65 and above, both public assistance and poverty rates declined between 1970 and 2014. Receipt of public assistance was 9.1% in 1970, which dropped to 1.0% in 2014. The sharpest decline in the public assistance rate appeared between 1990 (7.5%) and 2000 (1.7%). Poverty rates were exceptionally high in 1970 among this age group, at 27.2%. However, that rate declined to 14.6% in 1980. This dramatic decrease in the poverty rate between 1970 and 1980 may be a reflection of the 1974 implementation of supplemental security income, one aspect of public assistance income that provides assistance to older populations. Poverty rates among those aged 65 and above declined over the years examined in this report, reaching 9.2% in 2014. (See figure 11).

Table 4 presents complete data on public assistance and poverty rates by age structure for each year examined in this report.

Figure 8
Public Assistance and Poverty Rates among the Total Population
Aged 16-34 Years
United States, 1970 - 2014

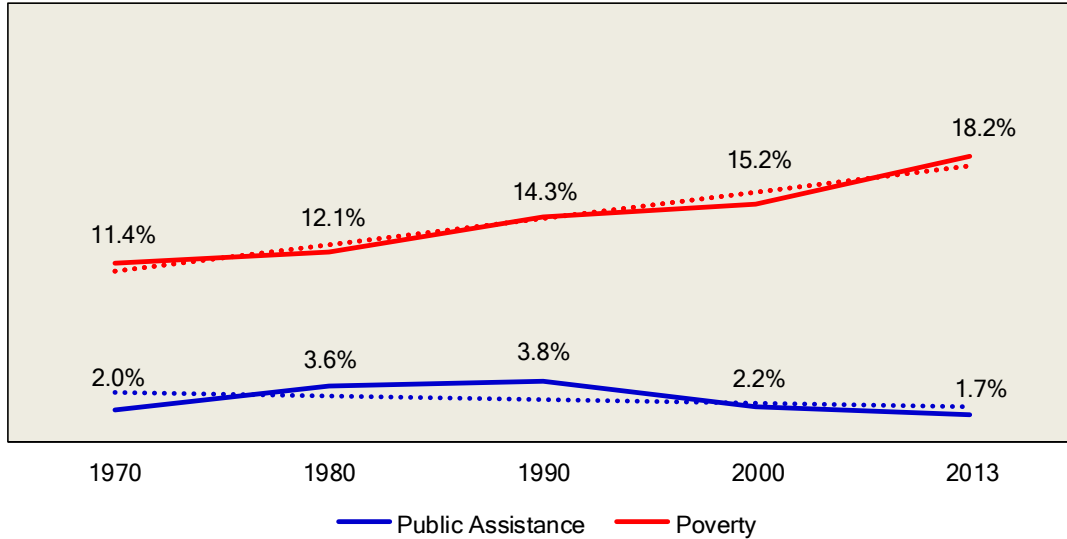


Figure 9
Public Assistance and Poverty Rates among the Total Population
Aged 35-49 Years
United States, 1970 - 2014

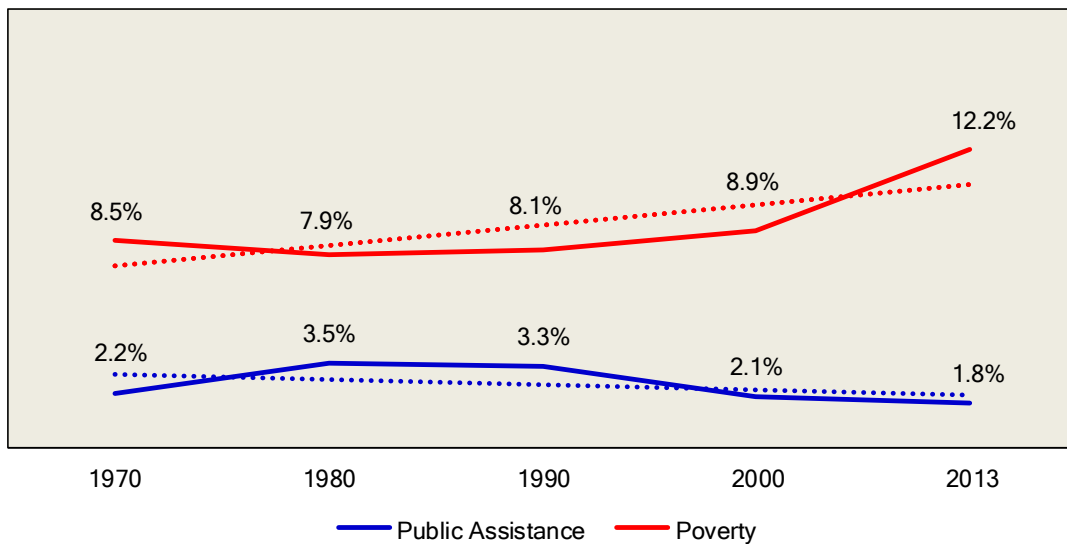


Figure 10
Public Assistance and Poverty Rates among the Total Population Aged 50-64 Years
United States, 1970 - 2014

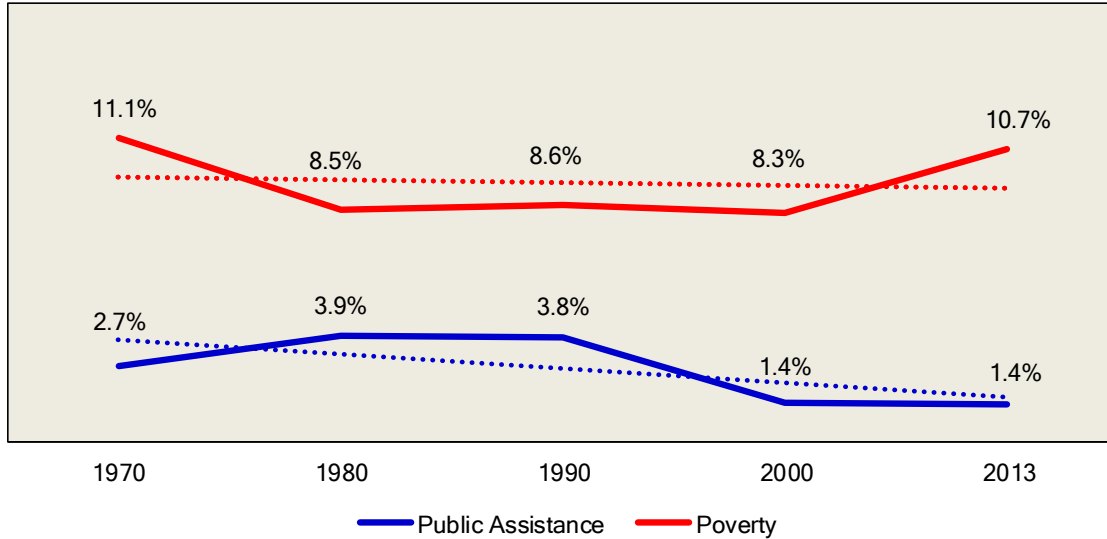


Figure 11
Public Assistance and Poverty Rates among the Total Population Aged 64+ Years
United States, 1970 - 2014

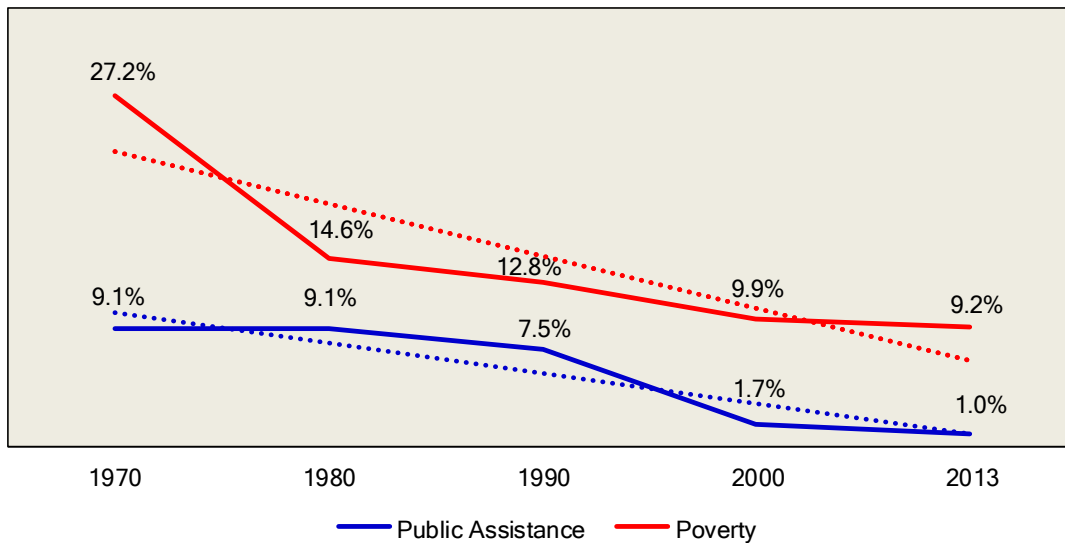


Table 4
Public Assistance and Poverty Rates by Age Group
New York City, 1970 - 2014

Rate	Age (Years)	1970	1980	1990	2000	2014
Public Assistance	15-34	2.0%	3.6%	3.8%	2.2%	1.7%
	35-49	2.2%	3.5%	3.3%	2.1%	1.8%
	50-64	2.7%	3.9%	3.8%	1.4%	1.4%
	65+	9.1%	9.1%	7.5%	1.7%	1.0%
Poverty	15-34	11.4%	12.1%	14.3%	15.2%	18.2%
	35-49	8.5%	7.9%	8.1%	8.9%	12.2%
	50-64	11.1%	8.5%	8.6%	8.3%	10.7%
	65+	27.2%	14.6%	12.8%	9.9%	9.2%

Public Assistance and Poverty Rates among the Five Largest Latino Subgroups

Each of the five largest Latino subgroups in the United States presented different public assistance and poverty rate profiles.⁴

Public assistance rates declined among the Mexican population between 1970 and 2014. In 1970, 5.9% received public assistance, which rose to 6.4% in 1980 and then decreased to 5.6% in 1990. In 2000, Mexicans' public assistance rates declined to 2.7%, and that rate dropped again in 2014 to 1.7%. The percentage of Mexicans living in poverty dropped by a small amount between 1970 (22.8%) and 2014 (20.7%). Although public assistance rates declined between 1990 and 2014, the poverty rates among the Mexican population remained high and unchanged across those years. (See figure 12).

Between 1970 and 2014, there was an extreme decline in public assistance rates among the Puerto Rican population. In 1970, 12.0% of Puerto Ricans received public assistance. Although that rate rose to 16.9% in 1980, it dropped to 14.1% in 1990, 6.2% in 2000, and 3.9% in 2014. The poverty rate among the Puerto Rican population was stable between 1970 (22.5%) and 2014 (21.9%). (See figure 13).

Among Salvadorans, public assistance rates declined between 1970 (6.5%) and 2014 (1.2%). In contrast to other Latino groups. The poverty rate among Salvadorans between 1970 (9.8%) and 2014 (16.8%). Thus as the public assistance rate declined among Salvadorans between 1970 and 2014, their poverty rate rose. (See figure 14).

⁴ The Latino subgroups examined in this report are the five largest Latino subgroups in the United States as of 2014.

Among the Cuban population, there was a large decrease in public assistance rates between 1970 and 2014. In 1970, 7.2% received public assistance, which increased to 8.9% in 1980 and dropped to 1.9% by 2014. About 11.4% of Cubans were living in poverty in 1970. The poverty rate showed dramatic incline over the years, and was 12.3% in 1980, 13.5% in 1990, 13.7% in 2000, and 17.2% in 2014. When receipt of public assistance decreased between 1980 and 2014, the poverty rate rose sharply between 1980 and 2014. (See figure 15).

Public assistance rates among Dominicans rose between 1970 (3.4%) and 1980 (11.9%). Between 1990 and 2014, however, public assistance rates among Dominicans declined, from 11.7% in 1990, to 5.8% in 2000 and 2.3% in 2014. The poverty rate among Dominicans increased between 1970 (20.2%) and 2014 (23.7%).

Table 5 presents complete data on public assistance and poverty rates among the five largest Latino national subgroups between 1990 and 2014.

Figure 12
Public Assistance and Poverty Rates among the Mexican
Population
United States, 1970 - 2014

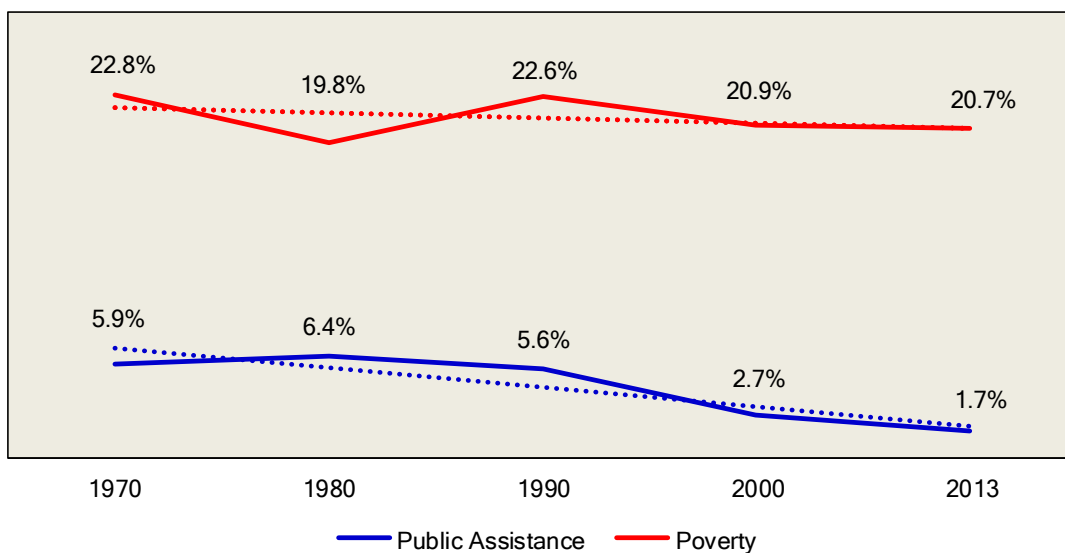


Figure 13
Public Assistance and Poverty Rates among the Puerto Rican Population
United States, 1970 - 2014

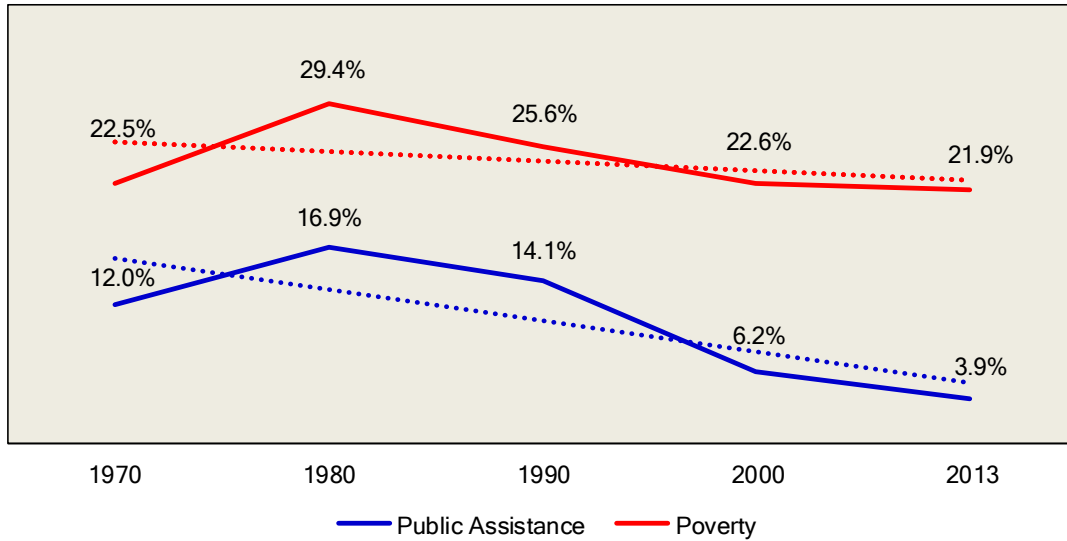


Figure 14
Public Assistance and Poverty Rates among the Salvadoran Population
United States, 1970 - 2014

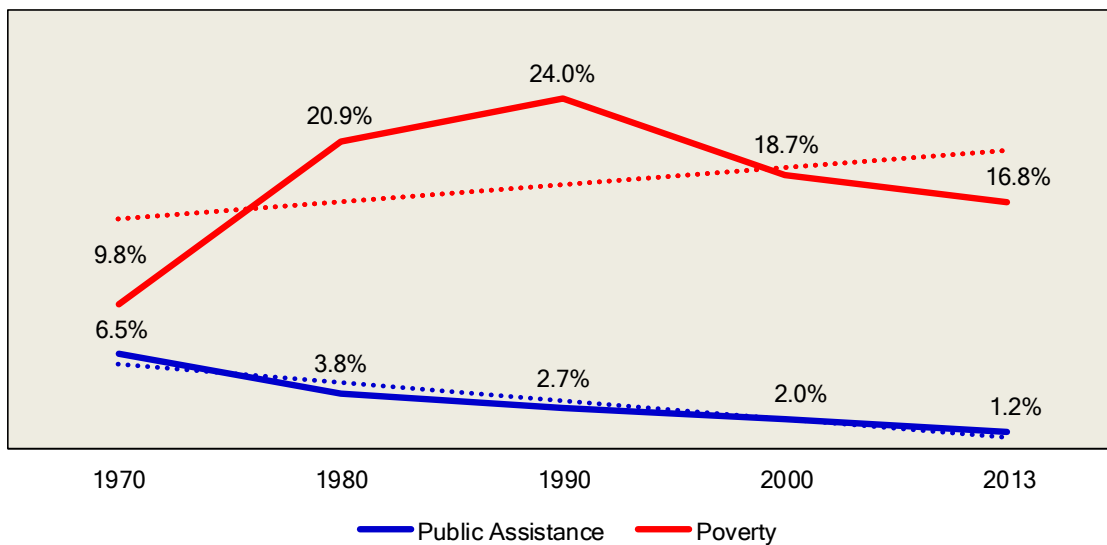


Figure 15
Public Assistance and Poverty Rates among the Cuban Population
United States, 1970 - 2014

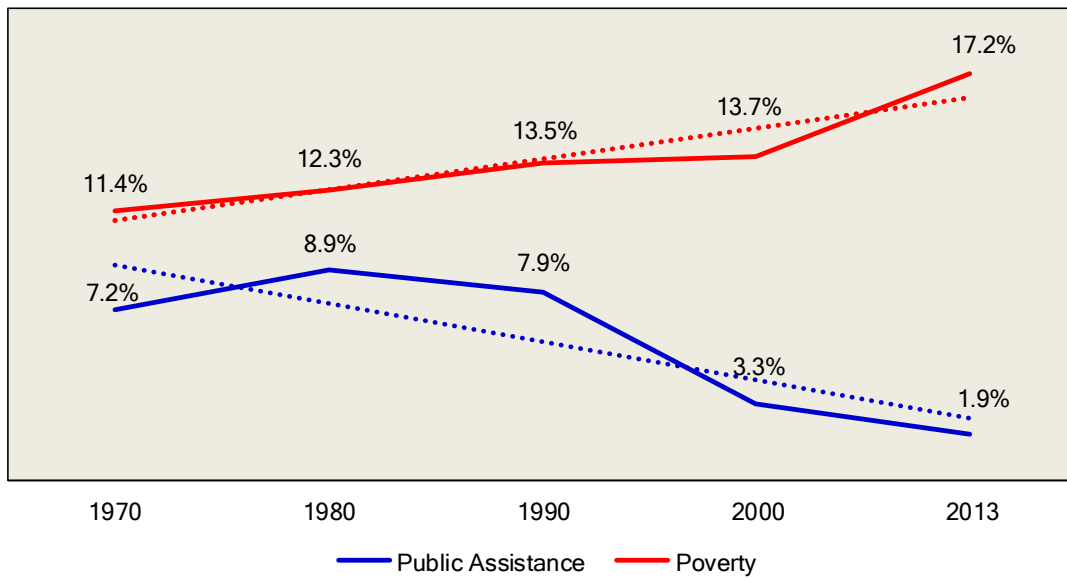


Figure 16
Public Assistance and Poverty Rates among the Dominican Population
United States, 1970 - 2014

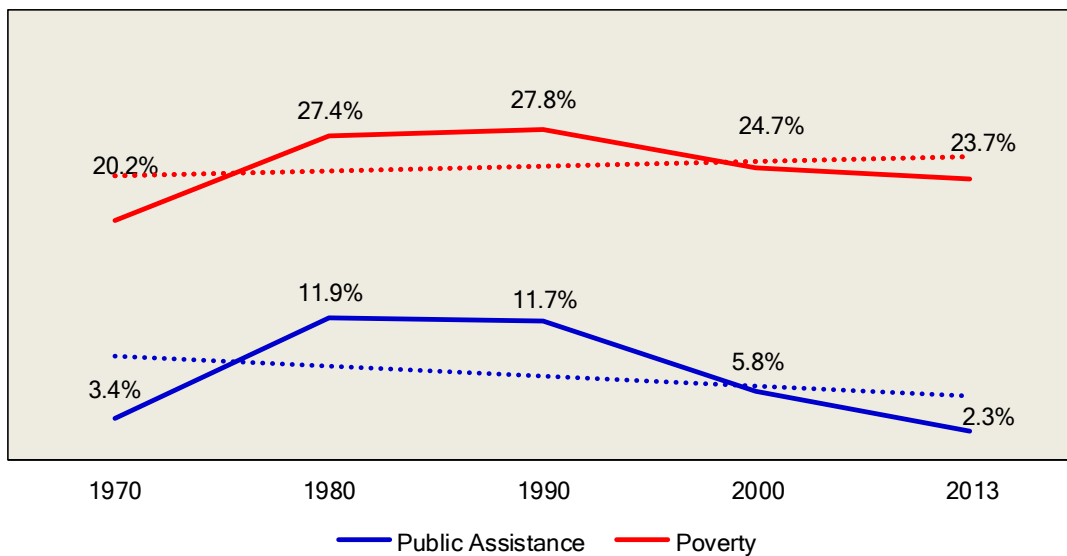


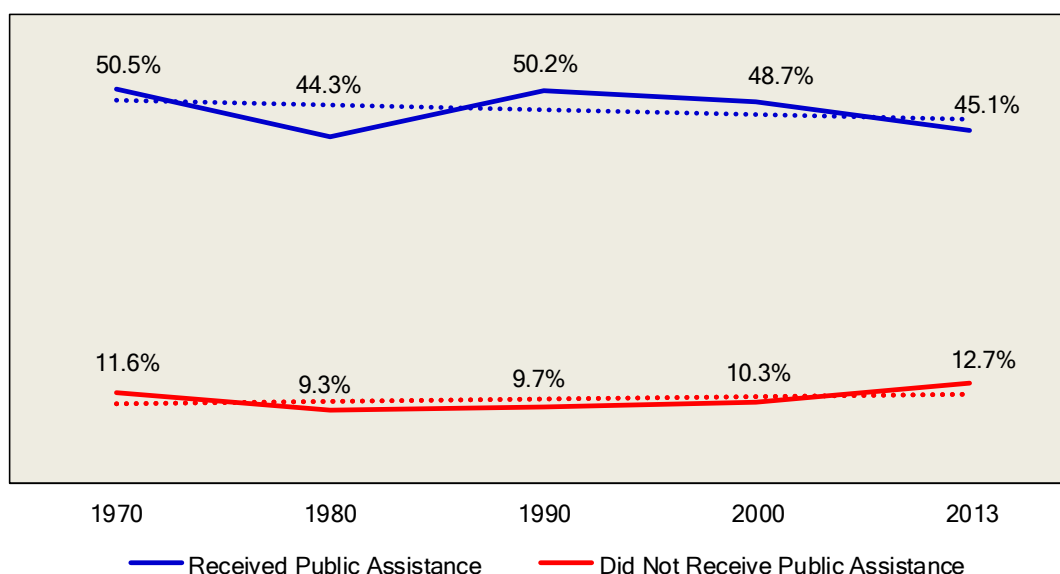
Table 5
Public Assistance and Poverty Rates among the
Five Largest Latino Subgroups, 1970 - 2014

Rate	Subgroup	1970	1980	1990	2000	2014
Public Assistance	Mexican	5.9%	6.4%	5.6%	2.7%	1.7%
	Puerto Rican	12.0%	16.9%	14.1%	6.2%	3.9%
	Salvadoran	6.5%	3.8%	2.7%	2.0%	1.2%
	Cuban	7.2%	8.9%	7.9%	3.3%	1.9%
	Dominican	3.4%	11.9%	11.7%	5.8%	2.3%
Poverty	Mexican	22.8%	19.8%	22.6%	20.9%	20.7%
	Puerto Rican	22.5%	29.4%	25.6%	22.6%	21.9%
	Salvadoran	9.8%	20.9%	24.0%	18.7%	16.8%
	Cuban	11.4%	12.3%	13.5%	13.7%	17.2%
	Dominican	20.2%	27.4%	27.8%	24.7%	23.7%

Poverty Rates by Public Assistance Rates

The population who received public assistance had extremely high poverty rates, compared with people who did not receive public assistance. In 1970, half (50.5%) of the population who received public assistance were living in poverty. Poverty rates among public assistance recipients was the lowest when public assistance was at a height in 1980. The poverty rate population who received public assistance dropped to 45.1% in 2014. This finding indicates that public assistance may not be enough to significantly reduce the poverty rate among those most in need.

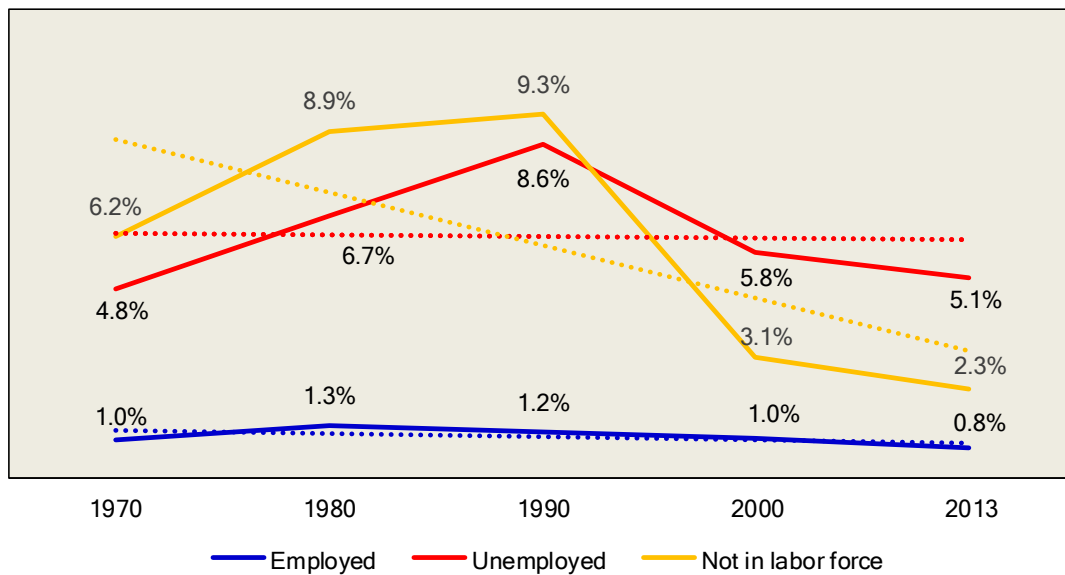
Figure 17
Poverty Rates by Public Assistance Status
United States, 1970 - 2014



Employment and Public Assistance Rates

Between 1970 and 1990, public assistance rates were highest among people that were not in the labor force (9.3% in 1990), compared with the unemployed population (8.6% in 1990) and employed (1.2% in 1990). Between 2000 and 2014, public assistance rates were the highest among the unemployed population. In 2014, 5.1% of unemployed individuals received public assistance, compared with 2.3% among those not in the labor force and 0.8% among the employed population.⁵

Figure 18
Public Assistance Rate by Employment Status
New York City, 1970 - 2014



⁵ The category “Not in the labor force” includes people who were not looking for work, whereas “Unemployed” people are currently looking to work. For complete definitions of each see: https://www.census.gov/people/laborforce/about/acs_employ.html and https://usa.ipums.org/usa-action/variables/EMPSTAT#comparability_section

Conclusion

Although increases in poverty rates are likely due to a number of factors, including the economic downturn from the 2007 - 2008 recession, the present study suggests a relation between public assistance and poverty rates by examining the 40 year trends between 1970 and 2014.

Among the total U.S. population, as public assistance rates rose between 1970 and 1980, the poverty rate dropped. When public assistance rates were stable between 1980 and 1990, the poverty rate was also stable. As public assistance rates declined between 1990 and 2014, the poverty rate rose between 2000 and 2014. It is possible that changes in the availability of public assistance may play a substantial role in poverty rates in the United States. Further research is needed to examine this possibility.

Age was a factor in the relation between public assistance and poverty rates. Individuals aged 16 to 34 years had the highest poverty rates in 2014, followed by those people aged 35 to 49 years. It is possible that this is a reflection of levels of educational attainment, as people who are older have more time to gain education and skills that provide higher incomes and achieve lower poverty rates. It may also be a reflection of special provisions in supplemental public assistance policies that favor older individuals. This finding suggests, however, that public assistance programs might consider shifting provisions toward younger individuals.

Some Latino subgroups were more impacted than others by declining public assistance rates. The poverty rates among Puerto Ricans and Mexicans were relatively immune to public assistance rates. Whereas, Cubans, Salvadorans, and Dominicans exhibited trends similar to the national trends—as public assistance rates declined between 1980 and 2014, their poverty rates rose.

Poverty rates were extremely high among people who received public assistance, compared with people who did not receive public assistance. Public assistance may help to reduce poverty, since the poverty rate among public assistance recipients was the lowest when public assistance was at a height in 1980. However, these high and stable poverty rates among public assistance recipients suggests that the historical and current levels of available public assistance are not nearly high enough to significantly reduce the poverty rate.