

**THE ECONOMIC AND FAMILY SITUATION  
OF CHILDREN IN THE U.S.  
AND SELECTED STATES:  
1990 AND 1997-2001**

*EXECUTIVE SUMMARY AND OVERVIEW*

**By Donald J. Hernandez, Ph.D.**

**For the Marguerite Casey Foundation**

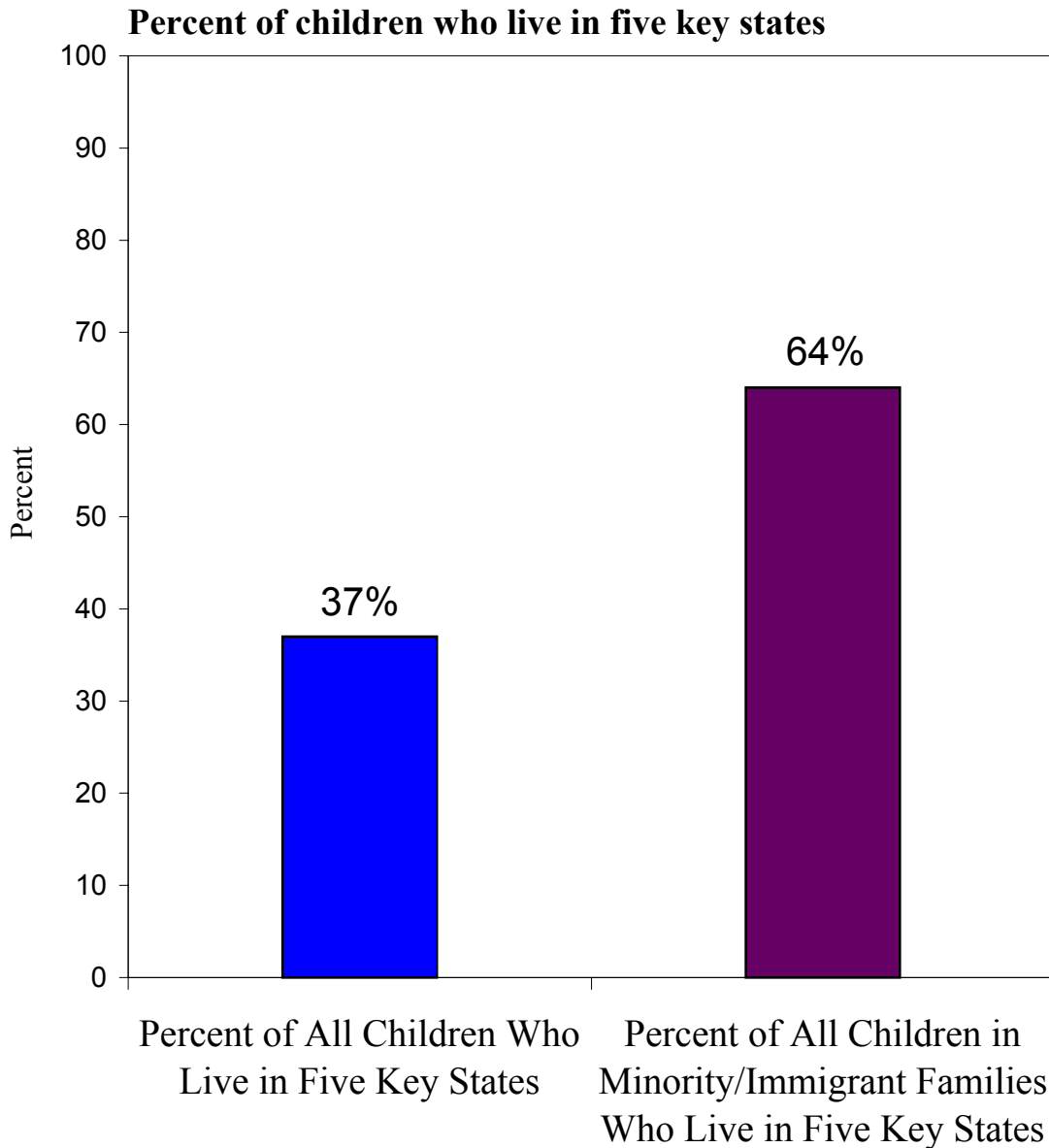
## *Geographic Concentration of Minority and Immigrant Children*

This report discusses poverty, family work, and parental presence in the homes of children for major race/ethnic, immigrant generation, and age groups around 1990 and the late 1990s, focusing particularly on the nine states of California, New York, Texas, Florida, Illinois, Massachusetts, Mississippi, New Mexico, and South Dakota.

The first five of these states together accounted for 37 percent of all children in the U.S. during the late 1990s, but they accounted for a remarkable 64 percent of all children in immigrant or minority families (See Chart 1).

Focusing on specific states, the proportion of children who lived in immigrant or race/ethnic minority families (Hispanic, Black, Asian, or American Indian) was 60 percent in California and Texas, and about 40 percent in Florida, New York, and Illinois.

**Chart 1. Nearly two-thirds of children in minority or immigrant families in the U.S. lived in five key states by the late 1990s (California, Texas, Florida, New York, and Illinois).**



Sources: Calculated from U.S. Census Bureau, Current Population Survey, 1997-2001, public use microdata files.

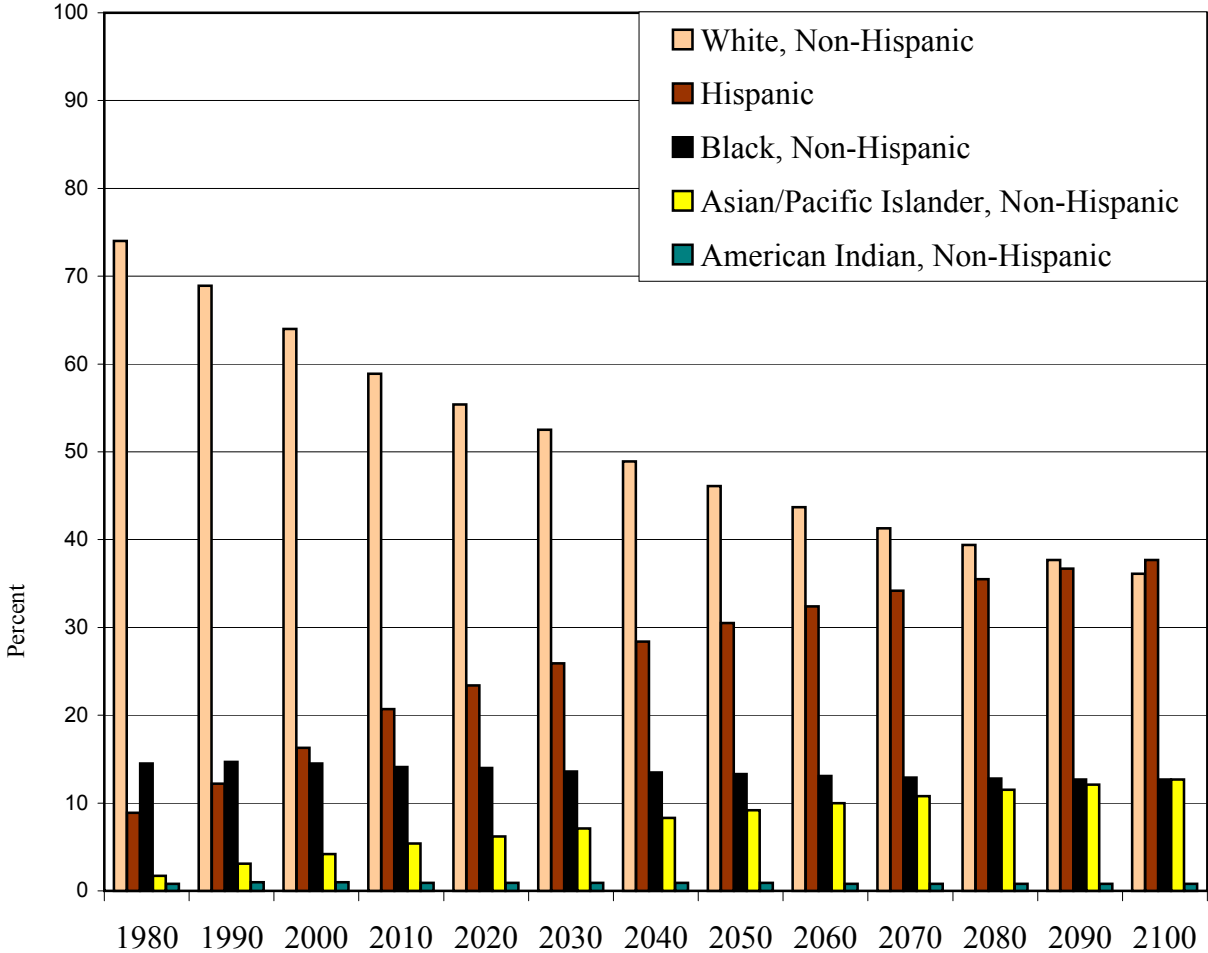
## *The New American Majority*

These five key states are leading the demographic transformation that is creating a new American majority. The Census Bureau projects that most future U.S. population growth will occur through immigration and births to immigrants and their descendants.

Because most immigrants are Hispanic or Asian, the proportion of children who Hispanic, Black, Asian, or American Indian will rise to 50 percent by about 2035, up from only 31 percent in 1990 (See Chart 2). Within a few decades, the former minorities will become the majority among children.

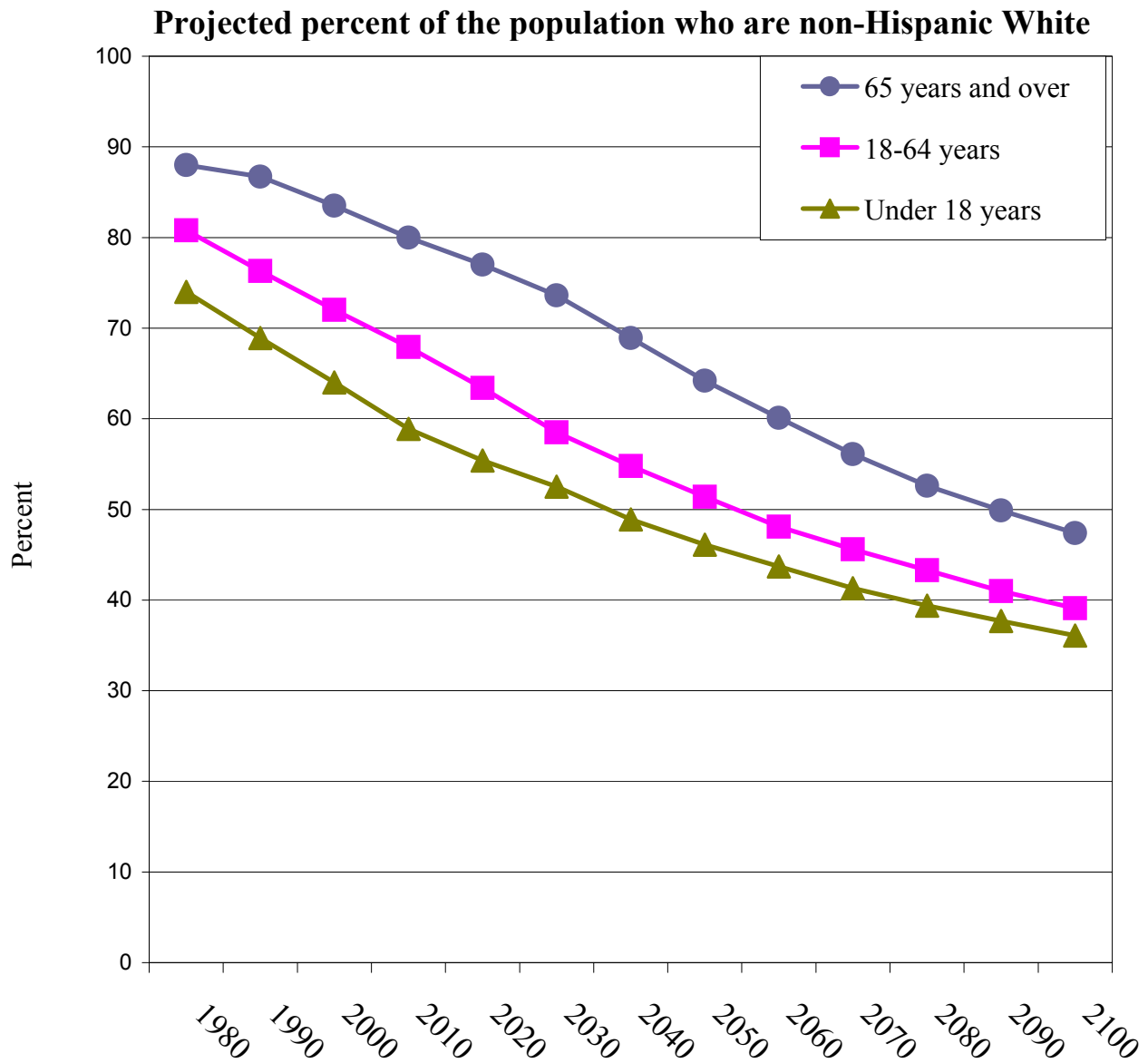
**Chart 2. One-half of all children by about 2035 will be members of race/ethnic minorities (Hispanic, Black, Asian or American Indian).**

**Projected percent of children in specified race/ethnic groups.**



Source: Population Projections Program, Population Division, U.S. Census Bureau, Issued January 13, 2000.

**Chart 3. In 2030 when the entire baby-boom generation has reached the retirement ages of 65 years and older, 75% will be non-Hispanic White, compared to only 60% of working-age adults and 50% of children.**



Source: Population Projections Program, Population Division, U.S. Census Bureau, Issued January 13, 2000.

## *Supporting the Baby-Boom Generation in Retirement*

The baby-boom generation will be in the retirement ages of 66-84 in the year 2030. Census Bureau projections for 2030 indicate that about 75 percent of the elderly will be white (non-Hispanic), compared to only 60 percent for working-age adults, and about 50 percent for children (See Chart 3).

As a result, as the growing elderly population of the predominantly white baby-boom generation reaches the retirement ages, it will increasingly depend for its economic support during retirement on the productive activities and the civic participation (that is, the voting) of working-age adults who are members of racial and ethnic minorities, many of whom lived in immigrant families as children.

Consequently, as we look to the future of education, health care, the labor force, and politics in the U.S., we must increasingly attend to the circumstances of racial and ethnic minorities. These groups have often experienced limited social and economic opportunities. It is important, therefore, to focus on the circumstances of race/ethnic minorities and immigrants in five key states where nearly two-thirds of these children reside.

## *Child Poverty*

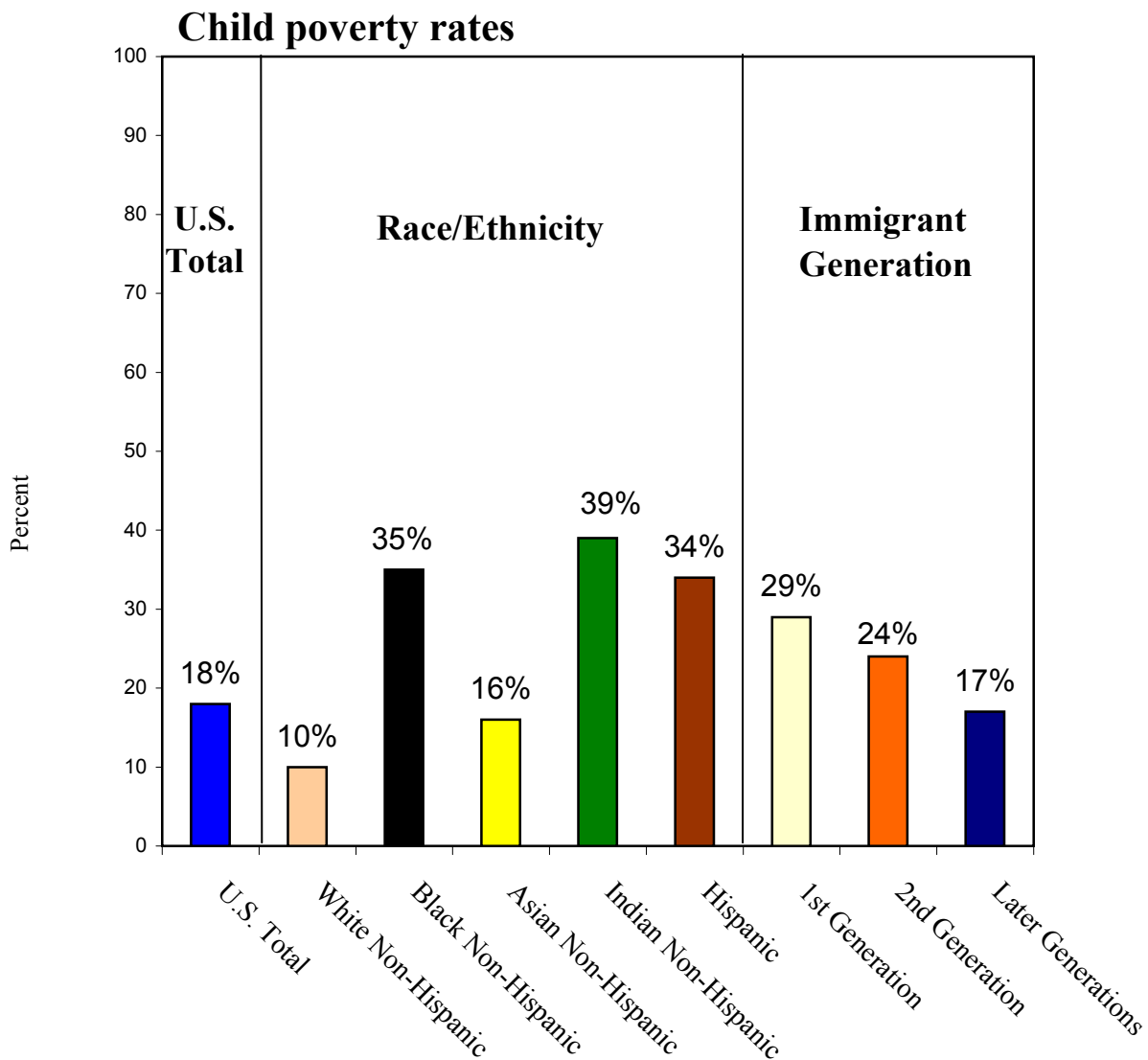
The official poverty threshold in 2000 was \$13,874 for a one-parent family with two children and \$17,463 for a two-parent family with two children. These income levels are only one-third as large as the income level of \$50,890, for income of the typical (median) family.

The overall child poverty rate during the late 1990s was 18 percent. But the poverty rate was only 10 percent for whites, compared to 16 percent for Asians, and 34-39 percent for Hispanics, Blacks, and American Indians (See Chart 4). Despite the economic expansion of the 1990s, poverty rates changed little for these groups across the decade.

Hispanic, Black, and American Indian children experience especially high poverty. Three main reasons are (1) many have parents with limited educational attainments, (2) minority adults at a given educational level earn lower incomes than whites with the same education, and (3) reliance (especially among Blacks) on a single income in one-parent families.

Differences in poverty across immigrant generations also were large, though not as large as across race/ethnic groups. First and second generation children during the late 1990s experienced poverty rates of 29 and 24 percent, respectively, compared to 17 percent for later generations.

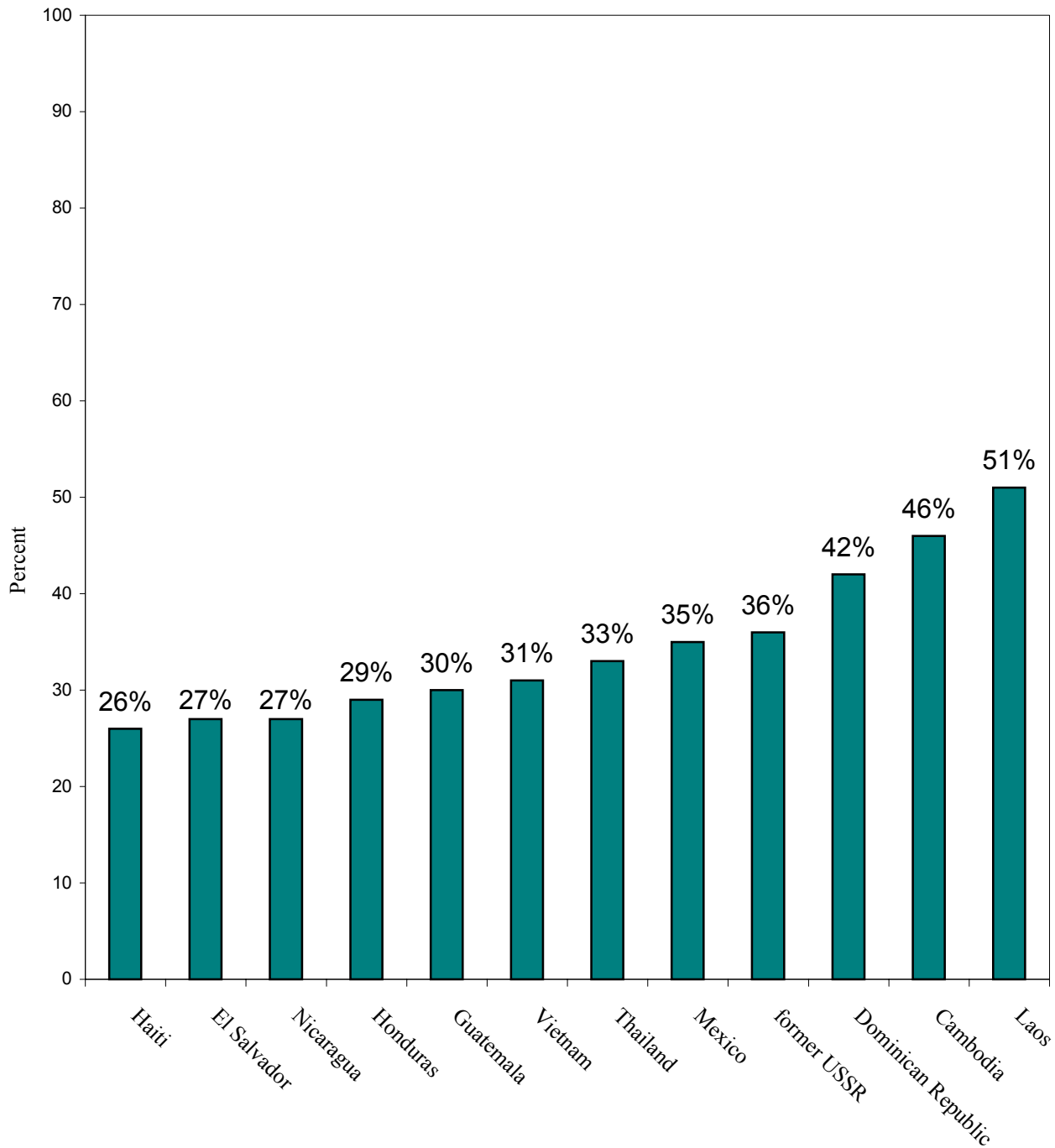
**Chart 4. Official poverty among children in race/ethnic minority families and immigrant families is much higher than among children in non-Hispanic White or in native-born families.**



Sources: Calculated from U.S. Census Bureau, Current Population Survey, 1997-2001, public use microdata files, and for American Indians from 1990 Census. PUMS files.

**Chart 5. Twelve countries of origin in 1989 accounted for 46% of children in immigrant families, but 80% of impoverished children in immigrant families.**

**Child poverty rates for 12 countries of origin in 1989**



Sources: Calculated from 1990 Census PUMS file.

### *Child Poverty and Country of Origin among Immigrants*

Children in immigrant families with origins in twelve countries had poverty rates in 1989 ranging from 26-51 percent, depending on the country of origin (See Chart 5). These countries accounted for 46 percent of children in immigrant families, but they accounted for 80 percent of poor children in immigrant families. Within the racial and ethnic stratification system of the U.S., most children from these twelve countries, except the former Soviet Union, are classified as minority – Hispanic, Asian, or Black.

Five of these countries are the source of many officially recognized refugees (the former Soviet Union, Cambodia, Laos, Thailand, and Vietnam).

Six are impoverished or war-torn Central American or Caribbean countries that are sources of unskilled labor (El Salvador, Guatemala, Nicaragua, Honduras, Haiti, and the Dominican Republic).

The twelfth is the largest source of both legal and illegal unskilled immigrants, and has been a ready source of unskilled labor for the U.S. economy throughout the twentieth century (Mexico).

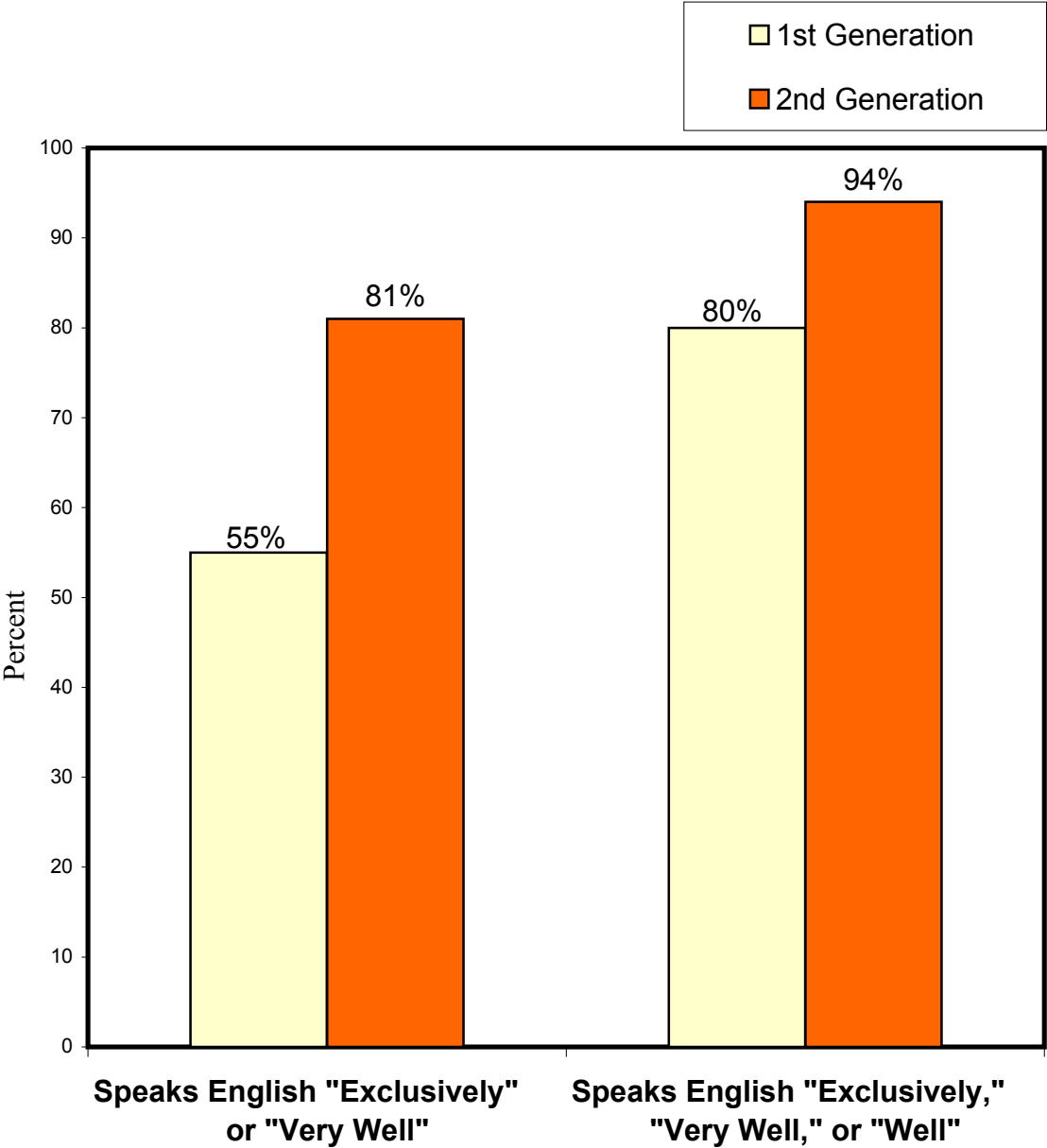
## *Linguistic Isolation and Assimilation*

Poverty differences across the immigrant generations are due not to differences in parental labor force participation rates, which are broadly similar across the generations, at 88-95 percent. Instead, poverty differences are due mainly to the linguistic isolation from English-speaking society and the very limited educational attainments of many immigrant parents. These factors lead to high rates of part-time, part-year employment for low pay.

Language assimilation and enormous increases in educational attainments occur across the generations (See Chart 6). But among Mexican-origin children during the late 1990s (who accounted for nearly two-fifths of all children in immigrant families), the poverty rate was 37 percent for the first and second generation, and a lower, but quite high, 28 percent for later generation Mexican-origin children.

# Chart 6. Language assimilation occurs rapidly across generations of children.

English language proficiency for 1st and 2nd generation children.



Source: Calculated from U.S. Census Bureau, 1990 Census PUMS file.

## *Children in Poverty or Near-Poverty*

Many policy analysts and policy-makers view the official poverty thresholds as too low, because real (inflation-adjusted) poverty thresholds have not changed during the past 40 years, despite large increases in real median income. Consequently, many public policies set eligibility thresholds well above the official poverty threshold. The food stamps program, for example, uses 185 percent of the poverty threshold as its upper-limit eligibility criterion.

“Near-poor” can be defined as an income at least 100 percent of the poverty threshold but less than 150 percent of the threshold. Using this definition, the proportion of children who are poor or near-poor is half-again greater than the proportion poor (29 vs. 18 percent during the late 1990s). For Hispanics and Blacks the proportions poor and near-poor combined are typically 15 percent higher than the proportions poor.

Thus, 50-54 percent of Hispanic, Black, and American Indian children were poor or non-poor during the late 1990s. Similarly, 45 percent of first generation immigrant children, and 39 percent of the second generation were poor or near-poor, compared to 27 percent of later generation children (See Chart 7).

Poor or near-poor children in 2000 lived in families with incomes less than \$20,811 if they lived in a one-parent family with two children and less than \$26,195 if they lived in a two-parent family with two children. Thus, poor and near-poor children live in families with incomes no more than about one-half as large as the typical family in the U.S. and many experience much lower incomes.



## *Children in Working-Poor and Working-Near-Poor Families*

Most poor and near-poor children live in working-poor or working-near-poor families. In other words, they live with at least one parent who works at least part-time during the year (See Chart 8).

The proportion of poor children who lived in a working-poor family increased from 56 percent in 1989 to 70 percent during the late 1990s. Similarly, the proportion poor or near-poor who lived in working-poor or working-near-poor families increased from 68 to 79 percent.

Hispanics, Blacks, and Asians experienced comparable, but even larger, increases between 1989 and the late 1990s. These increases appear to have resulted from the rising availability of jobs during the economic expansion of the 1990s, as well as the 1996 federal welfare reform designed to encourage work.

It should be noted, however, that the overall rates of poverty and near-poverty changed little during the decade, while increasing proportions of poor and near-poor children lived in families with working parents.

## *Children in Two-Parent and One-Parent Families*

Most children who live with a parent have two parents in the home, but the proportion living with only one parent increased from 25 percent 1990 to 29 percent during the late 1990s. Differences are large across race/ethnic groups (See Chart 9).

Between the beginning and end of the 1990s, among children living with at least one parent, the proportion living with only one parent increased from 17 to 21 percent for whites, while declining from 19 to 16 percent for Asians, and remaining unchanged at 32 percent for Hispanics and 60 percent for Blacks.

Children in immigrant families were less likely than others to live with only one parent during the late 1990s, at 21 percent for the first generation and 24 percent for the second generation, compared to 30 percent for later generations.

The limited economic opportunities available to many young Black and Hispanic men undermine their ability to provide support to their families, and contribute to the comparatively higher proportions of Black and Hispanic children who live with one parent.

An additional consequence of limited employment opportunities and low income among young Black and Hispanic men is that many Black and Hispanic children would remain in poverty even if they had access to a substantial portion of their father's income.