



Race, Ethnicity, and Economic Well-Being

by Kenneth Finegold and Laura Wherry

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Poverty has decreased among blacks, Hispanics, and whites in recent years.¹ Yet only whites have experienced less hardship in the areas of food and housing. In contrast, blacks have seen an increase in housing hardship, while food hardship has increased among Hispanics.

This Snapshot uses data from the National Survey of America's Families (NSAF) to examine changes in the economic well-being of nonelderly persons (under age 65) by race and ethnicity. The data were collected in 1997, 1999, and 2002. During that period, the U.S. economy experienced a boom, a recession, and a recovery in which unemployment rates continued to increase.

Poverty

Overall, poverty fell from 15.0 percent in 1996 to 12.3 percent in 2001 (table 1).² For blacks and Hispanics, poverty rates dropped by almost 5 percentage points: from 27.7 percent to 23.1 percent for blacks and from 29.6 percent to 24.9 percent for Hispanics. Whites experienced a smaller decline of approximately 2 percentage points, from 9.8 percent to 7.9 percent. Thus, the changes in poverty over this period effectively narrowed the disparities in poverty rates between these groups and whites by about 3 percentage points.³ Despite this progress, blacks and Hispanics remained approximately 3 times as likely to be poor as whites in 2001.

The percentage of people in low-income families (incomes below 200 percent of the federal poverty thresholds) also dropped between 1996 and 2001. The share of both blacks and Hispanics in such families fell by approximately 5 percentage points, while the share of whites fell by about 4 percentage points.

Food and Housing Hardship

The share of whites living in families that experienced food hardship declined from 19.8 percent in 1997 to 17.1 percent in 2002 (table 1).⁴ Blacks and Hispanics, who were more than twice as likely to

report food hardship as whites, did not make comparable gains. Food hardship increased 3 percentage points among Hispanics between 1999 and 2002, reversing progress made during the preceding period of economic growth. This increase in Hispanic food hardship, paired with the gain made by whites, widened the gap in food security between Hispanics and whites by more than 3 percentage points.⁵ There was no statistically significant change in food hardship among blacks between 1997 and 1999 or 2002.

A larger percentage of blacks reported housing hardship in

1999 and 2002 than in 1997.⁶ Housing hardship among whites, in contrast, was lower in 1999 and 2002 than in 1997. The changes widened the disparity in housing hardship between blacks and whites by 3 percentage points.⁷ These findings are consistent with American Housing Survey data showing that housing costs for blacks increased faster than housing costs for whites between 1997 and 2001.⁸ There was no statistically significant change in housing hardship among Hispanics during this period.

Employment

Employment rates of adults age 25 to 54 (considered prime-age workers) changed little for blacks, Hispanics, or whites between 1997 and 1999. Between 1999 and 2002,

a period encompassing a recession, employment among whites and blacks declined by about 2 percentage points. That change was statistically significant for whites but not for blacks. Over the whole period, from 1997 to 2002, employment rates declined 2.3 percent for whites but did not change significantly for blacks or Hispanics.

Discussion

Racial and ethnic disparities in poverty, food hardship, housing hardship, and employment endure. Blacks and Hispanics are more likely than whites to be poor or to have low incomes, they

DATA AT A GLANCE

BETWEEN 1996 AND 2001, POVERTY RATES
DROPPED TO 23 PERCENT FOR BLACKS,
25 PERCENT FOR HISPANICS, AND
8 PERCENT FOR WHITES.

44 PERCENT OF HISPANICS EXPERIENCED
FOOD HARDSHIP IN 2002, COMPARED
WITH 38 PERCENT OF BLACKS AND
17 PERCENT OF WHITES.

IN 2002, 24 PERCENT OF BLACKS, 20
PERCENT OF HISPANICS, AND 10 PERCENT OF
WHITES EXPERIENCED HOUSING HARDSHIP.



Table 1. Economic Well-Being, by Race and Ethnicity, 1997–2002 (percent)

	Black			Hispanic			White			All		
	1997	1999	2002	1997	1999	2002	1997	1999	2002	1997	1999	2002
Poor ^a	27.7	26.8	23.1*†	29.6	25.9*	24.9*	9.8	8.4*	7.9*†	15.0	13.3*	12.3**
Low-income ^a	49.3	50.4	44.4*†	60.2	56.2*	54.5*	25.5	23.5*	21.4*†	33.3	31.6*	29.2**
Food hardship	39.6	40.0	37.6	42.8	40.7	43.7†	19.8	16.9*	17.1*	25.7	23.4*	23.7*
Housing hardship	21.5	24.6*	23.5*	19.3	19.3	19.6	11.0	10.1*	10.0*	13.4	13.2	12.9
Employed	76.5	77.4	75.2	74.8	74.6	73.6	83.3	83.3	81.0*†	81.4	81.4	79.2**

Sources: 1997, 1999, and 2002 National Survey of America's Families

Notes: "White" and "black" include non-Hispanics only; "Hispanic" includes all races. "All" includes Asian/Pacific Islanders and American Indian/Alaska Natives as well as the three larger groups. Employment data are for adults age 25-54; other data are for nonelderly persons (under age 65). Estimates for 1997 and 1999 use weights based on the 2000 Census and may differ from previously published estimates using weights based on the 1990 Census. All estimates for blacks and Hispanics are significantly different from estimates for whites at the 0.10 level.

^a Data on poor families (those with incomes below the federal poverty thresholds) and low-income families (incomes below 200 percent of the federal poverty thresholds) are for 1996, 1998, and 2001.

* Difference from the 1997 percentage is significant at the 0.10 level.

† Difference from the 1999 percentage is significant at the 0.10 level.

are more likely to have difficulty feeding and housing their families, and they are less likely to be employed.

The NSAF data show that disparities in poverty between blacks and whites and between Hispanics and whites narrowed between 1997 and 2002. But the disparity in food hardship between Hispanics and whites and the disparity in housing hardship between blacks and whites widened over the same period.

Reference

Nelson, Sandi. 2004. "Trends in Parents' Economic Hardship." *Snapshots of America's Families III*, No. 21. Washington, D.C.: The Urban Institute.

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Endnotes

¹ Throughout this Snapshot, "Hispanic" includes all races; "black" and "white" include only non-Hispanics of either race. Asian/Pacific Islanders and American Indian/Alaska Natives are not analyzed separately; rather, they are included in the overall data. "Poor" refers to families with incomes below the federal poverty thresholds. Estimates for 1997 and 1999 use weights based on the 2000 Census and may differ from previously published estimates using weights based on the 1990 Census. All differences between groups and

changes over time discussed in this Snapshot are significant at the 0.10 level, except where noted otherwise.

² NSAF respondents were asked about income for the previous calendar year, and those data were used to calculate poverty rates. Thus, each round of the survey calculated poverty rates for the previous calendar year.

³ These differences in differences for the black-white and Hispanic-white disparities in 1997 and 2002 are significant at the 0.10 level.

⁴ To measure food hardship, respondents were asked whether, during the previous 12 months, one or more adults ate less or skipped meals because there was not enough money for food, the food the family bought ran out, or any family member worried that food would run out before the family got money to buy more. See Nelson (2004) for analysis of trends in parent food hardship by income level and marital status.

⁵ This difference in differences for the Hispanic-white disparity in 1997 and 2002 is significant at the 0.10 level.

⁶ To measure housing hardship, respondents were asked whether they had problems paying mortgage, rent, or utility bills during the previous 12 months. See Nelson (2004) for analysis of trends in parent housing hardship by income level and marital status.

⁷ This difference in differences for the black-white disparity in 1997 and 2002 is significant at the 0.10 level.

⁸ Computed by the authors from 1997 and 2001 American Housing Survey data, available from DataFerrett, the U.S. Census Bureau's data extraction software (<http://www.thedataweb.org>). The American Housing Survey is conducted for the entire nation every other year, so data are not available for 2002.

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SNAPSHOTS
of America's Families



Snapshots III presents findings from the 1997, 1999, and 2002 rounds of the National Survey of America's Families (NSAF). Information on more than 100,000 people was gathered from approximately 40,000 representative households in each round. The NSAF is part of the *Assessing the New Federalism* project (ANF). Information on ANF and the NSAF can be obtained at <http://www.urban.org/anf>.

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