

Economic Well-Being of Families

Why does economic security matter?

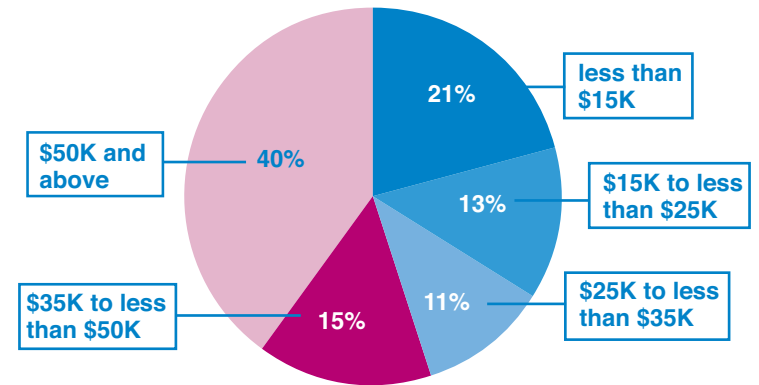
- Worldwide, children with highest likelihood of growing up with access to health, safety and opportunity live in families earning a stable income – high enough to meet basic needs.
- Economic security directly affects all areas of children's well-being. Children's health, development, safety, learning, and educational achievement are directly dependent on a family's own financial health.
- The ability for household heads to create economic security is significantly linked to family structure. When two parents (or two consistently-involved adults) are present in a family, even when only one is working, family income improves dramatically.
- Many factors constrain upward mobility, including the decline of the two-parent family and increased rates of teen parenthood. Lack of educational achievement is a central factor, especially for individuals at middle and low-income levels. Increasingly, solid economic security is dependent on skills gained beyond the high school level. The wage gap between high school and college graduates has almost doubled since the 1960's, with four-year college graduates earning about 80 percent more than workers with high school degrees.¹

¹ Haskins, Ron and Sawhill, Isabel, "Creating an Opportunity Society," Brookings Institution Press (2009)



Economic Well-Being of Families, cont.

What are VI Family Incomes, 2007?



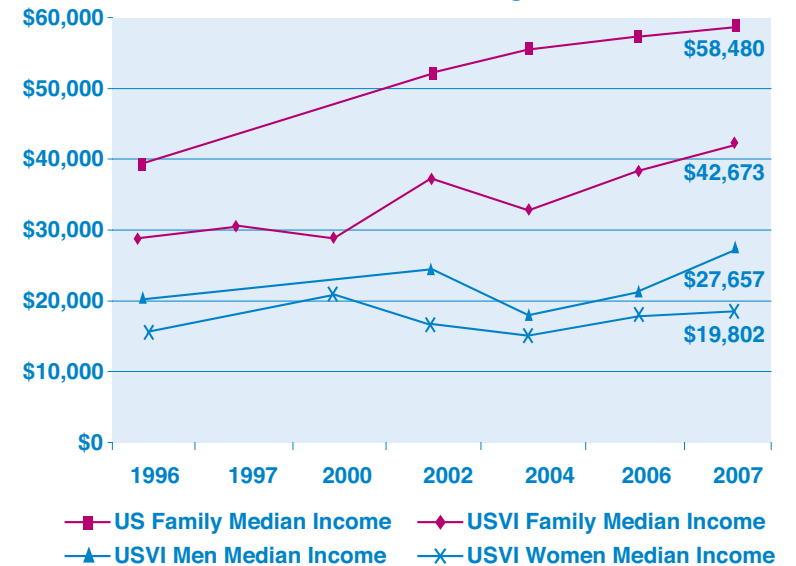
VI Family Income Levels, 2007
(K = thousand)

US Poverty Thresholds for 2007 by Size of Family and Number of Related Children Under 18 Years

Size of family unit	Weighted average thresholds	Related children under 18 years				
		One	Two	Three	Four	Five
One person	\$10,590					
Two people	13,540					
Three people	16,530	16,689	16,705			
Four people	21,203	21,736	21,027	21,100		
Five people	25,080	26,166	25,364	24,744	24,366	
Six people	28,323	29,782	29,168	28,579	27,705	27,187

Source: US Census Bureau, Housing and Household Economics Statistics Division
<http://www.census.gov/hhes/www/poverty/threshold/thresh07.html>

How Have VI Incomes Changed, 1996-2007?



Economic Well-Being of Families, cont.

What's the situation in the US Virgin Islands?

Per capita income, for individuals.

- Individual per capita income increased to \$16,562 in 2007 (from \$16,286 in 2006).
- **The national rate:** \$38,611 (more than twice the VI per capita income).

Poverty rate for individuals.

- The individual poverty rate increased to 28.5% of the VI population (up from 24.6% in 2006).
- **St. Croix:** 31.4% of individuals reported incomes below poverty line (up 4.3 percentage points from '06).
- **St. Thomas-St. John:** 24.5% (up from 22%).

Income level for families.

- 92% (or 26,502 families out of the 28,783 VI families with and without children) reported earned income (down from 95% in 2006).
- 8% of families (2281 families, or 786 more than last year) reported earning no income.

In 2007:

- 40% of VI families earned \$50k or more (up from 36% of families in 2006)
- 60% of families earned less than \$50,000:
 - 15% of VI families earned \$35k to less than \$50k (down from 23% of families in 2006)
 - 11% of VI families earned \$25k to less than \$35k (down from 13% of families in 2006)
 - 13% of VI families earned \$15k to less than \$25k (14% of families in 2006)
 - 21% of VI families earned less than \$15k (significantly more than the 14% of families in 2006).

Note: An income of \$15,000 is equal to approximately \$10 a day per person for a family of four.

- Included in the 21% above are 8% of VI families who earned no income (up from 5% in '06).

Poverty rate for families.

- The poverty threshold for 2007 is \$21,027 annual income for a family of four (example: 2 adults and 2 children). *Note: the poverty threshold is adjusted for varying family sizes (see "Poverty Thresholds 2007" US Bureau of the Census chart, page 13).*
- 29% of all VI families with children live in poverty (up by 3 percentage points from last year).
- 24% of all VI families live in poverty (up by 2 percentage points from last year)
- **St. Croix** poverty rate for black families: 23.4% (down from 26.4% in 2006)
- **St. Croix** poverty rate for white families: 13.8% (up by 7 percentage points from 2006)
- **St. Thomas** poverty rate for black families: 22.7% (up from 20.6% in 2006)
- **St. Thomas** poverty rate for white families: 12.7% (up from 9.6% in 2006)

Median income, for families.

- Territorially, median family income increased to \$42,673 in 2007 (from \$38,914 in 2006)
- **St. Croix:** estimated at \$39,845 (a \$3,872 increase from last year)
- **St. Thomas:** estimated at \$44,277 (a \$3,963 increase from last year)
- **St. John:** estimated at \$49,168 (a decrease of \$3,750 from last year).

Note: the yearly fluctuation of median income reported for St. John may be a result of a small population sample taken during non-census years.

What is the national family median income?

- \$58,480² — still far ahead of the Virgin Islands.

Earnings by race.

- Black median family income: \$41,703 (up by \$2,789) ...and about 63% that of white families
- **St. Croix** black family median income: \$40,936
- **St. Thomas** black family median income: \$42,376
- White median family income: \$66,350 (higher by \$3631 than in 2006)
- **St. Croix** white family income: \$75,001
- **St. Thomas** white family income: \$62,918

Earnings by gender.

- Both VI men's and women's median income grew in 2007. VI men's median income was \$27,657 (up \$3,422 from 2006). VI women's median income was \$19,802 (up \$912 from 2006).
- The income gender gap increased: VI women in 2007 earned 72 cents on the dollar earned by men (a 5 cent loss from last year).
- Income disparity persists at all levels of educational attainment, but is the greatest between men and women with less than a 9th grade education (a difference of \$10,112, or \$4,019 more than '06).

Employment rates.

- 66.6% of all household heads were employed in 2007 (down from 72.6% in 2006)
- 61% of single-female household heads were employed (down from 70% in 2006)
- One third (32.5%) of families in poverty had employment, compared to 50% the previous year. Of these, single-female household heads also reported a decrease in employment, to 40% in 2007 (from 59%).
- The poverty rate for single-women household heads increased (by 4 percentage points) to 36.5%, while remaining significantly above the 24% poverty rate for families of all types.

² US Census Bureau, Table F-6 — Regions, Families (All Races), by Median and Mean Income: 1953 to 2007. <http://www.census.gov/prod/2008pubs/acs-09.pdf>

*Definition: **Median income** is the dollar amount which divides the income distribution in VI households into two equal groups — half of households have incomes above the median and half have incomes below the median. Virgin Islands data is for all families rather than for families with children.*

*Definition: **Per capita income** is the mean income computed for every man, woman and child in the USVI.*

Child Poverty

Why does child poverty matter?

Poverty dramatically affects a child's health, safety and education. Children age birth to five are most vulnerable developmentally to poverty's impacts — and this age group has the highest rate of child poverty. Children raised in poverty:

- experience more-limited early care
- enter school developmentally behind other children
- are twice as likely to repeat a grade
- are more likely to suffer health problems
- are twice as likely to be abused or neglected¹

The impacts of child poverty extend into adulthood, affecting an individual's ability to succeed and to contribute in a community. Children raised in poverty:

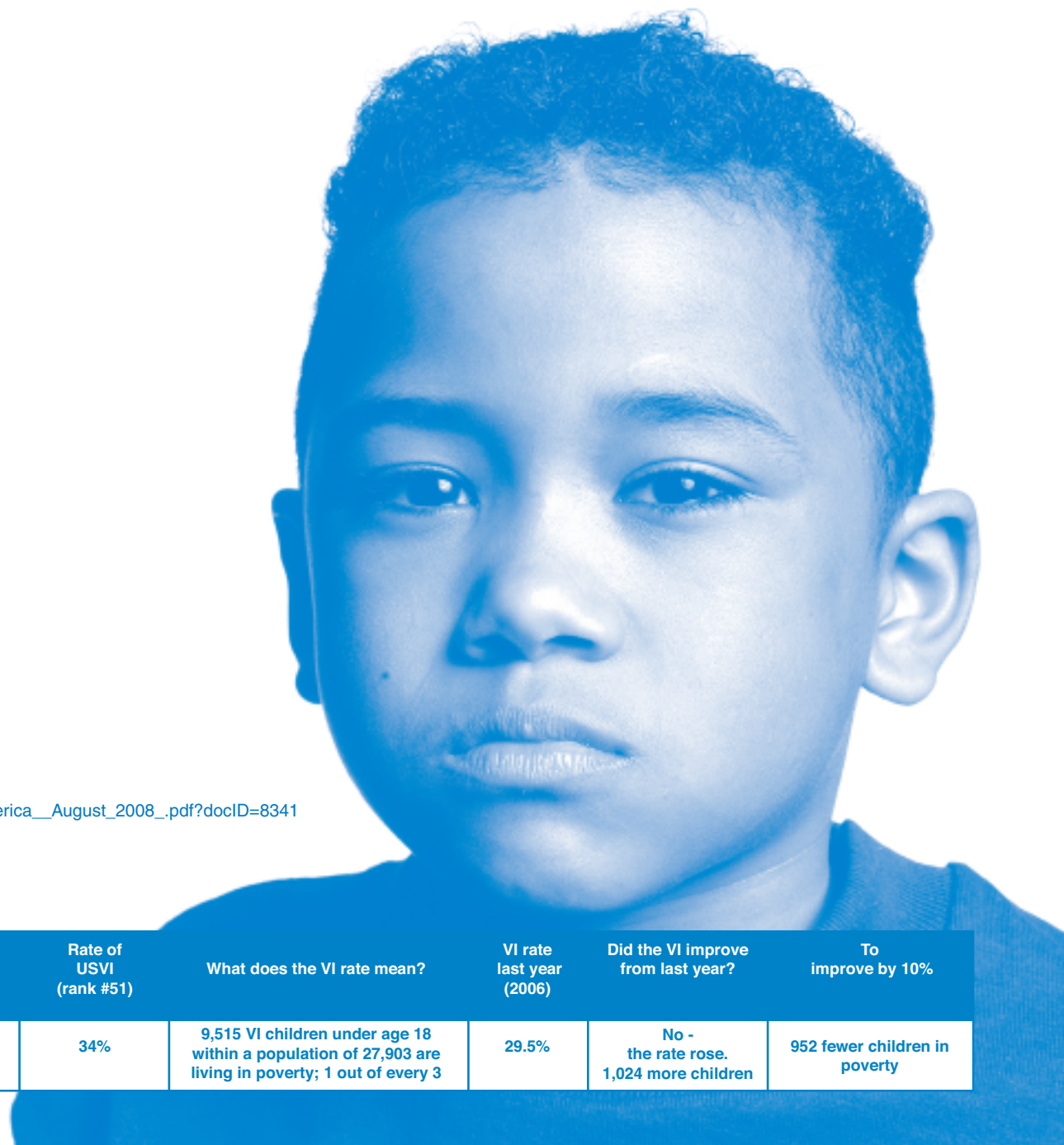
- are more likely to become substance abusers
- are more subject to depression
- are more likely to become teen parents
- are twice as likely to drop out of high school
- are almost twice as likely to be unemployed as adults
- have a higher rate of arrest and incarceration
- have a higher likelihood of welfare dependency in their adult lives¹

Children in single-parent families are at high risk of poverty. A child living with a single mother is five times as likely to be poor than a child living with both parents.²

1, 2 Children's Defense Fund, "Child Poverty in America"
http://www.childrensdefense.org/site/DocServer/Child_Poverty_in_America__August_2008_.pdf?docID=8341

Child poverty – how do we compare?

US national Child poverty rate	Rate of best-ranked state, #1: NH	Rate of worst-ranked state, #50: MS	Rate of Puerto Rico (rank #52)	Rate of USVI (rank #51)	What does the VI rate mean?	VI rate last year (2006)	Did the VI improve from last year?	To improve by 10%
18%	9%	29%	55%	34%	9,515 VI children under age 18 within a population of 27,903 are living in poverty; 1 out of every 3	29.5%	No - the rate rose. 1,024 more children	952 fewer children in poverty



Child Poverty, cont.

What's the situation in the US Virgin Islands?

- 34.1% of all VI children (9,515 children in 2007) are growing up in households with incomes below the poverty threshold. (29.5% or 8,491 children in '06).
- **St. Croix:** 38.9% of children (5,744 children) lived below the poverty line (an increase of 6 percentage points, or 807 children, from the previous year).
- **St. Thomas/St. John:** 28.8% of children (3,772 children) lived below the poverty threshold (an increase by almost 3 percentage points, or 218 children, from the previous year).
- 35.4% is the average rate of VI child poverty for the 12 years measured by KIDS COUNT.

What is the child poverty rate in the nation?

- 18%... (unchanged from 2006).

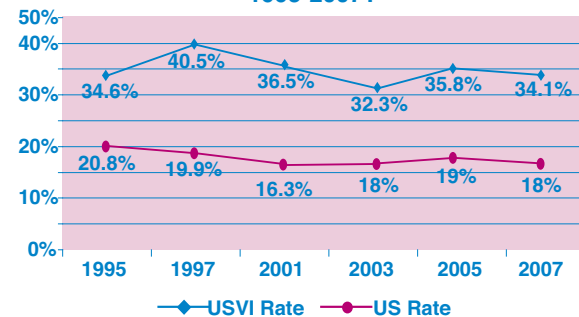
Single mother families.

Child poverty in the territory (as everywhere) is significantly tied to single-motherhood. Non-marriage and father absence significantly erode income-stability and financial health for families with children. Research confirms that children living without their biological fathers are two to three times more likely than their peers to be poor.²

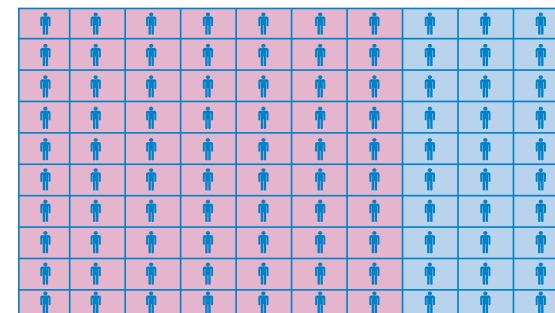
In 2007:

- 43.6% of all VI families with children were headed by single mothers
- 70.1% of all VI families with children living in poverty were headed by single mothers
- **What is the US rate of single-mother families with children?** 18.7% (unchanged from '06).
- **What is the US rate for children living with single mothers?** 25%³
- 42% of all VI children live in families headed by single mothers.

What is the Percentage of VI Children in Poverty, 1995-2007?



Of all VI Families with Children in Poverty in 2007, What are Family Structures?



- Single-mother families with children, who live in poverty - 70%
- All other families with children, who live in poverty - 30%

In 2007:

Total VI child population – 27,903

(24.3% of the total VI population, which numbered 114,744)

Number of VI families with children (age 0-18) – 14,321

(49.8% of all VI families, which numbered 28,783)

Number of VI single-mother families with children – 6,641

(46.4% of all VI families with children)

Number of VI families with children, living in poverty – 4,133

(28.9% of all VI families with children)

Number of VI single-mother families with children, living in poverty – 2,898

(70% of all families with children, living in poverty)

(43.6% of all VI single-mother families with children)

Total number of VI children living in poverty – 9,515

(34.1% of all VI children)

³ 2007 American Community Survey, Table S0901: Children Characteristics http://factfinder.census.gov/servlet/STTable?_bm=y&-geo_id=01000US&-qr_name=ACS_2007_3YR_G00_S0901&-ds_name=ACS_2007_3YR_G00_ and http://www.census.gov/population/www/socdemo/hh-fam.html

Definition: **Child poverty** is defined as the number and percentage of children birth to age 18 who live in families with incomes below the federal poverty guidelines. Income and poverty data are based on the preceding year, therefore 2007 poverty levels are based on income earned in 2006.

What is the Percentage of VI Children in Single Mother Families, 1997-2007?

