CBPP STATEMENT
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New Census Data Underscore Importance of Food Assistance and Health Coverage Access

Statement of Sharon Parrott, CBPP President, on 2025 Census Data

At a moment when the cuts enacted in last year's harmful Republican reconciliation law have begun to take away food assistance and health coverage from millions of people, today's Census data are a reminder of the important role Medicaid, Affordable Care Act (ACA) marketplace coverage, and SNAP can play in helping families afford the basics — and why the cuts are so misguided.

In 2025, poverty showed signs of improvement, incomes rose as wage gains outpaced inflation, and the uninsured rate remained at historic lows. Even with this progress, more than 44 million people — or more than 1 in 8 people overall and including 9.7 million children — lived in families with incomes below the poverty line ($41,700 for a four-person family renting in an average-cost community). Some 27 million people had no health insurance, and income inequality after taxes stood at its highest in at least 17 years.

Basic needs programs were key to raising incomes above the poverty line and ensuring people could access the health care they needed. Refundable tax credits lifted 6 million people above the poverty line, and SNAP lifted more than 3 million people above the poverty line, while the ACA marketplace and Medicaid provided much needed coverage to tens of millions of people.

Today's data don't reflect the impact of recent rising inflation or most of the cuts to food assistance and health coverage enacted in the 2025 Republican reconciliation law. That law made the largest cuts to SNAP and Medicaid in our nation's history and failed to extend the premium tax credit enhancements that made the ACA marketplace more affordable and successful in expanding coverage and lowering costs. These cuts are already taking food assistance and health coverage away from millions of people who need it, driving up poverty and hardship.

The impacts of the harmful 2025 Republican reconciliation law and other policies are already on display:

- Since July 2025, the number of people receiving SNAP has fallen by roughly 5 million (12 percent), and based on data from 25 states, it is likely that well over 1.5 million children have lost food assistance. In Arizona, SNAP participation dropped by 54 percent from July 2025 to May 2026. The sharp nationwide drop in enrollment doesn't coincide with labor market strengthening, suggesting it is largely policy-driven.

- In February 2026, some 3 million fewer people were enrolled in ACA marketplace coverage compared to February 2025. Further declines in marketplace enrollment are expected as expensive monthly premiums stack up and more people can no longer afford coverage.
- Starting in January 2027, new restrictions that take Medicaid expansion coverage away from people who don't meet a harsh work requirement are projected by the Congressional Budget Office and other analysts to result in millions more people becoming uninsured.

The 2025 figures also predate rising overall inflation rates due to the Administration's tariffs and war against Iran.

Economic and health insecurity are not limited to any one racial or ethnic group, but long-lasting inequities mean that poverty and a lack of health coverage fall far more heavily on certain groups. For example, child poverty rates (using the Supplemental Poverty Measure) stood at 11.9 percent for Asian children; 7.7 percent for white, non-Hispanic children; 22.0 percent for Black children; 10.1 percent for American Indian and Alaska Native children; and 19.5 percent for Hispanic children.

The Census report also serves as a reminder that the nation has the tools to tackle important challenges like poverty, uninsurance, and inequality. A century ago, Social Security didn't exist; in 2025, the program lifted 28.8 million people above the poverty line. Newer policies like the Earned Income Tax Credit and refundable Child Tax Credit lifted 6.1 million people above the poverty line last year. And we know it is possible to do more. During the COVID-19 pandemic, relief policies temporarily cut child poverty by half, showing what we can achieve with investments that help people afford the basics.

Health coverage data also show how policy can improve outcomes. Census' American Community Survey data show that the share of people who lacked health insurance fell roughly 40 percent between 2013 and 2016 as the ACA's major provisions took effect, and then dropped further as more states adopted the Medicaid expansion. The pandemic-era temporary Medicaid provisions that kept people covered, along with premium tax credit enhancements that made ACA marketplace coverage far more affordable, brought the uninsured rate to a record low of 7.9 percent in 2023.

Policymakers who supported last year's harmful cuts in food assistance and health coverage ignored these lessons from our history, choosing policies that exacerbate poverty and reverse progress on health coverage. In enacting the reconciliation law, they also chose to exacerbate rather than push back against inequality, with high-income households benefitting substantially more from the tax cuts than families with lower incomes, who also bear the brunt of both deep cuts to Medicaid, ACA marketplace coverage, and SNAP and the rising cost of basic needs.

Today's data show how backward this approach is. In 2025, after-tax income inequality stood at its widest point in at least 17 years. For the first time in after-tax data available since 2009, a household with after-tax income higher than exactly 90 percent of all U.S. households received fully 10 times as much income in 2025 as a household with income lower than all but 10 percent of households.

If the President and Republicans in Congress had not enacted these deep cuts — and had not taken other steps driving up prices — families would be better off. Moreover, policymakers should have built on the modest progress in 2025 to make gains against poverty and to expand access to affordable coverage.

We have policy tools — like an expanded Child Tax Credit, premium tax credit enhancements and health coverage available without burdensome red tape, and support to people who are out of work — available to reduce poverty and improve health coverage markedly. We should use them.

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