

December 20, 2007

Appendix

A variety of data sources show that many Americans struggle to make ends meet. This appendix provides more information on:

- The number of households that have difficulty affording food.
- The number of households that have difficulty paying rent or are facing foreclosure.
- The number of people who lack health insurance and who have foregone medical care because of the cost.

Food Insecurity

Although severe hunger and malnutrition — prevalent in our country 40 years ago — are now relatively rare, many American families still struggle to put food on the table. Some end up cutting back on meals because their food budgets are stretched too thin.

The U.S. Department of Agriculture recently released its annual “food security” study which documents the extent to which households faced difficulties affording food in 2006. The Census Bureau asks survey respondents a series of questions to determine whether all members of the household had access to sufficient food throughout the past year. (These data likely understate food insecurity because they do not include homeless individuals or families.)

The study found that:

- 12.6 million households that include 35.5 million people were food insecure at some point during 2006.
- Some 4.6 million of these households, including 11.1 million people, were found to have “very low food security” at some point during 2006. According to USDA, this designation means that “the food intake of household members was reduced and their normal eating patterns were disrupted because the household lacked money and other resources for food.”ⁱ
 - 95 percent of those with very low food security “reported that an adult had cut the size of meals or skipped meals because there was not enough money for food,”ⁱⁱ and 85 percent of these households reported this happened in at least three of the last 12 months.

- Nearly 7 in 10 households that were defined as having very low food security reported that an adult had not eaten at some point during the year despite being hungry because of a lack of money, and 1 in 3 reported that an adult did not eat for a whole day because there was not enough money for food.
- Households that were food insecure at some time during the year were food insecure for an average of six months out of the year. Households with *very low* food security at some time during the year experienced that condition for an average of seven months of the year.
- Some 6.2 million households with children were food insecure at some point in 2006. Typically, when a household with children faces difficulty affording food, the adults go without meals before they withhold food from a child. Still, some 430,000 children were found to experience very low food insecurity, which means these children were forced to skip meals or change their eating patterns due to a lack of resources.

Housing Affordability and Foreclosures

In 2005, some 10.7 million poor households — more than three quarters of all poor households — had housing costs that are “unaffordable.” The federal government defines housing as affordable if it consumes no more than 30 percent of a family’s income. Some 8.3 million poor households — 62 percent of all poor households in the nation — paid more than 50 percent of their income for housing in 2005. These families are considered by the U.S. Department of Housing and Urban Development to have “severe” housing affordability problems.ⁱⁱⁱ

Families that pay more than *half* of their income on housing are at significant risk of risk having too little left over for food, health care, and other basic needs. A recent Harvard analysis found that families with severe housing cost burdens are often forced to cut back on other basic needs: among low-income households, those with severe housing cost burdens spend 57 percent less on transportation, 23 percent less on food, 57 percent less on health care, and 44 percent less on clothing than the average low-income household.¹

Adding to the squeeze on family budgets, the Department of Energy projects that home heating prices will increase significantly again this winter. Research suggests that unless low-income energy assistance benefits are increased to protect poor households from these rising prices, many low-income households will reduce their food consumption this winter to pay for the rise in heating costs. A study conducted in 2002 by researchers from Stanford University, the University of Chicago, the RAND Corporation, and UCLA found that when poor families’ heating bills go up during cold winter months, they reduce their spending on food by roughly the same amount as the increase in fuel expenditures.^{iv} Another recent study (2006) found that children in families that receive assistance from the federal Low Income Home Energy Assistance Program (LIHEAP) are less likely to be underweight than children in families that are eligible for LIHEAP but do not receive it because of limits on the program’s funding.^v

¹ Joint Center for Housing Studies, *The State of the Nation’s Housing 2005*, table A12, <http://www.jchs.harvard.edu/publications/markets/son2005/index.html>. The study defines “low income” to be the bottom one-fourth of households ranked by total expenditures.

When family budgets are squeezed too far — whether by unaffordable housing, rising energy costs, lack of health care coverage, or deepening poverty — some fall into homelessness. The U.S. Department of Education reports that more than 600,000 public school children were homeless in school year 2003-2004.^{vi} Recent data from HUD estimate that, on any given night, an estimated 754,000 people are homeless.^{vii} The number of individuals who experience homelessness over the course of a year is several times higher than the number who are homeless on any one night.^{viii}

Foreclosures

An increasing number of families are facing foreclosures on their home mortgages this year. The Mortgage Bankers Association's (MBA) latest survey, released in September, found that the share of mortgages that are in the foreclosure process at the end of the third quarter of 2007 was at an historical high. In addition, the share of homeowners who are behind in their mortgage payments — called “delinquency” — was at its highest level since 1986. MBA expects that the total number of homeowners who will receive foreclosure notices in 2007 will reach 1.5 million, more than double the number that received such notices in 2005. Of these, some 846,000 will be homeowners who have subprime mortgages.

Minority homeowners hold a disproportionate share of subprime mortgages. Data from the Federal Financial Institutions Examination Council show that more than half of loans made to African American homebuyers in 2005 were “high cost” loans — that is, loans that have increased costs that are often (but not always) due to the credit rating or other characteristics of the buyer. Some 40 percent of loans made to Latino homebuyers were high cost loans as well.^{ix}

Lacking Insurance and Going without Medical Care

The number of uninsured Americans continued to climb in 2006.^x Census data show that the number of uninsured children rose to 8.7 million in 2006 (11.7 percent of children). There were about 1 million *more* uninsured children in 2006 than in 2004.

The overall number of those who lack health insurance rose to 47 million in 2006, or 15.8 percent of the population. There were about 7 million more uninsured people in 2006 than in 2001. The main cause of the recent rise in the ranks of the uninsured is the erosion of employer-based health care coverage as the cost of health care and insurance premiums have increased.

When individuals are uninsured or under-insured, they sometimes go without needed medical care due to cost. A recent report released by the Center for Disease Control demonstrates the extent to which Americans forgo medical care because they could not afford that care.^{xi}

- Data from the 2005 National Health Interview Survey indicate that more than 40 million people — 19 percent of adults aged 19 and older — failed to receive one or more types of needed health care services at some point over the prior twelve months because they could not afford it. (This includes medical care, dental care, mental health care, prescription drugs or eyeglasses.)
- Non-elderly adults are the most likely to go without medical attention because of cost. African Americans and Latinos are more likely than whites to go without medical care because of cost.

ⁱ "Household Food Insecurity in the United States, 2006" page 5.

ⁱⁱ Ibid.

ⁱⁱⁱ American Housing Survey, 2005, Table 2-13. Figures include owners and renters. Figures exclude households with zero or negative incomes, but include households with housing costs exceeding 100% of income.
<http://www.census.gov/hhes/www/housing/ahs/ahs05/tab213.html>.

^{iv} Bhattacharya et al., "Heat or Eat? Cold Weather Shocks and Nutrition In Poor American Families," National Bureau of Economics working paper, June 2002.

^v Deborah Frank, et al, "Heat or Eat: The Low Income Home Energy Assistance Program and Nutritional and Health Risks Among Children Less Than 3 Years of Age," *Pediatrics*, November 2006.

^{vi} Department of Education, "Report to the President and Congress On the Implementation of the Education for Homeless Children and Youth Program Under the McKinney-Vento Homeless Assistance Act," 2006, Table 1:
<http://www.ed.gov/programs/homeless/rpt2006.doc> (I didn't provide this factoid, but assume this is the source.)

^{vii} Department of Housing and Urban Development, "The Annual Homelessness Assessment to Congress," February 2007: <http://www.hud.gov/offices/cpd/homeless/ahar.cfm>

^{viii} Martha Burt et al., *Helping America's Homeless: Emergency Shelter or Affordable Housing*, (Urban, 2001), Table 2.9.

^{ix} Ellen Schloemer, et al., "Losing Ground: Foreclosures in the Subprime Market and Their Cost to Homeowners," Center for Responsible Lending, December 2006, page 23, <http://www.responsiblelending.org/pdfs/foreclosure-paper-report-2-17.pdf>.

^x Center on Budget and Policy Priorities, "More Americans, Including More Children, Now Lack Health Insurance," Revised Aug. 31, 2007, www.cbpp.org/8-28-07health.pdf.

^{xi} Centers for Disease Control and Prevention, National Center for Health Statistics, *Health United States, 2007*, pg. 56-79.
www.cdc.gov/nchs/data/hus/hus07.pdf#contents