

**Real-time Poverty Estimates During the COVID-19 Pandemic
through December 2020***

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January 20, 2021

* We thank the National Science Foundation, the Menard Family Foundation, and the Wilson Sheehan Lab for Economic Opportunities ([LEO](#)) for their financial support.

Poverty Continues to Rise as Coronavirus Cases Increase

The coronavirus pandemic has taken a significant toll on the U.S. labor market. Since the start of the pandemic, more than 93 million claims for unemployment insurance have been filed. While UI claims fell sharply from April through July, weekly claims have remained high since then at more than 1 million claims each week, about 5 times the pre-pandemic rate. Currently, more than 10.7 million individuals are officially unemployed and millions of other former workers are still without jobs. Early in the pandemic, the federal government offered a relief package that included large, one-time stimulus payments to households and greatly expanded unemployment insurance benefits. But some of these benefits have expired, and others are set to expire this month, raising important questions about the long-term impact of the pandemic on poverty.

In a [recent study](#), which is forthcoming in the *Brookings Papers on Economic Activity*, we developed a new poverty measure that provides near-real-time poverty estimates using U.S. Census Bureau data. These estimates, which can be produced with a lag of only a few weeks, provide immediate information on how the pandemic is affecting individuals and families. As a result, the estimates should guide government policies and programs that help prevent people from slipping into poverty during sharp downturns in the economy. This report summarizes the results from the most recent update to our study, including poverty rates through December 2020. These monthly updates are also available through our Poverty Measurement Dashboard at <http://povertymeasurement.org/covid-19-poverty-dashboard/>.

Our initial study provided estimates through June 2020. In Table 1, we report these estimates as well as updated results through December 2020. Our initial results showed that poverty declined in the first few months after the start of the pandemic. The poverty rate fell by 1.5 percentage points from 10.8 percent in January 2020 to 9.3 percent in June 2020. We also showed that poverty declined across a range of demographic groups and geographies, with some of the most noticeable declines evident for people with low levels of education and for those who fall into the “other race” (neither white nor Black) category.

Poverty has risen sharply, however, in recent months as some of the benefits that were part of the government relief package have expired. Poverty rose by 2.4 percentage points (after rounding) from 9.3 percent in June to 11.8 percent in December, adding 8.1 million people to the ranks of the poor. Poverty has risen each month since June, even though the unemployment rate has fallen by 40 percent (from 11.1 percent to 6.7 percent) over this period. This disconnect between poverty and unemployment is not surprising given that some government benefits have expired, unemployment insurance benefits are typically only about half of pre-job loss earnings, and five million people have left the labor force in the past year and therefore are not counted as unemployed. Despite the decline early in the pandemic, poverty is now higher than it was at the start of the year.

The increase in poverty in recent months was more noticeable for Blacks, children, and those with a high school education or less. For Blacks, poverty has risen by 5.4 percentage points since June. Poverty has also risen noticeably for those with a high school education or less, from 17.0 percent in June to 22.5 percent in December. The estimates also suggest that poverty rose more in states with less effective unemployment insurance systems. The recent overall rise raises

concerns about possible future increases in poverty given that Pandemic Unemployment Compensation, the additional \$600 paid weekly to unemployment insurance recipients, was discontinued at the end of July, and a revival of these benefits at a lower level (\$300 per week) is set to expire in mid-March.

Interestingly, the data indicate that the vast majority of the unemployed received unemployment insurance by June, though this was less true early on in the pandemic. Receipt of the benefits was uneven across the states, however, with some not reaching a large share of their out-of-work residents.

In our initial study, we also showed that the entire decline in poverty through June can be accounted for by the one-time stimulus checks the federal government issued, predominantly in April and May, and the expansion of unemployment insurance eligibility and benefits. In fact, in absence of these programs, poverty would have risen sharply. The one-time payments provided up to \$1,200 to individuals and \$2,400 to married couples without dependents, with the maximum amount going to individuals with income under \$75,000, and married couples with income under \$150,000. In addition, unemployment insurance benefits were initially increased by \$600 per week and eligibility for unemployment insurance was broadened to include the self-employed, those seeking part-time employment, and others who otherwise would not be eligible.

To calculate near-real-time estimates of poverty, we use data from the monthly Current Population Survey (CPS), a nationally representative survey of about 60,000 households each month — the same survey that is used to calculate official monthly unemployment statistics. This survey includes a question about family income that is asked of a quarter of the sample and provides the data necessary to estimate poverty. We show that, historically, the real-time poverty estimate from the monthly CPS has been a good predictor of changes in the official poverty rate. See our [study](#) for more details.

Table 1. Poverty Rates, Monthly CPS, 2020

Month	January	February	March	April	May	June	July	August	September	October	November	December	June-Jan	Dec-June	Dec-Jan
Full Sample	10.8%	11.0%	10.2%	9.4%	9.3%	9.3%	10.3%	10.5%	11.1%	11.4%	11.7%	11.8%	-1.5%	2.4%	1.0%
	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.6)	(0.8)	(0.8)	(0.7)
Number of individuals	20,020	20,822	16,733	14,383	14,236	14,391	15,156	16,341	18,358	18,748	18,151	17,356			
Age															
Age 0-17	15.3%	15.3%	16.3%	14.4%	13.2%	13.1%	15.5%	15.8%	16.5%	16.8%	16.0%	16.6%	-2.1%	3.4%	1.3%
	(1.0)	(1.0)	(1.2)	(1.4)	(1.4)	(1.3)	(1.3)	(1.2)	(1.1)	(1.1)	(1.0)	(1.1)	(1.6)	(1.7)	(1.5)
Age 18-64	9.8%	9.9%	8.5%	8.0%	8.4%	8.4%	9.3%	9.3%	9.6%	10.1%	10.8%	10.7%	-1.4%	2.3%	0.9%
	(0.4)	(0.4)	(0.5)	(0.6)	(0.6)	(0.5)	(0.6)	(0.5)	(0.5)	(0.5)	(0.5)	(0.6)	(0.7)	(0.8)	(0.7)
Age 65+	7.7%	8.7%	7.6%	7.1%	6.6%	7.1%	5.9%	6.5%	8.4%	8.6%	8.7%	8.4%	-0.7%	1.3%	0.6%
	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.7)	(0.7)	(0.9)	(0.9)	(0.9)
Race															
White	9.4%	9.2%	8.7%	7.8%	8.3%	7.9%	8.6%	8.2%	9.2%	9.6%	10.1%	10.3%	-1.5%	2.3%	0.9%
	(0.5)	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.6)	(0.8)	(0.9)	(0.8)
Black	18.2%	20.8%	21.3%	18.7%	16.1%	18.2%	19.7%	22.8%	22.8%	23.4%	21.3%	23.6%	0.0%	5.4%	5.3%
	(1.6)	(1.7)	(2.1)	(2.5)	(2.2)	(2.2)	(2.3)	(2.3)	(2.0)	(1.9)	(1.9)	(2.2)	(2.7)	(3.1)	(2.7)
Other	12.4%	12.1%	9.0%	9.5%	9.1%	8.6%	10.9%	11.3%	10.4%	10.2%	12.1%	9.4%	-3.8%	0.8%	-3.0%
	(1.5)	(1.6)	(1.4)	(1.9)	(2.2)	(1.7)	(1.9)	(2.0)	(1.6)	(1.4)	(1.7)	(1.4)	(2.3)	(2.2)	(2.0)
Gender															
Male	10.3%	10.1%	8.7%	8.7%	8.5%	8.8%	8.8%	9.7%	10.4%	10.8%	11.0%	11.6%	-1.5%	2.8%	1.4%
	(0.5)	(0.5)	(0.5)	(0.7)	(0.6)	(0.7)	(0.6)	(0.6)	(0.6)	(0.5)	(0.6)	(0.6)	(0.9)	(0.9)	(0.8)
Female	11.3%	11.9%	11.7%	10.1%	10.1%	9.9%	11.6%	11.2%	11.8%	12.1%	12.4%	12.0%	-1.5%	2.1%	0.6%
	(0.5)	(0.5)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(0.6)	(0.6)	(0.8)	(0.9)	(0.8)
Head Education															
H.S. Degree or below	20.9%	20.3%	20.5%	19.5%	18.1%	17.0%	19.4%	20.2%	21.5%	22.5%	22.1%	22.5%	-3.9%	5.4%	1.5%
	(1.1)	(1.1)	(1.3)	(1.6)	(1.4)	(1.3)	(1.5)	(1.4)	(1.2)	(1.2)	(1.2)	(1.3)	(1.8)	(1.9)	(1.7)
Some College or above	6.0%	6.4%	5.3%	4.7%	5.3%	5.9%	5.8%	5.7%	6.0%	6.1%	6.5%	6.6%	-0.1%	0.8%	0.6%
	(0.4)	(0.4)	(0.4)	(0.5)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)	(0.4)	(0.5)	(0.5)	(0.7)	(0.8)	(0.7)
UI Reciprocity Rate															
High Q1 Reciprocity (>=35%)	9.5%	10.1%	8.5%	8.3%	8.7%	8.9%	10.1%	10.1%	8.7%	10.2%	10.5%	10.3%	-0.6%	1.4%	0.8%
	(0.6)	(0.7)	(0.7)	(0.8)	(0.9)	(0.9)	(0.9)	(0.8)	(0.7)	(0.7)	(0.7)	(0.8)	(1.1)	(1.2)	(1.0)
Low Q1 Reciprocity (<35%)	12.0%	11.9%	11.9%	10.5%	10.0%	9.8%	10.4%	10.8%	13.3%	12.6%	12.8%	13.3%	-2.2%	3.5%	1.2%
	(0.7)	(0.7)	(0.8)	(0.9)	(0.9)	(0.8)	(0.9)	(0.9)	(0.8)	(0.7)	(0.7)	(0.8)	(1.1)	(1.1)	(1.1)

Note: This table is an update of Table 1 of Han et al. 2020; see that paper for methods. The sample includes individuals who are included in the householders' families and who are in their 1st or 5th month in the survey. Individuals with imputed income are excluded from the sample. The statistics are weighted using fixed demographic weights since March 2020. Standard errors, reported in parentheses, are clustered at the household level.