



New Census Data Shows Federal Policy Can Reduce Child Poverty, but Families Face Rising Costs and Cuts to the Safety Net

The U.S. Census Bureau's [annual poverty report](#) demonstrates both the effectiveness of programs that help families meet their basic needs, and the urgent need to do more to reduce poverty and inequity. The data also provide an important reminder that national poverty statistics are only one measure of families' economic well-being, and do not fully capture the financial pressures families are experiencing today.

Data released last week show that more than 1 in 10 children (13.4%) lived in poverty in 2025, a small decline from 2024. But the Supplemental Poverty Measure (SPM), which provides a more comprehensive picture of economic well-being by considering tax credits and noncash assistance, remained statistically unchanged. Stark racial disparities also persisted: under the official measure, poverty rates ranged from 7.5% among non-Hispanic White people to 17.3% among Black people. And while overall income inequality did not change significantly, the gap between median income and income at the 10th percentile widened, meaning that those with the lowest incomes are being pushed further away from being able to meet their basic needs.

The Census data also show the power of programs that help families meet their basic needs. In 2025, refundable tax credits lifted 6 million people above the poverty line, and the Supplemental Nutrition Assistance Program (SNAP) buffered many millions of households from the worst impacts of poverty. Children's HealthWatch research consistently shows that when families have access to these tax credits and programs, children and caregivers have better health and reduced economic hardship.

However, this latest report demonstrates a continued failure to address child poverty in our nation, despite the availability of evidence-based policy solutions. In 2021, child poverty reached a record low of 5.1% when families received robust support, including the temporarily expanded Child Tax Credit (CTC). After those temporary supports ended, child poverty as measured by the SPM more than doubled the following year and has remained far above its 2021 low. Children's HealthWatch research helps illustrate why these investments mattered: the [expanded CTC helped families](#) afford food and housing and reduced the daily stress of making ends meet. Our qualitative research with mothers of young children showed that [monthly payments gave families greater flexibility](#) to respond to their children's needs and supported parent well-being. This evidence demonstrates

what is possible when policymakers make meaningful investments in families — and what can be lost when those investments end.

At the same time, families are feeling financial pressures that Census data do not fully capture. Data released earlier this year found that [nearly half of American families](#) do not have the resources to cover essential expenses. This reflects widespread challenges affording basic needs, even when incomes are above the poverty line.

The Census data show how much more we need to do as a nation — but the data do not yet capture the full impact of cuts to the social safety net enacted in H.R. 1. Since July 2025, [5 million fewer people](#) — including [at least 1.5 million children](#) — are receiving SNAP. In addition, declines in Medicaid and ACA marketplace coverage [have already begun](#) and are [expected to grow](#). The full effects will become clearer in future Census data. Consider this the calm before the storm.

“This report reminds us that policy choices have real consequences for children and families,” said Stephanie Ettinger de Cuba, Executive Director of Children’s HealthWatch. “We know what happens when families have resources: hardship declines, parents have more flexibility to meet their children’s needs, and children have greater opportunities to be healthy and thrive. At a time when families are facing high costs and losing access to critical supports like SNAP and Medicaid, we need to invest in — not retreat from — the policies proven to strengthen families’ health and reduce hardship.”

For nearly 30 years, Children’s HealthWatch has documented how access to basic needs and economic resources shapes the health and development of young children. We will continue to track these changes closely to understand how rising costs, changes in program participation, and new barriers to assistance are affecting hardship and health. We urge policymakers to use this evidence to strengthen proven programs — including refundable tax credits, SNAP, Medicaid, and other programs that help families meet basic needs — and ensure that every family has the resources they need to give their children a healthy start.

About Children’s HealthWatch: *Founded in 1998, Children’s HealthWatch is a nonpartisan network of pediatricians, public health researchers, and children’s health and policy experts committed to improving children’s health in America. The network collects real-time data in urban hospitals across the country on infants and toddlers from families facing economic hardship, then analyzes and shares its findings with researchers, legislators, and the public.*