



Overview of Poverty in Delaware

This overview of poverty presents basic parameters of the complex problem of poverty in the state of Delaware. The official poverty rate is calculated by the U.S. Census Bureau based on income thresholds and family structure and size. There are 48 different *poverty thresholds*. A family or individual making below their respective threshold is counted as living in poverty. *Poverty guidelines* are simplified versions of the poverty thresholds and often used by social programs to determine eligibility and benefits.

For example, according to the Department of Health and Human Services' Federal Poverty Guidelines, the poverty threshold for a family with one parent and two children was \$20,852 in 2020.¹ Income that counts towards this threshold includes earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, and public assistance. Noncash benefits such as food assistance are not included.

Throughout this brief we use five year estimates from the 2015-2019 American Community Survey to examine the nature and extent of poverty throughout Delaware. The full population count of the census, from which the American Community Survey data is derived, takes place every ten years, with the most recent one in 2020. While currently available census data only extends to 2019, it is important to note that the 2020 Census count will likely have an impact on many data sources, including the American Community Survey, going forward.

The COVID-19 pandemic, which began in March 2020, will greatly influence future discussions about poverty. COVID-19 has had a major financial effect on individuals in Delaware and throughout the world. While it is too early to detect the pandemic's impact on poverty using data from the U.S. Census, other indicators such as unemployment and applications for public assistance may be used to examine the effects of the pandemic. In this brief, we will use these indicators and others to discuss the projected financial impact of COVID-19 on Delawareans.

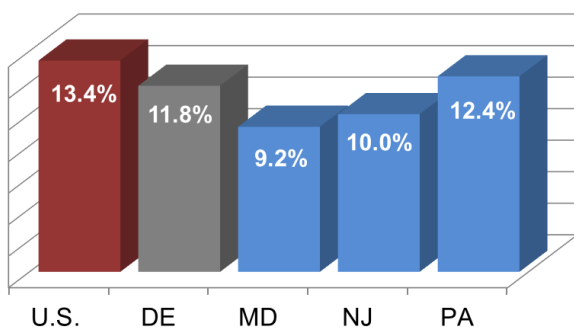
Key Facts

- Delaware's five year average poverty rate (2015-2019) of 11.8% is less than the U.S. rate of 13.4%
- Children in Delaware are the most likely of any age group to experience poverty, with a five year poverty rate of 17.5%
- Adults aged 65 and older were the least likely age group to experience poverty
- Black Delawareans were more than twice as likely to live in poverty as White Delawareans, with five year poverty rates of 18.6% and 9.0%, respectively.
- Delaware's cities had the highest poverty rates; Wilmington (26.0%) and Dover (24.4%) had 2015-2019 average poverty rates over twice as high as the state overall
- Almost 24% of Delaware residents received Medicaid or CHIP, which is higher than the national percentage and percentages in surrounding states

POVERTY RATE

Delaware's 2015-2019 five year average poverty rate was 11.8%, which is lower than the rate of 13.4% throughout the United States as a whole. When compared to other states in the region, Delaware's poverty rate was higher than the five year poverty rates for either Maryland (9.2%), or New Jersey (10.0%), but lower than Pennsylvania (12.4%).

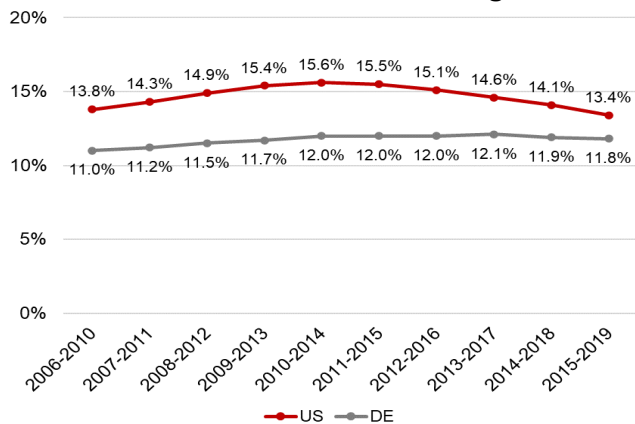
Poverty Rate: U.S., DE, and Region, 2015-2019 Five Year Average



Source: UD Center for Community Research & Service, 2021; data from U.S. Census Bureau, 2015-2019 American Community Survey

Over time, Delaware's five year average poverty rate has increased. The earliest available five year poverty rate, 2006-2010, was 11.0%, which is lower than the 2015-2019 poverty rate. Conversely, the U.S. poverty rate has declined over time, falling from 13.8% from 2006-2010 to 13.4% from 2015-2019.

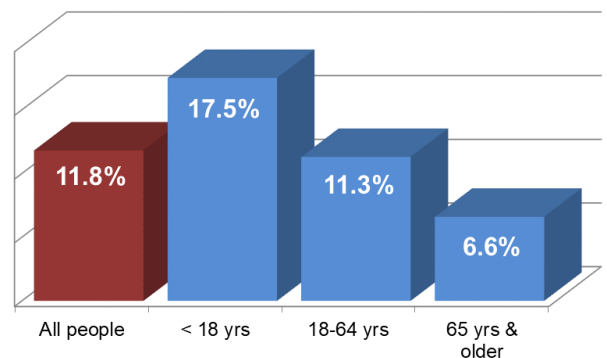
Poverty Rate Over Time : U.S. and DE, 2015-2019 Five Year Averages



Source: UD Center for Community Research & Service, 2021; data from U.S. Census Bureau, 2015-2019 American Community Survey

Breaking down poverty rate by groups can provide further insight into how poverty can impact individuals differently. Examining the five year average poverty rate for individuals by age groups reveals that Delaware's children (under 18 years old) had the highest rate of poverty at 17.5%, followed by adults in their working years (18-64) at 11.3%, and then seniors (65 and older) at 6.6% had the lowest poverty rate of any age group.

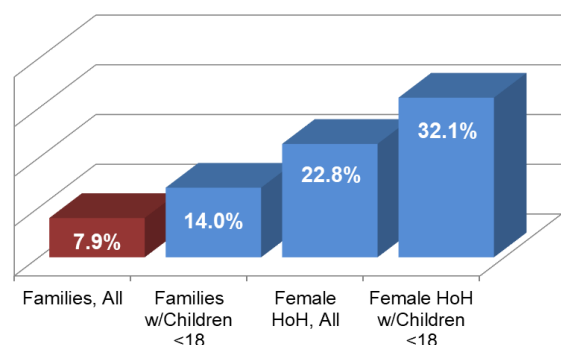
Poverty Rate among Delawareans by Age Group, Five Year Average, 2015-2019



Source: UD Center for Community Research & Service, 2021; data from U.S. Census Bureau, 2015-2019 American Community Survey

Households with children under age 18 had a higher rate of poverty than households without children. Families with a female head of household (HoH) had the highest five year poverty rate at 32.1%. The rate among these families was four times higher than the rate for all families, which was 7.9%.

Poverty Rate among Delawareans by Family Structure, Five Year Average, 2015-2019



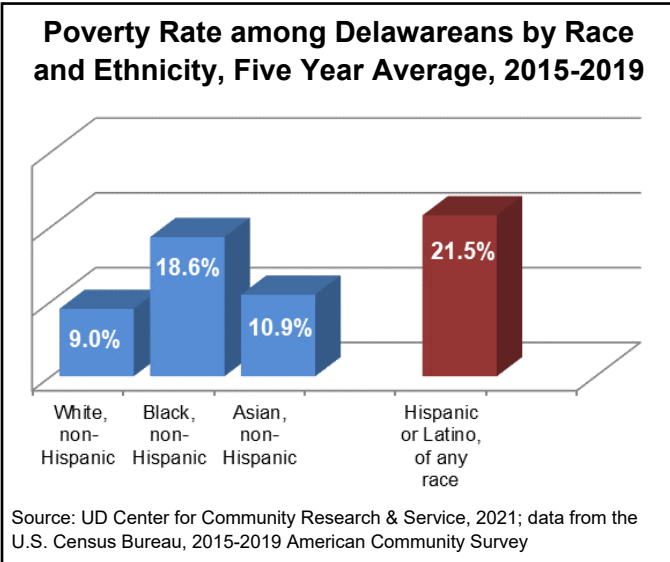
Source: UD Center for Community Research & Service, 2021; data from U.S. Census Bureau, 2015-2019 American Community Survey

Poverty rates by race and ethnic background also show disparities. Black Delaware residents were *twice* as likely to live in poverty as White Delawareans, with poverty rates of 18.6% and 9.0%, respectively, while Asian individuals had a poverty rate of 10.9%. Hispanic or Latino individuals of any race were the most likely to experience poverty, and had a five year average poverty rate of 21.5%.

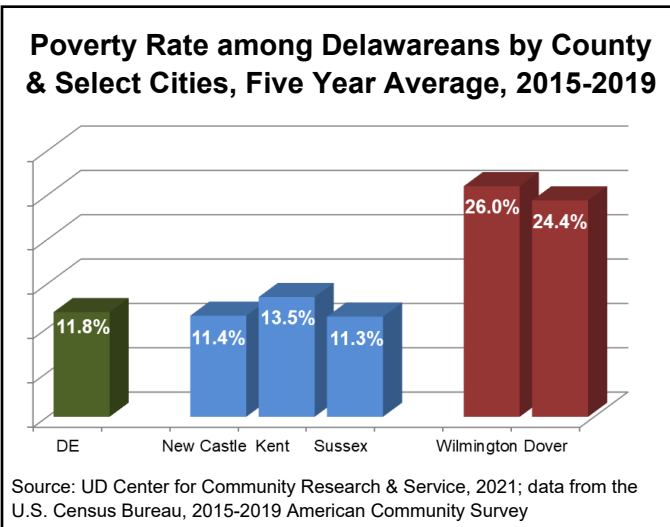
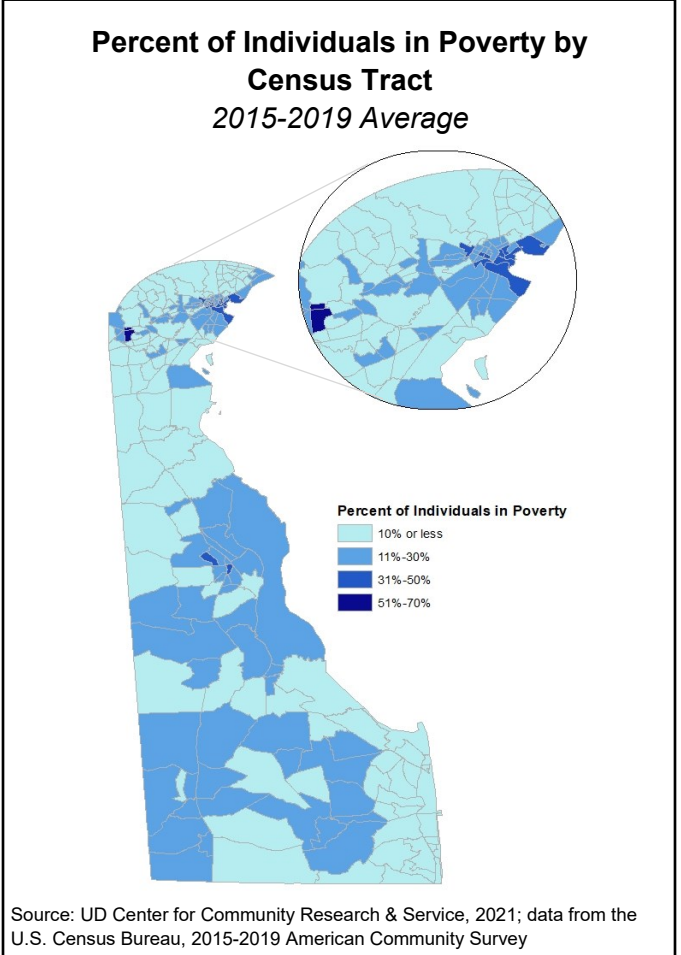
There are pockets of the state, classified in the map below by census tract, where poverty is higher than others. In New Castle County, the highest poverty area to the west is the city of Newark and to the east is the city of Wilmington. Wilmington’s Black and Hispanic or Latino residents are disproportionately impacted by poverty; the median income of these households in the city is about half that of White households.²

In Kent and western Sussex County, Delaware is made up of mostly rural areas, where poverty is not as concentrated but more widespread. The city of Dover in Kent County is a more concentrated region of high poverty.

Eastern Sussex County has less poverty, reflective of the economic segregation in the southern part of the state. When looking at the American Community Survey five year median incomes from 2015-2019, census tracts within Delaware’s beach towns in the coastal part of Sussex County have substantially higher median incomes than census tracts in the inland, western part of the county.



Poverty rate also varies by geographic region. The poverty rate was highest in Kent County (13.5%), whereas New Castle County (11.4%) and Sussex County (11.3%) were closer to the state average of 11.8%. Urban areas experienced the highest levels of poverty, with Dover at 24.4% and Wilmington (as defined by the city limits) at 26.0%, which is over twice the statewide poverty rate.

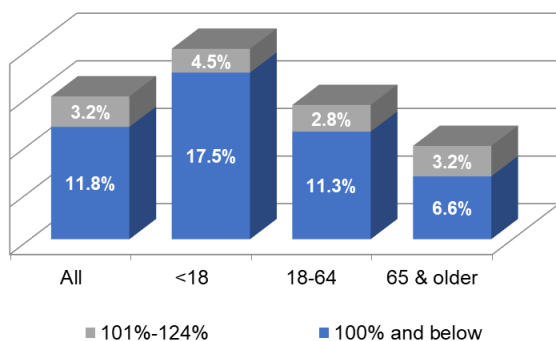


OTHER INDICATORS OF ECONOMIC WELL-BEING

Poverty rates for individuals by themselves do not tell the whole story about the economic situation of Delawareans. Different factors including rising unemployment, public assistance applications, and evictions may all indicate economic hardship for a community. While it is too early to have census data on the impact of COVID-19, we may use the aforementioned indicators to provide additional context on how the pandemic has affected poverty in 2020. Unemployment in Delaware peaked in May 2020 at 15.9%, which was almost four times the rate at the beginning of the year in January.³ National Medicaid and CHIP enrollment has risen since March 2020 as the virus has spread, increasing 6.4% between April 2020 and September 2020.⁴ Additionally, estimates show that one in four households in Delaware were at risk for eviction by the end of 2020.⁵ These indicators suggest that poverty levels likely increased due to the COVID-19 pandemic.

Individuals living in poverty are defined as those with incomes under 100% of the poverty level. However, individuals living in near-poverty (defined as 101%-124% of the poverty level) also experience economic hardships. Children were the most likely to live in near-poverty; while 17.5% were living in poverty, an additional 4.5% were living in near-poverty. Adults 65 and older were the next likely to live in near poverty, at 3.2%, followed by adults 18-64 at 2.8%.

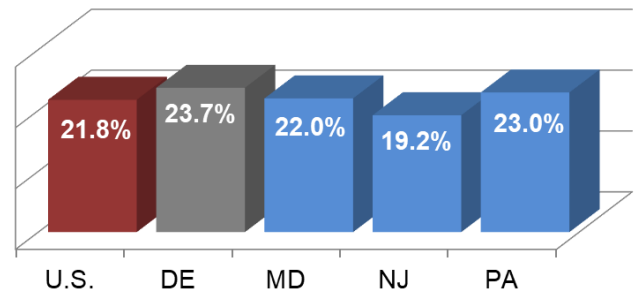
Poverty and Near-Poverty Rates among Delaware Individuals, Five Year Average, 2015-2019



Source: UD Center for Community Research & Service, 2021; data from the U.S. Census Bureau, 2015-2019 American Community Survey

Enrollment in Medicaid and the Children's Health Insurance Program (CHIP) can be an indicator of the economic well-being of the state's population. The Delaware Medicaid program covers individuals living at or below 138% of the poverty level, and CHIP covers children below 200% of the poverty level who are not covered by Medicaid. However, eligibility criteria for Medicaid and CHIP coverage varies by state. Approximately one in four Delawareans in 2018 were enrolled in the Medicaid and CHIP programs. In comparison to neighboring states and the U.S., Delaware had a higher percentage of enrollment.

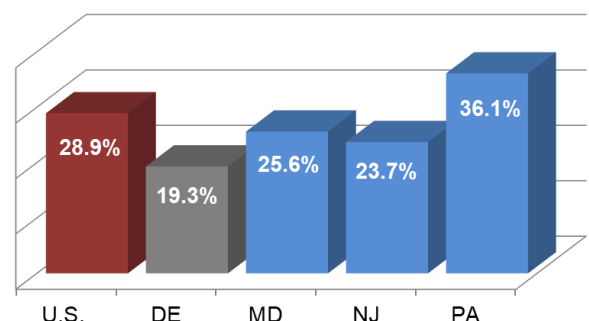
Medicaid/CHIP Enrollment as a Percentage of Total Population: U.S., DE, and Region, 2019



Source: UD Center for Community Research & Service, 2021; calculation based on data from CMS's "Medicaid & CHIP December 2019 Applications, Eligibility and Enrollment Data", and the U.S. Census Bureau's 2019 Population Estimates

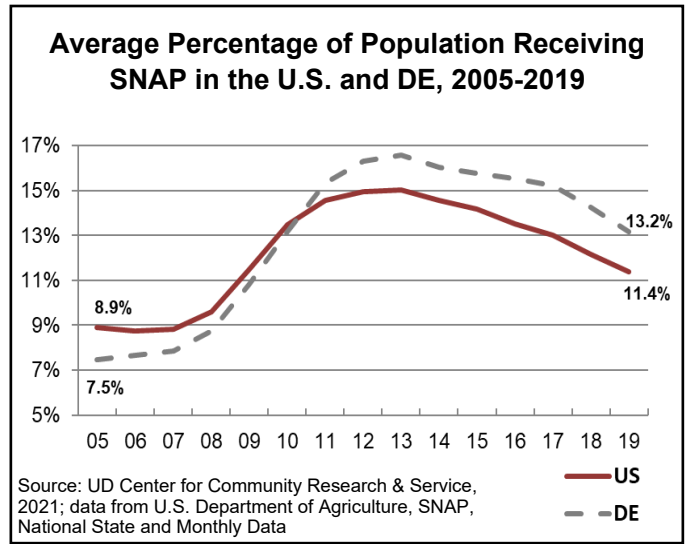
Medicaid expenditures by Delaware in 2019 were \$2.18 billion, of which the federal government contributed \$1.42 billion. In FY 2019, 19.3% of total state expenditures went to the Medicaid program, which was a lower percentage of total expenditures in comparison to neighboring states and the nation.

Medicaid Expenditures as a Percentage of Total Expenditures: U.S., DE, and Region, FY 2019



Total expenditures include both state and federal funds. Source: UD Center for Community Research & Service, 2021; data from National Association of State Budget Officers, State Expenditure Report, 2019

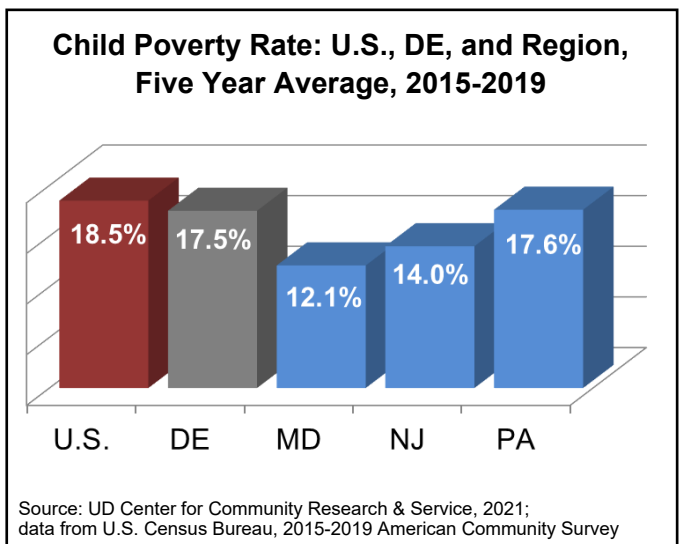
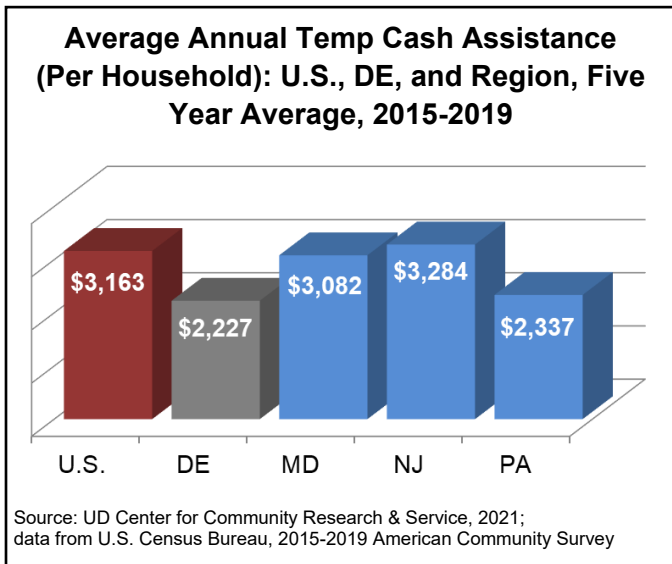
Cash public assistance is an important resource to those living in poverty. Cash assistance programs include Temporary Assistance to Needy Families (TANF)⁶, which provides federal assistance to families with minor children, and state General Assistance (GA)⁷ funds, which help low-income people who may not qualify for other federally funded programs. It is important to note that eligibility criteria for these and other programs may vary by state. In Delaware, a four person family must have a maximum net monthly income below \$1,638 to be eligible for TANF.⁶ In addition to having a lower poverty rate than the U.S. and surrounding states, Delaware also had the lowest amount of average annual cash assistance.



CHILD POVERTY

Children experience higher individual rates of poverty than other age groups, and experiencing poverty as a child can have lasting repercussions. Children and teens who experience poverty are at a greater risk for negative outcomes that may persist into their adult lives, including developmental delays, poor academic achievement, numerous physical health issues, and behavioral and emotional problems.⁹

Delaware's five year average child poverty rate of 17.5% was lower than the national average of 18.5%. Regionally, Delaware's child poverty rate was higher than that of Maryland (12.1%) and New Jersey (14.0%), but slightly lower than that of Pennsylvania (17.6%).



The Supplemental Nutrition Assistance Program (SNAP) provides assistance to households with incomes at 200% or below the Federal Poverty Level. In 2019, 13.2% of Delaware residents received SNAP, which was nearly two percentage points higher than the national average of 11.4%. Most households receiving SNAP have at least one adult who works; in 2019, 82% of SNAP recipient households in Delaware included at least one worker, according to the American Community Survey. Per COVID-19 assistance legislation, Delaware households currently receiving SNAP benefits are eligible receive an additional 15% in benefits each month from through June 2021 under federal spending legislation.⁸

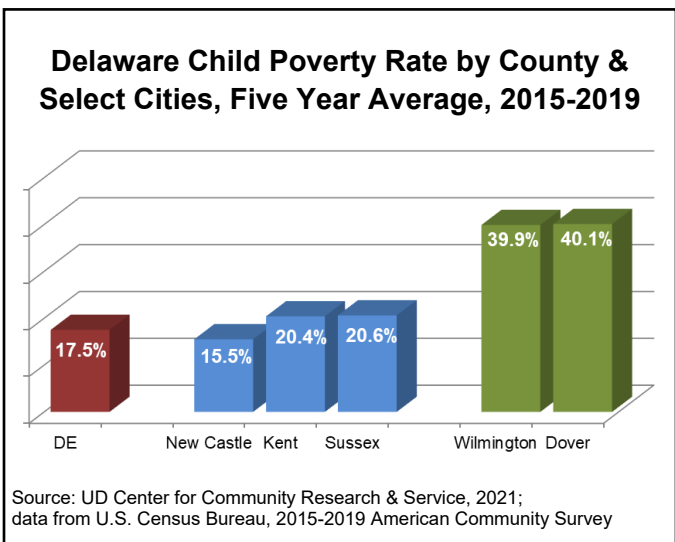
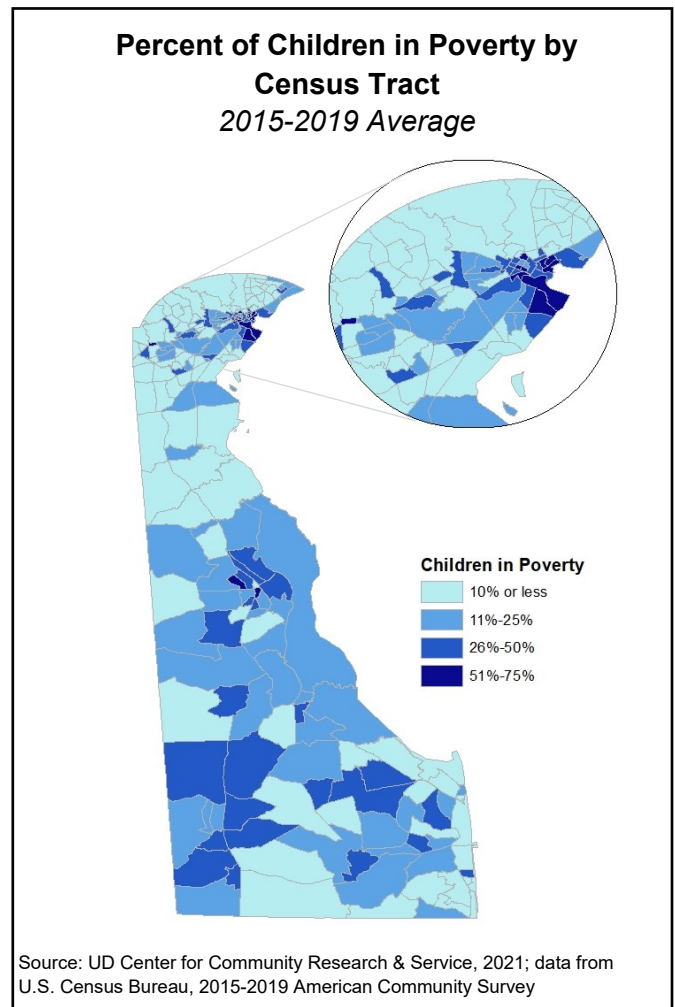
Some groups of children are more likely to experience poverty than others. Children ages five and under, those living with one parent, and Black/African American children were at the greatest risk of living in or near poverty in Delaware.

Selected Child Poverty Indicators, 2017-2019 Average				
Income in the Past 12 Months below Poverty Level				
		Under 5 years	5 years	6 to 17 years
By Race/ Ethnicity	White	10.0%	6.8%	8.7%
	Black	31.5%	28.6%	27.2%
	Hispanic/ Latino	33.3%	36.0%	27.0%
	Other	15.6%	18.1%	25.6%
By Household Structure	Married-couple family	7.2%	6.9%	7.9%
	Male Head of Household	19.7%	29.6%	15.2%
	Female Head of Household	47.4%	40.5%	36.1%

Source: UD Center for Community Research & Service, 2021; data from U.S. Census Bureau, 2015-2019 American Community Survey

The census tract map below further illustrates pockets of child poverty in Delaware. Pockets of high child poverty can be seen throughout New Castle County, and are particularly concentrated in and around Wilmington. In Wilmington, more than one in three children lived in poverty, with the highest concentrations in downtown neighborhoods. In Kent County, the highest levels of poverty were found in Dover and in coastal census tracts. In Sussex County, the highest rates of poverty were in western Sussex, in the areas bordering Maryland, with lower rates of poverty along the coastal beach towns. When compared to the map of all individuals on page three, we see that children in Delaware experience some of the most widespread poverty.

Location is another indicator of how likely a child is to experience poverty. Geographic analysis illustrates that overall, Kent and Sussex Counties had higher rates of poverty for individual children than New Castle County. Children living in urban areas are especially at risk; at the city level, child poverty rates in Dover and Wilmington were more than twice the state average.



National and state data on the well-being of children is compiled by the Annie E. Casey Foundation which supports the national KIDS COUNT data center and provides policy analysis of children's issues.

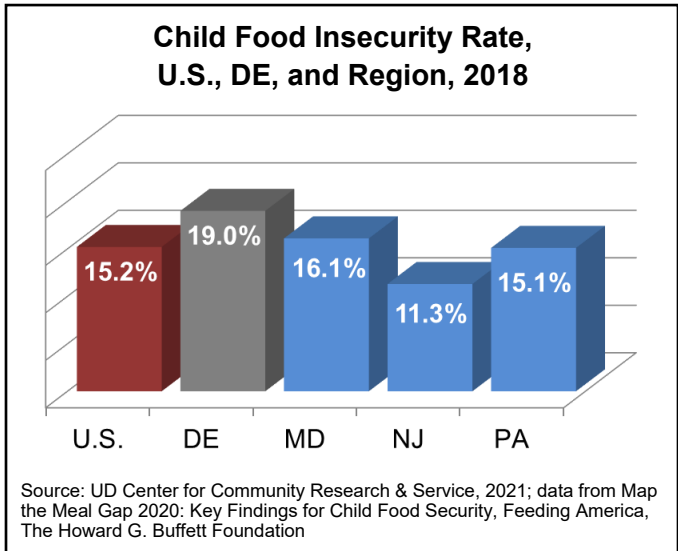
For more information on the national KIDS COUNT organization:
www.aecf.org/work/kids-count/

For more information on KIDS COUNT in Delaware:
www.bidenschool.udel.edu/ccrs/research/kids-count-in-delaware

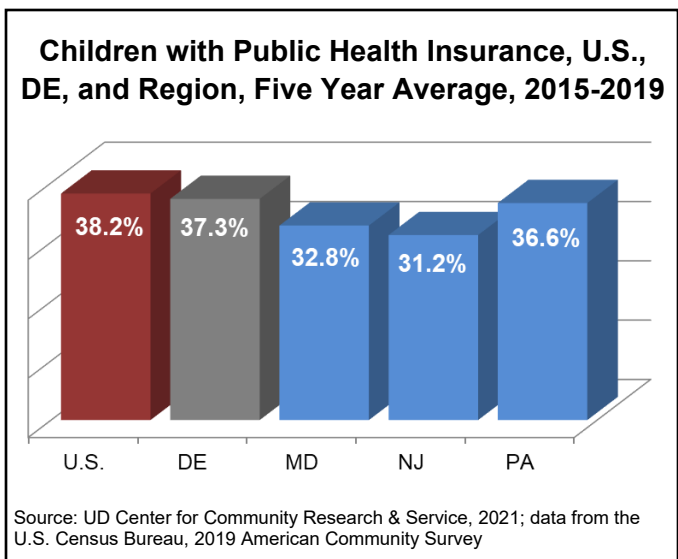
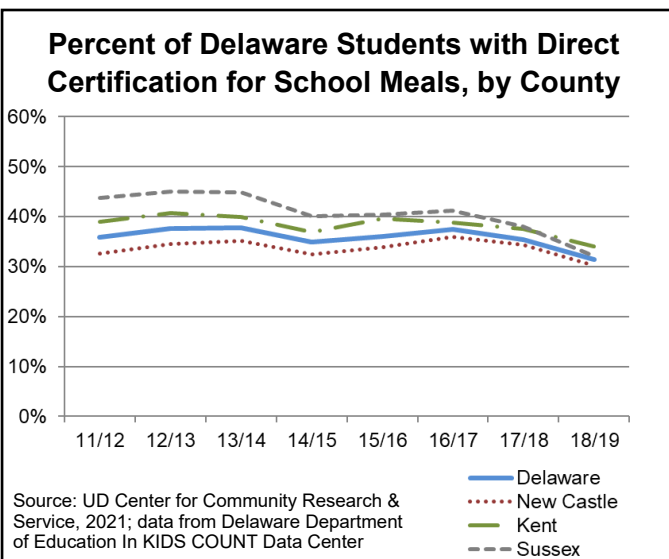
Participation in the National School Lunch Program can be an indicator of a child's economic status. This program provides free or reduced-price lunches to children throughout the school year. In the 2018/2019 academic year, 31.5% of all Delaware public school students were enrolled in the school lunch program statewide. Students who receive SNAP or TANF benefits automatically qualify for the program through direct certification.

The percentage of students who qualify through direct certification has dropped in all counties throughout Delaware over the past decade. However, as a result of the COVID-19 pandemic, many families have recently been more reliant on the Summer Food Service Program as it was extended to serve community meals throughout the year of virtual and hybrid learning.¹⁰

Food insecurity, which is the inability to obtain sufficient food due to limited resources, is an issue that impacts millions of children across the United States. According to Feeding America, throughout Delaware, 19% of children suffered from food insecurity in 2018, which was greater than the national average and rates in neighboring states. As a result of the COVID-19 pandemic, there is a predicted child food insecurity rate of 23.1% for 2020, up 4.9 percentage points.¹¹



Analyzing public health insurance coverage provides additional insights regarding child poverty and access to health care. Delaware provided Medicaid or CHIP to 37.3% of Delawareans under the age of 19 (2015-2019 American Community Survey five year average). This rate is lower than the national rate of 38.2% but higher than rates found in surrounding states.



POVERTY AMONG OLDER ADULTS

Delaware has a growing aging population.

According to the U.S. Census Bureau, in 2019 individuals 65 and over comprised 19.5% of the state's population, up from 14.4% in 2010. In terms of poverty, this group faces unique risks. The following section highlights several indicators of economic well-being of aging Delawareans. While Delaware residents over 65 make up almost one fifth of the population, they have the lowest poverty rate of any age group, as seen on page two of this brief.

Viewing the poverty rate for individuals by region, Delaware's aging population has experienced a lower poverty rate than neighboring states and the average for the nation. In Delaware, 6.6% of adults 65 or older were living at or below the national poverty threshold, compared to 7.6% in Maryland and over 8% in both New Jersey and Pennsylvania (based on a five year average).

Although older adults are less likely to experience poverty than other age groups, they have been heavily impacted by the 2020 COVID-19 pandemic. The National Council on Aging (NCOA), predicted that the financial hardships created by the pandemic will push between 1.4 and 2.1 million more older adults into poverty, and that older adults with the least wealth will be the most heavily impacted.¹²

Medicare is a federal health insurance program that covers individuals who are 65 or older and those with certain disabilities and diseases. The Medicare program can be an important support system to older adults, especially those who may not be able to afford private health insurance. Approximately one in five Delawareans receive Medicare and of these recipients, 87% are elderly. One in ten Medicare recipients have incomes under the federal poverty limit. Delaware's Medicare spending per enrollee (\$10,409) was slightly higher than the national average (\$10,229).

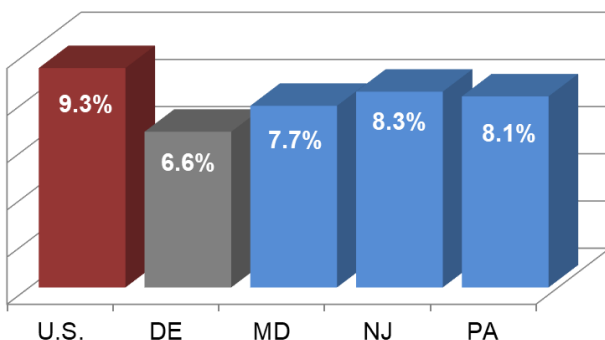
Selected Indicators for Medicare in Delaware

Total number Medicare enrollees, 2019	206,381
Percent population receiving Medicare, 2018	21.2%
Percent Medicare aged population, 2018	87%
Medicare spending per enrollee, 2018	\$10,409
Percent Medicare recipients under Federal Poverty Level, 2019	10.1%

Source: UD Center for Community Research & Service, 2021; data from Kaiser Family Foundation: Medicare Indicators

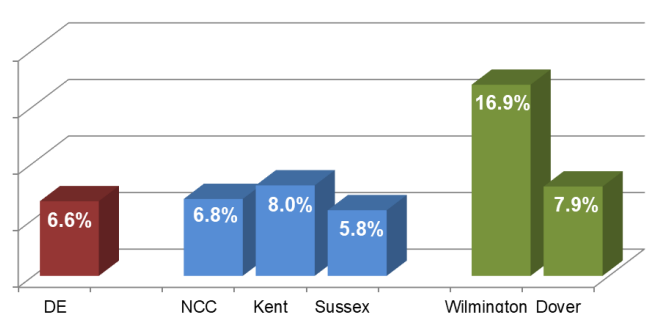
Examining poverty by place for older Delawareans reveals the highest poverty rates in Kent County (8.0%), and the lowest in Sussex County (5.8%) When focusing on urban areas, however, Wilmington has a poverty rate more than twice as high as that of Dover, and almost three times as high as the state overall; 16.9% of older residents in Wilmington are living in poverty.

Poverty Rate among Adults 65+, U.S. , DE, and Region, Five Year Average, 2015-2019



Source: UD Center for Community Research & Service, 2021; data from the U.S. Census Bureau, 2015-2019 American Community Survey

Poverty Rates among Adults Aged 65+ by County and Select Cities, Five Year Average,



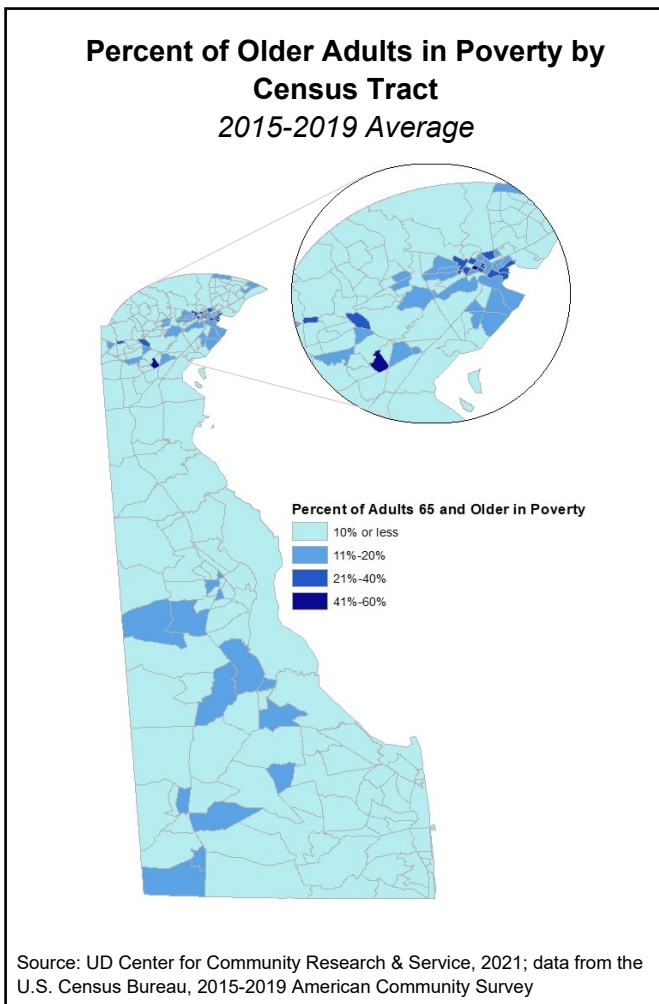
Source: UD Center for Community Research & Service, 2021; data from the U.S. Census Bureau, 2015-2019 American Community Survey

CONCLUSIONS

Poverty in Delaware is multifaceted. It is most concentrated in Delaware's urban areas, but also exists at elevated levels in broad swaths of Delaware's more rural regions. Delaware residents of all ages, races, ethnicities, and locations experience the impact of living below the poverty level. However, poverty does not affect all individuals equally, and analyzing these and other characteristics enables us to see which Delawareans face the hardest challenges. Children, Black and Hispanic residents, and households headed by a single mother are several groups that are particularly impacted by poverty throughout Delaware. These varying characteristics underscore the importance of context when considering potential policies or programs in a range of domains that include not only income supports but also transportation, education, housing, and health.

The policy implications of poverty level analysis are extensive, and the information contained in this brief may be used as a starting point for understanding the dynamics of poverty in Delaware and the policy discussions that seek to address it.

Further geographical analysis by census tract shows a higher concentration of poverty for older Delawareans in New Castle County, in the urban areas of Wilmington, and pockets of poverty inland throughout the state. Low levels of poverty rates for the aging individuals are shown along the coast of Sussex County reflecting the growing retirement contingent in that area. In comparison to the other maps in this report, it is clear that while older adults, particularly those in urban areas, experience poverty, the rate is generally lower than it is for other age groups statewide.



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Contributors:

Rebecca McColl, Assistant Policy Scientist, Center for Community Research and Service

Erin Lynch, Assistant Policy Scientist, Center for Community Research and Service

Editors:

Janice Barlow, Director, KIDS COUNT in Delaware & Policy Scientist, Center for Community Research and Service

Katie Gifford, Associate Policy Scientist, Center for Community Research and Service

Erin K. Knight, Associate Director, Center for Community Research & Assistant Professor, Biden School of Public Policy & Administration

Mary Joan McDuffie, Policy Scientist, Center for Community Research and Service

Stephen Metraux, Director, Center for Community Research and Service & Associate Professor, Biden School of Public Policy & Administration

Please contact Rebecca McColl (bmccoll@udel.edu) or Erin Lynch (eplynch@udel.edu) with any questions or for more information.