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Learning Objectives

- 6.1 Discuss the extent of social inequality in the United States.**
- 6.2 Recognize the importance of wealth.**
- 6.3 Summarize how poverty is measured, and identify who are poor.**
- 6.4 Compare and contrast Marxian and Weberian approaches to social stratification and class.**
- 6.5 Identify the consequences of poverty for children and adults.**
- 6.6 Analyze the individualistic, structural, and cultural explanations for poverty.**
- 6.7 Assess the implications of social policy in terms of welfare reform.**

Sheila could be considered "poster material" for poverty. Unlike the popular stereotypes, she is not a teenager, she is not lazy, she is not unwilling to work, and she doesn't have eight children by eight different fathers. Instead, she is a quiet, unassuming 32-year-old, trying to raise her 10-year-old daughter on her own after her husband walked out on them. He pays no child support and never has, and she has great difficulty supporting her daughter on the meager income she earns from her housecleaning job. Sheila and her daughter live in a small, dank, one-bedroom apartment "on the other side of the tracks," as it is known to those in the relatively well-off community. Her daughter never invites over friends from school; she is too embar-

passed for them to see her home. They have a car, but it is 16 years old, and it often doesn't work. Right now it needs a new battery, but there is no money to buy one, so it sits in the driveway while they both walk to where they need to go. Once payday comes again, they will have a little extra money to ride the bus, shaving hours off their commute time.

A few years ago, Sheila turned to welfare programs for financial help. She received \$241 a month for the two of them, about \$300 in food stamps, and the security of having Medicaid if a health problem arose. But she is no longer eligible for welfare because she no longer meets the strict time limits and work requirements of the program. Instead, she makes do on her waitressing job that pays minimum wage plus tips. Her daughter now rakes leaves on weekends and turns her money over to her mother to help pay the rent.

As Sheila tells it, there is always a stressful undercurrent in their lives. Will they have enough money to live on? Will they be able to pay their rent or have to risk eviction? Will they ever be able to fix their car? Despite her careful planning, something unexpected comes up almost every month. Last month, both of them needed winter coats, and even the used ones at the Goodwill set them back \$30. Now her daughter has outgrown her athletic shoes, and Sheila shudders when she thinks how much they may cost. To make up the difference in the budget this month, she decided to turn the heat down in the house to 58 degrees. They simply cannot afford both heat and shoes.


The stress of not having enough money is always gnawing at Sheila, and she believes it is responsible for her poor health. She has seen a doctor to find what is ailing her, but they cannot pinpoint the problem. It is probably stress, they tell her. Sheila knows that a better-paying job would alleviate this stress, but her reading, writing, and math skills are low, typical for someone who did not complete high school. Sheila has always worked, usually at housekeeping or waitressing jobs, and has always been poor. But she values education, and knows that it is her daughter's ticket out of poverty. "Do good in school," she tells her daughter.

In the United States and throughout the world, the gap between those who are rich and those who are poor is widening. Of the 7.6 billion people on the planet, nearly 11 percent, or 800 million people, are so poor that they must subsist on the equivalent of two dollars a day or less (The World Bank, 2017a). Although poor people in the United States, including Sheila and her daughter, do not routinely face starvation like poor people might elsewhere, the decline in their nutrition, health, and overall well-being is of serious concern. Many Americans go to bed hungry; live in substandard, rat-infested housing; and live in neighborhoods that are too dangerous to go outside. This level of poverty and social inequality, challenging enough on its own, can also contribute to a wide array of other social problems.

Why does poverty exist? What can people do about it? This chapter offers many different explanations for the persistence of poverty amid growing af-


fluence. It also highlights the wide ideological differences in policies proposed for dealing with poverty. You might wonder how something that is so obviously harmful could have solutions that are so controversial.

By almost any standard measure, the United States ranks as one of the wealthiest nations in the world. Its gross domestic product (GDP)—the total market value of all final goods and services produced within the United States in one year—was over \$19 trillion at the end of 2017 (**U.S. Department of Commerce, January 26, 2018**). Dividing the GDP by the total population to derive the per capita GDP (a crude but commonly used measure of the comparative wealth of nations) shows that the United States ranks well above most other countries, with a GDP of about \$60,000 per person. Most other advanced industrial nations such as France, Germany, Denmark, and the United Kingdom fall below this figure by \$10,000 or more, although a few countries such as Iceland and Luxembourg have GDPs per person higher than the U.S. (**International Monetary Fund World Economic Outlook Database, 2018**). Meanwhile, many countries in Africa have a GDP of less than \$1,000 per person. Since a large part of this money goes for food, many people around the world have very few financial resources.

You will see in this chapter that the gap between those who are rich and those who are poor has widened all over the world. In the world today, there are a record-breaking 2,089 billionaires and 36 million millionaires, but there are hundreds of millions of homeless people (**Credit Suisse, 2017**). While hunger and malnourishment are widespread in the developing world, Americans spend upwards of \$66 billion per year on ways to lose weight and to lower their caloric intake (**Market Data Enterprises, 2017**). These growing disparities between rich and poor throughout the world have direct effects on the situation of the poor population in the United States because many jobs are “exported” to countries where extremely poor people will accept work at almost any wage. The increase in world poverty also contributes to environmental degradation and political instability and violence, which drain resources that might be used to meet a nation’s domestic needs. **A Global View: “Adeola’s Story”**  gives a glimpse into these multiple harsh consequences of poverty.

In the United States, the standard of living for most Americans has been declining, while the concentration of wealth in the hands of a few fortunate people has been expanding (**Stone, Trisi, Sherman, and Horton, 2017; Thompson and Smeeding, 2014**). As you read this chapter, you will first look at the extent of social inequality in the United States. Then you will discover some of the consequences of the inequality that characterizes U.S. society. Finally, the chapter will present several theories to explain the presence of poverty in one of the world’s most affluent nations and some social policies designed to reduce or eliminate poverty.

Although this chapter focuses on poverty in the United States, you will have a chance to also make appropriate comparisons to other countries. However, it is important to note that the experience of poverty is based on conditions in one’s own society. People like Sheila and her daughter feel poor (or rich) with reference to others around them, not with reference to very poor

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Although this chapter focuses on poverty in the United States, you will have a chance to also make appropriate comparisons to other countries. However, it is important to note that the experience of poverty is based on conditions in one’s own society. People like Sheila and her daughter feel poor (or rich) with reference to others around them, not with reference to very poor or very rich people elsewhere in the world. The experience of living in the United States as a teenager in a family for which every penny counts—there is rarely enough money for new clothes or a family car or out-of-town trips—can be as emotionally difficult to bear as life in poverty anywhere. An American who is poor draws little comfort from the fact that poor people in the United States are relatively better off than poor people in Bangladesh.

Social Inequality: The Haves and the Have-Nots

6.1 Discuss the extent of social inequality in the United States.

Although equality of opportunity is a central value of U.S. society, equality of outcome is not. In other words, most Americans believe everyone should have the same *opportunity* to achieve material well-being, but they do not object much to inequality in the *actual situation* of different groups in society. The middle-class standard of living is portrayed over and over again in media representations of American lifestyles. But this image ignores both the handful of extremely rich Americans and the tens of millions who share only minimally in the nation's affluence. To observe inequality and understand its impact, you need only compare a few aspects of the lives led by the affluent and the poor in our society.

A GLOBAL VIEW

Adeola's Story

Adeola, who is only 13, is already known as a thief in his rural community located in northern Nigeria. He steals whatever he can: fresh eggs from the neighbors' chickens, vegetables from the gardens, or trinkets from old ladies at the Saturday market that he can later sell for a profit. When people see him, they shoo him away like he is a fly — annoying but inevitable. But when they catch him stealing, they often let him keep some of the goods, even though they tell him, "Adeola! Stop that! Thieving is no way to live!"


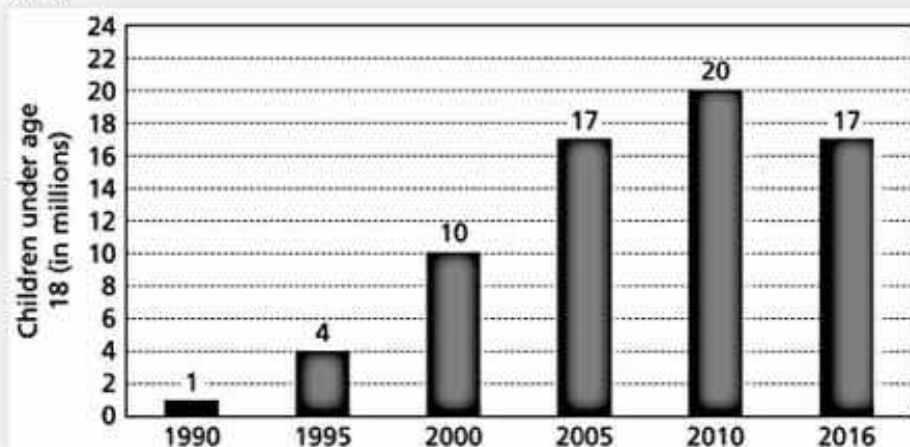
They tolerate some of Adeola's antics because he is responsible for taking care of his younger sister and brother, who are only 10 and 7 years old. They are three of the millions of children who have been orphaned by AIDS (see **Figure 6-1** ). Like most of the other orphans, Adeola and his siblings live in sub-Saharan Africa, which is notoriously poor and ravaged by HIV and AIDS. Their father died last year from the disease that everyone whispers about, but won't discuss aloud. Their mother soon fell weak and died earlier this year. Adeola, the dutiful older brother, quit school when his father became too ill to work and tended to their small farm. But, now with his mother gone too, keeping up the farm is too much for him, and there is no money to invest in new crops. Instead, to provide for himself and his siblings, he steals what he can. But the community is poor, and therefore Adeola, like the rest of the community, struggles for the basics of food, shelter, and clothing.

Figure 6-1

Figure 6-1

Increase in Children Orphaned by AIDS in Sub-Saharan Africa, 1990–2016



Note: "Orphaned" includes children who lost at least one parent to an AIDS-related cause.

Sources: **UNICEF, July 2017.**

Poverty is especially severe in rural areas of Nigeria, where up to 80 percent of the population lives below the poverty line. The country's rural women and men who are poor depend on agriculture for food and income. About 90 percent of Nigeria's food is produced by small-scale farmers who cultivate small plots of land and depend on rainfall rather than irrigation systems. The poorest groups barely eke out a subsistence living and are often low on food. Drought, deforestation, and overgrazing are ongoing problems. Rural infrastructure in Nigeria has long been neglected. Investments in health, education, and water supply have been focused largely on the cities. As a result, the rural population has extremely limited access to services such as schools and health centers, and about half of the population lacks access to safe drinking water. This neglect affects agricultural production. The lack of rural roads impedes the marketing of agricultural commodities, prevents farmers from selling their produce at reasonable prices, and leads to spoilage. The farmers' isolation also limits their access to new equipment and technology, further reducing their yields.





ERIC LAFFORGUE/Alamy Stock Photo

The productivity of the rural population is further hindered by ill health, particularly HIV and AIDS, tuberculosis, and malaria. Parents become ill and either can no longer care for their crops or die, leaving hungry children like Adeola and his siblings in their wake.

Sources: *International Fund for Agricultural Development, 2014; UNICEF, July 2017.*

Critical Thinking

Why should Americans be concerned about poverty in developing nations like Nigeria? If countries like Nigeria are so poor, why do they continue to engage in risky behaviors such as unprotected sex, which jeopardizes their livelihood (and lives) even further?

The affluent live longer and better and can afford the best medical care in the world, the finest education, and the most elegant possessions (Bor, Cohen, and Galea, 2017; Elgar, Gariépy, Torsheim, and Currie, 2017; Stanford Center on Poverty and Inequality, 2017). In addition, by discreetly influencing politicians, police officers, and other public officials to promote or defend their interests, they can obtain social preference and shape government policies. This capacity to purchase both possessions and influence gives those who are extremely wealthy a potential power that is grossly out of proportion to their numbers.

For those who are poor, the situation is reversed. Although America's poor people seldom die of starvation and generally have more resources than the hopelessly poor populations of the developing world, they lead lives of serious deprivation compared with others in their own culture. This relative deprivation profoundly affects the style and quality of their lives. It extends beyond the mere distribution of income and includes inequality in education, health care, police protection, job opportunities, legal justice, housing, and many other areas. Poor people require more medical treatment and have longer and more serious illnesses. Their children are more likely to die than those who are more affluent, and their life expectancy is below the national average. They are more apt to live in deteriorating neighborhoods located near toxic waste sites. Given their despair, they are more likely to become criminals or juvenile delinquents, and they contribute more teenage pregnancy, alcoholism, and violence to U.S. society than any other socioeconomic group.

Those Who Are Rich

6.2 Recognize the importance of wealth.




What does being "rich" mean? It is more than just the size of a paycheck that makes a person rich because many rich people do not even work or have salaries. Instead, it is important to consider **net worth** , a frequently used measure of wealth, which refers to the value of savings and checking accounts, real estate, automobiles, stocks and bonds, and other assets (minus debts). Inequality, when considered in terms of net worth, is staggering: 1 percent of all households hold over one-third of all personal wealth. The distribution of income, just one slice of wealth, is also unequal: The wealthiest 20 percent of households receive roughly 52 percent of all income (average \$213,941), while the poorest 20 percent receive less than 4 percent (average \$12,943), as shown in **Tables 6-1**  and **6-2**  (Semega, Fontenot, and Kollar, 2017). And the gap between the haves and have-nots has widened over the past several decades (Stone, Trisi, Sherman, and Horton, 2017).

Table 6-1

Share of Income Received by Each Fifth and Top 5 Percent of Households, 1990, 2000, 2016

	1990	2000	2016
One-fifth with lowest income	4%	4%	4%
Next lowest one-fifth	10%	9%	9%
Middle one-fifth	16%	15%	14%
Next highest one-fifth	24%	23%	23%
One-fifth with highest income	47%	50%	52%
Top 5 percent	19%	22%	23%

Source: **Semega, J. L., K. R. Fontenot, and M. A. Kollar, 2017.** "Income and Poverty in the United States: 2016." *Current Population Reports. P60-259*. September. Washington, DC: U.S. Census Bureau.

Table 6-2

Mean Household Income Received by Each Fifth and Top 5 Percent, 2016

Lowest One-Fifth	\$12,943
Next Lowest One-Fifth	\$34,504
Middle One-Fifth	\$59,149
Next Highest One-Fifth	\$95,178

Highest One-Fifth	\$213,941
Top 5 Percent	\$375,066

Source: **Semega, J. L., K. R. Fontenot, and M. A. Kollar, 2017.** "Income and Poverty in the United States: 2016." *Current Population Reports. P60-259.* September. Washington, DC: U.S. Census Bureau.

What Do You Think?

Why are poor people more likely to have a mental illness than those who are not poor? What is the cause and what is the effect? That is, does poverty contribute to mental illness, or does mental illness contribute to poverty?

net worth

For a person or entity, the value of savings and checking accounts, real estate, automobiles, stocks and bonds, and other assets (minus debts).

The United States has a long history of attempting to redistribute wealth through taxation and other policies. These policies have been instituted for three reasons: (1) Those who are wealthy get more out of the economic system and can afford to pay more taxes; (2) the wealthy have a greater investment in the economic system and should pay more to maintain it; and (3) redistributing some income from the rich people to the poor people is fair and just in a democratic society. Ideas such as these led to the establishment in the 1930s of President Franklin D. Roosevelt's New Deal, which, together with the Great Society legislation proposed by President Lyndon B. Johnson in the 1960s, created most of this country's welfare institutions and programs.





A debutante and guests attend the Sixtieth International Debutante Ball at the posh Waldorf-Astoria hotel in New York. She and her guest typify the upper class, and, like most people, tend to socialize with other people who are of similar economic standing.

Andrew Toth/Getty Images

The United States is considered a **welfare state** ⓘ, meaning that a significant portion of the GDP is taken by the government to provide certain minimum levels of social welfare for those who are poor, elderly, disabled, and vulnerable in other ways. In a welfare state, governments at all levels attempt to smooth out the effects of recessions through programs such as unemployment insurance, and the transfer of some wealth from the rich segments of the population to the poor segments through programs like Medicaid or through cash welfare, known as Temporary Assistance to Needy Families (TANF). However, these programs are often stigmatized, and those who receive them are looked down upon (Cohen, Krumer-Nevo, and Avieli, 2017; Seccombe, 2015).

welfare state

A type of country in which a significant portion of the GDP is taken by the government to provide certain minimum levels of social welfare for those who are poor, elderly, or disabled, among others.

In general, the competition for resources—not only income and wealth but also what money can buy (e.g., exclusive vacations, comfortable housing, top-quality education)—heavily favors those who are rich. For example, people in upper income brackets have many legal ways to avoid taxes. If they purchase real estate, they can obtain substantial tax

reductions for mortgage interest payments at the same time that the property is increasing in value. President Trump's tax plan, passed in late 2017, will also be of greater benefit to those who are wealthy, as compared to those who are middle or lower income (**Tax Policy Center, November 20, 2017**).

What Do You Think?

Do you know anyone from a household who would be classified in the top 5 percent in terms of wealth, or would you classify yourself as being in that group? Does that person (or do you, if applicable) stay separate from others in lower-income groups?


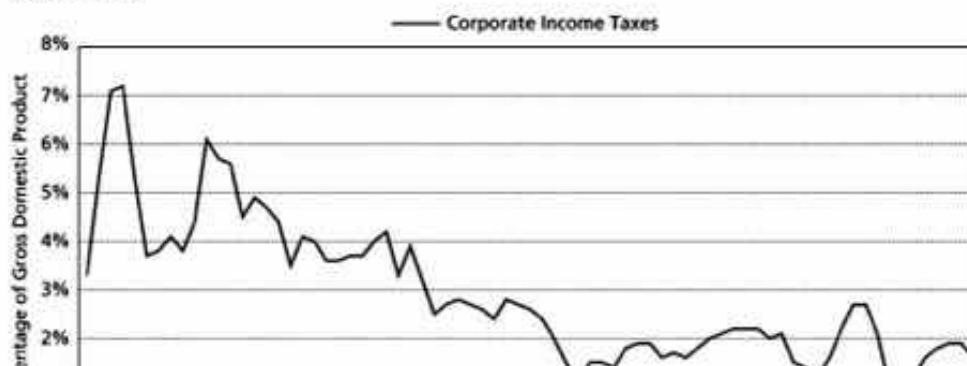
Several other aspects of the welfare state's programs have escaped stigmatization. These programs have been nicknamed "wealthfare," and consist of subsidies for rich people. For example, government import-export policies are designed to protect certain industries such as textiles or steel and the jobs of their employees from foreign competition. However, when the government limits imports of a certain product, competition is stifled and consumers must pay the prices demanded by domestic manufacturers. Similarly, when the government agrees to rescue failing corporations, as it has done with railroads, banks, and aerospace companies, the owners of substantial portions of the corporations' capital are most likely to benefit. It can be argued that the poor segments of the population are relative losers in these situations since, as a result, less government money is available for social programs. Likewise, when government revenues are raised through such means as sales taxes on gasoline, those with less money effectively bear a greater share of the burden because the proportion of tax they pay is higher relative to their smaller incomes than it is for those who are rich. Corporations are heavy users of the nation's resources but pay a declining share of taxes to help support roads, education, improvements in air quality, and the like. **Figure 6-2**  shows this decline, expressed as a percentage of the nation's GDP from 1942 to 2016. As you can see, during World War II, corporate income taxes equaled about 7 percent of GDP, but have been declining since then. During the 1950s through 1970s, corporate taxes averaged around 3 or 4 percent of GDP. Today, they hover around less than 2 percent. Who is picking up the slack?

Figure 6-2

Corporate Income Taxes as a Percentage of Gross Domestic Product, 1942–2016




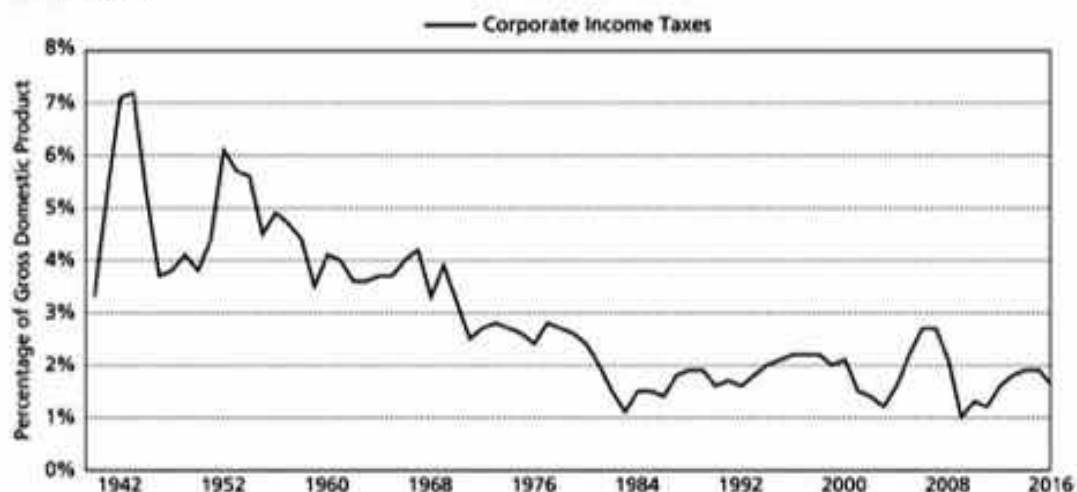
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Source: **Tax Policy Center. 2017.** "Distributional Analysis of the Tax Cuts and Jobs Act as Passed by the Senate." 4 December. Retrieved 4 February 2018 (www.taxpolicycenter.org/publications/distributional-analysis-tax-cuts-and-jobs-actpassed-senate/full).



Those Who Are Poor

6.3 Summarize how poverty is measured, and identify who are poor.

Although those who are rich are able to take advantage of various ways of improving their situation, those who are poor face an entirely different set of circumstances. *Poverty* is a deceptively simple term to define. Certainly those who are poor have less money than other people. In addition, the money they do have buys them less. Poor people must often purchase necessities as soon as they have cash (e.g., when a welfare check or paycheck arrives). They cannot shop around for sales or bargains, and they can be taken advantage of by shopkeepers who raise their prices the day welfare checks are delivered. When they buy on credit, poor people must accept higher interest rates because they take longer to pay and are considered poor credit risks. Inflationary price increases affect poor people first, and more severely. The cost of essential consumer goods may rise suddenly (e.g., when energy costs increase as a result of a crisis in the Middle East), but the wages of the lowest-paid people and government income assistance payments rise slowly if at all.

For most people, poverty simply means not having enough money to buy things that are considered necessary and desirable. Various formal definitions of poverty have been offered. **John Kenneth Galbraith (1958)** stressed the sense of degradation felt by those who are poor and concluded that "people are poverty stricken when their income, even if adequate for survival, falls markedly behind that of the community" (p. 245 ). Poverty may mean a condition of near starvation, bare subsistence, or any standard of living measurably beneath the national average. A generally agreed-on, scientifically based, and more specific definition of *poverty* is needed to deal more effectively with poverty as a social problem.

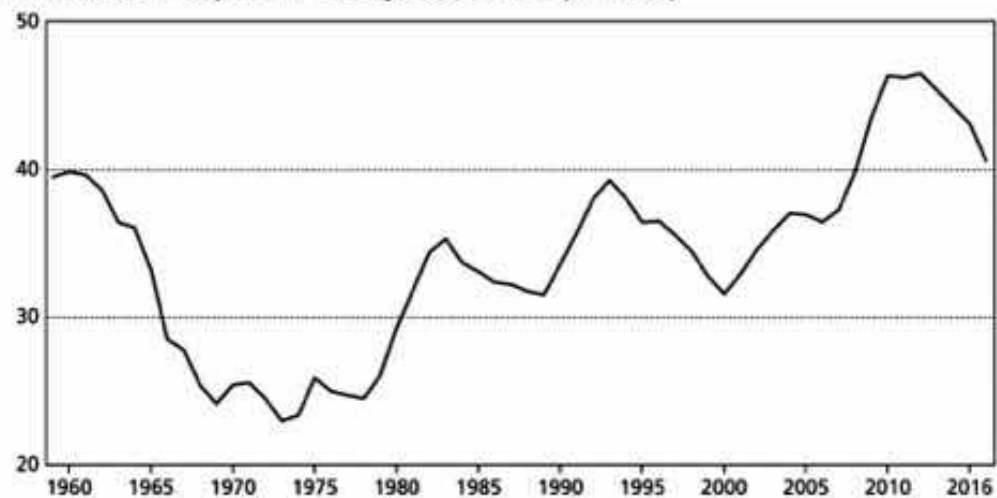
The Poverty Line

Official U.S. government definitions of poverty are based on the calculation of a minimum family food budget. The U.S. Department of Agriculture regularly prepares estimates of the cost of achieving a minimum level of nutrition, based on average food prices. It is assumed that an average low-income family must spend one-third of its total income on food; thus, by multiplying the family food budget by three, the government arrives at a poverty income that can be adjusted for the number of people in the household and for changes in the cost of food. The official measure is also corrected at least annually for changes in the cost of living as measured by the consumer price index (CPI). In 2016, this inflation-corrected, official poverty line for a family of four was \$24,563. By this measure, 40.6 million people, or 12.7 percent of the U.S. population, were below the poverty line as shown in **Figures 6-3a**  and **6-3b**  (**Semega, Fontenot, and Kollar, 2017**). This 2016 measure represents an

improvement from recent years as the country slowly pulled out of a recession.

Figure 6–3a

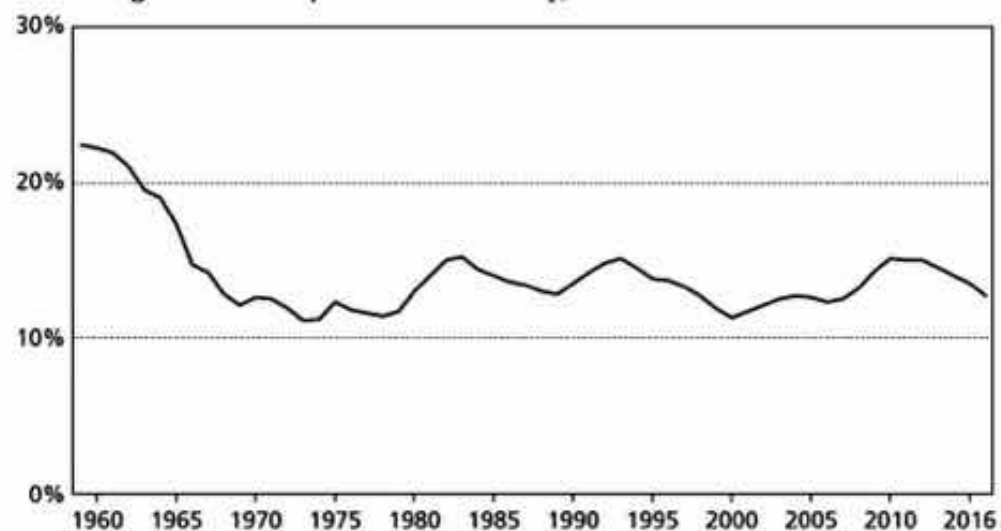
Number of People in Poverty, 1959–2016 (Millions)



Source: **Semega, J. L., K. R. Fontenot, and M. A. Kollar, 2017.** "Income and Poverty in the United States: 2016." *Current Population Reports*. P60–259. September. Washington, DC: U.S. Census Bureau.

Figure 6–3b

Percentage of U.S. Population in Poverty, 1959–2016



Source: **Semega, J. L., K. R. Fontenot, and M. A. Kollar, 2017.** "Income and Poverty in the United States: 2016." *Current Population Reports*. P60–259. September. Washington, DC: U.S. Census Bureau.

This official poverty measure was developed in 1965 by Mollie Orshansky, an economist at the Social Security Administration, who reasoned that the primary measure of the adequacy of a person's level of living is food consumption. However, although this definition was accepted as the official means of establishing a poverty line, there has been continuing controversy and debate over definitions of poverty and their implications for social policy.

Some conservative social scientists and policymakers are critical of the

way poverty is measured. In particular, they have argued that if benefits provided to poor people, such as reduced-price school lunch programs, Medicaid, and subsidized housing, are included in the calculation of income, then the extent of poverty is much less than is generally believed. These differences in measurement could affect whether millions of Americans are classified as being above or below the official poverty line.


But those who believe that existing poverty measures actually underestimate the size of the poor population also have strong arguments on their side. First, when the poverty line was first created, it averaged about half the median income of Americans; however, it has eroded and now only represents about one-third of the median household income. In addition to the cost of food, other costs such as childcare, home heating, and housing also have increased substantially over the past few decades. In other words, not only are there more poor people than officially counted, these people are considerably poorer than those who were counted decades ago.

Second, there is the argument that taxes, alimony, out-of-pocket health care expenses, and many work-related expenses should be excluded from the income figures used to determine poverty status because this money cannot be used to purchase food and other necessities of life.

Third, the official poverty definition does not take into account regional differences in the cost of living and therefore neglects hundreds of thousands of poor people in high-cost cities like Washington, D.C., while overestimating the number of poor people in smaller towns, where the cost of living is lower. Finally, many researchers and advocates for poor people note that the poverty threshold is extremely low and that people living above that level are still quite poor.

When the poverty formula was first developed, conveniences such as telephones and indoor plumbing were not necessarily part of Americans' expectations of a minimally adequate level of living. And at that time, far fewer children lived with only one parent and far fewer women were employed. Childcare, a significant expense for most working families (and essential if a single parent is to work), was not the major and necessary expense it is today. With these factors in mind, many suggest that the poverty line is far too low, and underrepresents the real number of needy people in America.

Who Is Living in Poverty, and Why?

The 12.7 percent of the population living in poverty represents many people across different types of family structures, races, ages, and personal situations, as shown in **Table 6-3** . For many people, poverty is a short-term event caused by a single, temporary crisis, for example, an unexpected job loss, an accident or illness, or a divorce. For others like Sheila, introduced in the opening vignette, poverty is a longer-term event. Both situations can cause suffering and hardship, and it is estimated that about half of Americans will experience a period of poverty sometime in

about half of Americans will experience a bout of poverty sometime in their lives. The following sections take a closer look at who is living in poverty and why.

Table 6–3

People and Families in Poverty (13 Percent of Total Population) by Selected Characteristics, 2016

Characteristic	Percent in Poverty
Age	
Under 18	18%
18–64	12%
65 and over	9%
Race	
White (Non-Hispanic)	9%
Black	22%
Asian and Pacific Islander	19%
Hispanic	19%
Family Type	
Married Couple	5%
Female-Headed	27%
Male-Headed	13%

Source: **Semega, J. L., K. R. Fontenot, and M. A. Kollar, 2017.** "Income and Poverty in the United States: 2016." *Current Population Reports, P60-259*. September. Washington, DC: U.S. Census Bureau.

Single-Parent Families

Of all children under the age of 18 in the United States, 18 percent are living in poverty. Put another way, almost one child in five lives in a family with a household income so low that they are considered poor. The situation is especially common for children in single-parent families headed by women. Today, over one-quarter of female-headed families live below the poverty threshold (**Semega, Fontenot, and Kollar, 2017**).

One reason for such high levels of poverty among these families is the decrease in subsidies for low-income children and their mothers. For example, food assistance benefits from SNAP (formerly known as the Food Stamp Program) are the nation's most important anti-hunger program. It

helps more than 40 million low-income Americans afford nutritional food each month. Two-thirds of SNAP benefits go to families with children. While benefits are modest, they can make a real difference in alleviating hunger and food insecurity, and improving quality of life.

Some nights were really hard. The hunger would be gripping my stomach and all I could think about was food. We just didn't have enough of it at the end of the month. Simple as that. What we did have we gave to the little ones because you can't let babies go hungry.

(Tania, age 15)

SNAP funding has been substantially reduced over the past several years. In late 2013, the amount of SNAP money received by a family of four dropped from \$668 to \$632 a month (Sherter, 2013). Thirty-six dollars a month may not sound like much, but these critical dollars can make the difference between a child getting enough food to eat and going hungry. Yet the 2013 cuts are small compared to President Trump's 2018 budget, which proposed to cut SNAP by more than \$193 billion over the next 10 years. This amounts to a 25 percent cut, accomplished through a cost shift to states, cutting eligibility for millions of households, and reducing the size of benefits for hundreds of thousands more (Dean, 2017). The declines in food aid to poor children highlight the stark differences between the United States and most other affluent nations in the efforts made at the national level to combat child poverty.

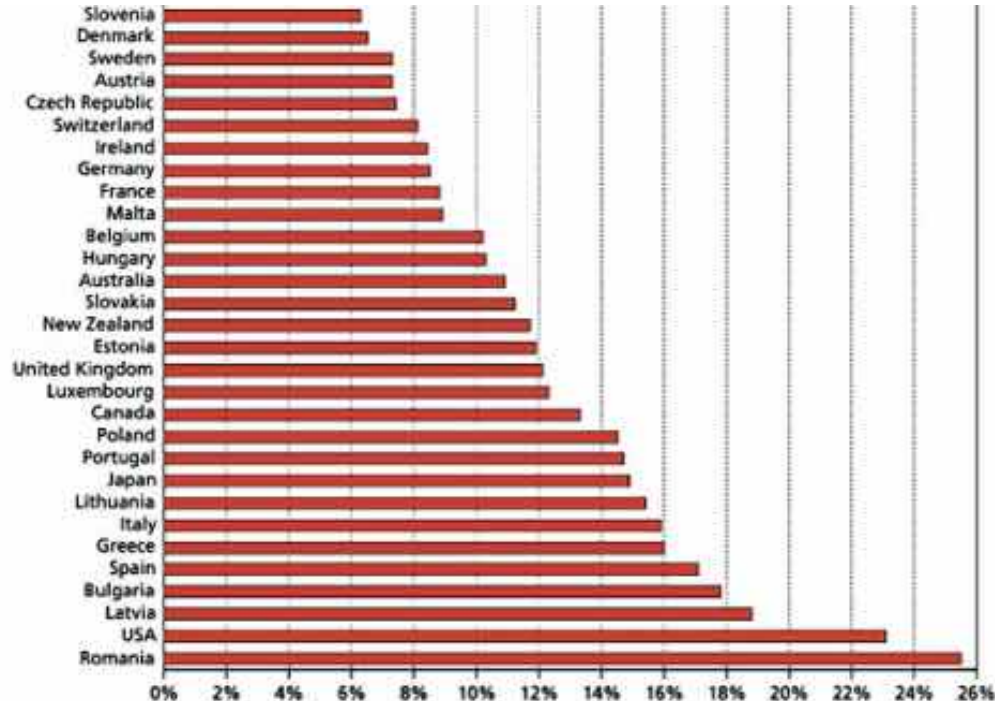
Children

Nearly one out of five American children lives in poverty. The United States leads all affluent nations in the proportion of its children it allows to live in poverty, according to a recent UNICEF study (UNICEF Innocenti Research Centre, 2013), as illustrated in Figure 6-4. Of 35 nations reviewed by UNICEF, only Romania has a higher percentage of children in poverty (internationally defined as living in a household below half of the median income). Why does the United States fare so poorly? Most other affluent industrial nations have far more effective and generous social safety nets, welfare systems that assist significant proportions of children and their families in their efforts to escape poverty (Bogenschneider, 2014; Midgley, Dahl, and Wright, 2017).

Figure 6-4

Relative Child Poverty Rates, Percentage of Children Aged 0-17 Living in Households with Equivalent Incomes Below 50% of National Median





Source: **UNICEF Innocenti Research Centre. 2013.** "Child Well-Being in Rich Countries: A Comparative Overview." Report Card 11. April. Retrieved 26 February 2014 (www.unicef-irc.org/publications/pdf/rc11_eng.pdf).

What Do You Think?

Why do you think that other countries are more helpful to their low-income families than the United States is to its? Do you think the United States should be more like those countries, or should those countries be more like us?

Most industrial nations do a far better job helping parents in low-income families obtain quality childcare services that will allow them to work steadily while their children are adequately cared for. In the United States, in contrast, childcare is often a major obstacle for low-income single mothers who want to work and could be successfully employed. Their jobs may have split shifts or night hours, which make it difficult to find and afford childcare (Laughlin, 2013; Seccombe, 2015). The stress and fatigue associated with nonstandard hours or evening and night shifts may adversely affect parenting, contributing to less responsiveness and sensitivity toward the children (Kaiser, Li, and Pollmann-Schult, 2017). Several researchers reviewed 23 studies on this topic that were published between 1980 and 2012. Of these, 21 reported a significant relationship between nonstandard work schedules and adverse child developmental outcomes, such as lower cognitive development, behavioral problems, depression, and child obesity (Li, Johnson, Han, Andrews, Kendall, Strazdins, and Dockery, 2014). Yet, quality childcare for children, especially poor children, is crucial to their social and cognitive development. Substandard childcare, in contrast, can have devastating and long-lasting results (Friedman-Krauss, Barnett, and Nores, 2016; Landry et al., 2014).

A study by the National Institute of Child Health and Human Development illustrates this point. Researchers had tracked more than 1,300 chil-


the events and situations that can lead to poverty.

A Severe Recession

The recession that began in 2008 has largely abated at this writing in late 2018 as unemployment remains at a low of 4 percent. Nonetheless, many people lost their homes to foreclosure, used their retirement savings to live on, racked up tremendous credit card debt, and ran up expensive health care bills. Many of these people are still trying to catch up to where they were financially prior to the recession. Moreover, good-paying union and manufacturing jobs continue to decline, while lower-paying service jobs grow. Many jobs now require a college degree as simply an entrance requirement for consideration.

What Do You Think?

Do you know anyone who has experienced event poverty? If so, how did it effect him or her?

Take a moment to consider some of these financial problems and related issues in more depth. "Rhonda" is one of many people who are looking for a good job with good pay (Seccombe, 2015). She has a high school diploma, but does not have a college degree. She is a single mother, and would like to raise her young son Bobby without relying on government assistance. Rhonda, who wants a permanent full-time job but has been stymied by the tremendous growth in part-time, temporary positions, explains (Seccombe, 2015, p. 177 

Hopefully I can get me a job. A permanent job. My sister's trying to get me a job where she works. I put my application in last week. And it would be a permanent job. When you go through those agencies, it's just temporary work. It's just whenever they need you, and it's unfair too. Every job I've found is through this temporary agency, like Manpower, but it's only temporary. And they cut my check and my food stamps, and when my job ends, it's like you're stuck again. So I'm trying to find a permanent steady job. But it's hard around here. I've been out looking for work, and hoping that something comes through.

Rhonda may be surprised to learn that temporary agencies prospered during the recent recessionary economy. Manpower is one of the largest private employers in the United States. Rhonda's experience with tempo-

Source: Grall, T. S. 2018. "Custodial Mothers and Fathers and Their Child Support: 2013." *Current Population Reports*. U.S. Census Bureau. P60-255. January. Retrieved 18 August 2016 (www.census.gov/content/dam/Census/library/publications/2016/demo/P60-255.pdf).

Minority Groups

It should be noted that although whites are by far the largest group among poor families, blacks and Hispanics are overrepresented, given their size in the population. For example, about 22 percent of blacks and 19 percent of Hispanics have incomes below the official poverty level, compared with about 9 percent of the non-Hispanic white population and 10 percent of Asian Americans. In other words, a larger proportion of the black and Hispanic populations have incomes below the poverty level than do whites and Asian Americans, but in terms of actual numbers of individuals, more whites can be counted as being in poverty (**Semega, Fontenot, and Kollar, 2017**).

Several factors are thought to be responsible for the lower earning power of blacks and Hispanic workers and their higher rates of poverty. Among the most important are low wages, discrimination, and educational deficits. The proportion of people of black or Hispanic background working at low-wage and minimum-wage jobs is higher than the proportion of whites in such jobs. The federal minimum wage was raised from \$5.15 per hour to \$7.25 per hour in three increments beginning in 2006, but has now fallen far behind the poverty threshold. Twenty-nine states have set a minimum wage higher than the federal threshold (**National Conference of State Legislators, January 2, 2018**).

The discrimination experienced by blacks, Chicanos, Puerto Ricans, Native Americans, and other minority groups in housing, education, and health care exacerbates the effects of low income. In fact, discrimination often accounts for their inability to find higher-paying employment. Members of these groups often pay higher rents and live in dilapidated or deteriorating dwellings, and the quality of predominantly minority schools is often inferior to that of predominantly white schools. In these and other areas, the disparity between blacks and whites in both opportunity and treatment is evident.

What Do You Think?

Asian Americans have been nicknamed "model minorities." Why are they so financially successful compared with other minorities?

Those with Disabilities

Americans have an ambivalent attitude toward poverty (**Jansson, 2012**). We recognize that poor people are not always responsible for their situa-

tion, yet those who must turn to public assistance (sometimes referred to as the "dependent poor") are often pictured as lazy, shiftless, or dishonest. Their private lives are scrutinized because those who have more money are often suspicious of them and worry that they may be taking advantage of the rest of society.



Many people who are poor have disabilities that prevent them from working full- or even part-time.

Peter Horree/Alamy Stock Photo

However, a significant proportion of those who are poor are people who have struggled with disabilities from childhood. A serious disability may beget poverty because jobs are limited and other aspects of life may be hampered. However, poverty itself may beget further disabilities, especially in children. Although disabilities are not unique to poor families, children in low-income households are more likely to be chronically ill or disabled because of the environmental risks of substandard housing and low-income neighborhoods and because of deficiencies in nutrition and health care. Moreover, childhood disability not only correlates highly with later adult dependence, but also can create extreme hardship for single parents already burdened by the basic effects of poverty.

Event Poverty

Some families are prone to what is known as *event poverty*. In the event of illness, loss of one of the jobs, marital discord, or pregnancy, for example, the family could easily lose half its income and then plunge well below the official poverty level. When a manufacturing plant or other place of employment closes abruptly, hundreds of workers may be thrown out of work. Or a family may become impoverished because of high medical bills (we will return to this subject shortly) or, as Americans have seen so dramatically in the last decade, because they have lost everything in a storm or other natural disaster. The following sections discuss some of


the events and situations that can lead to poverty.

A Severe Recession

The recession that began in 2008 has largely abated at this writing in late 2018 as unemployment remains at a low of 4 percent. Nonetheless, many people lost their homes to foreclosure, used their retirement savings to live on, racked up tremendous credit card debt, and ran up expensive health care bills. Many of these people are still trying to catch up to where they were financially prior to the recession. Moreover, good-paying union and manufacturing jobs continue to decline, while lower-paying service jobs grow. Many jobs now require a college degree as simply an entrance requirement for consideration.

What Do You Think?

Do you know anyone who has experienced event poverty? If so, how did it effect him or her?

Take a moment to consider some of these financial problems and related issues in more depth. "Rhonda" is one of many people who are looking for a good job with good pay (Seccombe, 2015). She has a high school diploma, but does not have a college degree. She is a single mother, and would like to raise her young son Bobby without relying on government assistance. Rhonda, who wants a permanent full-time job but has been stymied by the tremendous growth in part-time, temporary positions, explains (Seccombe, 2015, p. 177 

Hopefully I can get me a job. A permanent job. My sister's trying to get me a job where she works. I put my application in last week. And it would be a permanent job. When you go through those agencies, it's just temporary work. It's just whenever they need you, and it's unfair too. Every job I've found is through this temporary agency, like Manpower, but it's only temporary. And they cut my check and my food stamps, and when my job ends, it's like you're stuck again. So I'm trying to find a permanent steady job. But it's hard around here. I've been out looking for work, and hoping that something comes through.

Rhonda may be surprised to learn that temporary agencies prospered during the recent recessionary economy. Manpower is one of the largest private employers in the United States. Rhonda's experience with tempo-

rary agencies is not unique, however, and the success of these agencies reflects the growing divide between the haves and the have-nots.

Immigration

Immigration is a different kind of life event that may be associated with poverty or with efforts to escape from it. Although it is important to remember that the majority of Hispanics and Asians are neither impoverished nor immigrants, poor people from Mexico and South and East Asia are among the largest immigrant groups today (Lopez and Radford, 2017). Many live in the poorest city neighborhoods and rural counties. Most of the adults work full-time, often in the lowest-paying and most undesirable jobs. Most lack health insurance, and many fear that changes in welfare laws will make it impossible for them to send their children to school or to receive the same benefits as others who pay taxes.

The issue of whether poor and unskilled immigrants drive down the wages of those who are working and poor and represent a burden to taxpayers generates a great deal of controversy. Politicians who wish to capitalize on the resentment some Americans already feel toward immigrants often use this argument. For example, President Trump has criticized immigrants on numerous occasions, suggesting that many are criminals. He has proposed building a wall to protect the border. In a similar vein, Arizona passed a law giving police authorization to check on the immigration status of anyone they reasonably suspect of being in the United States illegally. The failure to carry identification of one's legal status would be a crime. Opponents argue that such a law violates civil liberties and encourages racial profiling.

Low Wages

We see poor people working all around us, in restaurant kitchens, on landscaping crews, installing roofs in the hot sun, and taking care of our loved ones. According to the U.S. Department of Labor, the “**working poor**” ⓘ are individuals who spent at least 27 weeks in the labor force (working or looking for work), but whose incomes fell below the official poverty level. Of all the people in the labor force for at least 27 weeks, about 9 million people, or almost 6 percent of the nation's labor force, are working at wages so low that they remain below the official poverty threshold (Bureau of Labor Statistics, 2017).

working poor

Individuals who, within a year, spent at least 27 weeks in the labor force (working or looking for work), but whose incomes fell below the official poverty level.

threshold (**Bureau of Labor Statistics, 2017**).

working poor

Individuals who, within a year, spent at least 27 weeks in the labor force (working or looking for work), but whose incomes fell below the official poverty level.

The situation of those who are working and poor has deteriorated over the past few decades. There are several reasons for this downhill slide, including technological changes that eliminate certain kinds of jobs, globalization (which exports jobs to lower-wage regions of the world), the stagnation of the minimum wage, and the reluctance of the middle and upper classes to share their wealth with less fortunate members of society.

Unemployment or Limited Part-Time Work

In addition to those who are working but cannot escape from poverty because of low wages, some people in the United States either are working part-time or are out of the labor force and receiving minimal benefits. These people live on a bare-bones budget and have difficulty providing for even the basics in life. Their numbers are growing at a rapid rate. Sociologists often consider “extremely” poor people or households to be those living at 50 percent of the poverty threshold, which would amount to roughly \$12,000 a year for a family of four or about \$6,000 for one person. Using this definition, over 18 million Americans, 6 million of whom are children, live in extreme poverty (**Semega, Fontenot, and Kollar, 2017**).

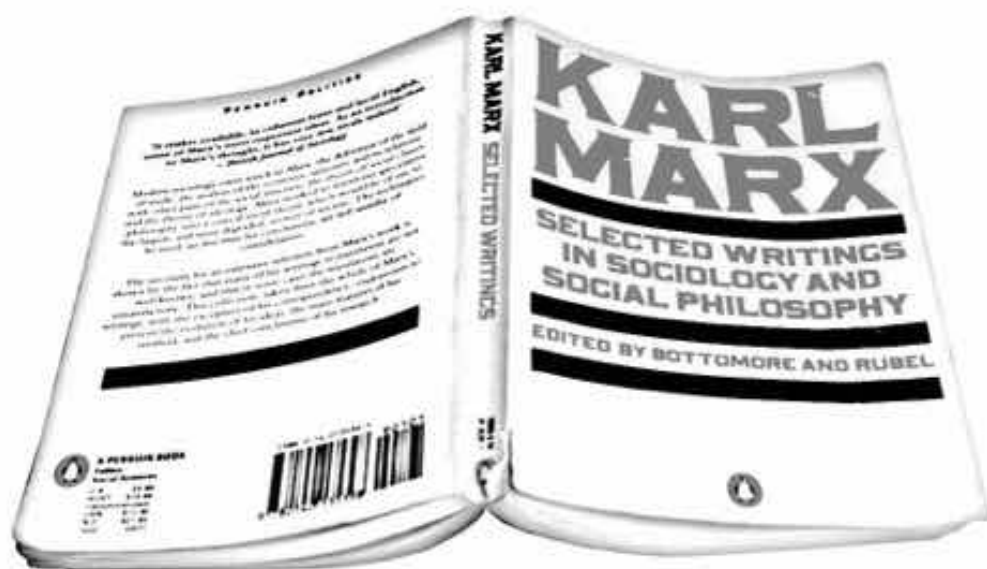
Poverty and Social Class

6.4 Compare and contrast Marxian and Weberian approaches to social stratification and class.

In every society, people are grouped according to their access to the things that are considered valuable. This phenomenon is **social stratification** ⓘ—a pattern in which individuals and groups find themselves in different positions in the social order, positions that enjoy varying amounts of access to desirable goods and services.

social stratification

A pattern in which individuals and groups find themselves in different positions in the social order, positions that enjoy varying amounts of access to desirable goods and services.



The writings of Karl Marx continue to be widely read today.
CBW/Alamy Stock Photo

The stratification of individuals and groups according to their access to various occupations, incomes, and skills is called social **class stratification** ⓘ. A social class is a large number of people who have roughly the same degree of economic standing; to varying degrees, depending on the culture, people may enter or leave a given class as their economic fortunes change. Marxian social theory emphasizes a form of this stratification. For Marx and his followers, the basic classes of society are determined by ownership or nonownership of the means of production of goods and services. The owners are called capitalists, and those who must sell their labor to the capitalists are the workers.

Marx referred to members of capitalist societies who are poor and not in the labor force as the **lumpenproletariat** ⓘ. This class is made up of people at the margins of society who either have dropped out of the capitalist system of employment or have never been part of it at all. Marx

thought of the lumpenproletariat as comprising the criminal underworld, street people, the homeless, and all the other categories that make up the marginal members of humanity. He believed capitalism would always impoverish the working class because the owners of capital would seek to exploit the workers to the fullest extent possible, and as a result, the lumpenproletariat would expand and become ever more dangerous to the stability of capitalist societies.

The German sociologist and historian Max Weber was critical of the Marxian perspective. Weber accepted most of the Marxian analysis of economic classes, but he did not believe capitalism would inevitably cause the expansion of the lumpenproletariat. Moreover, he pointed out that other valued things besides wealth are distributed unequally in modern societies. For example, status (or prestige) and power are both highly valued, and their distribution throughout society does not always coincide with the distribution of wealth. People who have made their money recently, for example, are often accorded little prestige by capitalists who made their money much earlier.

In their studies of the American system of social stratification, social scientists have developed a synthesis of the Marxian and Weberian approaches. They have devised designations like upper class, upper middle class, middle class, working class, and poor class, which combine the Marxian concept of economic class with the Weberian concept of status.

Sociologists have pointed out that the ways in which people distinguish among these class levels have both *objective dimensions*, which can be measured by quantifiable variables such as income or by membership in certain clubs, and *subjective dimensions*, which are the ways in which individuals evaluate themselves and others (and the way they feel about people in the various objective classes). Objectively, Americans base their estimations of social class position more or less on the Marxian model. Major employers, powerful political leaders, and very wealthy people are assigned to the upper class. Managers of large firms and relatively well-off people with successful businesses and professional practices (e.g., physicians) are in the upper middle class. People who are employed as middle-level managers and averagely paid professionals (e.g., teachers) are in the middle class. People who earn lower salaries or depend on hourly wages make up the working class (e.g., janitors). People who lack steady work or drift back and forth between legitimate employment and other ways of obtaining income are considered the poor class.

The subjective dimension of social class becomes evident when people are asked to identify the class to which they belong. For example, the proportion of people who classify themselves as poor is considerably lower than the proportion that is classified as such by the Census Bureau. Part of the reason for this difference is the stigma associated with poverty. Many poor people have low-paying jobs and hesitate to identify themselves as poor even when they are; instead, they place themselves in the working class.

All of these social class categories are extremely difficult to define pre-

cisely. The designations "middle class" and "working class" are especially problematic. In the booming 1950s and 1960s, when the GDP doubled each decade, it appeared that the distinctions between the working and middle classes were becoming blurred and meaningless. For a period of about 20 years, more people shared in the benefits of expanding wealth. Lower-income workers were adopting lifestyles that seemed to make them indistinguishable from the middle class of salaried employees and professionals. In that period, only the extremes of social stratification were easy to identify: the wealthy at the top and the poor at the bottom. Otherwise, the incomes of most Americans were giving them access to what sociologist David Riesman called the "standard package" of goods and services available in a wealthy society (**Riesman, Glazer, and Denney, 1950**). That package included a home, a car, and consumer goods such as TV sets, air conditioners, and washing machines (**Blumberg, 1980**).

The growing strength of labor unions allowed workers to bargain for higher wages and better benefits than ever before. The growth of public educational institutions made education available to more people and provided training for new jobs and professions. Social welfare programs like Social Security, workfare, food stamps, Medicare and Medicaid, affirmative-action programs, youth programs, unemployment insurance, and many other kinds of government support seemed to offer the hope that the degree of inequality in American society would be reduced still further. However, events of recent decades have reversed the trend toward greater affluence for all, and the gap between those who are poor and those who are affluent has increased. Further discussion of this subject will continue in later sections of the chapter.

Consequences of Poverty

6.5 Identify the consequences of poverty for children and adults.

Poor families face a higher degree of stress, disorganization, and other problems in their lives. Poverty is difficult for everyone, but weighs especially heavily on children's physical, social, and emotional health.

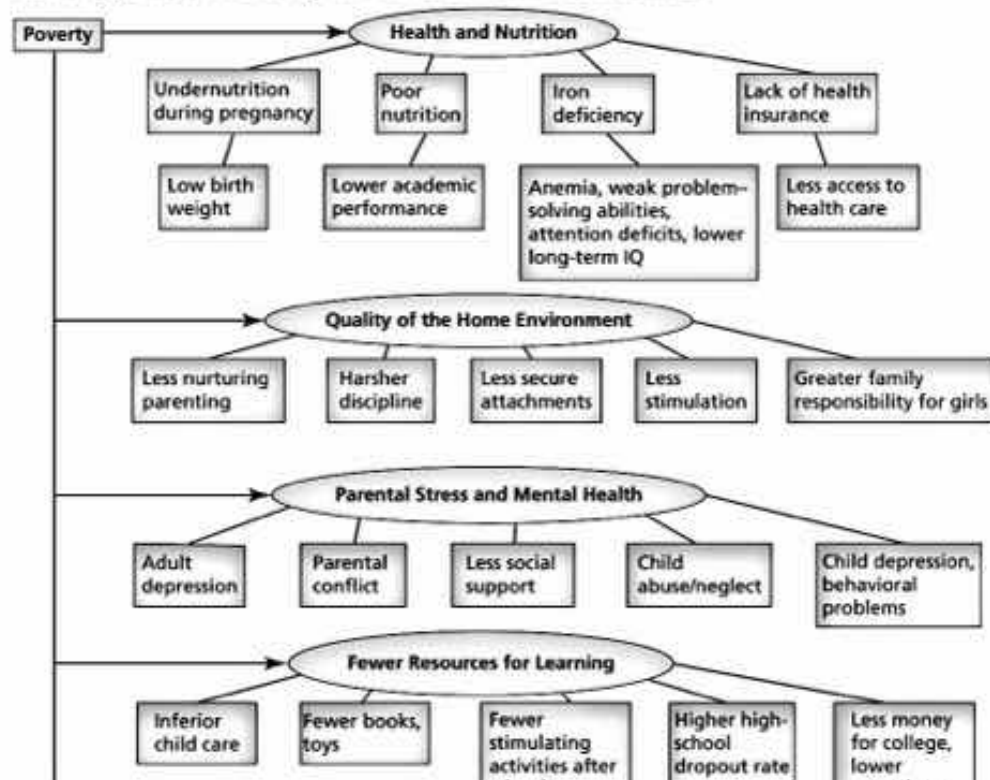
How Poverty Can Affect Children

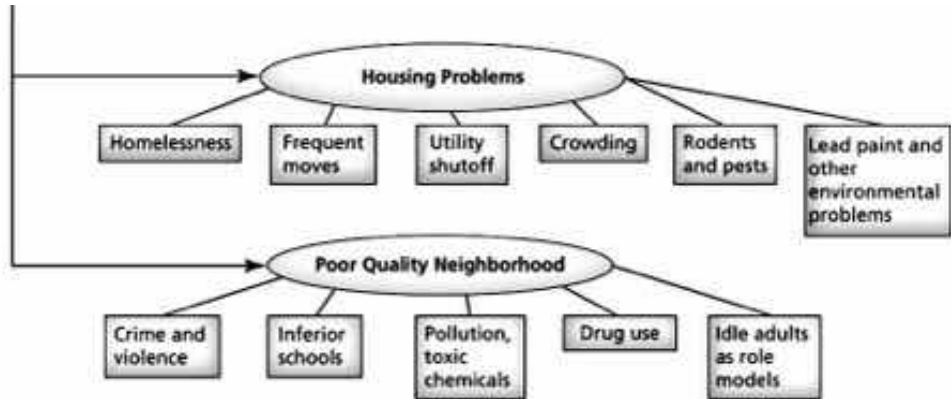
Poor children are vulnerable. They tend to exhibit more antisocial behavior and are more likely to drop out of school or become teenage parents, are more likely to suffer from depression, and are in poorer health (National Center for Health Statistics, 2017). Naturally, not all poor children suffer these outcomes; many poor children are the models of success. However, they are more likely than other children to face a host of serious challenges. How does poverty exert its influence? Figure 6-6 summarizes the pathways through which poverty hurts children. Poverty contributes to:

- Inadequate health and nutrition
- Lower-quality home environment
- Parental stress and mental health problems
- Fewer resources for learning
- Housing problems
- Poor-quality neighborhoods

Figure 6-6

Pathways from Poverty to Adverse Child Outcomes





Sources: Adapted from Children's Defense Fund, 2005; **Brooks-Gunn and Duncan, 1997**; and Seccombe, *Families and Their Social Worlds*, 3e. © 2016 Pearson.

Inadequate Health and Nutrition

Research is clear about the relationship between poverty and health. Poverty puts the health of children at risk in many ways, including the likelihood of having low birth weight, which in turn increases chances of serious chronic and acute illness, along with emotional and behavioral problems (**National Center for Health Statistics, 2017**). Children who are poor may also receive inadequate food and nutrition. Over 12 percent of households experienced food insecurity at some point in 2016, defined by the United States Department of Agriculture (USDA) as not having enough nourishing food available on a regular basis. Seventeen percent of households with children experience food insecurity (**Coleman-Jensen, Rabbitt, Gregory, and Singh, 2017**). Children suffer the immediate pain of hunger and the longer-term consequences of malnutrition. They run the risk of more frequent colds, ear infections and other infectious diseases, impaired brain function, and stunted growth, and they are more vulnerable to lead poisoning and other environmental toxins and suffer from a variety of behavioral, emotional, and academic problems (**Gundersen and Ziliak, 2015**; Johnson and Markowitz, 2017; **Shankar, Chung, and Frank, 2017**).

food insecurity

A condition, defined by the United States Department of Agriculture (USDA), as not having enough nourishing food available on a regular basis.

Lower-Quality Home Environment

Warm loving relationships with parents, in conjunction with rich opportunities for learning, help children thrive. The Home Observation of the Measurement of the Environment (HOME) is a widely used interview and observation tool assessing parent-child interaction. The HOME shows

that poverty has a significant negative effect on the quality and stimulation of the home environment (**Crosnoe, Leventhal, Wirth, Pierce, Pianta, and NICHD Early Child Care Research Network, 2010; Yeung, Linver, and Brooks-Gunn, 2002**). A landmark study published in 1995 showed that, in high-poverty households, children were exposed to an average of 30 million fewer words by age three than were their middle-income peers (**Hart and Risley, 1995**). More recently, a study of the linguistic capabilities of very young children found that by only 18 months, children from poor backgrounds knew 60 percent fewer words compared to children from middle-income backgrounds (**Fernald, Marchman, and Weisleder, 2013**). Obviously, parents cannot teach their children what they themselves do not know. There are also other differences. For example, parents who are poor are less nurturing and more authoritarian, and they use more inconsistent and harsh physical discipline.

Parental Stress and Mental Health Problems

What else about an impoverished family environment increases the likelihood of negative outcomes for children? Parents living in poverty face a high level of stress, depression, and mental health problems related to their situation. For example, high levels of male unemployment are significantly associated with child abuse and deprivation. While child abuse occurs in many different types of households, poor children have a higher probability of being abused, neglected, and more severely injured by abuse than do children in more affluent households (**Bywaters, Bunting, Davidson, Hanratty, Mason, McCartan, and Steils, 2016; Centers for Disease Control and Prevention, 2015**).

Fewer Resources for Learning

In every respect, poor children get less education than those born into more affluent families. They receive fewer years of schooling, have less chance of graduating from high school, and are much less likely to go to college. On average, children living in poverty have fewer resources for learning in the home, including books and educational toys. Therefore, high-quality childcare and preschool programs become very important to helping them overcome the disadvantages in their home environment. Unfortunately, childcare and preschool are very expensive, and few subsidized spots are available. Full-time childcare can easily cost over \$15,000 per year for each child (**Child Care Aware of America, 2017**). Consequently, many children living in poverty start school academically behind their peers (**Hair, Hanson, Wolfe, and Pollak, 2015**). This disadvantage often continues throughout life. Generally, children who are poor receive lower grades and lower scores on standardized tests, they are less likely to finish high school, and are less likely to attend or graduate from college than are other children (**Federal Interagency Forum on Child and Family Statistics, 2014**). The low educational attainment of

2015). Children of parents with less than a high school education generally do not do as well in school as children whose parents have completed high school (**Child Trends Data Bank, September, 2016**). Thus, the cycle in which poverty and education are linked may be passed from one generation to the next if interventions are not available.

Housing Problems

The 2017 fair market rent for a two-bedroom apartment, according to the U.S. Department of Housing and Urban Development, was \$764 in Wichita, \$944 in Phoenix, \$1,232 in Chicago, and \$1,295 in Miami (**U.S. Department of Housing and Urban Development, 2017**). Because many poor people cannot afford these levels of cost, they end up living in housing that is overcrowded, infested with vermin, in need of major repairs, lacking basic plumbing facilities, without needed appliances, and inadequately heated (**Siebens, 2013**). For example, **Table 6-4** compares the likelihood of some of these deficits among those with household incomes in the lowest quintile (20 percent of the population) versus the highest quintile. As the table shows, families with the lowest incomes are far less likely to have appliances such as clothes washers, dishwashers, or computers in the home; are more likely to have housing with pests or in poor repair; and are more likely to live in unsafe homes or neighborhoods.

Table 6-4

Comparisons of Home and Neighborhood by Income

	Lowest Quintile	Highest Quintile
Appliances Lacking in Home		
Clothes washer	31%	4%
Dishwasher	55%	10%
Computer	47%	4%
Housing Condition		
Pests	13%	6%
Dissatisfied with repair of home	10%	3%
Dissatisfied with overall housing	6%	1%
Neighborhood Conditions		
Stay at home for safety	16%	5%
Consider home safe	1%	4%
Consider neighborhood safe	3%	11%

Source: **Siebens, J. 2013.** *Extended Measures of Well-Being: Living Conditions in the United States.* U.S. Census Bureau. Report P70-136.

Many children who are poor experience frequent moves, live in crowded conditions, or have utilities in their homes shut off. It is difficult to do homework when there are no lights in your home. Some poor families are homeless. Over 550,000 people were homeless on any given night in early 2016, according to research compiled by the **U.S. Conference of Mayors (2016)**. This is a significant decline since the recession because the economy has improved; nonetheless, housing remains elusive for many of the poorest members of our community. People who live in their cars while they work at jobs that do not pay enough for them to afford local housing are homeless—so are people sleeping over the warm air of exhaust grates in the alleys of urban office buildings. Women seeking safety from abusive spouses by sleeping with their children in a local women's shelter may have a home, but during the time they are in the shelter, they too are homeless. As these examples suggest, it is extremely difficult to actually count those who are homeless or even to adequately describe all the forms homelessness can take.

A Personal View

"All I Want Is a Fish"

When I was a little girl, I always wanted a pet. I begged my mom to get a dog. I knew someone who had one, and I thought it would be cool to have one too. My mom looked at me as if I was crazy. "How am I supposed to feed you AND a dog?" she shrieked. "I can feed one of you, but I can't afford to feed you both. So you choose."

I knew that she meant what she said. We didn't have much money, and after paying rent on our trailer and trying to scrape up the money to pay the utility bill, there just wasn't much left over. Sometimes we'd keep the trailer ice cold in the winter to save money. At night, Mom and I slept together to stay warm. I know Mom even sold her food stamps a few times to gather up a little more cash. We ate noodles for a week, but at least it was hot, filled our bellies, and it paid our bills for the month.

I hated always scrimping on things. Kids at school would tease me sometimes because of the clothes I wore. Hey, those clothes were not the latest style, but that coat kept me warm anyway. But really, I just wanted to be like every other girl at school—having new shoes now and then, feeling pretty, and having a friend. It's no fun being poor. People notice what you're wearing, or where you're living, or what you're eating for lunch, and it's embarrassing. But I didn't talk about these things with Mom much. She said it gave her migraines.

That's why I wanted a pet. Mom never let me play outside in our neighborhood—it's too dangerous—and I was lonely cooped up in

That's why I wanted a pet. Mom never let me play outside in our neighborhood—it's too dangerous—and I was lonely cooped up in the house alone when she worked. I wanted someone to cuddle, to talk with, someone who would not judge me, and would think I was beautiful. I imagined that a dog would offer these things. But every time I asked her about it, Mom would give me that look, and start talking about food again—how much I eat, how much a dog eats.

Finally it came to me—a fish! They don't eat much, do they? Really, how much can those tiny little grains of food cost? One of those little containers must last a whole year. So I begged mom for a fish—someone whose container I could cuddle, who I could talk with, someone who would not judge me, and who would think I was beautiful. Again, all my mom could talk about was the stress of it all and my constant begging for things she could not afford. "But please Mom," I pleaded. "All I want is a fish."—Cassandra



Critical Thinking

As you think about the poverty pathways, which specific ones come to mind as you read this short story? What makes child poverty a social problem rather than an individual one for this particular family?

Poor-Quality Neighborhoods

Children living in poverty are increasingly isolated from those who are not poor in their communities, and they tend to live in inner cities where violence, crime, truancy, loitering, and a sense of despair predominate (**Children's Defense Fund, 2014**). Guns kill nearly 1,300 children and teens each year, and nearly 6,000 are treated for gunshot wounds (Fowler, Dahlberg, Haileyesus, Gutierrez, and Bacon, 2017). Guns are the third leading cause of death among children. They are the leading cause of death among young blacks ages 15 to 34 (**Children's Defense Fund, 2014**). "All I Want Is a Fish" reveals how these different pathways of poverty play out in a child's life. As you read Cassandra's simple story of wanting a pet, put yourself in her shoes and visualize her experience.

What Do You Think?

Create a program to help eliminate or decrease the effects of poverty on children. How would you intervene in each of these pathways?

Consequences of Poverty for Adults

The effects of poverty on the lives of children are clear; similarly, the potentially harmful health effects of poverty on adults are also numerous. For example, adults living in poverty have significantly higher morbidity (sickness) and a lower life expectancy than other adults (**National Center for Health Statistics, 2017**). They are more likely to work in dangerous occupations and live in unsafe neighborhoods, and their homes are more likely to be located near toxic sites.

One issue with far-reaching consequences for families is that men and women living in poverty are less likely to marry (**Edin and Kefalas, 2005; White and Rogers, 2000**). Poverty undermines economic security and makes men less attractive marriage partners. For example, **Wilson (1987)** suggests that the key factor in explaining the falling marriage rate among inner-city blacks is their declining employment opportunities as jobs move to the suburbs or overseas.

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Consequences of Poverty for Adults

The effects of poverty on the lives of children are clear; similarly, the potentially harmful health effects of poverty on adults are also numerous. For example, adults living in poverty have significantly higher morbidity (sickness) and a lower life expectancy than other adults (**National Center for Health Statistics, 2017**). They are more likely to work in dangerous occupations and live in unsafe neighborhoods, and their homes are more likely to be located near toxic sites.

One issue with far-reaching consequences for families is that men and women living in poverty are less likely to marry (**Edin and Kefalas, 2005; White and Rogers, 2000**). Poverty undermines economic security and makes men less attractive marriage partners. For example, **Wilson (1987)** suggests that the key factor in explaining the falling marriage rate among inner-city blacks is their declining employment opportunities as jobs move to the suburbs or overseas.

Poverty also undermines marital stability and leads to greater marital conflict. Poverty increases stress or depression, which can then lead to anger, resentment, and hostility between partners, and difficulties among children (**Conger and Conger, 2008; Haushofer and Fehr, 2014; Jackson, Trail, Kennedy, Williamson, Bradbury, and Karney, 2016**).

Why Does Poverty Persist?

6.6 Analyze the individualistic, structural, and cultural explanations for poverty.

Many theories are offered to explain the nature of poverty and account for why so many people are impoverished in the United States. Here we will discuss individualistic, structural, and cultural explanations.

Individualistic Explanations

"Rags to riches" stories are popular in the United States. Americans like to believe that anyone can pull him- or herself up by the bootstraps with hard work, and that people in the United States can be anything they want to be. From that perspective, it follows that those who are poor, particularly welfare recipients, are blatant examples of those who have failed to work hard. An individualistic explanation argues that poverty is primarily the result of laziness or lack of motivation, and those who are poor generally have only themselves to blame. It asserts that the United States is largely a land of meritocracy, and that hard work will reap social and financial rewards.

Individualistic explanations are popular in America. There is great ambivalence toward those who are poor (**Godfrey and Wolfe, 2016; Homan, Valentino, and Weed, 2017**). People who are more likely to espouse individualistic explanations are white, live in the southern and north-central regions of the United States, are older than 50, and have moderate levels of education. Perhaps surprisingly, even welfare recipients tend to denigrate those who are poor. They distance themselves from other people on welfare, despite the fact that their circumstances are not altogether different (**Seccombe, 2015**). As "Sheri," a 27-year-old mother of three who had received welfare for seven years, said:

I think a lot of them are on it just to be on it. Lazy. Don't want to do nothing. A lot of them are on it because a lot of them are on drugs. Keep having kids to get more money, more food stamps. Now that's abusing the system. And a lot of women are abusing the system.

Slide Show

Growing Up Poor

Poor children are vulnerable. They face many challenges as they grow. This slideshow illustrates some of the difficulties of growing up

poor.



Hunger and malnutrition are not just problems in the developing world. Many American adults and children are also food insecure and are at risk for a number of health problems. Here, people are handed bread during a food distribution by a local food bank.

Spencer Platt/Getty Images



Parents living in poverty face a high level of stress, depression, and mental health problems related to their situation. Finding enough money for food, shelter, and clothing is a constant struggle.

Rafael Ben-Ari/Fotolia





This 3-year-old and her mother just received shoes and school supplies during a charity event to help more than 4,000 underprivileged children at a mission in the Skid Row area of Los Angeles. Skid Row contains one of the largest populations of homeless people in the United States. This mother and her daughter stay at a shelter when room is available, but must often resort to staying under bridges.

Mark Ralston/Getty Images



er books available at home, and they are less likely to go to preschool because of the cost. Consequently, many children who are poor begin school already academically behind their peers.

Nolte Lourens/Fotolia



Children play in a neighborhood with abandoned buildings, pawnshops, and used needles and condoms in the empty lots. Some of the parents refuse to let their children go out and play after school. "I don't want trouble," one mother says.

Mark Ralston/Getty Images

Critical Thinking

Of all these possible difficulties that children who are poor face, which do you think are most serious, and why? Can you identify any solutions to these problems?

Structural Explanations

Structural explanations attribute poverty to the functioning of the dominant institutions of society, such as markets and corporations. In contrast to individualism, a social structural explanation assumes that poverty is a result of economic or social imbalances within the social structure that restrict opportunities for some individuals. For example, the U.S. economy has been changing over the last several decades, resulting in erosion of the purchasing power of the minimum wage, a growth in low-paying service jobs, and job relocation from inner cities to the suburbs. Although low wages may be enough to support a single person, a family trying to make ends meet would be living near or below the poverty threshold. Moreover, low-wage jobs often fail to provide families with important benefits like sick leave, health insurance, or retirement benefits. Other so-

cial issues, such as sexism, racism, and segregation, cause disparities in education, employment, and income.



Individualistic explanations are popular in American society. Many people believe that anyone can be rich if he or she is willing to work hard, and that the poor have primarily themselves to blame.

Artisticco/Fotolia

Closely related are those structural explanations that emphasize the dual market for labor. In studies of the migrations of blacks and other groups to the cities, sociologists have found that there is a dual labor market in which favored groups are given access to the better jobs—those that offer secure employment and good benefits. Other groups, usually minority groups and migrants, are shunted into another segment of the labor market in which the jobs pay extremely poorly and offer no security or benefits (Elger, 2015; Wilson, 1987).

These inequalities are social problems, not simply personal ones. People may find themselves vulnerable because of their social location and relationship to the social structure. A changing economy, a drive for profit inherent in capitalism, racism, sexism, and an eroding safety net have greater deleterious effects on some than on others. One woman highlights the value of this safety net as she compares what is available to families in Hungary with what is available to those in the United States.

I am an American and my husband is Hungarian, and we made a deliberate choice to have our children in Hungary. I'm happy to live here because the benefits for families surpass those of just about any other country I've heard of. For example, when I had a baby, my maternity leave was three years. She went to daycare and preschool, which are free. Elementary

school has optional aftercare if you want it. Most schools also offer wonderful activities after school, like music lessons, dance, computer clubs, and sports. All families receive a monthly family supplement grant until the child turns 18. The more children, the larger the grant. When the child turns six, we get an additional \$100 or so at the beginning of each school year to cover school supplies. All children have medical coverage through the age of 18, or even longer if they are in college. Pediatricians make house calls—just try to find that in the U.S.! A friend of mine has a child with a disability and she receives the minimum wage to stay home and take care of him. When you compare Hungary with the U.S., there is no question that the U.S. needs more generous benefits for families. Sometimes I get homesick, but then I think of my overworked, stressed-out friends back home and think: No way. I think parents everywhere should have the same opportunities we've got here in Hungary to make life easier for families.

Her point is that families need programs and policies in place to remain socially and economically healthy. Families without these benefits are more likely to slip into poverty.

Cultural Explanations

Cultural explanations of poverty are based on the interactionist perspective in sociology. In this view, people become adapted to certain ways of life because of the way they were raised, including adapting to poverty.

Proponents of the cultural approach argue that a "culture of poverty" arises among people who experience extended periods of economic deprivation. Under these conditions, new norms, values, and aspirations emerge and eventually become independent of the situations that produced them, so that eliminating the problem does not eliminate the behaviors that have been developed to deal with it. The result is a self-sustaining system of values and behaviors that is handed down from one generation to the next (Bell, Fosse, Lamont, and Rosen, 2015; Lewis, 1968; Murrav. 1984).

The idea that there is a culture of poverty that arises among chronically poor individuals and families is controversial. **William J. Wilson (1987)**, a noted expert on inner-city poverty, rejects the concept, claiming that it is a general label that does not fit in many instances. But he recognizes that long spells of poverty may have long-term consequences for children and grandchildren. He attributes this decline in family norms to the despair felt by those living in poverty, especially impoverished men. This despair also leads to higher rates of suicide, homicide, incarceration, and addiction, which in turn decrease the pool of eligible men in poor communities.

Overall, he suggests that poor people in inner-city ghettos and elsewhere share the same values and express the same aspirations as more affluent Americans, but their confidence in attaining them is greatly diminished by their negative life experiences. They may develop certain styles of language and expression that look like a separate culture to outsiders, but these differences, according to Wilson, hardly qualify as a culture of poverty.

Sociologist **Herbert J. Gans (1995)** is also critical of the culture-of-poverty thesis. Gans stresses the heterogeneity of those who are poor, noting that some are in families that have been poor for generations, while others are poor only periodically; some have become so used to coping with deprivation that they have trouble adapting to new opportunities; and some are beset by physical and emotional illnesses. He is critical of the idea that culture is holistic, that no element of it can be changed unless the entire culture is altered. Instead, he argues that behavior results from a combination of cultural and situational influences.


Gans (1995) maintains that the ultimate solution to the problem of poverty lies in discovering the specific factors that constrain those who are poor as they react to new opportunities when these opportunities conflict with their present cultural values. He believes that Americans must examine the kinds of changes needed in our economic system, social order, and power structure and in the norms and aspirations of the affluent majority that permit a poor class to exist. These themes will all emerge again in considerations of social policy and poverty.

What Do You Think?

Which of these three explanations for persisting poverty makes the most sense to you, and why? Do you think most people your age feel as you do?

Social Policy

6.7 Assess the implications of social policy in terms of welfare reform.

As is evident throughout this chapter, the extent of poverty in the world's most affluent society is a matter of continuing controversy, and so are the questions of what can be done about it. These questions are intimately bound up with attitudes toward those who are poor: Are the poor to blame for their own poverty? Do they avoid work? Would providing more jobs for the poor do any good? One's views on these issues have a lot to do with one's opinions about government intervention on behalf of the poor. Many myths surround poverty, and these are summarized in **A Closer Look: "Myths about Poverty"**  in the United States.

A Closer Look

Myths about Poverty in the United States



Steluta Sabau/Fotolia

As if they did not have enough to cope with, those who are poor are often stigmatized as lazy, dishonest, and unable to help themselves. In fact, as you have seen, people living in poverty are an extremely diverse population, and many are among the hardest-working people in the nation. Here are seven common myths and the facts that debunk them:

Myth 1: The vast majority of those living in poverty are blacks or Hispanics. Poverty rates are higher among blacks and Hispanics than among other racial/ethnic groups, but they do not make up the majority of the poor. Non-Hispanic whites are the most numerous racial/ethnic group in the poverty population.

Myth 2: People are poor because they do not want to work. Half of

those who are poor are not of working age: Many living in poverty are under age 18, and another group is age 65 and older. Is expecting them to work realistic? As for adults, many do have jobs but earn below-poverty wages. Numerous individuals who are poor cannot work because of a serious disability or because they must care for family members.

Myth 3: Poor families are trapped in a cycle of poverty that few escape. The poverty population is dynamic—people move in and out of poverty every year. Less than 15 percent of those who are poor remain in poverty for five or more consecutive years.

Myth 4: Welfare programs for those who are poor are straining the federal budget. Social assistance programs for low-income families and individuals accounted for less than 12 percent of federal expenditures. A much larger share of the budget goes to other types of social assistance (such as Social Security), which mainly go to middle-class Americans.

Myth 5: The majority of people who are poor live in inner-city neighborhoods. Less than half of the people in poverty live in central-city areas, and less than one-quarter live in high-poverty inner-city areas. Over one-third of those who are poor live in the suburbs, and more than one-fifth live outside metropolitan areas.

Myth 6: People who are poor live off government welfare. Under the new rules for public assistance, which require welfare recipients to work after two years of public assistance, welfare itself accounts for a diminishing proportion of the income of adults who are poor. Well over half of the income received by adults in poverty comes from wages or other work-related activity. Perhaps the most pernicious myth about those who are poor is that they do not share the work ethic of the middle class—that they are lazy or shiftless and would much rather be on welfare than work. Many studies have shown that people living in poverty have a strong work ethic and regret being on welfare (Seccombe, 2015). The research indicates that, in terms of life goals and willingness to work, there are no differences between those who are poor and those who are not; the differences are that those who are poor lack opportunities and confidence to succeed, and hence, they accept welfare or low-wage work as a necessity.

Myth 7: Most of the people who are poor are single mothers and their children. Female-headed families represent less than half of those who are poor. About a third of those in poverty live in married-couple families.

Critical Thinking

How many of these myths did you believe before reading this chapter? Why are these myths so widespread? What myths exist about people who are rich? Do these myths tend to be more positive, negative, or about the same as the ones that at-

tempt to describe those who are poor? As a budding sociologist, how do you interpret any differences in the myths?


Many people believe that those who are poor are largely to blame for their own poverty (Seccombe, 2015; Smith, 2017). The argument goes this way: As a group, most of those who are poor are unemployed. They are responsible for their own condition because they will not work. If they could be persuaded to work for a living or were forced to take jobs, poverty could be eliminated. What we have now is a group of freeloaders who are getting by on welfare, and welfare does more harm than good. One national survey asked adults (McClam, 2013), "Which of the following reasons do you think is most responsible for the continuing problem of poverty: lack of government funding and programs, the lack of job opportunities, racial discrimination, the breakdown of families, drugs, the lack of a work ethic, the lack of good educational opportunities, or too much government welfare that prevents initiative?" Which answer do you think scored the most votes? See Table 6-5  for the answer.

Table 6-5

Reasons for Poverty, 2013

Which of the following reasons do you think is most responsible for the continuing problem of poverty?

Reason	Percentage
Too much government welfare that prevents initiative	24%
Lack of job opportunities	18%
Lack of good educational opportunities	13%
Breakdown of families	13%
Lack of work ethic	10%
Lack of government funding	4%
Drugs	3%
Racial discrimination	2%
Other	4%
All reasons equally	8%
Not sure	1%

Source: McClam, E. 2013. "Americans Blame Poverty on 'Too Much' Welfare, NBC/WSJ Poll Shows." *theorio.com*. 6 June. Retrieved 1 March 2015 (theorio.com/2013/06/06/americans-blame-poverty-on-too-much-welfare-nbcwsj-pollshows/).

Reform of “Welfare as We Know It”

In 1996, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act, more widely known as “welfare reform.” This landmark legislation targets the parents of children in households whose incomes fall below the poverty line. Poor parents who were formerly entitled to monthly payments or assistance are now required to obtain jobs or enroll in work training programs to qualify for supplemental assistance through their state governments. These state payments are subsidized by federal government grants. Few policy changes have received more attention or generated more confusion or ideological controversy.

Advocates of welfare reform, including both Republicans and Democrats, point to a dramatic decline in the number of people, especially female single parents, receiving various types of “welfare” payments under the Temporary Assistance to Needy Families (TANF) program after welfare was reformed. Since the passage of welfare reform, many people have left welfare, usually for low-wage work. From 1994 to 2017, national caseloads fell by two-thirds, declining from 5 million to about 1.1 million families (Administration for Children and Families, Office of Family Assistance, 2017). Advocates of welfare reform also cite abundant examples of people who have succeeded in finding real employment. The individuals showcased are ones who have gained greater self-esteem and pride from their jobs.


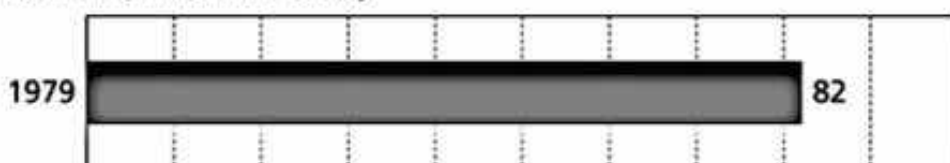
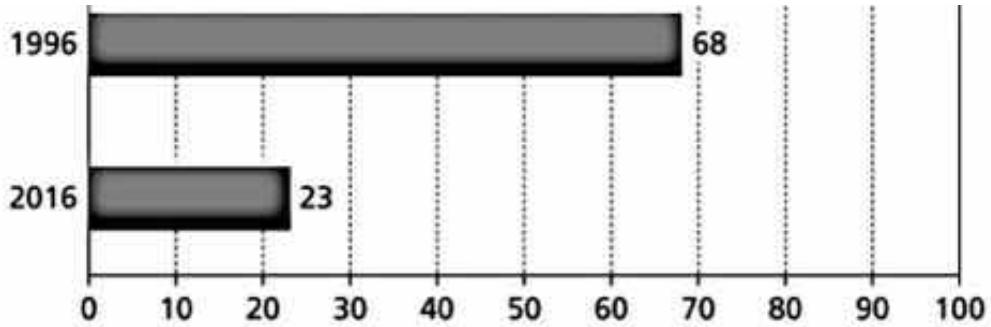
However, have these far-reaching changes actually improved the lives of poor families? Although declining caseload numbers are often seen as a sign of success, families leaving welfare for work are not necessarily better off financially (Mitchell and Pavetti, 2018; Trisi and Pavetti, 2012). Commonly, families have difficulty paying their rent or utilities; have experienced bouts of food insecurity (i.e., they did not have money to purchase food for their family) or used a food bank; and have no reliable transportation, making it more difficult to work or take children to school. In the past, these vulnerable families could rely on TANF, but with the reforms of the 1990s, receiving this support is often no longer the case. As **Figure 6–7**  reveals, for every 100 families with children in poverty, only 23 of them even receive TANF benefits, a significant decline from the time before welfare was reformed. In many states the situation is even more dire; in 13 states fewer than 10 percent of poor families with children receive TANF (Floyd, Pavetti, and Schott, 2017). Are these children really better off now that their parent (or parents) work? If so, it’s not by much. They are still in poverty.

Figure 6–7

Number of Families Receiving Cash Welfare Benefits for Every 100 Families with Children in Poverty





Source: **Floyd, I., L. Pavetti, and L. Schott. 2017.** "TANF Reaching Few Poor Families." Center for Budget and Policy Priorities. 13 December. Retrieved 30 January 2018 (www.cbpp.org/research/family-income-support/tanf-reaching-few-poorfamilies).

Part of the reason that families leaving welfare sometimes fare poorly is that many face one or more significant barriers to securing employment. The most common work barriers that TANF recipients face include low levels of education and a lack of work experience, mental and physical health challenges, and the necessity to care for a child with special needs. Other TANF recipients report domestic violence, which can make it difficult to work, and some have criminal records, which can severely limit work opportunities.

Another reason that families remain poor is that the work they find is often of a temporary nature with low pay. For 86 percent of families leaving TANF, their earnings were below the poverty level (**Mitchell and Pavetti, 2018**). Additionally, work also comes with new expenses, such as child-care or additional laundry expenses.

So what is the truth about welfare reform? The answer is that there is no single truth. Instead of a national program and set of policies dealing with cash assistance, the United States now has 51 different systems across all states and the District of Columbia. This hodgepodge makes it extremely difficult to analyze which mix of financial incentives, work supports, and work obligations is most effective (**Schott and Floyd, 2017**). Different state policies are still being evaluated. Positive claims based only on reduction of the welfare rolls should never be taken as the full measure of the program's success.

It is important to remember that the United States also attempts to provide a safety net of social insurance programs for *all* taxpayers and their dependents, not only those who are already quite poor. Some social insurance programs are intended to compensate for loss of income, regardless of income level or need. Through unemployment insurance, for example, cash benefits are paid for short periods to insured workers who are involuntarily unemployed.





Families who leave welfare for work usually earn low pay, and at the same time, they may lose critical benefits that helped them make ends meet. To save costs, some skimp or go without food.

Nito/Fotolia

Other forms of social insurance include workers' compensation programs, which provide wage replacements to insured workers who suffer occupational injuries, and veterans' compensation plans, which issue benefits to disabled veterans to make up for their loss of earning potential. Social Security payments to elderly people also fall into this category. Cash income-support programs are provided for unemployable people, those who are not covered by any form of social insurance, and those with special needs, such as veterans.

Other programs provide "goods and services," such as food, housing, and health care, rather than income. These programs include public housing and urban renewal, health plans like Medicare and Medicaid, and food supplements like the commodity distribution program (which distributes surplus farm products to poor households). You could even say that police and fire departments are a form of social insurance; we pay taxes for these programs, and they are there for us if we need them.

However, note that the specific programs that those who are poor use (e.g., Medicaid) are likely to be stigmatized, whereas the program that cuts across income levels (e.g., Medicare) is not stigmatized.

Future Prospects

One example of a sound social policy with the potential to offset poverty is the Earned Income Tax Credit (EITC), which is a refundable federal tax credit for low-income workers and their families. It has been hailed as a boon to low-income workers, in effect raising their pay by up to several dollars per hour. In essence, it's a cash subsidy for low-income workers.

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To qualify for the credit in the 2017 tax year, working families with children must have annual incomes below about \$39,600 to \$53,999 (depending on marital status and the number of dependent children). Also, working-poor people without children who have incomes below about \$15,000 (\$20,600 for a married couple) can receive a very small EITC.

The EITC is applauded for lifting millions of adults and children out of poverty each year. It also rewards employment because it offers a supplement to wages for qualifying low-income workers. The EITC makes it easier for families to transition from welfare to work. It can tribute to basic necessities, enable families to make special needed purchases, or build a savings cushion.

Yet, at the same time, the EITC has less of an impact on poverty than it could. It is a once-a-year tax credit, unlike the monthly assistance offered in most other developed nations. Furthermore, the EITC offsets only some of the taxes paid. In that sense, its ability to augment wages is limited.

In looking towards the future, the EITC's usefulness could be enhanced if it followed a model more closely related to other developed nations. Families with children in Canada and Western Europe, for example, receive a modest monthly stipend to help offset some of the costs of raising children. Children are recognized as a valuable resource for the entire community, not just for the children's parents, and therefore the community contributes to the costs of raising them. A monthly stipend, rather than a once-a-year tax credit, would help to ensure that children's basic needs are taken care of on a regular basis.