

CASE 5.6

Poverty in America

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In recent years the U.S. Census Bureau has brought some glad tidings: The median income of American households has been increasing. Meanwhile, the number of families with incomes below the poverty line—defined as \$17,960 for a family of four—has declined, and overall the poverty rate has fallen to 11.3 percent, about what it had been back in the 1970s. Still, despite the long economic boom of the 1990s, 32.3 million Americans continue to live in poverty, a third of them children. That's more than one out of every nine people. Moreover, the average adult American has a 60 percent chance of living at least one year below the poverty line and a 33 percent chance of experiencing dire poverty.

Most people think that those described as “poor” in the United States are pretty well off by world standards. The truth is, in life expectancy twenty-year-old U.S. males rank thirty-sixth among the world's nations, and twenty-year-old U.S. females rank twenty-first. Our infant mortality rate is worse than that in twenty-one other Western nations. Moreover, millions of Americans endure hunger. According to the U.S. Department of Agriculture, 31 million Americans lack “food security,” and in 3 million American households one or more persons go hungry during the year. Figures from the Food Research and Action Center are even more alarming; it reports that 5 million children under age twelve go hungry each month. In addition, one out of every four Americans lives in substandard housing, and in most cities one sees people roaming the streets in tattered clothing, picking their food out of garbage cans. Homeless people—many of them former mental patients released from state hospitals, others jobless individuals and families unable to afford housing—live in abandoned cars and shacks or simply sleep in doorways and on subway grates. Precise figures are impossible to obtain. One recent survey found

280,000 people homeless, but other experts estimate that 600,000–700,000 Americans are homeless on any given night and that 3 to 12 million Americans are homeless sometime during the year.

People in different walks of life and in different circumstances experience poverty. Many others live on the edge of poverty and are in continual danger of falling into it through illness, job loss, or other misfortune. In the United States today, the “working poor”—that is, those who work full time, year around, while earning an income below the poverty line—number 2.8 million. They represent a higher percentage of the workforce than in the 1970s as well-paid unionized manufacturing jobs have been replaced by nonunion service jobs. In 1997, the minimum wage was increased to \$5.15 per hour, but it is still less in real terms than it was in 1969. Someone working forty hours a week, every week, for that wage cannot raise his or her family out of poverty. In fact, according to a housing advocacy group, a minimum-wage earner can't afford to rent a two-bedroom home anywhere in the United States.

Many poor people are unable to work and depend on outside assistance. Recent legislative efforts to reform the welfare system rely on certain myths about welfare recipients. Investigation shows, for instance, that most people do not stay on the welfare rolls for years. They move on and off, and less than 1 percent remain on welfare for ten years. Contrary to popular mythology, the majority of those who receive welfare are young children whose mothers must remain at home. They are not able-bodied adults who are unwilling to work. Nor do welfare mothers differ from non-welfare mothers in the number of children they have. About 70 percent of welfare families have only one or two children, and there is little financial incentive to have more. Full

of the families who receive welfare include an adult who works full or part time, and research consistently demonstrates that poor people have the same strong desire to work that the rest of the population does. Two-thirds of the mothers on welfare did not grow up in families that received welfare—contrary to the stereotype of intergenerational welfare dependency—and only 7.6 percent of them are under eighteen and unmarried.

There has never been a way to live well on welfare. Under the old system of AFDC (Aid to Families with Dependent Children), by 1996 welfare benefits had fallen, in real terms, to 51 percent of what they had been in 1971. With annual cash allowances for a family on AFDC ranging from \$1,416 in Mississippi to \$6,780 in New York, even in the most generous states' stipends were never enough to allow a family to escape from poverty. In 1996 Congress replaced AFDC with TANF (Temporary Assistance to Needy Families). Under the new system, the entitlement of poor people to support has been replaced by block grants to the states to run their own welfare programs. The grants are limited to a certain amount of money; if they run out, the states are not required to make additional expenditures. Welfare recipients are required to work for pay or to enroll in training programs, and financial support is limited to a lifetime maximum of five years. This shift in policy has been controversial. Since the TANF system began, the number of people receiving welfare benefits has declined, but experts disagree about the reasons: Is it a growing economy offering more opportunities, the success of the new approach in encouraging welfare recipients to make themselves employable, or simply people who are not able to take care of themselves being denied support?

One thing that is clear is the large number of women living in poverty. This includes women with inadequate income following divorce, widowhood, or retirement, as well as women raising children alone. Wage discrimination against women is one factor.

Women who work full time, year round earn only about two-thirds of what men earn. And millions of women hold full-time jobs that pay wages near or below the poverty line.

Women's responsibilities for child rearing are another important factor. Despite many changes in recent years, women continue to have primary responsibility in this area. When marriages break up, mothers typically take custody and bear the major financial burden. Fewer than half the women raising children alone are awarded child support, and fewer than half of those entitled to it receive the full amount. Of family households headed by women, 52 percent have incomes below \$25,000 and 19.7 percent have incomes below \$10,000.

Most poor people in our nation—about two-thirds of them—are white, but blacks are about three times more likely to be poor. Whereas fewer than one out of every ten white Americans is poor, more than one of every five African Americans and Hispanics are below the poverty line. Many members of the minority communities have succeeded in moving up the economic ladder, but the overall picture is bleak. African-American family income, for instance, is only 62 percent that of white family income.

QUESTIONS

1. Does the existence of poverty imply that our socio-economic system is unjust? Does the concentration of poverty in certain groups make it more unjust than it would be otherwise?
2. Surveys show that Americans, even poor Americans, favor individualistic explanations of poverty (such as lack of effort or ability, poor morals, poor work skills) over structural explanations (such as inadequate schooling, low wages, lack of jobs), whereas Europeans favor structural explanations of poverty over individualistic explanations. What are the causes of poverty? How is one's answer to this question likely to affect one's view of the justice or injustice of poverty?