

POVERTY AMIDST AFFLUENCE

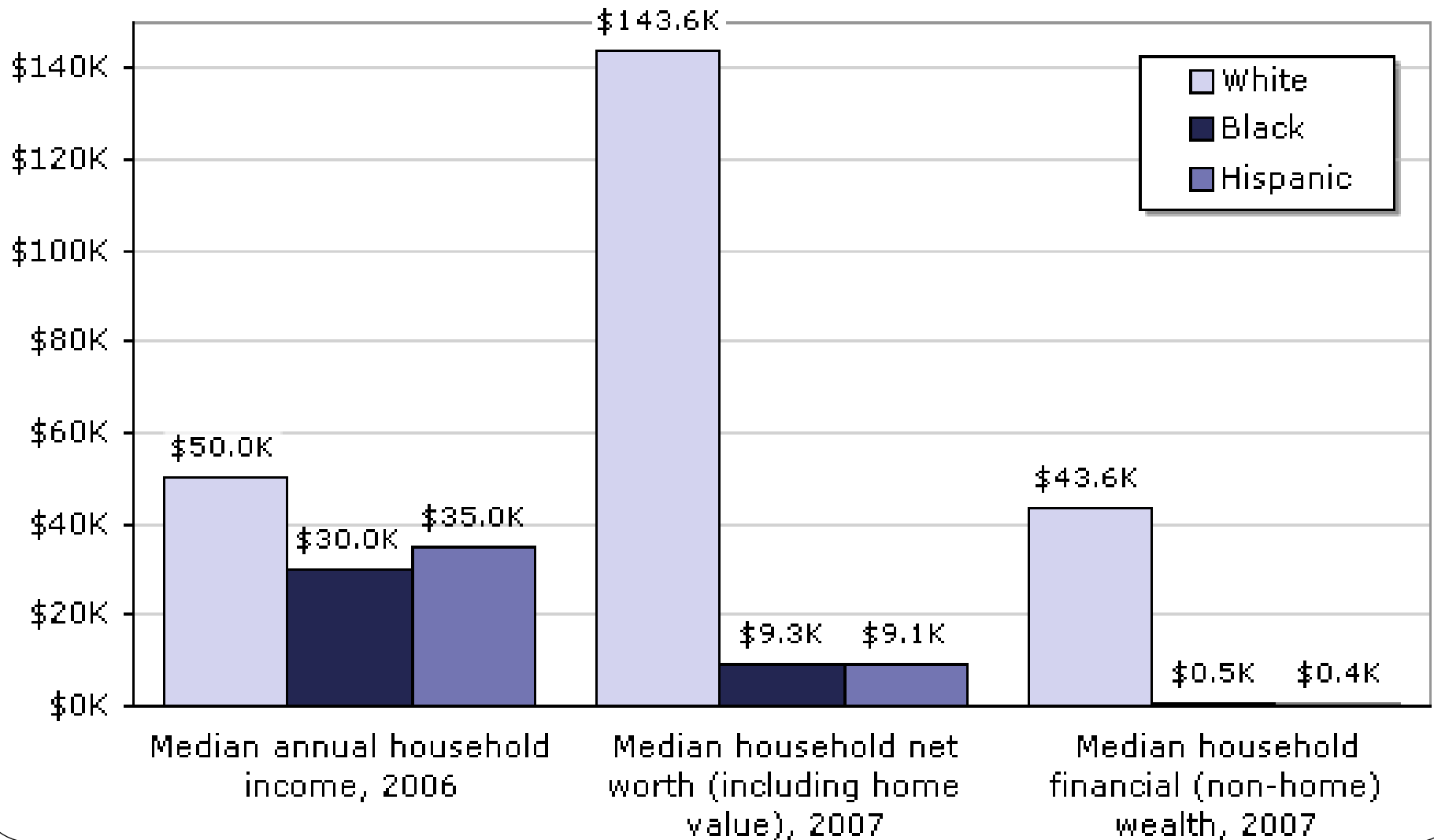
As told by Frank Elwell

POVERTY AMIDST AFFLUENCE

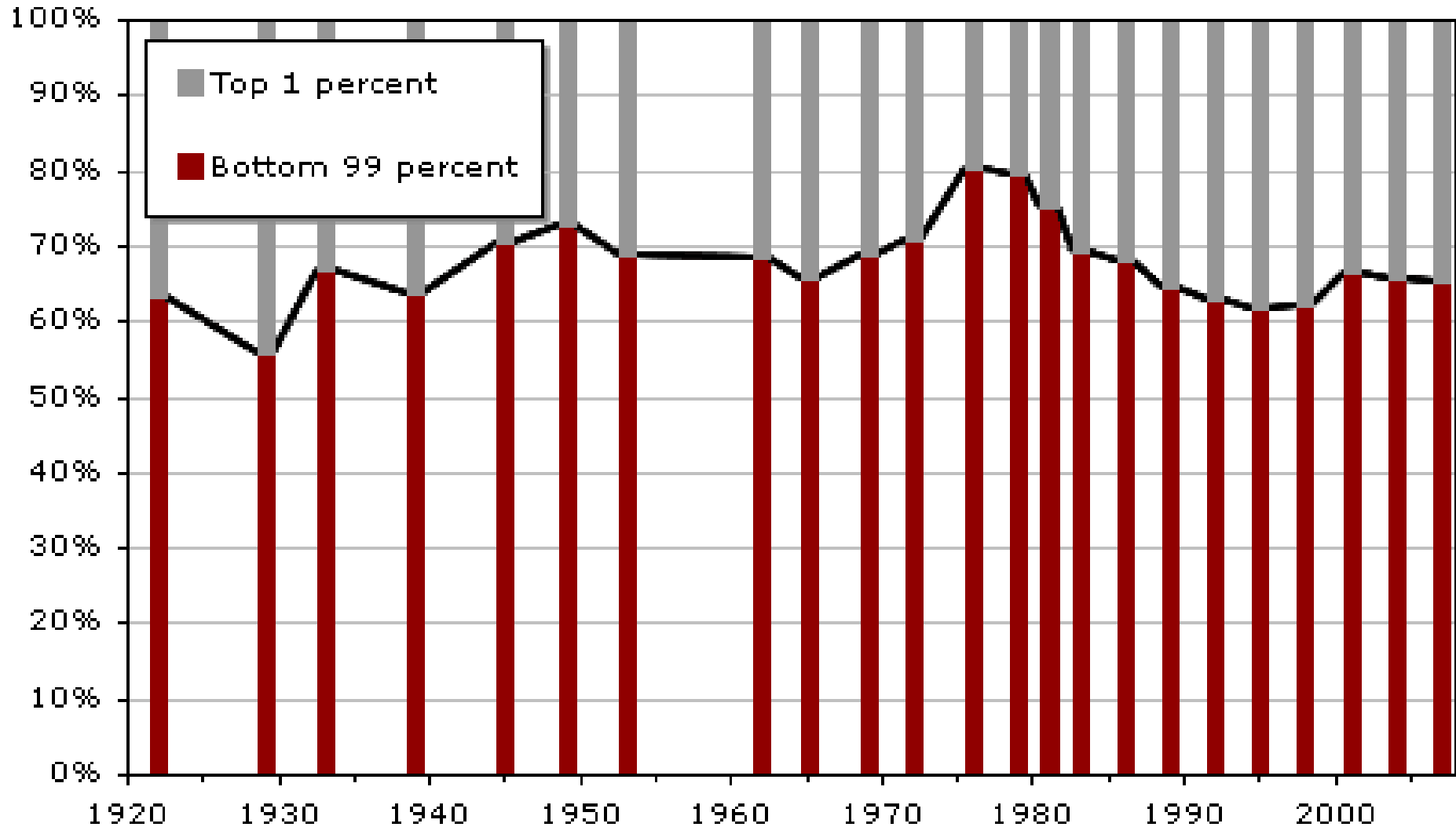
ALTHOUGH EQUALITY OF OPPORTUNITY IS A
CENTRAL VALUE OF AMERICAN SOCIETY, EQUALITY
OF OUTCOME IS NOT.



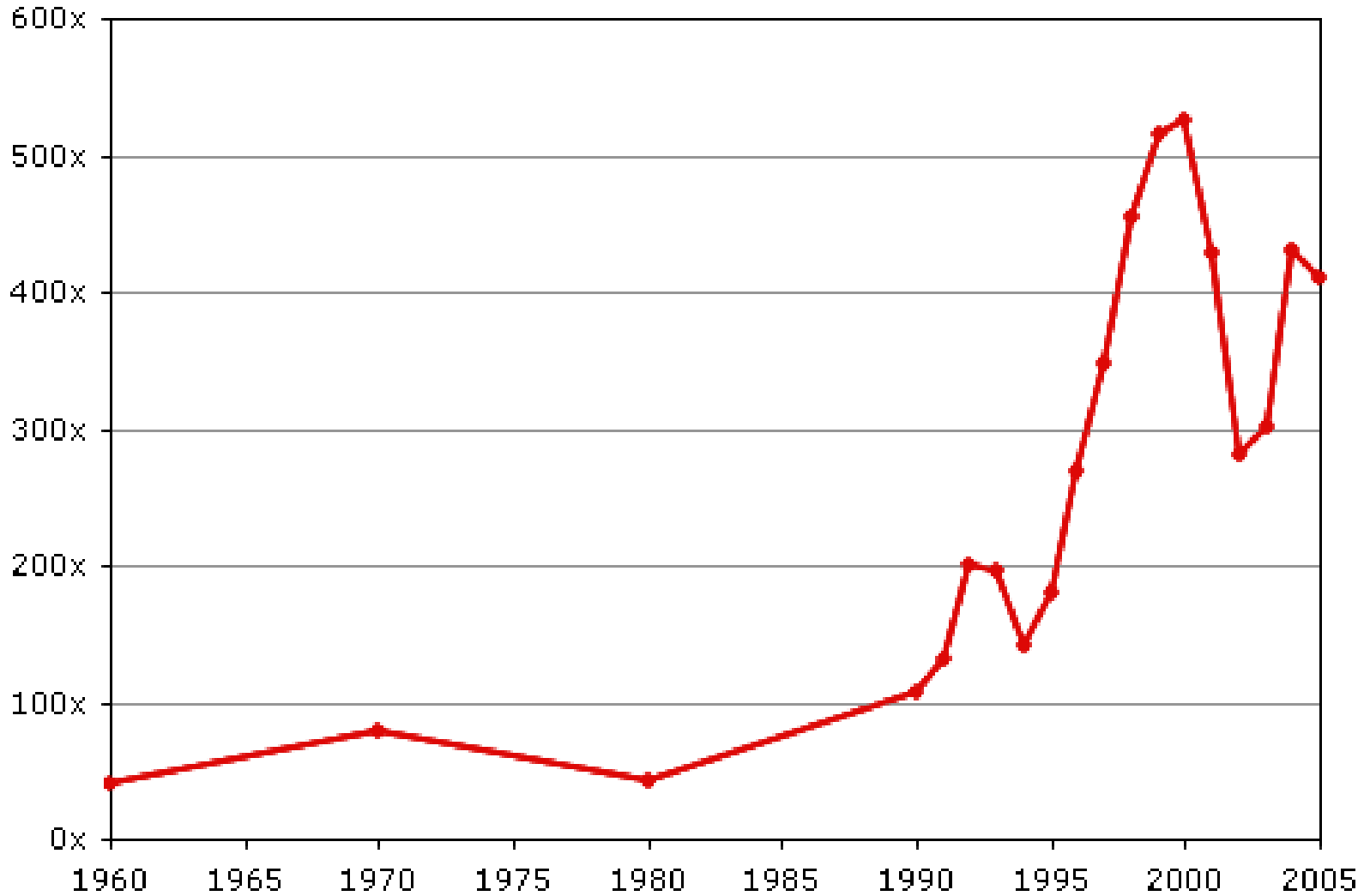
Income and wealth by race in the U.S.



Share of wealth held by the Bottom 99% and Top 1% in the United States, 1922-2007.



CEOs' pay as a multiple of the average worker's pay



The Welfare State

THE U.S. IS CONSIDERED A "WELFARE STATE,"
MEANING THAT A PORTION OF GDP IS TAKEN BY THE
STATE TO PROVIDE SOCIAL WELFARE FOR THE
POOR, THE AGED, THE DISABLED, AND OTHERS WHO
WOULD NOT BE ABLE TO SURVIVE UNDER MARKET
COMPETITION.

WEALTHFARE

IN REALITY, HOWEVER,
THE STATE PAYS FAR
MORE FOR
"WEALTHFARE" THAN
WELFARE.



WEALTHFARE

GOVERNMENT TAX BREAKS TO PEOPLE WHO DEDUCTED INTEREST PAYMENTS ON THEIR HOMES AMOUNTED TO \$51.03 BILLION IN 1989--COMPARED TO \$7 BILLION SPENT FOR SUBSIDIZED HOUSING.



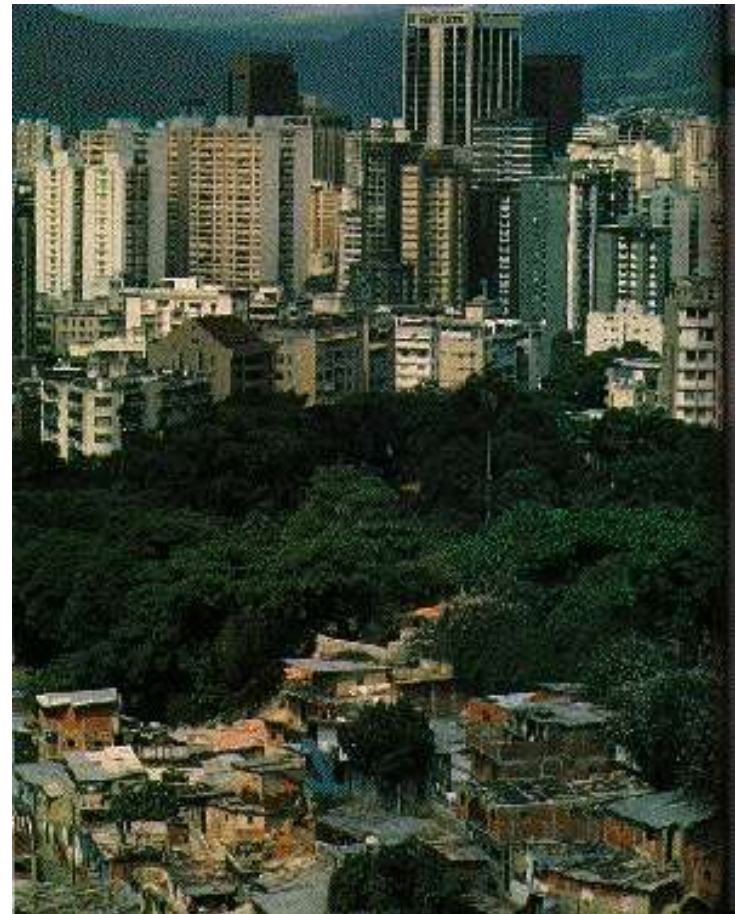
CAUSES OF POVERTY

- LACK OF SKILL OR EDUCATION
- DUAL LABOR MARKET
- FAMILY BREAK-UP
- WAGE STAGNATION



THE POOR

POVERTY TENDS TO BE
CYCLICAL IN AMERICA. AT
ANY GIVEN POINT IN TIME
BETWEEN 14 AND 20
PERCENT LIVE BELOW THE
OFFICIAL GOVERNMENT
POVERTY LINE.



THE POOR

MILLIONS ARE FEMALE HEADS OF HOUSEHOLDS WITH CHILDREN UNDER 18 AND NO HUSBAND PRESENT, OR ILL, OR DISABLED.



THE POOR

OF THE REMAINDER, THE MAJORITY WORKED EITHER FULL OR PART TIME IN THE PREVIOUS YEAR, BUT THEIR WAGES WERE NOT SUFFICIENT TO ELEVATE THEM ABOVE THE POVERTY LINE.



THE POOR

TWO OUT OF THREE
IMPOVERISHED ADULTS IN THE
U.S. ARE WOMEN. A
CONSEQUENCE OF THE
PREVAILING SEXISM IN OUR
SOCIETY. TERMED THE
FEMINIZATION OF POVERTY.



THE POOR

MEMBERS OF MINORITY GROUPS ARE ESPECIALLY
LIKELY TO BE INCLUDED AMONG THE POOR.



THE POOR

THE MEDIAN INCOMES OF MINORITY FAMILIES RANGE FROM 57% TO 63% OF THE MEDIAN INCOME OF WHITE FAMILIES.



COSTS OF POVERTY: MEDICAL INSURANCE

IN 2009, 47 MILLION AMERICANS HAD NO PRIVATE OR PUBLIC HEALTH INSURANCE. ABOUT 1 MILLION FAMILIES A YEAR ARE REFUSED MEDICAL CARE FOR FINANCIAL REASONS.



Tim Davis, Photo Researchers, I

COSTS OF POVERTY: INFANT MORTALITY

THE INFANT MORTALITY RATE IN SOME POOR URBAN NEIGHBORHOODS EXCEEDS THE RATE IN MANY THIRD WORLD COUNTRIES.



COSTS OF POVERTY: INFANT MORTALITY

COMPARED WITH ALL COUNTRIES, THE U.S. RANKS 18TH IN INFANT MORTALITY, 22ND IN UNDER-AGE-FIVE MORTALITY, AND 36TH IN INFANTS WITH LOW BIRTHWEIGHT.



COSTS OF POVERTY: ILLITERACY

TWENTY PERCENT OF U.S. ADULTS ARE
FUNCTIONALLY ILLITERATE.



COSTS OF POVERTY: HOMELESSNESS

ABOUT 25% OF PEOPLE
LIVE IN SUBSTANDARD
HOUSING WITHOUT
ADEQUATE PLUMBING,
HEAT, OR OTHER
FACILITIES.



COSTS OF POVERTY: HOMELESSNESS

ABOUT 3 MILLION DO NOT HAVE ANY PERMANENT SHELTER AT ALL.



COSTS OF POVERTY: ECONOMIC COSTS

IN ECONOMIC TERMS THE COST IS HIGH FOR SOCIETY AS WELL. THE POOR CONSTITUTE A RELATIVELY UNPRODUCTIVE MASS OF PEOPLE.



COSTS OF POVERTY: ECONOMIC COSTS

THESE PERSONS ARE
WASTED; THEIR WORK
OUTPUT IS MARGINAL,
AND THEY PAY FEW
TAXES.



COSTS OF POVERTY: ECONOMIC COSTS

THE COST TO OTHER TAXPAYERS IS QUITE LARGE, IN THE FORM OF WELFARE PROGRAMS AND CRIME PREVENTION.



WELFARE

AMERICANS HAVE AN AMBIVALENT ATTITUDE TOWARD POVERTY. WE RECOGNIZE THAT THE POOR ARE NOT ALWAYS RESPONSIBLE FOR THEIR SITUATION, YET THOSE ON PUBLIC ASSISTANCE ARE OFTEN PICTURED AS LAZY, SHIFTLESS, OR DISHONEST.

WELFARE

TO BETTER UNDERSTAND THE DEBATE OVER THE FUTURE OF OUR SOCIETY'S SOCIAL WELFARE PROGRAMS, IT WILL BE USEFUL TO REVIEW THE PROGRAMS THAT ARE CURRENTLY IN OPERATION. CURRENT GOVERNMENT PROGRAMS CAN BE DIVIDED INTO FOUR BASIC CATEGORIES.

WELFARE

- HUMAN RESOURCE DEVELOPMENT
- SOCIAL INSURANCE
- CASH INCOME SUPPORT
- INCOME IN KIND



HUMAN RESOURCE DEVELOPMENT

- GEARED TOWARD INCREASING THE EMPLOYABILITY OF THE POOR BY RAISING THEIR EDUCATIONAL AND SKILL LEVELS.
- INCLUDE BOTH FORMAL EDUCATIONAL PROGRAMS IN CLASSROOMS AND ON-THE-JOB TRAINING PROGRAMS.

SOCIAL INSURANCE

INTENDED TO COMPENSATE FOR LOSS OF INCOME,
REGARDLESS OF NEED.



SOCIAL INSURANCE

INCLUDE UNEMPLOYMENT INSURANCE, WORKER'S COMPENSATION PROGRAMS, AND SOCIAL SECURITY PAYMENTS TO THE ELDERLY ALSO FALL INTO THIS CATEGORY.



CASH INCOME SUPPORT

PROVIDED FOR UNEMPLOYABLE PEOPLE, THOSE WHO ARE NOT COVERED BY ANY FORM OF SOCIAL INSURANCE, AND THOSE WITH SPECIAL NEEDS.



CASH INCOME SUPPORT

DIRECT SUBSIDIES TO FAMILIES AND INDIVIDUALS--
MAINLY AID TO FAMILIES WITH DEPENDENT
CHILDREN AFDC.

INCOME IN KIND

PROVIDE GOODS AND SERVICES, SUCH AS FOOD, HOUSING, AND MEDICAL CARE, TO THE POOR.



INCOME IN KIND

THESE PROGRAMS INCLUDE PUBLIC HOUSING AND URBAN RENEWAL; HEALTH PLANS LIKE MEDICAID; AND FOOD SUPPLEMENTS LIKE THE COMMODITY DISTRIBUTION PROGRAM.



WELFARE

THE COSTS OF THESE PROGRAMS, TOGETHER WITH THE PERSISTENCE OF HIGH RATES OF POVERTY, HAVE LED MANY AMERICANS TO CRITICIZE AND OPPOSE "WELFARE."



WELFARE

CRITICS OF WELFARE

ARGUE THAT WELFARE
POLICIES SHOULD NOT
ESTABLISH
DISINCENTIVES TO
WORK, NOR SHOULD
THEY REWARD VICE OR
ENCOURAGE
DEPENDENCY.



WELFARE

“The middle class and working poor are told that what's happening to them is the consequence of Adam Smith's "Invisible Hand." This is a lie. What's happening to them is the direct consequence of corporate activism, intellectual propaganda, the rise of a religious orthodoxy that in its hunger for government subsidies has made an idol of power, and a string of political decisions favoring the powerful and the privileged who bought the political system right out from under us” --Bill Moyers, 2004