II. Poverty in America

A. Poverty

1. Def: standard of living below what is necessary for

maintenance of adequate diet, health, and shelter

a. Poverty line or threshold

b. Mary Orshanky 1963

c. 3x the $ minimal subsistence diet (Thrifty Food Plan)

d. SSA and the poverty line 2007

i. single $11, 000 ($!0,000)

ii. family of 3 ($16,705)

iii. family of 4 ($21,100)

iv. before tax

2. Extent

a. 2004 35.9 million /12%, 2007 36.5 million

b. race African American, Latino, Native Americans

c. age

i. under 18, 17.4%/12.8 million

ii. over 65 under 10%

d. gender

e. place

B. Measuring poverty

1. measurement: x5

a. 1/5 on food

b. Thrifty Food Plan: temporary

c. after tax

d. things going wrong

e. 52 million or 17.2%

2. comparative

a. highest poverty rate

b. highest rate of childhood poverty

c. least

3. Trend

a. +3.6 million since 2000

a. near poor: within 125% of poverty line ^

b. working poor: 30%^

c. severely poor^

i. 12.7 million at one-half or under the

ii. 4.9 million are children

C. The poor in US really well off?

1. Welfare In America too good.

2. How good was too good?

a. cash:1/3 of poor

b. median payment: $370

c. non-cash benefits: 40%

d. all benefits; 3/4 poverty line

e. children 1.9

3. Welfare reform TANF (Personal Responsibility and Work Opportunity Conciliation Act)

a. millions cut: 90% women and children

b. Clinton: “I solved the welfare problem.”

i. where are the children

ii. no mandate to follow up

4. Three studies: Wisconsin, NYTimes, and Nation

a. 70% below poverty

b. 36% no medical care

c. 50% can't afford enough food

5. Homelessness

III. Who benefits from poverty?

A. surplus of desperate workers that depress wages.

B. someone to do the dirty and dangerous work in

society

C. creates jobs to maintain the social order ( power arrangements): police, social workers, prison guards

D. profit: “poverty surcharge” on food: +8%-18%

E. profit: rip off loans

F. scapegoats for wealthy, someone to blame

IV. Cycle of Poverty

A. Infants

1. Low birth weight

2. birth defect

3. infant mortality

B. Children

1. hunger

2. infectious diseases

3. death from accidents

4. poor schools

5. violence

6. poor housing

7. environmental hazards

C. Adults

1. McJobs

2. health problems/no health care

3. lower life expectancy

III. Nature of sales and service economy

A. Two-tiered

1. Top tier: investment bankers, lawyers, stock

brokers, CEOs

2. Bottom tier: McJobs

a. Characteristics

i. part time: 3x increase since 1968

ii. low wages: over 1/2 of jobs created since

1980 pay below poverty wages

iii. no benefits

iv. no skill

v. little or no advancement

b. Walmart

i. avg $8.50 per hour

ii. full time 28 hrs

iii. approx $10,920

d. Fast Foods

i. 3.7 million

ii. industry to minimum wage

iii. lower costs from suppliers

wages low for migrant workers

wages low for meat packing workers

3. Temps

a. use of temps increased 400% since 1982

b. 100 temp agencies in SD alone

c. American Airline ticket agent $40,000 to temp

$13,000

d. Microsoft: “Permtemps” and “outsourcing”

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