This is America

TABLE OF CONTENTS

Poverty by State

According to the US Census Bureau, in 2011, 15.9% of Americans live in poverty. For 2011, the Census poverty threshold was $11,702 a year for a single adult and $22,811 for a family of four with two children.

Half of the states in the union had poverty rates at or above 15.0%.

The state with the greatest percentage of its population under the poverty threshold was Mississippi (22.6%), followed by New Mexico (21.5%), Louisiana (20.4%), Arkansas (19.5%), Georgia (19.1%), Kentucky (19.1%), Arizona (19.0%), Alabama (19.0%), South Carolina (18.9%), West Virginia (18.6%), Texas (18.5%), Tennessee (18.3%), North Carolina (17.9%), Michigan (17.5%), Oregon (17.5%), Oklahoma (17.2%), Florida (17.0%), California (16.6%), Indiana (16.5%), Idaho (16.5%), Ohio (16.4%), New York (16.0%), Nevada (15.9%), Missouri (15.8%), and Illinois (15.0%).

Homelessness

According to Congressional statistics, from October 2009 to September 2010, about 1.59 Million Americans spent at least one night in an emergency shelter or transitional housing. Around two thirds, 1.1 Million people, were childless individuals, Over 300,000 were children and the remaining 200,000 were parents or guardians. That means 0.5% of the US population fit this definition of homeless during last year, the same percentage of homelessness as in Canada. While Russia self-reports its homelessness rate at over 3%.

Less than 20% of the homeless population was over 50 and less than 3% were over 62. 11% of these homeless were veterans while veterans only make up 7% of the general population.

42% were White non-Hispanic while 37% were Black, while over 70% of the national population is white and only 12% of the national population is black.

Can One Truly Measure Homelessness?

This type of survey severely undercounts those living on streets, parks and other public areas, not seeking assistance, meaning the true totality of homelessness is still unmeasured. However, every year the NYC Dept. of Homeless Services conducts an extensive Homeless Outreach Population Estimate, which counts those living outside of shelters and not counted by the Congressional survey. For 2012 they counted 3,262 unsheltered individuals. New York City contains slightly less than 2.6% of the US population. If you extrapolate out NYC's unsheltered individuals with the assumption the rest of the country has the same rate of unsheltered, then there are probably around 125,000 unsheltered Americans. That would bring the total homeless number over 1.7 Million.

Deficient Bridges

According to the group "Transportation For America" 69,223 American bridges are structurally deficient; meaning that they require significant work to remain safe. Over 11% of American highway bridges are classified as deficient. An example of a recent bridge failure was in 2007, when a bridge crossing the Mississippi on I-35W, in Minneapolis collapsed, killing thirteen and injuring over a hundred. In Pennsylvania, more than a quarter of the bridges are structurally deficient and over 17% of daily bridge traffic occurs on these aging bridges. Nationally over 6% of bridge traffic travels on deficient bridges, meaning on an average day 280 million cars will traverse a bridge in need of serious repair.

Regional Air Safety (or lack thereof)

Many large national or international airlines sell tickets on their websites for shorter flights contracted out to smaller regional companies. This type of subcontracting is known as code-sharing. In 2009 a regional flight crashed outside Buffalo, NY, killing 49 on board and one on the ground. After that flight the FAA promised to start monitoring all code-sharing agreements to make sure the smaller airlines would have the same safety guidelines as the larger ones. However in the last 4 years, that policy was not enacted, regional flights are no safer, and code-sharing agreements still are only reviewed for economic implications, not safety ones.

Invisible Infrastructure Need

When people talk about America's infrastructure problems, frequently they reference the electrical system, water supplies, and deteriorating transit systems, both public and roads. The American Society of Civil Engineers however is talking about how we need to update our ports. In 2010 $42.2 Trillion in goods passed through American ports. They estimate that the nation needs to spend over $30 Billion between now and 2020 to maintain these ports, twice as much as is currently marked for these vital trade arteries. 300 commercial port facilities need improvements, and 12,000 miles of inland waterways need upgrades. If nothing is done this could cost the nation $270 Billion in export losses and $697 Billion in gross domestic product, essentially costing the nation 738,000 jobs. This is even more pressing a need now that the Panama Canal is set to widen in 2015, allowing massive ships from Asia to deliver goods directly to the east coast. Once the canal is widened the ships will need a place to dock, and currently only Baltimore and Norfolk can currently handle ships that size; for them to reach New York, the Bayonne Bridge between Staten Island and New Jersey needs to be elevated.

Infrastructure Weakening the Economy

For 2012, the Department of Transportation had a budget of $73 Billion. However the American Society of Civil Engineers believes that this is far from enough. They say that by 2020 the United States needs to invest (on top of what is already allocated) $1.1 Trillion to upgrade not just roads and bridges, but waste and drinking water projects. They say that if these improvements do not go into place, the weakened infrastructure will cost the economy almost $1 Trillion a year in business sales, and will be responsible for the loss of 3.5 Million jobs. Further, researchers at Texas A&M's Transportation Institute say that without more funding for roads, congestion and disrepair will cost the average Texas household over $6,000 a year in wasted fuel, vehicle repairs and time lost.

Declining US Birthrate

The US birthrate peaked in 2007 and has seen four straight years of decline. The National Center for Health Statistics reports that by 2011, birth rates had dropped more than 8% from the 2007 peak. The study showed that 3.95 Million babies were born in the 2011 calendar year. The birth rates for women in their 40s actually increased, while the rate for those in their 30s stagnated. Those two demographics were offset by significant drops in pregnancy rates for women in their 20s and teens. In fact the teen pregnancy rate and the pregnancy rate for women 20-24 both hit all time lows in 2011.

End of Retirement as We Know It?

In the last two decades workforce participation for those over the age of 65 has increased, most rapidly in the last ten years. In 1990 12.1% of the population over 65 was active in the workforce compared with 75.6% of those from 16-64. By 2010 16.1% of those over 65 were working while 74.0 of 16-64 year olds were working.

Labor Force Participation for Men over 65

	65+	65-69	70-74	75+
1990	17.6%	27.9%	16.6%	8.0%
2000	18.4%	30.2%	19.0%	9.3%
2010	20.8%	35.8%	20.9%	8.65

Labor Force Participation for Women over 65

	65+	65-69	70-74	75+
1990	8.4%	16.9%	8.4%	2.9%
2000	9.7%	19.9%	10.5%	4.2%
2010	12.5%	26.4%	13.5%	3.9%

Other data that outlines the decline of traditional retirement include; according to the AARP 34% of older Americans still used credit cards to pay for basic living expenses. 74% of Baby Boomers told a TD Ameritrade survey that planned on relying heavily on their Social Security benefits. The National Federation for Credit Counseling says that one-third of their clientele are over 55, a 7% increase over the last 2 years. The Employee Benefit Research Institute also noted that debt for retirees over 75 has actually increased in the last couple years, the reason for this is not clear but some at the EBRI attribute that to growing health care costs.

Retirement Anxiety

According to the National Institute on Retirement Security 55% of Americans are very concerned that the current economy is hindering their future ability to retire. Another 30% of the adults over 25 polled in December are somewhat concerned about their retirement. This survey shows that the vast majority of Americans are worried about their ability to ever retire. This number keeps growing even as the economy is slowly rebounding. Additionally, the Senate's Health, Education, Labor and Pension Committee estimated that the nation faces a $6.6 Trillion retirement savings deficit. Also academics and Boston University and The New School have both found that a majority of Americans stand to be worse off in retirement than their parents.

Unprepared for Retirement

The Employee Benefit Research Institute says that 57% of American workers have under $250,000 in savings and investments, excluding homes. A mere 5 years ago in 2008 only 49% of American workers reported that they had less than that total. Also 28% of workers said they had no confidence in their ability to retire comfortably, an all-time high for the 23-year old study.

While personal unpreparedness is weighing on individuals, The Society of Actuaries reports that increased life expectancies are also weighing down corporations. The cumulative effects of people living longer could add up to 5% to corporate liabilities; an additional $97 billion in future corporate liabilities.

Pension Problems

According to JP Morgan Asset Management, American companies have a cumulative pension gap of $347 Billion. While the gap is slightly smaller than it was at the end of 2011, it still is the second largest end-of-the-year pension gap measured. UPS blamed Moody's downgrading of banks as one of the reasons for their gap, for the pension discount rate only looks at highly rated corporate bonds, and after the Moody's downgrade many of their bonds no longer counted. Additionally the low interest rates are keeping the discount rates down and increasing the pension gap. Boeing estimates that for every 0.25 percentage point decrease in its discount rate, it adds $3.1 Billion in pension liabilities. Since 2007, Boeing's discount rate has dropped from 6.2% down to 3.8%, showing how much these discount rates can fluctuate in a half decade. The actuarial consulting firm Milliman estimated that in January of 2013 the discount rates for the nation's 100 largest companies actually increased 0.27 percentage points, shrinking their pension gaps by over $100 Billion. Because of their costs, pensions have fallen out of vogue in the last few decades. According to benefits consultant Towers Watson, in 1985, 89 of the Fortune 100 companies offered new hires pensions, while by late 2012, only 11 Fortune 100 companies offer new employees pensions.

Generational Asset Gap

According to census data, the average households headed by someone 65 or older has a net worth 47 times greater than an average household headed by someone under 35. Moreover, according to Brookings, per capita, the government spends $2.4 on senior citizens for every $1 spent on children. Looking specifically at the federal government that ratio grows to 7:1.

Social Insecurity

In a January *New York Times* article, Gary King and Samir Soneji outlined their criticisms of the current state of Social Security. In 2010 Social Security ran a $49 Billion deficit, having to draw funds from a trust fund built to cushion Social Security once the Baby Boom generation starts to retire. However, the trust is on pace to run out of money by 2033. Their big criticism comes from how Social Security estimates future payouts. They feel that the agency has not updated their prediction mechanisms to account for decreases in smoking and medical improvements. The future estimations reach some ludicrous assumptions; for instance it predicts that 100% of people aged 55-59 will die in 2028. Their main argument is that the government ought to use better numbers to predict population changes, so that the government can learn the totality of Social Security entitlements before they decide how to keep it solvent.

Scooting on the Public Dime

Federal Agents executed a search warrant at the San Antonio headquarters of The Scooter Store, one of the leaders in electronic wheelchairs. Authorities did not explicitly say what the warrant was about, but there currently is an inquiry into millions in Medicare overpayments that the company received. Recently the Center for Medicare and Medicaid services announced it would decrease reimbursements for purchases of power chairs and scooters. The Justice Department had warrants for at least 2 other Scooter Store locations.

Compounding Problems

In 2012 a fungal meningitis outbreak occurred because of contaminated epidural steroid injections made by the New England Compounding Center. The injections lead to the deaths of 45 individuals. While pharmaceutical manufacturers are regulated by the FDA, only state pharmacy boards regulate compounders, meaning compounders face less scrutiny.

Pharmaceutical compounders normally are small places which make special medicines for individuals with allergies or other issues which prevent them from using mass produced products. However some compounders (like NECC) decided to mass produce products and sell them directly to doctors, instead of the traditional compounder sales which were to patients. Once compounders start selling to doctors they are doing the same thing as manufacturers, just without FDA regulation. The current government response is to limit the type of medicines compounders are allowed to make and sell.

American Oligarchs

In 2010, America's most profitable hedge fund manager, John Paulson, made $4.9 Billion in personal earnings. That means Paulson earns roughly $2.4 Million every hour. The median American household would have to spend 5 decades working to equal what Paulson makes every 3,600 seconds. The top 25 hedge fund earners had combined yearly earnings equal to that of 650,000 entry level teachers. In 1970 the top 100 paid CEOs earned $40 for every $1 earned by an employee, by 2006 the top 100 CEOs earned $1,723 for every $1 earned by employees. After the financial crisis the economic elites benefitted while most Americans suffered; the nation's 400 richest people increased their wealth by 54% between 2005 and 2010 while the average American family lost 35% of their wealth.

Fair Wages

According to economist Dean Baker, if the minimum wage were to have grown alongside productivity since the year 1968, the minimum wage ought to be $16.50 an hour. In fact the current minimum wage is $7.25 an hour. This means that 40% of men and 50% of women make less than the equivalent of 1968 minimum wage.

Racial Wealth Gap

In 2009, white families had a median net worth of $265,000 whereas black families had a median net worth almost a tenth as small, at $28,500. Despite an expansion of the black middle-class, a sharp increase in college graduation rates for blacks and a significant increase in electoral wins for black candidates, the wealth gap between black and white families actually tripled between 1984 and 2009; according to a study by Brandeis University's Institute on Assets and Social Policy. The researchers responsible for the study cite home ownership is a prime explanation for this increasing gap, with current homeownership rates for white families being 73% while black homeownership rates are 44%, having peaked at 49% in 2004. Because of smaller inheritances and a lack of family wealth, black families typically bought homes 8 years later in life than white families. Also when black families do buy homes, frequently they are in predominantly black areas; areas with a limited market for future buyers, which causes real estate values to increase at slower rates. Another explanation is that this is part of a vicious cycle of poverty which prevents blacks from maximizing investment income; since the typical black family is poorer than the typical white family, when blacks get raises the additional money goes to emergency spending, instead of investment spending. This study showed that for every dollar raise in salary, whites were able to turn that into $5 of new wealth, where as blacks were only able to turn it into 69 cents of new wealth.

Life Expectancies Falling for some Women

A new study released in *Health Affairs* shows that over the last 10 years, female premature death rates are increasing in 43% of American counties, whereas the male rates increased in only 3% of American counties. Researchers estimate that around 12% of women in America live in counties where their life expectancy dropped. This study measured mortality rates for people under 75. Nationally the death rate for women under-75 dropped from 324 to 318 per 100,000; but 43% of counties saw the opposite trend; in those counties the rates rose from 317 to 333 per 100,000. The counties with the increase in premature deaths tended to be in the south and west, and the women most affected were white women without a high school diploma. Some explanations are that educated and healthy women were more likely to leave rural areas than their less educated and less healthy counterparts. Specific health trends researchers cited were smoking rates, obesity rates, and abuse of painkillers like OxyContin.

There Just Aren't Jobs (data via Mortimer Zuckerman *WSJ* op-ed 2/15/13)

This current recession might be just as bad as the Great Depression. There are no longer the visible signs of poverty that existed in the 1930s, but people are struggling behind the scenes. While the official unemployment is under 8%, when counting the underemployed or those who dropped out of the workforce, the number is close to 14.5%. There are 6.4 million fewer jobs in America today than there were in November of 2007, not to mention the fact that many of the jobs that still exist have fewer hours than they did 5 years ago and provide fewer benefits. Despite all the gains of women in the last few decades, the current labor force participation level is the lowest it has been since 1981. So why don't our cities resemble the set of *Little Orphan Annie?*

Right now 15% of Americans are on food stamps, compared with an average of 7.9% from 1970-2000. Further there are 11 million Americans collecting Social Security disability checks, half of whom have signed up since Obama was first elected. Many of whom actually are disabled, but a good deal use Social Security disability as perpetual unemployment benefits. When Bill Clinton was elected, for every 1 person on disability there were 35 workers, now for every 1 person on disability there are only 16 workers.

Lifeless Job Corps

For the first time since its creation under Lyndon Baines Johnson, in 2011 the Job Corps has had to halt enrollment and will have a freeze on new enrollees from June to July. Created in 1965, the Corps helps young adults earn high school degrees or get the necessary vocational training to become employable. Members of Congress from both parties are furious with the Department of Labor's enrollment freeze on the program. This could not have come at a worse time, as the unemployment rate for those 16-24 is 17.4% and amongst African-Americans in that age-range the unemployment rate is 28%. Up to 30,000 young adults will miss out on job training opportunities and another 10,000 Job Corps employees stand to lose their positions during the current 6 month freeze. The budget shortfalls in the last 2 years can be directly attributed to a 2010 decision by the Department of Labor to take budgeting out of the hands of the Office of Job Corps and put the budget under the control of the Employment and Training Administration.

More Guns than People

According to a recent Alcohol, Tobacco and Firearms report, firearm manufacturing is a booming business. Between 2001 and 2010 the amount of guns manufactured domestically increased more than 86%. Much of the increase in manufacturing came between 2006 and 2009. This does not include the foreign gun imports, which totaled 2.8 Million. As of 2010, it was estimated that there were 310 Million firearms in America. The 2010 US Census stated that there were 308 Million Americans.

This survey's results preceded the gun purchase spikes that followed Gabby Giffords' failed assassination attempt, the shooting in the Aurora theater, and the shooting at the Newton elementary school. According to the FBI both 2011 and 2012 were record years for gun sales. In 2011 16.5 Million background checks for gun purchases were reported and in 2012 that number was 16.8 Million. Both of those are more than a 14% increase in background checks from 2010. In fact the *Christian Science Monitor* reported that in the four days following the Aurora shooting, gun purchases were 41% higher than they were during the same four day period the previous week.

Wait List Perpetuity

A strange trend has popped up for young parents in New York City. For these parents, enrolling children in either academic or extracurricular programs means showing up early and registering before the programs inevitably fill up and their children get relegated to a waitlist. The most surprising aspect is that there are actually 7% fewer children 9 and under in New York City in 2011 than in 2000. What is contributing to the congestion at these activities is that while overall there are fewer children, many neighborhoods have seen a massive influx of children. That means that signing up for pre-schools, day camps or youth sports leagues in the neighborhoods popular to raise children in can be incredibly competitive. The most affordable and accessible activities are the ones most likely to fill up and put children on waitlists. This overcrowding of activities and constant application processes are typical for New York City, a place where children aren't guaranteed entry to their local public elementary schools and high school applications are more competitive than college applications.

Family Finances and College

Every year sees more students graduating from college, unfortunately over the last two decades those gains have come mainly for those already well off, and the gap between well off and impoverished graduates continues to grow. 54% of students from households at the top income quartile received a Bachelors'

Degree. Only 9% of students from households at the bottom income quartile received Bachelors' Degrees.

The study, conducted at The University of Michigan by Martha Bailey, looked students in the late 1990s and early 2000s. In a survey they conducted two decades earlier, 36% of well off students graduated college while only 5% of poor students did.

Knowing that family income has a positive correlation to college graduation rates, one might assume that those well off students were the ones filling up their institution's Phi Beta Kappa chapters. However another survey showed that the more parents pay, both in terms of total cost and share of the total, the worse the students then do in college.

The study, conducted by Laura Hamilton at Cal-Merced, showed that there is a negative correlation between how much parents pay and their children's GPA. Hamilton explained that parental contribution effects on GPA were minimal at the most elite and competitive schools. She also found that the negative effects of paying for college could be minimized by parents talking to their children about expectations.

Degree Inflation

Currently the unemployment rate for those with at most a high school diploma is 8.1% whereas the rate for those with a bachelor's degree is 3.7%. With more and more people going to college each year there is an abundance of people with bachelor's degrees seeking jobs. Because of that offices can choose to hire college graduates for administrative work traditionally delegated to those without degrees. The employers assume that those without degrees are less ambitious or capable, finding that those with degrees are more career minded, and better employees.

Pell Grants

Pell Grants are intended to help college students make school affordable. They are direct grants, not loans that need to be paid back. However the way these grants are assigned give private (both for-profit and non-profit) colleges perverse incentives. Pell Grants are determined before colleges dole out their aid packages, meaning colleges are aware of how much money students qualify for from the federal government before the colleges decide how much institutional aid to offer.

Ideally the college decides how much aid they will offer a student, irrespective of federal grants. However it seems as if private colleges will give marginally smaller aid packages to students who qualify for Pell Grants, compared to similar students who did not. That means instead of helping students bridge the gap between what the schools expects them to pay and what they can pay, Pell Grants are part of what the school expects them to pay; meaning the schools are enriching themselves with Pell Grants instead of helping students with them.

That trend did not exist in public colleges however. Public schools tended to give marginally more in aid to students who qualified for Pell Grants than they would for similar students without Pell Grants.

The US Government gives out $35 Billion in Pell Grants. It is estimated that $6 Billion of that is taken in by universities in lieu of institutional aid they would normally have given those students.

Lesley Turner, Columbia University

College Athletics Industrial Complex

Charles Clotfelter, a professor of public policy, economics and law, at Duke University just completed a study about big time college athletics. In it he noted that from 1985 to 2010 average salaries at public universities for full professors rose by 32%, salaries for presidents rose by 90% and salaries for football coaches rose a whopping 650%. Further Clotfelter showed that in the day immediately after a big upset win or close game, library usage drops 19%.

Problems with Online Education (*NYT* editorial, 2/19/13)

Recently Stanford opened up a free online, non-credited course on artificial intelligence, hosting over 150,000 students worldwide. Many administrators are trying to set up similar courses at their institutions and move towards fully online degrees. However virtually all research shows that online classes pale in comparison to face to face classes. Most online courses offered for credit are a smaller size, roughly 25 students. The attrition rates for these classes can be up to 90%, meaning students take virtual classes less seriously. A Washington State University study of community college students shows that those who take a course-load heavy in virtual classes are considerably less likely to get an Associate's Degree or move on to a four year institution as those who take classes in person. While Stanford's class might educate highly skilled, highly motivated individuals interested in artificial intelligence, online degrees are not on pace to replace in person degrees any time soon.

Congressional Approval Plateau

Congressional approval ratings have hovered around 15% in 2013, similar to the average approval throughout 2012, which was the lowest yearly approval in Gallup's history (since 1974). Just before the November election the approval ratings spiked at 21% but since then they have dropped again, however not to the point of the August 2012 low of 10%. Before 2008 the yearly averages were higher, averaging no lower than 25% from 1994-2008. The most recent peak was 56% approval in late 2001, right after the 9/11 attacks.

Small State Senate Clout

62 Senators represent roughly one fourth of the nation's population:
30 of whom are Republicans, 30 of whom are Democrats, and 3 of whom are Independents

32 Senators represent half of the country:
13 of whom are Republicans, 19 of whom are Democrats

6 Senators represent another quarter of the nation:
2 of whom are Republicans, 4 of whom are Democrats

Partisan Geography

113th

There are 10 states which only send Republicans to the House of Representatives, 5 of these states have an at-large Rep. (Predominantly in the Great Plains and West)
There are 8 states which only send Democrats to the House of Representatives, 2 of these states have an at-large rep (Predominantly in New England)

There are 25 states which have House Delegations at least 2/3rds Republican
There are 13 states which have House Delegations at least 2/3rds Democratic (only 3 of which are not from the Northeast)
The following 12 states have House Delegations that are not dominated by one party: Arizona, Colorado, Florida, Georgia, Illinois, Iowa, Michigan, Minnesota, Nevada, New Jersey, Washington and Wisconsin.

108th

9 states only sent Republicans to the House, but 7 of these states only had an at-large Rep. (Most of these states were in the West, but Delaware and New Hampshire were part of this group)
4 states only sent Democrats to the House, none had an at-large Rep. (3 of 4 are located in New England)

24 states sent delegations at least 2/3rds Republican
9 states sent delegations at least 2/3rds Democratic
17 states sent delegations not dominated by one party

103rd

3 states only sent Republicans to the House, all of which sent at-large Reps.
6 states only sent Democrats to the House, 3 of which were from states with an at-large Rep. (None of these states were from New England)

7 states had House Delegations at least 2/3rds Republican (6 of the 7 states were west of the Mississippi River)
17 states had House Delegations at least 2/3rds Democratic (no real geographic trends)
26 states had House Delegations not dominated by either party