

Record number of US children in extreme poverty

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The number of black children living in extreme poverty climbed to nearly 1 million in 2001, according to the Children's Defense Fund (CDF), a Washington, DC-based child advocacy group. The record number was the result of a sharp one-year increase in the number of black children living in families at half the poverty level from 2000 to 2001.

While the CDF report focused on black children because of the staggering rate of increase in extreme poverty among this group, there are growing numbers of children of all races in the US living under these wretched conditions—defined by the Census Bureau as an annual income of \$7,064 or less for a family of three.

Other research has placed the number of Hispanic children in extreme poverty at 733,000 in 2001, about 13 percent more than in 2000. The number of very poor white children rose by an estimated 2 percent, to 1.8 million. Thus, a total of more than 3.5 million American children live in households where basic necessities of life are simply out of reach.

Using US Census survey data, the CDF found that 932,000 black children were extremely poor in 2001, up from 686,000 a year earlier. The 2001 total was twice the number of black children living in abject poverty two decades earlier when the Census Bureau began compiling such figures.

At 8.4 percent, the fraction of black children living in extreme poverty was as high as the 23-year peak reached in the last recession in 1992.

To more accurately measure actual household living conditions CDF researchers added estimates of food stamps, school lunches and housing benefits to after-tax income to arrive at their estimates. They also controlled for other factors that might affect results, such as live-in boyfriends or wealthy respondents with very low

annual incomes and sizable assets.

At an income level of extreme poverty a family would be required to consume nearly every penny of its resources in food alone, leaving nothing for rent, lights, heat or clothing.

The shocking increase in abject poverty goes a long way toward explaining the surge in families at homeless shelters across the country. The patchwork system of shelters and food banks that arose in US cities, towns, suburbs and even rural areas over the last two decades has been unable to keep up with demand as government programs were gutted.

The official poverty rate rose to 11.7 percent in 2001, the first increase since 1993. One in five black children lived below the official poverty level as did 16 percent of all US children—about 12 million US children.

Even this official poverty level (about \$14,000 for a family of three in 2001) is abysmally low and utterly inadequate. The Economic Policy Institute (EPI), a union-backed research group, calculated a more realistic family budget level with income sufficient to avoid serious hardship, such as missing meals, being unable to pay rent or having the phone disconnected. They estimate that two-and-a-half-times as many families fall below this level income as fall below the official poverty line.

Also in 2001, median household income declined for the first time since 1991, falling 2.2 percent to \$42,228. The income of the typical black household fell 3.4 percent in 2001, to just \$29,000.

The only gains in income in 2001 were in households making more than \$100,000 per year. For the first time ever, the top fifth of households gobbled up more than half of the nation's income before taxes. The share going to the top 5 percent—those with incomes over \$150,000—also increased to 22.4 percent of the total

national income.

A unique record was set in 2001 in the number of US children of all races receiving no cash welfare despite living in female-headed families below 50 percent of poverty level. Families without assistance despite extreme need climbed from 914,000 in 1990 to 1.6 million in 2001.

This figure, which is the “smoking gun” in the CDF report, has no doubt gone up even more in the past year. The current recession has fueled a sharp rise in unemployment among low-income single mothers. According to the EPI, unemployment among this sector climbed to 12 percent in 2002, double the national rate and nearly as high as it had been prior to welfare reform in 1996.

Despite the continued hemorrhaging of jobs, the Bush administration wants to cut even more families from public assistance by raising the number of hours parents must work to receive benefits to 40 hours a week, 10 more than current law requires. Also included in his proposal for reauthorization of the welfare reform legislation enacted in 1996 is a provision to fund religious-based groups that promote marriage.

While providing what amount to workhouses and sermons for the poor, the Bush administration is trying to push through a tax cut bonanza for the rich that would send \$62,500 to every US millionaire this year, while just \$236 would go to middle income taxpayers and nothing to the poor.

The Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA), or welfare reform, was signed in 1996 by then-President Clinton. This legislation replaced the 60-year-old welfare program that had guaranteed federal aid to the poor. After its expiration in 2002, the PRWORA was continued for another year under its old provisions as a result of disagreements in Congress over the provisions on work requirements.

Democrats have not called for a return of welfare as an entitlement program nor do they propose abolishing the five-year time limit. Rather they state they only want to fix a few details, such as increasing childcare and job training programs. The EPI and the CDF, like many other Washington advocacy groups, are lining up with the Democrats in Congress and calling for merely “fixing the holes” in the thoroughly discredited program.



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