

US census figures show rise in poverty, uninsured

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31 August 2004

On the eve of the Republican National Convention and nine weeks before the general election, the US Census Bureau has released figures on poverty and health coverage that represent a devastating indictment of the Bush administration, and the Democratic Party as well.

Poverty rose for the third straight year in 2003, with nearly 36 million people, or 12.5 percent of the population, living at or below a subsistence level. These figures vastly underestimate the real poverty rate, since the official poverty level for a family of four, \$18,660, is absurdly low. People living at or below this income level are not simply poor, but destitute. For a single parent with two children, the official figure is \$14,824, and for a single person under 65 years old, \$9,573.

The Census Bureau reported that median household income in 2003 stagnated as compared to the previous year, and was lower than in 1999. The bureau also reported that the number of Americans without any medical insurance had reached 45 million.

The statistics reveal that 2003 was the third year in a row in which the number of people living in poverty in the US increased by at least 1.3 million. The number in poverty and the poverty rate, respectively, have risen from 31.6 million or 11.3 percent of the population in 2000, to 32.9 million or 11.7 percent in 2001, to 34.6 million or 12.1 percent in 2002 and, finally, to the figures noted above in 2003.

Children under 18 accounted for about half the increase in poverty last year. For children, the poverty rate and number rose from 16.7 percent to 17.6 percent, and from 12.1 million to 12.9 million, respectively.

Some 378,000 more families now live below the official poverty line, an increase of 4 percent to 7.6 million families. Of the 41 million people living in single-mother families, 30 percent, or 12.4 million, are living in poverty.

The poverty rate for non-Hispanic whites remained at 8.2 percent. Non-Hispanic whites consistently have lower

poverty rates than other racial groups, but in the 2003 census they account for 44 percent of the people in poverty.

Seven states—Illinois, Michigan, Nevada, North Carolina, South Dakota, Texas and Virginia—showed increases in their poverty rates. Mississippi and North Dakota showed decreases.

Real median income did not change for non-Hispanic white households (about \$48,000), black households (about \$30,000), Native Americans (about \$33,000) or Asian households (about \$55,500). Hispanic households experienced a real decline in median income of 2.6 percent between 2002 and 2003.

The federal government deliberately underestimates the true extent of poverty, in part, because federal and state benefits are pegged to the official figures. Any change in the criteria that more accurately reflected social reality would require the government to provide more funds for social programs for the poor—something that is generally opposed by Democrats and Republicans alike.

The federal government first defined the poverty threshold in the 1960s, during the Johnson administration's "War on Poverty." The government determined that families of three or more persons spent approximately one third of their after-tax income on food. Official poverty thresholds for families were accordingly set at three times the cost of the Department of Agriculture's most inexpensive food plan. Since then, the poverty line has been elevated in accordance with the Consumer Price Index.

One statistic gives an indication of the growth of relative poverty and social inequality in the US over the past four decades. In 1999, the income of a family at the poverty line was \$17,020. This was 28.5 percent of the national median income in the US. Forty years earlier, a family at the poverty line had an income that was 42.6 percent of the median income.

The latest Census figures do not take into account the drifting in and out of poverty of many families. A report issued by the Census Bureau last year found that 35 percent of people in the US were poor for at least two months between 1996 and 1999.

A study conducted by the City Mayors Society gives some indication of the social consequences of poverty in the US. In a survey of 25 major cities, the mayors found that requests for emergency food assistance increased by 17 percent during the past year. The survey estimated that more than 14 percent of food assistance requests went unmet. Approximately 48 percent of the cities surveyed were forced to significantly limit the food they provided. Some 59 percent of those requesting food were families. Of the adults requesting food, 39 percent were employed.

The City Mayors Society report documented a marked increase in homelessness and an inability of city governments to provide adequate housing. Eighty-four percent of the cities surveyed reported having turned away families in need of emergency housing. People remained homeless for an average of five months in the surveyed cities. Families with children accounted for 40 percent of the homeless, and unaccompanied children accounted for 5 percent. Twenty-three percent were mentally ill, 17 percent were employed, and 10 percent were veterans.

The new report on poverty included data on health insurance, whereas in the past the Census Bureau issued two separate reports. There have been charges that the Bush administration had the two reports merged and issued a month early to minimize the impact of the data on the November 2 election.

The report revealed that the number of people without health care coverage has risen by 1.4 million to 45 million people, or 15.6 percent of the population.

The uninsured rate peaked in 1998 at a historical record of 16.3 percent, fell to 14.2 percent in 2000 and has since risen to 15.6 percent. According to another survey, 82 million people were without insurance at some point between 2002 and 2003.

The Census Bureau reported that 11.4 percent of children—8.4 million—had no health insurance. The uninsured rate was 19.2 percent among children in poverty.

The report found that the number of people covered by employment-based health insurance fell by 1.3 million to 60.4 percent. This fall in employment-based coverage explains most of the total increase in the number of uninsured. The 1.3 million figure also roughly matches

the net job loss during the past three years.

The number of people covered by Medicaid, which provides benefits to poor people, and Medicare, which covers seniors, increased as more people qualified, but not enough to make up for the growth in the population.

The Census Bureau figures provide a glimpse of the consequences of a quarter-century of bipartisan attacks on the living standards of the working population. Driving down workers' wages and dismantling the welfare state have been the deliberate aim of both the Republicans and Democrats, in the interest of making American capitalism more competitive in the world market and increasing the wealth of the US financial oligarchy.

Encouraged and facilitated by government policy, an immense shift of wealth from the poor to the rich has occurred in the US over the past several decades. Between 1983 and 1998, the bottom 40 percent of the population saw a 76.3 percent decline in their net worth; in the same time period, the top 1 percent increased their net worth by 42.2 percent. The top 1 percent now controls over 40 percent of the wealth, up from 20 percent in 1976.

Thus, while homelessness, hunger, poverty and lack of insurance plague millions of people, and rising health care costs, tuition, gas and food prices undermine the position of working class families, Porsche sales are up 17 percent.

The Census Bureau report is one barometer of the failure of the entire American political system. The John Kerry campaign represents no alternative to the Bush-Cheney policy of "Everything for the rich!" The two-party system, thoroughly dominated by big business interests, is incapable of addressing the needs of broad layers of the American people.



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