

Six million in the US with no income but food stamps

Jerry White
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Some six million Americans—one in 50 people in the US—are living on no income other than \$100 or \$200 a month in food stamps, according to an analysis of state data by the *New York Times*. The number of people who reported that they are unemployed and receive no cash aid—neither welfare, nor unemployment insurance, pension benefits, child support or disability pay—the newspaper reported, has jumped by 50 percent over the last two years, as the recession has taken hold.

According to the January 3 article, the number of people reporting no income tripled in Nevada over the past two years, doubled in Florida and New York, and increased nearly 90 percent in Minnesota and Utah. In Wayne County, Michigan—which includes Detroit, where half the population is unemployed or underemployed—one out of every 25 residents reports an income of only food stamps. In Yakima County, Washington, the figure is one out of every 17.

The figures reveal the vast scale of human suffering in the US as the new decade begins and puts the lie to talk of an economic “recovery.” The 6 million people in households reporting no income—which includes 1.2 million children—is equivalent to the entire population of Indiana or Massachusetts, or the combined populations of Los Angeles, Philadelphia and Boston.

Such a social catastrophe underscores the indifference of the Obama administration, which has done virtually nothing to provide relief to those who have lost their jobs, homes and livelihoods—even as it spares no expense to shore up the fortunes of the financial elite and fund its ongoing wars.

The number of people without an income has been on the rise since 1996, when Democratic President Bill Clinton and the Republican Congress ended welfare as a universal entitlement, a status the federal relief program had enjoyed since its inception in the 1930s.

Pledging to “end the cycle of dependency,” the Democrats and Republicans imposed lifetime limits on benefits, drastically reduced the level of cash assistance, and imposed restrictive “workfare” and other requirements on further aid.

Despite the increased need for relief, Obama has opposed any additional funding for what remains of the welfare program, called Temporary Assistance for Needy Families. Since their peak in the 1990s, welfare rolls are down nearly 75 percent, the *Times* reported.

“Many of those who would have received cash assistance in past recessions are not getting it now,” Judy Putnam, a spokesperson for the Michigan League for Human Services, told the *World Socialist Web Site*. “Only a third of the state’s children living in poverty are getting cash assistance compared with two-thirds before ‘welfare reform’ in 1996. People in Michigan are heavily dependent on food stamps.”

With jobless benefits covering only half of the unemployed, food stamps—which provide an average of \$1 per meal per person, or around \$100 per person each month for individuals or families earning up to 130 percent of the official poverty level—have become the safety net of last resort. A record 36 million people—one in eight people and one in four children—now rely on the food stamp program. The joint federal-state Supplemental Nutrition Assistance Program (SNAP) is expanding by 20,000 people per day, but is still estimated to serve only two-thirds of those who qualify.

An earlier *Times* study showed there are more than 200 US counties where food stamp usage shot up by at least two-thirds, including Riverside County, California, most of greater Phoenix and Las Vegas, a ring of Atlanta suburbs, and a 150-mile stretch of southwest Florida from Bradenton to the Everglades. The study found there are over 800 counties where food

stamps feed one third of all children.

Late last year, researchers at Washington University in St. Louis released a study showing that 50 percent of all children and 90 percent of African American children will receive food stamps at some point before their 20th birthday. “Rather than being a time of security and safety,” said Mark Rank, Ph.D., one of the authors of the report, “the childhood years for many American children are a time of economic turmoil, risk, and hardship.”

The January 3 *Times* report focused on Florida, where the number of people with no income beyond food stamps has doubled in two years and more than tripled along the southwest coast, where a housing boom turned into a bust of foreclosed and abandoned homes. According to state data, those without income were split evenly between families with children and individuals. Those affected were also racially mixed—about 42 percent white, 32 percent black, and 22 percent Latino—with whites making up the fastest growing segment during the recession.

This plunge into destitution has affected wide layers of the population. The *Times* article cites a middle-aged mother of two, Isabel Bermudez, who moved from a Bronx housing project to sell real estate in Florida. Once enjoying a six-figure income, a house with a pool and investment property, she lost her job and home and ran out of unemployment benefits. Ms. Bermudez’s sole income is now \$320 a month in food stamps. “I went from making \$180,000 to relying on food stamps,” she told the newspaper, adding that without the program she wouldn’t be able to feed her children.

The increasing reliance on meager food stamp allowances exposes the absence of anything that can properly be called a social safety net in the US. The situation will only get worse, as both the Democrats and Republicans prepare to slash what remains of publicly funded programs in order to pay for the multi-trillion dollar Wall Street bailout and expansion of US military action around the world.

The theme of Obama’s State of the Union address—expected early next month—will be long-term deficit reduction and a further demand that the American people reduce their consumption. The White House is backing a bipartisan commission to recommend major cuts in basic social programs along with regressive taxes on consumption, and Obama’s

budget director, Peter Orszag, has said the administration will take measures to reduce the deficit in its next budget due out in February. Such actions will throw millions more into poverty.

The social crisis facing working people—depression levels of unemployment, home foreclosures, the growth of hunger, poverty and homelessness—is the most graphic expression of the failure of capitalism, an economic system that benefits the wealthy few at the expense of the vast majority.

In the midst of this worsening situation for the working population, it was reported last week that the top three banks—Goldman Sachs, JPMorgan Chase and Morgan Stanley—which received tens of billions in public funds under the Troubled Asset Relief Program—will hand out \$49.5 billion in end-of-year cash bonuses and stock awards. All told, US banks will dispense an estimated \$200 billion in total compensation.

The Obama administration is continuing and accelerating the transfer of wealth from working people to those who are responsible for precipitating the worst economic breakdown since the Great Depression.

Nearly a year after his inauguration, President Obama has demonstrated he is nothing but a tool of the financial oligarchy. The very future of the working class depends on the development of a mass socialist movement against this administration, both big business parties, and the profit system which they defend.

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