

Record number of Americans in poverty

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The poverty rate in the US soared to 15.1 percent in 2010, its highest level since 1993, according to a report released by the Census Bureau on Tuesday. Household incomes continued to fall sharply amidst the worst jobs crisis since the Great Depression of the 1930s, and the number of people without health insurance increased.

The bureau's report documents a shocking decline in the living standards of millions of people, a devastating indictment of the policies of the Obama administration and the entire political establishment. The new figures cover conditions one year after the supposed beginning of the recovery in June 2009.

The poverty rate increased nearly a full percentage point, from 14.3 percent in 2009. It was the third consecutive annual increase in the poverty rate and the fourth consecutive annual increase in the number of people living in poverty. Last year, there were 46.2 million people living in poverty, defined at the absurdly low level of about \$22,000 a year for a family of four and \$11,000 a year for an individual.

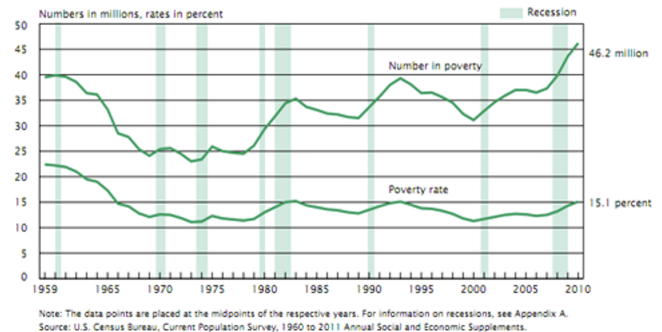
The number of people earning less than twice the poverty rate (about \$44,000 for a family of four) stood at 103 million in 2010, or about 34 percent of the population.

The percentage of children under 18 living in poverty increased from 20.7 percent to 22.0 percent. A total of 16.4 million children live in poverty, equivalent to the population of New York City, Los Angeles, Chicago and Houston combined.

The total number of people in poverty is equivalent to the combined population of the 50 largest cities in the United States. There are more people in poverty in the US in 2010 than during any year on record going back to 1959.

Since 2007, the poverty rate has increased from 12.5 percent to 15.1 percent, or 2.6 percentage points.

Number of People in Poverty and Poverty Rate - 1959-2010



The poverty rate for African-Americans increased at a particularly rapid rate, from 25.8 percent in 2009 to 27.4 percent in 2010.

Millions of people live in what is known as “deep poverty,” with incomes less than 50 percent of the official poverty level (or less than about \$11,000 a year for a family of four). The deep poverty rate increased from 6.3 percent in 2009 to 6.7 percent in 2010, an increase of 1.5 million to a total of 20.5 million people.

While children under 18 represent 24.4 percent of the overall population, they make up 36 percent of the population (7.5 million individuals) living in deep poverty.

The absolute number of people living in deep poverty and the deep poverty rate are both at the highest level since the government began tabulating these figures in 1975.

The Census report also documented a continued decline in income for working people, with real median household income falling to \$49,445 in 2010, down 2.3 percent (\$1,154) from 2009. Since 2007, the report notes, “real median income has declined 6.4 percent and is 7.1 percent below the median household income peak that occurred in 1999.”

These averages mask the enormous inequality that has become the central feature of American society. The lowest 20 percent of households, with incomes of \$20,000 or less, saw their share of total income fall from 3.4 percent to 3.3 percent. The top 20 percent took home more than 50 percent of all money income.

A report by the Center for Budget and Policy Priorities notes that since 1999, real income “has fallen 12.1 percent for those at the 10th income percentile but only 1.5 percent

for those at the 90th percentile. The income gap between those at the 10th and 90th percentile was the highest on record.”

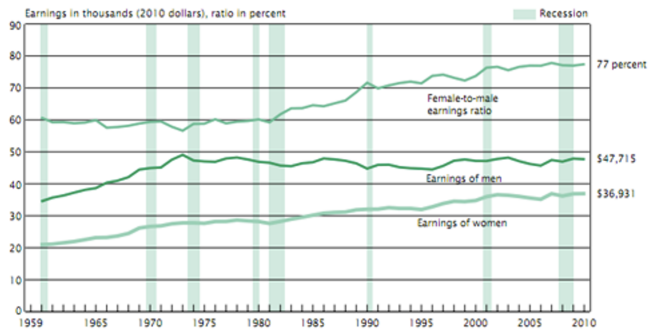
Since 1999, real household income has fallen 5.5 percent for non-Hispanic whites, 14.6 percent for African Americans, 8.9 percent for Asians and 10.1 percent for Hispanics, according to the Census report.

For men with full-time, year-round jobs, the real median income is about the same today as it was in 1973, having remained largely flat for three decades.

Mass unemployment is a major driving force behind the decline in living standards, as corporations utilize the jobs crisis to push through wage and benefit cuts for those who are able to find work. Since 2007, the number of year-round, full-time workers has fallen by 9.4 million, a fall without parallel since the Great Depression.

These conditions have continued into 2011. Official unemployment stands at 9.1 percent, with the most recent jobs report from the Labor Department showing zero net job growth last month. The level of long-term unemployment is at a historic high. The percentage of the population unemployed increased from 16.1 percent to 16.3 percent.

Female to Male Earnings Ratio and Median Earnings of Full-Time, Year-Round Workers 1960-2010



Note: Data on earnings of fulltime, year-round workers are not readily available before 1960. For information on recessions, see Appendix A. Source: U.S. Census Bureau, Current Population Survey, 1961 to 2011 Annual Social and Economic Supplements.

The number of people without health insurance in the United States was 49.9 million in 2010, an increase of nearly one million over 2009. The rise in the uninsured is a particularly damning exposure of the fraud of Obama's health care “reform,” which was in fact an opening shot in a drive to reduce health care costs for corporations and the government.

The rise in poverty is a product of the long-term decline of American capitalism, combined with the ferocious class war waged by the ruling class, now led by the Obama administration. Mass impoverishment is the outcome of a deliberate policy that has resulted in a vast transfer of wealth into the hands of a small corporate and financial aristocracy.

These indices of social distress come at a time of record profits, with corporations sitting on a cash hoard estimated at more than \$2 trillion. The government has handed over trillions of dollars to the banks, inflating the stock market while bailing out the wealthy. Far from leading to an

economic revival, the conditions for the vast majority of the population have suffered a catastrophic decline.

Amidst clear signs of a world economy sinking into depression, the response of the ruling class is to push for austerity. States and local governments throughout the country are implementing cuts in the most basic programs designed to prevent poverty. The Michigan state government, for example, passed a measure this month that will cut 41,000 people from welfare assistance, including nearly 30,000 children, beginning October 1.

Meanwhile, after outlining a phony jobs proposal that will do nothing to address the unemployment crisis, the Obama administration is set to propose trillions of dollars in cuts to health care and retirement programs.

The administration has made a point of insisting that a proposal being worked on by a bipartisan budget deficit committee must include deep cuts in Medicare and Medicaid, the main federal health care programs.

To fight against these conditions, the working class must enter into industrial and political struggle.

The Socialist Equality Party calls for emergency measures to eliminate poverty, including a multi-trillion-dollar public works program to employ tens of millions of workers in high-paying, productive jobs rebuilding infrastructure and meeting other critical social needs. A livable income to meet all basic needs is a social right that must be guaranteed to everyone.

To pay for this program, the SEP fights for a radical redistribution of wealth, including a 90 percent tax on all incomes over \$500,000. Corporations, currently engaged in a hiring strike, must be taken over by the working class and run democratically for the benefit of society as a whole, not the private fortunes of the few.

The implementation of these measures is impossible outside of a direct attack on the interests of the financial and corporate elite and a break with the capitalist two-party system, through the building of a mass socialist political movement of the working class.



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