

Poverty soars among young families in US

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22 September 2011

Since the onset of the economic crisis, millions of working class families have fallen into deep financial distress. The younger generation has been particularly hard hit by unemployment, the housing crisis and debt.

Government data indicate that more than one in three young families with children were living in poverty in the US in 2010, the highest rate ever recorded. At the same time that families are financially strained, assistance programs for the poor have been cut and eligibility rules tightened.

A new analysis of Census Bureau data by the Center for Labor Market Studies at Northeastern University found that 37.3 percent of households headed by a parent under age 30 were impoverished last year.

Poverty among these young households has surged by 12 percent over the past decade, surpassing the previous peak of 36 percent in 1993 and far eclipsing the 14 percent recorded in 1967, when the government began tracking family poverty figures. Since 2007, poverty across all age groups has leapt upward, to include 46.2 million people. (See, “America: The land of poverty”)

Official measures of poverty grossly understate its scope and depth. Many advocacy groups have pointed out that 200 percent of the official poverty threshold—which would be \$44,000 for a family of four—is a more realistic measure of the bare minimum costs of raising a family. Across all age groups, the number of people earning less than twice the poverty line stood at 103 million in 2010, about one in three Americans.

The Northeastern study found that along with the swelling ranks of the poor—defined at a woefully inadequate \$22,000 per year for a family of four and \$11,000 for an individual—millions more have fallen into the classifications of “near poor” (125 percent of poverty) and “low income” (below 200 percent of poverty).

Among young families overall, the report found the number who were poor or near poor rose by nearly 10 percent from 2000 to 2010. More than half—51 percent—fell under the official “low income” threshold.

The report notes, “Among young families with children residing in the home, 4 of every 9 were poor or near poor and close to 2 out of 3 were low income in 2010.” In other words, the broad majority of young families across the country are struggling to meet the cost of basic needs.

The data reflects a historic decline in the living standards of the American working class. “Young families with children are now six times as likely to be poor as elderly families,” Professor Andrew Sum, director of the Center for Labor Market Studies, told the *New York Times* in an article published September 19. “This is a generational change. From a public policy standpoint, we should be deeply troubled by this.”

Young parents, including many single parents, struggle to compete for limited job openings. “Whenever I go to a job interview, that comes up—they’re not going to hire a mom,” 27-year-old mother Margaret Allstrom told the *Times*. “Technically it’s not legal. But they ask questions like, ‘What’s important in your life?’ You’re going to mention your kids, and then they know.” Allstrom told the paper she had lost her full-time job when the recession hit and has been compelled to work three part-time jobs to make ends meet.

The growth in poverty among the young is directly tied to the destruction of better-paying manufacturing jobs over the past decade. Masses of young workers in earlier generations were able to establish economic independence by entering the factories straight out of high school. The degeneration of the unions and their open collaboration with the employers has hit young workers particularly hard. In addition to accepting the

destruction of millions of jobs, unions, such as the United Auto Workers, have backed two-tier wages, which condemn young workers to near poverty wages.

Census data indicate that the number of men under age 30 with only a high school diploma who had full-time jobs plummeted by 22 percent between 2007 and 2010. Fewer than one in three young men without high school diplomas were working full time last year.

Better-educated young people are also falling into poverty. While the employment rate of college-educated young men fell only one percent since 2007, the combination of student loan debts and poor wages are a substantial burden on young families, even those drawing two paychecks. A college degree is no longer a guarantee against destitution for young people.

The implications of the jobs crisis are devastating. According to a study by the Pew Center's Economic Mobility Project published September 6, one third of Americans who grow up in middle-income families—defined as those between the 30th and 70th percentiles of the income distribution—fall into the lower income brackets when they reach adulthood.

Most of these young adults fall 20 percentiles or more below their parents' rank, despite having higher educational attainment on average than previous generations. Census figures show that nearly six million other young adults doubled up in households with their parents or friends because they could not afford to live independently. "When asked to define the American dream, one of the more popular options chosen was 'your children being financially better off than you'," the Pew report noted. The possibility of upward mobility for working class young people has been erased.

Over the past three decades, millions of decent-paying entry level jobs for young people have been replaced by temporary and minimum wage positions. At the same time, "welfare reform," initiated in 1995 under the Clinton administration, bound poor workers, and especially young parents, to low wages and exploitative conditions. At the time, the policy change was touted as a way for single mothers to enter the workforce.

Since the onset of the economic crisis, however, the number of full-time workers has fallen by 9.4 million, a contraction on a scale not seen since the Great Depression. As a result, many young parents have been

unable to find work at all, making them ineligible for the Temporary Assistance for Needy Families program that ties cash aid to employment. This has left the most desperate and vulnerable families with virtually no social safety net.

"The recent recession has wiped out many of the economic gains for children that occurred in the late 1990s," Annie E. Casey Foundation associate director Laura Speer said in a statement August 17. "Nearly 8 million children lived with at least one parent who was actively seeking employment but was unemployed in 2010. This is double the number in 2007, just three years earlier."

Among the poor, 20.5 million people subsist in "deep poverty," or half the poverty line. One in three of these deeply impoverished people are children. "The younger you are, the poorer you are, and that's a disgrace," Children's Defense Fund President Marian Wright Edelman commented to the *New York Times*.

"The high fraction of American children living in young families with severe inadequacy problems will have long lasting negative effects on their cognitive achievement, their educational attainment, their nutrition, physical and mental health, and social behavior," the Northeastern study warns. "The share of adolescents from poor families and with bottom quartile academic skills obtaining bachelor degrees by their mid-20s has come close to zero. These are grave outcomes with serious long-term consequences for America's economic and social future."

The conditions confronting young families serve as a damning indictment of American capitalism and the policies of the Obama administration. In the year since the Census was taken, the economic prospects for working class households have continued to worsen, with no relief in the form of a government jobs program or expanded public assistance. To the contrary, the response of the administration and its state-level counterparts has been to seize upon the crisis as an occasion to escalate the attacks on vital social programs and drive down wages.



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