

# Extreme poverty in US has more than doubled since 1996

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A policy brief recently issued by the National Poverty Center (NPC) reveals that the number of households in the US living on less than \$2 a day per person has increased by 130 percent since 1996, from 636,000 to some 1.46 million today.

This means that some 4 million people in “the richest country on earth” (according to US capitalism’s apologists) are surviving on less than \$60 a month each, i.e., essentially on no income whatsoever.

The policy brief, authored by H. Luke Shaefer, University of Michigan, School of Social Work, and Kathryn Edin, Harvard University, Kennedy School of Government, studies the results of the fifteen years since the 1996 “welfare reform” signed into law by President Bill Clinton, which fatally slashed the social safety net.

“This reform,” the authors comment, “has been followed by a dramatic decline in cash assistance caseloads, from an average of 12.3 million recipients per month in 1996 to 4.4 million in June 2011; only 1.1 million of these beneficiaries are adults.

“Thus, in the aftermath of the Great Recession, while millions of American parents continue to experience long spells of unemployment, they have little access to means-tested income support programs. Has this produced a new group of American poor: households with children living on virtually no income?”

The answer is yes.

In studying the most deprived in the US, the policy brief, whether pointedly or not, explains that the researchers developed “a definition based on one of the World Bank’s main indicators of global poverty, meant to measure poverty in developing nations.” They adopt the World Bank’s standard for determining the poorest of the global poor, subsistence on \$2 a day or less.

The study draws data from the Survey of Income and

Program Participation (SIPP) collected by the US Census Bureau from sample households every four months. The most recent data comes from the beginning of 2011.

In passing, the study notes that participation in the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program, has increased from an average of 25.5 million recipients per month in 1996 to 45.2 million in June 2011, a 77 percent increase in a decade and a half.

Children have been especially hard hit. The brief estimates that “about 2.8 million children lived in extreme poverty at the beginning of 2011.... This was roughly 16 percent of all children in poverty.” The number of households with children in extreme poverty has risen sharply since November 2008. The study dismisses the notion that the American safety net “is strong, or even adequate, when one in five poor households with children are living without meaningful cash income.”

As to the demographics of families living in destitution, the NPC researchers found that 37 percent of the households in extreme poverty in 2011 were headed by a married couple and 51 percent by a single female.

Some 48 percent of these households were headed by white non-Hispanics, 25 percent by African Americans and 22 percent by Hispanics in 2011. The report comments, “Thus, extreme poverty is not limited to households headed by single mothers or disadvantaged minorities, though the percentage growth in extreme poverty over our study period was greatest among these groups.”

The report points to impoverished households having access to the meager in-kind benefits still available in the US, such as SNAP, section 8 vouchers or public

housing units and public health insurance, but adds this understatement: “Still, the in-kind safety net is leaving many households with children behind. And even families who receive them will arguably have a hard time coping with no cash on hand.”

The NPC policy brief concludes by reiterating its central conclusion that the prevalence of severe poverty rose sharply between 1996 and 2011, with its growth concentrated “among those groups that were most affected by the 1996 welfare reform.” Both Republicans and Democrats championed the latter as a measure that would put the poor “back on their feet.” Instead, a combination of legislative ruthlessness and a deteriorating economy have produced a significant population living in wretchedness.

To drive home the point, a new study from Kids Count, “Data Snapshot on High-Poverty Communities,” reports on the high percentage of children in some of America’s largest cities living in concentrated poverty.

Detroit leads the nation in this category, with 67 percent of children residing in high-poverty neighborhoods. Some 57 percent of Cleveland’s children live in such conditions, along with 49 percent of children in Miami, 48 percent in Milwaukee and 43 percent in both Fresno, California and Atlanta.

Overall, 22 percent of children in large cities live in communities of concentrated poverty. About 8 million children in the US as a whole reside in such economically deprived areas.

In Michigan in 2010, 341,000 children lived in high-poverty areas, an increase of 124,000, or 57 percent, over 2000.



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