

In fourth year of Obama “recovery”

## US Census report shows entrenched poverty and declining living standards

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A US Census Bureau report released Tuesday, entitled “Income, Poverty and Health Insurance Coverage in the United States: 2012,” makes a mockery of President Barack Obama’s claims to be restoring “security and opportunity for the middle class” in the wake of the 2008 financial breakdown.

The report provides a snapshot of a society in immense crisis. Poverty is at a near-generation high of 15 percent, close to the high point since the 1965 War on Poverty, the 15.2 percent rate reached in 1983. According to Tuesday’s report, 46.5 million Americans, including 9.5 million families, live in poverty.

Some 20.4 million people live on an income less than 50 percent of the official poverty line, 7.1 million of these being children under 18. More than 48 million remain without health insurance.

More than 31 percent of the population experienced some period of impoverishment during the years 2009-2011. Median household income, at \$51,017, was slightly lower than in 2011, and down by 8.3 percent from 2007. The number of people 65 and older living in poverty increased from 3.6 million to 3.9 million between 2011 and 2012.

Despite more than four years of so-called “recovery,” American society remains plagued by mass deprivation and entrenched poverty. The “recovery” under Obama is limited to the wealthy and the super-rich, who have recovered all of the losses they suffered in the immediate aftermath of the Wall Street crash of September 2008 and grown richer than they were before the financial crisis. Social inequality has deepened as a result of policies designed to further redistribute wealth from the bottom of society to the

top.

On Tuesday, one day before the release of the Census Bureau report, *Forbes* magazine published its annual list of the 400 richest Americans. The combined wealth of these 400 individuals rose substantially from the previous year—from \$1.7 trillion to \$2.2 trillion. This staggering figure is equal to 12 percent of the total annual gross domestic product (GDP) of the United States and two-thirds of the tax revenues collected in the US in 2013.

The personal holdings of this modern-day aristocracy are sufficient to cover the total deficits of the federal, state and local governments of the US, with many billions to spare. Their \$2.2 trillion is greater than the wealth of the bottom 50 percent of Americans—150 million people. It is larger than the GDP of such countries as Italy, Canada and Mexico.

Prominent billionaires on the *Forbes* list include Bill Gates (\$72 billion), Warren Buffett (\$58.5 billion), Michael Bloomberg (\$31 billion) and Mark Zuckerberg (\$19 billion).

A study updated last week by economist Emmanuel Saez documented the enormous growth of social inequality that has taken place since 2009, the official start of the Obama “recovery.” According to the Saez report, the top 1 percent has received 95 percent of all income gains since 2009, while the vast majority of Americans have seen their incomes fall. For the first time in nearly 100 years, the percentage of income taken by the top 10 percent of Americans has topped 50 percent.

The Census report and *Forbes* list of multi-billionaires appeared the same week that Obama gave a White House speech touting the record of his

administration in restoring the “middle class” in the aftermath of the Wall Street crash. (See: “On fifth anniversary of Wall Street crash, Obama tries the Big Lie technique”). They highlight the absurdity of Obama’s pretense of fighting for the interests of ordinary Americans.

One statistic contained in the Census report points to the systematic lowering of working class living standards that is underway. The number of men with full-time year-round jobs increased by only 1 million in 2012, half that predicted by economists and half that recorded in 2011. This reflects the enormous growth of part-time jobs at the expense of full-time work. The vast majority of new jobs that have been created to replace those lost during the official recession of 2007-2009 have been low-wage and part-time jobs in service industries.

“The continued high rate of poverty is no surprise, given ongoing high unemployment, stagnant wages and government spending cuts,” Sheldon Danziger, the president of the Russell Sage Foundation, told the *New York Times*. “Poverty is higher today than it was in 2000, and household incomes are lower. The ‘lost decade’ is likely to turn into ‘two lost decades.’”



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