

Book Review

\$2.00 a Day: Living on Almost Nothing in America

Debra Watson
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In early 2011, roughly 1.5 million US households and more than 3 million children in the US were living on less than \$2.00 per day per person. In just 15 years, since President Bill Clinton's notorious welfare "reform" of 1996, the number of households living at such a severe state of deprivation had doubled.

Kathryn Edin and H. Luke Shaefer's book, *\$2.00 a Day: Living on Almost Nothing in America* (Houghton Mifflin Harcourt 2015), focuses on the situation of those living in extreme poverty in the United States. Both the authors have connections to major poverty research centers at US universities. Edin is the Bloomberg Distinguished Professor in the Department of Sociology at Johns Hopkins University and on the US Health and Human Services advisory committee for the poverty research centers at the University of Wisconsin, Stanford, and the University of Michigan. Shaefer is an Associate Professor of Social Work at the Gerald R. Ford School of Public Policy at the University of Michigan.

Two dollars a day is the figure the World Bank uses to designate absolute poverty, including in countries with median incomes far below the US per capita. The grossly inadequate official US poverty level for a family of three is about \$18 a day per person.

Even after taking into account other federal poverty programs such as food and housing assistance and tax credits, the number of families with children living in absolute poverty increased by 50 percent since welfare reform gutted the US safety net, and the astonishing collapse of income at the bottom of the US income distribution continues to this day.

Since the elimination of Aid to Families with Dependent Children (AFDC), the federal welfare program, a greatly expanded number of families have been left without any support. "Welfare is dead," say the authors.

This year marks 20 years since passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which was approved by the US Congress and signed into law by then-President Bill Clinton. PRWORA replaced federally subsidized welfare with block grants to the states.

The federal entitlement program of cash assistance, targeting families with children living in circumstances so terrible that they could not obtain the most basic needs like food, clothing and shelter was called Aid to Families with Dependent Children (AFDC). In 1996, it was replaced with Temporary Assistance to Needy Families (TANF).

In their new book published last fall, the authors expand their initial research, which focused on non-elderly families with children. Edin had completed and published a book about how families on welfare survived prior to 1996. At the time, she observed that AFDC-entitled families with children at home existed somehow on about three fifths of the income that would put them at the meager federal poverty level.

The value of the family grant itself has dropped since Edin did her research, by more than one fifth in purchasing power in the majority of states. More importantly, the ratio of AFDC families to total families in poverty in the late 1980s was 8 in 10. On the eve of welfare reform, it was 7 in 10. The successor TANF program has a ratio at just 2 in 10 families in poverty receiving any cash assistance.

This work contains much valuable factual material, despite the extremely conventional political solutions it advances, which consist mainly of a rehash of official Democratic Party policy, including a proposal for the expansion of subsidies to the private sector to create jobs.

Indeed, the facts elaborated in this book are an indictment of the policies of the Democratic Obama administration, which has presided over the dramatic expansion of social inequality. They serve as a searing indictment of American capitalism, where large numbers are living in Third World-type poverty while a rich handful enjoy fabulous wealth.

The content of the book is largely made up of gripping personal accounts, interspersed with the statistics that illustrate the depth and scope of the social disaster.

Edin and Shaefer present three major areas that they think have created a new and burgeoning social cohort of very poor families. They are the degradation of low-wage work since welfare reform; the affordable housing crisis; and the virtual death of welfare or TANF.

About one third of the children among the poorest of the poor in the US are in two-parent families, we learn. Seventy percent of children in \$2-a-day households had at least one adult in the labor force doing what Edin calls “hanging on to the ragged edge of a low-wage labor market that is becoming more and more degraded.”

These bottom-of-the-barrel jobs, with sporadic stints of part-time work, are characterized by irregular hours and irregular schedules accompanied by an ever-smaller, in real terms, federal minimum wage.

In the book, we meet Jennifer (not her real name) who has a job at a small Chicago business cleaning apartments and houses between tenants. After the foreclosure crisis, she found herself working in unheated houses in freezing winter weather. The windows were boarded up, and there was usually no electricity. Sometimes workers had to haul water from nearby gas stations to clean up because there was no water service to the house they were cleaning.

The authors write, “After that, she contracted a series of nasty viruses. ... Even when Jennifer started to feel better, her kids were sure to catch whatever bug she had. Both of them suffered from asthma as well and on a couple of winter nights the family rushed to the emergency room.” Because of her absences due to her and her children’s illnesses, her boss got upset. “...Jennifer watched as her hours on the weekly schedule started to get whittled away. ...”

In the chapter entitled “A Room of One’s Own,” the authors highlight the affordable-housing crisis. Today, there is no state in the country where a family headed by a minimum wage, full-time worker can afford to rent a two-bedroom home.

They write: “Since the last time Rae and [her 4-year daughter] Azara lived with George and Camilla, they have taken in three boarders. ... From the outside, the nature of this home is hidden: no slouching rooflines, unlike so many of the other houses in the neighborhood. ... [B]etween the time the last tenant vacated the house and George and his crew moved in, someone stripped the basement of all its copper piping. ... The landlord says he has no plans to fix it.” The three non-disabled adults living there must carry water from a broken pipe protruding from the basement wall upstairs for the needs of the whole household.

The coping mechanisms people use to find cash when there is no more assistance available are shocking. Lacking access to the cash they need to support their children, parents resort to trading sex for food or a place to sleep, selling their children’s Social Security numbers to working adults for tax credit purposes because they cannot find jobs themselves. Without earnings, they cannot claim the credits. Many women and families must move into dangerous and overcrowded housing.

The authors identify two major coping mechanisms. One is the sale of food stamps at 50 cents on the dollar, a costly practice. Desperate families employ this illegal practice as a last resort to pay for things like heating bills. Of the nearly 47

million low-income people in the US who qualify for food stamps, now called the Supplemental Nutrition Assistance Program (SNAP), most use the federal program for its intended purpose, food. In any case, the monthly benefit averages only about \$125 a person, a totally inadequate amount, far below minimum nutrition requirements.

The other means by which the poorest cope, the authors found, is through the sale of their own blood plasma. Edin calls the US the OPEC of plasma sales, and there has been an explosion in this market since welfare reform.

The authors relate the story of one couple. “In Johnson City, Tennessee, we met a 21-year-old who donates plasma as often as 10 times a month—as frequently as the law allows. She is able to donate only when her husband has time to keep an eye on their two young daughters. When we met him in February, he could do that pretty frequently because he’d been out of work since the beginning of December, when McDonald’s reduced his hours to zero in response to slow foot traffic. Six months ago, walking his wife to the plasma clinic and back, kids in tow, was the most important job he had.”

According to the researchers, new statistics from other demographic sources corroborate their 2013 discovery. The information on poverty that Shaefer gathered from the Survey of Income and Program Participation (SIPP), a statistical survey conducted by the United States Census Bureau, have held steady in the ensuing years since first reported.

Families receiving SNAP food assistance and reporting zero cash income rose from 300,000 in 1995 to 1.2 million in 2013. School statistics that began in 2004 keep track of homeless children. The rise there, too, parallels the rise in extreme poverty among families. In addition, food banks around the country show a similar trend line, a steady rise in usage with families unable to pay for the most elemental needs like food.

The federal welfare budget has declined in real terms by about a third in the past 20 years, according to the Center for Budget and Policy Priorities. Only a fraction of that amount goes to directly assist families anymore. Fully 40 percent of the money now spent on TANF is used to fill gaps in state budgets instead.

The decline in public assistance for poor families has been massive, with 12.3 million people receiving AFDC in 1996 when the poverty rate was 11 percent. The US Census Bureau recorded the official poverty rate at 14.8 percent in 2014. Just 3 million people per month received TANF during fiscal year 2015.



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