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Poverty in America with Some Focus on South Carolina

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Introduction

> The millions who are poor in the United States tend to become increasingly invisible. Here is a great mass of people, yet it takes an effort of the intellect and will even to see them.[1]
>
> Michael Harrington, *The Other America*

In Michael Harrington's seminal work, *The Other America*, published in 1962, he presents a compelling commentary on the nation's poor. Of importance, Harrington points out that poverty in America is not severe as portrayed in Third World countries. Poverty in America is rather a circumstance that finds millions of people "maimed in body and spirit, existing at levels beneath human decency." They are most often without education, adequate housing, and proper medical care.[2] Thus, inasmuch as the poor in America are not striking or even remarkable in their privation, they are—in a sense—unseen or unnoticed.

In 2005, over 40 years since Harrington's observations on the "invisible poor," poverty in the United States is still prevalent. According to the most recent data provided by the U.S. Census Bureau, there are more then 37 million people (12.7% of the total population) in the United States who are, by federal definition,[3] in poverty. If one uses the official term "low-income persons,"[4] the number of people who are *poor* more than doubles.

> …In 1964, 19% of the U.S. population lived below the official poverty line. That rate declined over the next four years and in 1968, it stood at 12.8% [principally as result of Lyndon Johnson's War on Poverty]. Since then it has fluctuated little. Last year [in 2004], it was at 12.7%, proof that it is a chronic problem.[5] (Bracketed narrative added).

According to the literature, the poor today are still unobserved—invisible—to most Americans. However, it should be acknowledged that to a certain extent that changed August 29, 2005 when a Category 4 hurricane hit the areas in and around New Orleans, Louisiana and Biloxi, Mississippi. As pointed out numerous times in the media, and more recently and poignantly by the *New York Times*, it took a crisis like Hurricane Katrina to occur for *the invisible to become visible*. It was only then that poverty was given a degree of recognition and focus (at least for the time being). As reported in the *Times*, "Prompted by searing television, images of the poor laid bare a fact that is rarely exposed to the middle class and affluent America."[6]

Poverty in the South

Of note, poverty in America's South is very much a reality. Moreover, research shows clearly that it is both extensive and persistent. Indeed, the rate of poverty in the South consistently surpasses other regions of the country. In 2004, for example, those at or below the federal poverty level (FPL) numbered nearly 15 million persons or 14.1% of the total population of the southeastern United States.[7] One study points out that 11 Southern states are "home to 30% of all Americans—yet lay claim to 34% of the nation's poor."[8] The study finds additionally that these 11 states have "a high proportion of persons who have remained in poverty over a long period of time; i.e., a period from 1980 to 2000."[9]

Specifically, South Carolina has a particularly high concentration of impoverished persons. The FPL for South Carolina, in 2004, was 15.7%.[10] This equates to 659,097 persons. Further, the average 3-year poverty rate for 2001-2003 in South Carolina was 14.0%, equaling an average of 587,730 persons.[11]

Are the poor in America, the South, and in particular South Carolina invisible to most of us? In varying ways, perhaps they are. While the U.S. Census Bureau measures poverty annually, comprising this year—for example—a 78-page report issued in August 2005,[12] most of the attention given to it is by academicians, economists and other experts. Seldom, according to observers, do the media and politicians give it, neither the Census report on poverty nor for that matter the poor, much notice. However, to a certain extent, Katrina did change this pattern or mindset. But how long public focus and debate will last is questionable.

Nevertheless, the facts remain; *there are many who are poor*. As such, the aim of this paper is straightforward and not unlike dozens of other papers on poverty. Its aim is to present the facts and issues about poverty to the reader in order to inform and educate—to foster awareness. Perhaps more importantly, it also like many other similar works in that it is an attempt to motivate the reader to act in some way, now or in the future, to effect some positive change to reduce poverty, or if you prefer, address its causes.

Given these aims, this paper will examine poverty—in brief—from several fronts. These include a discussion or analysis of…

▪ the various definitions of poverty;
▪ the extent, demographic composition, frequency, and effects of poverty in the U.S.;
▪ the causes of poverty;
▪ the government response to poverty;
▪ charitable or non-profit organizations response to poverty;
▪ perceptions or public opinion about poverty in the U.S.;
▪ new approaches or policies to reduce poverty; and finally,

▪ the extent, demographic composition, frequency, and effects of poverty in South Carolina.

The Defining and Measuring of Poverty

In essence, poverty is a universal term and a subjective one as well. One broad definition is such: "It is a condition of a person or persons who are needful of material things or comforts."[13] Another definition commonly given is that poverty is a state of human affairs where an individual(s) is, by varying degrees, in a state of marked privation, below an established demarcation or threshold for proper living conditions. *Webster's New Collegiate Dictionary* defines poverty as "the state of one who lacks a usual or socially acceptable amount of money or material possessions."[14]

Historically, for example, Adam Smith defined poverty in his *Wealth of Nations* (1776) as "a deficiency of necessities for which a nation and its customs render it indecent or unacceptable for a creditable person to be without."[15] Herbert Spencer, an English philosopher and precursor of Darwinian theory, likened the poor to "a struggle of the fittest" stating that the poor are part of the natural order of things and that they must either "work or starve."[16] Alexis De Tocqueville, in his *Memoir on Pauperism* (1835), recognized that there existed "inevitable evils such as the helplessness of infancy, the decrepitude of old age, sickness, [and] insanity." Tocqueville further stated that "assistance or charity shouldn't be distributed merely on the basis of *character*." Who, he asked, "Would dare to let a poor man die of hunger because it's his own fault that he is dying? Who will hear his cries and reason about his vices?"[17]

Today, general personal views on what constitutes poverty, as one might suspect, range widely. In some instances, people hold the opinion that poverty is generally a lack of food, shelter or clothing. In other cases, people believe poverty consists of a lack of proper sanitation, nutrition, utilities, and/or heath care. Some believe it is the lack of childcare, transportation, insurance, a telephone, a livable wage, etc. Still, others feel that one can be poor and still have a car, a color television, a microwave, a dishwasher, and other household items that exceed "absolute necessities." Obviously, the viewpoints held by individuals on what poverty is vary from the extreme to more moderate ones, and even expansive interpretations. Surveys on poverty and its meaning confirm this broad hodgepodge and mix of opinions.[18]

In the United States, the federal government provides several definitions of what poverty is or how it is to be measured.[19] However, two of the definitions stand out above all others. Officially, for statistical purposes, the U.S. Census Bureau defines poverty by establishing "poverty thresholds." Each year the Bureau estimates the annual amount of cash income that is minimally required to support families of various sizes.[20] The poverty threshold is calculated by a formula using pretax or gross income and excludes non-cash benefits such as food stamps and Medicaid. If a family's income is below the designated threshold, the family is considered poor. This method was established in 1964 (by Mollie Orshansky of the Social Security Administration) and was last refined in 1988.[21] The poverty threshold for a family of three in 2004, for example, was $15,067.

Figure 1. Selected Poverty Thresholds 2004

Size of Family Unit	Weighted Average Threshold	Related Children under 18 Years		
		None	One	Two
One person (unrelated individual)....	9,645			
Under 65 years......................	9,827	9,827		
Two persons...........................	12,334			
Householder under 65 years...........	12,714	12,649	13,020	
Householder 65 years and older......	11,430	11,418	12,971	
Three persons.........................	15,067	14,776	15,205	15,219
Four persons..........................	19,307	19,484	19,803	19,157

Source: U.S. Census Bureau. Retrieved October 10, 2005 from http://www.census.gov/hhes/www/poverty/threshld/thresh04.html.

The second commonly used definition for poverty is the *poverty guidelines* as calculated by the U.S. Department of Health and Human Services (DHHS). These guidelines are issued each year in the *Federal Register* and are essentially poverty limits or demarcations for the administrative use by DHHS to determine eligibility for certain federal programs like Head Start, the National School Lunch Program, the Low-Income Energy Assistance Program, and the Children's Health Insurance Program. The poverty guidelines, as referenced earlier, are sometimes referred to as the *federal poverty level* or FPL. The federal poverty level for a family of three in 2005, for example, was $16,090.

Figure 2. 2005 DHHS Poverty Guidelines

Size of Family Unit	48 Contiguous States and D.C.	Alaska	Hawaii
1	$ 9,570	$11,950	$11,010
2	12,830	16,030	14,760
3	16,090	20,110	18,510
4	19,350	24,190	22,260
5	22,610	28,270	26,010
6	25,870	32,350	29,760
7	29,130	36,430	33,510
8	32,390	40,510	37,260
For each additional person, add	3,260	4,080	3,750

Source: Retrieved October 10, 2005 from http://www.workworld.org/wwwebhelp/poverty_guidelines_federal.htm.

Controversy over What Constitutes Poverty

The official U.S. federal poverty line is a controversial one. Many individuals and organizations argue that the thresholds and guidelines do not provide a level of income sufficient to live decently. Others argue that the official poverty demarcations are sufficient and may in fact overstate the position or status of poverty in America.

For example, those persons or organizations that claim that the official poverty line is too low (and therefore understates poverty) contend often that the costs of goods and services far exceeds both the U.S. Census Bureau's calculations and those poverty guidelines set by DHHS. The Children's Defense Fund[22] (CDF) states that a family of three, in 2004, according to the U.S. Census Bureau, was considered poor if their income was less than $15,219 a year. The CDF calculates that the annual costs of the basic needs for a single parent with two children, for instance, is in reality $29,976.[23] As shown in Figure 3, this is nearly twice what the official income poverty threshold is as established by the Bureau.

Figure 3. Costs for Basic Needs for a Family of Three[24]

Housing (1)	$9,660
Food (2)	$5,124
Childcare (3)	$7,440
Health Care (4)	$810
Clothing (5)	$720
Transportation (6)	$4,992
Miscellaneous (7)	$1,230
Cost of Basic Needs	**$29,976**

Note: This example is based on a single parent earning a minimum wage, working full-time and raising two children ages four and seven.

Further, the CDF states that a working individual, in the case above, a single parent who earns the federal minimum wage of $5.15 an hour, earns annually $10,716. This amount is gross earnings and falls more than $19,000 short of the income needed to cover basic expenses.[25] Further, merely considering the official poverty threshold of $15,219, the earnings received working full-time at minimum wage—$15,219 a year—is still short by $4,503.

From the other perspective, those individuals and organizations that believe poverty is overstated and that many of the poor are not destitute argue that one must "look behind the numbers, that is, look at the actual living conditions of the persons the government deems to be poor."[26] For example, a paper published by the Heritage Foundation[27] asserts that while "real material hardship" exists, it is limited is scope and severity. The Foundation contends that the most of America's poor "live in conditions that would be judged as comfortable or well-off just a few generations ago."[28] The Heritage Foundation presents the following information and data to support its contentions:

> ▪ Seventy-six percent of poor households have air conditioning. By contrast, 30 years ago, only 36% of the entire U.S. population enjoyed air conditioning.
> ▪ Only 6% of poor households are overcrowded. More than two-thirds have more than two rooms per person.
> ▪ The average poor American has more living space than the average individual living in Paris, London, Vienna, Athens, and other cities

throughout Europe. (These comparisons are to the average citizens in foreign countries, not to those classified as poor.)
▪ Nearly three-quarters of poor households own a car; 30% own two or more cars.
▪ Ninety-seven percent of poor households have a color television; over half own two or more color televisions.
▪ Seventy-eight percent have a VCR or DVD player; 62% have cable or satellite TV reception.
▪ Seventy-three percent own microwave ovens, more than half have a stereo, and a third have an automatic dishwasher.[29]

Low-Income Families and Children

The federal poverty income amount varies in some cases depending on federal or state program assistance eligibility standards and requirements and, in some instances, for statistical purposes in various analyses. For instance, the official DHHS poverty guidelines discussed above may be used by some federal or assistance programs—for eligibility purposes—at percentage increments of 1.25 or 125%, or 1.50 or 150%, or higher in some cases. This would mean that the annual FPL for a family of three, as prescribed by 2005 DHHS guidelines, would be alternately $16,090 at 100%, $20,113 at 125%, or $24,135 at 150%. For example, the annual eligibility income requirement for the federal Children's Health Insurance Program is 200% above the FPL, or $32,180 for a family of three.[30]

The National Center for Poverty[31] (NCP) at Columbia University, in fact, defines low-income families as those at twice (200%) the federal poverty level. Again, for a family of three, this would equate to an annual income of $32,180. The NCP and many other organizations use the term "low-income" as an alternate way of defining or designating those "who are at or near the poverty level." In other words, low-income families are those who have an income that satisfies the most basic of human needs like housing, food, and health care.[32]

Given this definition of low-income, the NCP states, for example, that more than one-third of children in the United States live in low-income families, meaning their parents earn up to double what is considered extreme poverty in this country.[33] Of interest also, the NCP states further that…

▪ 17.8% of American children—more than 13 million—lived in *poor* families in 2004, meaning their parents' income was at or below the federal poverty level. These parents are typically unable to provide their families with basic necessities like stable housing and reliable childcare.
▪ More than 40% of American children—greater than 27 million—lived in *low-income* families in 2002. Their parents made less than 200% of the federal poverty line. These families often face material

> hardships and financial pressures similar to those families who are officially counted as poor.[34] (Italics added).

Median Family Income

Poverty can also be defined in the sense of risk. A reference point for determining the risk of poverty, as suggested by the U.S. Census Bureau and other public and private organizations, is to examine median family income. A statistical term, the *median* is simply the midpoint that separates a group into halves—"halfway between two numbers or the average."[35] Thus, if a family's income is *above* the official median income as determined by the Census Bureau, the family is designated *as not poor*. Contrarily, if a family's income is *below* the official median income, then the family is *at risk of being poor*. In 2004, the U.S. real median household income was $44,389. Thus, those families with annual incomes below $22,195 were, according to the Census Bureau, "at risk" or "almost poor."[36]

Finally, according to the U.S. Census Bureau, the real median income remained stable or unchanged from 2003 through 2004. Regionally, the South had the lowest median household income at $40,733. In terms of race and ethnicity, it should be noted that African Americans had the lowest median income in 2004 at $30,134.[37]

Poverty in America—The Statistics and Conditions

Currently, as based on the most recent data available, there are over 37 million Americans who fall below the official federal poverty level (FPL). This equates to (a rate of) 12.7% of the total U.S. population. If one uses a 1.25 or 125% increment above the poverty level, the number of Americans who are "poor" increases to over 58 million. If the increment increases to 1.50 or 150%, the number of persons at or near poverty jumps to over 88 million. If 2.00 or 200% of the official poverty level is used, i.e., referring to those Americans who are considered "low-income" or at risk of becoming poor, the number increases to more than 176 million persons.[38]

The overall percent of Americans who fall below the official PFL (sometimes referred to as "extreme poverty") has increased steadily since 2000. In 2000, the percentage was at 11.3%, or roughly 31 million persons. By 2004, the increase was to 12.7%, or nearly 37 million persons.[39]

Again, as stated earlier, in 2004, the official poverty thresholds determined by the U.S. Census Bureau were: one person ($9,645); two persons ($12,334); three persons ($15,067); four persons ($19,307).

The Demographics of Poverty

Data on the characteristics of the poor, in 2004, were published by the U.S. Bureau of Census in an annual report entitled *Income, Poverty, and Health Insurance Coverage in the United States: 2004* (issued August 2005).[40] The report's data clearly indicate who are generally most vulnerable to poverty in the United States. In effect, the most susceptible are clearly minorities (African Americans and Hispanics), women (especially female-headed families), children, the "under-educated," the disabled, and/or those who live in the South.

Race and Ethnicity. In 2004, *the poverty rate* for non-Hispanic Whites was 8.6%, or 16.9 million persons. In contrast, and considerably higher, the poverty rate for African Americans was 24.7%, or approximately 9 million persons. Those persons of Hispanic origin had a poverty rate equaling 21.9%, or over 9.1 million. The poverty rate for Asians was 9.8%, or 1.3 million persons.

Of note, the 2004 poverty rate and number of African Americans, including that for Hispanics, who were officially poor, or below the FPL, remained essentially unchanged from 2003. The poverty rate for Asians, however, *decreased* from 11.8% in 2003 (again to 9.8% in 2004), or from 1.4 million (to 1.3 million in 2004) persons.[41]

Age. The 2004 poverty rate for children and youth, or those persons under 18 years, was 17.8%, or over 13 million persons. Adults between 18 to 64 years had a poverty rate of 11.3% (20.5 million). Those persons 65 years and older had a rate of 9.8% (3.5 million).

According to the literature, young children (ages under 6) in poverty are of special concern. They are at high risk of malnutrition, disease, neglect and abuse. In 2004, the poverty rate for children under 6 in families was 19.9%, or 4.7 million.[42] Of interest, in 2003, as cited by the U.S. Conference of Catholic Bishops, "children under age 6 living in families with only a single-female householder, more than one out of two (52.9%) were in poverty, greater than five times the rate of their counterparts in married-couple families."[43]

Figure 4. Income and Earnings Summary Measures by Race and Hispanic Origin: 2003 and 2004[1]

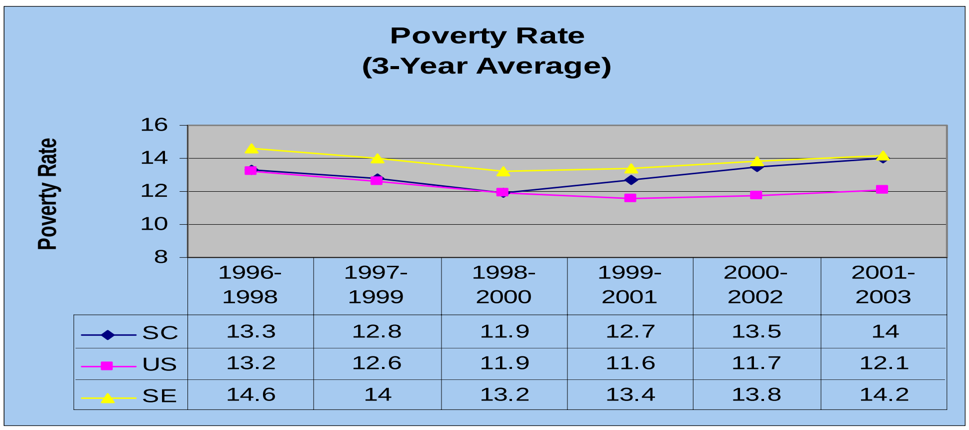
Characteristic	2003			2004			Percentage change in real median income (2004 less 2003)	
		Median income (dollars)			Median income (dollars)			
	Number (thousands)	Value	90-percent confidence interval[1] (±)	Number (thousands)	Value	90-percent confidence interval[1] (±)	Estimate	90-percent confidence interval[1] (±)
Race[2] and Hispanic Origin								
White	91,962	46,857	302	92,702	46,697	301	–0.3	0.73
White, not Hispanic	81,148	49,061	390	81,445	48,977	368	–0.2	0.87
Black	13,629	30,442	652	13,792	30,134	498	–1.0	2.14
Asian	4,040	57,196	1,848	4,140	57,518	2,000	0.6	3.85
Hispanic origin (any race)	11,693	33,884	775	12,181	34,241	790	1.1	2.17

Notes: 1. Income in 2004 dollars. 2. Federal surveys now give respondents the option of reporting more than one race.
Source: DeNavas-Walt, C. et al. (2005, August). Income, poverty, and health insurance coverage in the United States: 2004. Washington, DC: U.S. Census Bureau, Table 1, p. 12.

Regions. Poverty rates by region vary and the South continues to have the highest rate, in 2004, at 14.1%. The West followed at 12.6%. The Northeast and Midwest were both at 11.6%.

The U.S. Census Bureau recommends using 3-year averages—the poverty rate and the median income—to get a sense or understanding of poverty by region. The poverty rate over time, for example, has fluctuated in the southeast from 14.6% during the 3-year period 1996-1998, to a low of 13.2% during 1998-2000, and most recently, 14.2% during 2001-2003. This regional poverty rate has been consistently above the U.S. average. (See Figure 5).

Figure 5. Historical/Trend Analysis, Poverty Rate, 3-Year Average

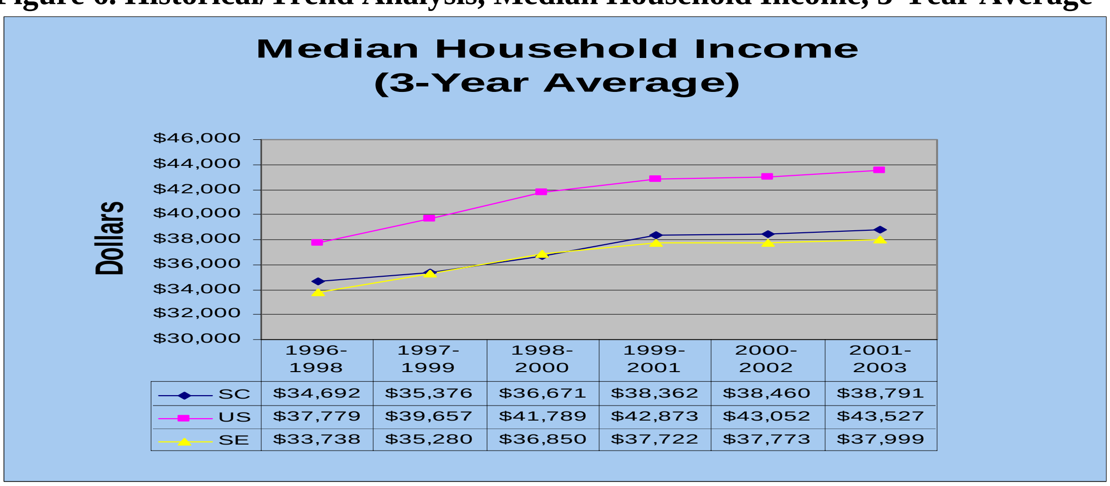


	1996-1998	1997-1999	1998-2000	1999-2001	2000-2002	2001-2003
SC	13.3	12.8	11.9	12.7	13.5	14
US	13.2	12.6	11.9	11.6	11.7	12.1
SE	14.6	14	13.2	13.4	13.8	14.2

Source: U.S. Census Bureau & Bureau of Labor Statistics, *Current Population Survey*, Poverty in the U.S., 1998-2002 Editions.

As indicated in Figure 6 (below), the 2001-2003 median household income[44] for the southeast was $37,999, while the U.S. was $43,527 for the same period (a difference of $5,573). Overall, the U.S. median household income trend has been persistently greater than that of South Carolina and the southeast.

Figure 6. Historical/Trend Analysis, Median Household Income, 3-Year Average



	1996-1998	1997-1999	1998-2000	1999-2001	2000-2002	2001-2003
SC	$34,692	$35,376	$36,671	$38,362	$38,460	$38,791
US	$37,779	$39,657	$41,789	$42,873	$43,052	$43,527
SE	$33,738	$35,280	$36,850	$37,722	$37,773	$37,999

Note: Three-year average median is the sum of 3 inflation-adjusted single-year medians divided by 3.

Source: U.S. Census Bureau & Bureau of Labor Statistics, *Current Population Survey*, Money Income in the U.S., 1998-2000 Editions.

Families. In 2004, the overall poverty rate for families was 10.2%, or 7.6 million in number. Married couple families had a rate of 5.5% and numbered 3.2 million. Of particular note were the rate and number of female householders with no husband: 28.4% and 4.0 million, respectively.

Also of importance is the fact that more than two-thirds of all poor families with children included one or more individuals who worked. Further, these families typically worked combined totals of 46 weeks per year.[45]

The Frequency or Duration of Poverty

Considerable research is conducted as regards the frequency and duration of poverty. One researcher, Mark Rank, author of *One Nation Underprivileged* (2004), points to a national long-term, on-going study of poverty, the Survey of Income and Program Participation (SIPP),[46] which covers—to-date—a 25-year period. In this study, the cumulative percentage of Americans who experienced poverty—at some occasion(s) in life—is detailed in such a way that its incidence and length can be approximated. Three poverty thresholds are used for analytical purposes: 1.00 or 100% of the official federal poverty level; 1.25 or 125% of the FPL; and 1.50 or 150% of the FPL. In essence, the SIPP allows for calculating "an approximation of the percent of people in the United States who experienced poverty *at least one year* by the time *a certain age* was reached."[47]

The findings are significant. According to Rank, using SIPP data, it can be shown clearly over time that "at age 20, 10.6% of Americans fall below the FPL for one year, 15% fall below at 125% (of the FPL), and 19.1% fall below at 150%. For those persons 35 years-old, 31.4% fall below the FPL; 39% fall below at 125%; and, 46.9% fall below at 150%. At age 55, percentages are 45% at the 100% level; 52.8% at the 125% level; and, 61% at 150%. By age 75, the percentages are as follows; 58.5%, 68%, and 76%."[48] (See Figure 7).

Figure 7. The Cumulative Percentage of Persons Experiencing Poverty for One Year

	Level of Poverty		
Age	Below 1.00 Poverty Line	Below 1.25 Poverty Line	Below 1.50 Poverty Line
20	10.6	15.0	19.1
35	31.4	39.0	46.9
55	45.0	52.8	61.0
75	58.5	68.0	76.0

Source: Panel Study of Income Dynamics, Rank and Hirsch computations. Rank, M. (2004). *One nation underprivileged: why poverty affects us all.* New York, NY: Oxford University Press, Table 3.5, p. 63.

The upshot of Rank's computations is that a majority of persons in the U.S. experience poverty at some point in life, and for a combined period comprising at least one year.

While this is important in its own right, it is equally significant in respect that data and analysis plainly indicate that poverty is not an isolated event and that it affects most Americans directly. As Rank puts it succinctly:

> Poverty has often been perceived by the American public as something that occurs to others…. Yet looking across the adult life span, we have demonstrated that poverty and the use of the social safety net touch a clear majority of Americans.[49]

Thus, data and information demonstrate that poverty is a conditional state, a state or circumstance that most persons in the U.S. "go into and emerge from" at some period in their lifetime. The commonly held notion that a particular segment of people are poor and for long or extended periods (even "throughout their lives") is a misconception.[50]

The Human Effects of Poverty

Besides the statistical measurements and determinations of poverty, there is a side to impoverishment that is more real, existing and heartfelt. It is the *human side* of being poor in America. It is captured—experienced first-hand—by those who must struggle on a daily basis to make ends meet. It is, for example, the worry and stress one goes through when forced to choose to pay the utility bill and forego the rent for a few days until the next paycheck is received. It is the humiliation of asking friends or relatives to make a loan to repair the old broken down car once more, so that you can make it to your second, nighttime job miles away. It is the anguish of telling one's children that you can't afford to let them go to the movie with friends, have a meal at a restaurant, or purchase an inexpensive toy or trinket. It is the frustration and pain of not being able to see a doctor when one is sick or a dentist when one has a toothache. It is all of these things—small and great—that makes life difficult and hard because there is not enough money to meet one's basic needs, and perhaps, to enjoy a few, simple luxuries (things which many Americans take for granted).

David Shipler states in his book *The Working Poor*:

> Christie did a job that this labor-hunger economy could not do without. Every morning she drove her battered '86 Volkswagen from her apartment in public housing to the YWCA's childcare center in Akron, Ohio, where she spent the day watching over little children so their parents could go to work…. For those valuable services, she received a check for about $330 every two weeks. She could not afford to put her own two children in the daycare center where she worked.[51]

Closer to home, in Columbia, South Carolina, nearly every morning, George, an elderly African-American who is shabbily dressed in a worn T-shirt and blue jeans, stands near the entrance to Bojangles, near the housing project where he lives. He is discrete and non-aggressive in his panhandling since the restaurant's management will not allow it otherwise. He is hunger and wants breakfast. He doesn't like to be there, asking for a handout, but he needs to eat, and hasn't anywhere else to turn, particularly since he lives too far from the Salvation Army's food or meal service.

The regular Bojangles' patrons recognize George, his sincerity and poverty. If he is standing there, not going through the restaurant's door, they usually give him some change, while others will take him inside to order his gravy biscuit and coffee. George's social security doesn't cover much and he enjoys a hot breakfast and the coffee refills. He is lonely and likes to get out, but he can't afford to always to pay for breakfast out of his own pocket, certainly on a regular basis.

Many people, and a great deal of the literature, speak to the human effects of poverty on children. Research clearly shows that children who suffer from poverty in America are likely to "have far lower levels of physical and mental growth than their 'nonpoor' counterparts." Data and analysis indicate that poverty has a very negative effect on children's IQ, verbal ability, and achievement scores.[52]

As referred to earlier in this paper, according to the National Poverty Center, children represent a disproportionate share of the poor in the United States; they are 25% of the total population, but 35% of the poor population. In 2004, 13 million children, or 17.8%, were poor. The poverty rate for children also varies substantially by race and Hispanic origin.[53]

Figure 8. Children Living in Poverty, 2004

Children under 18 Living in Poverty, 2004		
Category	Number (in thousands)	Percent
All children under 18	13,027	17.8
White only, non-Hispanic	4,507	10.5
Black	4,049	33.2
Hispanic	4,102	28.9
Asian	334	9.8

Source: U.S. Census Bureau, *Income, poverty, and health insurance coverage in the United States: 2004*, Report P60, n. 229, Table B-2, pp. 52-7.

In one recent article, the story of a teenager is told.

> Jesse Staley's aspirations are not extraordinary. She wants to get good grades, go to school dances, and get into college. Yet these modest goals are nearly impossible against the backdrop of Jessie's life—a life of hunger, worry and constant sacrifice. Jesse, a teenager

> from Harts, West Virginia dreams of graduating from high school and attending prom. While her friends buy prom dresses and arrange after parties, she struggles to feed her sisters and brothers. As other families choose between colleges, hers much choose between medical care and welfare.[54]

The Causes of Poverty

The causes of poverty in America are given much attention in the literature. Much of the common rationale for poverty is attributable to *individualistic* characteristics; such as, lower levels of education, lack of marketable skills, dire family situations and family history, at-risk living environments and circumstances, and physical or mental disabilities. From another perspective, the causes of poverty are more *structural* in nature. These causes would include: an inclination for U.S. labor markets to pay minimal wages or wages that are insufficient to rise above poverty; the ineffectiveness of public policy, at all levels of government, to reduce poverty; and, a propensity for widespread poverty suggesting the systemic nature of poverty in the U.S.

Associated with these causal reasons for poverty are the conservative and liberal interpretations or views of poverty. For example, the "conservative" view is that the causes of poverty are mainly attributable to the personality or character of an individual—lack of motivation, laziness, poor self-reliance, and self-destructive behavior. In contrast, the "liberal" view is generally that the causes of poverty are the lack of appropriate governmental intervention or programs, engrained racial and ethnic prejudices, and a U.S. economy that is driven—in most instances—by greed and the want of excessive profit. (This discussion of these divergent political and ideological views will not be discussed in this paper).

Lastly, there is the school of thought that sees the question of causation and poverty as one invariably related to the rich and the poor. The emphasis here is inequality, that is, the vast divide or gap between the wealthy, affluent few and the rest of Americans. As one article points out, CEO compensation in 2001 was 411 times that of the average worker. The problem is that reactionary public policies and big corporations primarily contribute to the inequality and poverty of the United States.[55]

The "Common" Causes of Poverty

Lack of educational attainment or *inadequate education* is a major cause of poverty, according to many experts, observers, and organizations. Without the knowledge, skills and abilities derived from the completion of high school, college, and/or technical schools, individuals are at very high risk of being poor. For example, the U.S. Census Bureau points out that during the year 2000, about 34% of those people who never completed high school were unemployed, compared to 6% of those with a college degree.[56] Additionally, consider the data more recently reported (in February 2005) by the National Governor's Association (NGA):

> ▪ For roughly 60% of jobs in today's labor market, at least some postsecondary education is needed, and that percentage is expected to increase in the years ahead.
> ▪ The median earnings of a high school graduate are 43% higher than those of a non-graduate, and those of a college graduate are 62% higher than those of a high school graduate.
> ▪ Employers and colleges are spending billions of dollars to provide their employees and students with the knowledge and skills they should receive in high school.[57]

Moreover, according to the NGA, high school completion not only helps graduates be more productive and earn more, it also allows individuals to pursue higher educational attainment which in turn provides for affluence and career mobility. U.S. Census data indicates, for example, that the median annual earnings of a high school graduate equal $30,900 or 43% greater than a non-graduate earning a median income of $21,600. College graduates, in turn, earn a median income of $49,900 or 62% higher than those completing high school alone.[58]

Similar to the lack of adequate education as contributory to poverty is the *lack of marketable skills*. Many jobs or professions require obviously a specific set of skills. Generally, these must be attained either in a school environment (often a technical or vocational school), or on an actual job setting (an apprenticeship, on the assembly line, etc.). Many people—particularly the poor—don't have the opportunity to pursue these job skill training opportunities and this is often attributable to illiteracy or poor achievement in school. (It should be noted, however, according to some experts, that a high school education—or even a college degree—doesn't guarantee that a person will have marketable skills).

The productivity of those without marketable skills is clearly problematic. As with formal education, researchers suggest that the working poor, because of the lack of marketable skills, are less productive than their well-trained counterparts. Further, the vast majority of the working poor are simply not receiving any job or skill instruction. The situation is a complex one.

> Higher wages and better benefits are crucial—but by themselves cannot solve the problem of… poverty. While increasing the minimum wage can raise the earnings of those low-wage workers who already hold jobs, it may make it more difficult for other low-skill job seekers to find employment. In recent years, many service-sector industries have shown low (or even negative) rates of productivity growth. Without education and marketable job skills, low-wage earners are rarely productive enough to allow employers to justify significant wage increases. Today, two thirds of full-time workers receive no training on the job.[59]

Additionally, many researchers state that *family composition and circumstances* are also primary causal factors relating to poverty. As stated earlier, in 2004, the U.S. poverty rate for families was 10.2%, or 7.6 million persons. Married couple families had a rate of 5.5%, or 3.2 million persons. Of particular note were the *rate* and *number* of "female householders with no husband:" 28.4% and 4.0 million, respectively. Given this data profile, it is evident that married couples are less likely to live in poverty than families with a single female householder, and this is true—as well—based on race and ethnicity. Again, for example, the poverty rate for African Americans was 24.7%, or approximately 9 million persons. Those persons of Hispanic origin had a poverty rate equaling 21.9%, or over 9.1 million.

Figure 9. Families by Type: 2003 and 2004
(Numbers in Thousands)

Characteristic	2003 below poverty				2004 below poverty				Change in poverty (2004 less 2003)[2]			
	Number	90-percent C.I[1] (±)	Percentage	90-percent C.I.[1] (±)	Number	90-percent C.I.[1] (±)	Percentage	90-percent C.I.[1] (±)	Number	90-percent C.I.[1] (±)	Percentage	90-percent C.I.[1] (±)
FAMILIES												
Total	7,607	184	10.0	0.2	7,854	187	10.2	0.2	*247	212	0.2	0.3
Type of Family												
Married couple	3,115	109	5.4	0.2	3,222	111	5.5	0.2	107	125	0.1	0.2
Female householder, no husband present	3,856	123	28.0	1.0	3,973	125	28.4	1.0	117	141	0.4	1.1
Male householder, no wife present	636	47	13.5	1.0	658	48	13.5	1.0	22	54	-	1.2

Source: DeNavas-Walt, C. et al. (2005, August). Income, poverty, and health insurance coverage in the United States: 2004. Washington, DC: U.S. Census Bureau, Table 3, p. 10.

Disability is another important cause or factor associated with poverty. Disability is a relative term (restriction of the ability to perform a normal human activity), and its measurement—according to the experts and observers—is beset with reliability and validity difficulties. Nevertheless, researchers provide considerable time and study to both poverty and its relation to disability, especially with regard to families with disabled members.

The U.S. Census Bureau, in its 2004 American Community Survey, defines disability in several respects: a sensory disability which includes blindness, deafness, or a severe vision or hearing impairment; a physical disability referred to a long-lasting condition that substantially limits one or more basic physical activities; a mental or emotional condition lasting six months or longer which makes certain activities difficult; a self-care disability such as dressing and bathing and other daily functions; a "going outside the home" disability with restrictions such as those associated with transportation, shopping, etc.; and, an employment disability, generally pertaining to the availability of jobs suited to the disabled, and/or job or profession functionality.[60]

In all 50 states, the U.S. Census Bureau reported recently (for the year 2000) that families with members with a disability were more likely than other families to live in poverty. "Among families with one or more members with a disability, the poverty rate was 12.8%, higher than the 9.2% for all families and the 7.7% for families without members with a disability." Families in poverty, with members who were disabled, varied among states. For example, Mississippi had the highest percentage of poor families with disabled members at 20.7%. Kentucky, West Virginia, and New Mexico had percentages greater than 18%. South Carolina's families with members having disabilities equaled 14.7%; Georgia 13.8%; and North Carolina 16.4%.[61]

Systemic and Structural Causes of Poverty

Again, when the issue of causality of poverty is broached, there is a tendency to focus on the "common causes" as discussed above. But many experts[62] believe that more emphasis and concentration should be given to the socio-economic or structural causes of poverty. These structural causes include primarily 1) an economy that often provides insufficient income or low, non-supporting wages, 2) a safety net of governmental programs that is generally ineffective, and 3) the prevalence among a majority of Americans to experience poverty, which in effect demonstrates its systemic nature.[63] Rank (2004), in particular, presents a number of forceful arguments for giving greater attention to structural causation.

The Failure of the Economic Structure. The U.S. labor market, according to Rank, is a "milieu" where—in too many instances—there are nominal or low wages, part-time work, and lack of benefits. All of these factors are clearly structural and contribute significantly to poverty. Researchers, like Rank and Seccombe (2000),[64] claim that data over the past 25 years show an increase in the number of low-paying jobs, many which are part-time, and most without health insurance. For instance, the U.S. Census Bureau reported in 2000 that the median hourly wage was $9.11; that 3 million persons worked part-time; and that 43.6 million workers lacked health insurance.[65]

From another point of view, using data from the most recent U.S. Census Bureau's longitudinal study, the Survey of Income and Program Participation (SIPP),[66] Rank (2004) calculates an alternate annual average hourly wage scheme for the U.S. labor force and indicates that a substantial percent of workers are indeed low-wage earners. For instance, based on Rank's computations,12.1% of family heads and 19.8% of all individuals make less than $6.00 an hour; 21.2% of family heads make less than $8.00 an hour, 31.8% for all individuals; and, 31.7% of family heads earn more than $10.00, 43.3% for all individuals.[67]

Part-time employment is a key factor in the economic equation contributing to poverty, predominantly among youth and families with children. Experts cite data, for example, showing that many low-income families can find only part-year or part-time work. In other words, they are *unable* to find full-time/year-round employment. According to the National Center for Children in Poverty, in 2004, 54% of low-income parents were only working full-time for part of the year, up from 53% in 2002. Additionally, 40% of low-income parents working part-time reported that they did so because they could not find full-time work, up from 37% in 2002.[68]

Lack of benefits, specifically health insurance, is also endemic among those in poverty. The U.S. Census reports that 45.8 million persons were without health insurance in 2004, an increase from 45.0 million in 2003. The percentage of people covered by employment-based health insurance decreased to 59.8% in 2004, a drop from 60.4% the previous year. Of special interest, the percentage and number of children (under 18 years old) without health insurance in 2004 was 11.2% and 8.3 million, respectively. These figures were essentially unchanged from 2003.[69]

Figure 10. Health Insurance Coverage by Family Status
(Numbers in thousands)

People With or Without Health Insurance Coverage by Selected Characteristics: 2003 and 2004

(Numbers in thousands, confidence intervals (C.I.) in thousands or percentage points as appropriate. People as of March of the following year)

Characteristic	Uninsured								Change (2004 less 2003)[1]					
	2003				2004				Uninsured				Insured	
	Number	90-percent C.I.[2] (±)	Per-centage	90-percent C.I.[2] (±)	Number	90-percent C.I.[2] (±)	Per-centage	90-percent C.I.[2] (±)	Number	90-percent C.I.[2] (±)	Per-centage	90-percent C.I.[2] (±)	Number	90-percent C.I.[2] (±)
PEOPLE														
Total	44,961	523	15.6	0.2	45,820	527	15.7	0.2	*860	621	0.1	0.2	*2,015	648
Family Status														
In families	35,198	520	14.7	0.2	35,698	523	14.8	0.2	500	617	0.1	0.3	*1,750	868
Householder	10,511	270	13.8	0.3	10,634	271	13.8	0.3	123	308	-	0.4	663	691
Related children under 18	7,915	235	11.0	0.3	7,803	233	10.8	0.3	−112	277	−0.2	0.4	369	710
Related children under 6	2,369	130	10.1	0.5	2,325	129	9.8	0.5	−44	153	−0.3	0.6	339	445
In unrelated subfamilies	338	49	28.1	3.5	348	50	27.8	3.4	10	59	−0.4	4.1	43	94
Unrelated individual	9,424	256	19.6	0.5	9,774	260	20.1	0.5	*350	294	0.5	0.6	223	561

Source: DeNavas-Walt, C. et al. (2005, August). Income, poverty, and health insurance coverage in the United States: 2004. Washington, DC: U.S. Census Bureau, Table 7, p. 25.

Ineffective Social Policies and Government Programs. Another important structural cause of extensive and enduring poverty in America is the position—among some experts, observers and commentators—that U.S. "spends too little" on social or welfare programs. In this regard, poverty is perpetuated by a lack of political will—ineffective social policies and governmental programs. Public assistance is, therefore, from this view, at best "minimalist."[70]

The rationale or argument for this minimalist position is generally that the U.S. doesn't have the comprehensive social policies and programs that other industrialized countries have, especially European countries. Similarly, the U.S. dedicates far less resources or money to addressing the social welfare needs of the poor. In Europe, generally speaking, social programs include substantial family and children allowances and assistance. Unemployment assistance and support is more generous and far-reaching. Health care is universal and normally without charge, and in many instances, childcare is made available at little or no cost.

The outcome of European social policies and programs is that poverty is appreciably less common and acute. The overall standard of living is higher for Europeans and is more widespread or ubiquitous; i.e., poverty is greatly limited. One study,[71] completed in 2001, found that eight European countries and Canada had poverty rates that where considerably lower than that of the U.S. and, more importantly, that this was due to effective governmental intervention. The overall reduction rate for poverty due to governmental intervention policies and programs in the select European countries and

Canada was 79%. The U.S. reduction rate, by comparison, was considerably lower at 38%, much of which was due to the intervention of Social Security payments.[72]

The Systemic and Pervasive Risk of Poverty. As mentioned earlier, poverty is something that most Americans experience at some point in their lives. The systemic risk of poverty is a structural one. Again, by age 75, the percentage of those Americans having experienced extreme poverty (100% of the FPL) is 58.5%.[73]

Further, the U.S. Census Bureau estimates that currently greater than 37 million Americans are below the FPL, 12.7% of the total U.S. population. Those classified as *low-income* increase this number to around 75 million persons, or roughly one-quarter of the entire U.S. population.

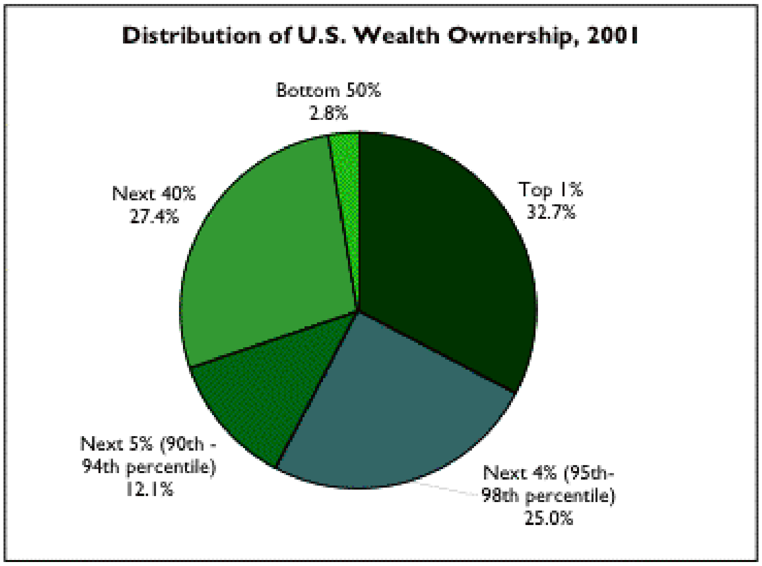
> At some point during adulthood, the bulk of Americans will face impoverishment. The approach of emphasizing individual failings or attributes as the primary cause of poverty loses much of its explanatory power in the face of such patterns. Rather, given the widespread occurrence of economic vulnerability, a life span analysis points to a third line of evidence indicating that poverty is more appropriately viewed as a structural failing of American society.[74]

The Gap between the Rich and Poor

A few words on wealth and income inequality may be instructive. First, it is important to distinguish between wealth and income. First, wealth is essentially the possessions which a person(s) owns; i.e., principally one's assets. This typically includes real estate, a business (industry or service), savings, securities, bonds, and life insurance. Also included would be cash. Any debts would be subtracted from these things and the remainder would equal total wealth or *net worth*. Second, simply put, income would be merely salaries or wages received.

In the United States, there is a tremendous gap between the rich and virtually everyone else—what is commonly referred to as *the inequality of wealth*. In 2001, for example, the richest 1% owned roughly 32.7% of all U.S. wealth; the richest 5% owned 57.79%; the richest 10% owned 69.8%. In essence, the bottom 50%—everyone else—had little or no assets. In other words, the majority of the bottom 50% did not own a home, had no appreciable savings, and carried debt to varying degrees.

Figure 11. Wealth Inequality Distribution



Source: Kennickell, A. (2003, November). A rolling tide: changes in the distribution of wealth in the U.S., 1989-2001. Table 10. Levy Economics Institute http://econwpa.wustl.edu/eps/othr/papers/0311/0311002.pdf. This paper was presented at the Levy Institute Conference on "International Perspectives on Household Wealth," October 17-18, 2003.

From another perspective, *the inequality of incomes* shows the distinction between the rich and poor (exclusive of the "middle class") in a more realistic and comprehensible way. In 2002, for example, the average real median income for the richest 5% was $278,790; the richest 20% was $159,298. Conversely, the average real median income for poorest 20% was $14,017.[75]

According to the literature, two instances are especially striking in demonstrating the income gap or disparity between the rich and poor. Over the 1990s, the number of millionaires in the U.S. more than doubled increasing to roughly 205,000. Secondly, in 2001, CEO compensation was 411 times the average worker's pay. In fact, the Fortune 500 CEO's average annual pay was $37.5 million—1,000 times greater than the average worker's salary of $38,000.[76]

Government Responses to Poverty

The government response to poverty in the U.S., in terms of both policy and programs, is considered among many experts and observers to be a controversial one. The viewpoints vary from those who see U.S. anti-poverty measures and spending as excessive, to those who view it as sufficient, to those who believe it to be inadequate. The fact that poverty persists is given as evidence that U.S. policy and programs are ineffective; in other cases, poverty is acknowledged to be an unavoidable reality of the capitalistic, free-market system, which can be reduced, but not eliminated. Whatever philosophical bent as to government's response to poverty, there will be invariably some degree of disagreement and debate, and perhaps this is a desirable thing. Desirable in the sense that controversy or dispute drives the dynamic of government transformation and adaptation to poverty and its changing face.

However, purely as a matter of fact, setting aside the effectiveness or adequacy issue of responsiveness, what does the government do to address poverty in the United States? Research indicates that there are more than 80 income-tested[77] benefit programs to benefit or aid the poor. This aid is in the form of cash or non-cash assistance and totaled $522.2 billion in FY 2002—$373.2 billion in federal funds (71.5%) and $149 billion in local and state funds (28.5%). These numbers omit Social Security and Medicare benefits, which are not income-tested, totaling $456 billion.[78]

These governmental anti-poverty programs fall into eight categories:

▪ Medical care (mainly Medicaid and State Children's Health Insurance Program or SCHIP);
▪ Cash aid (e.g., Supplemental Security Income or SSI, the Earned Income Program, and Temporary Assistance for Needy Families or TANF);
▪ Food aid (e.g., Food Stamps, School Breakfast and Lunch Programs, Special Supplemental Nutrition Program for Women, Infants, and Children or WIC;
▪ Housing aid (e.g., Section 8 Low-Income Housing Assistance and Low-Rent public Housing);
▪ Educational assistance (e.g., Pell Grants, Head Start, and Federal Work-Study);
▪ Services (e.g., Childcare and Development Block Grant, TANF Services, Social Services Block Grant (Title XX));
▪ Job and training programs (e.g., Job Corps, TANF Work Activities, Welfare-to-Work Grants);
▪ Energy assistance (Low-Income Home Energy Assistance and Weatherization Assistance).

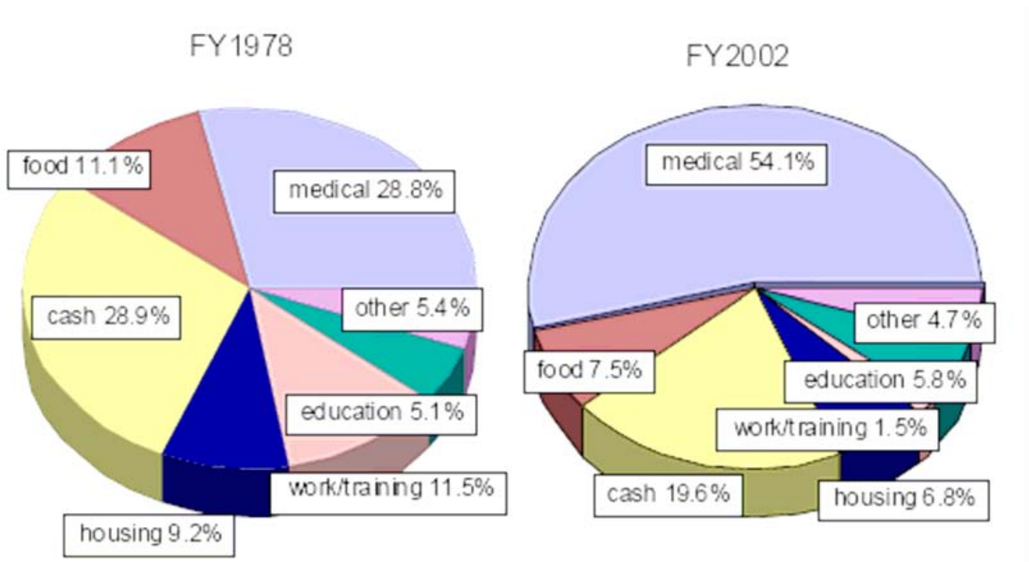
Figure 12. Spending Trends for Income-Tested Government Programs by Category (Billions of constant 2002 dollars)

	FY1978	FY1988	FY1992	FY1996	FY1998	FY2000	FY2002
Medical aid	$68.2	$100.6	$174.5	$204.5	$214.4	$235.6	$282.5
Cash	68.5	69.9	89.7	106.3	101.4	96.9	101.2
Food aid	26.3	32.6	44.0	44.9	38.9	35.8	39.3
Housing	21.9	24.1	34.5	38.2	37.4	32.7	35.6
Education	12.1	17.9	18.3	18.8	20.1	17.1	30.5
Jobs/training	27.4	5.8	7.1	5.4	5.4	7.9	7.8
Services	12.1	10.1	13.9	12.7	18.9	18.9	22.2
Energy aid	.8	3.1	2.3	1.4	1.5	2.2	2.2
Total	**$237.0**	**$264.0**	**$384.0**	**$432.3**	**$438.0**	**$449.0**	**$522.2**

Source: CRS Report for Congress. (2003, November). Cash and non-cash benefits for persons with limited income; eligibility rules, recipient and expenditure data, FY 2000-2002. Complied by V. Burke. Washington, DC: Congressional Research Service.

Spending or outlays for income–tested government programs to address poverty in America has increased significantly. Total outlays in 1978 were $237.0 billion, more than doubling to $522.2 billion in 2002 (constant dollars). This represents a 120.4% increase over a 24-year period. Of interest, in 1978, cash aid constituted approximately 28.9% of the total outlays and medical aid comprised 28.8%. By 2002, cash aid had decreased to 19.6%, while medical aid jumped to 54.1%.

Figure. 13 Spending or Outlay Percentages for Income-Tested Benefits 1978 and 2002



Source: CRS Report for Congress. (2003, November). Cash and non-cash benefits for persons with limited income; eligibility rules, recipient and expenditure data, FY 2000-2002. Complied by V. Burke. Washington, DC: Congressional Research Service.

In the following narrative, five key government programs serving the poor will be highlighted.

Medicaid

Medicaid was established by federal law in 1965. Medicaid is a federal-state program that pays for medical assistance for qualified individuals and families with low incomes. In essence, it is a medical insurance program for the poor and needy and is paid for by federal and state governments. In particular, it provides medical long-term care assistance to people who meet certain eligibility criteria. Medicaid is the largest source of funding for medical and health-related services for people with limited income.[79]

Medicaid service costs are shared by the federal government shares by means of a variable matching formula. This formula is based on computation related to a state's per capita income and is adjusted from year to year. In FY 2002, the average match is federal 57% and state 43%. In South Carolina, for example, federal contributions in FY 2002 (and FY 2003) were roughly 70%.

In FY 2002, total federal and state spending on Medicaid equaled $258.2 billion. This covered about 47 million Americans. Still, there are estimated to be some 43 million people nationwide who have no medical insurance

Low income is only one test for Medicaid eligibility. Certain disabled and elderly persons qualify for Medicaid benefits as well.

To understand Medicaid eligibility clearly, it is best to divide eligibility into to two basic categories: mandatory groups and optional groups. As the term implies, “mandatory” groups include persons specifically required by federal law to be Medicaid eligible, without exception. “Optional” groups are persons who are allowed by federal law to be eligible, but are not compulsory. States have the option, within broad federal guidelines, to elect to cover such optional groups should they desire.

In terms of services offered, Medicaid allows for a comprehensive package of benefits. Comparatively speaking, Medicaid exceeds—in most cases—the benefits offered by private health plans. Additionally, of significance, Medicaid cannot reject those individuals with pre-existing physical/mental problems.

Medicaid provides mostly preventive, primary, and acute services for children and mothers. The elderly and disabled normally receive services that treat chronic and long-term needs, including, for example, services associated with nursing home care or specialized rehabilitative care.

Statistically, prescription drugs are the most utilized of the Medicaid services. In FY 2000, 20.5 million Medicaid recipients were prescribed drugs. This service was followed by physician services (19.1 million recipients), outpatient hospital services (13.2 million), lab and X-ray services (11.4 million), and clinical services (9 million).[80]

Temporary Assistance to Needy Families (TANF)

The TANF program was created by the Welfare Reform Act of 1996. TANF became effective July 1, 1997, and replaced the Aid to Families with Dependent Children (AFDC) program and the Job Opportunities and Basic Skills Training (JOBS) program. TANF provides assistance and work opportunities to “needy” or poor families by granting states federal funds and wide flexibility to develop and implement their own welfare programs. More specifically, TANF is *a block grant program* where states receive funding to help eligible participants “prepare and move into work.” TANF funds cover primarily benefits, administrative expenses, and services targeted to needy families.

In particular, TANF permits a state to give assistance to any needy family that includes a minor child who lives with his/her parent or other caretaker relative, or a pregnant woman. As under AFDC, states decide who qualifies as needy. Unlike AFDC, however, TANF allows states to aid needy children with an “able bodied” or “employed second parent” in the home.

According to the federal administering agency for TANF, the Office of Family Assistance, within the U.S. Department of Health and Human Services’ Administration for Children and Families, the major components or requirements of the temporary assistance program are as follows:

> ▪ Single parents are required to participate in work activities for at least 30 hours per week. Two-parent families must participate in work activities 35 or 55 hours a week, depending upon circumstances. Failure to participate in work requirements can result in a reduction or termination of benefits to the family.
> ▪ In terms of work activities, a number of “activities” count toward a state’s participation rates (some restrictions may apply): including unsubsidized or subsidized employment; on-the-job training; work experience; community service; job search, not to exceed 6 total weeks and no more than four consecutive weeks; vocational training, not to exceed 12 months; job skills training related to work; satisfactory secondary school attendance; providing childcare services to individuals who are participating in community service.
> ▪ Families with an adult who has received federally funded assistance for a total of five years (or less at state option) are not eligible for cash aid under the TANF program.
> ▪ Every fiscal year, each state must spend a certain minimum amount of its own money to help eligible families in ways consistent with the TANF program.
> ▪ States must make an initial assessment of a recipient’s skills. Further, states may develop personal responsibility plans for each recipient to identify the education, training, and job placement services needed to move into the workforce.
> ▪ TANF allows states to create jobs by taking money that is now used for welfare checks and using it to create community service jobs, provide income subsidies, or provide hiring incentives for potential employers.[81]

As regards funding, the required maintenance-of-effort (MOE) level for TANF is from 75% to 80% of the state’s historic or past expenditures, defined as the state share of FY 1994 expenditures on AFDC, JOBS, and AFDC-related childcare. Nationally, the 75% MOE level equals roughly $10.4 billion[82] annually. If a state fails to meet work participation minimums, the MOE level rises to 80%. Specifically in FY 2002, TANF spending or outlays for *cash assistance* were $10.419 billion, with $4.848 billion (47%) from federal funds. Total administrative costs for the TANF block grant (including those for childcare services, work activities, and other services) were $2.6 billion, with $1.6 billion (62%) from federal funds.”[83]

Supplemental Security Income (SSI)

The Supplemental Security Income program was established by federal legislation in 1974. It is a cash aid program run by the U.S. Social Security Administration. SSI provides monthly payments to people who are elderly, blind or disabled and who have little or no income and assets—namely the poor. Children, as well as adults, can receive cash aid because of blindness or disability. In terms of eligibility, more specifically, one must be 1) age 65 or older; 2) either totally blind or have very poor eyesight; or 3) have a physical or mental condition that is expected to last at least one year or result in death.

Resource or income requirements for participation in SSI are fairly straightforward—a person's resources and income must be *below* certain amounts to be eligible for SSI benefits. For example, in terms of resources, SSI does not consider one's home and most personal belongings. Resources, however, do include cash, money in bank accounts, stocks, bonds, real estate other than primary residence, and life insurance. Resources must value no more than $2,000 per individual, and $3,000 for a couple.[84] "Income" includes, for example, wages and salaries, Social Security checks, pensions, workers' compensation payments, and gifts. Income also includes non-cash items such as food, clothing, and shelter. For basic federal benefits, *countable* income limits in 2003 were $582 monthly per individual and $829 per couple. These income ceilings equal maximum federal benefits of the program. For states with supplementary SSI benefits, *countable* income limits were higher, ranging in 2002 up to $907 monthly per individual (living independently) in Alaska.[85]

As of January 2003, the federal government administered supplements for 15 jurisdictions. Total SSI spending or outlays in FY 2002 were $38.5 billion, with $33.9 billion (87% of the total) from federal funds. The federal share of maximum SSI benefits ranged from 50% in Alaska to 100% in the seven jurisdictions where no recipient received a supplement (Arkansas, Georgia, Kansas, Mississippi, Tennessee, West Virginia, and the Northern Mariana Islands).[86]

Figure 14. Supplemental Social Income Monthly Benefit Levels, 1996 through 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Individual	$470	$484	$494	$500	$512	$530	$545	$552
Couple	705	726	741	751	769	796	817	829

Source: CRS Report for Congress. (2003, November). Cash and non-cash benefits for persons with limited income; eligibility rules, recipient and expenditure data, FY 2000-2002. Complied by V. Burke. Washington, DC: Congressional Research Service.

Food Stamps

The Food Stamp Program (FSP) was established by the Food Stamp Act of 1977. The FSP provides eligible households with supplemental food assistance and is essentially a nutrition safety net, working to end hunger and improve the health of low-income persons. In South Carolina, for example, more than 100,000 households depend on the Food Stamp Program each month. Income, resources and household size determine the amount of food stamps a household receives.

Most states—including South Carolina—have implemented an Electronic Benefit Transfer (EBT) system for the delivery of food stamp benefits, eliminating the need for coupons. Instead, food stamp participants are issued a debit card for purchasing food. Food stamp recipients spend their benefits to buy eligible food in authorized retail food stores. The program is operated by state and local welfare offices, and the federal government oversees the state operation of the program. The FSP program is active in all 50 States, the District of Columbia, Guam, and the U.S. Virgin Islands.

The Food Stamp Act generally provides 100% federal funding for food stamp benefits. Federal funds also pay for federal administrative costs, 50% of state and local administrative expenses, and the majority of costs associated with employment and training programs for food stamp recipients. In FY 2003, the FSP outlays totaled $1.4 billion.

The FSB imposes four major tests for eligibility: income limits, liquid asset limitations, employment-related requirements, and limits on the eligibility of non-citizens.[87] In addition, households composed entirely of recipients of cash aid or services under state Temporary Assistance for Needy Families (TANF) programs, the Supplemental Security Income (SSI) program, or state/local General Assistance (GA) programs are, in many cases, automatically eligible for food stamps. Automatic food stamp eligibility may continue for up to five months after a household leaves a TANF program.

Figure 15. Maximum Monthly Food Stamp Benefits, FFY 2004

Household size	48 states and D.C.	Alaska (urban)[a]	Hawaii[b]	Virgin Islands	Guam
1 person	$141	$167	$210	$182	$208
2 persons	259	307	386	333	382
3 persons	371	439	553	477	547
4 persons	471	558	702	606	695
5 persons	560	663	834	720	826
6 persons	672	795	1,001	864	991
7 persons	743	879	1,106	955	1,095
8 persons	849	1,005	1,264	1,092	1,252
Each additional person	**+106**	**+126**	**+158**	**+137**	**+157**

Source: CRS Report for Congress. (2003, November). Cash and non-cash benefits for persons with limited income; eligibility rules, recipient and expenditure data, FY 2000-2002. Complied by V. Burke. Washington, DC: Congressional Research Service.

Head Start

The Head Start Act was passed by Congress in 1965. Head Start serves the developmental needs of preschool children (birth through age five), qualified pregnant women, and low-income families. In essence, there are two programs—Head Start and Early Head Start. Both programs are comprehensive child development programs that have the overall goal of increasing the school readiness of young children in low-income families. Head Start serves children and their families each year in urban and rural areas in all 50 States, the District of Columbia, Puerto Rico, and the U.S. Territories, including many American Indians and migrant children.

> ▪ Early Head Start has a triple mission. It promotes healthy prenatal outcomes, enhances the development of infants and toddlers, and promotes healthy family functioning.
> ▪ Head Start is designed to foster healthy development in low-income children. Program grantees and delegate agencies deliver a range of services, responsive and appropriate to each child's and each family's heritage and experience, that encompass all aspects of a child's development and learning.[88]

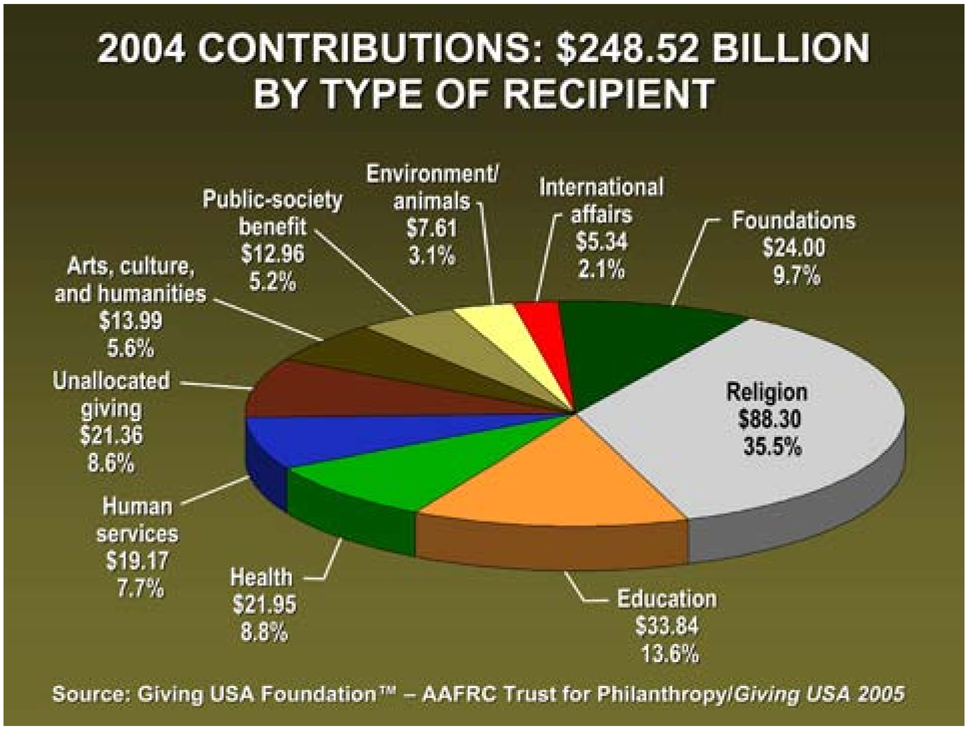
Section 645 of the Head Start Act (42 U.S.C. 9840) establishes income eligibility for participation in Head Start programs by reference to the official poverty level, adjusted annually in accordance with changes in the Consumer Price Index. The program is locally administered by community-based non-profit organizations and school systems. Grants are awarded by the U.S. Department of Health and Human Services Regional offices, except for the American Indian and Migrant programs, which are administered in Washington, D.C.

In 2004, 905,851 individuals participated in Head Start programs. Most were three- and four-year olds, or 86%. In terms of race or ethnic composition, 31.2% were Hispanic, 31.1% were African American, and 26.9% were Caucasian. Financially, over $6.7 billion was spent in 2004 on Head Start programs. In South Carolina (2004), 12,248 participated in Head Start programs with expenditures amounting to roughly $81.6 million.[89]

Charitable Responses to Poverty

American charities, both religious and non-religious in affiliation, receive and spend billions of dollars each year to address poverty. While it is difficult to estimate the total dollar amount spent expressly on reducing or eradicating poverty, the American Association of Fundraising Counsel states that charitable giving in 2004 amounted to nearly $250 billion. Those types of recipients of charitable giving, for example, included public-society benefit $13.0 billion, human services $19.2 billion, health $22.0 billion, and education $13.6 billion. Churches, which typically give sizeable donations to the poor, received $88.3 billion.

Figure 16. Recipients of All Charitable Giving in the U.S., 2004



Source: Retrieved November 14, 2005 from http://www.aafrc.org/.

Charitable organizations that are church–affiliated and specifically focus on poverty include, for instance, the Salvation Army[90] and Catholic Charities USA.[91] Non-religious affiliated organizations would include American Second Harvest,[92] and to a substantial extent, the United Way[93], the American Red Cross,[94] and the Center for Community Change.[95] On average, in 2004, Americans donated approximately $500 per person to charities like those mentioned above.[96]

The Salvation Army

In 1865, William Booth, an English evangelical preacher, along with his wife Catherine, established what is today called The Salvation Army (TSA). Currently, in America, TSA has some 470,000 members or workers[97] and is located in 40 states. Its principal mission is to address the needs of the poor or "those affected by social exclusion." As stated in its 2004 Annual Report:

> The Salvation Army, an international movement, is an evangelical part of the universal Christian church. Its message is based on the bible. Its ministry is motivated by the love of God. Its mission is to preach the gospel of Jesus Christ and to meet human needs in his name without discrimination.[98]

TSA provides for basic social needs with programs aimed to provide food, shelter, clothing, financial assistance to pay utilities, and other necessities based on need. “In addition, new programs that address contemporary needs have been established. Among these are disaster relief services, daycare centers, summer camps, holiday assistance, services for the aging, AIDS education and residential services, medical facilities, shelters for battered women and children, family and career counseling, vocational training, correction services, and substance abuse rehabilitation.”[99]

During 2003, according to financial reports, the TSA spent $2.55 billion in all service or assistance areas. For every dollar spent, 84 cents went directly to services/assistance (or $2.13 billion). The remainder was spent for management and general expenses ($297 million) and for fund-raising costs ($124 million). Approximately 62% of these expenditures were funded by public and other operating support received during the year, with the remaining funding provided by the release of net assets that were previously donor-restricted or board-designated for long-term projects.[100]

According to the listings of the top charitable organizations published by several leading magazines and journals, “The Salvation Army is ranked near the top of not just all charitable organizations, but it also all philanthropic organizations as well. According to *Worth Magazine*[101] (December 2002), TSA ranks with the top 100 nonprofit charities in the U.S. that made the biggest difference in the fight to end poverty.”[102]

Catholic Charities USA

Founded in 1910 as the National Conference of Catholic Charities, Catholic Charities USA (CCUSA) is headquartered in Alexandria, Virginia. CCUSA provides “vital social services to people in need, regardless of their religious, social, or economic backgrounds.” According to its Website, CCUSA “supports and enhances the work of its membership by providing networking opportunities, national advocacy and media efforts, program development, training and technical assistance, and financial support.”[103] Its mission is:

> To provide help for social problems like welfare, child nutrition and care, elderly care and teen pregnancy which are all problems that can lead to or keep an individual in poverty; i.e., to reduce poverty though empowering the communities and supporting families by promoting public policies.[104]

CCUSA has 4,633 members and 1,700 local agencies and is considered to be the nation's largest private network of people helping people affected by poverty. Additionally, CCUSA has around 50,000 regular staff and more than 168,000 volunteers who offer a wide range of services. These services include, for example, the provision of emergency food, clothing and shelter as well as childcare, adoption services, refugee resettlement, and job training.

Currently, the total income for Catholic Charities agencies is $2.69 billion, with expenditures of $2.58 billion. In 2000, about two-thirds of funding for CCUSA programs came from federal, state, and local government grants and contracts to provide services such as day care or welfare-to-work programs. Much of the remaining funds for CCUSA services and assistance were received from private support; namely, the church, private donors, and the United Way. In addition, program fees, investment income, and in-kind income support Catholic Charities agency programs.

Annually, it is estimated that more than nine million persons typically receive services or benefits from CCUSA. Of note, Catholic Charities USA raised a record $101 million to assist the needs of the victims of Hurricanes Katrina and Rita. According to *The NonProfit Times*,[105] CCUSA ranks regularly among the nation's top five charitable organizations in the nation (ranked #2 in 2005).

America's Second Harvest

In 1967, America's Second Harvest (ASH) was established by John van Hegel in Phoenix, Arizona. ASH is now the largest domestic hunger relief organization in the U.S., currently serving some 23 million Americans in poverty. In 2004, ASH had more than 200 food banks and operated in all 50 states, the District of Columbia, and Puerto Rico. ASH networks with more than 35,000 local agencies operating 50,000 feeding programs throughout the U.S.

Second Harvest actively advocates for the hungry and poor in America and raises funds to purchase food and grocery products to distribute nationwide. ASH also solicits and transfers food donations from retailers, manufacturers, restaurants, and individuals. Further, ASH educates policy makers at all levels of government about hunger in the U.S. and recommends solutions and public policies aimed at eradicating hunger and deprivation. Its programs include the following:

> ▪ Disaster Relief. In the case of a disaster we play a key role in providing relief supplies to emergency feeding centers serving disaster victims.
> ▪ Fresh Food Initiative. This initiative has helped us distribute more fresh foods to hungry people through our network of food banks and food-rescue programs than ever before.
> ▪ Kids Café. Kids Cafe is the nation's largest charitable meal service and nutrition education program exclusively for children in need.
> ▪ Relief Fleet. The Relief Fleet program brings donated transportation together with donated food to feed more hungry Americans.
> ▪ Seafood Initiative. This program has enabled America's Second Harvest to distribute enough donated fish through its network to provide 12 million meals to hungry Americans across the country.[106]

ASH states that for each dollar raised it can provide 16 meals or four bags of groceries. "For every $100 donated, Second Harvest uses $13 of those dollars on fundraising, $7 for administration costs, $23 for their future reserves, and $57 for actual services to help people. During the 2001, 99% of all donations which ASH received were committed to programs to help the hungry rather than administration or fund raising efforts." According to *The NonProfit Times*, ASH ranks in the top 20 non-profit or charitable organizations.[107]

Perceptions about Poverty

How do Americans—those who are poor as well as those who are affluent—view poverty in the United States? The importance of understanding how Americans view poverty and its related issues can not be underestimated; for it is the opinions and ideas on poverty in America that ultimately shape public policy and promote responsible, effective remedies.

To get a grasp of the pulse or viewpoints of poverty among Americans, two respected surveys will be touched upon. First, an overview of the findings of a recent survey sponsored by the Catholic Campaign for Human Development will be presented. Second, another recent survey's findings will be reviewed that was conducted on behalf of National Public Radio, the Kaiser Family Foundation, and Harvard University's Kennedy School of Government.

The Catholic Campaign for Human Development (CCHD) Survey

The CCHD survey was conducted by International Communications Research between November 19 and 23, 2004. A total 1,004 interviews were conducted by telephone using a random selection method. The margin for error was +/- 3 percentage points. The survey questions were developed by CCHD with assistance from Market Research Bureau LLC. Responses to questions were tabulated distinguishing those who were considered low-income from those who were not. Findings were published in a January 2005 report.[108]

Of interest, 90% of respondents stated that they were concerned about poverty being a problem in the U.S. More specifically, 56% were *very* concerned and 34% were *somewhat* concerned.

More than half (56%) of the survey respondents were concerned about being poor at some time in their lives. The percentage of respondents who were *very* concerned totaled 30%; those *somewhat* concerned were 26%. Forty-four percent were not concerned about being poor at any point in time—24% were *not very* concerned and 20% *not at all* concerned. Additionally, those in the low-income category were more concerned about being poor at some time in their lives (74%) than their counterparts (50%).

Another question of significance in the CCHD survey related to the causes of poverty. Lack of education was the most cited cause of poverty in the U.S. at 27%; lack of employment opportunities followed closely at 25%; personal laziness, lack of initiative or motivation was cited by 21%. The three remaining top causes of poverty were: the prevalence and ease of acquiring government assistance (12%); lack of employment paying a living wage (10%); and, no skills or training (7%).

"Whose responsibility is it to respond to the needs of the poor in the U.S.?" was another important query. The "government" garnered more than half of the total responses, or 54%. The remaining top responses included: everyone/general public at 34%; the poor themselves, 20%; churches, 20%; and, other charitable organizations, 7%.

As to the best way to eliminate poverty, i.e., "to permanently break the cycle of poverty in the U.S.," numerous responses were given. The major answers offered by respondents included better education for children (17%), more opportunities for education for adults (11%), more employment opportunities (11%), pay living wages to low-income families (5%), and a better economy (5%).

On a more personal or individualistic note, respondents indicated whether or not they contributed anything to the poor within the past year. Eighty-four percent said "yes," they "did something." As to particulars, 35% indicated that they gave money to an organization helping the poor and 31% donated food, clothing or other goods to the poor. Volunteering in some way to assist the poor was done by 15% of the respondents and 14% said that they were involved with community-based organizations that address the impoverished.

Nearly all respondents (97%) felt it is important to decrease or eliminate poverty in the U.S. Those responding that it is *very* important totaled 77% and those who felt it *some important* equaled 20%.

Also, 96% of the respondents believed that health coverage for children was necessary. Most people or 91% felt that the federal government should make sure that low-income people are covered by heath insurance.

Finally, probably most revealing about the public's understanding of the scope of poverty in the nation, was the response to the following question: "About how many people would you say are currently living in poverty?" Most respondents believe that 1 to 5 million live in poverty in the U.S. Of course, again, the U.S. Census Bureau estimates that those in extreme poverty are greater than 37.5 million persons. Those that are officially "low-income," as stated earlier, are estimated to be more than 75 million.

The NPR/Kaiser/Kennedy School (NPRKKS) Survey

The NPRKKS survey[109] on poverty in America was a joint effort and was conducted between January 4 and February 27, 2001. The survey included a random sample of 1,952 persons nationwide, and was conducted by telephone, among adults age 18 and over. The field work was carried out by ICR/International Communications Results. Of note, three income groups were distinguished; namely, those persons with incomes below 100% of the official federal poverty level, those between 100% and 200%, and those above 200%.[110] The margin of error was +/- 2.2% for all respondents; however, there were slightly larger marginal variations among each income grouping.[111]

Perhaps the most interesting finding in the NPRKKS survey was the fact that only 10% of Americans stated that poverty, welfare and/or housing were important issues for government to address. Education was the top issue that respondents felt the government should address at 28%, which was followed by the economy (inclusive of poverty, etc.) at 26%. Three other important issues requiring government attention included health care at 21%, political issues (election process, national deficit, foreign policy, military defense, campaign finance, etc.) at 22%, and taxes/tax reform at 20%.

"How big a problem is poverty in our society?" Interestingly, when asked directly about poverty as an issue of importance, 55% of all respondent said that it was a *big* problem and 33% said poverty was *somewhat* of a problem. Only 2% said poverty wasn't a problem. Additionally, 67% of respondents with incomes <100% of the FPL stated poverty was a big problem and 24% stated it was somewhat of a problem.

A solid majority of Americans (64%) believe that the federal definition of poverty for a family of four is too low. Of special note are the views of those persons in extreme poverty or with annual incomes less than 100% of the official poverty line. Those in extreme poverty stated that the most critical or grave problems were "having enough money for rent, utilities, transportation, and food." For instance, 40% of those with incomes <100 FPL indicated "falling behind" in paying utilities.

As to the causes of poverty, opinions or views are split evenly. Half of all respondents believe those who are poor are not doing enough to lift themselves out of impoverished conditions, while the other half of all respondents thinks that "circumstances are beyond the control of the poor."

As to specific causations of poverty, there are variances among respondents by income groupings that are worthy of mention. Specifically, for example, 75% of the overall poor (those <200% of the PFL) believe that drug abuse is a *major* cause of poverty versus 68% of those not poor (those 200%+ of the PFL). A greater percentage of the overall poor believe also that medical bills and low-paying jobs are major causes of poverty in America. (See Figure 17).

Figure 17. Major Causes of Poverty, People 200+% FPL and People <200% FPL

Major Causes	200%+	<200%
Drug abuse	68	75
Medical bills	54	69
Too many jobs being part-time or low-wage	50	64
Too many single-parent families	52	61
A shortage of jobs	27	52

Too many immigrants	27	39

Source: Retrieved November 21, 2005 from http://www.npr.org/programs/specials/poll/poverty.

The role of government in the war on poverty was also another key question in the NPRKKS survey. Participants in the survey were asked the following question, "In terms of the amount of money we as a country are spending on assistance to the poor, do you think we are spending too much, too little, or the right amount?" For all respondents, those who believed that the government is spending too much were 18%; too little, 38%; and the right amount, 36%. Conversely, those respondents with incomes less than 100% FPL who believed that the government was spending too much were 12%; too little, 47%; and the right amount, 32%. For those with incomes 200%+; too much, 20%; too little, 36%; and the right amount, 36%.

The vast majority of Americans believe that the minimum wage should be increased. Eighty-five percent of all respondents support an increase in the minimum wage, while 14% oppose such an increase. Those making incomes less than 100% FPL support an increase at 93%; those at 100-200% of the PFL support an increase at 93%; and those with incomes 200%+ support it at 82%.

A solid majority of respondents also believe that the government should spend more for medical care, housing and food stamps to support and aid the poor in America. (See Figures 18, 19, and 20).

Figure 18. Spend More for Medical Care for the Poor

	Support	Oppose	Don't know
Total	83	14	2
<100%	88	11	1
100-200%	83	14	3
200%+	83	15	3

Source: Retrieved November 21, 2005 from http://www.npr.org/programs/specials/poll/poverty/staticresults3.html.

Figure 19. Spend More for Housing Poor People

	Support	Oppose	Don't know
Total	75	23	2
<100%	84	16	--

100-200%	79	18	2
200%+	72	25	3

Source: Retrieved November 21, 2005 from http://www.npr.org/programs/specials/poll/poverty/staticresults3.html.

Figure 20. Make Food Stamps More Available to the Poor

	Support	**Oppose**	**Don't know**
Total	61	35	4
<100%	78	18	3
100-200%	71	25	4
200%+	57	39	4

Source: Retrieved November 21, 2005 from http://www.npr.org/programs/specials/poll/poverty/staticresults3.html.

New Policies to Reduce Poverty

Public policies to reduce and alleviate poverty are principally built on social values and traditional thinking schemes. The literature[112] identifies three main societal values that shape the policies which address poverty in America and among the states. First, there is capitalism. The U.S. is a free market economy in which government is expected not to interfere with trade and consumerism. Public policies are, therefore, expected to avoid meddling with the self-adjusting needs and activities of supply and demand. Poverty—viewed in this context—is both necessary and part of the overall structural configuration and processes of a capitalistic nation.

Second, there is a pervasiveness of social values associated under the rubric "rugged individualism." The cause and effect of poverty, and its solution, are hence grounded in the individual. Those individuals who work hard can achieve affluence and prosperity. Those individuals who are not giving every effort to achieve some degree of wealth or material well-being are responsible for their condition, viz., *being poor*. America is the land of opportunity and everyone can be what they want to be through hard work and responsible actions.

Third, there is a prevailing belief that only a small disenfranchised group experiences poverty, not a majority of Americans. This is more of an accepted mindset, rather than a social value per se. Whatever the case, poverty is not to be viewed as a major problem confronting America but one that is contained, limited or restricted. This *minimalist* view, as discussed earlier, is widespread and surprisingly intransigent.

Given these values and views, what can be done to establish new and effective policies in addressing poverty in the U.S.? Some experts and observers, particularly Rank (2004), believe that society's *structural* problems contributing to poverty must be focused on. Thus, the solutions would comprise 1) generating satisfactorily paying jobs, 2) increasing the accessibility and quality of educational and social programs, and 3) limiting the consequences of or contravening family structural changes (e.g., divorce, child support, teenage pregnancy, etc.). Two of these policy changes are discussed below.

Generating Satisfactorily Paying Jobs

There are not enough jobs in the marketplace that pay a livable wage. This has been discussed to some extent in this paper and is supported by statistics showing on-going or sustained high poverty rates, unemployment rates, and low personal or per capita income rates. Data indicate, for example, that more than a third of household heads who are working full-time can not earn enough to exceed official poverty levels.[113] According to the U.S. Bureau of Labor Statistics, in 2000, for example, while most of the working poor (those in extreme poverty or less than 100% FPL) were children and adults who did not participate in the labor force, about 6.4 million were classified as the working poor. In 2004, *USA Today* reported that nearly 40% of the working-age poor were employed. This would equate to roughly 14.8 million persons.[114]

One solution—often suggested—is to raise the minimum wage. Currently, the legal minimum wage in the U.S. is again $5.15. This minimum wage has been in effect for over eight years, or since September 1997. Many experts and observers believe that this wage amount is far too low as a "decent" or living wage.

Consider the following: If one assumes that a work week is 35 hours, taking into account 52-weeks (or 1,820 hours); then at minimum wage, an individual would earn annual total (gross) wages of $9,373. According to official 2005 poverty guidelines, a family of three would be poor if their wages were less than $16,090.[115] Thus, for example, a full-time worker with two children who earns *minimum wage* would be short $6,717 annually just to meet current federal guidelines. An adequate wage would be, by this example, $8.41 per hour just to meet the 2005 poverty guideline of $16,090 for a family of three ($16,090 divided by 1,820 hours equals $8.41).

Mark Rank states:

> The 1968 minimum wage (translated into 2000 dollars) would come out to $7.92 an hour… Thus setting the minimum wage at a level that allows workers to support a family of three above the poverty threshold is certainly not unheard of or without precedent. And, in fact, the majority of Americans support such an increase of the minimum wage. Seventy-seven percent of Americans in a nationally representative sample were in favor of raising the minimum wage to $8.00 per hour.[116]

Another suggested public policy to reduce poverty is to expand the current Earned Income Tax Credit (EIC) to low-income workers without children. The EIC has three main aims: to decrease the tax burden on low-income workers, to augment wages, and to provide a work inducement. Workers who are eligible for the EIC file a federal tax return and recoup some or all of the federal income tax that was taken out of their wages during the year. In some cases, workers may also get additional money back from the Internal Revenue Service. Even workers whose earnings are too small to owe any income tax can get the EIC. Furthermore, the EIC offsets any additional taxes workers may owe, such as payroll taxes.[117] EIC eligibility and thresholds for 2004 included:

> ▪ Workers who were raising one child in their home and had family income of less than $30,338 (or $31,338 for married workers) in 2004 were eligible for an EIC of up to $2,604.
> ▪ Workers who were raising more than one child in their home and had family income of less than $34,458 (or $35,458 for married workers) in 2004 were eligible for an EIC of up to $4,300.
> ▪ Workers who were not raising children in their home, were between ages 25 and 64 on December 31, 2004, and had income below $11,490 (or $12,490 for married workers) were eligible for an EIC up to $390.[118] [119]

Again, if single low-income tax filers without children could qualify for the EIC, many experts believe that a substantial reduction to poverty could be achieved. In 2004, for example, 9.9 million individuals without children were in extreme poverty or met the FPL income requirements.[120]

Finally, one way to generate jobs that pay a living wage is to offer attractive tax reduction incentives to employers. Some states do this, most do not. Most incentives apply to the hiring of disabled workers. The federal government offers the Work Opportunity Tax Credit,[121] but few employers buy in to the incentive. According to a GAO report:

> A small proportion of corporate and individual taxpayers use the work opportunity credit and the disabled access credit, and a large share of the credits reported are from taxpayers with businesses within a few industries. IRS data show that in 1999, about 1 out of 790 corporations and 1 out of 3,450 individuals with a business affiliation8 reported the work opportunity credit on their tax returns. Of the estimated $254 million in work opportunity credits reported in 1999, corporations accounted for $222 million, and corporations in the retail and service industries accounted for the largest share of the corporate credits. Similarly, about 1 out of 680 corporations and 1 out of 1,570 individuals with a business affiliation reported the disabled access credit on their tax returns for 1999. Of the $59 million in disabled access credits reported in 1999, individual taxpayers with a business affiliation accounted for an estimated $51 million.[122]

The solution, according to the literature, is to increase the dollar amount of tax credit received by private companies and businesses that hire low-skilled workers. Additionally, these tax incentive programs for hiring low-wage earners should be aggressively encouraged and outreach programs should be implemented to educate employers of the benefits associated with such tax incentives.

Increasing the Accessibility and Quality of Educational and Social Programs

The circumstances associated with poverty in America are exacerbated by virtue of the limited access to reasonably priced housing, quality education, good health care, and in many cases, availability of affordable childcare. For poverty to be significantly reduced and/or eliminated new effective policies are required in these vital areas—housing, education, health care, and childcare. Experts point out that most Western industrialized countries recognize the value of providing these social goods and the impact they have on minimizing poverty and its effects. These countries provide sufficient monies to ensure a safe and comfortable place to live and offer funding to meet adequately the educational needs of children and adults. Canada, Finland, France, Germany, the Netherlands, Norway, Sweden and the United Kingdom are countries that have been cited as providing an ample social safety net for their low-income citizenry. Educational achievement, as compared to the U.S., is just one prime example where these countries are doing overall better on all fronts.

Excellence in Education. Nearly everyone agrees that education is the key to success. Good schools offering plentiful funding—good teachers, first-class curricula, special educational programs, and excellent other academic resources—will invariably equate to top-notch student performance and achievement. Numerous studies and research confirm that well-funded public schools are the dominate vehicle to this accomplishment in pedagogy.

In America, equity in schools is dependent on the tax base of a community. In other words, the quality of educational opportunities afforded students depends on whether or not a local school district or area is a wealthy one or a deprived one, that is, in terms of property taxes collected. On the whole, school districts rich in their property tax base provide ample educational opportunities and show mostly positive results. Conversely, school districts that have poor tax bases provide minimal opportunities and demonstrate mostly negative results. In this regard, poverty is perpetuated by an educational system that is decentralized and uneven.

One expert writes:

> In contrast to European and many Asian nations that fund schools centrally and equally, the wealthiest 10% of school districts in the United States spend ten times more than the poorest 10%, and spending ratios of three to one are common within states. Poor and minority students are concentrated in less well funded schools, most

> of them located in central cities [and rural areas in the South] and funded at levels substantially below neighboring suburban districts. [Bracket narrative added].[123]

The obvious solution here is for states to fund adequately all school districts so that every student, rich or poor, has an equal education. Though money in-itself is not the singular answer to quality education and its impact on the impoverished, it is critical as numerous experts and observers have argued.

Several states are now challenging school funding approaches which create educational imbalance, and continue and maintain poverty. "As of February 2005, 45 states have been involved in some form of school finance litigation. South Carolina is one such state. These school funding lawsuits have addressed such issues as the state's role in assuring equitable spending among districts, providing suitable school facilities and adequate funding of programs such as those designed for special education and at-risk students." [124]

The most recent, and now most common, trend in lawsuits against states is those based on the adequacy of K-12 education spending. Thirty-two states have faced adequacy lawsuits and 14 states have lost such suits. In fact, the pace of decisions on adequacy cases is increasing with high courts in seven states ruling in favor of plaintiffs in the past two years alone.[125]

Health Care. Health care is another critical area where new policies are needed to reduce poverty in the U.S. It is ironic that America offers the best health care in the world, but at a cost. Those with adequate insurance or wealth receive superb health care services and goods. The poor, with the exception of some who receive Medicaid and other governmental assistance, are mostly left to their own devices which translates into inadequate or no health care.

In 2004, the U.S. Census Bureau reported that 45.8 million Americans did not have health care insurance. Children without insurance (under 18 years of age) in 2004 represented 11.2% of the U.S. population, or approximately 8.3 million. In terms of racial composition, the percent and number for non-Hispanic Caucasians were 11.3% and 22 million; African Americans were 19.7% and 7.2 million.[126]

Additionally, in 2004, the percentage and number of persons covered by government-funded insurance programs were 27.2% and 79.1 million. Medicaid coverage included 12.4% of the population or 37.5 million persons.[127]

Those people in the South had the highest percentage and number of uninsured, 18.3% and 19.3 million respectively. In South Carolina, the percentage and number equated to 19.4% or 805,000 persons. Also of interest, according to the S.C. Department of Insurance, "50% of eligible South Carolinians did not enroll in public programs because they do not want to receive government support or don't want the government to provide health coverage; 78% of businesses in South Carolina, excluding self-employed and government workers, have fewer than 10 employees; 53% of small employers with one to 10 employees do not offer group-sponsored health insurance to their employees."[128]

The solution to the provision of universal health care is complex and controversial. In 1994, there was a significant push by the Clinton administration to provide universal coverage to all Americans. Powerful interest groups defeated this effort. Still, many experts and advocates of universal health care argue that the U.S. government has a moral and pecuniary interest in expanding health care to all.

In the interim, better efforts can be taken to ensure that people are enrolled in existing government health care programs targeted to the poor. Outreach programs, according to many specialists in the field of health care provision, are ineffective. Enhancements should be prioritized to educate the poor about what health care benefits are available. Also, enrollment processes should be streamlined to make it simple and easy to receive government-sponsored health care assistance. This is especially true for Medicaid and the State Children's Health Insurance Program (CHIP). Data indicate, for example, that 60% of those eligible for Medicaid were not enrolled and 24% of those eligible for CHIP were similarly not enrolled. Why? For many persons they were unaware of their eligibility or did not want to go through the tedious and complicated enrollment requirements of Medicaid and CHIP.[129]

Another solution to the problem of the uninsured, as often suggested in the literature, is to legally require employers to provide some health care benefits, if only on a limited scale. Small businesses could receive some reasonable subsidy from the government or tax credits to offset the costs of employer health care benefits. This would not only help and aid low-wage earners but help businesses in retaining hard working and dependable employees, i.e. reducing turnover and its associated costs.

Affordable Housing. Generally speaking, as rule, it is estimated that the poor spend 30% of their income on housing. Habitat for Humanity, however, states that more than 13 million who are officially poor spend 50% of their income for housing.[130]

It should also be noted that overcrowding is problematic among the poor, that is, the number of people living in a house or apartment is greater than the number of rooms. Estimates place about 6.1 million households who live in overcrowded conditions. And in terms of living conditions of housing units, unbelievably, many have no hot water, no electricity, no toilet, nor a bathtub or shower. Data show that one out of every seven poor families lives in *severely physically* inadequate housing.[131]

Other statistics regarding housing and the poor include the following:

▪ For every 100 very low-income renters, only 76 affordable rental units are available. Between 1997 and 2001, for example, the number of available units declined 13%; there were 1.8 million fewer units that very low-income renters could afford.

▪ To afford the fair-market price of the average U.S. two-bedroom rental unit, renters working full-time need to earn at least $15.28 per hour. This wage is nearly three times the current federal minimum wage, and 37% more than renters needed to earn in 1999.
▪ For the 14.8 million U.S. households that make $10,000 or less per year, a year's rent costs about 70% of their annual income.[132]

What new policies are needed to provide the poor with affordable housing? Rank (2004) offers several suggestions. First, builders and rentals should be given tax incentives to provide housing to the poor or low-income earners. The Low-Income Housing Tax Credit is one such existing example and one that has proved successful by most accounts. Other tax incentives to build and renovate low-income housing should be aggressively pursued. This would generate substantially, according to experts, more housing that is affordable to the poor.

Another government initiative used by some local and state governments is the establishment of a *housing trust fund*. It is recommended by some that a national trust fund would allow builders and developers to get low-interest loans to build housing for the poor. Done on a nationwide basis, trust funds could spur new construction or renovations of existing structures, significantly increasing the availability of reasonably priced housing.

In addition to the deduction paid on mortgage interest, refundable tax credits for low-income households is another option. It is recommended that those persons making less than the FPL or some other related income demarcation should be eligible for a direct refund to offset housing costs. Wisconsin has implemented such a tax policy[133] and it has proven beneficial to those in poverty.

Finally, the federal Section 8 Voucher and Certificate Rental Programs[134] should be expanded to include more eligible persons. The Section 8 program, administered by the U.S. Department of Housing and Urban Development, increases affordable housing choices for very low-income households by allowing families to choose privately owned rental housing. In South Carolina, the designated public housing authority, the State Housing Authority,[135] generally pays the landlord the difference between 30% of household income and the housing authority’s determined payment standard—about 80 to 100% of the fair market rent. The household may choose a unit with a higher rent than the fair market rent and pay the landlord the difference or choose a lower cost unit and keep the difference. Several assistance programs exist under Section 8. Together, the voucher and certificate programs help more than 1.4 million households in the United States.[136]

Section 8 funding is limited and, as a rule, is not increased typically to any large extent from year to year. Further, rarely are new applicants permitted unless an existing Section 8 recipient exceeds or no longer meets eligibility requirements, and an opening (voucher or certificate) becomes available. Experts and advocates for the poor believe that doubling or even tripling funding for Section 8 assistance would substantially lessen housing costs for many poor in America.

Poverty in South Carolina

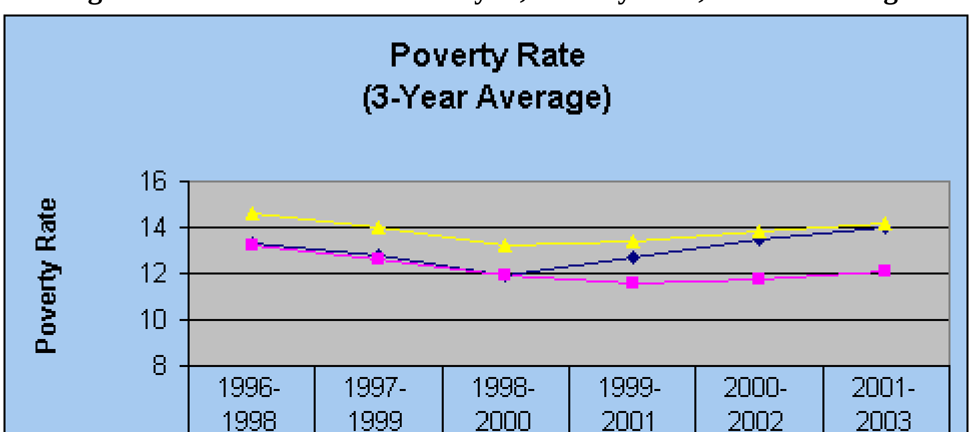
Poverty in South Carolina is ubiquitous. It exists in both urban areas as well as rural areas of the state. It affects men and women, young and old, and all ethnic and racial groups. For example, in FY 2002-03, the total population for South Carolina was roughly 4,150,000. Of this total, 14.0% or approximately 581,000 were in extreme poverty. The rural poverty rate was 17.1% and urban rate averaged 13.0%. In terms of gender, 19% of all women in South Carolina were below the official poverty level and 15% of men were below the FPL. By age, nearly one quarter or 24% of all children 18 and under were in poverty.[137] Seventeen percent of adults, ages 19 through 64, were poor and 18% of people age 65 and older were poor as well. The poverty rate by ethnicity and race was as follows: Caucasians 12%; African Americans 35%; Hispanic 24%; and “other” 10%.[138]

The Poverty Rate

Most economists believe that while a snapshot of the poverty rate is revealing, a more representative poverty rate over time gives a more accurate picture of poverty. The period of time usually given as “representative” is three years. Therefore, an examination or analysis of the poverty rate in South Carolina over a 3-year period is desirable, particularly with comparison to southeastern and U.S. averages.

By federal definition, South Carolina’s 3-year average poverty rate (for 2001-2003) was 14.0%. For the same period, the U.S. poverty rate was 12.1%, a difference from South Carolina of 1.9% higher than the national average. The southeast’s 3-year poverty rate 14.2%, marginally higher than South Carolina or by 0.2%.[139]

Figure 21. Historical/Trend Analysis, Poverty Rate, 3-Year Average



	1996-1998	1997-1999	1998-2000	1999-2001	2000-2002	2001-2003
SC	13.3	12.8	11.9	12.7	13.5	14
US	13.2	12.6	11.9	11.6	11.7	12.1
SE	14.6	14	13.2	13.4	13.8	14.2

Note: The southeast region consists of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina South Carolina, and Tennessee.
Source: U.S. Census Bureau & Bureau of Labor Statistics, *Current Population Survey*, Poverty in the U.S., 1998-2002 Editions. URL: http://www.bls.census.gov/cps/pub/pubpov.htm.

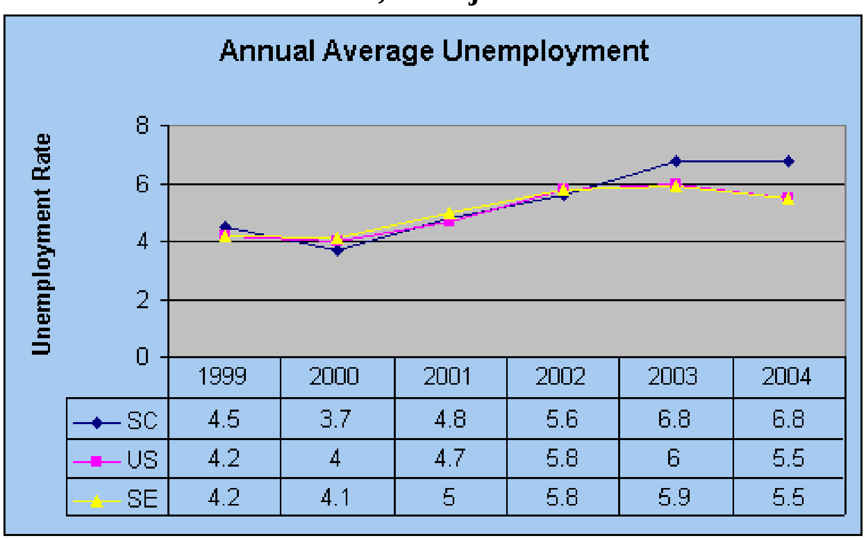
In terms of trends, the South Carolina's 3-year average poverty rate was roughly within +/-0.1% of a percentage point of the national averages from 1996-1998 through 1998-2000. In 1999-2001, South Carolina's poverty rate was 12.7% and the U.S. rate was 11.6 %, a difference of 1.1% above the national average. In 2000-2002, the South Carolina average poverty rate was 13.5% compared to the U.S. rate of 11.7%, 1.8 % above the national average. A comparison of trends with the southeast shows that southern states have had higher average poverty rates consistently over the past six 3-year intervals than the U.S. and South Carolina.[140] (See Figure 21).

For 2000-2002, South Carolina ranked 12th among the states with the highest average 3-year poverty rate. Other select rankings for the same period were North Carolina 14th, Georgia 17th, and Tennessee 9th. Arkansas had the *highest* 3-year poverty rate among all states and New Hampshire had the *lowest*.[141]

Unemployment and Poverty

Also illustrative or explicatory of the poor in South Carolina is the annual average unemployment rate. By definition, this rate represents the number of workers without a job, who are willing and able to work, expressed as a percentage of the civilian working population. It is generally interpreted that unemployment affects detrimentally individuals, families and the country as a whole. Unemployed or misplaced workers and their families lose wages, and the country loses the goods or services which could have been produced. In addition, the purchasing power of these unemployed is lost, which can lead to unemployment for yet other workers.[142]

Figure 22. HISTORICAL/TREND ANALYSIS, Annual Average Unemployment Rate, Unadjusted



	1999	2000	2001	2002	2003	2004
SC	4.5	3.7	4.8	5.6	6.8	6.8
US	4.2	4	4.7	5.8	6	5.5
SE	4.2	4.1	5	5.8	5.9	5.5

Note: The southeast region consists of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee. State Data Source: S.C. Employment Security Commission, Palmetto Economic Analysis and Research System. URL: http://eslmi40.esc.state.nc.us/pears. National Data Source: U.S Department of Labor and Statistics. URL: http://stats.bls.gov/cps/home.htm#empstat.

South Carolina ranks 5th in annual average unemployment in comparison to other states for 2003. Oregon (RK=1), Alaska (RK=2), Washington (RK=3), and Michigan (RK= 4) were those states with higher unemployment rates than South Carolina. Neighboring states to South Carolina were significantly lower in rates of unemployment with the exception of North Carolina (RK=10). It should be noted, however, that annual average unemployment rates vary by locality.

In 2004, South Carolina's annual average unemployment rate was 6.8%. This compares with a U.S. rate of 5.5%, a difference of 1.3 percentage points. Interestingly, the southeast rate was also 5.5% as well. In 2003, annual average unemployment rates were similar though South Carolina was noticeably higher (S.C. was 6.8%, the U.S. was 6.0%, and the SE was 5.9%). From 1999 through 2004, U.S. and southeastern rates were remarkably close. With the exception of the year 2000, South Carolina has had higher unemployment rates than U.S. and southeastern averages. This is especially true for years 2003 (S.C. = 6.8% v. U.S. 6.0%) and 2004 (S.C. =6.8% v. U.S. =5.5%). (See Figure 22).

According to a recent analysis, "unemployment has been on a four-year rise, reaching as high as 6.9 percent in October 2004. Manufacturing jobs, which South Carolina has depended on for decades, have declined by 21.8 percent or 75,000 jobs during this period."[143]

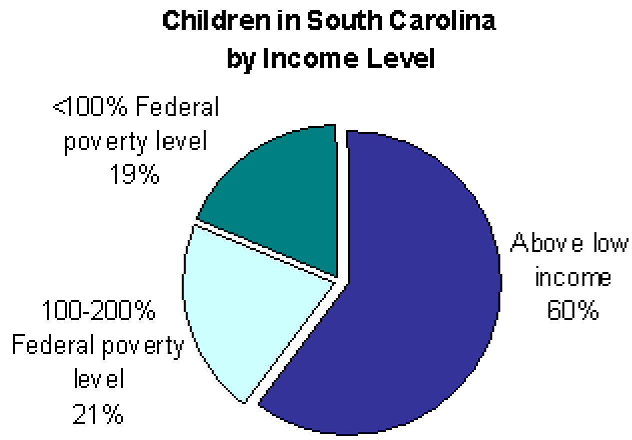
It should be noted, however, that despite this depiction, the South Carolina economy has recently seen some positive signs. In 2005, for example, the South Carolina Department of Commerce continued to be effective in creating new jobs and attracting new companies. The Department created 12,370 total jobs. The net jobs created (jobs from new companies) was 6,705. This is the second highest job creation watermark since 1991. Only in 2004, an all-time record was job creation higher.

Additionally, Department made 137 announcements of new business entering the state and existing industry expansions, with investments in excess of $2.66 billion and more than 12,000 new jobs created. Rural communities also made significant strides in 2005, with 46 announcements resulting in $1.16 billion in investment and creating 3,685 jobs.

Children in Poverty

Children in poverty in South Carolina are of particular note. Data show, according to the S.C. Office of Research and Statistics, that 515,949 families with 951,884 children live in the Palmetto state (year 2003). Of this total number of children, 40% (377,043) live in low-income families, 19% (180, 835) of which live in extreme poverty.[144]

Figure 23. Children in South Carolina by Income Level



Source: S.C. Office of Research and Statistics
URL http://www.sccommunityprofiles.org/scpages/sc_lincc.asp.

When one considers those persons less than age 6, 45% (128,377) of South Carolina's children can be counted among those who live in low-income families. Alternately, 37% (248,666) children age 6 and older live in low-income families.

Another reputable source of data, the Children's Defense Fund (CDF), states that 19.9% of children in South Carolina are in poverty (year 2003). The CDF also provides other statistics of interest with regard to South Carolina's children, including:

- Number of adults and children receiving cash assistance from TANF—46,346;
- Number of children who receive food stamps—191,370;
- Number of women and children receiving WIC—109,579;
- Number of children served by Head Start—12,248;
- Number of children who were victims of abuse and neglect—10,738;
- Percent of fourth graders reading below grade level—74%;
- Percent of fourth graders below grade level in math—68%;
- Number of children with no health insurance—92,000.[145]

Lastly, it should be pointed out that the degree or percent of child poverty differs throughout the state. For example, S.C. Kids Count reports that the 3-year average percent of poverty (below the FPL) among children (years 2001-2003)[146] for the three most populous counties was as follows: Charleston County, 23.3% (N=16,932); Greenville County, 13.7% (N=12,600); and Richland County, 17.9% (N=13,396). At the highest rate was Allendale County where 48.1% of its children were in extreme poverty. Also, Bamberg County (35.4%), Dillon County (33.4%), Marion County (33.6%), and Williamsburg County (36.2%) had extremely high percentages of children in poverty. Further, an additional 11 counties had poverty rates among children greater than 25%: Barnwell, Chesterfield, Clarendon, Colleton, Darlington, Fairfield, Georgetown, Jasper, Lee, Marlboro, and Orangeburg Counties.[147]

The South Carolina Institute on Poverty and Deprivation

The South Carolina Institute on Poverty and Deprivation is an organization that was established in 1984. SCIPD originated as a joint effort of the South Carolina Department of Social Services and the College of Social Work at the University of South Carolina. Currently, it operates as an independent 501(c)(3) non-profit organization. SCIPD provides research and analysis, and proposes legislative initiatives as relates to poverty in South Carolina. Its mission is four-fold: 1) to educate people about the nature and extent of poverty in South Carolina; 2) to develop and implement programs to assist the poor towards self-sufficiency; 3) to recruit and develop partnerships to address issues affecting the poor; and 4) to research and analyze policy to facilitate changes that will reduce or eliminate poverty in South Carolina.[148]

SCIPD has undertaken several initiatives and programs to address issues and problems associated with poverty in South Carolina. Some of these include:

- The Community-based Organization Development Initiative. This is a program designed to strengthen private non-profit agencies and organizations in the state by providing training and technical assistance.
- Resort Impact on Indigenous People in Coastal South Carolina. This is a project to implement the South Carolina Community Development Ban Corporation in the Palmetto Development Group to meet the credit, capital, and enterprise training needs of small and micro businesses.
- Manpower Utilization of the Rural Poor. This is a project to examine and address the long-term problems of new job creation, business development, unemployment, and underemployment facing low income people in 16, primarily in rural counties of South Carolina.
- The Faith-based Adult Mentoring Program. This is a pilot mentoring program targeted to welfare-to-work participants.
- Pathways to the Future. This is a statewide forum examining ways out of poverty.
- Influential Sectors Project. This is a research project which determined the causal factors of chronic poverty in South Carolina and sought to gain a commitment among persons of influence to work towards the elimination of systemic poverty.[149]

The Influential Sectors Project (ISP), funded by the Sisters of Charity Foundation and the U.S. Economic Development Foundation, is a program aimed at studying the nature and scope of poverty in South Carolina’s Second and Sixth Congressional Districts. Its ultimate purpose is to facilitate, through its findings and recommendations, “systemic change that will reduce poverty.”[150]

The ISP has resulted in a report, published circa 2003, with findings and recommendations in six topical areas: Childcare, public school funding, adult literacy, criminal justice, transportation, and predatory lending. Some of these findings and recommendations are discussed in the following narrative.

Childcare. The ISP found that South Carolina has 3,602 childcare facilities (as of July 2001). Many low-income families receive subsidies to offset the costs of childcare. As of February 2002, there were 24,000 children receiving subsidies at an annual expenditure of $65 million. Many other children qualify for childcare assistance, and in early 2002, there were 3,400 families waiting for childcare assistance or subsidies.

Another finding of the ISP was that 100,266 children ages 0-2 who are in need of childcare. Estimates show additionally that roughly half of these children are cared for by family relatives.

Childcare in South Carolina is also expensive, especially for the poor or low-income working families. Governmental assistance pays only 40% of the costs of childcare. Though this assistance is of some aid to the working poor, still the remaining 60% paid is a financial hardship for most low-income families or households.

The ISP recommends that South Carolina provide financial assistance to ensure quality childcare for *all* poor and low-income families. Additionally, all childcare facilities should meet national accreditation requirements and a report should be published annually on the availability, affordability and quality of childcare in South Carolina.[151]

Adult Literacy. The ISP report found that adult literacy is instrumental to the state's socio-economic well being. Adult literacy programs in South Carolina take on many forms; including, GED classes, work-based training programs, fluency in English for immigrants classes, and numerous other programs all aimed at increasing adult learning skills and abilities.

A finding of special importance in the ISP report was that South Carolina has an exceptionally high rate of adult illiteracy. Data indicate, for example, that 25% of adults in South Carolina "score at the lowest levels of literacy." And further, "the 5th and 6th Congressional Districts have the highest rates of adult illiteracy in the state."[152]

The ISP report strongly suggests that the state examine existing model literacy programs nationwide for replication in South Carolina. It is also recommended that literacy and related programs should be more collaborative and coordinated in their implementation and delivery.[153]

Criminal Justice. One finding of the ISP report relates the fact that African American males have a high rate of incarceration. The ISP found that:

> Black males have been consistently committed to the S.C. Department of Corrections in larger numbers and at younger ages

> and have consistently received longer prison sentences than white males since 1989. At present, black males constitute 61% of the prison population compared to 27% white males. In addition, young black youths constitute 61% of the juvenile justice population even though they only constitute 38% of the general population.[154]

An additional finding in the ISP report stated that most or some inmates leave prison without cash, family support, little education, affordable housing, or reliable transportation. This is problematic, and according to ISP, creates circumstances conducive to recidivism.

The ISP recommends that the governor or legislature create a special commission to address the problems associated with racial disparities inherent in the state's current criminal justice system. ISP also recommends that all inmates without a high school diploma or equivalency be required to enroll in a GED program and be offered additional technical or college level studies.[155]

Conclusion

Poverty in America as well as in South Carolina is a persistent and serious problem. The United States is arguably the most industrialized and richest nation in the world. The incongruity here is clear and an obvious question presents itself. How can the most advanced and wealthiest nation in the world have more than 37 million people in extreme poverty?

In this paper, poverty in America, in the South, and especially in South Carolina has been examined. First, the official definitions of poverty have been discussed and the statistics relating to poverty have been presented. More importantly, secondly, the causes—both the relative or individual and those that are structural in nature—have been examined. The structural problems appear to be of the greatest concern and arguments for attention to them have been given.

Additionally, this paper has examined the public and private responses to poverty. These responses are costly and expansive. But still, millions of people are in severe poverty. Several policies and programs are in place to reduce poverty in America. Some experts suggest that new policies are required such as those that provide for plentiful and adequately pay jobs, more and better tax credits and incentives, and improved accessibility to quality education, health care, housing, and childcare.

Finally, as Michael Harrington and others have related, there is invisibility to poverty in the United States. American poverty is not as recognizable as in Third World countries where people are visibly emaciated, living in polluted shanties, and dying openly in the streets and roadways of hunger and disease. America's poor are without the services and goods that make living comfortable, painless, and without worry and stress. Generally, the poor in America strive to make ends meet; some are hungry, and others homeless. As author David Shipler puts it in his book, *The Working Poor: Invisible in America,* the poor in America are…

> the man who washes cars but does not own one. The clerk who files cancelled checks at the bank yet has $2.02 in her own account. The woman who copy-edits medical textbooks but has not been to a dentist in a decade.[156]

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[18] See discussion of NPR/Kaiser/Harvard University survey on poverty later in this paper.
[19] See http://www.npc.umich.edu/poverty/.
[20] The poverty thresholds do not vary by geographic location, but are updated each year for inflation using the Consumer Price Index.
[21] U.S. Census Bureau. See http://www.census.gov/hhes/income/defs/poverty.html.

[22] The mission of the Children's Defense Fund, a non-profit organization, is to Leave No Child Behind and to ensure every child a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start*, and a *Moral Start* in life and successful passage to adulthood with the help of caring families and communities. See http://www.childrensdefense.org/.

[23] Children's Defense Fund. (2005). Defining poverty and why it matters for children. Retrieved October 12, 2005 from http://www.childrensdefense.org/familyincome/childpoverty/definingpoverty.pdf.

[24] According to the Children's Defense Fund, "This table reflects national average costs for families raising children, using the most recent data available. Housing and food costs are estimated for a three-person family with two children. The estimate only counts the cost of clothing and miscellaneous expenditures for the children, and counts the out-of-pocket average costs for children's health care not covered by Medicaid or private insurance. Full family costs, of course, really include expenditures for the parent for these necessities as well. Notes: 1) Fair market rent for a two bedroom apartment in FY 2005. Estimate by the Center on Budget and Policy Priorities. 2) Assumes a mother and 2 children, ages 4 and 7 using the USDA's low-cost food plan. Source: United States Department of Agriculture, March 2005. 3) Karen Schulman, *Issue Brief: The High Cost of Childcare Puts Quality Care Out of Reach for Many Families* (Washington, DC: Children's Defense Fund, 2000). This cost estimate is for family childcare in the state of Ohio. Nationally, full day childcare can easily cost between $4,000 and $10,000 a year for one child. 4) 8 USDA's 2004 Annual Report: *Expenditures on Children by Families.* Includes medical and dental services not covered by insurance, prescription drugs and medical supplies not covered by insurance, and health insurance premiums not paid by employer or other organization. Does not include parent's health care costs. (Single-parent family estimates.) Retrieved from the Internet at http://www.cnpp.usda.gov/Crc/crc2004.pdf on August 30, 2005. 5) USDA's 2004 Annual Report: *Expenditures on Children by Families.* Does not include costs of clothing for the parent. (Single-parent family estimates.) Retrieved from the Internet at http://www.cnpp.usda.gov/Crc/crc2004.pdf on August 30, 2005. 6) USDL Bureau of Labor Statistics *Consumer Expenditures in 2001-02.* Includes gas, oil, other vehicle expenses, vehicle purchases (net outlay), and public transportation for average 3 person household making $10,000-$14,999 in 2001-02. 7) USDA's 2004 Annual Report: *Expenditures on Children by Families.* Includes personal care items, entertainment, and reading materials. Does not include these for the parent. (Single-parent family estimates.) Retrieved from the Internet at http://www.cnpp.usda.gov/Crc/crc2004.pdf on August 30, 2005. 8) U.S. Department of Commerce, Bureau of the Census, "Table POV13."

[25] Op. Cit. Children's Defense Fund. (2005).

[26] Rector, R. and Johnson, K. (2004, January 5). Understanding poverty in America. Washington, DC: The Heritage Foundation. Retrieved October 12, 2005 from http://www.heritage.org/Research/Welfare/bg1713.cfm.

[27] The Heritage Foundation was "founded in 1973, and is a research and educational institute - a think tank - whose mission is to formulate and promote conservative public policies based on the principles of free enterprise, limited government, individual freedom, traditional American values, and a strong national defense." See http://www.heritage.org/.

[28] Ibid.

[29] Ibid.

[30] See http://www.ers.state.tx.us/Insurance/Publications/skipbrochure.html#IncomeGuidelines.

[31] "The National Center for Children in Poverty (NCCP) is a nonprofit, nonpartisan research and policy organization at Columbia University. Our mission is to identify and promote strategies that prevent child poverty in the United States and that improve the lives of low-income children and families." See http://www.nccp.org/.

[32] National Center for Children in Poverty. (2005). Fact sheets. Retrieved October 12, 2005 from http://www.nccp.org/fact.html.

[33] National Center for Children in Poverty. (2004, May). Low-income children in the United States. Retrieved October 12, 2005 from http://www.nccp.org/pub_cpf04.html.

[34] Ibid.

[35] Retrieved October 13, 2005 from http://www.robertniles.com/stats/median.shtml.

[36] U.S. Census Bureau. (2005, August 30). Retrieved October 13, 2005 from http://www.census.gov/Press-Release/www/releases/archives/income_wealth/005647.html.

[37] Ibid.

[38] Op. Cit. DeNavas-Walt, C. et al. (2005, August), p. 9.
[39] Retrieved October 14, 2005 from http://www.irp.wisc.edu/faqs/faq3.htm.
[40] See full report at http://www.census.gov/prod/2005pubs/p60-229.pdf.
[41] Op. Cit. DeNavas-Walt, C. et al. (2005, August). Table 3, p. 10.
[42] Ibid.
[43] U.S. Conference of Catholic Bishops. (n/d). Poverty USA: the faces of American poverty. Retrieved October 14, 2005 from http://www.usccb.org/cchd/povertyusa/povfact2.shtml.
[44] This median household income represents the sum of money income received during a calendar year by all household members 15 years old and over, including household members not related to the householder, people living alone, and other non-family household members.
[45] It should be noted that data for working families cover calendar year 2003. Op. Cit. U.S. Conference of Catholic Bishops. (n/d).
[46] See http://www.sipp.census.gov/sipp/.
[47] Rank, M. (2004). *One nation underprivileged: why poverty affects us all.* New York, NY: Oxford University Press, p. 63.
[48] Ibid.
[49] Ibid., p. 106.
[50] Ibid., p. 179.
[51] Shipler, D. (2004). *The working poor: invisible in America.* New York, NY: Alfred A. Knopt, p. 39.
[52] Op. Cit. Rank, M. (2004), p. 45.
[53] National Poverty Center. (2005). Retrieved October 20, 2005 from http://www.npc.umich.edu/poverty/#5.
[54] Retrieved October 21, 2005 from http://www.un.org/works/goingon/poverty/jessica_story.html.
[55] Americans for Democratic Action. (2004, February). Income and inequality: millions left behind. Washington, DC: Author, p. 3. Retrieved October 21, 2005 from http://www.inequality.org/incineqada.pdf.
[56] Retrieved October 21, 2005 from http://www.plu.edu/~poverty/causes/home.html.
[57] National Governors Association and Achieve, Inc. (2005, February 26). *Briefing packet*. 2005 National Education Summit on High Schools. Washington, DC: Authors, p. 7. Retrieved October 21, 2005 from http://www.achieve.org/dstore.nsf/Lookup/Achievebriefingbook2005/$file/Achievebriefingbook2005.pdf.
[58] National Governors Association and Achieve, Inc. (2005, February 26). *Briefing packet*. 2005 National Education Summit on High Schools. Washington, DC: Authors, p. 8. Retrieved October 21, 2005 from http://www.achieve.org/dstore.nsf/Lookup/Achievebriefingbook2005/$file/Achievebriefingbook2005.pdf.
[59] Retrieved October 31, 2005 from http://www.aecf.org/kidscount/indicator_briefs/child_poverty.pdf.
[60] U.S. Census Bureau. Retrieved October 31, 2005 from http://www.census.gov/hhes/www/disability/ACS_disability.pdf.
[61] Wang, Q. (2005, July). *Disability and American families: 2000*. Washington, DC: U.S. Census Bureau, Table 6, p. 11.
[62] See Op. Cit. Rank, M. (2004), p. 50.
[63] See Op. Cit. Rank, M. (2004), pp. 53-108.
[64] Seccombe, K. (1999). *So you think I drive a Cadillac? Welfare recipients' perspectives on the system and its reform*. Needham Heights, MA: Allyn and Bacon.
[65] See Op. Cit. Rank, M. (2004), p. 54.
[66] See http://www.sipp.census.gov/sipp/.
[67] Op. Cit. Rank, M. (2004), p. 59.
[68] National Center for Children in Poverty. (2004). Retrieved November 11, 2005 from http://www.nccp.org/pub_pel04b.html.
[69] Op. Cit. DeNavas-Walt, C. et al. (2005, August). Table 3, p. 25.
[70] Op. Cit. Rank, M. (2004), p. 60.
[71] The Luxembourg Income Study (2001). Conducted by Veli-Matti Ritakallio. See http://www.lisproject.org/.
[72] Op. Cit. Rank, M. (2004), pp. 61-62.
[73] Ibid., pp. 92-94.
[74] Rank, M., Yoon, H., and Hirshl, T. (2003, December). American poverty as a structural failing; evidence and arguments. *Journal of Sociology and Social Welfare.*

[75] Americans for Democratic Action, Inc. (2004, February). Income and inequality: millions left behind. Washington, DC: Author. Retrieved November 7, 2005 from http://www.adaction.org/Income2004.pdf.
[76] Ibid.
[77] "Income-based" means that eligibility to receive program benefits is based on financial status or need, or more specifically, is based on some eligibility criteria or "test" as relates to individual, household or family income.
[78] CRS Report for Congress. (2003, November). Cash and non-cash benefits for persons with limited income; eligibility rules, recipient and expenditure data, FY 2000-2002. Complied by V. Burke. Washington, DC: Congressional Research Service. Retrieved November 8, 2005 from http://www.opencrs.com/rpts/RL32233_20031125.pdf.
[79] See http://www.cms.hhs.gov/medicaid/.
[80] Table 15. Medicaid recipients by service category, FY 2000. Retrieved November 11, 2005 from http://waysandmeans.house.gov/media/pdf/greenbook2003/MEDICAID.pdf.
[81] Retrieved November 9, 2005 from http://www.acf.hhs.gov/opa/fact_sheets/tanf_factsheet.html.
[82] This funding describes use of TANF block grant funds for cash aid only, excluding TANF work programs, activities, and services.
[83] Op. Cit. CRS Report for Congress. (2003, November), pp., 75-76.
[84] Some states chose to provide additional payments to SSI recipients at their own expense. In addition, a "grandfather" clause requires states to provide supplements to a small number of persons, previously enrolled in the pre-SSI programs of federal-state cash aid for needy aged persons and blind or disabled adults, whose income otherwise would fall below what it was in December 1973. If a state chooses to have the federal government administer its supplements, it must agree to provide supplements for all federal SSI recipients of the same class and pay an administration fee to SSA for the service. If states administer their own supplements, they are generally free to design their own supplementary programs and may adopt more restrictive eligibility rules than those of SSI.
[85] Op. Cit. CRS Report for Congress. (2003, November), pp., 62-63.
[86] Ibid.
[87] For details on eligibility see http://www.fns.usda.gov/fsp/applicant_recipients/facts_E.htm.
[88] Retrieved November 14, 2005 from http://www.acf.hhs.gov/programs/hsb/programs/index.htm.
[89] Retrieved November 14, 2005 from http://www.acf.hhs.gov/programs/hsb/research/2005.htm.
[90] See http://www.salvationarmyusa.org/usn/www_usn.nsf.
[91] See http://www.catholiccharitiesusa.org/.
[92] See http://www.secondharvest.org/.
[93] See http://national.unitedway.org/.
[94] See http://www.redcross.org/.
[95] See http://www.communitychange.org/.
[96] Retrieved November 14, 2005 from http://www.plu.edu/~poverty/solutions/home.html#NONP.
[97] The Salvation Army Website reports that: "The Salvation Army's membership consists of 3,500 officers, 60,000 employees, 113,000 soldiers, 430,000 adherents, and more than 3.5 million volunteers. Adherents are people who have elected not to be enrolled as soldiers but consider The Salvation Army to be their place of worship. Soldiers are those who have signed a declaration of faith and practice known as A Soldiers' Covenant and worship and serve through a local corps. Employees are personnel hired to perform specialized duties in fields such as social services, youth service, accounting, development, law, and property. Volunteers are those who give freely of their time, enabling The Salvation Army to meet far more community needs than otherwise possible."
[98] The Salvation Army. (2005). About us. Retrieved November 14, 2005 from http://www.salvationarmyusa.org/usn/www_usn.nsf/vw-dynamic-index/85256DDC007274DF85256B76006FA193?openDocument.
[99] Retrieved November 15, 2005 from http://www.salvationarmyusa.org/usn/www_usn.nsf/50f73564cddae39480256cf4005d2262/b78688525477e95685256e39006d166a/$FILE/ATTG4KWP/TSA%202004.pdf.
[100] See "Financial Report or Statement" on TSA at http://www.salvationarmyusa.org/usn/www_usn.nsf/50f73564cddae39480256cf4005d2262/b78688525477e95685256e39006d166a/$FILE/ATTG4KWP/TSA%202004.pdf.
[101] See http://www.worth.com/Index.asp.

[102] Retrieved November 15, 2005 from http://www.plu.edu/~poverty/solutions/home.html#NONP.
[103] Retrieved November 15, 2005 from http://www.catholiccharitiesusa.org/about/index.cfm?cfid=5078004&cftoken=42390166.
[104] Retrieved November 15, 2005 from http://www.plu.edu/~poverty/solutions/home.html#NONP.
[105] See http://www.nptimes.com/.
[106] Retrieved November 15, 2005 from http://www.secondharvest.org/national_initiative.asp?s=24.
[107] Retrieved November 15, 2005 from http://www.plu.edu/~poverty/solutions/home.html#NONP.
[108] See Catholic Campaign for Human Development. (2005, January). Poverty pulse. Survey Report. Presented by Market Research Bureau LLC. Washington, DC. Retrieved November 16, 2005 from http://www.usccb.org/cchd/povertyusa/LOWINFNL.PDF.
[109] National Public Radio, the Kaiser Foundation, and Harvard University's School of Government. Poverty in America. (2001, March). Survey. Retrieved November 17, 2005 from http://www.npr.org/programs/specials/poll/poverty/staticresults.html.
[110] See survey results for percentile differences among income group respondents (http://www.npr.org/programs/specials/poll/poverty/staticresults.html).
[111] According to NPRKKS: "The results of this project are based on a nationwide telephone survey conducted in English and Spanish between January 4 and February 27, 2001, among a random representative sample of 1,952 respondents 18 years of age and older. There was an oversample of 546 respondents who were identified as having an income of less than 200% of the federal poverty level. Overall the sample included 294 respondents having an income of less than 100% of the federal poverty level, 613 having an income of between 100% and 200% of the federal poverty level, and 1,045 with an income above 200% of the federal poverty level. The results for all groups are weighted to reflect the actual distribution in the nation. The field work was conducted by ICR/International Communications Research. The margin of sampling error is plus or minus 2.2 percentage points for total respondents, plus or minus 7.5 percentage points for those with an income of less than 100% of the federal poverty level, plus or minus 5.4 percentage points for those with an income of between 100% and 200% of the federal poverty level, and plus or minus 2.6 percentage points for those with an income above 200% of the federal poverty level. For results based on subsets of respondents the margin of error is higher."
[112] This discussion will focus mainly on the views as articulated by M. Rank.
[113] Op. Cit. Rank, M. (2004), p. 195.
[114] Armour, S. (2004, June 9). What recovery? Working poor struggle to pay bills. *U.S. Today*. Retrieved November 21, 2005 from http://www.usatoday.com/money/economy/2004-06-08-low-wage-working-poor_x.htm.
[115] See http://www.workworld.org/wwwebhelp/poverty_guidelines_federal.htm.
[116] Op. Cit. Rank, M. (2004), p. 199.
[117] Retrieved November 22, 2005 from http://www.cbpp.org/eic2005/eic05-factbook.pdf.
[118] Ibid.
[119] See http://www.irs.gov/individuals/article/0,,id=150513,00.html.
[120] Op. Cit. DeNavas-Walt, C. et al. (2005, August). Table 3.
[121] See http://www.uses.doleta.gov/wotcdata.asp.
[122] General Accounting Office. (2002, December). Business tax incentives. Report GAO-03-39. Washington , DC: Author, p. 15. Retrieved November 22, 2005 from http://www.gao.gov/new.items/d0339.pdf.
[123] Darling-Hammond, L. and Post, L. Cited in Op. Cit. Rank, M. (2004), p. 208.
[124] See http://www.scschoolcase.com/about-adequate-education.cfm.
[125] Retrieved November 22, 2005 from http://www.ecs.org/clearinghouse/60/26/6026.htm.
[126] Op. Cit. DeNavas-Walt, C. et al. (2005, August), p. 16.
[127] Ibid.
[128] Retrieved November 23, 2005 from http://www.coveringtheuninsuredsc.org/index.asp.
[129] Op. Cit. Rank, M. (2004), p. 212.
[130] Retrieved November 23, 2005 from http://www.habitat.org/how/stats.aspx.
[131] Ibid.
[132] Ibid.
[133] See http://www.dor.state.wi.us/faqs/ise/home.html.
[134] See http://www.hud.gov/offices/pih/programs/hcv/index.cfm.

[135] See http://www.sha.state.sc.us/.
[136] Retrieved November 23, 2005 from http://www.hud.gov/progdesc/voucher.cfm.
[137] Estimates vary from 19% to 24%.
[138] Retrieved from http://www.statehealthfacts.org/cgi-bin/healthfacts.cgi?action=profile&area=South+Carolina&welcome=1&category=Demographics+and+the+Economy.
[139] Retrieved November 28, 2005 from http://www.ipspr.sc.edu/scip/econ/income.asp.
[140] Ibid.
[141] Ibid.
[142] Ibid.
[143] Ibid.
[144] Retrieved November 28, 2005 from http://www.sccommunityprofiles.org/scpages/sc_lincc.asp.
[145] Retrieved November 28, 2005 from http://www.childrensdefense.org/data/childreninthestates/sc.pdf.
[146] The state's 3-year average was 19.0%.
[147] Retrieved November 28, 2005 from http://www.sckidscount.org/report05/pov.pdf.
[148] See http://www.scipd.netfirms.com/About%20Us.htm.
[149] Retrieved November 28, 2005 from http://www.scipd.netfirms.com/Accomplishments.htm.
[150] Retrieved November 28, 2005 from http://www.scipd.netfirms.com/Current%20Focuses.htm.
[151] South Carolina Institute on Poverty and Deprivation. (2003). Influential sectors program report. Columbia, SC: Author. Retrieved November 29, 2005 from http://www.scipd.netfirms.com/Research%20Findings%20and%20Recommendations.htm.
[152] Ibid.
[153] Ibid.
[154] Ibid.
[155] Ibid.
[156] Op. Cit. Shipler, D. (2004), p. 3.