

POVERTY IN AMERICA 2000: Disparity Amid Prosperity

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Catholic Campaign for Human Development*

*by Paul Sullins
Life Cycle Institute, The Catholic University of America
Washington, D.C. 20064*

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"It was the best of times. It was the worst of times."

Introduction

These ironic lines opening Charles Dickens' classic novel [A Tale of Two Cities](#) could have been written about the economic conditions in the United States of America at the turn of the third millenium. The American economy is booming; wealth and well being are generally on the rise; social indicators across the board are the most positive _____

Donald Paul Sullins, Ph.D., is an Associate Member of the Life Cycle Institute at Catholic University and an assistant professor in the Department of Sociology. Dr. Sullins has conducted studies on religious and educational groups since 1994, authoring papers that have appeared in *Social Forces*, *The Living Church*, *Sociology of Religion*, and the *Journal for the Scientific Study of Religion*.

in years, sometimes decades. Yet this prosperity is distributed very unevenly. While upper incomes soar, conditions among the middle class have failed to keep up, and among the poor they are growing worse. It is the best of times for a few, but the worst of times for many more.

Both poles of this irony lend themselves to superlatives. As these lines are written, America looks back over the past 25 years at the longest and largest continuous growth of wealth in its history. Since 1975 the U.S. Gross National Product has *quintupled*; Disposable Personal Income (a measure of the amount of actual discretionary income retained by individuals each year after taxes) has increased even more.¹ During this time the population has increased by little more than a quarter², with the result that the United States today has the largest per capita discretionary income and wealth in the world.³ The large size and productivity of the United States economy combine to make this country as a whole significantly wealthier than any other country. It is twice as wealthy as the next wealthiest industrial country (Japan), and wealthier than the poorest nine-tenths of the world's countries combined. In 1975, with 5.2 percent of the world's population, the United States produced about 12 percent of the world's income and enjoyed about one-fourth of the globe's collected wealth. Presently (1999 data), with 4.1 percent of the world's population, one-third of all wealth and 29 percent of all income on earth finds its way to the United States.

The Face of Poverty

Given facts like these one might conclude that the United States is a society composed primarily of wealthy people. But this is not the case because, just as the world's prosperity has been concentrated in the United States, so the prosperity of the United States is even more strongly concentrated in a small proportion of the population, leaving many more to struggle to make ends meet in this richest of nations.

How Poverty is Defined

Each year the U.S. Census Bureau computes the proportion of Americans, usually around 10-12 percent, who are considered to be "in poverty". This classification is at the basis of much national social policy and is therefore frequently contested and discussed in policy debates. It is instructive, then, to take a closer look at what it means. The federal government began defining poverty in 1961; prior to this the states each had individual, often inconsistent, estimates of poverty. The U.S. Department of Agriculture had defined minimum daily requirements for adult nutrition at generous, adequate and subsistence levels. Government analysts at the Social Security Administration, arguing that human nutrition was a "scientific" constant, took the annual cost of the least expensive USDA subsistence estimate, called the "Economy Food Plan", as the basis for a standard national poverty threshold. This amount was multiplied by three to allow for expenses other than food, and the resulting amount was multiplied by the number of persons in a family to produce a sliding threshold of poverty based on family size. These original cutoff amounts, indexed to increasing food costs, form the basis of the official definition of poverty today. For a family of four the poverty threshold in 1963 was \$3100; in 1997 it was \$16,050. The poverty rate measures the proportion of a population whose cash income is below this amount.⁴

Many argue that the poverty threshold is too low, since it is based on subsistence, not adequate, nutrition; and non-food expenses have increased much greater than the cost of food in the past 30 years. In 1959 the federal definition was more severe than that of most states, and many state poverty programs today set eligibility levels at two or even three times the federal poverty income level. On the other hand, some argue that the cutoff is too high, since it does not take into account income transfers, such as the Earned Income Credit or state-administered General

Public Assistance, received from poverty programs themselves. In 1959 these amounts were negligible, but since then they have become a significant component of the total income of the poor. If poverty is measured by consumption rather than income, the rate of poverty declines by about half.

To this debate Catholic Social Teaching contributes the principles that poverty should be defined with reference to the possibility of realizing and enhancing human dignity rather than mere subsistence, and the well-being of the poor should be a focus, not just a side issue, of social policy.⁵ Without necessitating any particular view on the technicalities involved, these suggest that in a wealthy society poverty should, in general, be classified more rather than less generously.

The Social Condition of "the Poor"

In 1998 (the most recent data available) 10 percent of American families⁶ were in poverty. This number represents 12.7 percent of the total population in that year, or 34.5 million people. These summary amounts hide a wide diversity in the distribution of poverty that is directly related to well-known educational, social and cultural disadvantages in American life. They reveal "the worst of times". While 23 percent of black and Hispanic families were in poverty in 1998, only 9 percent of white families were. The rate of poverty was much higher in the South and large inner cities than other regions and communities. Among individuals in families, 20 percent of non-naturalized immigrants were poor, and 19 percent of children.

Those who are poor contend with much more than just a lower income. Because of reduced access to quality health care, they are more susceptible to disease and death at any age. The infant mortality rate of the poor is almost double that of the affluent, mostly due to lack of immunization.⁷ Malnutrition, hunger and homelessness are real risks for the poor. They often must travel further and pay more for food and household goods. The poor are more likely to be a crime victim and to commit a crime, and to serve a longer sentence for the same offense when they do, than the nonpoor. They are less likely to get married, more likely to get divorced,

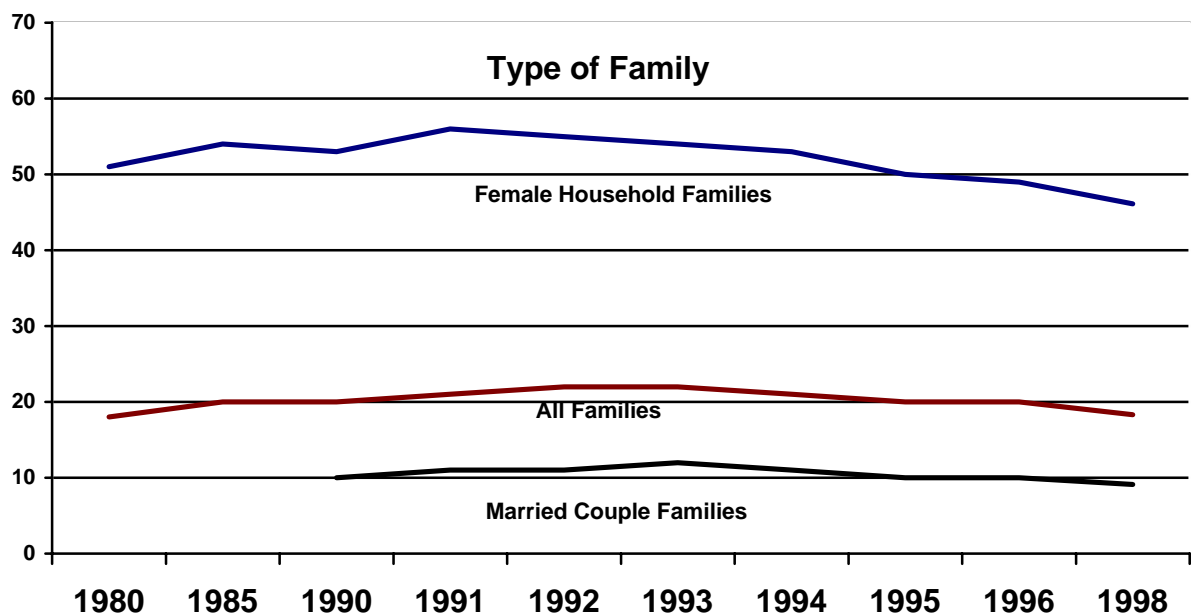
and more likely to develop a dependence on alcohol or drugs. Poverty often means decaying housing, unstable relationships, uncomfortable and inconvenient transportation, and the inability, due to the many uncertainties in life, to plan ahead for more than a few days.⁸

A word of caution about the idea of "the poor", however. It is a recurrent temptation to think of those who are poor as constituting a distinct class of people separate from the rest of us⁹, but the facts regarding the volatility of poverty belie this notion. While the rate of poverty does not change much from year to year, this does not imply that the same people are poor each year. Poverty is a very volatile condition. Jencks found that in the 1970s about a third of "the poor" were not in poverty the previous year, and another third escaped poverty the following year.¹⁰ More recent studies show that the number in "chronic poverty" for at least two years is less than half the annual poverty rate, and the median length of time continuously spent in poverty is only 4.5 months. Over a 2-year period, nearly a third of Americans dipped briefly into poverty. Poverty, it appears, is better understood as a transient condition of many people--a "revolving door"--than a persistent condition of a few.¹¹

A significant feature of modern poverty is its interaction with family structure and the consequent effects on children. Households headed by unmarried women are much more likely to be in poverty than other types of families. Figure 1 traces these differences over the past 20 years. In 1998 46 percent of children who lived in a female household (defined by the census as a household headed by a female with no spouse present) lived in poverty. This is more than twice the proportion of all children in families, and 4 times the rate among married-couple families. Despite (or perhaps because of) the large-scale entry of women into the work force, the weight of poverty falls most heavily on women and children who do not have a husband or father present. Poverty, of course, has a more pernicious effect on children than on adults. It exposes them to a host of risks and deficits at a time when they have few protections, and greatly reduces their chances of completing an education consistent

with their human potential. The strong empirical link between family breakdown and poverty in our society is of particular concern from the perspective of Catholic Social Thought, which sees income as instrumental to the essential maintenance of family life, which is more fundamental than the economy.¹²

Figure 1
Percent of Children under Age 18 in Poverty, by Family Type



Source: "America's Children 1998", Federal Interagency Forum on Child and Family Statistics, augmented with data for 1998 from the U.S. Census.

Trends in Poverty

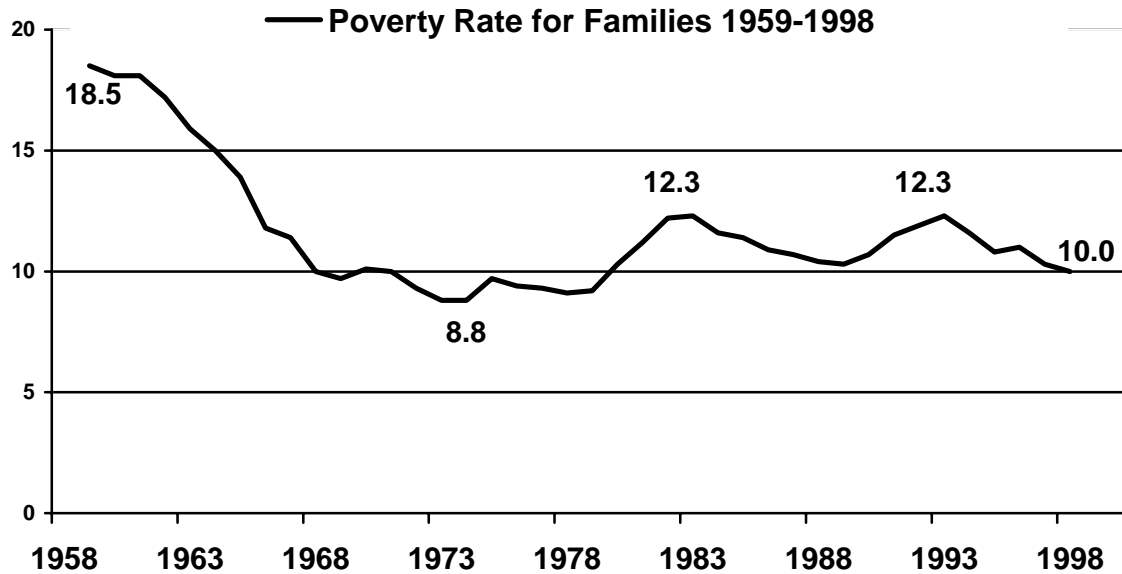
From a horizon of a few years, in many ways the present time is among "the best of times" with regard to the amelioration of poverty. While some advocates, using older data, still sound notes of alarm about the growth of poverty,¹³ it is increasingly clear that poverty is actually in mild decline. The family poverty rate of 10 percent in 1998 was down from a high of 12.3 percent in 1994. The individual poverty rate declined a full percentage point, 13.7 to 12.7 percent, from 1997 to 1998.

This decline was stronger among groups of different ages and races that are much more likely to be in poverty. In 1998, for example, 23.4 percent of black families and 22.7 percent of Hispanic families--down from 27.6 and 27.8 percent respectively in 1994--were in poverty. During the same period poverty among white families, already much lower, only declined from 9.1 to 8.9 percent. As Figure 1 shows, the proportion of children in poverty in all types of households declined from 1993 to 1998. Moreover, as in other parts of American life, education is a great leveler of poverty disparities. 23 percent of those in 1998 who had not completed high school were poor, compared to only 3 percent of those with a college education. Among all groups those with a college degree were less than a third as likely to be in poverty as those who had less education.

The 1990s have seen significant reform of the government welfare system. Despite the claims of politicians, few social analysts credit this reform with the reduction in poverty. On the contrary, many sociologists argue that the recent welfare reforms have put marginal groups such as female single parents, the homeless and racial minorities at greater risk;¹⁴ in almost all cases the welfare reforms have placed fewer, not more, resources at the service of the poor. The positive trends in poverty in the past few years match a general trend of similar positive developments in crime,

disease, drugs and other social ills, as the American economy has boomed.

Figure 2



Source: U.S. Census March Current Population Surveys 1959-1998.

The short-term trend of improvement must be viewed in the context of the long term, which reveals a quite different picture. Despite its possible weaknesses, the federal definition of poverty has the advantage of reliability. Since it has not changed for 40 years, it provides an ideal basis for assessing long-term changes in poverty in America. Figure 2 reflects these trends, showing the poverty rate for families from 1959 to the present (1998 data).

In 1959 18.5 percent--more than one in six--of American families were in poverty. National attention and resources were drawn to the problem and, particularly in the wake of Lyndon Johnson's War on Poverty begun in 1963, the poverty rate plummeted during the 1960s to a low of 8.8 percent by 1973. Since that time the poverty rate has hovered between 9 and 12 percent, rising and falling in line with the economy. During the cyclical economic depressions of the early 1980s and 1990s the rate of poverty rose to 12.3 percent, then during the ensuing times of economic growth, it fell.

Some have interpreted the lack of continued decline in the poverty rate after 1973 as a failure of the big-government welfare programs initiated during the 1960s. Others have argued that the sustained improvement in the rate since the 1950s demonstrates their success. Whichever is the case, it is clear that the mid-1970s marked a turning point in the poverty trend. Prior to that time, the poverty rate declined in response to political and social interventions, with no correlation to the general state of the economy; subsequently, it corresponded very closely to economic conditions, but seemed largely unaffected by changes in social welfare programs.

Globalization and Growing Inequality

This change illustrates the common perception of both the secular and ecclesial literature that the poverty of today, since the 1970s, is a new kind of poverty, not just a continuation of conditions in the past.¹⁵ The mid-1970s is also widely recognized as the beginning of a fundamental shift in the global economic situation, from a set of relatively separate industrial economies centered politically in nation-states to a single interconnected post-industrial or information economy characterized by multi-national corporations.¹⁶ This basic change in the conditions of economic life, known as globalization, appears to have also changed the basic conditions of poverty.

As the U.S. Bishops' teaching recognizes,¹⁷ to talk about poverty today is to talk about the extreme and growing inequality in America and the world. Whereas a generation ago poverty was an intrusion upon national life, external to the proper functioning of the economy, today poverty appears increasingly to be what sociologists term "structurally integrated" into the economy. Economic disadvantage appears to be part of the institutional structure of the global economy.

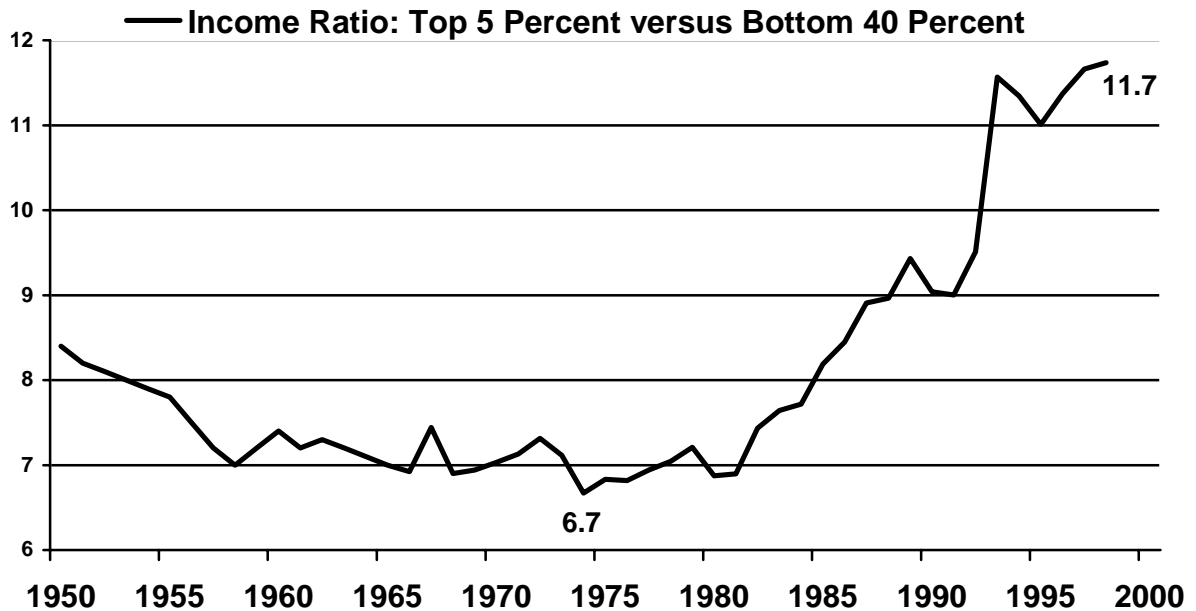
The Global Poor

Although wealth and resources throughout the world have been distributed unevenly since the days of colonialism, by almost any measure this disparity has been increasing in the past decades and is at dramatic proportions today. The move to

global information economy has increased *average* net wealth, but it is an average composed of a few who become very rich while many grow poorer. Wealth is concentrating in a few nations, and in a few individuals in those nations, to a degree that is hard even to imagine. A 1999 United Nations report¹⁸ notes that the fifth of the world's people living in the highest income countries had 86 per cent of world gross domestic product (GDP), 82 per cent of world export markets, 68 percent of direct foreign investment, 74 per cent of world telephone lines and 90 percent of world internet users: the bottom fifth, in the poorest countries, had about one per cent in each sector. From 1995 to 1998 the 200 richest persons in the world more than doubled their collective net worth, to \$1 trillion, an amount double the assets of the poorest fifth, or 1.2 billion, of the world's persons, whose incomes declined over the same period. The average income of the richest fifth was 74 times that of the bottom fifth, a ratio that had doubled since 1960. Among the bottom fifth, the world's poor:

- Almost two-thirds (64%) live in communities without basic sanitation;
- Half (51%) live beyond the reach of modern health services;
- Life expectancy is 50 years;
- One out of six children (16.2%) do not survive until their 5th birthday;
- Over one-third (36%) of children do not proceed beyond fifth grade in school;
- Annual electricity use is 81 kilowatts per person (in the U.S. it is 13,000);
- Their nations' external debt is 92% of annual Gross National Product; one-eighth of national income (12.5%) flows to the wealthiest nations each year to pay interest.¹⁹

Although this report focuses on the United States, it is important to keep in mind that the disparities that underlie poverty in America are clearly part of a pattern of inequality in modern life throughout the world.

Figure 3

Source: Gilbert 106 and U.S. Census 1999 Table F-3, special tabulation.

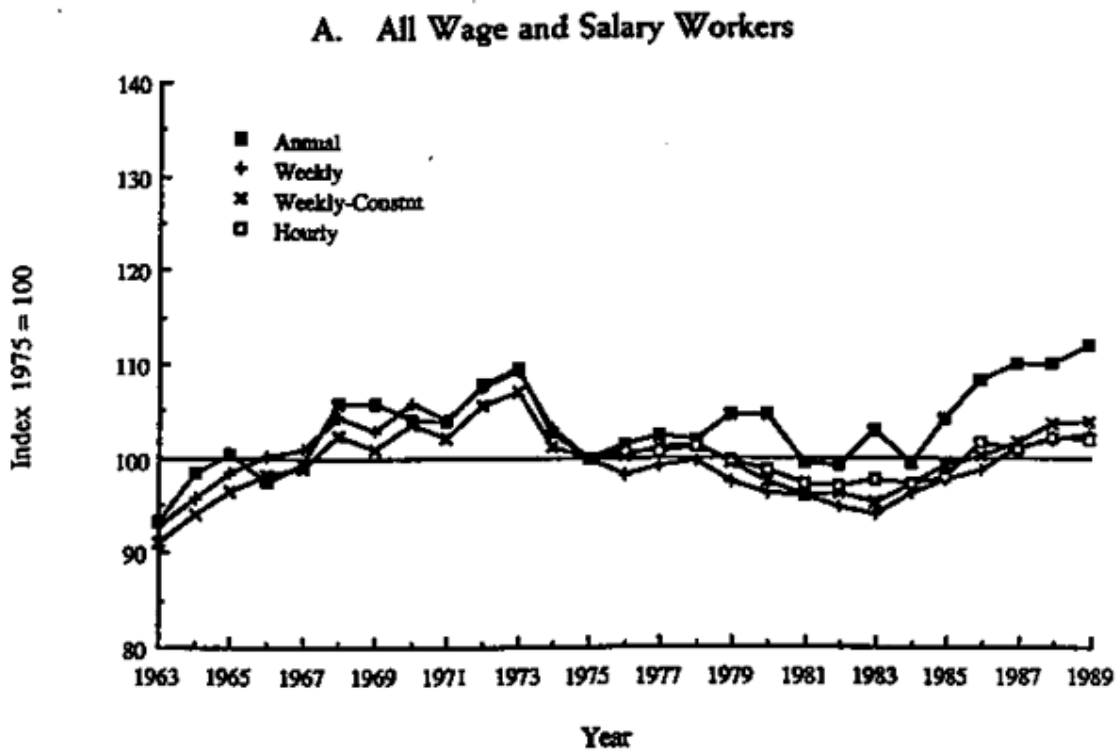
From Shared Prosperity to Growing Inequality

From the end of World War II until the mid-1970s, family incomes in America were growing at all levels and gradually becoming more equal. After 1975 the fortunes of America's families began to move much further apart. Gilbert characterizes the mid-1970s as a transition from an "era of shared prosperity" to an "era of growing inequality".²⁰ This change is reflected in Figure 3, which uses the ratio of incomes to show the advantage of the richest 5 percent of families over the bottom 40 percent. For example, in 1950 the average income of the top 5 percent (in the dollars of that era) was \$13,200, which is over 8 times the \$1,600 average income of the bottom 40 percent. The graph shows that this ratio diminished during the 1960s when low-income families were gaining on the rich, reaching its lowest level of 6.7 in 1974.

Since that time it climbed dramatically as income growth accelerated for the rich and low-income households were left behind. By 1998 the income gap between the top and bottom of American households had nearly doubled to 11.7.

Figure 3 shows the same pattern over time as Figure 2; here we can see clearly the connection between inequality and the poverty rate. In 1974 both inequality and poverty

Figure 4



Source: Tabulations from U.S.Census Current Population Survey Microdata 1964-1990, following Cross, USC Dept. of Sociology

were at their lowest point, after more than a decade of steady decline, and both have risen in correspondence to economic conditions since then.

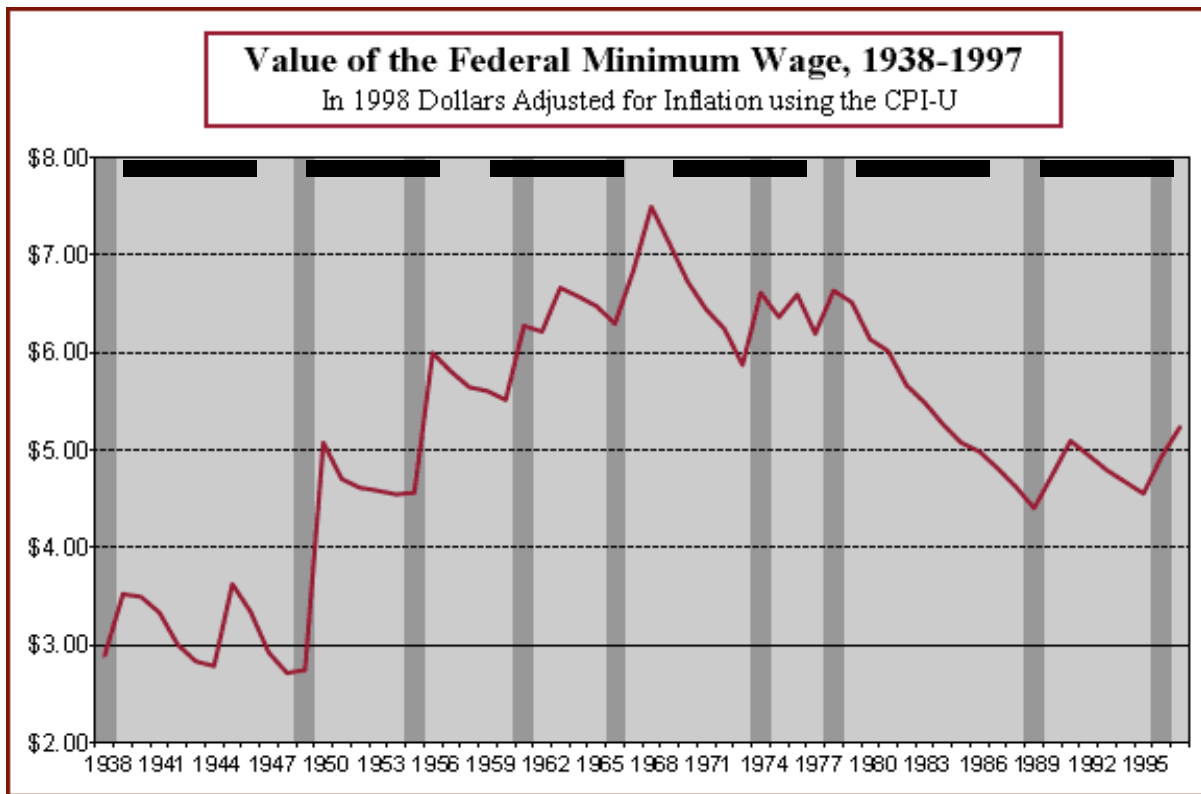
Frozen and Shrinking Wages

In fact, low-income households not only lagged behind, their income effectively stopped growing in 1975. Figure 4 shows this stagnation in income,

especially among the poorest workers. This graph shows incomes for a 20-year period for four categories of wage-earners: those who earn a fixed annual salary, typically the highest-earning class of workers; those who earn a fixed weekly salary; those who earn a variable weekly salary, typically due to varying amounts of overtime; and those who are simply paid an hourly wage, typically the lowest-paid workers. Incomes are adjusted for inflation and indexed to 1975 for easy comparison. For example, in 1973 annual salary workers' wages (in 1975 dollars) were worth 10 percent more than they were in 1975, so the chart reports a value of 110 for that year. Figure 4 shows that for all classes of workers real wages in 1984 were the same or lower than they were for 1975. By 1989 the highest-paid wage-earners saw a modest 13 percent increase, but the 1989 income of the more poorly paid workers, those who received weekly and hourly wages, was essentially the same as in 1975.

Of particular interest to Catholic Social Teaching is the status of the wages of the poorest workers in society. This is not only because of the frequent call in the Church for a "living wage" for all workers,²¹ but also because how well the poorest are paid provides an index for assessing the entire economy: "in every case a just wage is the concrete means of verifying the justice of the whole socioeconomic system,"²²

The Federal Minimum Wage was established in 1938 in an effort to ensure a minimum level of equity for the poorest workers in the United States. Figure 5 shows the value of the minimum wage in constant 1998 dollars. As the chart shows, the value of the minimum wage today is about 30% lower than its highest point in 1968. Since the 1960s, the real income of the poorest wage earners in our society has plummeted by nearly a third. Even at its highest point, however, the minimum wage did not meet even the minimum standard of equity. The bold dotted line at the top of the chart shows the poverty line in relation to the minimum wage. This is the amount that the minimum wage would have to be in order for someone who worked full-time all year to have an income equal to the poverty threshold. It is clear that, even at its highest point at the

Figure 5

Source: U.S. Dept. of Labor, Bureau of Labor Statistics, 1999 compilation²³

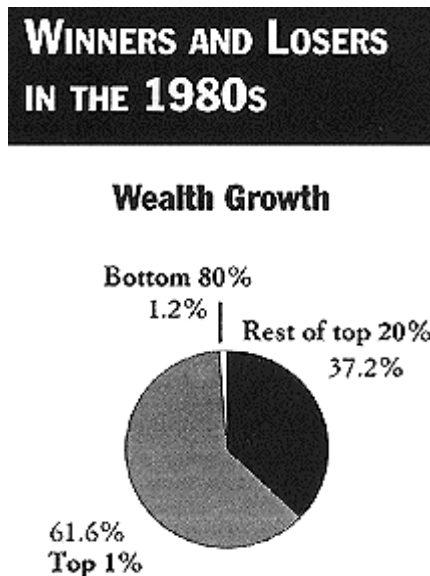
height of the War on Poverty, the minimum wage has never been enough to raise a worker from poverty. The poorest workers in America labor all year just to remain in poverty. Today, the fruit of their labor only provides an income at 65% of the poverty threshold--the lowest level since 1950.

A Tall Tower and a Strange Planet

The inadequacy of the lowest incomes, however, does not tell the whole story. To get an idea of the extremity of today's growing inequality, consider that at the same time the lower ranks of wage-earners saw stagnant and declining incomes, the

wealth of the highest income-earners in our society has skyrocketed to almost unimaginable heights. For chief corporate executives or professional sports players-- anyone at the top of an exclusive profession--contracts in the tens of millions of dollars annually are now routine. In the phrase of the economists Frank and Cook, the American economy has become a "winner-take-all market" for labor. To picture the extent of this disparity the economist Paul Samuelson offers the following image: "If we made an income pyramid out of a child's blocks, with each layer portraying \$1,000 of income, the peak would be far higher than the Eiffel Tower, but almost all of us would be within a yard of the ground."²⁴

Figure 6



Source: Wolff 1995.

If this analogy used total wealth instead of income for the blocks, the disparity would be even worse. Many Americans, owing more than they have, would be in a hole in the ground, and nearly all would still be within six feet of the ground; but the peak would be over 2500 *miles* high.

As hard as it is even to imagine a disparity this great, the fact is that it is rapidly growing worse. From the mid-1970s to 1998, aggregate household income in

the United States increased several hundred billion dollars. Yet, according to the Congressional Budget Office, some 80 percent of this gain was concentrated in the top 1 percent of households.²⁵ From 1976 to 1992 the share of national wealth owned by the wealthiest 1% of families in the U.S. nearly doubled, from 22% to 42%. Figure 6 illustrates this disparity, showing how the total increase in personal wealth was distributed during the 1980s. The top 1 percent of wealth-holders realized a staggering 62 percent of the gain in wealth; the bottom 80 percent only reaped 1 percent of the gain.²⁶

Perhaps a science fiction image can help picture this astronomical disparity:²⁷ Imagine a planet where wealth is retained as body fat at the rate of a dollar per pound. One hundred people live on this planet, the economy is slowly growing, and, after a few years, the aggregate wealth of all the planet's inhabitants has increased by \$100. This could mean that everybody gains one pound. Instead, the richest person on the planet balloons up 62 pounds. Another 19 persons gain an average of 2 pounds each. The remaining single pound is distributed unevenly among the other 80 inhabitants. Something like this happened on planet USA between 1977 and 1990, and is continuing today. For the diminishing few, it is the best of times; for the growing many, it is the worst of times.

Responses to Poverty

Concern about this extreme level of inequality is growing. In 1986, facing less extreme inequality than today, the U.S. Bishops declared, "In view of [Catholic Social Teaching's] norms we find the disparities of income and wealth in the United States to be unacceptable."²⁸ On the General Social Survey the proportion indicating strong agreement with the statement "Differences in income in America are too large" doubled from 16% to 32% from 1987 to 1996. At the same time there is a growing sense that government poverty programs are not likely to be effective in reducing poverty. From the right comes the criticism that the welfare state poverty programs have encouraged and routinized poverty; the left argues that such programs, and

particularly their recent reforms, have been flawed by an emphasis on individualism and laissez-faire economics. There is a growing consensus that wider social interventions, such as workplace support for childcare or the reduction of fatherless families, as well as an increased role for non-governmental agents, such as community and faith-based organizations, are critical for the reduction of poverty. Over all this is the realization that with globalization "social policy in the future is likely to [be] determined more precisely by the state of the economy as well as by the course of international events."²⁹ (Some of the theoretical dichotomies of the policy debates are presented in an appendix.)

Many sociologists, following the work of Herbert Gans³⁰, argue that *no* social interventions will alleviate the "new poverty". Social interventions seeking to reduce or eliminate poverty focus on changing institutions or the characteristics of poor individuals. But, on this view, poverty is perpetuated because it ironically serves useful social functions to the nonpoor in the global economy. For example, the poor buy less desirable goods that the nonpoor do not want, do menial work at low cost, and provide a reference group that strengthens the legitimacy of middle-class norms. Thus poverty can only be eliminated by either changing the social structure itself or by increasing the political power of the poor. Past interventions such as the War on Poverty succeeded not so much because the programs were especially effective, but because during the 1960s poor people's organizations became effective at mobilizing to influence public policy and empower their lives. Thus "despite a major decline in efforts to organize the poor since the early 1970s, a number of social policy writers continue to stress the importance of collective action on the part of the poor themselves"³¹ if poverty is to be eliminated or reduced at present.

How can Catholic Social Teaching form and inform us as we attempt to negotiate the maze of domestic and global economics? We could begin with both the observation and the caution expressed by Pope John Paul II:

Today we are facing the so-called "globalization" of the economy, a phenomenon which is not to be dismissed, since it can create unusual

opportunities for greater prosperity ... In order to achieve this result, it is necessary that there be increased coordination among the more powerful countries and that in international agencies the interests of the whole human family be equally represented.³²

In *Economic Justice for All*, the bishops of the United States outlined the moral responsibilities for social living upon which the economic sphere must be rooted:

- **LOVE and SOLIDARITY** - "What the Bible and Christian tradition teach, human wisdom confirms ... These insights show that human beings achieve self-realization not in isolation, but in interaction with others (paragraph 63)."
- **JUSTICE and PARTICIPATION** - "Social justice implies that persons have an obligation to be active and productive participants in the life of society and that society has a duty to enable them to participate in this way (paragraph 71)."
- **OVERCOMING MARGINALIZATION and POWERLESSNESS** - "Basic justice demands the establishment of minimum levels of participation in the life of the human community for all persons (paragraph 77)."

By participating in the social mission of the Church, we are called upon to abide by these responsibilities in our personal and family lives. We are called upon, in the words of Pope John Paul II, to build a "society of work, enterprise and participation" which "is not directed against the market, but demands that the market be appropriately controlled by the forces of society and the state to assure that the basic needs of the whole society are satisfied."³³

Appendix: Sociological Theory Regarding Poverty Programs

This appendix is offered as a set of concepts that may be helpful in evaluating the information in this report. Since the 1960s social scientists have distinguished in American civil discourse the interaction of two conflicting views of poverty programs: the *residual* and the *institutional*. This conceptual distinction may be helpful in considering the issues of the Assessment. The residual view holds that poverty programs have a "first-aid" role, filling temporary gaps in the services of other institutions in the social infrastructure. The institutional view holds that poverty programs are a permanent, legitimate responsibility of modern society in helping people achieve fulfillment. Some of the characteristic positions of the two perspectives are:

Two Views of Poverty Programs Compared

| Residual View | Institutional View |
|--|---|
| Poverty is caused mostly by personal inadequacies, failures or sins. | Poverty is caused mostly by social factors beyond an individual's control. |
| Aid to the poor is a gift of charity; there is stigma and should be conditions upon receiving aid. | The poor are entitled to our aid; there is no stigma and should be no or few conditions for receiving aid. |
| Aid should be unpleasant and temporary as a deterrent to dependence. | Aid should be respectful and permanent as an encouragement to fulfillment. |
| Aid should be minimal, since the poor would prefer to receive aid rather than work. | Aid should be generous, since the poor would prefer to work rather than receive aid. |
| Fears of hunger and discomfort "push" the poor to work. Society should not protect persons from such negative consequences of their own actions. | Positive rewards of employment--prestige, self-esteem, independence-- "pull" the poor to work. Society should eliminate hunger and destitution with an income floor for all citizens. |
| Persons should be required to do menial work as a condition of relief. | Persons should not be forced to do work they do not find fulfilling. |

References: Wilensky and Lebeaux, 1965, *Industrial Society and Social Welfare*, Free Press.
 Skidmore and Thackeray, 1976, *Introduction to Social Work*, Prentice-Hall. Piven and Cloward, 1993, *Regulating the Poor: The Functions of Public Welfare*, Pantheon. This summary follows Zastrow pp. 245-6.

NOTES AND REFERENCES

- ¹ Based on figures published quarterly by the U.S. Department of Commerce, Bureau of Economic Analysis. The seasonally adjusted 4th quarter annual GNP was 1.7 trillion dollars in 1975 and 9.5 trillion dollars in 1999. Disposable personal income (DPI) increased 6 times during the period. GNP is reported in unadjusted dollars in order to compare with DPI. In 1992 standardized dollars 1999 GNP was 2.3 times that of 1975.
- ² The July 1 U.S. census estimate of the U.S. population was 215.9 million in 1975 and 272.6 million in 1999, an increase of 26.3 percent.
- ³ Switzerland, Japan, Norway and Denmark (and by some measures the tiny countries of Luxembourg and Lichtenstein) have higher gross per-capita income than the United States, but they also have much higher rates of taxation, leaving persons with much lower discretionary income.
- ⁴ Gordon M. Fisher, "The Development and History of the Poverty Thresholds," *Social Security Bulletin* 55, no. 4 (Winter 1992):344.
- ⁵ *Centesimus Annus*, 1991 (CA) 11.
- ⁶ The poverty rate for individuals, which is more commonly reported for advocacy purposes, is generally two or three percentage points higher than that for families. Reporting families rather than individuals provides a more reliable measure and is more consistent with the social factors correlated with poverty and with the view of Catholic Social Teaching that the family is the fundamental unit of society.
- ⁷ William Kornblum and Joseph Julian, 1998, *Social Problems* (9th ed.), Prentice-Hall, p. 33.
- ⁸ Rossi, Peter H. 1989. *Down and Out in America: The Origins of Homelessness*. Chicago: University of Chicago Press, Introduction. Zastrow, Charles. 1999. *Social Problems* (5th ed.), Wadsworth, p. 237.
- ⁹ Oscar Lewis, 1966, "The Culture of Poverty," *Scientific American* 215(10): 19-25. Eleanor Leacock, ed., 1971, *The Culture of Poverty: A Critique*, Simon and Schuster: New York.
- ¹⁰ Jencks, Christopher et al. 1979. *Who Gets Ahead? The Determinants of Economic Success in America*, Basic Books: New York. But see Christopher Jencks and Paul Peterson. 1991. *The Urban Underclass*. Brookings Institution: Washington, D.C.
- ¹¹ Mary Naifeh, 1998, *Poverty 1993-1994: Trap Door, Revolving Door, or Both?* Current Population Report, P70-63. U.S. Census Bureau: Suitland, MD.
- ¹² CA 11,39. . *Laborem Exercens*, 1981 (LE) 52. LE 90 calls for social financial support, if needed, for women who devote themselves to raising a family.
- ¹³ See e.g. 1997. *The Future of Children*. Vol. 7:1. Center for the Future of Children: Los Altos, CA., American Association of Retired Persons. 1997. *A Profile of Older Americans, 1996*. AARP: Washington, D.C.
- ¹⁴ Levin et al. 2000. *Social Problems*. Roxbury, ch. 2.
- ¹⁵ CA 58, LE 89, *Economic Justice for All*, 1986 (EJA) 21. Beth Rubin, 1996. *Shifts in the Social Contract: Understanding Change in American Society*. Pine Forge Press.
- ¹⁶ Daniel Bell, 1973 (1999), *The Coming of Post-Industrial Society*, Basic Books. Krishan Kumar, 1995, *From Post-Industrial to Postmodern Society*, Blackwell.
- ¹⁷ EJA, Section 2: "Economic Inequality".
- ¹⁸ United Nations Development Program. 1999. *Human Development Report*. Oxford University Press: Cary, North Carolina. A summary of this report, published annually since 1990, is published online at <http://www.undp.org/hdro/E5.html> .
- ¹⁹ This is after the recent round of debt relief initiatives; before this, debt service comprised one-fifth of national income.
- ²⁰ Dennis Gilbert, 1998, *The American Class Structure in an Age of Growing Inequality*, Wadsworth: Belmont, CA.
- ²¹ CA 8.
- ²² LE 89.
- ²³ This public-domain chart was copied and adapted from the Bureau of Labor Statistics web site at <http://www.dol.gov/dol/esa/public/minwage/chart2.htm> in January 2000.
- ²⁴ Quoted in Kornblum and Julian, p 230.
- ²⁵ U.S. House of Representatives, Committee on Ways and Means. 1990. *Tax Progressivity and Income Distribution*. March 26. Figures extended by reference to the biennial Green Book of statistics through 1997.

²⁶ Wolff, Edward N. 1995. *How the Pie is Sliced: America's Growing Concentration of Wealth*. The American Prospect 22: Summer.

²⁷ Adapted from Gilbert 1998, p. 110.

²⁸ EJA 185.

²⁹ Levin et al. p. 43.

³⁰ Herbert Gans. 1972. "The Positive Functions of Poverty." *American Sociological Review* 78:278-89, and 1995. *The War Against the Poor: The Underclass and Antipoverty Policy*. Basic Books. See also Piven and Cloward 1993. This review follows Levin et al. ch. 2.

³¹ Levin et al. p. 41.

³² CA 58.

³³ CA 35.