Who are the poor in the richest of nations?

Robert J. Vitillo

One of the problems American Catholics and their fellow citizens have is a lack of contact with and knowledge of poverty. This essay gives some background on the state of the poor and examines a pressing question before our nation, the reform of welfare policy.

As he has done so often during his pontificate, Pope John Paul II placed special emphasis on the Church’s social mission when he closed the Great Jubilee Year 2000 and opened the Third Christian Millennium. Challenging the Church to center its attention on the plight of those living in poverty, he said:

Our world is entering the new millennium burdened by the contradictions of an economic, cultural, and technological progress which offers immense possibilities to a fortunate few, while leaving millions of others not only on the margins of progress but in living conditions far below the minimum demanded by human dignity. How can it be that even today there are still people dying of hunger? Condemned to illiteracy? Lacking the most basic medical care? Without a roof over their heads? (John Paul II, 2001, n. 50).

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Upon first reading these words of the Pope, one might be tempted to think that his concern lies only with the plight of the poor people living in developing countries of this world. It is indeed true that their numbers are staggering and their life situations are most tragic. The United Nations 2001 Human Development Report chronicles these facts in compelling fashion.

Of the 4.6 billion people living in developing countries,

- 1.2 billion live on less than $1.00 a day and 2.8 billion on less than $2.00 a day;
- 2.4 billion have no access to basic sanitation;
- 968 million have no access to decent water sources;
- 854 million are illiterate adults;
- 325 million are children out of school at the primary and secondary levels;
- 163 million are underweight children under five years of age;
- 11 million are children dying annually from preventable causes.

Concern for the poor in the United States, however, is equally appropriate and urgently needed. Until the tragedies experienced on September 11, 2001, many people in this country believed that its wealth, power, and security could never be threatened. It is a fact that the United States enjoys twice as much wealth as the next wealthiest country, Japan, and is wealthier than nine-tenths of the world's countries combined (Sullins). It is also true that, during the past twenty-five years, the United States saw the longest and largest continuous economic growth in its history. Since 1975, the U.S. Gross National product has quintupled. In 1975, with 5.2 percent of the world's population, the United States produced approximately 12 percent of the world's income and enjoyed approximately one-quarter of the globe's wealth. Data collected in 1999 indicated that, with 4.1 percent of the world's population, the United States was “home” to 29 percent of the world's income and one-third of the world's wealth (Sullins).

The prosperity in this country, however, is concentrated among increasingly smaller numbers of people. During the unprecedented economic boom of the late 1980s and the 1990s, for example, 47 percent of the total real income gain found its way into the pockets of the top one percent of income recipients. Forty-two percent of the income gain was enjoyed by 19 percent of the next highest income earners, and only 12 percent accrued to the bottom 80 percent of income earners (Stille).

This gap manifests itself even more dramatically when one examines wealth rather than annual income. During the 1980s, in fact, the top 1 percent of wealth holders in the United States realized a staggering 62 percent of the gain in wealth, whereas the bottom 80 percent reaped only 1 percent of the gain (Wolff).
Poverty Today

As a result of these and many other economic and social trends, some 31.1 million people in the United States are forced to live in poverty. This statistic was reported in October 2001. The media greeted this information as a sign of success for current public policy priorities, since it compared significantly to the lowest poverty rate reported in this country—that of 11.1 percent in 1973 (U.S. Census Bureau).

In all honesty, this writer finds little cause for celebration in the sorry fact that the United States is “home” to so much poverty. If all poor people in the U.S.A. were to populate a single state, it would be the second largest—almost as big as California. Perhaps even more disturbing is the fact that more than twelve million children, or one out of every six children in the United States, lives in poverty. The child poverty rate in this country is higher than most industrialized nations, including Germany, Italy, France, Canada, the United Kingdom, and Japan (UNICEF).

Poverty in the United States has strong racial and gender biases. According to the national census data, 22.1 percent of African-Americans and 21.2 percent of Latinos were living in poverty during the year 2000 (U.S. Census Bureau). When their numbers in the general population are taken into account, these racial and ethnic groups are grossly over-represented among those who are poor. In 1999, one in every two children living in a female-headed household and under six years of age was poor. Once again African-American and Latino children suffered disproportionately, with nearly one-third of those in the above-mentioned categories—living in a female-headed household and under six years of age—growing up poor (Center on Budget and Policy Priorities).

Defining the Poor

At this point, it might be helpful to clarify who “qualifies” to be considered poor in the United States. Government analysts at the Social Security Administration first calculated a poverty threshold in 1961 when they estimated the amount at which a person or family has enough money for minimal nutritional subsistence and basic living costs. They started with the least expensive plan for nutritional subsistence—called the “Economy Food Plan” and developed
by the Department of Agriculture—and then multiplied that figure by three to allow for expenses other than food. The resulting amount then was multiplied by the number of persons in a family in order to produce a sliding threshold of poverty based on family size. In 2001 the poverty threshold for a family of four was set at $17,650 (U.S. Department of Health and Human Services). During this same year a national poll conducted by the Catholic Campaign for Human Development (CCHD) revealed the belief of most Americans that a family of four needs an annual income of $35,000 in order to make ends meet (CCHD).

Another disturbing trend seen in recent years is that those who remain poor have grown poorer. In other words, the average poor person fell farther below the poverty line in 1999 than in any year since 1979, the first year for which these data are available. In 1999, the average poor person fell $2,416 below the poverty line. In 1996, this average was $2,122 and in 1993, it was $2,104 (Center on Budget and Policy Priorities).

These numbers and statistics could seem quite abstract unless one portrays them in context with the real-life, everyday situations encountered by so many poor families: inadequate and unsanitary living space, the inability to access medical care quickly, insufficient or poor-quality food for the children, and the inability to provide children with good-quality education and recreational opportunities enjoyed by “all the other kids.”

During the 1990s, people in the United States witnessed a strident and divisive debate that centered on the need for “welfare reform.” The opinions expressed, on all sides of the political camps were often punitive and discriminatory in nature. Once again, the citizenry succumbed to the psychological defense of “projection,” or “blaming the victim” by accusing poor people indiscriminately of being “cheats,” lazy, and perpetually seeking to be “on the dole,” when the truth was that, as a nation, this country has invested very little time, energy, or resources into discovering and resolving the structural problems which lead to generational or cyclic poverty. In this debate, the lack of committed advocates for poor people and the systematic exclusion of such people from the corridors of political power which decided their fate led former New York Senator Daniel Patrick Moynihan to lament that only the Catholic bishops and Catholic Charities were at his side as he tried to preserve a basic safety net for poor people in this country.
In 1996 the “welfare reform” bill, The Personal Responsibility and Work Opportunity Reconciliation Act, was signed into law by then-President Clinton. This new law replaced the Aid to Families with Dependent Children (AFDC) with Temporary Assistance for Needy Families (TANF), a block grant program with lifetime five-year time limits and other restrictions. Funding for the TANF block grant was authorized through September 30, 2002. In the next few months, the country most likely will witness a resurgence of the debates around its treatment of people living in poverty and thus could benefit from some deeper reflection on the repercussions of “welfare reform” and foundational values which should underlie any further policies or legislation developed in this area.

Examining the “Reform”

In 1995 the Catholic bishops of the United States articulated six criteria to be considered during the national debate about welfare reform. They insisted that all such policies should:

- Protect human life and dignity;
- Strengthen family life;
- Encourage and reward work;
- Preserve a safety net for the vulnerable;
- Build public/private partnerships to overcome poverty;
- Invest in human dignity (United States Conference of Catholic Bishops).

Let us now examine some of the results of the policies established in 1996 through the lens of these values just mentioned.

Family Cap

Despite the fact that the Bishops’ Conference, Catholic Charities, and many members of Congress opposed this provision, the “family cap” was included as an option for states to include in their welfare reform policies. This was aimed at stopping poor women from having children by denying benefits to any child born while the family receives welfare; the policy was implemented in twenty-three states. The state of New Jersey implemented the family cap even before the 1996 law was enacted and has maintained this provision ever since. A state-initiated study of its effect has indicated that the policy has increased abortion rates in this state by fourteen percent and has resulted in the further impoverishment of twenty-eight thousand children who were denied benefits under this regulation.
Declines in Enrollment

In 1999 there were eight million TANF recipients in the country; this represented a decline of forty-four percent since 1994. Enrollment for Food Stamps also declined by one-third between 1994 and 1999. A 1997 study indicated that two-thirds of the families leaving the Food Stamp Program were, in fact, still eligible for these benefits. Even enrollment for Medicaid benefits, which were de-linked from TANF by the 1996 law, dropped significantly. One possible explanation for these declines lies in the “welfare avoidance” policies that were put into place by a number of county welfare departments. Welfare workers were known to place signs on their office doors, “No need to apply here . . . go find a job!” and some workers were sanctioned if they approved too many cases to receive benefits.

Jobs

The National Governors’ Association reported that fifty to sixty percent of former welfare recipients found jobs. What often is not mentioned in such so-called “good” news is that most of these jobs pay between $5.50 and $7.00 per hour; this may be higher than the minimum wage, but not enough to bring a family out of poverty even if the wage-earner works fulltime.

Time Limits

The strong economy between 1996 and 2000 and the emphasis on work requirements for all those who previously benefited from public assistance helped to reduce the immediate impact of time limits for such beneficiaries. With the current downturn in the economy, the situation of many needy families may worsen once they have “graduated” beyond the five-year limit during which they are eligible to receive temporary assistance. Some states, such as California and New York, have indicated that they plan to reduce, but not eliminate, cash assistance for such families, but others, such as Massachusetts and Louisiana, already have enforced time limits and respectively disqualified 3,500 and 4,200 families during the year 2000.

The Experience of the Poor

What about the lived experience of families who have been affected by such policies? In a study entitled, Welfare Reform: How Do We Define Success?, which was undertaken by NETWORK: A Catholic Social Justice Lobby, some 893 people were interviewed during the year 2000 at soup kitchens, health clinics, and other private emergency facilities. The major findings of this report included the following:

- Large numbers of people continue to subsist on household incomes far below the federal poverty level. Almost half (47 percent) of those surveyed reported annual household incomes of less than $8,500 per year. Large numbers of these were eligible for Medicaid or food stamps but did not receive such benefits.
• Many people with incomes above federal poverty thresholds—referred to by some as welfare reform “success” stories—still go hungry and suffer from a lack of adequate health care and other necessities. More than three-fourths of the respondents with earnings above the poverty guidelines said that they needed to turn to soup kitchens and other private agencies for help and 59 percent reported unpaid medical bills.

The NETWORK report introduces its readers to some of the people who have felt the impact of welfare reform on a first-hand basis:

• Maria is a Latina mother of three in Garden Cove, California; she moved to a shelter to escape domestic violence. She previously received cash assistance but is now employed and earns almost $20,000 per year. She reports, “I do receive food stamps. However, I would not be able to get by on the amount of food that I can buy with food stamps alone.” She wants to move from the shelter, but is painfully aware of the lack of affordable housing; she says, “I have bad credit because of my husband . . . with my monthly income of $1,600 and [since] the average rent is $1,000, finding housing is going to be the biggest obstacle.”

• Mary, a thirty-five-year-old mother of three, lives in Niagara Falls, New York. She cares for her biological children, three stepchildren and two non-related children, through the Child Assistance Program (or CAP), that pays her for babysitting. In addition to the income from the CAP program, she receives cash assistance and food stamps and lives in subsidized housing. She is required to work additional hours beyond the babysitting, so she works part-time at the food pantry. Despite her two jobs and government assistance, she barely gets by each month. Her caseworker comments that she is really taking care of three families on one subsidy, and she is working two jobs.

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A Catholic Perspective

In this writer’s view, both the scientific findings presented earlier, as well as the personal stories just related, clearly indicate that the United States of America has fallen far short of its goal to accomplish welfare reform through the legislation
and policies enacted in 1996. The failure can be seen as even greater if one asks whether the country has dealt effectively with the more generalized phenomenon of domestic poverty. The criteria for welfare reform articulated by the U.S. Catholic bishops hardly seem to have been given any notice during the “welfare reform” process.

Thus it seems timely and urgent for Americans to turn their attention not just to welfare but also to the underlying structures of poverty in America. If such an undertaking were to be given serious consideration, invaluable resources could be found in the wisdom of Catholic Social Teaching and in the lived experience of poor people who have empowered themselves to find solutions for complex social problems which they encounter each and every day.

Think back for a moment to the haunting questions raised by our Holy Father and cited earlier in this article. Pope John Paul II did not ask them in merely rhetorical fashion. He offered clear guidelines on how to deal with the challenge of poverty in our modern-day world:

. . . Christians must learn to make their act of faith in Christ by discerning his voice in the cry for help that rises from this world of poverty. . . . Now is the time for a new “creativity” in charity, not only by ensuring that help is effective but also by “getting close” to those who suffer, so that the hand that helps is seen not as a humiliating handout but as a sharing between brothers and sisters (John Paul II, 2001, n. 50).

Thirty-one years ago, the Catholic bishops of the United States prophetically invited Catholics in this country to embrace “a new ‘creativity’ in charity” by “getting close to those who suffer” through their support and active engagement in the Catholic Campaign for Human Development (CCHD). Attitudinal surveys in the United States indicate that more and more people expect the poor to help themselves. The fact is that self-help efforts among poor people have been a mainstay of many local communities. One of the main goals of the Catholic Campaign for Human Development is to support community-based organizations that are initiated and led by poor people themselves. During the last thirty-one years, with the generosity of the Catholic community in the USA, CCHD has been able to fund more than four thousand anti-poverty projects valued at more than $260,000,000; many of these projects represent inter-faith efforts.

The best way to convey the personal impact experienced by such empowerment activities is to present some of the people and organizations helped by CCHD to help themselves:

• Bernice Speliotis is an empowered and active member of a CCHD-funded project, Massachusetts Senior Action Council. Bernice and other members of this group, most of whom were living on fixed incomes, were overwhelmed by the
high costs of prescription drugs needed to keep themselves alive. They successfully advocated in the Massachusetts State Legislature to obtain the Prescription Advantage program, which reimburses them for vital medications and is funded by premiums charged on a sliding scale fee basis.

- A group of immigrant women in New Mexico—all of whom were oppressed by abject poverty and illiteracy in their home countries and several of whom were abused by their own husbands—decided to make some permanent and positive changes in their own lives. Because of CCHD funds, they have been able to start a thriving business called Southwest Creations of Albuquerque, which manufactures attractive clothing and home furnishing decorations.

- A group of women, all of whom had a history of using drugs and numerous incarcerations, are committed to keeping young people from risking a life of crime and endless poverty. As members of the CCHD-funded project, Let's Start, in St. Louis, they hold regular support sessions on how to readjust to life in the community as responsible citizens and produce dramatic presentations in schools and other community settings in order to prevent drug use among young people.

- A group of children and adolescents, between the ages of ten and fifteen years, insist that they can reduce gun violence in the city of Milwaukee. As members of MICAH's Youth Council, they prepare testimony for the city government and for the state legislature in order to advocate for strict gun control legislation which will enable them to sleep more soundly each night and walk more calmly to school each day.

Yet another CCHD-funded organization works even more directly on welfare reform issues. The Center for Community Change has brought together a national coalition of one thousand grassroots organizations in forty states to form the National Campaign for Jobs and Income Support. In this coalition, poor people themselves are asked to share their wisdom and experience on how best to bring about a lasting solution to poverty in America. They have proposed the following:

- Income support and education and training should be more widely available to low-income families. TANF education and training benefits should be offered
to parents who may have some earnings, so they can advance in the job market. Time limits should be suspended for families who are “playing by the rules” and climbing the ladder of opportunity.

- Families and the government should each be responsible. Options need to be available to people who have limited work experience and when the economy (generally, or in a specific community) does not offer job opportunities. Public job programs should be established to ensure that work and training are available to parents with limited work experience, and to provide a safety net for families when work is unavailable because of economic conditions.

- The well being of families matters most. Parents with sick, disabled, or very young children, or infirm relatives, experience competing demands that must be accommodated. TANF rules should be structured to reduce or eliminate work participation requirements and suspend time limits for these parents (Center for Community Change).

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It is a familiarity with organized groups of empowered poor people that nourishes the hope of this author that some day soon this country will be able to eliminate the situation of poverty within its own borders and will then be able to dedicate more of its resources to promote similar empowerment and integral human development in the entire world.

Conclusion

The attacks that we endured on September 11, 2001, demonstrated in horrifying and tragic manner what happens when men and women so discredit the sanctity of human life that they give themselves over to a “culture of death.” As a nation, the people of the United States have shared the experience of vulnerability to injustice that already is too familiar to those living in poverty.

From their grief and lament, the people of the United States should commit themselves more forcefully than ever before to the promotion of human dignity, especially among those most beloved to our Lord Jesus Christ—the poor, the vulnerable, and the victims of injustice. Let us pray, as well, that through support of and active engagement in community-based, self-help efforts to overturn the crushing burden of poverty in our society, Catholics in this country will advance on their pilgrimage of faith and hope in this world. For, as Pope John Paul II reminds us: “At the end of the life of every person and at the close of the history of
humanity, the judgment of God will be based precisely on love, the practice of justice, and assistance to the poor.

References


