Instructor’s Manual: Chapter 5

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# Learning Objectives for Chapter 5: Poverty and Inequality

After reading this chapter, you should be able to  
1. Define the term poverty.  
2. Describe who is considered poor and why.  
3. List various factors associated with poverty.  
4. Define at least five programs or services designed to address poverty.  
5. Apply the dynamic advocacy model to poverty and inequality.  
6. Describe the role of social workers in addressing issues of poverty.

# Lecture Notes for Chapter 5: Poverty and Inequality

Poverty involves much more than money; issues of poverty and inequality raise many concerns with regard to human rights and social justice. Social workers look beyond the symptoms to understand the root of poverty and engage in efforts to reduce poverty and inequality. Poverty has a crippling effect on life conditions. Approaches to poverty reflect opinions on the role of government, government’s contract with its citizens, and the distribution of wealth in the United States and other countries.

**Measures of Poverty**

* Absolute poverty is defined by a fixed dollar amount related to income/wages.
* Relative poverty is defined by comparing an individual’s income/wages with the norm or average.
* Poverty line/threshold/index – established in 1963 and changes annually to adjust for inflation. It is used to determine eligibility for benefits and services. The measure helps in gathering data on the number of people experiencing poverty and the services that people have requested and received or were denied. Reviewing the data provides a picture of poverty trends over time.
* Means testing – the process used to determine if someone is eligible for benefits and services.
* Poverty guidelines – vary from state to state; someone may be eligible in one state but not another.

**Poverty and Inequality**

* Wealth (accumulated resources) vs. Income (money flowing in)
* Unequal distribution of wealth and income – There is a growing, inequality in the distribution of wealth and income in the United States. The distribution of wealth is more unequal than the distribution of income, with the majority of wealth owned by approximately one-tenth of the nation’s population.
* This increasing inequality in income and wealth translates to a decline in opportunity for poor people.
  + income growth is occurring primarily within the top 1% of the income distribution
  + the unequal distribution of income results in growing social inequality
  + inequalities are apparent not just in income but in other factors that reflect standards of living, such as housing and health
  + there is little income mobility

**The Face of Poverty**

Poverty is not evenly distributed across the population.

* Women
  + Feminization of poverty – women are more likely to experience poverty.
  + Difference in income - Women in the United States earn 77 cents on the male dollar. This figure drops to 68 cents for African American women and 58 cents for Latinas.
  + Single and divorced mothers – more likely to be responsible for children/ childcare.
* People of Color
  + History of prejudice and discrimination - limits economic opportunity and upward mobility.
  + Concentration in certain neighborhoods - concentrates the disadvantages. Social services, public transportation, and quality health care may not be provided close by. Often the schools in impoverished minority neighborhoods are substandard, because the property taxes generated from the local residents cannot support high-quality schooling. A substandard education, in turn, reduces the opportunity to succeed in occupational training programs and other advanced educational opportunities. Financial barriers to college are also a problem. Low education in turn reduces employment opportunities.
  + The majority of the poor are white. However, people of color are disproportionately poor.
* Children
  + Poverty among children reflects the feminization of poverty.
  + Children are 24 percent of the total population, but 36 percent of the poor population.
  + The poverty rate for children varies substantially by race and Hispanic/Latino origin, as it does for adults.
* Homeless People
  + Homelessness has worsened in the past decade because of increased housing costs, unemployment, and foreclosures, which were a result of the Great Recession and real estate meltdown starting in 2008. A number of factors continue to influence the homeless rate on a national level:
    - Unemployment persists, particularly among those with little education or training and those who are older and have been unemployed for a long time.
    - Average real incomes for the working poor have increased by less than one percent.
    - Poor households are spending more of their income on rent.
    - Foreclosure activity continues.
    - Stocks of affordable, suitable housing units for families have decreased.
  + Homelessness tends to be a temporary, rather than permanent, circumstance. The appropriate measure of homelessness is, therefore, not a static number but rather the number of people who experience homelessness or substandard housing conditions at any given time.
  + While homelessness affects people of all ages, races, ethnicities and geographies, inequality is part of the homelessness equation. The people at increased risk are people living in “doubled up” situations (people who live with friends, family or other nonrelatives for economic reasons), people discharged from prison, young adults leaving foster care, and people without health insurance.

**Social Service Programs for the Poor**

Americans began to broadly address poverty in the colonial period, through the Elizabethan Poor Laws. Today’s social welfare programs originated with the New Deal of the 1930’s. Programs to prevent poverty, usually referred to as **Social insurance**such as Social Security and workers compensation,were designed to reward work and were funded through payroll deductions. People who could not work outside of the home, like women with young children, people with disabilities and older people, were thought to be the **deserving poor,** and were provide for through **public assistance** or means tested programs.

* Temporary Assistance for Needy Families (TANF)
  + Established through the Personal Responsibility and Work Opportunity Reconciliation Act – PWRORA, which was part of the welfare reform legislation of 1996, passed during the Clinton administration. The TANF program replaced Aid to Families with Dependent Children, the Job Opportunities and Basic Skills Training program, and the Emergency Assistance (EA) program.
  + Designed to assist poor families achieve self-sufficiency, the TANF program provides States with **block grants,** which are large sums of money to be used for social services but without specific directions about how to spend the money. TANF funds are to be used to design and operate state programs with these goals:
    - assist needy families so that children can be cared for in their own homes
    - reduce the dependency of needy parents by promoting job preparation, work and marriage
    - prevent out-of-wedlock pregnancies
    - encourage the formation and maintenance of two-parent families
  + Individual recipients who are unable to engage in work activities can elect to participate in community service or twelve months of vocational training, or they can provide child care services to individuals who are participating in community services.
* Medicaid
  + Was an addition to the Social Security Act of 1965. It provides federal matching funds to states to cover the costs of medical care and services for low income people, including:
    - *Children:* Medicaid and the **Children’s Health Insurance Program** (CHIP) provide health coverage to more than 31 million children, including half of all low-income children.
    - *Non-Disabled Adults*: Medicaid provides health coverage to 11 million non-elderly low-income parents, other caretaker relatives, pregnant women, and other non-disabled adults.
    - *Pregnant Women:* Medicaid plays a key role in child and maternal health, financing 40% of all births in the United States.
    - *Individuals with Disabilities:* Medicaid provides health coverage to over 8.8 million non-elderly individuals with disabilities.
    - *Older adults:* Medicaid provides health coverage to more than 4.6 million low-income older adults, nearly all of whom are also enrolled in Medicare.
* Supplemental Security Income
  + Provides cash assistance to any person whose income falls below the poverty line and who is 65 years or older or who is blind or has a disability.
  + Provides cash assistance to children with disabilities.
  + Funding for SSI comes entirely from federal revenues and is administrated through the Social Security Administration, resulting in uniform eligibility standards and benefits across all states.
* Healthy Meals for Healthy Americans
  + Originally known as the Special Supplemental Nutrition Program for Women, Infants, and Children (known as WIC). It is administered by the Food and Nutrition Service of the U.S. Department of Agriculture. WIC's name was changed under the Healthy Meals for Healthy Americans Act of 1994, in order to emphasize its role as a nutrition program.
  + To be eligible women and their children must be at nutritional risk and have income below state standards for measuring need. The majority of Healthy Meals for Healthy Americans programs provide vouchers that women use at authorized food stores.
* Supplemental Nutrition Assistance Program
  + Formerly known as the food stamp program, helps low-income people buy food.
  + Nearly half of SNAP participants are children and more than 40 percent of recipients live in households with earnings under the poverty line.
* Earned-Income Tax Credit
  + Helps families who experience poverty in spite of having working family members. The general goal of the federal EITC program is to allow low-wage workers to keep more of their annual earnings.
  + The program acts as a wage supplement for people in low-wage jobs and can decrease poverty for working families. The tax credit legislation was passed to offset the burden of social security taxes for low-income workers and provide an incentive to work.
  + The EITC is administered by the Internal Revenue Service.
* Public Housing
  + U.S. Housing Act of 1937 - federal government began financing low-income public housing. The Department of Housing and Urban Development (HUD) Act of 1965 expanded the program.
  + People who qualify can rent a home (known as **Section 8 housing)** through HUD, with rental charges set by the federal government at approximately 30% of a person’s monthly after-tax income.

**Advocacy on Behalf of the Poor**

* Current Trends in Advocacy for the Poor
  + Social Constructs – perceived social realities
    - If the commonly held belief is that people are poor because they are lazy, social welfare policies will be punitive and less inclined toward fairness in the distribution of resources.
    - If the public belief is that poverty is the result of the failures in the marketplace, economy or political arena, social welfare policies will emphasize the value of equality.
  + Micro-level work to change an individual situation is connected to advocacy for macro-level policy change.
* Dynamic Advocacy and Poverty
  + Intersection of poverty and inequality: people working at low-paying jobs, single-headed households, and the fraying social welfare safety net.
  + Two broadly opposing values, personal responsibility and social responsibility, have prominently influenced public policies regarding poverty:
    - **Personal responsibility** refers to the role people have in caring for their own needs, no matter the circumstances that have left them in need.
    - **Social responsibility,** in contrast, contends that society should assist those experiencing unfortunate or challenging circumstances.
  + Social and Economic Justice
    - Micro level advocacy
      * Advocacy for clients may involve referrals to other social welfare agencies to insure poor people have the services they need, like access to food stamps and health care.
    - Macro level advocacy
      * How the power structure responds to the needs of poor people.
      * How the power structure has changed to address issues of inequality.
      * How well social welfare agencies are addressing the needs of poor people.
      * How the power structure recognizes and responds to the voices of poor people and their organizations.
      * How well the power structure recognizes and involves the leaders of poor people, like clergy and union leaders
      * How well poor people are represented in positions of power within the community
  + Supportive Environment
    - Social workers often work with networks of people, in families, communities, and regions.
    - Define the situation in communal terms and take action that will support individuals in need.
  + Human Needs and Rights
    - Learn the truth and state the facts in all human rights investigations.
    - Take consistent positions concerning past, present, and future abuses.
    - Maintain partnerships with organizations, governments, and multilateral institutions committed to human rights.
  + Political Access
    - Shrinking funds
    - Voter registration

**The Cycle of Advocacy**

* Envision improved conditions or a more ideal state of affairs
* Identify strengths and leadership skills of clients and mobilize them to vote and participate in political campaigns.
* Help relatively powerless groups (women, children, people of color, people with special needs) and poor people improve their resources and opportunities.

**Your Career and Poverty**

* Policy level - advocate and lobby for regulations and programs that enhance the well-being of people with limited resources.
* Alleviate the pain of poverty and inequality by keeping the needs and wants of others in your thoughts and displaying concern in your actions.

# Key Concepts for Chapter 5: Poverty and Inequality

absolute poverty

feminization of poverty

income

inequality

means testing

poverty

poverty line (poverty threshold or poverty index)

public assistance

relative poverty

wealth

# Case Study for Chapter 5: Poverty and Inequality

George was trained as an x-ray technician at a local community college. However, due to cutbacks at the county hospital where he worked, George lost his job, and after a few months, his ability to pay the rent on his apartment. With limited family support and friends that could offer little financial assistance, George found himself homeless, although he did have an older model car that needed some repairs but operated. George submitted applications for employment at various health care programs and facilities. He remained optimistic that a position in his field would eventually open. In the meantime, he borrowed the couches of friends on a night-to-night basis and tried his best to maintain a positive outlook.

1. How does George’s financial situation reflect the chapter’s content on poverty? As a social worker, what support would you offer George? Why do you think George remains optimistic in the face of financial insecurity?
2. What would happen if George didn’t have people willing to put him up for a few nights or weeks at a time? Even given that situation, what problems can be caused by George not having a permanent address?

# Discussion Questions for Chapter 5: Poverty and Inequality

Discussion Question #1

Given that many people in poverty are working, why do you think there is still such a common perception that people who use welfare benefits are lazy people mooching off of the government?

Discussion Question #2

People sometimes express anger or irritation that some people receiving welfare benefits may own a nice car, a tablet, or an iPhone, or people using SNAP to purchase groceries are buying cupcakes or crab legs. Is the anger of these people justified? Why or why not? Can you identify reasonable possibilities why the individuals on welfare may have some of these “nice things?”

Discussion Question #3

Do you think there should be time limits on how long people can receive welfare benefits? Why or why not? Would you restrict any specific programs but perhaps leave others fully intact?

Discussion Question #4

Is it necessary for you to have experienced poverty yourself in order to fully empathize with your poor clients? If you have come from a comfortable lifestyle, will your clients be able to pick up on that? Will it impact your ability to connect with them?

# Chapter Exercises for Chapter 5: Poverty and Inequality

1. Keep a log of your daily expenditures over a week. Given your cash outlays, do you have a sense of financial security or insecurity? If you had to trim your personal budget, what expenses would you reduce and how? How would you describe your socioeconomic level and why?

2. Take time to reflect on how your family’s economic status impacts your life options. List the advantages you’ve experienced and also the challenges.

3. Read an editorial from one of the nation’s leading newspapers that applies to the content of this chapter. Write and share with the class a letter of support or rebuttal to the editorial that expresses your thoughts in a clear, concise fashion.

4. Spend time examining the community you are most familiar with, such as the one you

were raised in or the community where you currently live. Consider your selected

community in light of the dynamic advocacy model’s four interlocking tenets. Based

on your analysis, list at least four possible advocacy actions related to poverty and

inequality that you could organize in your community. What social work skills would

you use in these advocacy actions? What results would you hope to achieve?

5. Consider attending a service-learning immersion class, such as an “urban plunge” or

trip abroad, that will expose you to dire absolute needs. How do you think this type of

experience might challenge your thinking concerning human needs and rights?

# Class Activities for Chapter 5: Poverty and Inequality

**Class activity #1**

Find out what the average monthly benefits are in your area for SNAP, TANF, and/or SSI. Provide those figures to the students and break them up into theoretical “families” of three or four people. Ask them to create a budget for themselves based on the benefit levels provided by those programs. Remind them to consider rent, utilities, groceries, clothing, transportation, recreation, and anything else they may consider a necessity (cable? Internet service?). Emphasize that they should come up with realistic numbers--$50 for food for a family of four for a month isn’t even enough to live off of instant noodles three meals a day, for example. What would be the first things in their current lives they’d have to cut if they were trying to survive on welfare benefits? Have each group share their budget with the rest of the class for comparison’s sake.

**Class activity #2**

Have the class discuss the idea of the “culture of poverty”—the theory that the poor in America often engage in activities that seem functional or logical in the short term, but which serve to keep them poor. For example, the poor may reject the values and norms of the upper class. They may isolate themselves from upper- and middle-class people. They may have an emphasis on instant gratification—that is, when they have a bit of extra money, they’re more likely to spend it on something that makes them happy now than to save it up to eventually advance a bit. Ask the groups to identify how else people in poverty may exhibit the behaviors associated with this theory.

After explaining those points, ask them to discuss these questions:

1. Does it seem like this theory has merit?
2. Are these behaviors we typically see the poor exemplify?
3. Why might these behaviors develop?
4. Is this just another example of blaming the victim?

**Class activity #3**

Sociology teaches us that if there is an element of society that has no purpose or function, eventually that element will cease to exist. However, not only is poverty not ceasing to exist, it’s become more entrenched. Income inequality is widening all the time.

This being established, split the class into groups. Ask them to brainstorm some of the functions the poor serve for the rest of society, and perhaps why the middle and upper class don’t actually want to solve the problem of poverty. Walk around to provide hints or guidance if necessary.

Additionally, after the class has discussed this first question for a bit, introduce to them the idea that the poor absorb the costs of change—that is to say, when there is a major cultural shift (economic, legislative, technological), the poor often experience the brunt of the negative impact. For instance, when we moved from having mostly full-service gas stations to mostly self-service gas stations in America, the poor took the brunt of that shift. Many low-paying jobs were lost, and the upper class benefited from that due to having fewer expenses for their staff. Can the groups come up with additional examples of the poor absorbing the costs of change?

After this is done, have all the groups share with the class.

Possible examples of the functions of poverty: staffing the military, creating cultural artforms that get appropriated by the other classes, serving as symbolic political opponents, being cautionary tales to middle- and upper-class children, allowing the rich to “do their charitable duty,” buying low-quality goods in stores owned by middle- and upper-class people, creating jobs for others (e.g. social workers), staffing unpleasant jobs that are necessary for the society to function (janitorial and maintenance work, for example), etc.

Other examples of the poor absorbing the costs of change: outsourcing, automated cashier lanes at the grocery store, automated tollbooths and open-road tolling, ATMs, deinstitutionalization of the mentally ill, and more.

# Video and Multimedia for Chapter 5: Poverty and Inequality

#### Video Clips

* [How Big Businesses Benefit from Social Welfare Programs](https://www.youtube.com/watch?v=vAcaeLmybCY)   
  How much would Walmart’s prices go up if they paid all of their workers a living wage?
* [Is the Gender Wage Gap Real, and Are Women to Blame?](https://www.youtube.com/watch?v=O2Xk-u8uii0)   
  Is the gender wage gap—if it exists—due to women making choices that harm their earnings?
* [Wealth Inequality in America](https://www.youtube.com/watch?v=f3AuStymweQ)   
  What we think inequality looks like and what it actually looks like are quite different.

#### Audio Clips

* [The Impact of Wealth and Poverty on Our Interpersonal Behavior](http://www.npr.org/player/v2/mediaPlayer.html?action=1&t=1&islist=false&id=295360962&m=298763499)   
  A Berkeley study looks at how we act differently when given advantages and power, and when they’re given to someone else instead.
* [The Aftermath of Moving from AFDC to TANF](http://www.npr.org/player/v2/mediaPlayer.html?action=1&t=1&islist=false&id=5688674&m=5688675)   
  TANF was supposed to reduce the number of people “stuck” on welfare—has it worked?

# Web Resources for Chapter 5: Poverty and Inequality

* [Absolute Poverty in the United States](http://aspe.hhs.gov/poverty/index.cfm)   
  Access to the current official federal poverty guidelines, via the US Department for Health & Human Services.
* [Housing and Urban Development](http://portal.hud.gov/hudportal/HUD?src=/topics/housing_choice_voucher_program_section_8)   
  An explanation of the benefits of Housing Choice Vouchers and the application process.
* [SNAP Benefits and Research](http://www.fns.usda.gov/ops/supplemental-nutrition-assistance-program-snap-research)   
  Is the program formerly known as Food Stamps having as much of an impact as we’d hope?

# SAGE Journal Articles for Chapter 5: Poverty and Inequality

[**SAGE Journal User Guide**](http://www.uk.sagepub.com/sageEdge/orvis3e/files/SJ-userguide.pdf)

Article 1.

[Parish, S. L., Rose, R. A., & Andrews, M. E. (2010). TANF's impact on low-income mothers raising children with disabilities. Exceptional Children, 76(2), 234-253.](http://ecx.sagepub.com/cgi/reprint/76/2/234?ijkey=32vUPFDVD8HCw&keytype=ref&siteid=specx)doi:10.1177/001440291007600206

In this analysis of National Survey of America’s Families, the authors explore the effects of TANF on employment, welfare use, and marriage among poor and near-poor mothers of children with disabilities.  The article describes the unique barriers to employment faced by this population and offers policy and programmatic recommendations.

#### Questions:

1. Why are families of children with disabilities more likely to experience financial instability?  List and describe three factors that contribute to the precarious financial situations of these families.
2. What is the research question that motivated this study?
3. What do the findings suggest about the effect of TANF on employment rates of different groups (e.g., poor and near-poor married women, poor and near-poor single women)?
4. How do the caregiving responsibilities in families of children with disabilities create additional barriers for complying with TANF work requirements?
5. What overall conclusions do the authors draw with respect to TANF’s effects on (a) employment, (b) marriage rates, and (c) welfare use among families of children with disabilities?

Article 2.

[Sykes, J., Križ, K., Edin, K., & Halpern-Meekin, S. (2014). Dignity and dreams: What the earned income tax credit (EITC) means to low-income families. American Sociological Review,](http://asr.sagepub.com/cgi/reprint/0003122414551552v1?ijkey=CJlYfmcOorhDg&keytype=ref&siteid=spasr)doi:10.1177/0003122414551552

Drawing on qualitative interviews, this sociological analysis explores how the Earned Income Tax Credit offers both monetary relief for poor families and a sense of social inclusion and citizenship.

#### Questions:

1. Describe the central purpose and function of the Earned Income Tax Credit (EITC).
2. What three features of the Earned Income Tax Credit (EITC) allow it to avoid the pitfalls of other anti-poverty income maintenance programs?
3. How does the EITC contribute to social inclusion in ways that wages (earnings) and welfare do not?  What are some of the other effects of the EITC on families in or near poverty?