**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.