

## 24. Poverty and Inequality

FOR most Americans, the word “poverty” suggests destitution: an inability to provide a family with nutritious food, clothing, and reasonable shelter. Advocates of the welfare state often urge large expansions of welfare spending to combat allegedly “widespread” poverty in America, yet only a small portion of the 37 million persons classified as “poor” by the Census Bureau fit that description. While real material hardship certainly does occur, it is much more limited in scope and severity than one might imagine. The typical American categorized as “poor” by the government has not only a refrigerator, a stove, and a washing machine, but also a car, home air conditioning, a microwave, a color TV, a VCR, and a stereo. His home is in good repair and is not overcrowded. He is able to obtain medical care. By his own report, his family is not hungry, and he had sufficient funds to meet his essential needs during the past year. This individual’s life is not opulent, but it is also far from the popular images of poverty conveyed by politicians, the press, and activists.

by *Robert Rector*

### Notes

### Recommendations

**1. Promote work.** Today, expenditures per person of the lowest-income quintile (one-fifth) of households equal those of the median American household in the early 1970s, after adjusting for inflation. Rather than being materially poor, many of America’s “poor” suffer from the effects of “behavioral poverty”—a breakdown in the values and conduct that are conducive to healthy families, stable personalities, and self-sufficiency. The traditional welfare state’s core dilemma is that profligate spending intended to alleviate material poverty has led to a dramatic increase in behavioral poverty. This includes dependency and an eroded work ethic, lack of educational aspirations and achievement, inability or unwillingness to control one’s children, increased single parenthood and illegitimacy, criminal activity, and drug and alcohol abuse. In good economic times or bad, the typical poor family with children is supported by only 800 hours of work during a year: 16 hours of work per week. If work in each family were raised to 2,000 hours per year (the equivalent of one adult working 40 hours per week throughout the year), nearly 75 percent of poor children would be lifted out of

official poverty. Congress should strengthen work requirements for recipients of welfare and other benefits.

**2. Promote marriage.** The decline in marriage is the second major cause of child poverty. Nearly two-thirds of poor children reside in single-parent homes. Each year, an additional 1.3 million children are born out of wedlock. Increasing marriage would substantially reduce child poverty: If poor mothers married the fathers of their children, nearly 75 percent would immediately be lifted out of poverty. Congress should increase funding for President Bush's Healthy Marriage Initiative.

## Facts and Figures

■ Forty-six percent of all poor households own their own homes, and the average home owned by persons classified as poor by the Census Bureau is a three-bedroom house with one-and-a-half baths, a garage, and a porch or patio. Only 6 percent of poor households are overcrowded, according to Census Bureau and other government reports. More than two-thirds have more than two rooms per person. The average poor American has more living space than the average individual living in Paris, London, Vienna, Athens, and other cities throughout Europe. (These comparisons are with the average citizens in foreign countries, not to those who are classified as poor.)

■ According to Census Bureau and other government reports, nearly three-quarters of poor households own a car; 30 percent own two or more cars.

■ According to Census Bureau and other government reports, 97 percent of poor households have a color television; over half own two or more color televisions.

■ The most dramatic effect of the 1996 welfare reform has been on child poverty, particularly among black children. More than 1.2 million black children have been lifted out of poverty. Six black children have been lifted out of poverty for every black child whose economic condition has worsened.

■ Since the welfare reform of 1996, the poverty rate among black children has dropped by one-fourth, falling from 41.5 percent in 1995 to 33.3 percent in 2004.

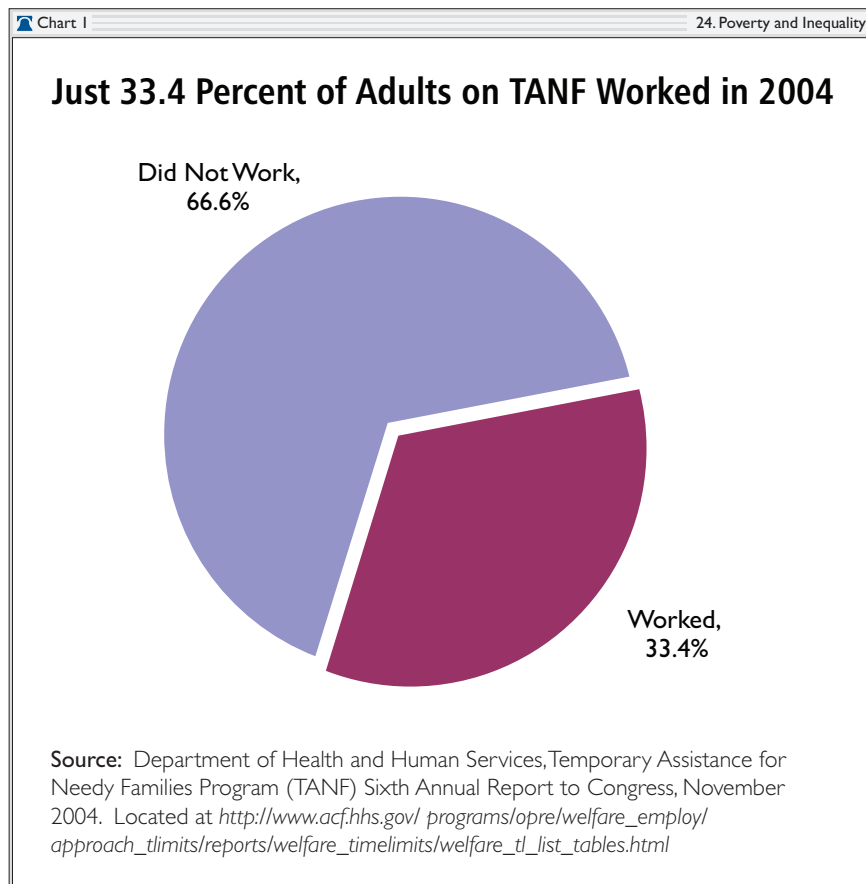
■ For the 25 years prior to the 1996 welfare reform, the percentage of black children living in poverty remained virtually unchanged.

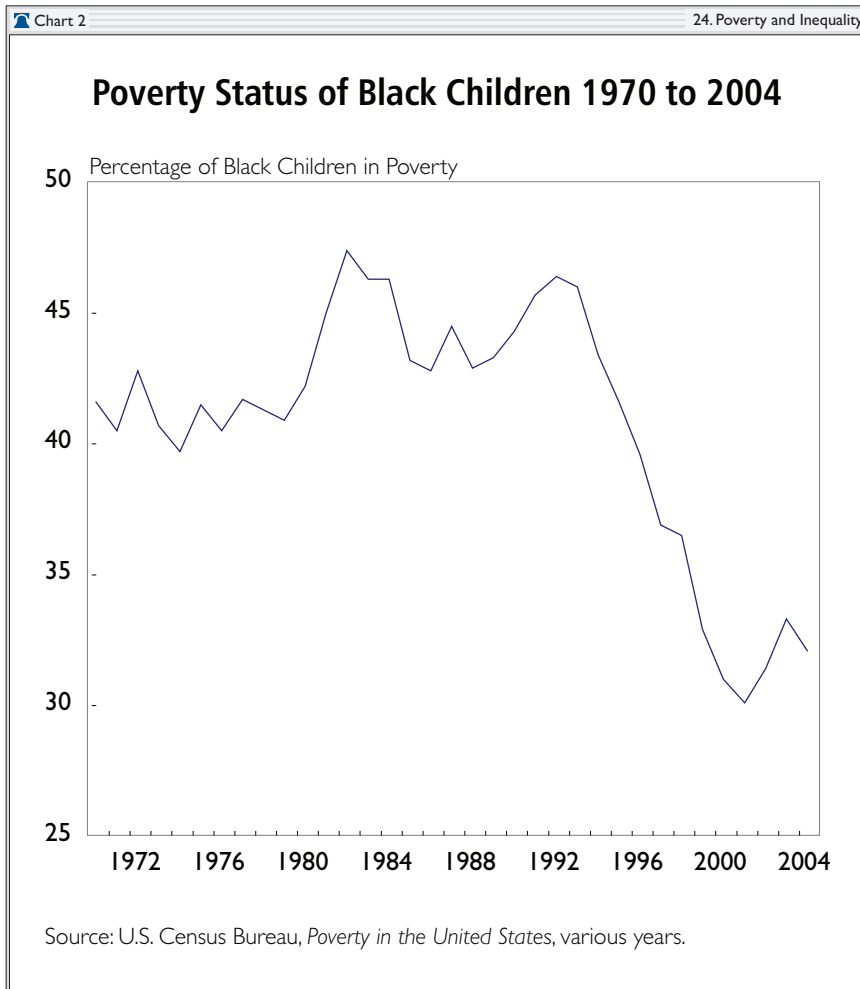
## Notes

■ In 1995, 4.1 million households had at least one person who experienced hunger at some point during the year. By 2002, the number had fallen to 3.8 million households.

■ The number of hungry children was cut by more than a third between 1995 and 2004. According to the U.S. Department of Agriculture, there were 887,000 hungry children in 1995. By 2004, the number had fallen to 545,000.

Notes





Notes

This chapter can be read online at [issues2006.org/inequality](http://issues2006.org/inequality).

### Additional Reading

Robert Rector and Kirk A. Johnson, Ph.D., "Understanding Poverty in America," Heritage Foundation *Backgrounder* No. 1713, January 5, 2004, at [www.heritage.org/Research/Welfare/bg1713.cfm](http://www.heritage.org/Research/Welfare/bg1713.cfm).

Melissa G. Pardue, "Sharp Reduction in Black Child Poverty Due to Welfare Reform," Heritage Foundation

*Backgrounder* No. 1661, June 12, 2003, at [www.heritage.org/Research/Welfare/bg1661.cfm](http://www.heritage.org/Research/Welfare/bg1661.cfm).

Robert Rector, "Despite Recession, Black Child Poverty Plunges to All-Time Historic Low," Heritage Foundation *Backgrounder* No. 1595, September 27, 2002, at [www.heritage.org/Research/Welfare/BG1595.cfm](http://www.heritage.org/Research/Welfare/BG1595.cfm).