



October 2016

## For Your Consideration

### What's wrong with the way we calculate poverty in the United States?

*This newsletter will be focusing on Poverty in the United States. Last month, the Census Bureau released a report stating that the poverty rate had fallen by 1.2% in 2015, the biggest decline in one year since 1968. In this newsletter, we'll be looking into how the United States measures poverty and the myths that poverty perpetuates.*

Recently the [Census Bureau reported](#) that the poverty rate fell by 1.2 percentage points, the steepest decline since 1968. There were 43.1 million Americans in poverty in 2015, 3.5 million fewer than in 2014. How the federal government calculates poverty might not be

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widespread knowledge though certainly important given that the poverty measure shapes our conclusions about who and how many people are in poverty, which in turn shapes the policies that impact policy.

So why is it when we hear "poverty rates have gone down" we don't actually feel like much has changed? It might be because it hasn't happened on a massive scale, but 3.5 million people out of poverty is not a number to ignore. The way to measure poverty currently is by comparing pre-tax cash income against a threshold that is set at three times the cost of a minimum food diet, which is updated annually for inflation, and adjusted for family size ([family by birth, marriage or adoption](#)).

There are several problems with the way poverty is measured. Since current [poverty thresholds](#) were put into place in the 1960's, modern expenses and resources are not necessarily reflected; for instance, the current measure does not recognize significant draws on income such as taxes, work expenses, out-of-pocket medical expenses. The measure also excludes resources like public food assistance. The poverty threshold also doesn't change according to geographical area or take into account the variations among families in the minimum level of resources adequate to meet basic needs. What we get instead is a somewhat stagnant and simplistic set of metrics that does not reflect the differences in cost of living depending on where you reside, the changes in standard of living over time, or the impact of important government assistance programs intended to improve the economic

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The WhyHunger Hotline number is 1-800-5-HUNGRY. Please update your records and find outreach materials [here](#).

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Nourishing Change is a space to share critical thoughts around the systemic change that needs to happen to end hunger and transform the emergency food system. We want to hear from you! Email us at [nourish@whyhunger.org](mailto:nourish@whyhunger.org)

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well-being of families.

Finally, these poverty guidelines don't accurately reflect the true costs of meeting families' economic needs in today's world. For example, while food costs take a smaller proportion of overall household expenses than in the early 1960's, housing costs have gone up significantly, which means poor families are forced to choose between paying rent, covering utilities or the cost of transportation or childcare, and groceries. While lack of income is a logical metric for determining the federal poverty threshold, a stronger and more accurate measure would have criteria which accurately represents what a family's minimum income needs to make ends meet, and incorporate other forms of scarcity, including hunger, substandard housing, lack of health insurance, cost of transportation, etc., and would take into account geographic differences in the cost of living. In short, the federal poverty guidelines would become a measure of economic well-being which would go a long way towards shaping a more comprehensive and targeted advocacy agenda to end hunger and poverty.

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## **Where do poverty myths come from?**

Stereotypes about poor Americans have persisted in America since the 1970's when Ronald Reagan introduced the concept of the [food stamp abuser](#). Poor Americans are assumed to be spending their government assistance dollars on steak and lobster dinners and other "luxury" foods like soda and ice

cream, candy, cookies and decorated cakes. In fact, the vast majority of people benefiting from SNAP, our government's Supplemental Nutrition Assistance Program commonly referred to as food stamps, are [working families, college students, seniors and children](#) . Despite the fact that the "welfare queen" myth has been debunked again and again, state representatives continue to [propose legislation](#) in an attempt to ensure that the poor aren't taking advantage of taxpayers.

The misconceptions that lump all poor people together as lazy, willfully exploiting benefits and actively ignoring opportunities to better themselves is in direct contradiction with the lived experience of our nation's most economically vulnerable. The lives of the poor in our country are anything but easy and unproductive. In fact, the poor are as responsible and interested in working as everyone else, and their place on the bottom rung of the economic ladder is often due to circumstances out of their control. Contrary to the popular idiom that we live in a county where everyone has the same opportunity to pull themselves up by their bootstraps, research confirms that social mobility has become increasingly difficult. According to a [Pew Charitable Trust Study on the American Dream](#), researchers found that while a large number of Americans (84 percent) have a higher family income than did their parents, those born at both the top and the bottom of the "income ladder" stay where they are from one generation to the next. The study also noted that this is particularly true for African Americans. So, those that are born into wealth stay wealthy or become wealthier over the course of their lifetime; those born poor, and are the proverbial candidates for

"bootstrapping," are likely to stay poor.

Growing income inequality further impairs social mobility. [And still there is nothing inevitable about poverty](#). Instead policies that expand equitable opportunities to education, level the playing field in terms of access to resources, combat wage stagnation, create greater economic security for the most vulnerable, and dampen white privilege are within our reach and offer the only real chance in today's world for the poor to move out of poverty and to finally put to rest the myth - fueled by disdain, fear and condescension - that a little elbow grease coupled with personal drive is enough to pull oneself out of poverty.

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## What We're Reading Now

### **The States and Stakes of Poverty In The U.S.A.**

Even with the news released in September by the Census Bureau that the poverty rate had dropped 1.2%, many states still experience deep and persistent pockets of poverty. The income gaps in each state vary and to understand these differences, it's necessary to not only look at the geography but the conditions that each family is facing. Read more [here](#).

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### **Poverty Is a Product of the**

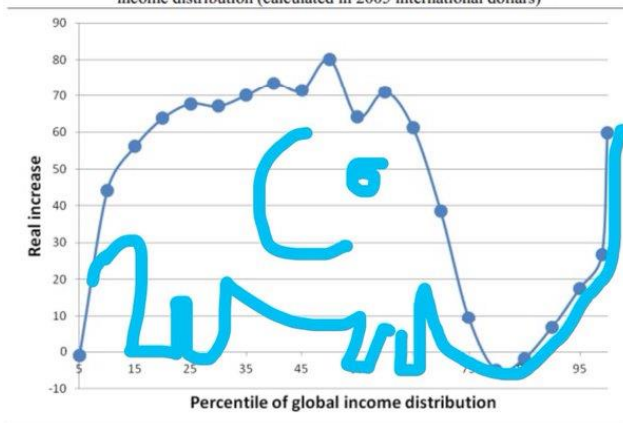
## Institutions We Have in Society

*Truthout* interviewed Alice O'Connor, professor of history and director of graduate studies at the University of California/Santa Barbara, and author of *Poverty Knowledge: Social Science, Social Policy and the Poor in 20th Century US History*, on the politics of the War on Poverty. She discusses the way in which corporate media talks about poverty being a reflection of how policymakers legislate to address poverty. In short, it consists of what amount and sorts of resources it "makes sense" to allow people to have before they're eligible for assistance from the state, and how tweaks to those rules may affect the overall number of people who qualify to be labeled poor. Alice highlights the importance of having a different conversation about poverty. Read more [here](#).

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## The Geography of U.S. Inequality

Figure 4. Change in real income between 1988 and 2008 at various percentiles of global income distribution (calculated in 2005 international dollars)



A chart has been making the rounds that shows the rising incomes for the world's middle class, leading into a deep trough for the world's upper middle class, and then rising into another peak for the world's wealthiest. There has not been many illustrating the dynamics of the bottom 99 percent because illustrating income is complicated. An article by the New York Times attempts to do just that. Read more [here](#).

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### **Government Food Programs Can Actually Help Poor Families Eat Healthier**

Criticism about how low-income households buy unhealthy food with the money given by government assistance programs like SNAP or WIC often is contradicted by the growing evidence showing how SNAP and similar programs result in participants making healthier food and beverage purchases with their own money overall. Read more [here](#).

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### ***Weapons of Math Destruction: How Big Data Increases Inequality***

Data scientist Cathy O'Neil in her new book, *Weapons of Math Destruction: How Big Data Increases Inequality* writes about her observations in 2010 of big data increasingly asserting itself in human affairs. "Some of these choices were no doubt made with the best intentions. Nevertheless, many of these models encoded human prejudice,

misunderstanding, and bias into the software systems that increasingly managed their lives." In her book, O'Neil breaks down these complex issues, helping us understand how algorithms rule our lives and what we-and the data scientists responsible for building these models-can do to make them more fair. At a book launch event held at the Ford Foundation, O'Neil explored some of these ideas in conversation with MSNBC contributor Dorian Warren. Read about and view their discussion [here](#).

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## Resources

### **Report: Income inequality in the U.S. by state, metropolitan area, and county**

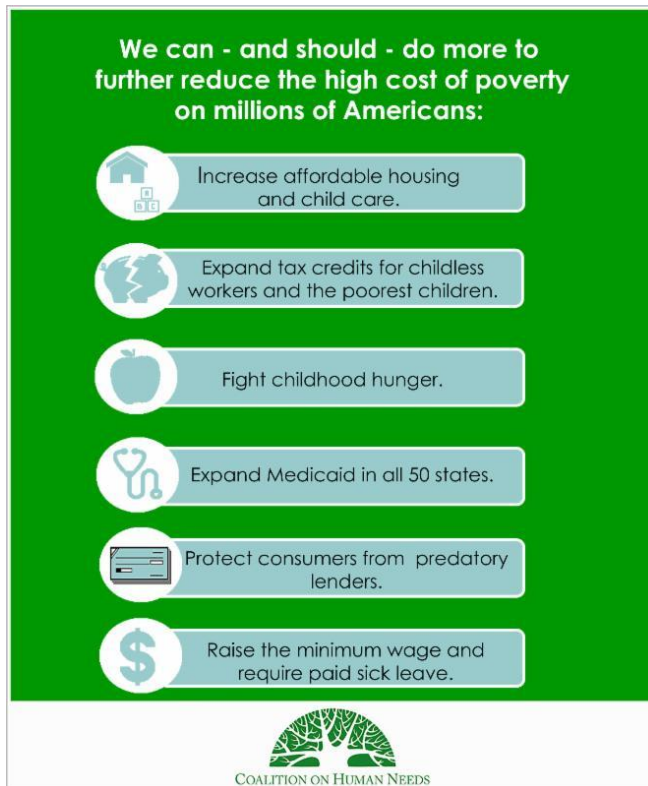
This report looks at income inequality in every state, showing how it's risen since the 1970s and, in many states, has increased even more in the post-Great Recession era. Rising inequality is not just a story of those in the financial sector in the greater New York City metropolitan area reaping outsized rewards from speculation in financial markets. While New York and Connecticut are the most unequal states (as measured by the ratio of top 1 percent to bottom 99 percent income in 2013), nine states, 54 metropolitan areas, and 165 counties have gaps wider than the national gap. Read the report [here](#).

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### **The High Cost of Being Poor in the**



## U.S



The Coalition on Human Needs released a report on their findings on the state of poverty around the country and what measures helped pull people out of poverty last year. They analyzed the Census American Community Survey data of the state of poverty in 13 states. Read the report [here](#).

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**Report: Food Hardship in America: Households with Children Especially**

## Hard Hit

In this report, The Food Research & Action Center (FRAC) looks at the data for food hardship separately for households with children and households without children. Given how high child poverty rates are, compared to poverty rates for households without children, it is not surprising that the food hardship rate is considerably higher in households with children. The difference, however, underscores how broad the harm of poverty and hunger is to children in our society. This report also reveals how the disparities vary widely. In some areas, the gap is remarkably large; while in others, it is quite small. Read more [here](#).

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## **"Busted: America's Poverty Myths", a new series from On the Media**

"Busted: America's Poverty Myths; The Distorted View of Poverty in America and the Media's Role in Framing the Issue" is a five-part series released during the month of October by [On the Media](#) exploring how our understanding of the causes of poverty are formed not by facts, but by myths, media, and the tales of the American dream. Learn more and listen [here](#).

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