

**JUST Notes
SPECIAL ISSUE ON
POVERTY IN AMERICA
JANUARY, 2009**

**We promise to stand with people who are poor by working with others
to alleviate conditions of poverty and oppression**

--Promise Chapter 2006
Sisters of St. Joseph of Orange

EARTH CHARTER—PRINCIPLE III: Social and Economic Justice

13. Eradicate poverty as an ethical, social, and environmental imperative.

MILLENNIUM DEVELOPMENT GOAL #1: Eradicate extreme poverty and hunger

October 17 is the annual observance of the International Day for the Eradication of Poverty. The observance of this day began after a 2000 international summit of the United Nations, in which developed countries pledged to eradicate poverty and hunger by 2015. One of the eight Millennium Development Goals.

NOTE:

If you have no time to read the entire JUST Notes, click on the following link to gain a better understanding about poverty in the U.S. <http://www.usccb.org/cchd/povertyusa/tour.htm>

JANUARY IS “POVERTY IN AMERICA” AWARENESS MONTH

Today, 37.3 million Americans—and 1 in 6 children (that’s 18 percent of all American children)—are living below the poverty line. To bring attention to this national crisis, the Catholic Campaign for Human Development (CCHD) has designated January as “Poverty in America Awareness Month.”

During this special month of observance, CCHD devotes its efforts to heightening the nation's understanding of the breadth and depth of the problems of poverty by:

- Releasing a powerful public service campaign to raise awareness of poverty in America.
- Encouraging the editorial media to focus on poverty.
- Educating the public to be sensitive to the needs of those in poverty and to treat poor people with respect.
- Holding events in Catholic schools and public settings to make sure poverty is top-of-mind for all Americans.

– Adapted from www.povertyusa.org

THE WORKING POOR

- Millions of American breadwinners work hard to support their families. But, despite their determination and effort, many are mired in low-wage jobs that provide inadequate benefits and offer little opportunity for advancement and economic security. Compounding the problem are public policies that do not adequately prepare workers to advance to higher-skilled, higher-paying jobs or promote the creation of quality jobs. The future for these working families is laden with challenges.
– Adapted from *the Working Poor Families Project*
- Food, shelter, clothing, health care, transportation - these are only the beginnings of the basic necessities of modern American living. Each year, the federal government calculates the minimum amount of money required by families to meet these basic needs. This is then defined as the “Poverty Level.”

- Research consistently shows that, on average, families need an income of about twice the federal poverty level to make ends meet.
- The U.S. Census Bureau defines poor families as those with cash incomes of less than \$16,079 a year for a family of three—or \$20,614 for a family of four.
- Since 2000—the last year before unemployment began to rise—the number of people in poverty has risen by 5.4 million. 2006 was the second year that real median household income has risen in the United States from \$47,845 to \$48,201. Compared with 1967, the first year household income statistics were available, the real median household income has increased by 30.8 percent.
– Adapted from National Center for Children in Poverty
- More than one out of four working families with children is low-income. In all, a total of 42 million adults and children struggle to get by.
- The number of low-income working families increased by 350,000 between 2002 and 2006.
- Income inequality among working families increased by almost 10 percent from 2002 to 2006.
- The number of people with no health insurance increased from 44.8 million in 2005 to 47 million in 2006.
- Food insecurity, lack of affordable housing, and other hardships affect millions of American children, not just those who are officially poor.
- 50% of families who rent their homes spend 30 percent or more of their income on rent.
– Adapted from National Center for Children in Poverty

THE IMPACT OF POVERTY ON CHILDREN

- Over 13 million children in the United States—18% of all children—live in families with incomes below the federal poverty level. Most of these children have parents who work, but low wages and unstable employment leave their families struggling to make ends meet. Poverty can impede children's ability to learn and contribute to social, emotional, and behavioral problems. Poverty also can contribute to poor health and mental health. Risks are greatest for children who experience poverty when they are young and/or deep and persistent poverty.
- Compared to white families with children, black and Latino families with children are more than twice as likely to experience economic hardships.
- 17% of poor children lack health insurance, whereas 11% of all children (poor and nonpoor) lack health insurance.
- In the 10 most populated states, the percent of poor children who lack health insurance ranges from 9% in Michigan to 33% in Florida.
- It is not simply the amount of income that matters for children. The instability and unpredictability of low-wage work can lead to fluctuating family incomes. Children whose families are in volatile or deteriorating financial circumstances are more likely to experience negative effects than children whose families are in stable economic situations.
- The negative effects of low income on young children are troubling in their own right, but they are also cause for concern because they are associated with difficulties later in life—dropping out of school, poor adolescent and adult health, and poor employment outcomes. Stable, nurturing, and enriching environments in the early years help create a sturdy foundation for later school achievement, economic productivity, and responsible citizenship.

- Parents who face chronic economic hardship are much more likely than their more affluent peers to experience severe stress and depression—both of which are linked to poor social and emotional outcomes for children.
- Economists estimate that child poverty costs the U.S. \$500 billion a year in lost productivity in the labor force and spending on health care and the criminal justice system. Each year, child poverty reduces productivity and economic output by about 1.3 percent of GDP.
- The experience of severe or chronic economic hardship limits children's potential and hinders our nation's ability to compete in the global economy. American students, on average, rank behind students in other industrialized nations, particularly in their understanding of math and science. Analysts warn that America's ability to compete globally will be severely hindered if many of our children are not as academically prepared as their peers in other nations.

– Adapted from National Center for Children in Poverty

STATES IN TROUBLE DUE TO CURRENT ECONOMIC DOWNTURN

- The weak economy is generating great fiscal distress among states. Combined budget gaps for the remainder of the current fiscal year and the next two years are estimated to total more than \$350 billion.
- Because states cannot run deficits, they must close their shortfalls by cutting spending or raising taxes. That causes two further problems. First, their spending cuts and tax increases take money out of the economy, making the downturn even worse. Second, as states have to cut back, they cannot respond to the rising need for health care and other services that occurs when workers lose jobs or are otherwise hit by the economic downturn.
- At least 33 states are gearing to reduce services to their residents, including some of their most vulnerable families and individuals. Additional cuts are likely in the coming months as states develop budgets for the fiscal year that begins July 1, 2009. In addition, at least 14 states have increased taxes or taken other revenue raising measures; governors in four more states have recently proposed new tax increases.
- At least 22 states have proposed or implemented cuts that will affect low-income children's or families' eligibility for health insurance or reduce their access to health care services. For example, **Rhode Island** eliminated health coverage for 1,000 low-income parents; **South Carolina** is limiting coverage for many services, such as psychological counseling, physician visits, and routine physicals; Washington is scaling back a health program for low-income adults to cut enrollment by an estimated 12,000 people by July; and **California** and **Utah** are reducing services covered by their Medicaid programs. Additionally, the governor in **California** has proposed cuts that, when fully phased in, would cause more than 400,000 adults to be denied health coverage.
- At least 21 states plus the **District of Columbia** are cutting, or proposing cuts to, medical, rehabilitative, home care, or other services needed by low-income people who are elderly or have disabilities, or significantly increasing the cost of these services. For example, **Florida** has frozen reimbursements to nursing homes and relaxed staffing standards, **Nevada** is making it harder for beneficiaries to qualify for nursing home care, and **Rhode Island** is requiring low-income elderly people to pay more for adult daycare. **Arizona** eliminated temporary health insurance for people with serious medical problems.
- At least 21 states are cutting, or proposing cuts to, K-12 and early education. For example: **Florida**, **Georgia**, **Maine** and **South Carolina** have each cut school aid by an estimated \$95 or more per pupil; **Nevada** eliminated funds for gifted and talented programs; **Rhode Island** is eliminating early education funding for 550 children; and **Massachusetts** is reducing funding for a number of early care programs.

- At least 28 states have implemented or proposed cuts to public colleges and universities. The result is cuts in faculty and staff and (in more than half of those states) tuition increases of 4 percent to 15 percent. Students in **Rhode Island** and **New York** are facing mid-year tuition hikes.
- At least 34 states are reducing their state workforces. At least 23 states have instituted hiring freezes, five have announced or proposed lay-offs, five have reduced state worker wages, and several have delayed scheduled pay increases (including cost of living adjustments).
- It is likely that states will be forced to cut more deeply soon. Governors in a growing number of states have ordered or requested that state agencies reduce spending across the board in the current fiscal year: **Alabama** (10 percent), **Florida** (4 percent), **Idaho** (4 percent to 6 percent), **Iowa** (1.5 percent), **Kansas** (2 percent), **Mississippi** (2 percent), **Indiana** (10 percent) **New Mexico** (5 percent), **North Carolina** (3 percent to 5 percent), **Ohio** (5.75 percent), **Oregon** (1.2 to 5 percent), **Pennsylvania** (4.25 percent), and **South Carolina** (7 percent).

-- Adapted from Center on Budget and Policy Priorities

OPPORTUNITIES TO TAKE ACTION

- **Network** <http://capwiz.com/networklobby/issues/alert/?alertid=12421296&type=CO> - Urge your representative to support H.R. 384
- **Bread for the World** <http://www.bread.org/take-action/ol2008/sample-letter.html> - Urge legislators to provide additional funding for the nutrition programs that protect vulnerable families from hunger.
- **Earned Income Tax Credit** <http://www.cbpp.org/eic2009/> Share this information with others who may be eligible and may risk missing out on important federal tax benefits.
- **Food Stamp Eligibility and Benefits** <http://www.cbpp.org/11-18-08fa.htm> Share this with others who may be in need of food stamps assistance.
- **Advocate to End Poverty** http://www.usccb.org/cchd/povertyusa/involved_advocate.shtml

HELPFUL WEBSITES

- View a state's poverty rating <http://www.usccb.org/cchd/povertyusa/map.htm>
- National Center for Children in Poverty <http://www.nccp.org/>
- Promote Poverty Awareness Month <http://www.usccb.org/cchd/povertyusa/povamer.shtml>
- Center for Budget and Policy Priorities <http://www.cbpp.org/>

PRAYER

I Dare to Pray for a World without Poverty

I dare to pray:
 Lord, let the world be changed,
 for I long to see the end of poverty;
 I dare to pray:
 Lord, let the rules be changed,
 for I long to see our economic structures bring justice to the poor;
 I dare to pray:
 Lord, let my life be changed,
 for I long to bring hope where the Good News is needed.
 In the strength of your spirit
 and inspired by your compassion,
 I make this promise to work for change,
 and wait confidently for the day
 when you make all things new
 and those that weep will rejoice.

Peter Graystone