

# Why some receiving federal benefits don't consider themselves poor, although poverty rates have increased

May 9 2024, by Sherri Lawson Clark



Credit: Unsplash/CC0 Public Domain



For the past 25 years, <u>my research</u> as a cultural anthropologist has taken me into the homes and neighborhoods of people living in poverty in cities and rural communities throughout the U.S.

To better understand their day-to-day lives, I also have spent time in grocery stores, churches, nightclubs, parks and health clinics.

I've asked countless questions, ranging from how many times they had moved to the types of social services they received.

But of all the answers, none has perplexed me more than the one I receive when I ask, "Are you poor?"

Not one has ever answered yes.

One mother was almost indignant. "My kids have food in their bellies, a roof over their heads, and clothes on their backs, so, no, I'm not poor," she told me.

### A decent standard of living

Who, then, decides who is poor in America?

The answer is the federal government, which has spent <u>nearly the past 60</u> <u>years</u> trying to define and measure poverty and, ultimately, allocate money to provide families with a financial safety net.

Though many of the people I've interviewed over the years did not consider themselves poor, their incomes made them eligible to receive government subsidies such as cash assistance, Medicaid or <u>public</u> <u>housing</u>, thus placing them in categories the government considers poor.



Poverty in the U.S. is based on a person's ability to purchase the things they need to achieve a certain standard of living. According to 2022 U.S. Census Bureau data—the most recent available—<u>poverty</u> for a family of four was an annual income of at or below US\$29,960. For a single person, the <u>poverty threshold</u> was \$14,891.

To put those numbers in perspective, the <u>median U.S. household income</u> in 2022 was \$74,580—more than two times the poverty threshold. About <u>38 million Americans</u>—nearly 12%—live at or below the poverty line. And 16.1 of children under the age of 6 live in poverty.

## **Measuring US poverty**

In the early 1960s, Mollie Orshansky, a government statistician, developed the official poverty measure that is still in use today.

In her earlier statistical work with the U.S. Department of Agriculture, Orshansky had calculated that people spend roughly a third of their incomes on food. Known as the bread basket method, the income level used to define poverty was calculated based on the cost of feeding a family.

Since the 1960s, the rate of people living in poverty has held steady between 11% and 15%.

But the measurement has a few shortcomings.

Take the regional differences in costs for the same products. In early 2024, for instance, a <u>loaf of bread</u> in Los Angeles, California, was \$4.73, while in Louisville, Kentucky, the same loaf was \$2.46.

Another flaw is the definition of what constitutes a family of four members.



The costs of feeding a family of four can be vastly different for a single mother with three school-age children than a married couple with two infant children.

### The politics of poverty

Starting in 2011, the second metric that the Census Bureau officials use is the <u>supplemental poverty rate</u>.

Unlike the official poverty rate, the supplemental rate takes into account various types of government aid such as food, housing and energy assistance, as well as tax credits and stimulus payments. The measurement also calculates <u>regional differences</u> in the cost of living, medical care and housing.

Though distinct, these two measurements are often used by politicians to score points over their political rivals.

Such was the case in September 2023 when the Census Bureau found that the <u>supplemental rate had spiked</u> from 7.8% in 2021 to 12.4% in 2022, the largest increase since 2010.

The same measurement for the <u>share of children</u> living in poverty also hit 12.4%, more than doubling from 5.2% in 2021.

When the numbers were released by the Census Bureau in September 2023, former President Donald Trump immediately attacked President Joe Biden and compared the decline in poverty during his presidency with an increase in poverty during Biden's term.

But Trump <u>left out</u> key facts.

The <u>supplemental rates</u> did decline from 14% in 2016, before Trump



took office in 2017, to 9.2% in his last full year as president in 2020. But the drop was due in large part to coronavirus relief payments that were made available to qualifying people and families during the COVID-19 pandemic.

The relief payments also helped lower the number of people in poverty under the Biden administration.

But those COVID-19 era payments expired in 2021. Without that same aid—and help from Biden's American Rescue Plan—the share of people considered poor went up in 2022 under Biden. The sharp increase that year came on the heels of the previous year when the percentage of people in poverty was at its lowest level on record.

# **Temporary relief?**

Starting after the Great Depression, U.S. presidents have made reducing poverty a priority in their administrations. Most notably, Franklin D. Roosevelt had <u>the New Deal</u> and Lyndon Johnson had <u>the Great Society</u>.

But thus far during the 2024 <u>presidential campaign</u>, the issue of reducing poverty has been overshadowed by Trump's legal troubles and <u>Biden's inability</u> to force an end to the Israel-Hamas war.

In the world's richest nation, more than 23 million people—a little more than 1 in 10 adults—live in households where there was not enough food to eat, according to the Census Bureau's March 2024 <u>Household Pulse Survey</u>. And many of these people have jobs.

Despite <u>trillions of U.S. dollars</u> spent on lifting people out of poverty—\$1.9 trillion in 2022 alone—it appears the federal government's ability to provide a safety net for all those in need has fallen short.



As <u>economist Bob Pfeiffer</u> once said, "Our welfare system is designed to make lives more comfortable, not to solve poverty."

This article is republished from <u>The Conversation</u> under a Creative Commons license. Read the <u>original article</u>.

#### Provided by The Conversation

Citation: Why some receiving federal benefits don't consider themselves poor, although poverty rates have increased (2024, May 9) retrieved 24 June 2024 from <a href="https://phys.org/news/2024-05-federal-benefits-dont-poor-poverty.html">https://phys.org/news/2024-05-federal-benefits-dont-poor-poverty.html</a>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.