

# GRIST

Diocese of New Ulm      Social Concerns Office      February, 2007

## **Poverty in America: A Threat to the Common Good**

*Catholic Charities USA*,  
[www.catholiccharitiesusa.org/poverty/](http://www.catholiccharitiesusa.org/poverty/),  
has launched a campaign against poverty,  
in cooperation with the  
*United States Conference of Catholic Bishops*,  
[www.usccb.org/bishops/table.shtml](http://www.usccb.org/bishops/table.shtml),  
the *Catholic Campaign for Human Development*,  
[www.usccb.org/cchd/povertyusa/index.htm](http://www.usccb.org/cchd/povertyusa/index.htm),  
and *Catholic Relief Services*,  
[www.usccb.org/sdwp/globalpoverty/](http://www.usccb.org/sdwp/globalpoverty/).

Visit the Catholic Charities USA website to read their 2006 policy paper, *Poverty in America: A Threat to the Common Good*. Make use of the site's resources for education, advocacy and action. The following excerpts are from the policy paper's Executive Summary.

### **Poverty: A Social & Moral Wound**

Poverty in the U. S. is an ongoing disaster that threatens the health and well-being of our nation. In recent years the federal government has substantially reduced the resources devoted to assisting those who are impoverished. There has been a conscious and deliberate retreat from our nation's commitment to economic justice for those who are poor.

From a Judeo-Christian perspective, poverty means that the covenant with God has been ruptured. Our relationship with God is not in right order, and the injustice of poverty and extreme inequality cries out for change. Human dignity, the common good, human rights, and the option for the poor are among the moral values that should govern our analysis of poverty.

The tolerance of widespread poverty in our midst undermines our social contract and weakens our democracy. It violates our basic sense of fairness and equity, and it diminishes our legitimacy as a beacon of political values that are admired around

the world – freedom, justice, equality, and “liberty and justice for all.”

### **The Scope of Poverty in the U. S.**

- 37 million people – about 12.6 percent of the population (a number that is equal to the combined populations of Missouri, Kansas, Oklahoma, Colorado, Nebraska, Iowa, Minnesota, North Dakota, South Dakota, Wyoming, Nevada, Idaho, Utah and Alaska) – live below the official federal poverty level, which in 2006 was \$20,000 for a family of four.
- Poverty rates are highest in central cities and in rural areas.
- More than 7 million people living in rural areas are poor – a poverty rate of 17 percent.
- Between 2000 and 2004, the number of people living in poverty increased by 5.3 million.
- Poverty rates did not decline, even though the economy as a whole was in a long recovery.
- The current poverty line significantly understates the number of people who are impoverished because of the inadequate methodology used to measure poverty.
- While most impoverished Americans are white, the percentage of people of color living in poverty is much higher. For example, the poverty rate for non-Hispanic whites is 8 percent, while the rate for African Americans is 24.1 percent, for Hispanics, 21.8 percent, and for Native Americans, 23.2 percent. For children, the poverty rate for whites is 10 percent, while it is 28 percent for Hispanic children, 27 percent for Native American children, and 33 percent for African American children.

- Most of the poor are workers. Nearly two out of three families with incomes below the poverty line include one or more workers.
- Poverty affects many Americans. Almost half of all Americans will have experienced poverty for a year or more at some point in their lives by the time they reach age 60.
- 25 million people in our nation sought help from food banks last year – an increase of 18 percent since 1997; and statistics gathered by Catholic Charities show a steady increase in requests for emergency assistance, food, shelter, and utility assistance.

### **Growing Inequality**

There is a growing gap between the haves and have-nots in our nation. For example, in 1998 (the latest year for which figures are available) the top 20 percent of the population held 83 percent of the total net wealth in the country while the bottom 80 percent held only 17 percent of the net wealth. Our nation has not seen such extreme inequality since the 1920s.

### **Successful Policies**

We should not overlook the fact that the U.S. has an important set of basic public structures that work effectively to ameliorate poverty and provide opportunity. The poverty rate for individuals would be nearly double if it weren't for these and other successful policies that are in place:

- Social Security, Temporary Assistance for Needy Families (TANF), the Earned Income Tax Credit (EITC), Medicaid, Medicare, and housing assistance
- Minimum wage, civil rights laws, and labor laws

### **Weaknesses in Current Policies**

Despite these successful programs, there are serious weaknesses in our economic and social policies that make our poverty rate much higher than it should be. Compared to other Western industrialized nations, we have one of the highest poverty rates and one of the lowest spending rates in terms of programs aimed at reducing poverty.

The weaknesses in our current policies fall into two broad categories:

- Lack of livable wage jobs
- Lack of adequate social welfare programs

### **Specific Proposals Supported by CCUSA**

1. Create more livable wage jobs and raise wages, including the minimum wage
2. Invest in social policies that support low-income families and individuals
  - Strengthen and protect our nation's nutrition safety net
  - Improve the Temporary Assistance for Needy Families (TANF) program to benefit more families
  - Ensure universal health insurance coverage
  - Improve access to safe and stable child care
  - Support policies that strengthen families
  - Create more affordable housing
  - Improve the Earned Income Tax Credit (EITC) to be more inclusive
  - Improve access to education and training
  - Address the growing wealth disparity

To assist in paying for these policies, Catholic Charities USA supports progressive tax policies that will benefit lower and middle income taxpayers while asking those who have more to pay more.

Faith-based groups and the non-profit sector do not have the resources to replace those functions which are the legitimate responsibility of government and the private sector. Catholic Charities USA will not accept the proposition that agencies such as ours should substitute for some of the basic functions of government. We are committed to expanding our partnerships with other organizations in the private sector, the public sector, and the non-profit world. We declare our firm commitment to act boldly in fighting poverty in our nation. ***We propose that a major national goal be established to steadily decrease poverty in our nation so that by the year 2020 the rate of poverty will be reduced at least by half.***