🇺🇸 A PEEK AT POVERTY
in the
UNITED STATES:
First understand – then fix it.
(Some context)

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Depression Era "Migrant Mother"
By Dorothea Lange, 1936

Poverty, class immobility, and inequality are the three legs of most liberal economic strategies. To wit: In order to eliminate poverty in America, it is imperative that inequality be eliminated by making sure class mobility is the rule rather than the exception. Dealing with these evils is often compressed by liberals into one phrase – "promoting fairness." How do they accomplish this? Redistribution, of course! But the right answer is to properly allocate and concentrate resources! Hey SB, you started dealing with these concepts months ago. Why not pick up where you left off? – **Stefano Bachovich** – obscure curmudgeon, wise political pundit – a prolific purveyor of opinions on just about everything – my primary "go to guy."

OK, I will!

Let's start with poverty. It's real and it's bad! But we shouldn't be too quick to define it if our ultimate goal is to improve or mitigate it wherever possible. Mentioning poverty brings predictable thoughts to most minds. People conjure up images of starvation and destitution. How accurate is that? And what about the recent reports that the U.S. poverty statistics don't compare favorably with other industrialized countries?

According to recent media reports, the number of people in the U.S. living in poverty has been rising consistently over decades, and that the U.S. poverty rate is among the highest in the developed world. Really?! Does this convey a valid comparison? **Remember, poverty statistics tend to be relative measurements within a particular country.** Does that make a difference? And where does this comparison of "relative measurements" come from?

OECD! What's that? It's part of the problem!

The Organization for Economic Cooperation and Development (OECD) is a Paris based, largely U.S. funded, bureaucracy. It promotes international initiatives which are intended to "level the economic playing field." Since the U.S. stats are so poor, OECD seems to want us to accept European policies and solutions. What stats? Daniel J. Mitchell, of The Cato Institute, put OECD data together in a graph of poverty rates by country. In the two presentations I saw, 34 countries were evaluated. The U.S. poverty situation was ranked worse than 30 of the 34 other countries shown. **The only ones worse were Chile, Israel and Mexico. The U.S. was shown to have more poverty than Greece, Hungary, Portugal, and Turkey – (What?! How?!).**

Well, maybe we've been wrong – the US of A is not as good as we think – right?! **Wrong! This is the type of misinformation we often have to deal with!** We must fight through all of the "BS" to get good facts so we can make useful choices. First of all, that data is presented with an agenda in mind! OECD presents these numbers using terms such as "poverty rate," "poverty threshold," and "poverty measure." But in reality, their numbers bear no relationship to an established standard for

defining poverty. Instead, they are merely measuring the distribution of income. **Think about it! There's no similarity between the two.** "Poverty rate" measures actual living standards, while "income distribution" measures income relative to the average and highest earners in that country. **You can't make good decisions using this type of information!**

But where did OECD get its ideas? Obama showed them the way!

In an earlier report I discussed the intent of the Obama administration to "tweak" the way poverty is measured. The administration apparently wants to enhance the "relative poverty measurement" procedures so that it would be difficult to reduce "official poverty levels" unless near equality were achieved. In other words, as average income goes up, so does the poverty threshold. Being "better off" overall would not reduce levels of poverty. Even Washington Post columnist Robert Samuelson (usually a credible moderate, in my opinion) considers this as being absurd. He wrote:

> *...... the new definition has strange consequences. Suppose that all Americans doubled their incomes tomorrow, and suppose that their spending on food, clothing, housing and utilities also doubled. That would seem to signify less poverty – but not by the new poverty measure. It wouldn't decline, because the poverty threshold would go up as spending went up. Many Americans would find this weird: People get richer but "poverty stays stuck."*

Know the facts before you attempt a solution!

Given the facts, it's clear that there is a ridiculous level of naïveté exhibited by media comparisons with other countries. **In fact,** in-depth studies indicate that, generally, the U.S. poor are better off than the poor in the rest of the world. **And,** the average "poor" American has much higher living standards than all but the wealthiest people in the developing world. These observations demonstrate the importance of knowing the facts before you attempt a solution. Otherwise you could find yourself pushed into the conclusion that only big government can be the answer.

Pathological Altruism

Poverty will never be "officially" eliminated as long as "relative measurements" are used! Accept that, but don't forget it! Traditional measurements and the many reports we are given, dramatically understate the well-being of Americans. Establishing policy based upon reality would permit us to concentrate on those who are seriously in need of a government "safety net" – and **there are many!**

Unless we carefully evaluate reality, we are in danger of succumbing to an egalitarian obsession which I call **"pathological altruism" – attempting to achieve "equal results for all" using federal laws and policies. It's a recipe for disappointment!**

Redistribution UP! Poverty UP! The stimulus isn't working ...... don'tcha think?!

Giving full measure of consideration to the measurement problems as well as the dismal economic climate since 2009, it's still puzzling as to how much poverty has increased given the size of the stimulus that was injected to mitigate the problem - $800 billion plus, plus, plus ...... In the first two years of "Obamaland," poverty roles rose by 2.6 million and the number of Americans on food stamps rose by almost 17 million.

The economy still continues to underperform in the eyes of almost all Americans. Using a recent measure, the growth in the number of Americans living in poverty reached 9 million people, and over 100 million live in households that received some kind of low-income government assistance. We spend over $1trillion annually on these programs if federal, state and local dollars are combined!

Poverty is real, but what are the seldom discussed characteristics of those in poverty?

Poverty – a recent survey:
- $23,000 is the annual income threshold which defines poverty for a family of four.
- About 80% of poor adults and 96% of poor children were never hungry during that year.
- The average consumption of protein, vitamins and minerals is nearly the same for both poor and middle-class families.
- 80% of poor households had air conditioning, 67% had cable or satellite television, 43% had internet, and 33% had wide-screen TVs.
- By their own reports, the average poor person had sufficient funds to meet all essential needs and obtain medical care for family members throughout the year.

And here's something that REALLY "TICKS ME OFF"! A family is listed as "in poverty" even when federal programs have lifted them well above the poverty line!

How do you create a perpetual population of poor? By making it virtually impossible for statistics to reveal that one has officially escaped from poverty! When classifying a family as poor, the government does not include the subsequently provided benefits the families receive in the form of food stamps, housing assistance, or other forms of welfare. In other words, if you don't include these transfer payments, families are included in poverty statistics without regard to actual income.

For example, assume that "Bamy" figured out some way to provide benefits to **all** families in poverty, and that those benefits were enough to keep **all** of the families from living in poverty – which is their intent and reputed result. Yet, because of Bamy's preferred method of measuring poverty, they don't come off the roles, so dismal statistics can continue to be reported – and ever more poverty programs can be created or increased.

As Alinsky stated, one problem begets another. I read a study that concluded that the government now spends on welfare five times what is required to raise all families out of poverty. That being said (I think it's high, but even if divided by 5 ...), the point is made very forcibly: current measurements exaggerate poverty and generate demand for more spending – what more could a liberal ask for?! **You can't make good decisions using this type of information!**

Poverty is insidious! Poverty is an important foe! But make careful judgments when seeking to defeat it. If we **concentrate our resources on the real poor among us**, we will approach success**.**

But we can't make sense out of this subject unless we take a look at poverty's two other "sisters" – economic inequality and class immobility. More on those subjects very soon!

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(If you are interested in more detailed information on the topic of poverty measurements, I enthusiastically recommend studies conducted by The Heritage Foundation.)