

Increased Poverty Documents Failure Of Bush Economic Program

The poverty rate jumped again in 2002. The latest numbers reported by the census bureau reveal that 34.6 million Americans lived below the official poverty line - a number that in most communities needs to be doubled just to approach an adequate standard of living and that all observers agree underestimates the level of hardship and poverty in the United States.

The increase brought the official rate to 12.1%, an increase of 3.4% over the 2001 figure. Black Americans continue to be the hardest hit. The official poverty rate for African-Americans was over 24% and for Hispanics nearly 22%. The census bureau study also reveals significant increases among groups that the Bush Administration courts politically. The number of families in poverty increased by 9.2%, and married-couple families in poverty increased by 10.7% from 2001 to 2002. More than 50% of families at or below the poverty line are headed by women. Suburban poverty increased by 9.9%. Poverty in the Midwest also jumped by 9.9%.

The census bureau reported that in some categories changes in the poverty rate were not large enough to be statistically significant, but it was usually the case that the increased number of poor people was significant. The figures on severe poverty (defined as income below half the poverty level) provide a good example. 600,000 more people are living in severe poverty, bringing the total number to 14.1 million. This is a statistically significant number, even though the increase in the rate is within the margin of error.

The data also revealed that 2002 was the second consecutive year median household income dropped in America. This is the first time there have been two consecutive years of decreased median income since 1990 and 1991. The last time median income was this low was in 1997. Since 2001, the median income in the United States has dropped 1.1% which represents a loss of \$491 (2002 dollars) in income for these households last year and \$1,439 over the past two years. The drop in median income was twice as great for people of color and three times as great for families making less than \$18,000 annually. The total decline in median household income since 2000 was 6.3% for African Americans, 4.4% for Hispanics, and 1.6% for non-Hispanic whites.



These numbers, along with the unemployment numbers, reveal the utter failure of President Bush's economic program. Administration spokespeople continue to claim that the tax cuts will eventually restore prosperity. The economists tell us that we have been in a recovery for close to two years. But, President Bush

will be the first president in seventy years (since Herbert Hoover) to preside over a net loss in jobs for the first three years of his presidency potentially reaching 3,000,000 by the end of the year. 3,000,000 people have fallen below the poverty line since 2000.

While the tax cuts continue to put dollars in the pockets of the wealthy, programs that benefit ordinary Americans and/or are intended to lead people out of poverty and into the middle class continue to suffer.

■ 7.1 million families and 12 million children are denied increased child tax credits by the President and Congressional Republicans at a time when taxpayers reporting income in excess of \$1,000,000 will receive an average tax cut of \$93,000.

■ The TANF reauthorization proposals languish in Congress. The Senate Finance Committee bill ignores the current economic situation by requiring additional work hours and raising participation rates without increasing funding to the TANF block grant. Furthermore, the bill only includes \$1 billion in additional childcare funding, which falls far short of the \$5.5 billion proposed by the committee last year. This bill puts most states in a bind, as its strict new requirements will force states to either use more of their own funds or cut TANF programs. As bad as it is, the Senate Finance Committee bill is an improvement from the House Bill.

■ The Republicans continue to work against overtime protection for working people. After the Democrats narrowly passed an amendment protecting overtime provisions President Bush has threatened to veto any bill that includes it.

■ The cost of health care continues to skyrocket. Cost increases of more than 14% without corresponding increases in federal aid are leading states (and employers) to increase deductibles and co-payments and reduce benefits. This is the third year of double-digit increase in health care costs. The number of Americans without health insurance jumped by 2.4 million, bringing the total number to more than 44 million.

■ Tuition costs at public universities are increasing at astronomical rates. At least eight states enacted double-digit tuition hikes for this academic year.

It is very likely that when the 2003 numbers are released in September of 2004 (unless they are delayed by the Bush administration) the poverty rate and the number of poor people will increase significantly again and the median household income will fall for the third straight year. Both unemployment and long-term unemployment have continued to grow. The Congressional Budget Office forecasts an unemployment rate of 6.2% in 2004. State programs that provide support to low-

income people have been hard hit by budget cuts, and workers have seen their hours reduced at the same time that the average hourly wage has declined.

Three years into this administration there can be little doubt that its economic program has been a

complete and utter failure, starving the government of resources to help people out of poverty, while pouring money into the bank accounts of the rich in the name of job creation that has failed to materialize.

Statement issued by Democratic Socialists of America National Director Frank Llewellyn (September 2003). For more information on DSA visit www.dsausa.org or write us at 180 Varick St. Suite 1218, New York, N.Y. 10014 (The facts in this article are drawn from the official census report as well as material prepared by the Economic Policy Institute, the Center on Budget and Priorities, and the Fair Taxes for All coalition.)



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