

Causes of Poverty: The Economic Crisis and Beyond

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Presenter:

Stephen Pimpare, PhD

New York, NY



Webinar Host:

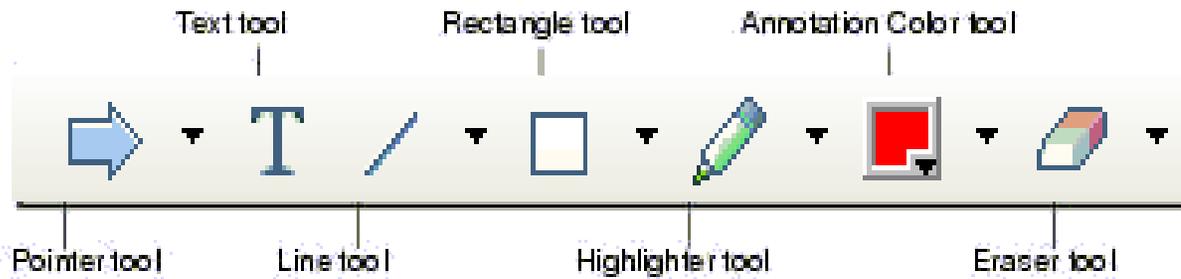
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Education Northwest

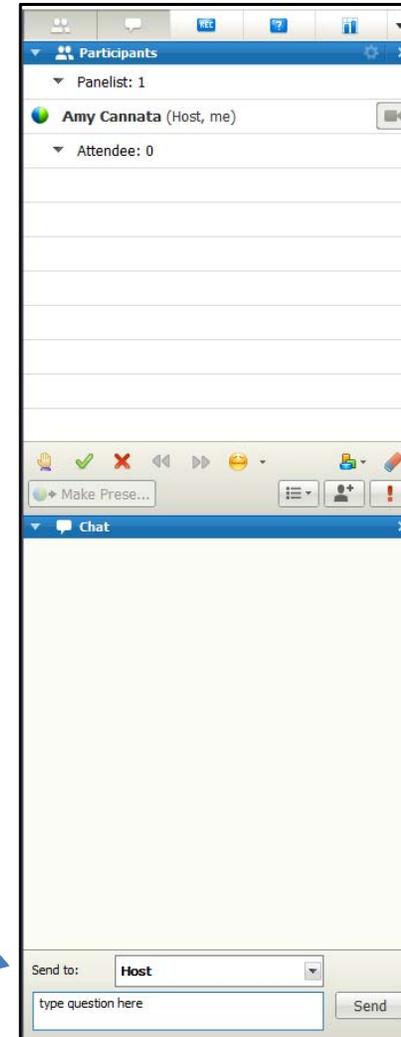
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Causes of Poverty: The Economic Crisis and Beyond



A PEOPLE'S HISTORY
OF POVERTY IN AMERICA

STEPHEN PIMPARE

A NEW PRESS People's History

HOWARD ZINN, *Series Editor*

Conversations
about Poverty with
Stephen Pimpare:
Part III

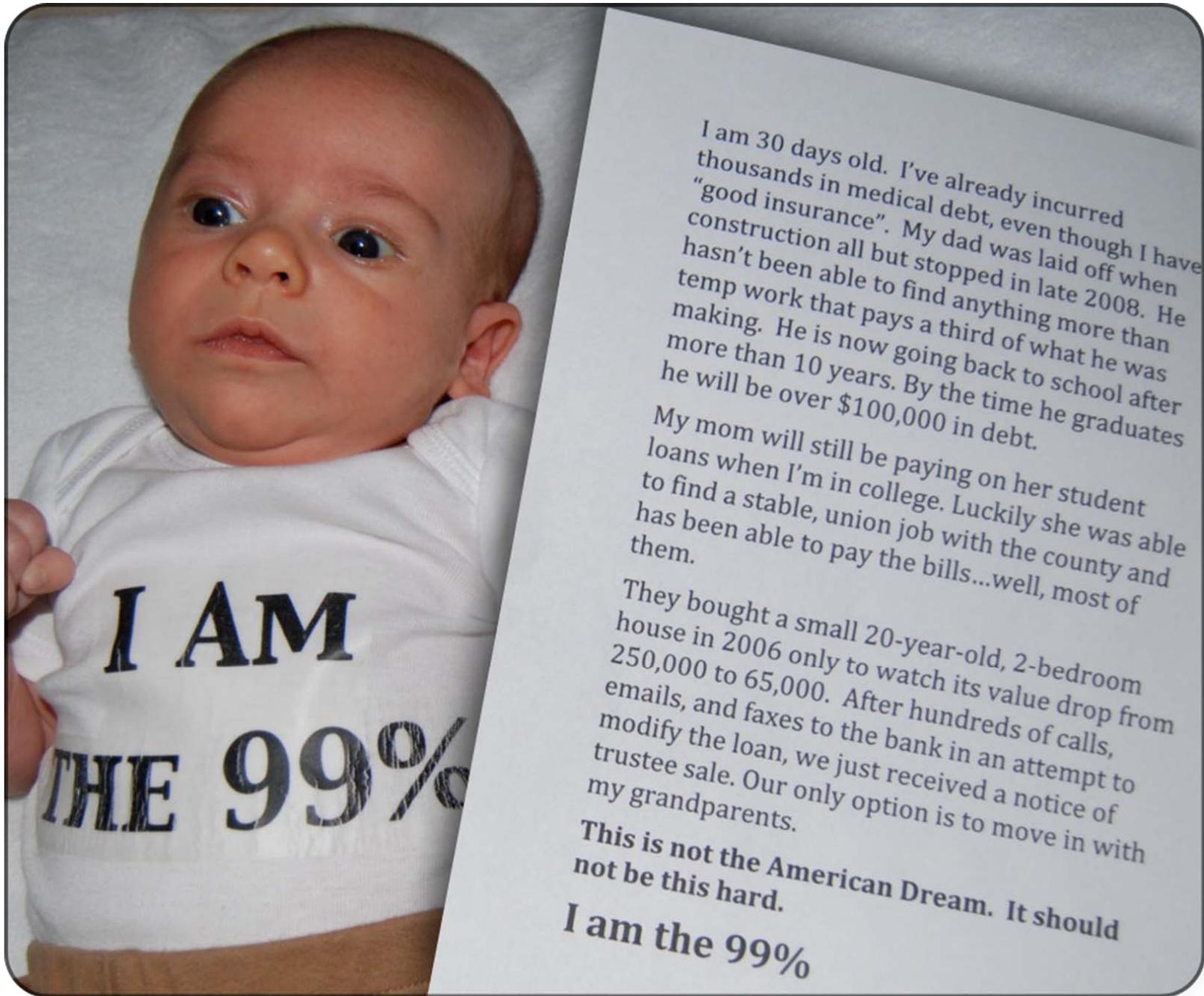
February 22, 2012



Learning Objectives

- Recount the causes and effects of the Great Recession, with emphasis on its impact on the well-being of individuals and families
- Describe how this compares with why Americans are poor in non-recessionary periods
- Begin to evaluate the Recession's effects upon your agency and community
- Use this information to consider short-term and longer-term solutions to poverty in the U.S.

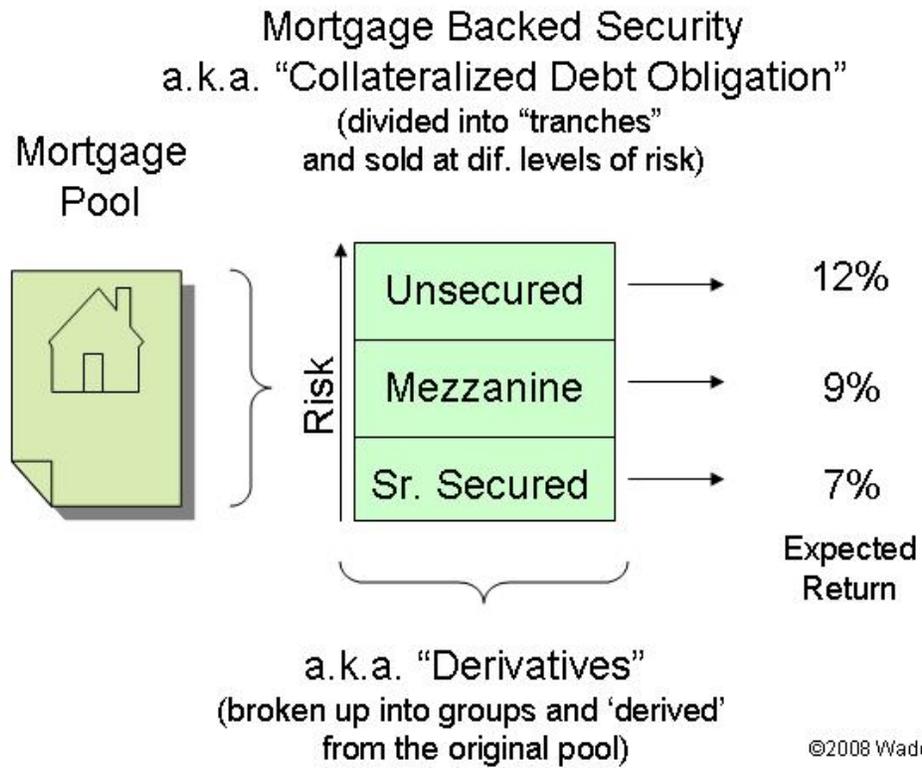








Mortgages



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Percent Change in Median Net Worth of Households, 2005-2009

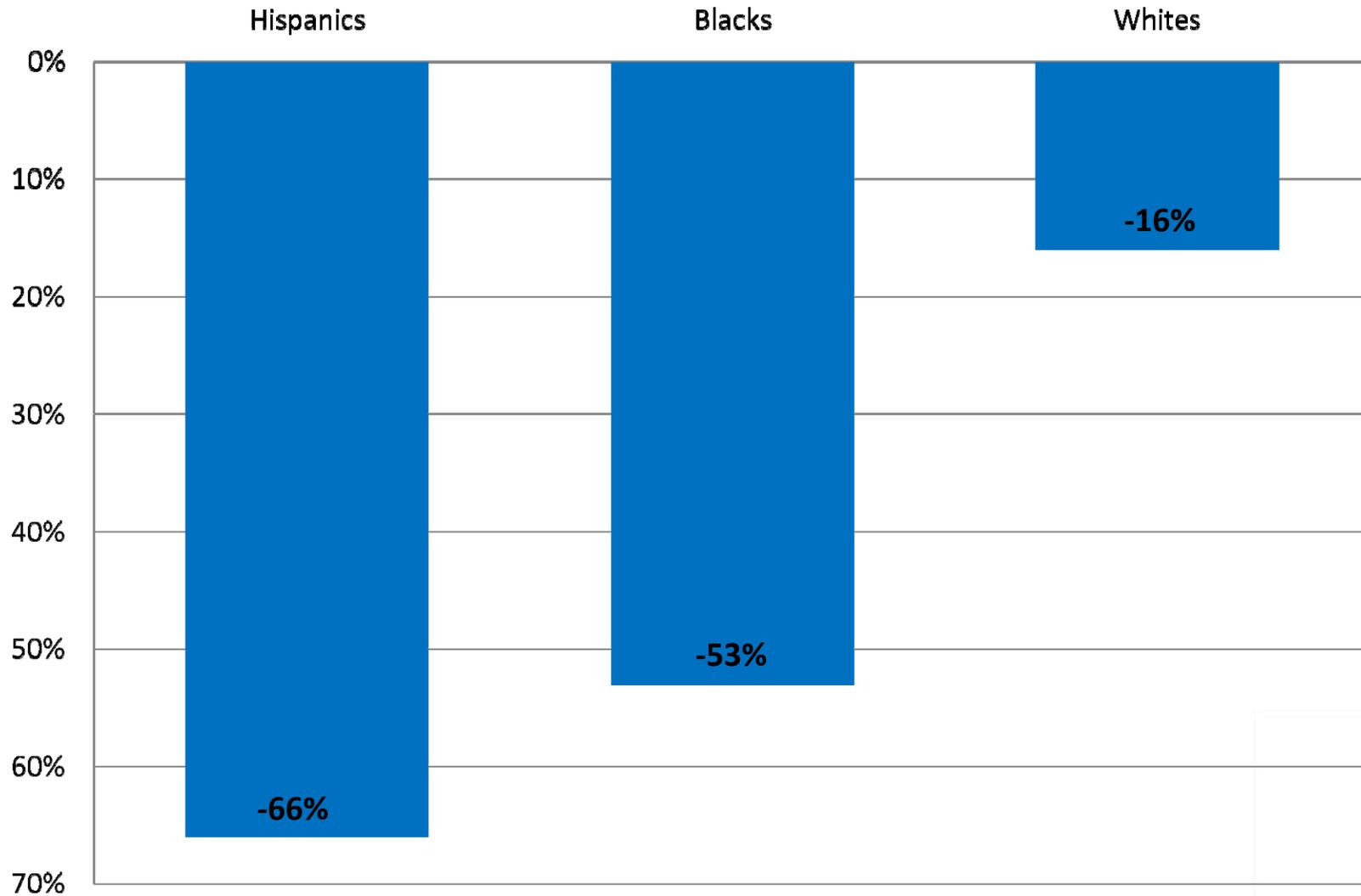
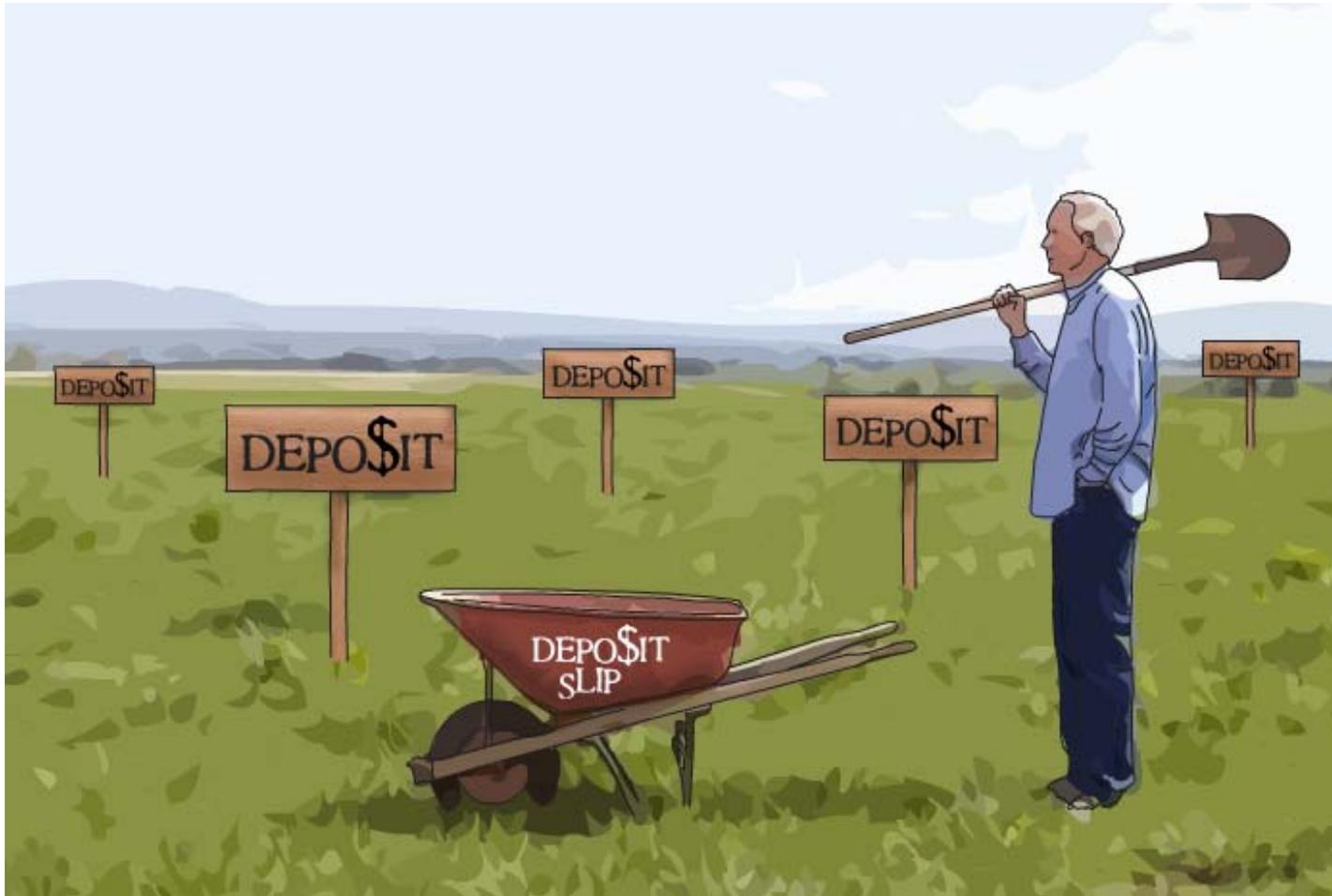




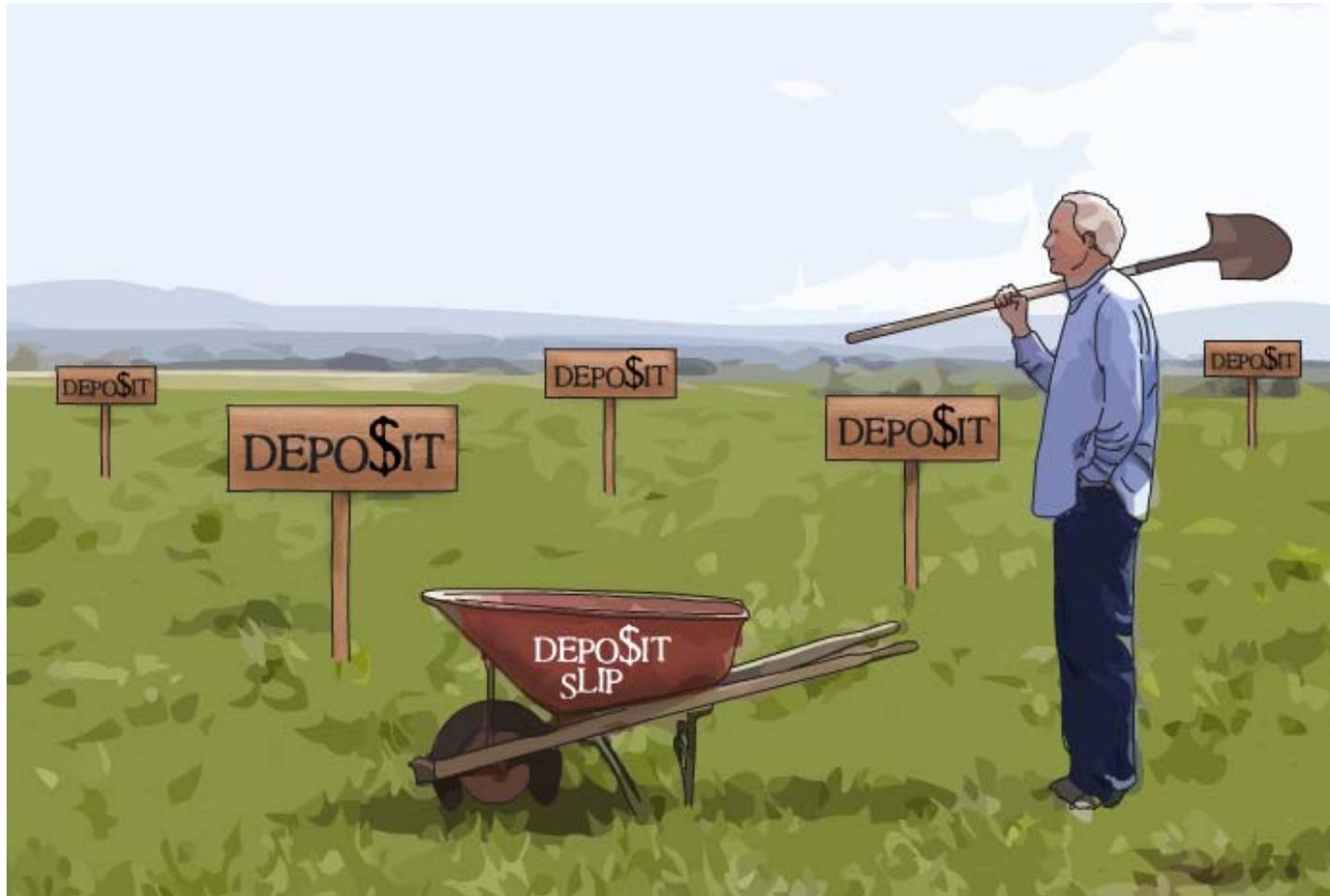


Figure 3: Dow Jones Indexes [Data adapted by Education Northwest staff]





Paradox of Thrift





The U-3 Unemployment Rate

("Official" civilian unemployment rate; based on people without jobs who have actively looked for work within the past four weeks)

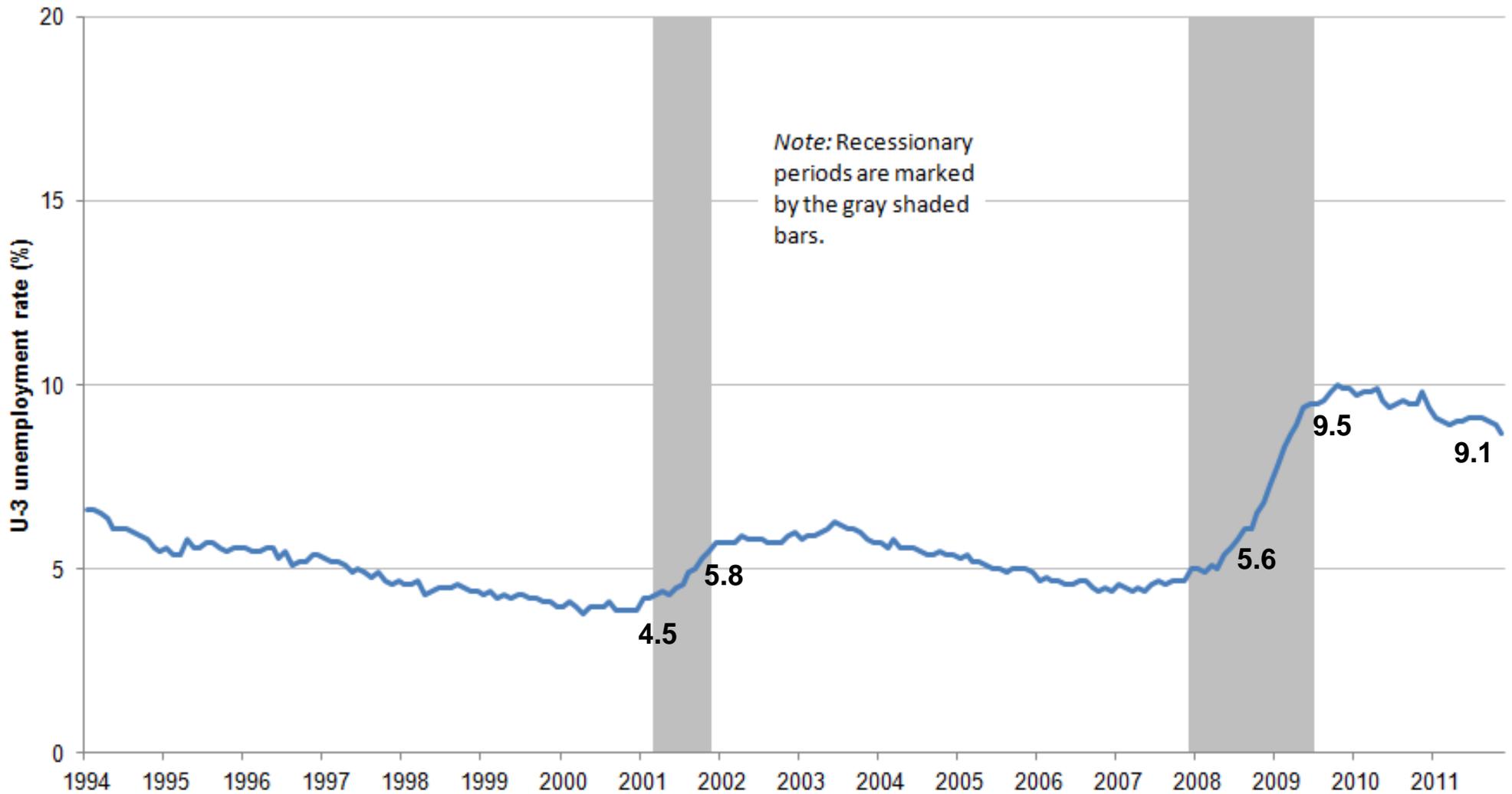


Figure 4: US Department of Labor; National Bureau of Economic Research



The U-6 Unemployment Rate

(includes people actively looking for a job, those who are discouraged and have stopped looking, and those who have settled for part-time employment)

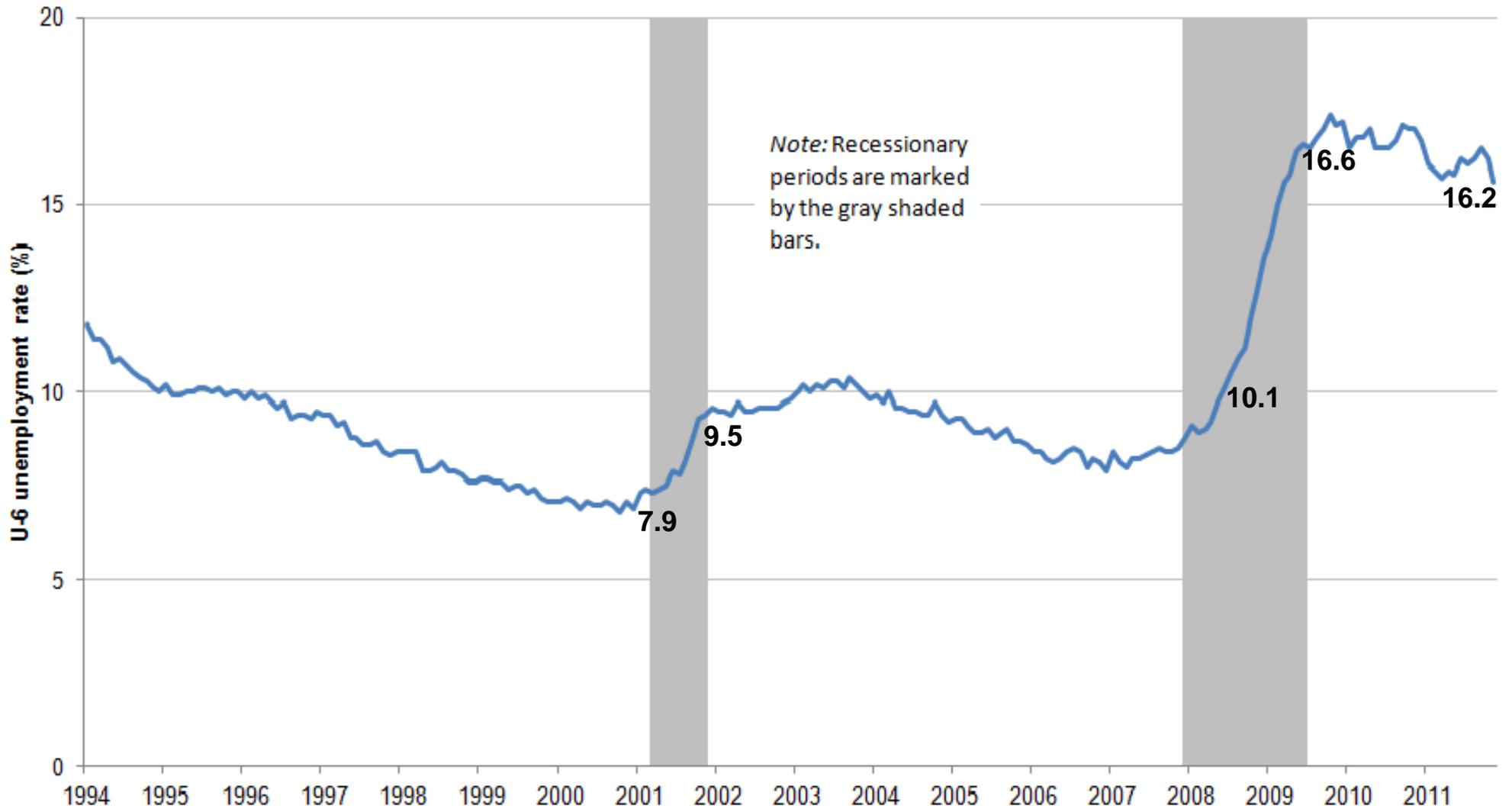
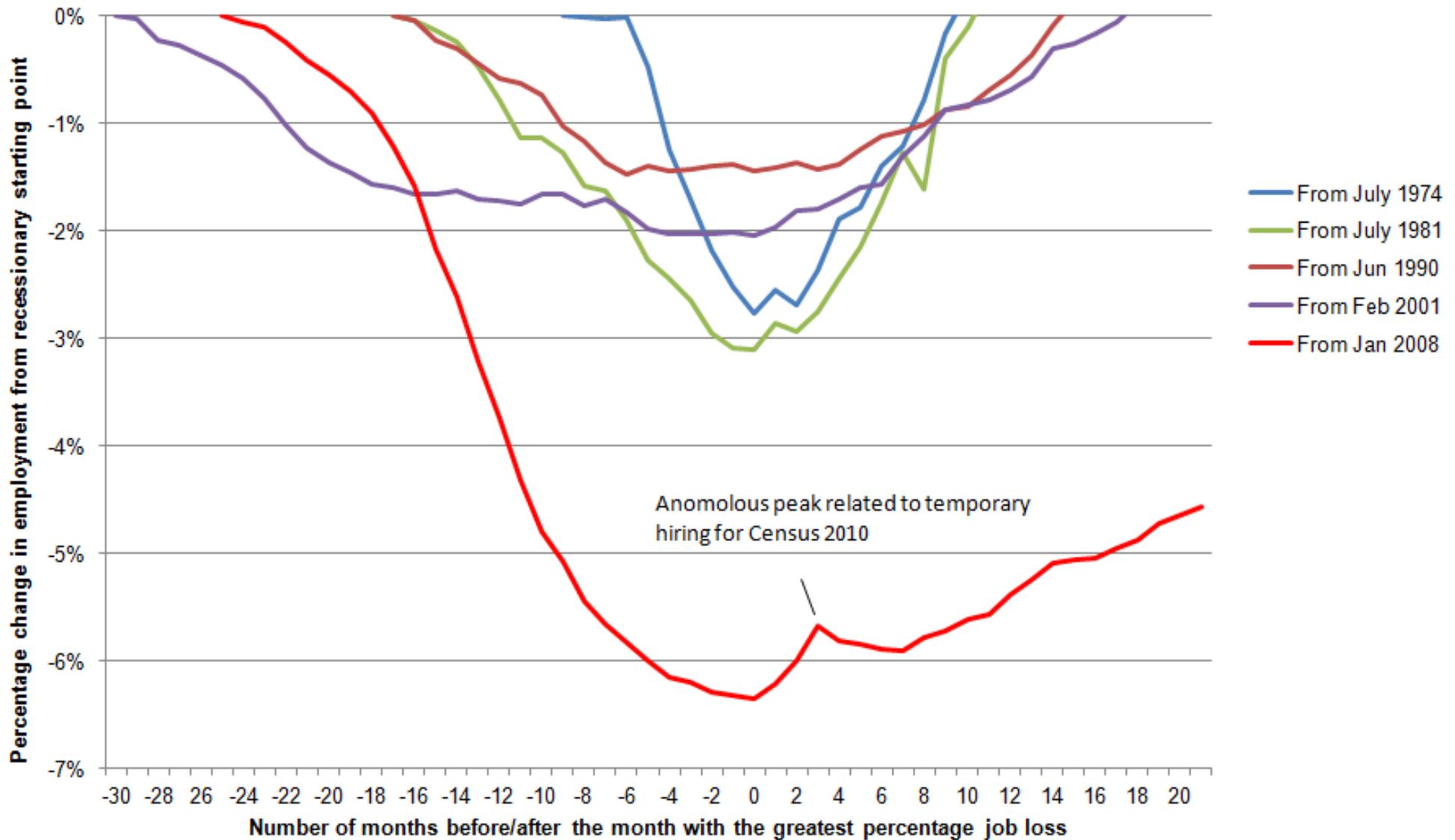


Figure 5: US Department of Labor; National Bureau of Economic Research



Percent Change in Unemployment

From Recessionary Starting Point During the Five Worst Recessions since 1970
(aligned at month of greatest unemployment loss)



Unemployment Duration (Average Number of Weeks)

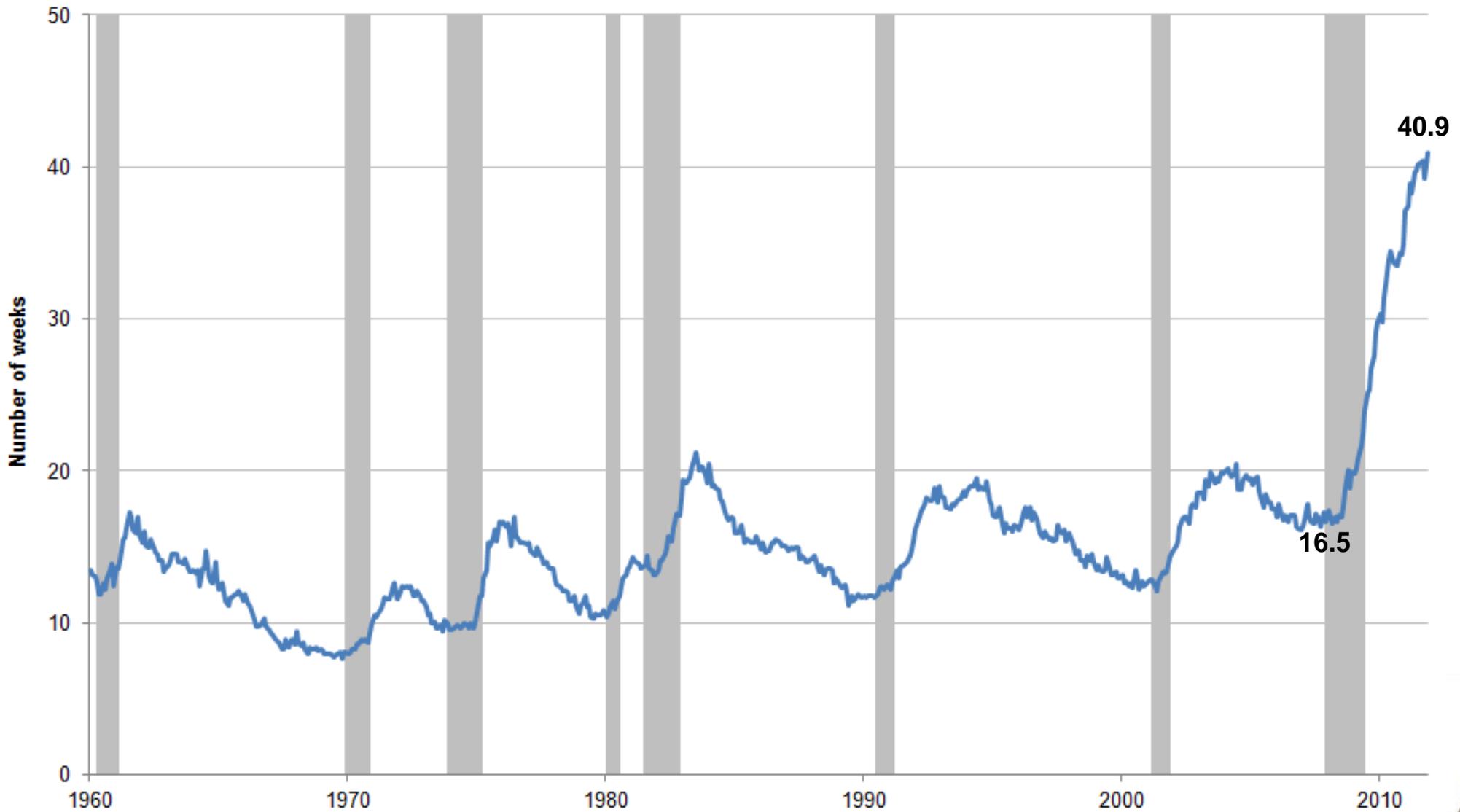
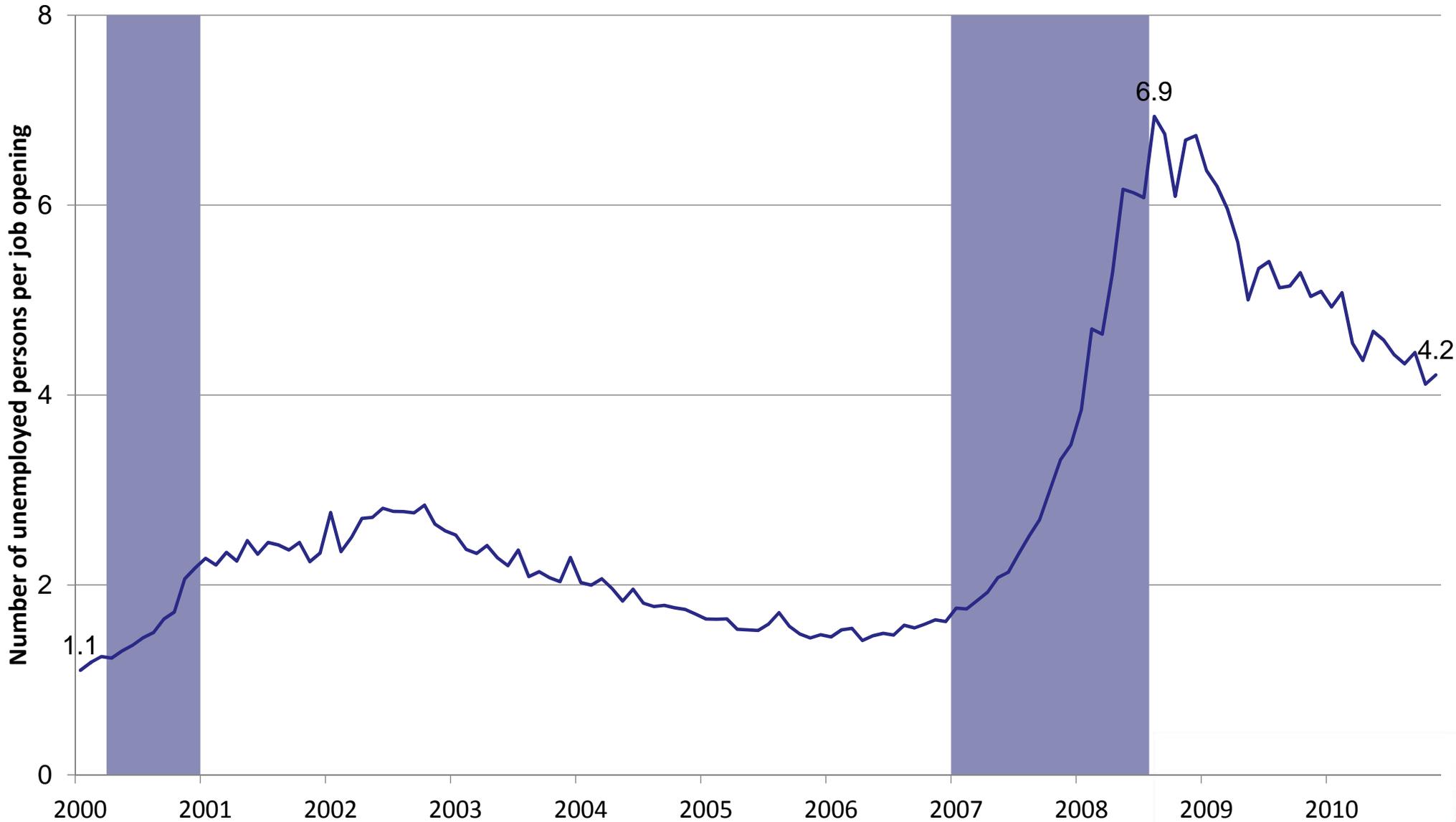


Figure 7: US Department of Labor; National Bureau of Economic Research



Number of Unemployed Persons Per Job Opening



Number Unemployed and Number of Job Openings

(monthly average from November 2010 to October 2011 for five selected industries)

■ Job Openings ■ Unemployed

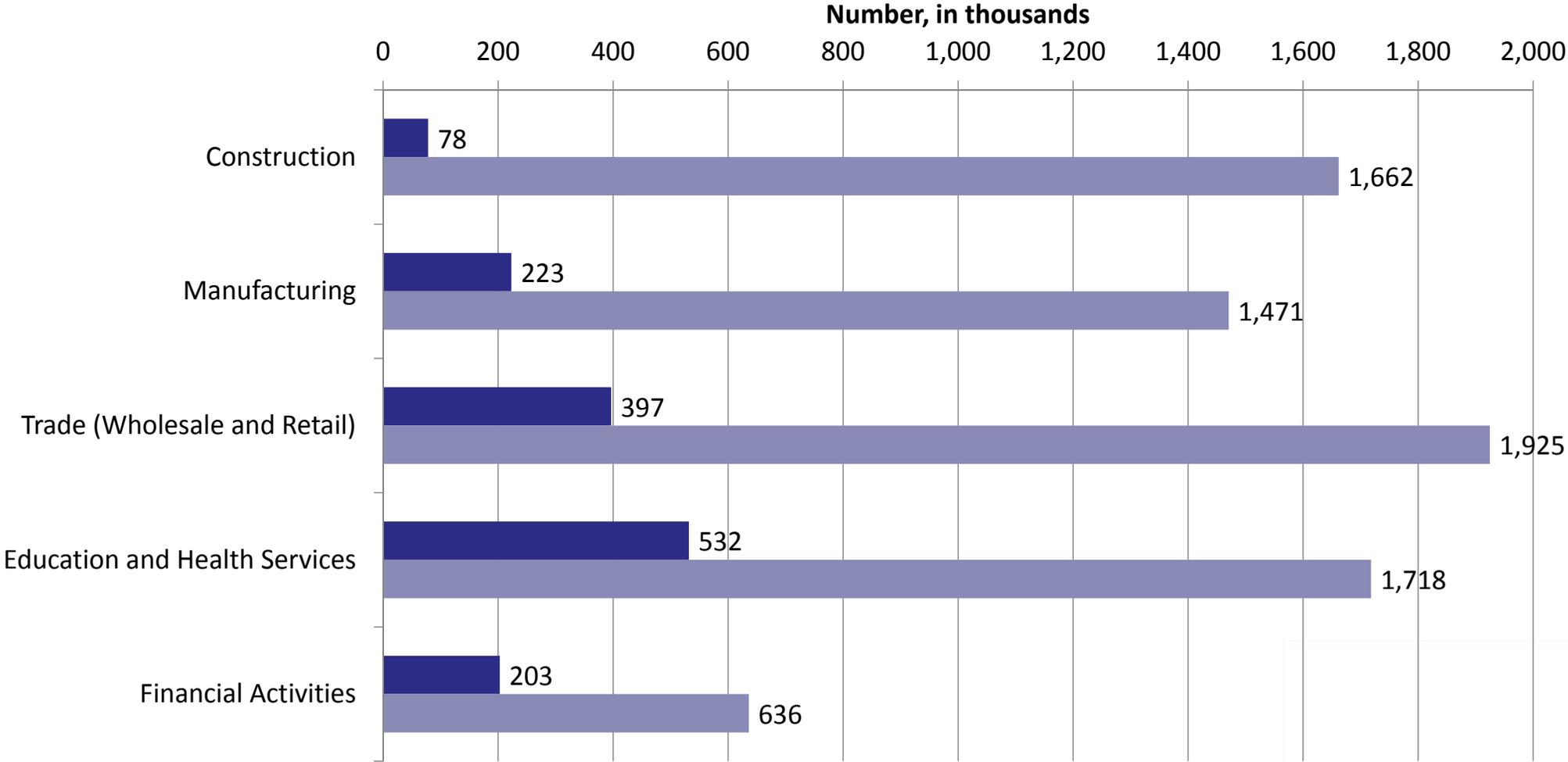
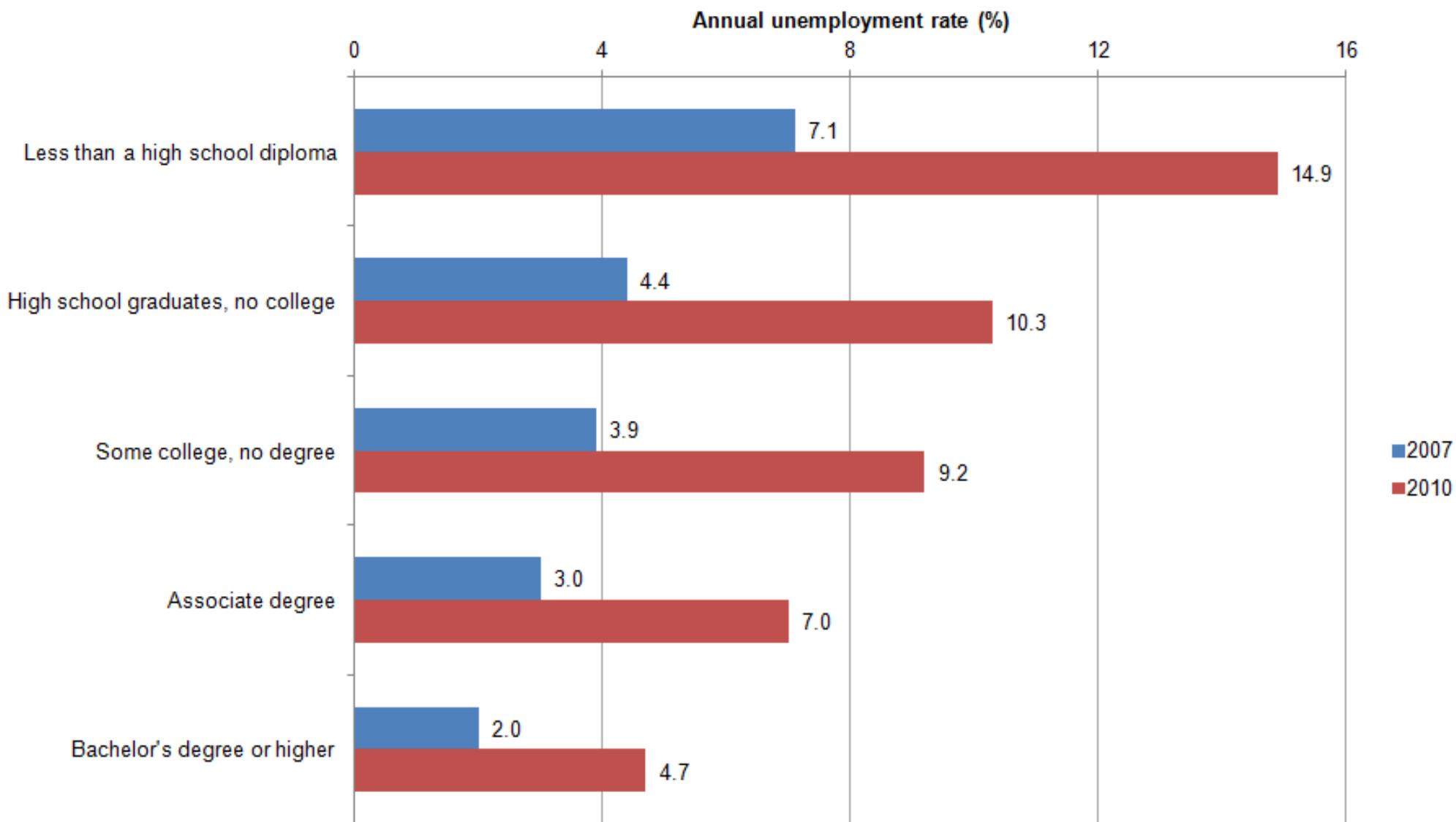
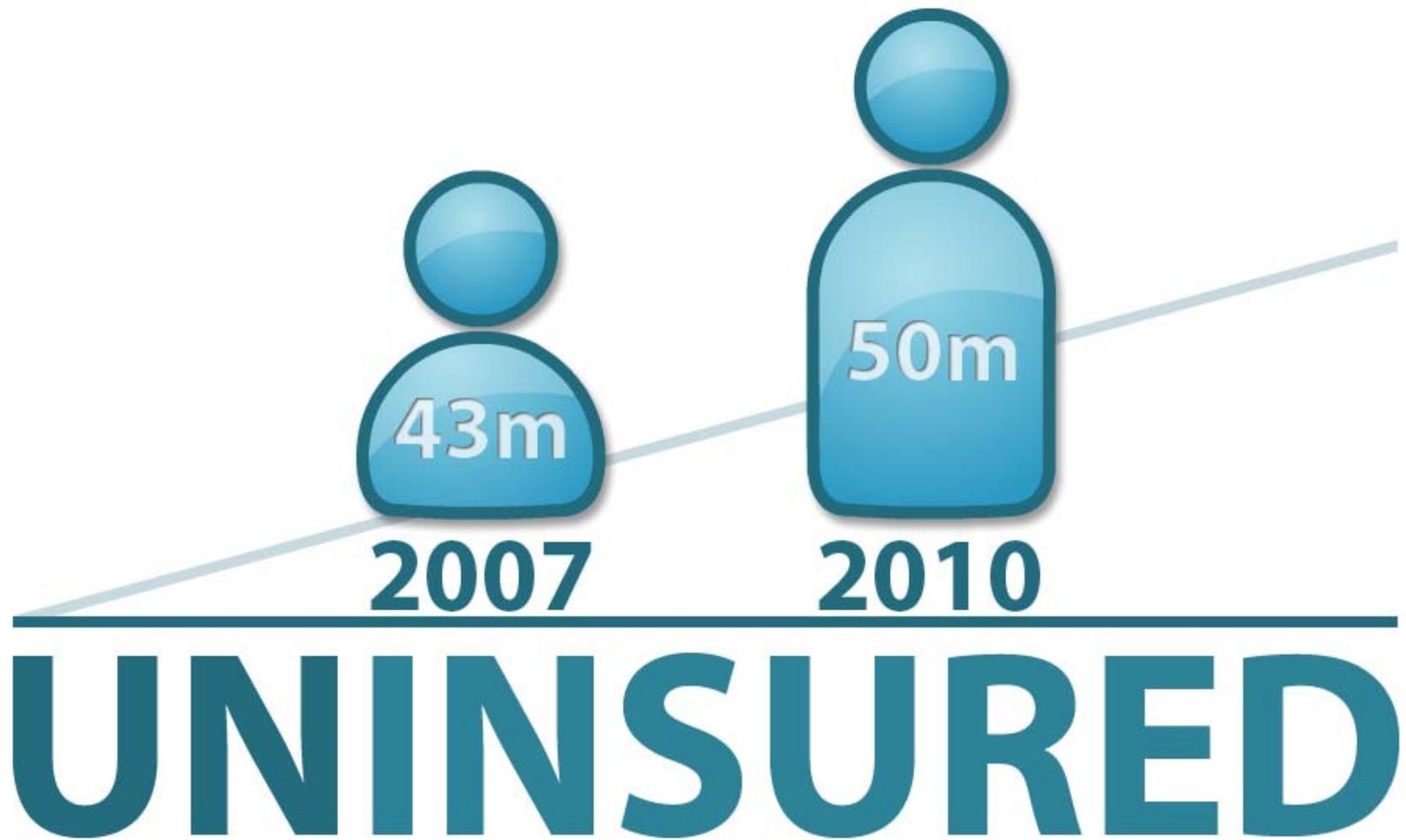


Figure 9: US Department of Labor; US Census Bureau

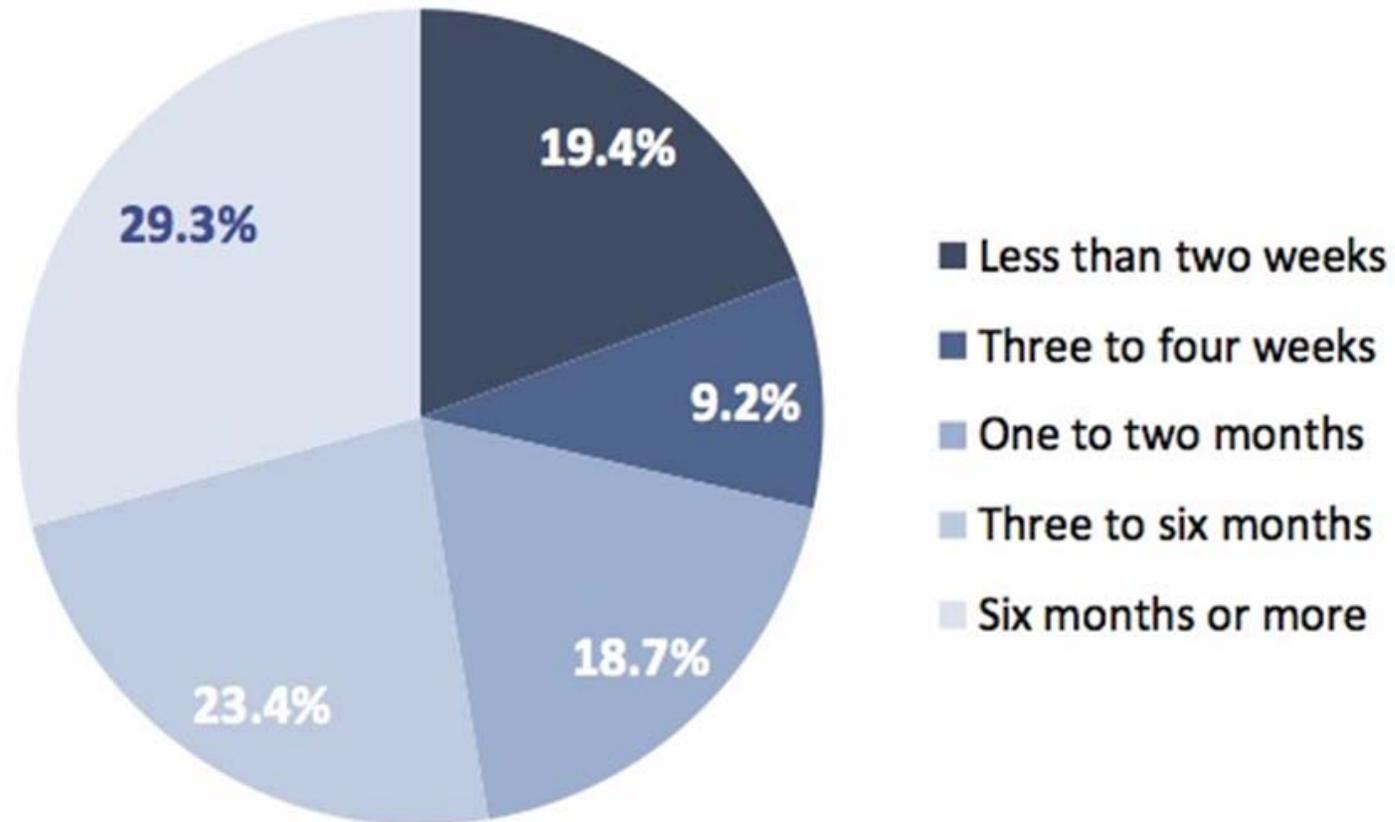


Unemployment Varies by Educational Attainment

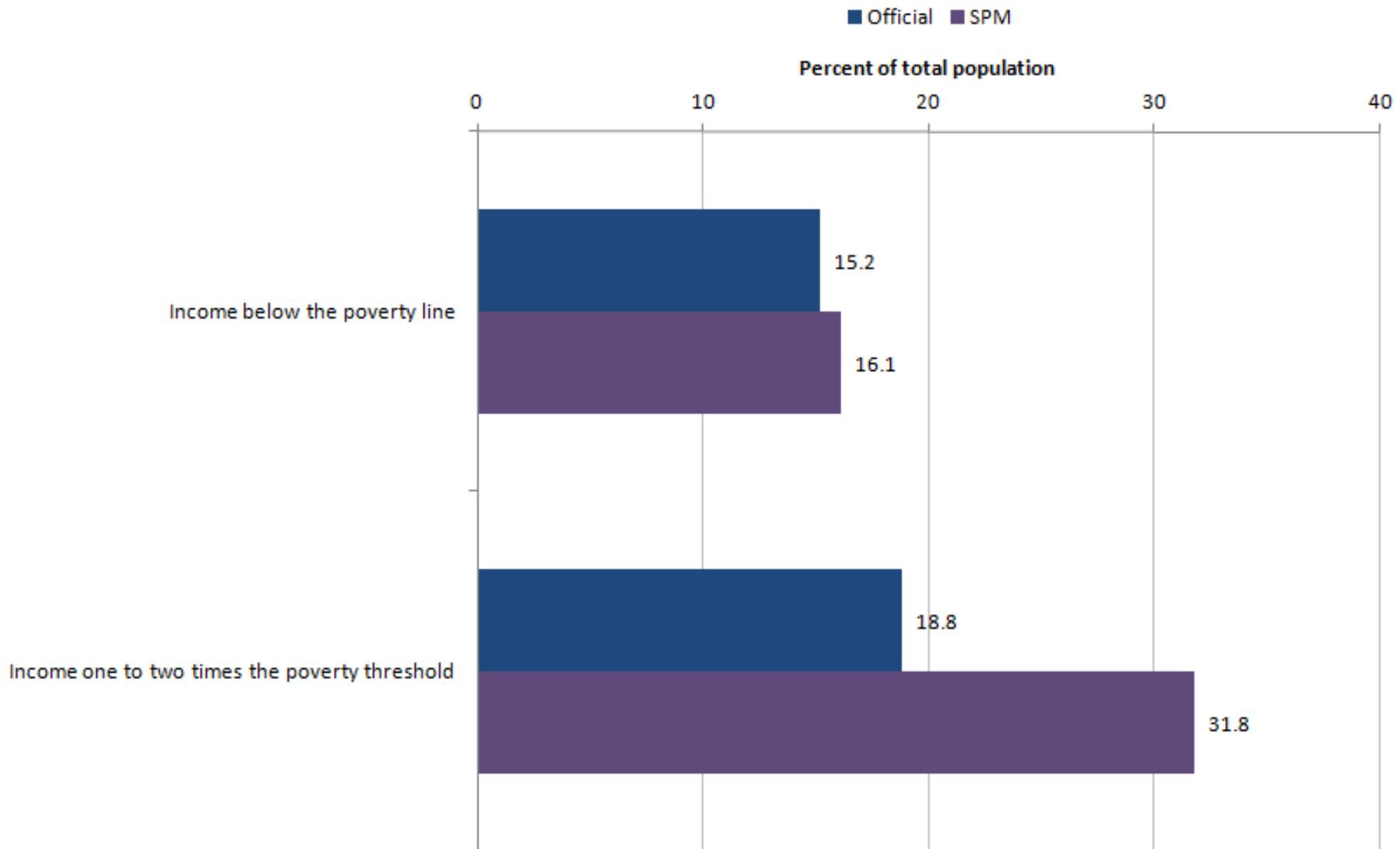




How Long Can Household Go Without Income Before Hardship Sets In?



Percentage of People by Ratio of Income/Resources to the Official and Supplemental Poverty Thresholds: 2010



Supplemental Nutrition Assistance Program Participants

October 2008-October 2011

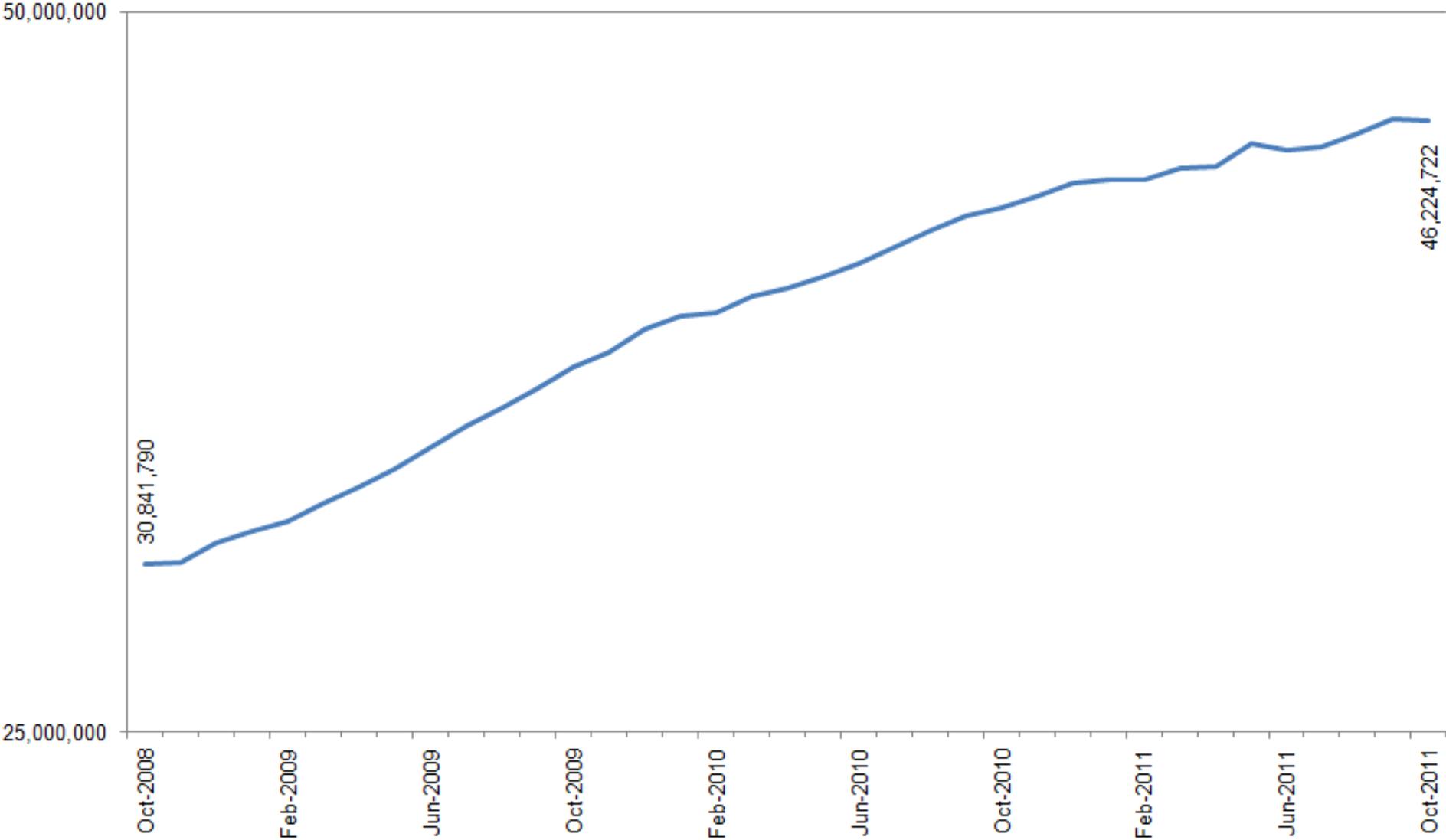
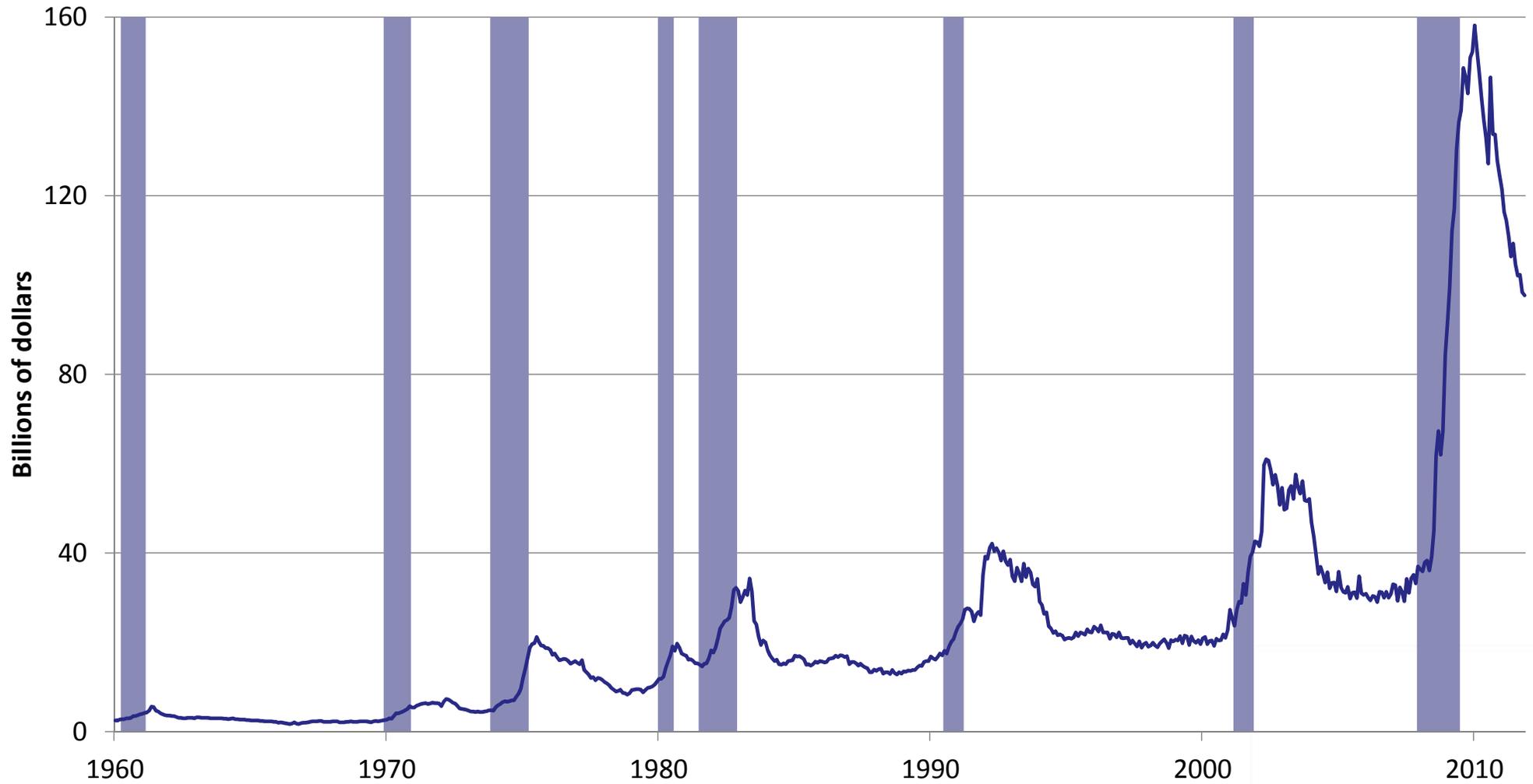


Figure 14: US Department of Agriculture

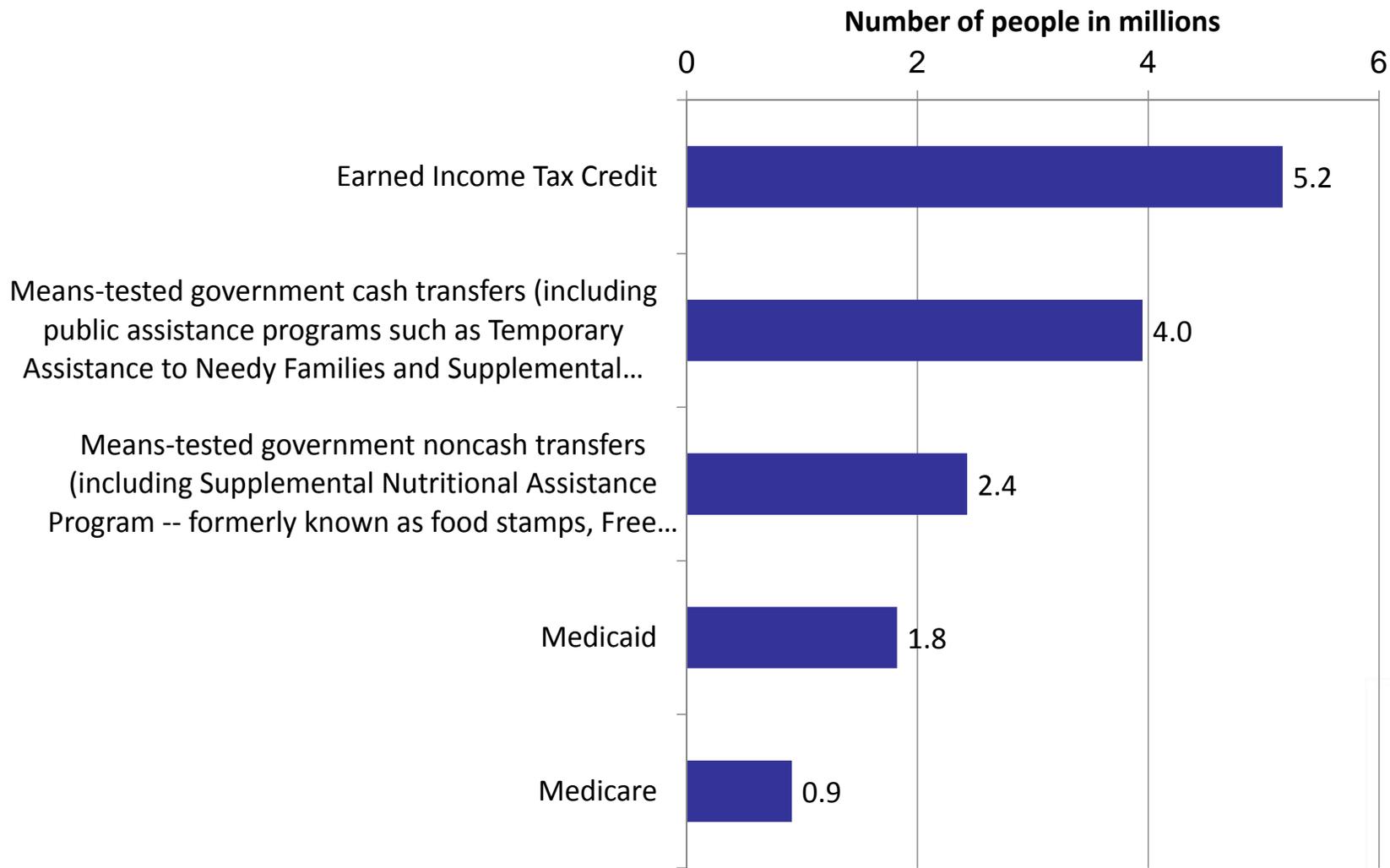


Unemployment Insurance Benefits: 1960-2011

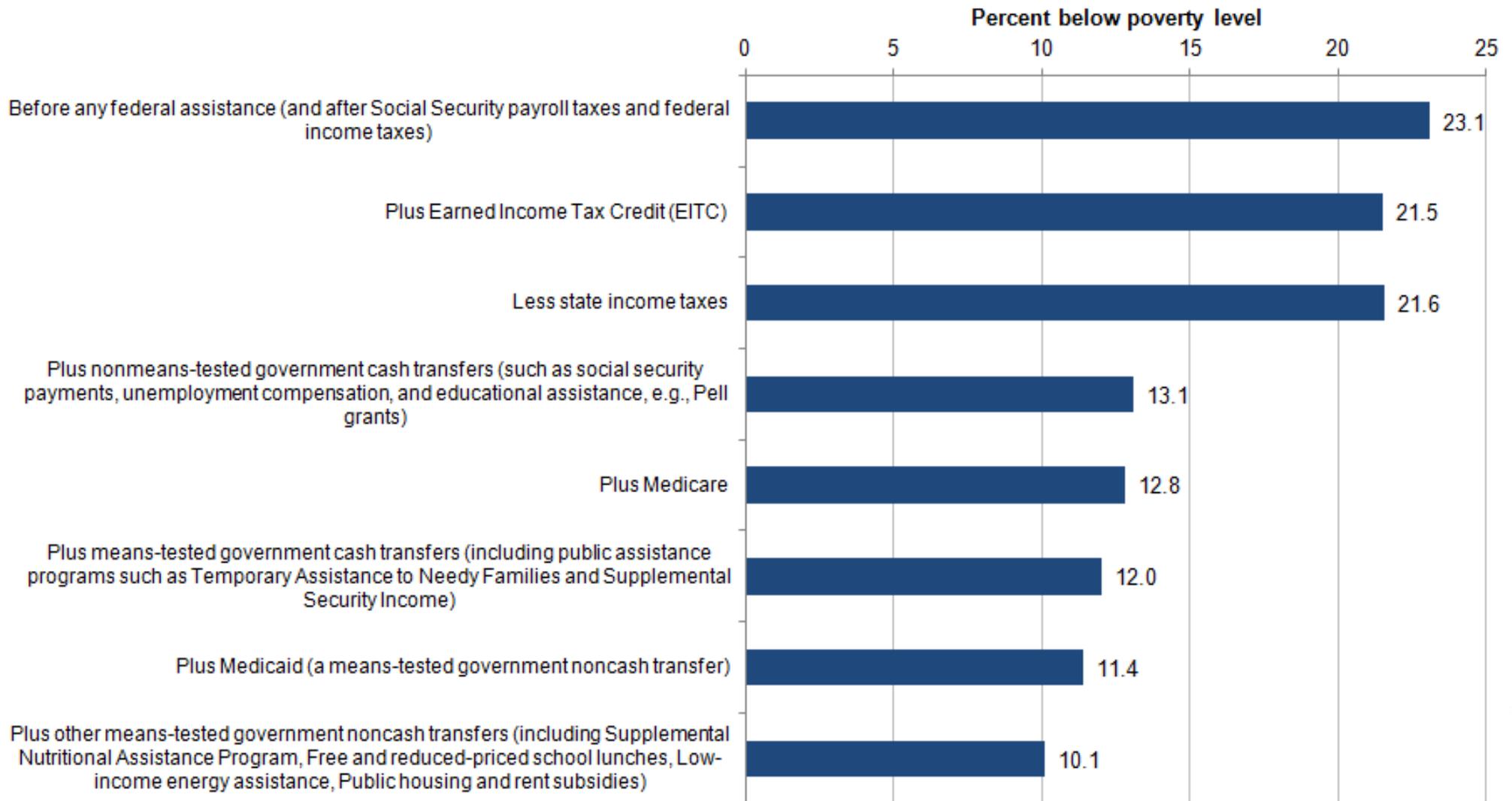
(in billions of dollars)



Number of People Kept Above the Standard Federal Poverty Line by Selected Benefits in 2009

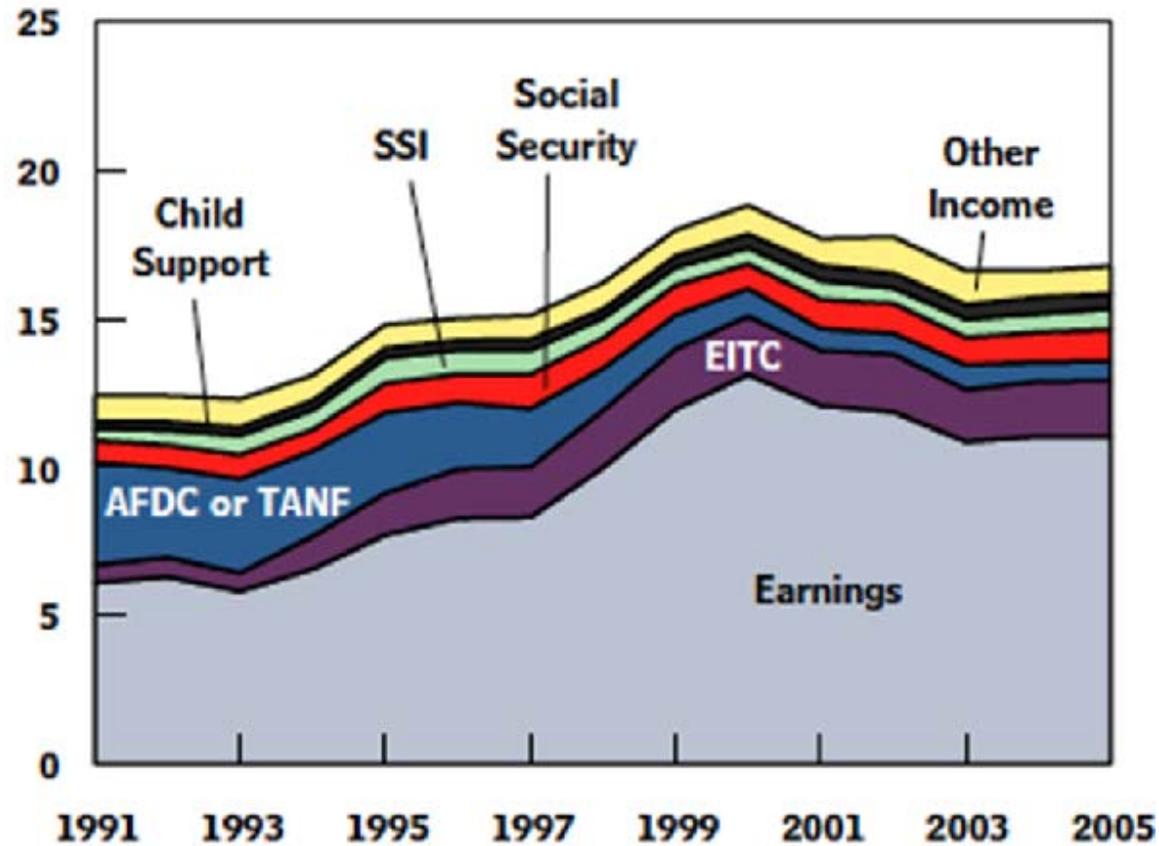


Impact of Federal Assistance on the Poverty Rate in 2009



Sources of Income for Low-Income Households with Children, Detailed

(Thousands of 2005 dollars)



Source: Congressional Budget Office based on the U.S. Census Bureau's Current Population Surveys from 1992 to 2006.

Unemployment and Poverty are Correlated

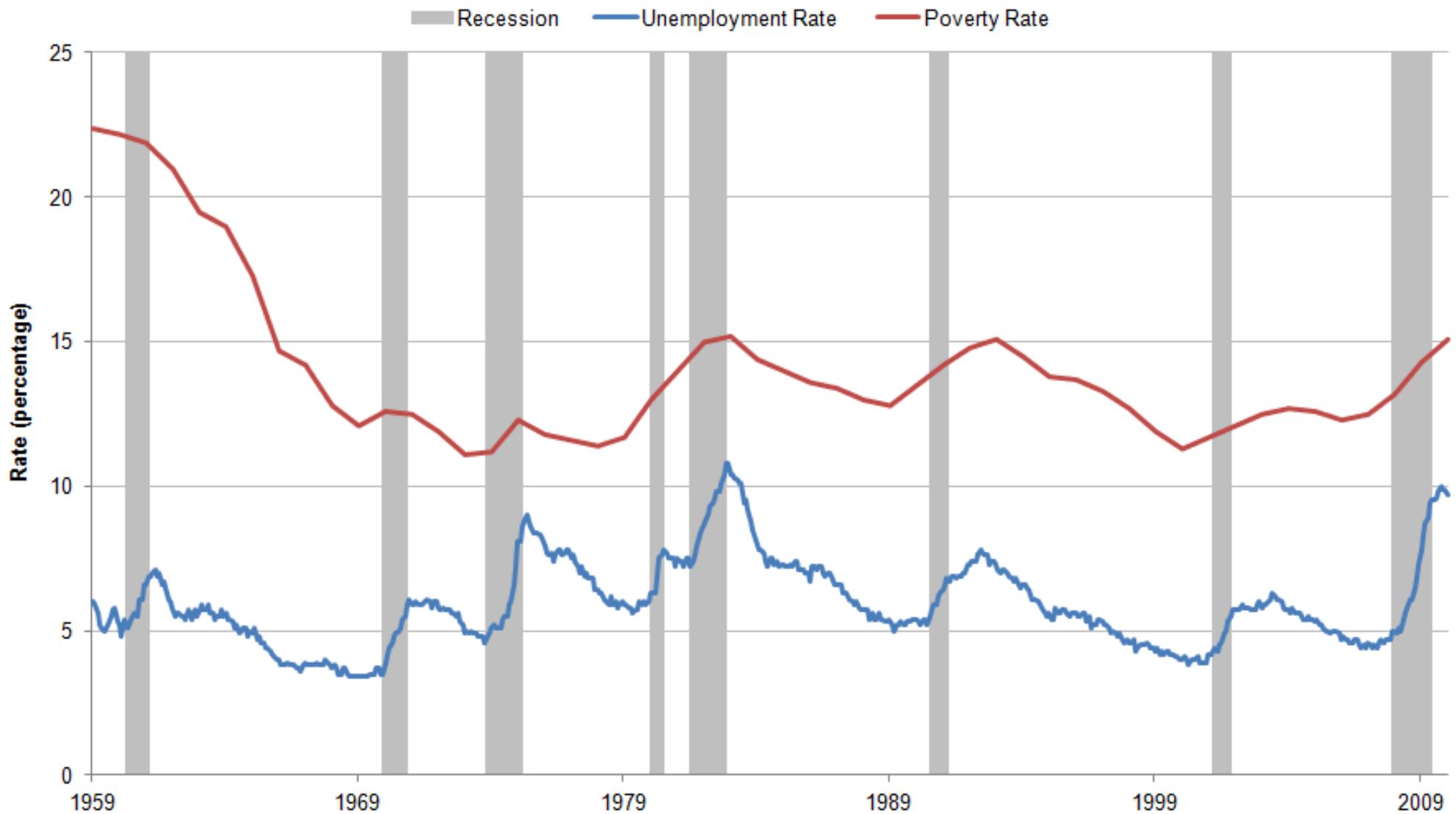
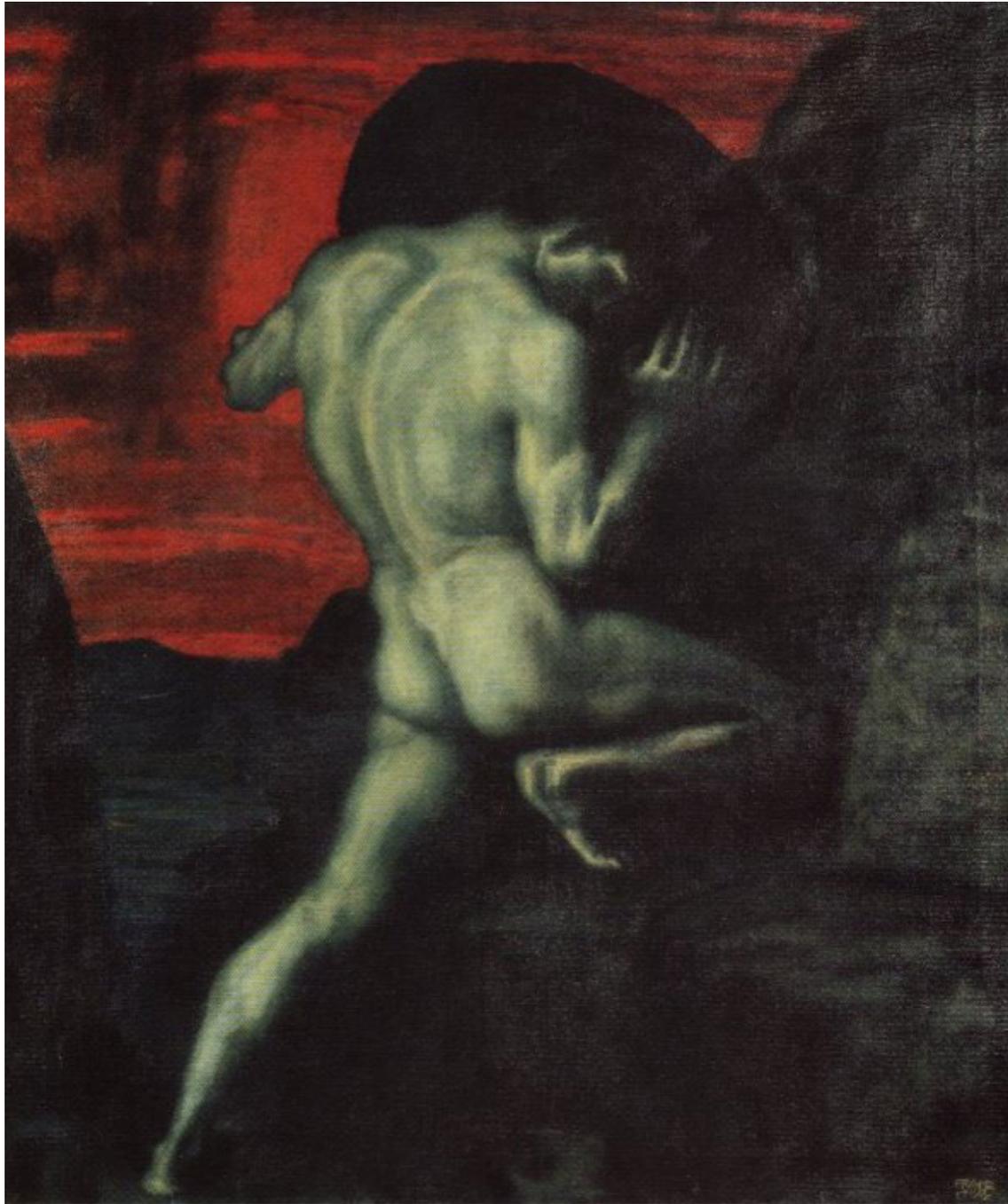


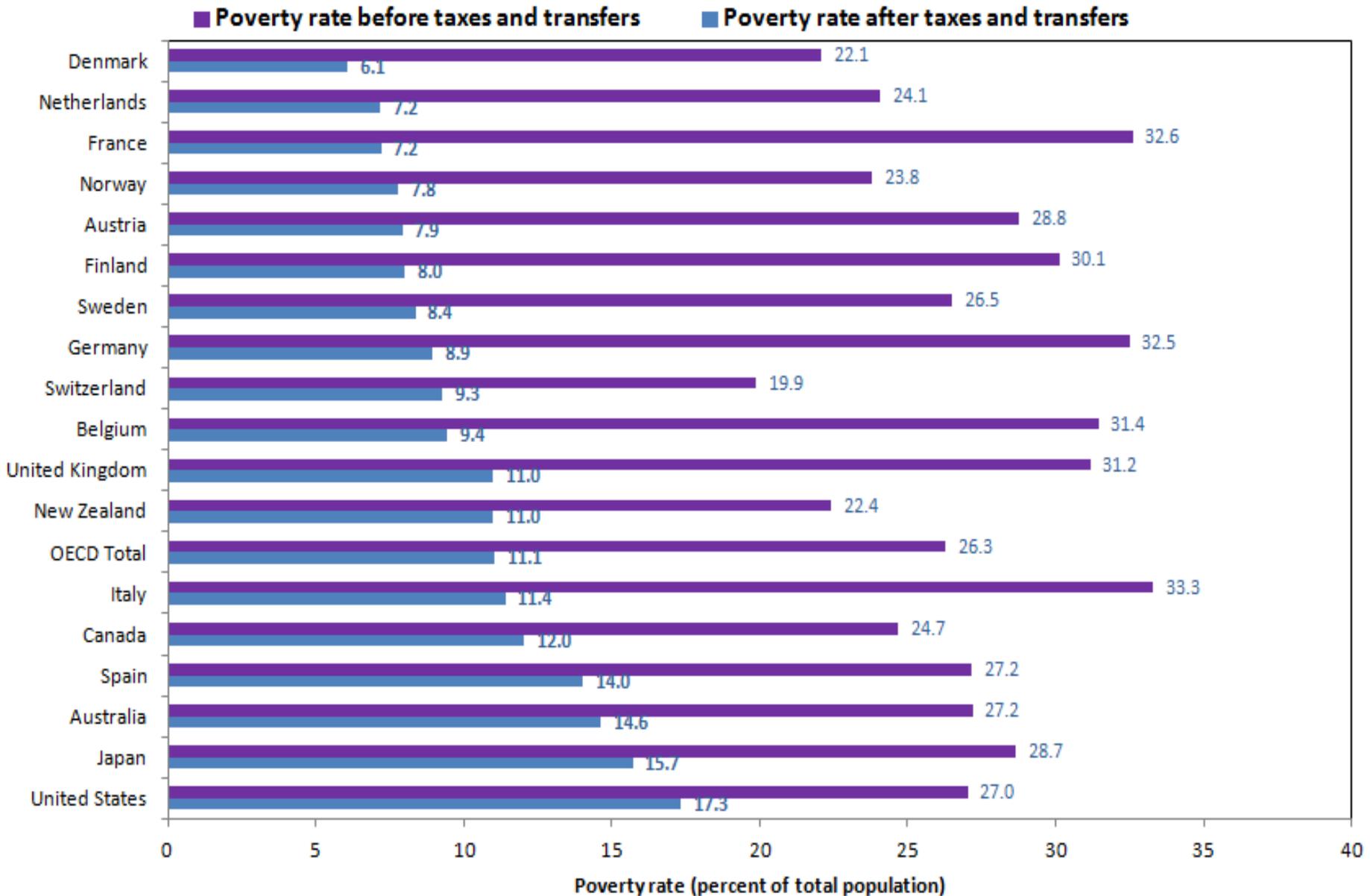
Figure 19: US Department of Labor; US Census Bureau; National Bureau of Economic Research





Most OECD Countries Drastically Reduce their Poverty Rates through Redistribution

(poverty rate defined as percent of persons with income less than half of current median income)



Selected Programs and Their Peak Benefits as of 2007

	Year of Peak Average Benefit Rates	Peak Average Benefit Rate*
Minimum Wage	1968	\$8.28/hr
Unemployment Insurance	1972	\$244/mo
Social Security	1999	\$1717/mo
Disability Insurance	1982	\$3788/yr
Aid to Dependent Children, AFDC, and TANF	1968	\$871/mo
Food Stamps	1981	\$144/mo
*In 2002 dollars		





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VISTA Forums

Welcome to VISTA Forums, the place for everyone in the VISTA community to engage in conversations, ask questions, and help others find answers.

The V Cafe

Grab a cup of java and let your mind wander free. The VISTA Café is open, so start up a conversation on any topic, and see who joins you.

[Recipes 101, Housing, and the Dollar Store](#)

Part of being a VISTA is living on a budget. Here's the place to exchange ideas on how to stretch the dollar.

[From Lost to Found: Your first 30 days and beyond](#)

Wish you knew then what you know now? Other VISTAs may appreciate any knowledge you wish to impart to them. Post questions and ideas and let fellow VISTAs respond.

[You and the Work](#)

The place to discuss the ins and outs of everything work. Volunteer and project management, building relationships in your community, and all the other fun stuff!

[Stories of V](#)

Many stories of V exist, but very few have been recorded. If you have a story of V, please add it to our collection.

[Job Board](#)

New forum! The AmeriCorps VISTA Job Board is the place to post and search for job opportunities.

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You never really stop being a VISTA. Even after your service has ended, the conversation still continues, and here is a great place to talk.

The VISTA Leaders forum has moved! Find it in the [new Leaders area on VISTA Campus](#).

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[OLINC Archive: May 06 - June 08](#)

Read-only archived discussions from www.VISTAOLINC.net.





Life as a VISTA

The Work

Connect with VISTAs

Conversations about Poverty with Dr. Stephen Pimpare

Join Stephen Pimpare, author of *A People's History of Poverty in America*, for a series of conversations about poverty in the United States. These thought-provoking webinars will look at poverty from a variety of lenses and perspectives that will enhance your service experience and effectiveness.

Dr. Stephen Pimpare has taught at NYU, Columbia University, and the City University of New York. He is the author of two books and over forty articles, essays, and reviews on American poverty and welfare. His second book, *A People's History of Poverty in America*, received the 2009 Michael Harrington Award from the American Political Science Association. He started his career working in non-profits and social services.

Webinars require pre-registration. Availability is on a first-come, first-served basis. Webinars will be recorded and posted here. At the end of the first webinar, you will have a chance to request topics related to poverty for upcoming conversations. You will sign up for each webinar individually.



Causes of Poverty: The Economic Crisis and Beyond

Wednesday, February 22nd, 2012 from 11am-12pm Pacific; 2pm-3pm Eastern

This third webinar in our series follows previous discussions around the history of poverty in the United States and contemporary data showing which Americans are currently living in poverty. We'll pay particular attention to the Great Recession, looking at its effects upon employment, household wealth, access to health care, and more. We will also examine efforts by the federal government to reduce poverty during this period, and evaluate its success. Finally, we will ask whether the causes of poverty today are different than the causes during "normal times."

Registration is now open. Click the following link to register: <http://tinyurl.com/7hsrgwl>. If you did not attend Webinar 2 in this series, **Who's Poor Today? What Every VISTA Should Know**, we ask that you view the recording before attending Webinar 3.

Who's Poor Today? What Every VISTA Should Know

Wednesday, January 11, 2012 from 11am-12pm Pacific; 2pm-3pm Eastern

In this webinar, we'll examine the most recent Census Bureau data on poverty in the U.S., paying special attention to the ways in which rates vary by age, race, gender, and geography. We'll also examine the brand-new Supplemental Poverty Measure and see how it differs, and how that affects the ways in which poverty appears to be distributed.



Thank You!

Please complete the webinar survey!



Causes of Poverty: The Economic Crisis and Beyond

Citations

Figures

Figure 1:

Brooks, W.T. (2008). *Mortgage-backed security*. Retrieved from Wikimedia Commons website: http://en.wikipedia.org/wiki/File:Mortgage_backed_security.jpg

Figure 2:

Taylor, P., Kochhar, R., Fry, R., Velasco, G., & Motel, S. (2011). Percent change in median net worth of households, 2005 to 2009. In *Twenty-to-one: Wealth gaps rise to record highs between Whites, Blacks and Hispanics* (p. 2). Retrieved from Pew Research Center, Social & Demographic Trends website: http://www.pewsocialtrends.org/files/2011/07/SDT-Wealth-Report_7-26-11_FINAL.pdf
[Table adapted by Education Northwest staff.]

Figure 3:

Dow Jones Indexes. Dow Jones Industrial Average performance: Index price history, October 9, 2007–March 5, 2009. Retrieved from <http://www.djaverages.com/>
[Data adapted by Education Northwest staff.]

Figure 4:

U.S. Department of Commerce, Bureau of Economic Analysis. Civilian unemployment rate, as reported by the U.S. Federal Reserve, St. Louis Region. Retrieved from <http://research.stlouisfed.org/fred2/series/UNRATE?cid=12>
Recessionary period data from National Bureau of Economic Research. Retrieved from <http://www.nber.org/cycles/cyclesmain.html>
[Table created by Education Northwest staff.]

Figure 5:

U.S. Department of Labor, Bureau of Labor Statistics. Total unemployed, plus all marginally attached workers plus total employed part time for economic reasons (U6RATE), as reported by the U.S. Federal Reserve, St. Louis Region. Retrieved from <http://research.stlouisfed.org/fred2/series/U6RATE>
Recessionary period data from National Bureau of Economic Research. Retrieved from <http://www.nber.org/cycles/cyclesmain.html>
[Table created by Education Northwest staff.]

Figure 6:

Education Northwest staff analysis based on U.S. Bureau of Labor Statistics. Current Employment Statistics Survey (National): All employees, total nonfarm, seasonally adjusted. Retrieved, using

the One-screen data search option, from <http://www.bls.gov/ces/#data>
[Table created by Education Northwest staff.]

Figure 7:

U.S. Department of Labor, Bureau of Labor Statistics. Average (Mean) duration of unemployment (UEMPMEAN), as reported by the U.S. Federal Reserve, St. Louis Region. Retrieved from <http://research.stlouisfed.org/fred2/series/UEMPMEAN/downloaddata?cid=12>
Recession data from National Bureau of Economic Research. Retrieved from <http://www.nber.org/cycles/cyclesmain.html>
[Table created by Education Northwest staff.]

Figure 8:

Education Northwest staff analysis based on

- 1) U.S. Bureau of Labor Statistics. Job Openings and Labor Turnover Survey (National, seasonally adjusted data). Retrieved, using the One-screen data search option, from <http://www.bls.gov/jlt/data.htm>
 - 2) U.S. Bureau of Labor Statistics. Labor force statistics from the Current Population Survey: Unemployment level (National, seasonally adjusted data). Retrieved, using the One-screen data search option, from <http://www.bls.gov/data/#unemployment>
 - 3) Recessionary data from National Bureau of Economic Research. Retrieved from <http://www.nber.org/cycles/cyclesmain.html>
- [Table created by Education Northwest staff.]

Figure 9:

Education Northwest staff analysis based on

- 1) U.S. Bureau of Labor Statistics. Job Openings and Labor Turnover Survey (National data). Retrieved, using the One-screen data search option, from <http://www.bls.gov/jlt/data.htm>
 - 2) U.S. Census Bureau. Current Population Survey (Basic). Retrieved, using DataFerrett application, from <http://dataferrett.census.gov/run.html>
Selected variables are from the CPS Basic for the months from November 2010 to October 2011, PRIMIND1: Indus. & Occ.-(main job) detailed industry, and PEMLR: Labor force-employment status.
- [Table created by Education Northwest staff.]

Figure 10:

U.S. Department of Labor, Bureau of Labor Statistics. Labor force statistics from the Current Population Survey, employment status of the civilian noninstitutional population 25 years and over by educational attainment, sex, race, and Hispanic or Latino ethnicity: 2007 and 2010. Retrieved from http://www.bls.gov/cps/cps_aa2007.htm and <http://www.bls.gov/cps/tables.htm>
[Table created by Education Northwest staff.]

Figure 11:

DeNavas-Walt, C., Proctor, B.D., & Smith J.C. (2011). *Income, poverty, and health insurance coverage in the United States: 2010* (Consumer Population Report No. P60-239). Retrieved from U.S. Census Bureau website: <http://www.census.gov/prod/2011pubs/p60-239.pdf>

Data source is U.S. Census Bureau. Current Population Survey, 1988 to 2011, annual social and economic supplements.

[Data adapted by Education Northwest staff.]

Figure 12:

Hacker, J.S., Rehm, P., & Schlesinger, M. (2010). *Standing on shaky ground: Americans' experiences with economic insecurity* (pg. 16). Retrieved from Economic Security Index website:

http://www.economicsecurityindex.org/upload/media/ESI%20report%20final_12%2013.pdf

Figure 13:

Short, K. (2011). *The research supplemental poverty measure: 2010* (Current Population Report No. P60-241, pg. 10, table 4). Retrieved from U.S. Census Bureau website:

<http://www.census.gov/prod/2011pubs/p60-241.pdf>

[Table created by Education Northwest staff.]

Figure 14:

U.S. Department of Agriculture. Supplemental Nutrition Assistance Program participants, October 2008–October 2011 data as of January 5, 2012. Retrieved from

<http://www.fns.usda.gov/pd/34SNAPmonthly.htm>

[Table created by Education Northwest staff.]

Figure 15:

U.S. Department of Commerce, Bureau of Economic Analysis. Government social benefits to persons: Unemployment insurance (Series W825RC1), as reported by the U.S. Federal Reserve, St. Louis Region. Retrieved from <http://research.stlouisfed.org/fred2/series/W825RC1>

Recession data from National Bureau of Economic Research. Retrieved from

<http://www.nber.org/cycles/cyclesmain.html>

[Table created by Education Northwest staff.]

Figure 16:

Education Northwest staff analysis based on U.S. Census Bureau. Current Population Survey: Annual social and economic supplement: 2009 (Table 2). Percent of persons in poverty by definition of income and selected characteristics: 2009. Retrieved from

http://www.census.gov/hhes/www/cpstables/032010/rdcall/2_001.htm

Reference to definitions retrieved from

http://www.census.gov/hhes/www/cpstc/apm/howto_apm.html and

<http://www.census.gov/hhes/www/income/data/historical/measures/redefs.html>

[Table created by Education Northwest staff.]

Figure 17:

Education Northwest staff analysis based on U.S. Census Bureau. Current Population Survey: Annual social and economic supplement: 2009 (Table 2). Percent of persons in poverty by definition of income and selected characteristics: 2009. Retrieved from

http://www.census.gov/hhes/www/cpstables/032010/rdcall/2_001.htm

Reference to definitions at http://www.census.gov/hhes/www/cpstc/apm/howto_apm.html

and <http://www.census.gov/hhes/www/income/data/historical/measures/redefs.html>
[Table created by Education Northwest staff.]

Figure 18:

Congress of the United States, Congressional Budget Office. (2007). *Changes in the economic resources of low-income households with children* (pg. 2). Retrieved from
<http://www.cbo.gov/sites/default/files/cbofiles/ftpdocs/81xx/doc8113/05-16-low-income.pdf>

Figure 19:

U.S. Department of Labor, Bureau of Labor Statistics. Unemployment Rate (UNRATE), as reported by the U.S. Federal Reserve, St. Louis Region. Retrieved from
<http://research.stlouisfed.org/fred2/series/UNRATE/downloaddata?cid=12>
U.S. Census Bureau. Historical poverty tables. Table 2: Poverty status of people by family relationship, race, and Hispanic origin: 1959 to 2010. Retrieved from
<http://www.census.gov/hhes/www/poverty/data/historical/hstpov2.xls>
Recession data from National Bureau of Economic Research. Retrieved from
<http://www.nber.org/cycles/cyclesmain.html>
[Table created by Education Northwest staff.]

Figure 20:

Organization for Economic Cooperation and Development. OECD.StatExtracts: Income distribution—poverty. Retrieved from <http://stats.oecd.org/Index.aspx?DataSetCode=POVERTY>
[Table created by Education Northwest staff.]

Figure 21:

Mettler, S., & Milstein, A. (2007). American political development from citizens' perspective: Tracking federal government's presence in individual lives over time. *Studies in American Political Development*, 21(1), 110–130.
[Table created by Education Northwest staff.]

Images

Image 1:

We Are The 99 Percent. (2011). *I am the 99 percent*. Retrieved from
<http://wearethe99percent.tumblr.com/post/12467366031/occupywallst-org-occupytogether-org>

Image 2:

Turner, J. (2008). *Sign of the times: Foreclosure*. Retrieved from Wikimedia Commons website:
http://commons.wikimedia.org/wiki/File:Sign_of_the_Times-Foreclosure.jpg

Image 3:

Visual Photos. "Senior man using wheelbarrow and shovel" (Image No. JUF08046 [149]). Retrieved from http://www.visualphotos.com/image/2x3538761/senior_man_using_wheelbarrow_and_shovel
[Image altered, with permission, by Education Northwest staff.]

Image 4:

Stuck, F. (1920). *Sisyphus*. Retrieved from Wikimedia Commons website:
http://commons.wikimedia.org/wiki/File:Sisyphus_by_von_Stuck.jpg

Causes of Poverty: The Economic Crisis and Beyond

Recommended Reading & Resources

The Great Recession: Causes

Frontline. (2009). Inside the Meltdown (February 17). View at <http://video.pbs.org/video/1082087546>

This American Life (2008). The giant pool of money (May 9). Listen at <http://www.thisamericanlife.org/radioarchives/episode/355/the-giant-pool-of-money>

The Great Recession: Consequences

Chapter 1, The Consequences of the Great Recession (https://www.russellsage.org/sites/all/files/Grusky_chap1.pdf) and Tables and Figures (https://www.russellsage.org/sites/all/files/Grusky_Tables_Figures.pdf) from DAVID B. GRUSKY, BRUCE WESTERN, and CHRISTOPHER WIMER, Eds. The Great Recession. Russell Sage Foundation. 2011.

The Economic Security Index: <http://economicsecurityindex.org/>

Economic Policy Institute. n.d. The State of Working America: The Great Recession. Charts and data available at <http://stateofworkingamerica.org/great-recession/>

Center on Budget and Policy Priorities. updated February 8, 2012. Chart Book: The Legacy of the Great Recession. available at <http://www.cbpp.org/cms/index.cfm?fa=view&id=3252>

Fighting Poverty in a Bad Economy, Americans Move in with Relatives by Rakesh Kochhar at <http://www.pewsocialtrends.org/2011/10/03/fighting-poverty-in-a-bad-economy-americans-move-in-with-relatives/>

The State of Communities of Color in the U.S. Economy at http://www.americanprogress.org/issues/2011/01/coc_snapshot.html

Asian American Unemployment and the Great Recession at http://epi.3cdn.net/4393c4d80f2da2b5f9_67m6b95nl.pdf

American Indians and the Great Recession at <http://www.epi.org/publication/ib264/>

The Response to Need

Council of Economic Advisors. 2012. Economic Report of the President. Available at <http://www.whitehouse.gov/administration/eop/cea/economic-report-of-the-President>

Recovery.gov. Available at <http://www.recovery.gov/Pages/default.aspx>

Binyamin Applebaum and Robert Gebeloff. 2012. "Even Critics of the Safety Net Increasingly Depend Upon It." New York Times (February 11) at: http://www.nytimes.com/2012/02/12/us/even-critics-of-safety-net-increasingly-depend-on-it.html?_r=1&hp

A Brief History of US Unemployment: <http://www.washingtonpost.com/wp-srv/special/business/us-unemployment-rate-history/>