

Poverty hits 1 in 8 Americans

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Global Research, September 12, 2009

[Washington Times](#) 12 September 2009

Region: [USA](#)

Theme: [Global Economy](#)

About 2.5 million Americans slipped below the poverty line as recession and layoffs hammered the economy last year, driving poverty to its highest level since 1998, the U.S. Census Bureau reported Thursday.

The annual survey showed that more than one in eight U.S. residents – 13.2 percent – are living on less than \$10,991 for an individual – slightly more than \$200 a week – or \$22,025 for a family of four.

The report came as no surprise to those who work daily with the poor and homeless.

B.J. Iacino, public affairs director for the Colorado Coalition for the Homeless, said her organization has been stretched to the limit by the heightened demand for services. “We are definitely seeing dramatic increases in the numbers of people coming here for help, both for housing and for medical and mental health care,” she said.

Barbara Droher Kline, president and chief executive officer of Lutheran Social Services of Northern California, said the economic crisis has driven up the number of families in need of food, housing, employment and youth services.

“It’s just so monumental, so widespread,” said Ms. Kline, whose administrative offices are in Concord, Calif. “Fresno is in tough straits, all the way down to Bakersfield. It’s like, ‘Where do you look?’ There is so much of it going on, and I don’t know how some people are getting by. ...

“Everybody here is trying to figure out how to stretch everything as much as they can. It’s really, really rough.”

The increased poverty rate was accompanied by falling real incomes for all Americans, the Census Bureau report showed. The country’s median household income fell to \$50,303 from \$52,163 a year earlier, the first drop in four years.

The data also showed poverty disproportionately affecting families, which accounts for a 19 percent poverty rate last year among children, or those younger than 18. That was up from 18 percent the year earlier.

“The number of families, as opposed to individuals, coming to us is increasing, and that’s a trend,” Ms. Iacino said.

The effects of rising poverty also were disproportionately felt among minorities and in certain regions of the country. The bureau reported that 23.2 percent of Hispanics and 24.7

percent of blacks were living below the poverty line in 2008.

The hardest-hit regions were the Midwest, where poverty rose to 12.4 percent from 11.1 percent a year earlier, and the West, where the rate rose to 13.5 percent from 12.0 percent. The Northeast and South were statistically unchanged, the Census Bureau said.

The increased poverty rate in the Midwest resulted in part from layoffs in the auto industry, which have hit Detroit and surrounding areas particularly hard.

"This time of year, I'm seeing more people here than any other time, even our cold months," said Mike Hayes, a worker at the City Rescue Mission in Lansing, Mich. He said the shelter has increased its number of overnight beds for those who have no jobs from 24 to 44, and most of the time they are filled.

"More and more houses are for sale or vacant, more than I've seen in my life. Michigan has really been impacted," he added.

Census Bureau statistician Chuck Nelson said the poverty numbers reflect the recession that began in December 2007 and that increased poverty and lower incomes are "consistent with recent recessionary periods."

The bureau's report, "Income, Poverty and Health Insurance Coverage in the United States: 2008," also included numbers on health care coverage, which President Obama cited Thursday in his effort to reform health care.

The number of people without coverage increased from 45.7 million in 2007 to 46.3 million in 2008, according to the agency.

Over the same period, the number of people covered by private health insurance decreased from 202 million to 201 million, while the number covered by government health insurance increased from 83 million to 87.4 million. The number covered by employment-based health insurance declined from 177.4 million to 176.3 million.

Mr. Nelson said the agency felt no political pressure in putting out the numbers this year, despite the intense debate in Washington and raging arguments over the extent to which a lack of health insurance is a national problem.

"For us, this is the most important time of the year every year," he said.

Andrea Billups in Detroit and Valerie Richardson in Denver contributed to this report.

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