

Class Matters

Budgeting in the State of Poverty

The last issue provided information on how the federal government sets poverty guidelines. This issue asks readers to think about how they would budget a poverty level income for one month.

According to the Federal government, a family of four earning \$19,806 or less lived in poverty in 2005. (U.S. Census Bureau figures, most recent numbers available).

How far does \$19,806 go in America today?

A sample budget helps us realize the challenges that families living on \$19,806 per year face every day.

Housing: in America, a family of four earning less than \$19,307 a year will spend on average \$5,329 annually for shelter (\$444.08 per month). To keep a family of four warm and secure, the average expense for utilities and public services is \$2,309 a year or \$192.42 a month. A family at the poverty line will spend \$4,920 a year or \$410.00 to own, maintain and insure a used car and fill it with the gas and oil needed to go to work, to day care, or to the store — since 2005, this number has surely risen. Food: even with food stamps, families making less than \$19,307 spent \$4,102 a year or \$341 per month for food at home and away.

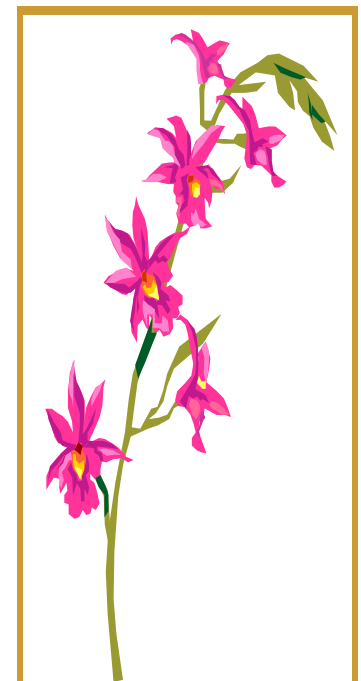
Even if an employer contributes part of the costs of health insurance, a family of four at the poverty line would still pay on average \$2,132 a year or \$177.67 a month for health and medical expenses. The cost of not having health insurance, however, could be devastating. The costs in a metropolitan-area child care center for two children five and under can reach over \$13,000 a year. Even with child care subsidies, low income families with two small children spend on average \$2,300 a year or \$191.67 per month on child care.

This family is \$1,785 over budget, and still does not have everything they need. What did we leave out? What about toiletries, school supplies, shoes and clothes, holiday gifts, education, life insurance, furnishings, recreation, cleaning supplies, entertainment, and birthday gifts? These are the decisions that families make every day when they live in the state of poverty.

Visit www.povertyusa.org to learn more.

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Take the Poverty Quiz

The poverty quiz is from the www.povertyusa.org web site. Can you pass the test? Answer "true" or "false" to the questions.

Answers are below.

1. The number of people in the U.S. living in poverty decreased in 2005.
2. The number of families living in "deep poverty" is increasing.
3. African Americans experienced the greatest increase in poverty.
4. The government says that a family of four is poor if it earns less than \$35,000 annually.
5. African Americans have the highest number of people in poverty.
6. The rate of child poverty in America is higher than it is in most of the world's industrialized countries
7. The federal minimum wage is now \$5.15 per hour.
8. The elderly poverty rate is higher than any other age group.
9. Most Americans believe that the federal government should play less of a role in helping the poor.

Answers to the Poverty Quiz:

1. The answer is **false**. According to the U.S. Census Bureau, this is the first time in four years the number of people living in poverty has remained the same at 37 million. One out of every eight Americans lives in poverty.
2. The answer is **true**. The number of families in America living in deep poverty has reached a 32-year high, millions of working Americans are falling closer to the poverty line and the gulf between the nation's "haves" and "have-nots" continues to widen. A McClatchy Newspapers' analysis of 2005 census figures, the latest available, found that nearly 16 million Americans are living in deep or severe poverty. A family of four with two children and an annual income of less than \$9,903 - half the federal poverty line - was considered severely poor in 2005. So were individuals who made less than \$5,080 a year. The McClatchy analysis found that the number of severely poor Americans grew by 26 percent from 2000 to 2005. That's 56 percent faster than the overall poverty population grew in the

same period.

3. The answer is **false**. The number of African Americans living in poverty remained the same at 24.9%. Asian Americans experienced the greatest increase in poverty from 8.8% in 2004 to 11.1% in 2005. The poverty rate remained unchanged for Hispanics at 21.8% and decreased for Non-Hispanic White Americans from 8.7% in 2004 to 8.3% in 2005.
4. The answer is **false**. The federal government puts the poverty threshold at \$19,971. However, a 2000 poll revealed that a majority of Americans believe it takes at least \$35,000 annually to provide adequately for a family of four.
5. The answer is **false**. There are 16.2 million Non-Hispanic White Americans in poverty. There are 9.4 million Hispanics in poverty, 9.2 million African Americans, and 1.4 million Asian Americans in poverty.
6. The answer is **true**. In fact, the U.S. child poverty rate is two-to-three times higher than other major industrialized nations. According to the latest numbers, the child poverty rate in Sweden is less than 4%; in the Czech Republic, less than 6%; France, 7%; Germany, 10%; Australia and Japan, 12%; and Canada, 14%. In the United States, the child poverty rate has remained over 16% for the past two years. (*Society at a Glance, Organization for Economic Co-operation and Development, 2002.*)
7. The answer is **true** — for now. Recent Federal legislation increased the minimum wage to \$7.25 in three stages over two years. This was the first increase in ten years. The previous wage of \$5.15 per hour translated to full-time earnings of \$10,712 a year -- which is \$2,043 below the 2005 poverty threshold for a family of two.
8. The answer is **false**. The poverty rate for America's elderly population - people over 65 - stands at 10.1%, or one out of every 10 seniors, while the child poverty rate is 17.6%, or one out of every 6 children.
9. The answer is **false**. Nine out of ten Americans believe the federal government has a responsibility to alleviate poverty. A strong majority believes that government should do more, not less, to help people move from welfare to work by providing skills needed to be self-sufficient. (Lake, Snell, Perry & Associates, January 2002.)

Valuing the Votes of the Poor

by Scott Novakowski

Thousands of low-income, North Carolinians are finding it much easier to vote, thanks to the North Carolina State Board of Elections' efforts to ensure the state is in full compliance with an often-neglected provision of the National Voter Registration Act of 1993.

Congress passed the Act in 1993 to increase the number of citizens who register to vote and to protect the integrity of our electoral system. Recognizing that the law's provision requiring voter registration in motor vehicle departments could fail to adequately reach low-income citizens, Congress also required voter registration be offered at public assistance agencies. Such agencies are well suited to perform this function since they are in regular contact with low-income citizens and often have client empowerment as a central part of their mission.

While most states have established programs to register voters at motor vehicle departments, many have neglected to implement the public assistance registration provisions of the law – also known as Section 7 of the NVRA. A report by the NVRA Implementation Project (a joint effort of Demos, Project Vote, ACORN) showed that public assistance voter registrations declined by 59% between 1995-1996 and 2003-2004. This decline occurred while registrations from all other sources increased by 24%. Site checks at public assistance agencies across the county revealed significant lapses in the voter registration program. Noncompliance results in an unacceptable income gap in registration rates: in 2004, 59% of citizens in households making less than \$15,000 a year were registered to vote versus 85% of those in households making \$75,000 or more a year.

Over the past two years, the NVRA Implementation Project has worked with states across the country to improve compliance with the public assistance provisions of the NVRA. Most recently, surveys conducted outside public assistance agencies in North Carolina indicated serious non-compliance with the law. Statistical evidence underscored the problem. Data submitted by North Carolina to the federal agencies indicated a 73.5% decline in public assistance registrations in the state between 1995-96 and 2003-04. In 2005, public assistance offices in each of 35 counties registered fewer than 10 clients and public assistance offices in 11 of those 35 counties did not register a

single client.

When the project – in partnership with the Lawyers' Committee for Civil Rights Under Law – notified Gary Bartlett, Executive Director of the North Carolina State Board of Elections, of the state's compliance problem, he acted immediately, developing and rolling out a 10-point plan to bring the state into compliance with the law.

While data collection is still in its preliminary stages, the initial results from the local agencies are remarkable (and are further outlined in a new report published by Demos this month – see the web site.)

- Eleven percent more voters were registered in the single month of February 2007 than in the entire year of 2005 in the 30 counties providing complete data.
- Twenty-two of those 30 counties registered more voters in the single month of February than in all of 2005. Many of these counties registered twice as many voters in February than in all of 2005.
- In the 58 of 100 counties that have provided data in February and March 2007, at least 5,441 new low-income North Carolinians were brought into the democratic process through public assistance voter registration.

A healthy democracy is dependent upon broad participation across all segments of society. North Carolina is providing bold leadership in NVRA Section 7 implementation. As a result, thousands of low-income citizens will be drawn into the democratic process. Other states should follow North Carolina's lead and make this law a priority.

Scott is a policy analyst at Demos: A network for Ideas and Action (a nonpartisan public policy research and advocacy organization committed to building an America that achieves its highest democratic ideals.)

From:

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Poverty Rates by Age (District II -- University of Idaho Extension)

County	Overall Poverty Rate	18 and under	5 and under	65 and over
Ada	9.1	11.5	10.8	5.7
Adams	11.9	17.3	15.1	11.7
Boise	9.9	14.3	17.8	7.7
Canyon	13.2	18	18.1	10.7
Elmore	11.8	14.3	18.9	10.8
Gem	11.9	16.2	18.3	13.9 (1)
Owyhee	15.4	21.3 (2)	26.3 (5)	12.1 (6)
Payette	13.2	17.6	17.2	12.2 (5)
Valley	9.1	13.3	9.1	5.6
Washington	14.0	19.6 (7)	24.1	9.9
State Rates	11.5	15.1	17.3	8.3

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Article ideas and submissions
 are welcome, please contact
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Numbers in parenthesis indicate rank in the state from 1 (highest rate) to 44 (lowest rate).

