

Federal poverty figures understate problem

By Emily Weinstein

NEW YORK (IPS) — Official claims that U.S. poverty fell to its lowest level last year are wildly off the mark, some researchers say.

The U.S. Census Bureau appears to be severely undercounting the number of poor U.S. families and its poverty threshold is unrealistically low, according to a study published by the Ms. Foundation, a non-governmental organization.

The 246-page report, "Raise the Floor: Wages and Policies That Work for All of Us," says the official poverty level is so low that a family can be technically above it and yet have only half the money it needs to pay for housing and essential needs.

The Census Bureau, which has been analyzing and publishing findings of last year's U.S. headcount, says poverty hit an all-time low in 2000, at 11.3 percent of the national population or 31.1 million people.

The real number of people living in difficulty, with incomes up to 200 percent of the poverty line, is 80.6 million, according to the Ms. report - two and a half times

the government figure. Many of those struggling, it adds, have jobs but are considered "working poor."

"We have a very low unemployment rate but a huge number of working poor," says Leah Wise, of the Southeastern Regional Economic Justice Network based in Durham, in the state of North Carolina. "One-third of Durham County's employed workforce is classified as working poor."

The report's authors advocate raising the federal minimum wage from what they say is an unrealistic 5.15 dollars per hour, to at least eight dollars per hour, a "national floor" they say would enable workers to meet a minimum needs budget.

Employers have argued that raising the minimum wage would be impossible during a recession—something that most economists agree the United States is now experiencing, even if market psychiatry leads them to prefer such terms as "downturn" and "slowdown."

Susan Wefald, who co-wrote the Ms. report, rejects this argument. "The minimum wage was last raised in

a recession in 1990 and 1991 and studies showed that it did not contribute to worsening the economy," she says.

"It's absolutely within the power of the government of the United States and the economy of the United States to alleviate poverty," adds co-author Holly Sklar.

Wefald and Sklar said a minimum needs budget would cover the real costs of minimal housing, food, health care, child care, transportation, household and personal expenses, and taxes.

By their estimates, the budget for a family of four would amount to \$36,835. The federal poverty line for a family of four, however, is \$17,463. More than 49 million U.S. households have incomes above the official poverty line but below the minimum needs budget, the researchers say.

The U.S. Department of Agriculture (USDA) devised the government's poverty line in the 1960s. First, it calculated the cost of a minimum family diet, called the Thrifty Food Plan. Then, it assumed the average family would spend one-third of its income on food. Then, it simply mul-

tiplied the food plan diet by three.

The USDA cautioned even then that this figure was an absolute bare minimum to spend on food, and that the budget was only for "temporary or emergency use." The Thrifty Food Plan was not an accurate measure of the amount of money needed to pay for a "good diet," the agency said.

While the formula has been adjusted since the 1960s, it remains "not the best way to measure poverty," says Kathleen Short, former chief of the Census Bureau's poverty and health statistics branch.

"Living wage" campaigns have blossomed across the country to advance the cause of raising the minimum wage. In Providence, in the state of Rhode Island, Direct Action for Rights and Equality (DARE) is trying to pass a citywide living wage ordinance that would set the minimum wage at \$12.30 per hour for all municipal employees and workers at businesses that receive city contracts of \$25,000 or more.

"We're trying to make sure that these big businesses

who get tax breaks and subsidies from the city are paying their employees enough to live on," says DARE's Andrea Mercado. "We think the city should set an example."

An urban living wage campaign like DARE's is able to affect the relatively large number of people employed by the city and the businesses that contract with it. But in rural areas, policy changes like the establishment of a federal, state, or county minimum wage often fail to have an effect on the people who need them most, says Wise.

"Here in Durham we got a living wage," she says, "but the monitoring mechanism is

limited, so the effect, in terms of the workers it actually impacts, is very small."

"A national minimum wage is a good first step, but insufficient by itself," Wise adds. "Without a mechanism for enforcement that's accessible to the people, it doesn't mean anything."

The Ms. Foundation report stated the minimum wage has failed to keep pace with profits. Adjusting for inflation, profits have swelled by 64 percent while the minimum wage has fallen 35 percent in real terms.

If the minimum wage had increased as much as domestic profits, it would now stand at \$13.02 per hour.

Commission

(Continued from Page 4)

James Zogby, president of the Arab American Institute, said his organization has documented 11 incidents involving 20 people who appeared to be Middle Eastern or Muslim and were either removed from planes or not allowed to board.

Samuel Podberesky, assistant general counsel for enforcement at the Department of Transportation, said the department is vigorously investigating such complaints. Though the law allows pilots to remove passengers who pose a safety risk, it outlaws making those decisions solely on the basis of race or ethnicity, he said.

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