

## **CHAPTER III**

### **SELECTED ECONOMIC POLICY ISSUES (CONT.)**

#### **B. Poverty**

170. More than 33 million Americans—about one in every seven people in our nation—are poor by the government's official definition. The norms of human dignity and the preferential option for the poor compel us to confront this issue with a sense of urgency. Dealing with poverty is not a luxury to which our nation can attend when it finds the time and resources. Rather, it is a moral imperative of the highest priority.

171. Of particular concern is the fact that poverty has increased dramatically during the last decade. Since 1973 the poverty rate has increased by nearly a third. Although the recent recovery has brought a slight decline in the rate, it remains at a level that is higher than at almost any other time during the last two decades.(25)

172. As pastors we have seen firsthand the faces of poverty in our midst. Homeless people roam city streets in tattered clothing and sleep in doorways or on subway grates at night. Many of these are former mental patients released from state hospitals. Thousands stand in line at soup kitchens because they have no other way of feeding themselves. Millions of children are so poorly nourished that their physical and mental development are seriously harmed.(26) We have also seen the growing economic hardship and insecurity experienced by moderate-income Americans when they lose their jobs and their income due to forces beyond their control. These are alarming signs and trends. They pose for our nation an urgent moral and human challenge: to fashion a society where no one goes without the basic material necessities required for human dignity and growth.

173. Poverty can be described and defined in many different ways. It can include spiritual as well as material poverty. Likewise, its meaning changes depending on the historical, social, and economic setting. Poverty in our time is different from the more severe deprivation experienced in earlier centuries in the United States or in Third World nations today. Our discussion of poverty in this chapter is set within the context of present-day American society. By poverty, we are referring here to the lack of sufficient material resources required for a decent life. We use the government's official definition of poverty, although we recognize its limits.(27)

#### **1. Characteristics of Poverty**

174. Poverty is not an isolated problem existing solely among a small number of anonymous people in our central cities. Nor is it limited to a dependent underclass or to specific groups in the United States. It is a condition experienced at some time by many people in different walks of life and in different circumstances. Many poor people are working, but at wages insufficient to lift them out of poverty.(28) Others are unable to work and therefore dependent on outside sources of support. Still others are on the edge of poverty; although not officially defined as poor, they are economically insecure and at risk of falling into poverty.

175. While many of the poor manage to escape from beneath the official poverty line, others remain poor for extended periods of time. Long-term poverty is concentrated among racial minorities and families headed by women. It is also more likely to be found in rural areas and in the South.(29)

Of the long-term poor, most are either working at wages too low to bring them above the poverty line or are retired, disabled or parents of preschool children. Generally they are not in a position to work more hours than they do now.(30)

### **a. Children in Poverty**

176. Poverty strikes some groups more severely than others. Perhaps most distressing is the growing number of children who are poor. Today one in every four American children under the age of six and one in every two black children under six are poor. The number of children in poverty rose by four million over the decade between 1973 and 1983, with the result that there are now more poor children in the United States than at any time since 1965.(31) The problem is particularly severe among female-headed families, where more than half of all children are poor. Two-thirds of black children and nearly three-quarters of Hispanic children in such families are poor.

177. Very many poor families with children receive no government assistance, have no health insurance, and cannot pay medical bills. Less than half are immunized against preventable diseases such as diphtheria and polio.(32) Poor children are disadvantaged even before birth; their mothers' lack of access to high quality prenatal care leaves them at much greater risk of premature birth, low birth weight, physical and mental impairment, and death before their first birthday.

### **b. Women and Poverty**

178. The past twenty years have witnessed a dramatic increase in the number of women in poverty.(33) This includes women raising children alone as well as women with inadequate income following divorce, widowhood, or retirement. More than one-third of all female-headed families are poor. Among minority families headed by women the poverty rate is over 50 percent.(34)

179. Wage discrimination against women is a major factor behind these high rates of poverty. Many women are employed but remain poor because their wages are too low. Women who work outside their homes full-time and year-round earn only 61 percent of what men earn. Thus, being employed full time is not by itself a remedy for poverty among women. Hundreds of thousands of women hold full-time jobs but are still poor. Sixty percent of all women work in only ten occupations, and most new jobs for women are in areas with low pay and limited chances of advancement. Many women suffer discrimination in wages, salaries, job classifications, promotions, and other areas.(35) As a result, they find themselves in jobs that have low status, little security, weak unionization, and few fringe benefits. Such discrimination is immoral and efforts must be made to overcome the effects of sexism in our society.

180. Women's responsibilities for child rearing are another important factor to be considered. Despite the many changes in marriage and family life in recent decades, women continue to have primary responsibility in this area. When marriages break up, mothers typically take custody of the children and bear the major financial responsibility for supporting them. Women often anticipate that they will leave the labor force to have and raise children, and often make job and career choices accordingly. In other cases they are not hired or promoted to higher paying jobs because of their childrearing responsibilities. In addition, most divorced or separated mothers do not get child support payments. In 1983, less than half of women raising children alone had been awarded child support, and of those only half received the full amount to which they were entitled. Even fewer women (14 percent) are awarded alimony, and many older women are left in poverty after a lifetime of

homemaking and childrearing.(36) Such women have great difficulty finding jobs and securing health insurance.

### **c. Racial Minorities and Poverty**

181. Most poor people in our nation are white, but the rates of poverty in our nation are highest among those who have borne the brunt of racial prejudice and discrimination. For example, blacks are about three times more likely to be poor than whites. While one out of every nine white Americans is poor, one of every three blacks and Native Americans and more than one of every four Hispanics are poor.(37) While some members of minority communities have successfully moved up the economic ladder, the overall picture indicates that black family income is only 55 percent of white family income, reflecting an income gap that is wider now than at any time in the last fifteen years.(38)

182. Despite the gains which have been made toward racial equality, prejudice and discrimination in our own time as well as the effects of past discrimination continue to exclude many members of racial minorities from the mainstream of American life. Discrimination practices in labor markets, in educational systems, and in electoral politics create major obstacles for blacks, Hispanics, Native Americans, and other racial minorities in their struggle to improve their economic status.(39) Such discrimination is evidence of the continuing presence of racism in our midst. In our pastoral letter *Brothers and Sisters to Us*, we have described this racism as a sin—"a sin that divides the human family, blots out the image of God among specific members of that family, and violates the fundamental human dignity of those called to be children of the same Father."(40)

## **2. Economic Inequality**

183. Important to our discussion of poverty in America is an understanding of the degree of economic inequality in our nation. Our economy is marked by a very uneven distribution of wealth and income. For example, it is estimated that 28 percent of the total net wealth is held by the richest 2 percent of families in the United States. The top ten percent holds 57 percent of the net wealth.(41) If homes and other real estate are excluded, the concentration of ownership of "financial wealth" is even more glaring. In 1983, 54 percent of the total net financial assets were held by 2 percent of all families, those whose annual income is over \$125,000. Eighty-six percent of these assets were held by the top 10 percent of all families.(42)

184. Although disparities in the distribution of income are less extreme, they are still striking. In 1984 the bottom 20 percent of American families received only 4.7 percent of the total income in the nation, and the bottom 40 percent received only 15.7 percent, the lowest share on record in U.S. history. In contrast, the top one-fifth received 42.9 percent of the total income, the highest share since 1948.(43) These figures are only partial and very imperfect measures of the inequality in our society.(44) However, they do suggest that the degree of inequality is quite large. In comparison with other industrialized nations, the United States is among the more unequal in terms of income distribution.(45) Moreover, the gap between rich and poor in our nation has increased during the last decade.(46) These inequities are of particular concern because they reflect the uneven distribution of power in our society. They suggest that the level of participation in the political and social spheres is also very uneven.

185. Catholic social teaching does not require absolute equality in the distribution of income and wealth. Some degree of inequality is not only acceptable, but may be considered desirable for economic and social reasons, such as the need for incentives and the provision of greater rewards for greater risks. However, unequal distribution should be evaluated in terms of several moral principles we have enunciated: the priority of meeting the basic needs of the poor and the importance of increasing the level of participation by all members of society in the economic life of the nation. These norms establish a strong presumption against extreme inequality of income and wealth as long as there are poor, hungry, and homeless people in our midst. They also suggest that extreme inequalities are detrimental to the development of social solidarity and community. In view of these norms we find the disparities of income and wealth in the United States to be unacceptable. Justice requires that all members of our society work for economic, political, and social reforms that will decrease these inequities.

### 3. Guidelines for Action

186. Our recommendations for dealing with poverty in the United States build upon several moral principles that were explored in chapter two of this letter. The themes of human dignity and the preferential option for the poor are at the heart of our approach; they compel us to confront the issue of poverty with a real sense of urgency.

187. The principle of social solidarity suggests that alleviating poverty will require fundamental changes in social and economic structures that perpetuate glaring inequalities and cut off millions of citizens from full participation in the economic and social life of the nation. The process of change should be one that draws together all citizens, whatever their economic status, into one community.

188. The principle of participation leads us to the conviction that the most appropriate and fundamental solutions to poverty will be those that enable people to take control of their own lives. For poverty is not merely the lack of adequate financial resources. It entails a more profound kind of deprivation, a denial of full participation in the economic, social, and political life of society and an inability to influence decisions that affect one's life. It means being powerless in a way that assaults not only one's pocketbook but also one's fundamental human dignity. Therefore, we should seek solutions that enable the poor to help themselves through such means as employment. Paternalistic programs which do too much for and too little with the poor are to be avoided.

189. The responsibility for alleviating the plight of the poor falls upon all members of society. As individuals, all citizens have a duty to assist the poor through acts of charity and personal commitment. But private charity and voluntary action are not sufficient. We also carry out our moral responsibility to assist and empower the poor by working collectively through government to establish just and effective public policies.

190. Although the task of alleviating poverty is complex and demanding, we should be encouraged by examples of our nation's past successes in this area. Our history shows that we can reduce poverty. During the 1960s and early 1970s, the official poverty rate was cut in half, due not only to a healthy economy, but also to public policy decisions that improved the nation's income transfer programs. It is estimated, for example, that in the late 1970s federal benefit programs were lifting out of poverty about 70 percent of those who would have otherwise been poor.(47)

191. During the last twenty-five years, the Social Security Program has dramatically reduced poverty among the elderly.(48) In addition, in 1983 it lifted out of poverty almost 1.5 million

children of retired, deceased, and disabled workers.(49) Medicare has enhanced the life expectancy and health status of elderly and disabled people, and Medicaid has reduced infant mortality and greatly improved access to health care for the poor.(50)

192. These and other successful social welfare programs are evidence of our nation's commitment to social justice and a decent life for everyone. They also indicate that we have the capacity to design programs that are effective and provide necessary assistance to the needy in a way that respects their dignity. Yet it is evident that not all social welfare programs have been successful. Some have been ill-designed, ineffective, and wasteful. No one has been more aware of this than the poor themselves, who have suffered the consequences. Where programs have failed, we should discard them, learn from our mistakes, and fashion a better alternative. Where programs have succeeded, we should acknowledge that fact and build on those successes. In every instance, we must summon a new creativity and commitment to eradicate poverty in our midst and to guarantee all Americans their right to share in the blessings of our land.

193. Before discussing directions for reform in public policy, we must speak frankly about misunderstandings and stereotypes of the poor. For example, a common misconception is that most of the poor are racial minorities. In fact, about two-thirds of the poor are white.(51) It is also frequently suggested that people stay on welfare for many years, do not work, could work if they wanted to, and have children who will be on welfare. In fact, reliable data shows that these are not accurate descriptions of most people who are poor and on welfare. Over a decade people move on and off welfare, and less than 1 percent obtain these benefits for all 10 years.(52) Nor is it true that the rolls of Aid to Families with Dependent Children are filled with able-bodied adults who could but will not work. The majority of AFDC recipients are young children and their mothers who must remain at home.(53) These mothers are also accused of having more children so that they can raise their allowances. The truth is that 70 percent of AFDC families have only one or two children and that there is little financial advantage in having another. In a given year, almost half of all families who receive AFDC include an adult who has worked full or part time.(54) Research has consistently demonstrated that people who are poor have the same strong desire to work that characterizes the rest of the population.(55)

194. We ask everyone to refrain from actions, words or attitudes that stigmatize the poor, that exaggerate the benefits received by the poor, and that inflate the amount of fraud in welfare payments.(56) These are symptoms of a punitive attitude towards the poor. The belief persists in this country that the poor are poor by choice or through laziness, that anyone can escape poverty by hard work, and that welfare programs make it easier for people to avoid work. Thus, public attitudes toward programs for the poor tend to differ sharply from attitudes about other benefits and programs. Some of the most generous subsidies for individuals and corporations are taken for granted and are not even called benefits but entitlements.(57) In contrast programs for the poor are called handouts and receive a great deal of critical attention even though they account for less than 10 percent of the federal budget.(58)

195. We now wish to propose several elements which we believe are necessary for a national strategy to deal with poverty. We offer this not as a comprehensive list but as an invitation for others to join the discussion and take up the task of fighting poverty.

196. a. *The first line of attack against poverty must be to build and sustain a healthy economy that provides employment opportunities at just wages for all adults who are able to work.* Poverty is intimately linked to the issue of employment. Millions are poor because they have lost their jobs or because their wages are too low. The persistent high levels of unemployment during the last decade are a major reason why poverty has increased in recent years.(59) Expanded employment especially

in the private sector would promote human dignity, increase social solidarity, and promote self-reliance of the poor. It should also reduce the need for welfare programs and generate the income necessary to support those who remain in need and cannot work: elderly, disabled, and chronically ill people, and single parents of young children. It should also be recognized that the persistence of poverty harms the larger society because the depressed purchasing power of the poor contributes to the periodic cycles of stagnation in the economy.

197. In recent years the minimum wage has not been adjusted to keep pace with inflation. Its real value has declined by 24 percent since 1981. We believe Congress should raise the minimum wage in order to restore some of the purchasing power it has lost due to inflation.

198. While job creation and just wages are major elements of a national strategy against poverty, they are clearly not enough. Other more specific policies are necessary to remedy the institutional causes of poverty and to provide for those who cannot work.

199. b. *Vigorous action should be undertaken to remove barriers to full and equal employment for women and minorities.* Too many women and minorities are locked into jobs with low pay, poor working conditions and little opportunity for career advancement. So long as we tolerate a situation in which people can work full time and still be below the poverty line—a situation common among those earning the minimum wage—too many will continue to be counted among the "working poor." Concerted efforts must be made through job training, affirmative action, and other means to assist those now prevented from obtaining more lucrative jobs. Action should also be taken to upgrade poorer paying jobs and to correct wage differentials that discriminate unjustly against women.

200. c. *Self-help efforts among the poor should be fostered by programs and policies in both the private and public sectors.* We believe that an effective way to attack poverty is through programs that are small in scale, locally based, and oriented toward empowering the poor to become self-sufficient. Corporations, private organizations, and the public sector can provide seed money, training and technical assistance, and organizational support for self-help projects in a wide variety of areas such as low-income housing, credit unions, worker cooperatives, legal assistance, and neighborhood and community organizations. Efforts that enable the poor to participate in the ownership and control of economic resources are especially important.

201. Poor people must be empowered to take charge of their own futures and become responsible for their own economic advancement. Personal motivation and initiative, combined with social reform, are necessary elements to assist individuals in escaping poverty. By taking advantage of opportunities for education, employment, and training, and by working together for change, the poor can help themselves to be full participants in our economic, social, and political life.

202. d. *The tax system should be continually evaluated in terms of its impact on the poor.* This evaluation should be guided by three principles. First, the tax system should raise adequate revenues to pay for the public needs of society, especially to meet the basic needs of the poor. Secondly, the tax system should be structured according to the principle of progressivity, so that those with relatively greater financial resources pay a higher rate of taxation. The inclusion of such a principle in tax policies is an important means of reducing the severe inequalities of income and wealth in the nation. Action should be taken to reduce or offset the fact that most sales taxes and payroll taxes place a disproportionate burden on those with lower incomes. Thirdly, families below the official poverty line should not be required to pay income taxes. Such families are, by definition, without sufficient resources to purchase the basic necessities of life. They should not be forced to bear the additional burden of paying income taxes.(60)

203. e. *All of society should make a much stronger commitment to education for the poor.* Any long-term solution to poverty in this country must pay serious attention to education, public and private, in school and out of school. Lack of adequate education, especially in the inner-city setting, prevents many poor people from escaping poverty. In addition, illiteracy, a problem that affects tens of millions of Americans, condemns many to joblessness or chronically low wages. Moreover, it excludes them in many ways from sharing in the political and spiritual life of the community.(61) Since poverty is fundamentally a problem of powerlessness and marginalization, the importance of education as a means of overcoming it cannot be overemphasized.

204. Working to improve education in our society is an investment in the future, an investment that should include both the public and private school systems. Our Catholic schools have the well-merited reputation of providing excellent education, especially for the poor. Catholic inner-city schools provide an otherwise unavailable educational alternative for many poor families. They provide one effective vehicle for disadvantaged students to lift themselves out of poverty. We commend the work of all those who make great sacrifices to maintain these inner-city schools. We pledge ourselves to continue the effort to make Catholic schools models of education for the poor.

205. We also wish to affirm our strong support for the public school system in the United States. There can be no substitute for quality education in public schools, for that is where the large majority of all students, including Catholic students, are educated. In Catholic social teaching, basic education is a fundamental human right.(62) In our society a strong public school system is essential if we are to protect that right and allow everyone to develop to their maximum ability. Therefore, we strongly endorse the recent calls for improvements in and support for public education, including improving the quality of teaching and enhancing the rewards for the teaching profession.(63) At all levels of education we need to improve the ability of our institutions to provide the personal and technical skills that are necessary for participation not only in today's labor market but in contemporary society.

206. f. *Policies and programs at all levels should support the strength and stability of families, especially those adversely affected by the economy.* As a nation, we need to examine all aspects of economic life and assess their effects on families. Employment practices, health insurance policies, income-security programs, tax policy and service programs can either support or undermine the abilities of families to fulfill their roles in nurturing children and caring for infirm and dependent family members.

207. We affirm the principle enunciated by John Paul II that society's institutions and policies should be structured so that mothers of young children are not forced by economic necessity to leave their children for jobs outside the home.(64) The nation's social welfare and tax policies should support parents' decisions to care for their own children and should recognize the work of parents in the home because of its value for the family and for society.

208. For those children whose parents do work outside the home, there is a serious shortage of affordable, quality day care. Employers, governments, and private agencies need to improve both the availability and the quality of child care services. Likewise, families could be assisted by the establishment of parental leave policies that would assure job security for new parents.

209. The high rate of divorce and the alarming extent of teen age pregnancies in our nation are distressing signs of the breakdown of traditional family values. These destructive trends are present in all sectors of society: rich and poor; white, black, and brown; urban and rural. However, for the poor they tend to be more visible and to have more damaging economic consequences. These destructive trends must be countered by a revived sense of personal responsibility and commitment to family values.

210. g. *A thorough reform of the nation's welfare and income-support programs should be undertaken.* For millions of poor Americans the only economic safety net is the public welfare system. The programs that make up this system should serve the needs of the poor in a manner that respects their dignity and provides adequate support. In our judgment the present welfare system does not adequately meet these criteria.(65) We believe that several improvements can and should be made within the framework of existing welfare programs. However, in the long run, more far-reaching reforms that go beyond the present system will be necessary. Among the immediate improvements that could be made are the following:

211. (1) *Public assistance programs should be designed to assist recipients, wherever possible, to become self-sufficient through gainful employment.* Individuals should not be worse off economically when they get jobs than when they rely only on public assistance. Under current rules, people who give up welfare benefits to work in low-paying jobs soon lose their Medicaid benefits. To help recipients become self-sufficient and reduce dependency on welfare, public assistance programs should work in tandem with job creation programs that include provisions for training, counseling, placement, and child care. Jobs for recipients of public assistance should be fairly compensated so that workers receive the full benefits and status associated with gainful employment.

212. (2) *Welfare programs should provide recipients with adequate levels of support.* This support should cover basic needs in food, clothing, shelter, health care, and other essentials. At present only 4 percent of poor families with children receive enough cash welfare benefits to lift them out of poverty.(66) The combined benefits of AFDC and food stamps typically come to less than three-fourths of the official poverty level.(67) Those receiving public assistance should not face the prospect of hunger at the end of the month, homelessness, sending children to school in ragged clothing, or inadequate medical care.

213. (3) *National eligibility standards and a national minimum benefit level for public assistance programs should be established.* Currently welfare eligibility and benefits vary greatly among states. In 1985 a family of three with no earnings had a maximum AFDC benefit of \$96 a month in Mississippi and \$558 a month in Vermont.(68) To remedy these great disparities, which are far larger than the regional differences in the cost of living, and to assure a floor of benefits for all needy people, our nation should establish and fund national minimum benefit levels and eligibility standards in cash assistance programs.(69) The benefits should also be indexed to reflect changes in the cost of living. These changes reflect standards that our nation has already put in place for aged and disabled people and veterans. Is it not possible to do the same for the children and their mothers who receive public assistance?

214. (4) *Welfare programs should be available to two-parent as well as single-parent families.* Most states now limit participation in AFDC to families headed by single parents, usually women.(70) The coverage of this program should be extended to two-parent families so that fathers who are unemployed or poorly paid do not have to leave home in order for their children to receive help. Such a change would be a significant step toward strengthening two-parent families who are poor.

## Conclusion

215. The search for a more human and effective way to deal with poverty should not be limited to short-term reform measures. The agenda for public debate should also include serious discussion of more fundamental alternatives to the existing welfare system. We urge that proposals for a family allowance or a children's allowance be carefully examined as a possible vehicle for



ensuring a floor of income support for all children and their families.(71) Special attention is needed to develop new efforts that are targeted on long-term poverty, which has proven to be least responsive to traditional social welfare programs. The "negative income tax" is another major policy proposal that deserves continued discussion.(72) These and other proposals should be part of a creative and ongoing effort to fashion a system of income support for the poor that protects their basic dignity and provides the necessary assistance in a just and effective manner.

## FOOTNOTES

### Chapter III – Poverty

25 U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 149, *Money Income and Poverty Status of Families in the United States: 1984* (Washington, D.C.: Government Printing Office, 1985).

26 Massachusetts Department of Public Health, *Massachusetts Nutrition Survey* (Boston, Mass.: 1983).

27 There is considerable debate about the most suitable definition of poverty. Some argue that the government's official definition understates the number of the poor, and that a more adequate definition would indicate that as many as 50 million Americans are poor. For example, they note that the poverty line has sharply declined as a percent of median family income—from 48 percent in 1959 to 35 percent in 1983. Others argue that the official indicators should be reduced by the amount of in-kind benefits received by the poor, such as food stamps. By some calculations that would reduce the number counted as poor to about 12 million. We conclude that for present purposes the official government definition provides a suitable middle ground. That definition is based on a calculation that multiplies the cost of USDA's lowest-cost food plan times three. The definition is adjusted for inflation each year.

Among other reasons for using the official definition is that it allows one to compare poverty figures over time. For additional readings on this topic see: L. Rainwater, *What Money Buys: Inequality and the Social Meanings of Income* (New York: Basic Books, 1975), id., *Persistent and Transitory Poverty: A New Look* (Cambridge, Mass.: Joint Center for Urban Studies, 1980); M. Orshansky, "How Poverty Is Measured," *Monthly Labor Review* 92 (1969): 37-41; M. Anderson, *Welfare* (Stanford, Calif.: Hoover Institution Press, 1978); and Michael Harrington, *The New American Poverty* (New York: Holt, Rinehart and Winston, 1984), 81-82.

28 Of those in poverty, 3 million work year-round and are still poor. Of the 22.2 million poor who are 15 years or older, more than 9 million work sometime during the year. Since 1979, the largest increases of poverty in absolute terms have been among those who work and are still poor. U.S. Bureau of the Census, *Money, Income and Poverty*.

29 U.S. Bureau of the Census, *Current Population Reports*, series P-60, no. 149, 19. Blacks make up about 12 percent of the entire population but 62 percent of the long-term poor. Only 19 percent of the overall population live in families headed by women, but they make up 61 percent of the long-term poor. Twenty-eight percent of the nation's total population resides in non-metropolitan areas, but 34 percent of the nation's poor live in these areas.

30 G. J. Duncan et al., *Years of Poverty, Years of Plenty: The Changing Economic Fortunes of American Workers and Their Families* (Ann Arbor, Mich.: Institute for Social Research, University of Michigan, 1984). This book is based on the Panel Study of Income Dynamics, a survey of 5,000 American families conducted annually by the Survey Research Center of the University of Michigan. See G. J. Duncan and J. N. Morgan, *Five Thousand American Families—Patterns of Economic Progress vol. III* (Ann Arbor: University of Michigan, 1975).

31 Congressional Research Service and Congressional Budget Office, *Children in Poverty* (Washington, D.C.: May 22, 1985), 57. This recent study also indicates that children are now the largest age group in poverty. We are the first industrialized nation in the world in which children are the poorest age group. See Daniel Patrick Moynihan, *Family and Nation* (New York: Harcourt, Brace, Jovanovich, 1986), 112.

32 Children's Defense Fund, *American Children in Poverty* (Washington, D.C. 1984).

33 This trend has been commonly referred to as the “feminization of poverty.” This term was coined by Dr. Diana Pierce in the 1980 Report to the President of the National Advisory Council on Economic Opportunity to describe the dramatic increase in the proportion of the poor living in female-headed households.

34 U.S. Bureau of the Census, Technical Paper 55, *Estimates of Poverty Including the Value of Non-Cash Benefits: 1984* (Washington, D.C., August 1985), 5, 23.

35 Barbara Raskin and Heidi Hartmann, *Women's Work, Men's Work, Sex Segregation on the Job*, National Academy of Sciences (Washington, D.C.: National Academy Press, 1986).

36 U.S. Bureau of the Census, series P-23, no. 124, *Special Study Child Support and Alimony: 1981 Current Population Report* (Washington, D.C. 1981).

37 U.S. House of Representatives Subcommittee on Oversight and Public Assistance and Unemployment Compensation, Committee on Ways and Means, *Background Material on Poverty*, Washington, D.C., October, 1983. See also Committee on Ways and Means, U.S. House of Representatives, *Children in Poverty*, 3.

38 The National Urban League, *The Status of Black America 1984* (New York, January 1984).

39 Ibid.

40 NCCB, *Brothers and Sisters to Us Pastoral Letter on Racism in Our Day* (Washington, D.C.: United States Catholic Conference, 1979).

41 Federal Reserve Board, "Survey of Consumer Finances, 1983: A Second Report," reprint from the *Federal Reserve Bulletin* (Washington, D.C.: December 1984), 857-868. This survey defines net worth as the difference between gross assets and gross liabilities. The survey's estimates include all financial assets, equity in homes and other real property, as well as all financial liabilities such as consumer credit and other debts.

42 Ibid., 863-864.

43 U.S. Bureau of the Census, series P-60, no. 149, 11.

44 Income-distribution figures give only a static picture of income shares. They do not reflect the significant movement of families into and out of different income categories over an extended period of time. See *Years of Poverty, Years of Plenty*, 13. It should also be noted that these figures reflect pretax incomes. However, since the national tax structure is proportional for a large segment of the population, it does not have a significant impact on the distribution of income. See Joseph Pechman, *Who Paid Taxes, 1966-85?* (Washington, D.C.: The Brookings Institution, 1985), 51.

45 Lars Osberg, *Economic Inequality in the United States* (New York: M. E. Sharpe Inc., 1984), 24-28.

46 U.S. Bureau of the Census, series P-60. no. 149, 11.

47 "Poverty in the United States: Where Do We Stand Now?" *Focus* (University of Wisconsin: Institute for Research on Poverty, Winter 1984)/ See also Danziger and Gottschalk, "The Poverty of Losing Ground," *Challenge* 28:2 (May/June 1985). As these studies indicate, the slowing of the economy after 1969 tended to push more people into poverty, a trend that was offset to a great extent by the broadening of federal benefit programs. Likewise, the cutbacks in federal programs for the poor in recent years have contributed to the increase in poverty. For other analyses of the causes and cures of poverty see Charles Murray, *Losing Ground: American Social Policy 1950-1980* (New York: Basic Books Inc., 1984); Ben J. Wattenberg, *The Good News Is the Bad News Is Wrong* (New York: Simon and Shuster, 1984); and Michael Harrington, *The New American Poverty* (New York: Holt, Rinehart and Winston, 1984).

48 *Family and Nation*, 111-113.

49 Committee on Ways and Means, *Children in Poverty*. Calculation based on Tables 6-1 and 6-2, 180-181; and estimates of social insurance transfers on 221-222.

50 Paul Starr, *The Social Transformation of American Medicine* (New York: Basic Books Inc., 1982), 373.

51 U.S. Bureau of the Census, series P-60, no. 149, 11.

52 *Years of Poverty, Years of Plenty*, 13

53 Center on Social Welfare Policy and Law, *Beyond the Myths: The Families Helped by the AFDC Program* (New York 1985).

54 Ibid. This booklet cites Census Bureau data showing that in 1980 about 45 percent of those families who received AFDC also had earned income during that year, and that the average number of weeks worked during the year was 32.1.

55 Leonard Goodwin, *Causes and Cures of Welfare* (Lexington, Mass.: Lexington Books, 1983), ch. 1. See also Leonard Goodwin, "Can Workfare Work?," *Public Welfare* 39 (Fall 1981): 19-25.

56 *Beyond the Myths*. With respect to error and fraud rates in AFDC, this booklet notes that erroneous payments in the AFDC program account for less than 10 percent of the benefits paid. No more than 8.1 percent of the families on AFDC received overpayments as a result of client error. In less than 4.5 percent of all AFDC cases nationally are questions of fraud raised. Moreover, in over 40 percent of these cases, a review of the facts indicated that there was insufficient evidence to support an allegation of fraud.

57 P.G. Peterson, "No More Free Lunch for the Middle Class," *New York Times Magazine* (January 17, 1982).

58 Interfaith Action for Economic Justice, *End Results: The Impact of Federal Policies Since 1980 on Low-Income Americans* (Washington, D.C.) 2.

59 "The Poverty of Losing Ground," 32-38.

60 The tax reform legislation of 1986 did a great deal to achieve this goal. It removed from the federal income tax rolls virtually all families below the official poverty line.

61 Jonathan Kozol, *Illiterate America* (New York: Anchor Press/Doubleday, 1985).

62 *Peace on Earth*, 13.

63 These reports and studies include: E. Boyer, *High School: A Report on Secondary Education in America* (Princeton: Carnegie Foundation for the Advancement of Teaching, 1983); P. Cusick, *The American High School and the Egalitarian Ideal* (New York: Longman, 1983); J. I. Goodlad, *A Place Called School: Prospects for the Future* (New York: McGraw-Hill, 1983); the National Commission on Excellence in Education, *A Nation at Risk: The Imperative for Educational Reform* (Washington, D.C.: U.S. Department of Education, 1983); D. Ravitch, "The Troubled Crusade: American Education, 1945-1980" (New York: Basic Books, 1983); T.R. Sizer, *Horace's Compromise: The Dilemma of the American High School* (Boston: Houghton Mifflin, 1984); Task Force on Education for Economic Growth, *Action for Excellence: A Comprehensive Plan to Improve our Nation's Schools* (Denver: Education Commission of the States, 1983); and The Twentieth Century Fund Task Force on Federal Elementary and Secondary Education Policy, *Making the Grade* (New York: Twentieth Century Fund, 1983). For a discussion of the issues raised in these reports see *Harvard Educational Review* 54:1 (February 1984): 1-31.

64 The Vatican, *Charter of the Rights of the Family* (Washington, D.C.: United States Catholic Conference, 1983) Art. 10a. See also *On Human Work*, 19; *Familiaris Consortio*, 23, 81; and "Christian Solidarity Leads to Action," Address to Austrian workers (Vienna, September 1983) in *Origins* 13:16 (September 29, 1983): 275.

65 H. R. Rodgers Jr., *The Cost of Human Neglect: America's Welfare* (Armonk, N.Y.: W. E. Sharpe, Inc., 1982); C. T. Waxman, *The Stigma of Poverty*, second edition (New York: Pergamon Press, 1983), especially ch. 5; and S. A. Levitan and C. M. Johnson, *Beyond the Safety Net: Reviving the Promise of Opportunity in America* (Cambridge, Mass.: Ballinger, 1984).

66 *Children in Poverty*, p. 214.

67 U.S. House of Representatives Committee on Ways and Means, *Background Materials and Data on Programs Within the Jurisdiction of the Committee on Ways and Means* (Washington, D.C., February 22, 1985), 345-346. 68 Ibid., 347-348.

69 In 1982 similar recommendations were made by eight former secretaries of Health, Education, and Welfare (now Health and Human Services). In a report called "Welfare Policy in the United States," they suggested a number

of ways in which national minimal standards might be set and strongly urged the establishment of a floor for all states and territories.

70 Committee on Ways and Means, *Background Materials and Data on Programs*

71 France adopted a "family" or "children's" allowance in 1932, followed by Italy in 1936, The Netherlands in 1939, the United Kingdom in 1945 and Sweden in 1947. Arnold Heidenheimer, Hugh Heclo and Carolyn Teich Adams, *Comparative Public Policy: The Politics of Social Choice in Europe and America* (New York: St. Martin's Press, 1975), 189, 199. See also Robert Kuttner, *The Economic Illusion* (Boston: Houghton Mifflin Co., 1984), 243-246, and Joseph Piccione, *Help for Families on the Front Lines: The Theory and Practice of Family Allowances* (Washington, D.C.: The Free Congress Research and Education Foundation, 1983).

72 Milton Friedman; *Capitalism and Freedom* (University of Chicago Press, 1962), 190-195.