

35.7 million in US live in poverty — most in 28 years

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Desperation gripping many of OC's poor

By Melissa Balmain Weiner
The Orange County Register

O.C. Register - 9-4-92
After another week of stretching hamburger so far you'd think it was rubber, another week of scouring the classifieds for jobs, Nola Coates had one thing to say about a census study that shows more Americans are poor than in any year since 1964:

No kidding.

"I feel desperate," said Coates, 25, of Anaheim, who has been on welfare since she lost her job as a smog-inspection clerk in 1990. "I feel more desperate than ever."

So do many throughout Orange County. Here, in an area known for lush living, the recession and other forces have shoved people into poverty at unprecedented rates, county welfare specialists say. Here, in the face of a state budget that will cut welfare grants by at least 4.5 percent, many of the new poor are frightened to death.

"It just puts more of a worry on me of whether I'm gonna be able to pay my bills or not," Coates said.

Coates and her daughter, Cortney Randel, 8, are among more than 95,000 county recipients of Aid to Families with Dependent Children — a population that has swollen by nearly 25,000 since 1990. Food-stamp rolls have grown even faster. Nearly 110,000 people received the vouchers for free groceries in March, compared with 64,634 two years before.

To qualify for such aid, a family of four may have a yearly income of \$18,504 — a state-generated number that is \$4,500 higher than the national poverty level in com-

'91 figures show 2.1 million more poor Americans

By Robert Pear
The New York Times

O.C. Register - 9-4-92
WASHINGTON — The number of Americans living in poverty soared last year by 2.1 million, to 35.7 million, and the poverty rate rose for the second consecutive year, to 14.2 percent, the government reported Thursday.

The new rate is the highest since the peak caused by the recession of the early 1980s. The actual number of poor people is the highest since 1964, when President Lyndon B. Johnson declared war on poverty.

The Census Bureau also said the purchasing power of the typical American household shrank last year by nearly \$1,100. The report provides statistical evidence of the hardship being experienced by millions.

The Census Bureau, in its annual report on income and poverty, said the decline in the purchasing power of Americans was also the second straight as median household income, after adjusting for inflation, fell by \$1,077, to \$30,126. The number of households above the median is the same as the number below it.

A family of four was classified as poor if it had cash income of less than \$13,924 in 1991. The poverty level is updated each year to reflect changes in the Consumer Price Index.

While the whole concept of poverty reflects political and social judgments about the amount of money needed for subsistence, the process of calculating each year's poverty levels is a statistical, non-political operation.

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For Reference

POVERTY: Purchasing power shrank, Census Bureau says

FROM 1

The poverty rate tends to move in tandem with the unemployment rate and with the number of people receiving food stamps. Because those indicators have risen sharply in 1992, economists say it is likely that poverty has continued to spread in this election year.

Arkansas Gov. Bill Clinton, the Democratic presidential candidate, cited the new poverty figures in a speech to leaders of the AFL-CIO, meeting in Washington on Thursday.

"This administration has compiled the worst economic record in 50 years, since Herbert Hoover was president, and at Houston we saw what their promise for the next four years is: more of the same," he said.

White House spokesman Marlin Fitzwater said the increase in poverty is understandable. "Certainly, I think we have to expect that the recession would have a significant and serious impact on income and on poverty levels," he said. "We have tried to target a number of programs in the last couple of years particularly to those problems, knowing that the recession would have a deleterious effect."

Economists say the recession began in July 1990. Since mid-1991, the economy has shown some signs of growth, but not enough for the official arbiters to declare the recession ended.

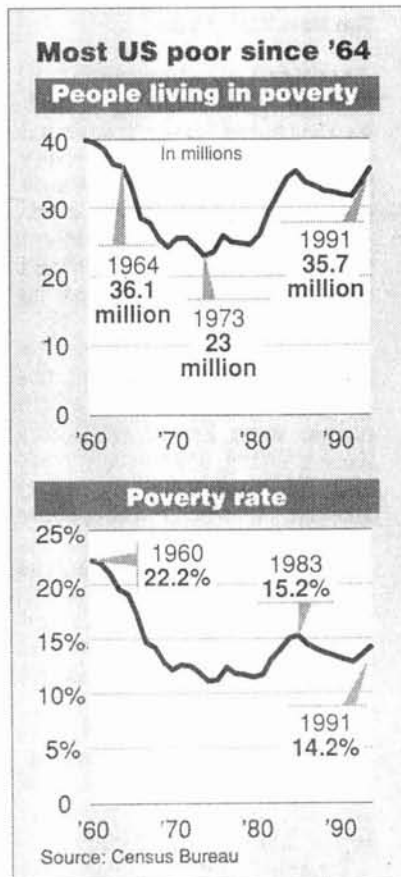
In the past two years, the Census Bureau said, the number of poor people increased by 4.2 million, while the proportion of people living in poverty climbed steadily, to 14.2 percent in 1991, from 12.8 percent in 1989 and 13.5 percent in 1990. The data do not include homeless people.

Both the number of poor people and the poverty rate declined from 1983 to 1989.

After adjustment for inflation, median household income has declined 5.1 percent since 1989. Household purchasing power is lower now than in 1979, the Census Bureau said.

The number of poor families increased to 7.7 million in 1991, from 7.1 million in 1990, the report said. The proportion of families living below the official poverty level rose to 11.5 percent last year, from 10.7 percent in 1990.

Many Republicans have criti-



Knight-Ridder Tribune News cited the official statistics on the ground that they do not reflect the value of food stamps, Medicaid, housing subsidies and other non-cash benefits.

But when the Census Bureau used alternative definitions of income that include the value of such aid, it still found that poverty rose sharply from 1989 to 1991. The data do not show the effects of capital gains, 92 percent of which go to the most affluent fifth of all households.

The Census Bureau report made these points:

■ The poverty rate for white people rose to 11.3 percent last year, from 10.7 percent in 1990. The rate rose even for white married couples, considered the most economically secure of all families.

For black people, the poverty rate rose to 32.7 percent last year,

from 31.9 percent in 1990. For Hispanic people, it rose to 28.7 percent, from 28.1 percent. (Hispanic people may be of any race.) For Asian-Americans, the poverty rate rose to 13.8 percent last year, from 12.2 percent in 1990.

■ In the past two years, household purchasing power declined 5.5 percent for whites, 5.3 percent for blacks, 8.1 percent for Asian-Americans and 5.8 percent for Hispanics.

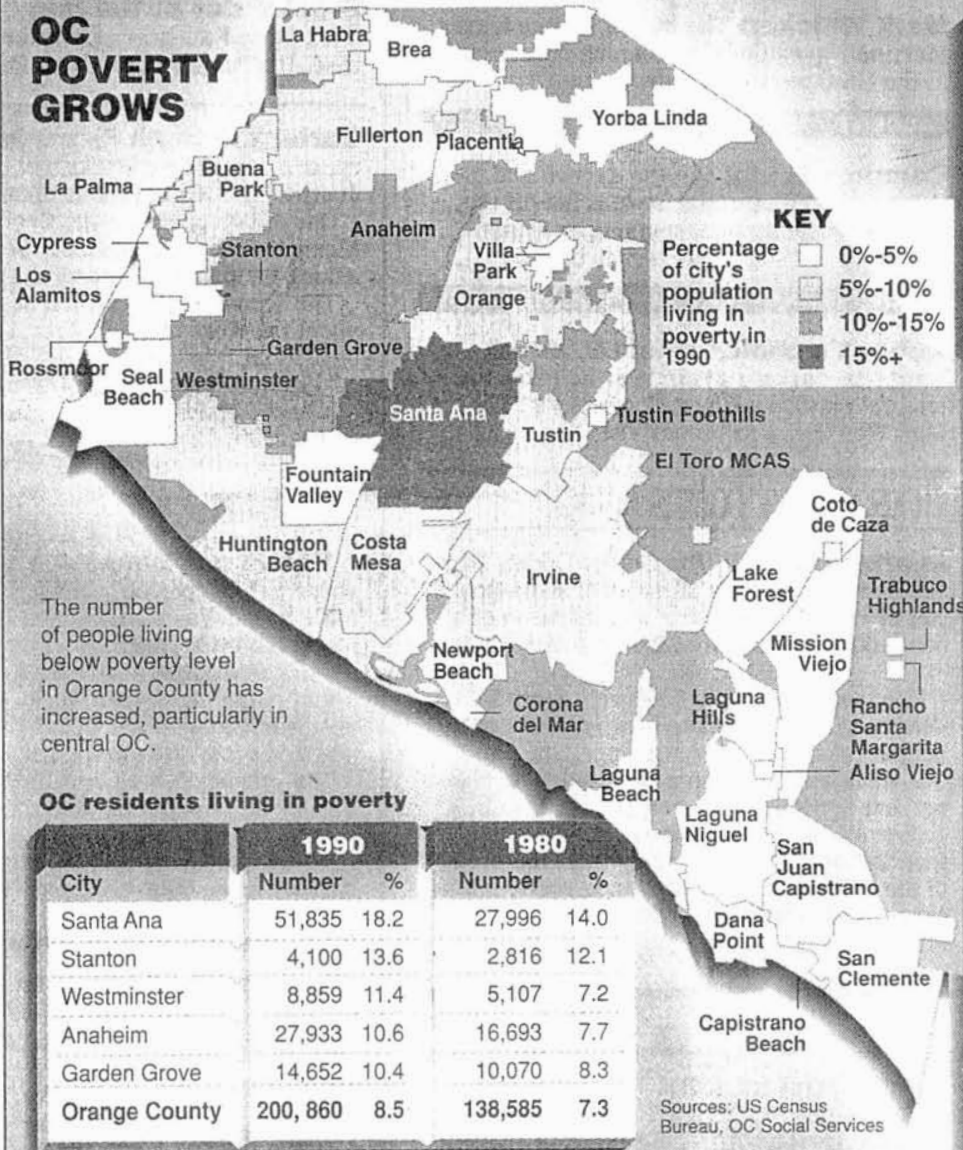
■ The South still has the nation's highest poverty rate (16 percent), but it is the only region in which there was not a significant increase in poverty in 1991. The poverty rate rose last year in seven of the 10 most populous states, including such likely battlegrounds of the presidential election as California, Florida, New Jersey, New York and Texas.

■ In the Los Angeles area, the poverty rate went up to 16.6 percent, from 13.8 percent. In the New York metropolitan area, it rose to 14.8 percent in 1991, from 12.1 percent in 1989.

■ Although the gap between rich and poor did not widen in 1991, there is a clear long-term trend toward increasing inequality of income. The most affluent fifth of all households got 46.5 percent of all household income in 1991, up from 43.5 percent in 1971 and 44.4 percent in 1981. By contrast, the poorest fifth got 3.8 percent of all income last year, down from 4.1 percent in 1971 and 1981.

The Census Bureau also reported that 35.4 million Americans had no health insurance in 1991, an increase from 34.7 million in 1990. About 29 percent of all poor people said they had no medical insurance of any kind at any time in 1991. By contrast, 11.7 percent of people above the poverty level and 14.1 percent of all Americans said they were uninsured.

OC POVERTY GROWS



The number of people living below poverty level in Orange County has increased, particularly in central OC.

OC residents living in poverty

City	1990		1980	
	Number	%	Number	%
Santa Ana	51,835	18.2	27,996	14.0
Stanton	4,100	13.6	2,816	12.1
Westminister	8,859	11.4	5,107	7.2
Anaheim	27,933	10.6	16,693	7.7
Garden Grove	14,652	10.4	10,070	8.3
Orange County	200,860	8.5	138,585	7.3

Sources: US Census Bureau, OC Social Services

People receiving Aid to Families with Dependent Children in OC*

19 and under: 65,520
Adults: 29,825
TOTAL: 95,345

1 out of every 26 residents



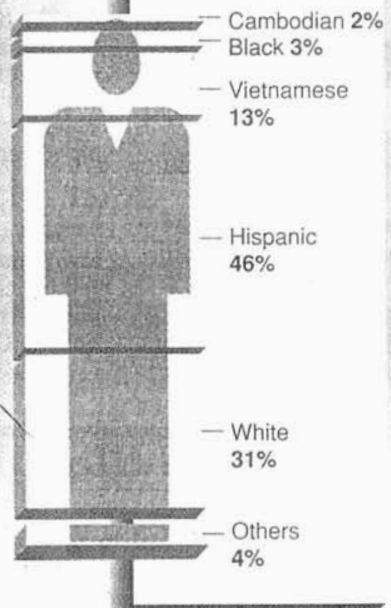
OC residents receiving food stamps**

TOTAL: 109,934

1 out of every 23 residents



OC financial assistance recipients by race, ethnicity



Leonard Ortiz/The Orange County Register

Nola Coates plays Monopoly with her daughter, Cortney Randel, on Thursday. Coates went on welfare after losing her job in 1990.