



A Snapshot of the Current Economic Landscape in the United States

Myth: People fail economically due to their own weaknesses; those who are smart and hard workers can pull themselves up by the bootstraps.

Fact: Private enterprise and open market economies produce ideology that advances this myth. The idea of personal responsibility is used to justify exploiting poor people, some employed and some unemployed, while advancing privatization to empower the already wealthy elite. Public good, social-communal responsibility and ethical practices are destroyed under this system. People do not start at an even playing field from birth, and various forms of oppression are built into powerful institutions in the United States and the world. Poverty is not about individuals or certain groups of people; it is systematically perpetuated by a few to ensure that they are able to easily accumulate resources and wealth.

Myth: The measurement of poverty captured in US Census data is an accurate representation of the whole population.

Facts: The US Census has been calculating poverty levels the same way since the 1960s. The National Academy of Sciences concluded that the current measure is not an accurate gauge of the population living in poverty; it fails to accurately reflect the differences in the extent of economic poverty among population groups or geographic areas of the United States. Mollie Orshansky, an economist and statistician, created the original poverty level equations for research. These equations were later used though they were not intended to determine eligibility for anti-poverty programs. In fact, these equations only reflect purchasing power as it was in 1963.

Myth: The late 2007 recession was an uncommon event, almost a once in a lifetime occurrence, and unemployment is only temporary.

Fact: Capitalism is an economic system that constantly experiences times of growth, and shrinkage, but through both there is and will always be some level of unemployment. The current national average for unemployment is about 8.2% according to the US Bureau of Labor Statistics, which is slightly better than the highest point after the most recent recession (10%). States like California, Rhode Island, and Nevada have even greater rates of 10.8%, 11%, and 11.6%, respectively. In addition, some populations experience unemployment more severely than others. In terms of race/ethnic groups, joblessness is 14.4% for Blacks, 11% for Hispanics, 6.3% for Asians, and 7.4% for Whites. In terms of age, unemployment is 8.2% for 25-34 year olds, 7% for 35-44 year olds, 6.3% for 45-54 year olds, and 6.2% for 55+ year olds.

Even after the recession hit, the number of people in poverty grew from 39.8 million in 2008 to 43.6 million in 2009. In 2010, the unemployment rate rose to 15.1%, equal to the rate of the early 1990s recession. The current unemployment rates are only marginally less than those of the early 1980s recession, when the rate was 15.2%. Why should any level of unemployment or poverty be expected and acceptable? Capitalism is a system built on private ownership and the search for profit. It has increasingly become a system dominated by financial capital, which is one reason why so many Black and Brown people have been subject to predatory lending and face foreclosure thereby further perpetuating a cycle of oppression and poverty.

Myth: Children are our future. Thus, the US government ensures that they are provided for and that their best interests are at the heart of key policies and legislation.

Fact: The poverty rate for children under 18 increased to 22% in 2010, meaning that more than 1 in 5 children in America lives in poverty. This includes not only children who live with families that are poor, but also children that live in areas of concentrated poverty. In these areas, there is a lack of critical resources for healthy growth and development, such as well-functioning schools, quality medical care, and safe outdoor spaces. There are 8 million children living in poverty concentrated areas. In fact, the US Census American Community Survey shows that after a period of decline from 1990 to 2000, the decade after showed a marked increase in the percentage and number of children living in high-poverty areas, from 9% to 11%. Not all children are equally likely to live in these areas. Native American, Black, and Latino children are 6 to 9 times more likely than white children to live in such communities.

The US Census considers a family of four (2 parents with 2 children) to be in poverty if they have an annual (pre-taxed) income of \$22,113 or less. Let's consider this for a minute...if both parents are working full-time jobs at minimum wage (federal requirement of \$7.25 per hour), their total (pre-taxed) income would be \$30,160 for their family. How can what the government stipulates as a minimum wage for living not set the poverty level? This is the minimum amount, so how is that not counted as the level in which poverty is measured against?

Myth: Immigrants only do jobs Americans don't want.

Fact: If this were true, then there would be occupations comprised entirely, or almost entirely, of immigrants. However, the US Census showed that there were only a slight number of majority-immigrant occupations; this was actually found before the most current recession, 2005 to 2007. Of the 465 civilian occupations, considered by the Census, only 4 have a majority of immigrant workers. These 4 areas account for less than 1% of the total US workforce. And even with that, American-born workers make up 47% of workers in those 4 occupations.

Steven A. Camarota, Director of Research, and Karen Jensenius, a demographer at Center for Immigration Studies, point out: "the American economy is dynamic, and it would be a mistake to think that every job taken by an immigrant is a job lost by a native. Many factors impact employment and wages. But it would also be a mistake to assume that dramatically increasing the number of workers in these occupations as a result of immigration policy has no impact on the employment prospects or wages of natives."

Myth: Those people with the ability to have a job and work get paid equal time for equal labor.

Fact: Women working a full-time, salaried job earn a median weekly income of about \$657 (2009). This is 80% of what their male counterparts earned. Women who work part-time earn more money than their male counterparts; however, what is the discrepancy that lies between women being able to do full-time versus part-time work? A recent New York Times article notes, "Women are much more likely to be in part-time jobs than men"

Black men working full-time jobs earn 72% of the average earnings of what white men would typically earn, and 85% of what white women would earn (2010). The wage gap is even larger for many women of color; Black women make only 62 cents, and Hispanic women only 53 cents, for every dollar earned by white male. Also, an average Black woman will earn about \$12,000 less than the average white male, and an average Hispanic woman working full-time would earn about \$17,837 less. The incomes of Black and Hispanic women are 83% and 71% of what white women earn. Typically, the Black unemployment rate is about double the white rate regardless of a receding or booming economy.