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Why are people poor?

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Why are people poor?

LOW WAGES. One third of the jobs in our economy are classified as "low-skill, low wage," and often do not have benefits. Most of these jobs are in the fast-growing retail and service sectors. The "working poor" comprise about half of all adults living in poverty.

SINGLE-PARENTING. Over half of poor families are headed by a single woman. A single mother with children is more likely to be poor than any other age group, race group, or family type. A single-parent family has only one adult earner, and her work effort is often constrained by parenting responsibilities and low-paying job skills.

DISCRIMINATION. Research shows that hiring discrimination is common, seriously limiting the wages and employment options of minority workers. The poverty rate for people of color is three times the rate for whites, and minorities are at high risk for long-term poverty. One in six African Americans can expect to spend ten years or more in poverty compared to one in fifty white Americans.

INADEQUATE EDUCATION AND SKILL-LEVEL. Over a lifetime, a high school dropout will earn \$200,000 less than a high school graduate and is three times more likely to be unemployed or leave the work force permanently. The increasing globalization of the U.S. economy means that more low-skill jobs are leaving the country. At the same time, new technologies in the workplace have reduced the demand for less-skilled workers. When adjusted for inflation, wage levels for less-skilled workers have declined steadily over the past 20 years.

ISOLATION FROM JOBS. Jobs are increasingly located in suburban areas, and disadvantaged urban or rural job-seekers may not find out about available jobs or have transportation to worksites.

LACK OF "SOFT SKILLS." Some of the disadvantaged have learned a set of "streetwise" survival skills instead of the "soft skills" needed in the workplace. Research shows that job experience is important to learning these non-technical skills – getting along with supervisors, coworkers, and customers; regularly showing up for work and getting there on time; following the rules; and having a good attitude and being productive.

POOR HEALTH, MENTAL ILLNESS, SUBSTANCE ABUSE, and DOMESTIC VIOLENCE. Research is unclear on the magnitude of these problems among the poor, but studies of welfare recipients have shown that 10-20% have medical problems that limit their ability to work. It is also estimated that at least one third of the nation's 600,000 homeless individuals have schizophrenia or manic-depressive illness. A relationship between substance abuse and poverty has been recognized for a long time. Recent studies show that 20-30% of current welfare recipients are victims of domestic abuse.

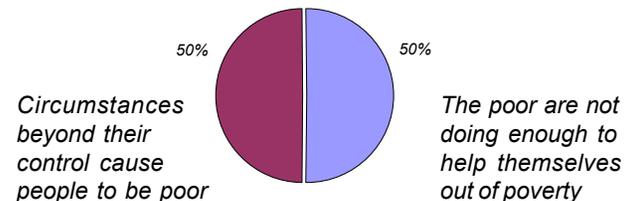
There is no single cause of poverty and there are no simple solutions.

What do Americans believe about the causes of poverty?

Based on a national poll,* Americans think the major causes of poverty are:
% saying major cause

- Drug abuse 72%
- Medical bills 61%
- A decline in moral values 57%
- Too many jobs being part-time or low-wage 57%
- Too many single-parent families 56%
- Poor people lacking motivation 53%
- Poor quality public schools 47%
- The welfare system 46%
- A shortage of jobs 39%
- Too many immigrants 33%

Respondents were evenly divided in their attitudes toward poverty....



African Americans and white Americans expressed substantially different opinions.

African Americans were more likely to say:

- it's harder today to get out of poverty than it was ten years ago
- the government could eliminate poverty
- most welfare recipients really want to work

White Americans were more likely to say:

- poor people have it easy
- government cannot eliminate poverty
- welfare encourages women to have more children than they otherwise would

*Source: National Public Radio, the Kaiser Family Foundation and Harvard's Kennedy School of Government (2001) Poverty in America. (Opinion poll conducted January-February 2001.) www.kff.org/content/2001/3118