

# Poverty Runs Deeper than You Think

---

WILLIAM T. OSWALD, PH.D.  
GLOBAL ACTION RESEARCH CENTER  
WTOSWALD@GMAIL.COM



**The Global ARC**  
*Global Action Research Center*

# Perceptions of Poverty v. Reality

---

## PERCEPTIONS

**5 million poor people in United States**

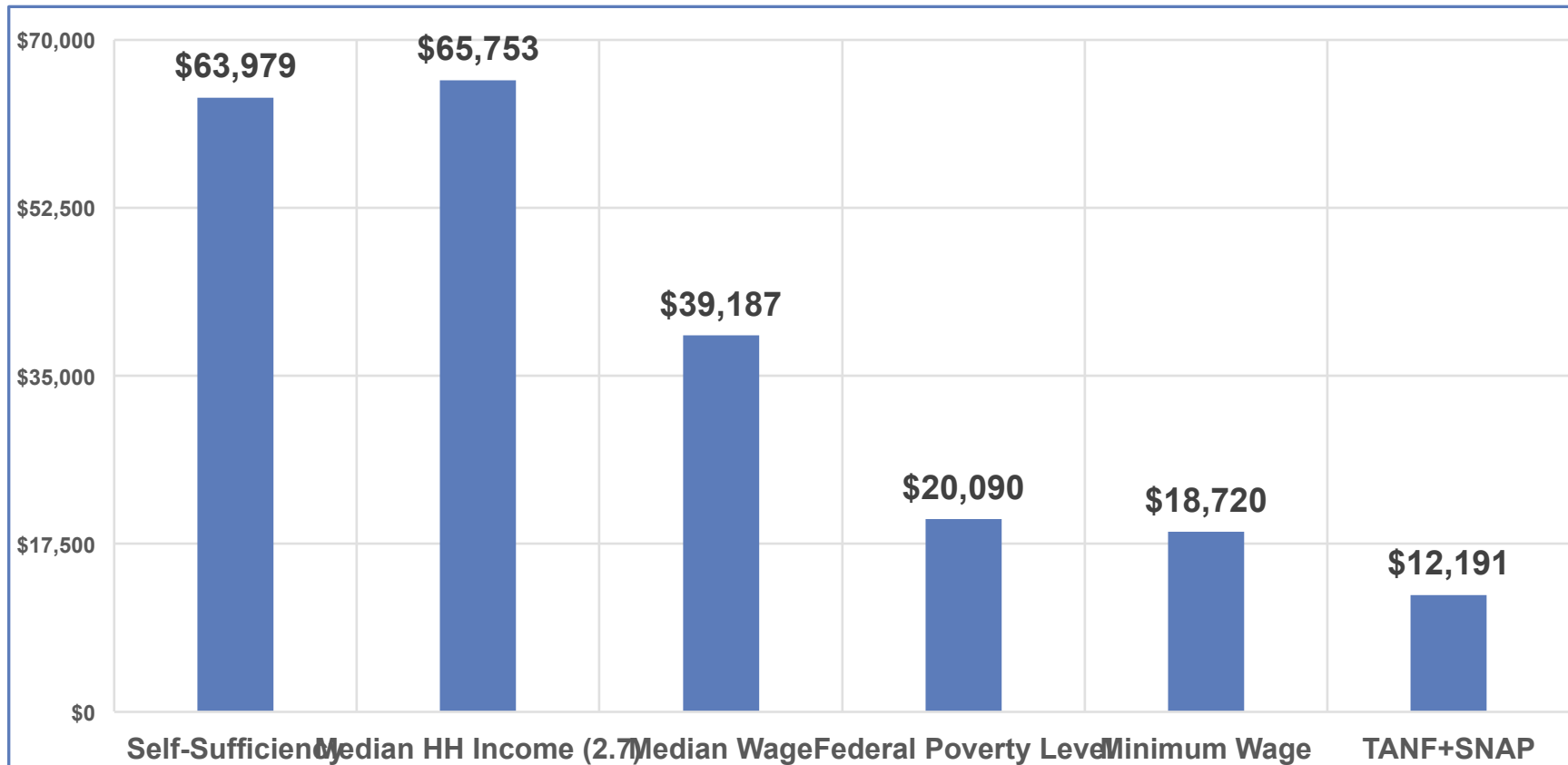
**Most poor people – most welfare recipients are African-American (Surveys: 86% of Americans believed half or more poor people in the US and 55% of welfare recipients are African-American)**

## REALITY

**Over 46 million people live below the official poverty line – Another 75 million people (Estimated) do not earn enough to “make ends meet.”**

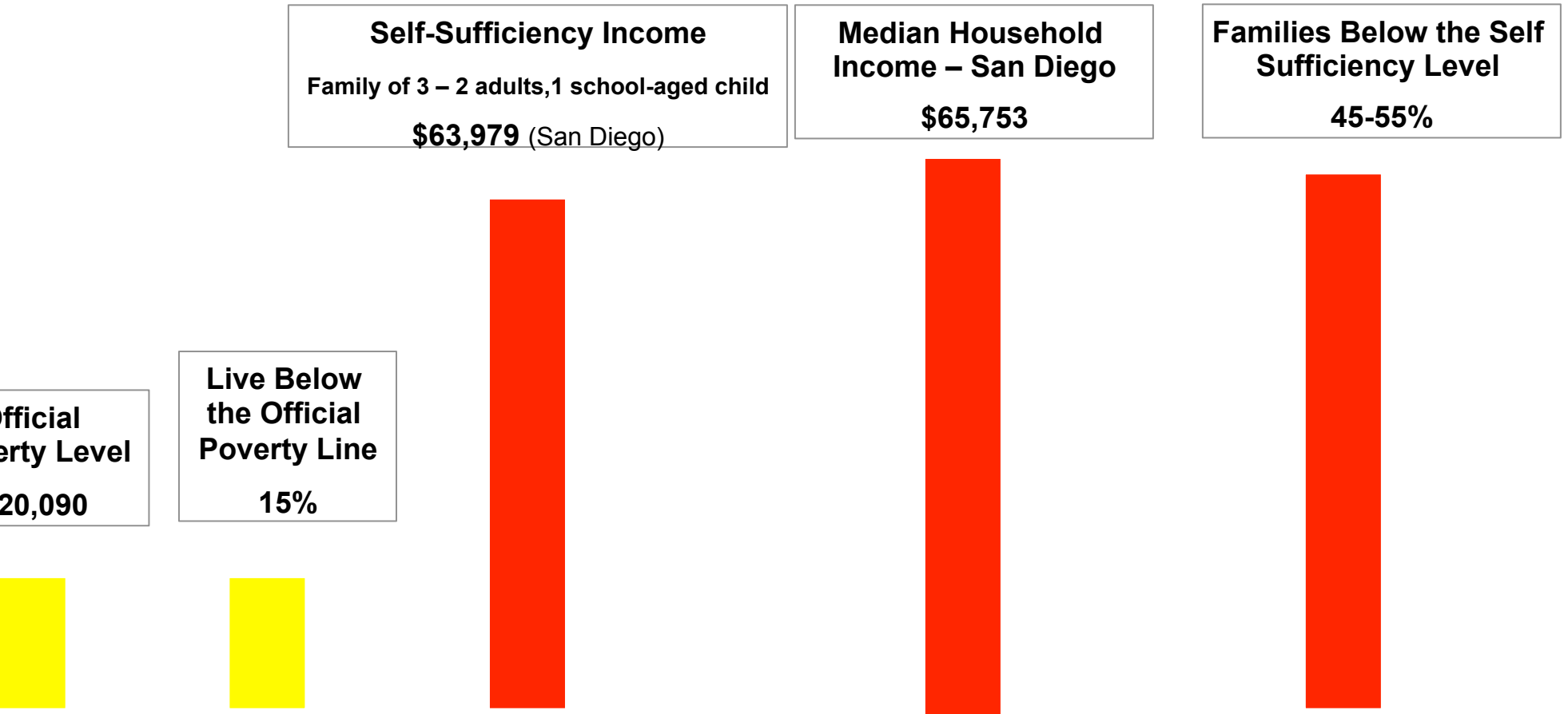
**Most poor people – most welfare recipients are European American (27% of poor are African-American; 36% of families on TANF)**

# How We Define Poverty?



# What do we mean by Poverty?

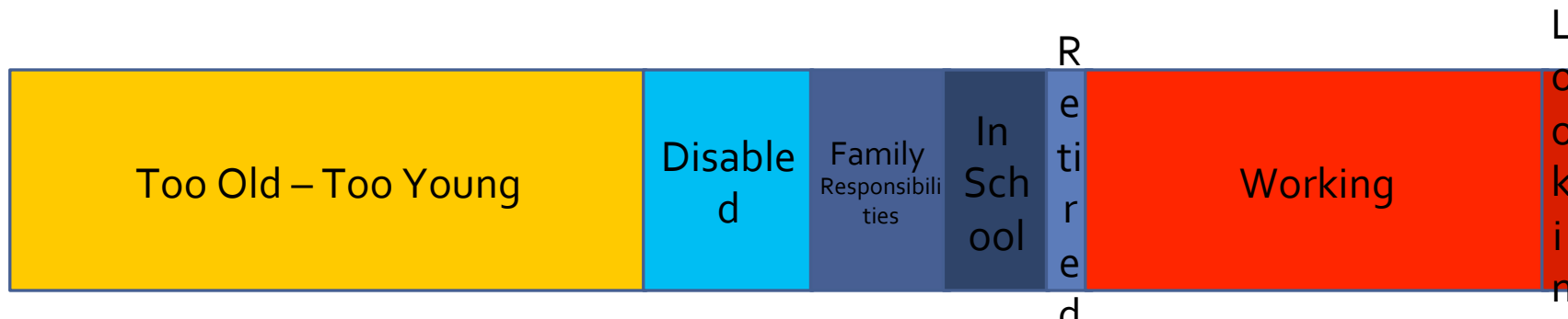
Families th  
2 payche  
from pove



# Challenging the Myths of Poverty

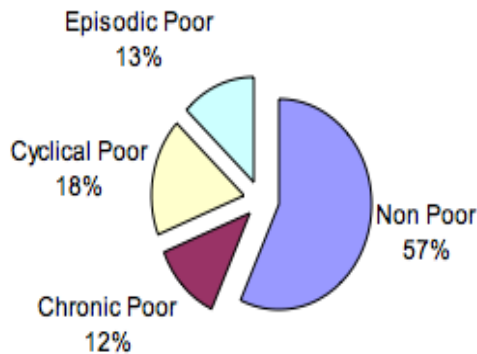
**The single story presents an extremely distorted view of people in poverty – as people who are lazy – as people who could work if they wanted to – as people of low moral character**

**Of the 46+ million people living below the federal poverty line . . .**



**Less than one million (@2%) are of working age, physically and mentally able to work and are not working**

# Who Are the Poor?



The **episodic poor**: Consists of people who have at least one significant episode of poverty within a twenty-year period typically the result of an economic crisis caused by the loss of the breadwinner either through layoff, death, divorce, or illness.

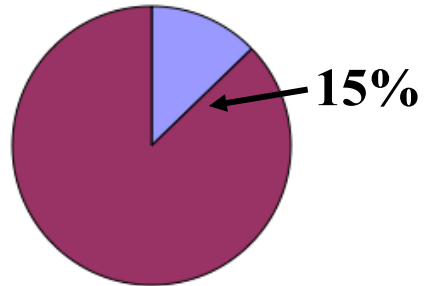
The **chronically poor**: The category consists of people who are poor more than eighty percent of the time, two-thirds of whom are people trapped in poverty for five years or longer.

The **cyclically poor**: People who move in and out of poverty on a regular basis. This category make up about eighteen percent of the population about two-thirds of those who are poor at any given point in time.

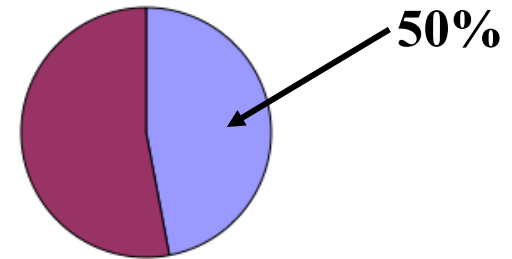
**Different kinds of poverty need to be addressed differently**

# How widespread is poverty?

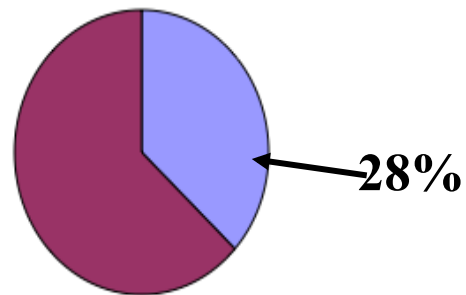
People Below Official Poverty Line



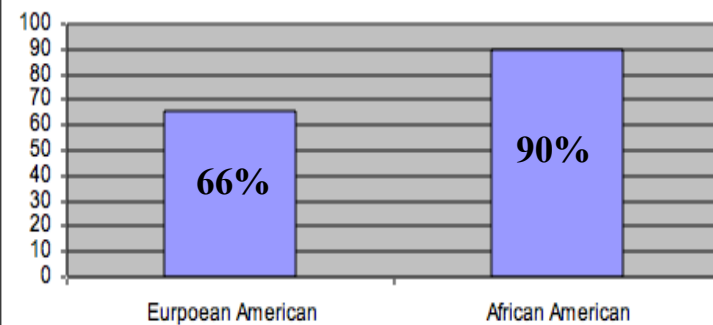
People who will experience poverty within a 10 year period



People Who Will Spend 2 Months Out of 12 in Poverty

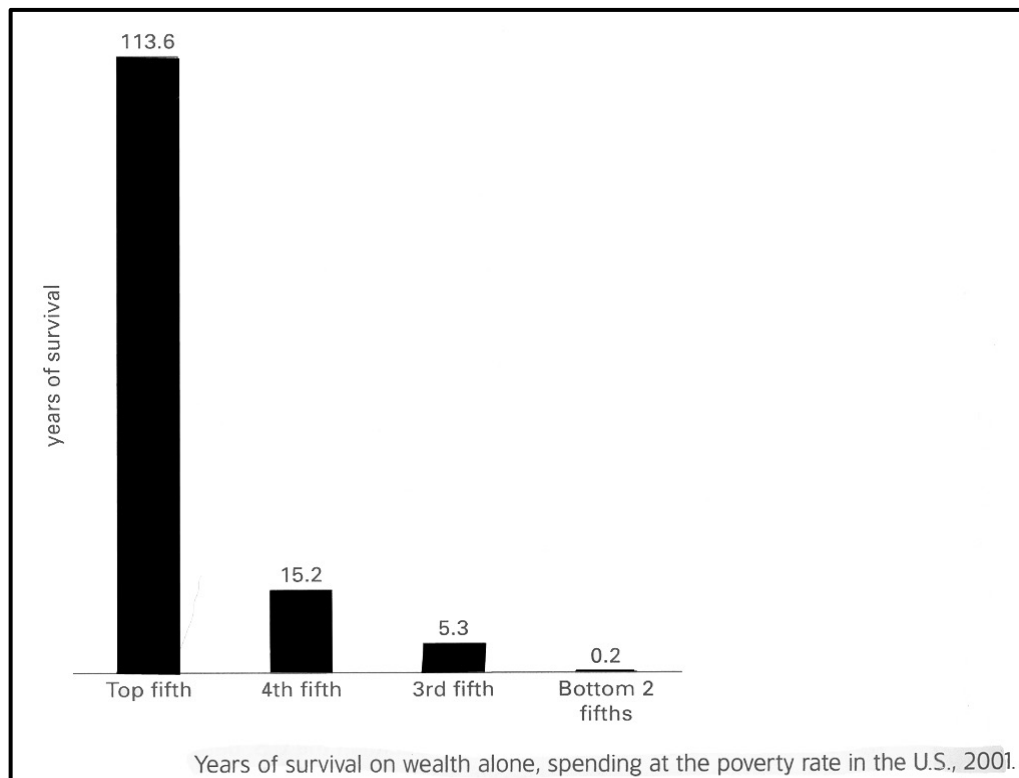


Percent of People Who Will Spend Some Time in Poverty in Their Lifetime



# Staying Out of Poverty Depends on Assets/Wealth

The difference between staying out of poverty and falling back into poverty is the amount of assets you hold that will keep you afloat on rough economic seas



Different from income, “wealth is what families own, a storehouse of resources that, when combined with income, can produce the opportunity to secure the ‘good life’ in whatever form is needed or desired.”



# **Some Facts About the Poor**

---

**Low wages and loss of income is the most common reason people fall into poverty.**

**35-45% work [depending on available employment - CPI Report 42%]**

**48% became poor due to involuntary reduction in work hours**

**18% became poor due to loss of employment**

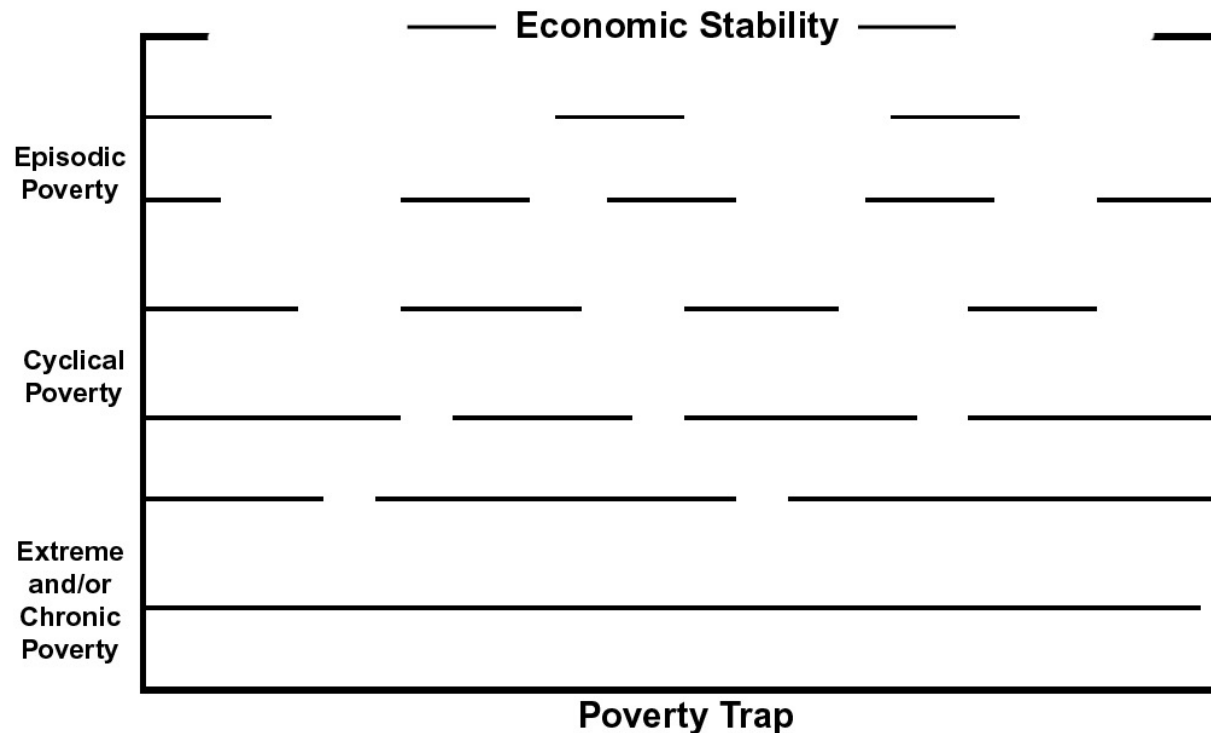
**10% became poor due to loss of breadwinner through divorce**

**Over 45% of people in poverty live below 50% of the federal poverty line**

**Less than 20% of people in poverty receive “welfare”**



# POVERTY IS A TRAP



**Poverty is a trap. Once one gets caught it can be extremely difficult to get out. In addition, it is a trap of varied depth and the deeper one is caught in the trap, the more difficult it is to escape.**