

Social Inequality in America: 2009 income gap in the US highest on record

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Figures released Tuesday by the US Census Bureau reveal sharply worsening conditions for tens of millions of Americans under the impact of the economic crisis and the accumulation of vast wealth by a relative handful.

Some of the figures, for particular states and regions, are simply staggering. Michigan residents experienced a 6.2 percent decrease in median income *in the course of one year*, from 2008 to 2009, while Illinois has suffered a 24 percent increase in poverty in the past decade. More than 36 percent of Detroit's population officially lives in poverty.

Overall, the 2009 American Community Survey reveals that median household income fell in the US nearly 3 percent between 2008 and 2009, from \$51,726 to \$50,221. This was the second consecutive year in which household incomes dropped. Median income declined in 34 states, and increased only in sparsely populated North Dakota.

"Thirty-one states saw increases in both the number and percentage of people in poverty between 2008 and 2009," reported the Census Bureau in a press release. "No state had a statistically significant decline in either the number in poverty or the poverty rate."

National median income is down 4 percent from its peak when the recession officially began in December 2007. Last year alone, noted the *Washington Post*, accounted for \$1,500 of that average loss.

The Associated Press, based on an analysis of the Census Bureau numbers, reports that the income gap between the rich and the poor "grew last year to its widest amount on record as young adults and children in particular struggled to stay afloat in the recession." The US also has the greatest income disparity among the advanced capitalist countries.

The proportion of Americans living in extreme poverty, defined as half the derisory official poverty line, or \$10,977 for a family of four, rose from 5.7 percent in 2008 to 6.3 percent last year, an 11 percent increase in the number of people living in dire circumstances in one year. The 2009 figure was the highest level since the US government began tracking the very poor in 1975. To the everlasting shame of the American political establishment, the District of Columbia, home to the US government, has the highest proportion of residents living in extreme poverty of any state or district, 10.7 percent.

The top 20 percent of the population, those making more than \$100,000 a year, took in nearly 50 percent of all income generated in the US in 2009, while the 44 million people living below the poverty line received only 3.4 percent. "That ratio of 14.5-to-1 was an

increase from 13.6 in 2008 and nearly double a low of 7.69 in 1968” (AP).

The top 5 percent of the US population in terms of income, those making \$180,000 or more, added slightly to their annual incomes last year.

The most revealing statistics, however, relate to the wealthiest 1 percent, 1/10 of 1 percent and 1/100 of 1 percent of the population—no news about their gains in 2009 has been reported yet.

New York, Connecticut, Texas and the District of Columbia, along with the territory of Puerto Rico, had the largest gaps between rich and poor. Similar income gaps, reported AP, existed in major cities such as New York, Miami, Los Angeles, Boston and Atlanta. Some 22 percent of Mississippians live in poverty, the highest proportion of any state’s population, and only five states (Alaska, Connecticut, Maryland, New Hampshire and New Jersey) had fewer than one in 10 residents living in poverty in 2009.

Other social phenomena reported by the Census Bureau are associated with job losses and declining incomes:

- Median property values for owner-occupied homes dropped 5.8 percent in 2009 when adjusted for inflation. More homes are empty, as the share of vacant units has grown every year since 2006, to 12.6 percent in 2009. Fewer people are moving, either from their current homes or their current states. Home ownership declined for the third year in a row to 65.9 percent, from a peak of 67.3 percent in 2006. The average size of a household living in a rental unit has increased since 2006.
- People are delaying marriage, especially in the working class. For the first time since the government began recording such data, less than 50 percent of women 18 and over were married in 2009. The share of adults 25 to 34 who have never been married climbed to 46.3 percent in 2009. “The decline in marriage is greater among the poor and less educated” (*USA Today*).
- Americans have fewer cars, as the percentage of homes with more than one automobile declined in 2009.
- The poverty gap between young and old has doubled since 2000. Official child poverty is now 21 percent, compared to 9 percent for older Americans. The figures in 2000 were 16 percent and 10 percent, respectively.
- The AP reports research indicating that “lower-skilled adults ages 18 to 34” suffered the “largest jumps in poverty last year as employers kept or hired older workers for the dwindling jobs available.”
- The number of US households receiving food stamps rose by 2 million in 2009 to 11.7 million, the highest level on record. Forty-six states experienced increases in food stamp use.

As noted above, the US Midwest has been especially ravaged by the current economic slump. More than 9 million people in the region lived in poverty in 2009, 1 million more than the year before, and up from 6.3 million in 1999.

Four million people in the Midwest, once a global industrial and economic center, live in extreme poverty, an increase of half a million in 12 months. Nearly 3 million children live in poverty in the area, an increase of almost a third in a decade. Median household income in the US Midwest declined from \$54,600 in 1999 to \$48,400 in 2009. Eight million people in the region have no health insurance.

The *Detroit News* noted Tuesday that, “Michigan families have been hit the hardest by the recession, with incomes plummeting and poverty rising at rates seen nowhere else in the country.” Median household income in the state has dropped *nearly 21 percent* since 2000, or almost \$12,000, the biggest decline in the country.

The ranks of the poor swelled in Michigan by 159,000 in 2009 alone. The number of children living in poverty in the state rose to more than half a million in 2009, or 22.1 percent. Approximately 30,000 single-mother households with children in Michigan were poor last year. The state’s national ranking in household income fell from 16th in 2000 to 35th in 2009.

According to US census officials in Detroit, with whom a WSWS reporter spoke, while the overall poverty rate in the city is 37 percent, for those under 18 it is 51 percent.

In neighboring Ohio, the official poverty level reached nearly 16 percent in 2009, or one in six residents. Nearly 1.5 million people in Ohio are now counted as poor, up from 1.2 million in 1999. Seven percent of the population (800,000 people) lives in extreme poverty in the state, an increase of 45 percent. Nearly 200,000 more Ohio children were poor in 2009 than in 1999. Median household income fell more than \$7,000 over the same period.

In Indiana, 14.4 percent of the population lives in poverty, or some 900,000 people, up from 560,000 in 1999. The number of those in extreme poverty in Indiana in 2009 (400,000) was up 60 percent over 1999 (250,000). The child poverty rate increased by 68 percent (from 11.7 to 19.7 percent) in the decade 1999-2009.

Poverty increased among Illinois residents by nearly a quarter during the same 10-year period. In Chicago in 2009, more than 10 percent of the population lived in desperate poverty and 31.2 percent of children were categorized as poor.

Florida experienced the second sharpest decline in household income in 2009 after Michigan, 5.7 percent, while in California in 2009 one in seven people lived in poverty.

In the face of widespread—and growing—economic suffering, the American political establishment remains cold and indifferent, concerned only with defending the wealth and privileges of a tiny minority. As of late Tuesday afternoon, neither the White House nor any leading Democratic Party website carried a response to the Census Bureau figures, which register a portion of the impact of the greatest economic crisis since the Depression of the 1930s.

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