

WHILE OVERALL POVERTY RATE CONTINUES TO RISE, GAPS BETWEEN RACES, AGE GROUPS, AND GENDER CONTINUE TO DROP

WIDENING INCOME GAP ALSO EXAMINED

NORTH MANCHESTER, Ind. (October 1, 2005) Several statistically significant trends emerged in a study of U.S. Census data by researchers at Indiana's Manchester College. Poverty rates and income levels were examined from 1995-2004 for several groups in the U.S. population.

As recently reported by the Census Bureau, the overall poverty rate continued its upward climb that began in 2001. However, comparisons of various demographic groups reveal more hopeful trends. The difference in poverty rates between whites and other racial-ethnic groups decreased six of the last nine years, dropping 24 percent overall since 1995. The poverty disparity between children and adults decreased seven of those same nine years, dropping 13 percent overall. Between genders, the poverty gap showed a decrease in seven of nine years, with no change one year and a 4 percent decrease overall.

Focusing on the most quickly narrowing gap, that for race, reveals the effect is due principally to minority groups dropping in poverty rate, with white poverty remaining relatively stable (1995- 8.5% and 2004-8.6%, with only mild fluctuations in between, from 7.4% to 8.6%). During this same time period the Black poverty rate dropped from 29.3% to 24.7%; Hispanics from 30.2% to 21.9%; and Asians/Pacific Islanders from 14.6% to 9.8%. Generally speaking, minority groups showed fairly substantial declines in poverty in the late 1990's followed by slow increases in the new century.

However, there is bad news on another front. Inequality in income between the richest and the poorest households increased six of nine years (with no change in one year), for an overall increase of 12 percent. According to research team statistician James Brumbaugh-Smith, Associate Professor of Mathematics, "While the closing poverty gaps are encouraging, the income gap between the top 5% and the bottom 10% was the second widest it has been since the Census Bureau began publishing such data in 1967. While dropping somewhat from the peak disparity observed in 2003, this measure of inequality is 26 percent higher than first observed in 1967 and 12 percent higher than in 1995."

The researchers noted that the growing rich-poor gap has important implications for U.S. society. "Do we really want a divided society where people live in different neighborhoods, have different friends, and send their children to separate schools, depending on how much money their family has? Because that is the consequence of high income inequality," said researcher Bradley Yoder, Professor of Sociology and Social Work.

Even the good news of the narrowing race, age, and gender poverty gaps is tempered by a closer look at the data. Non-whites are still 2.5 times more likely to live in poverty than whites. 8.6 percent of non-Hispanic whites lived below the poverty line, as compared to 24.7 percent of blacks, 21.9 percent of people of Hispanic origin, and 9.8 percent of Asians and Pacific Islanders.

Similarly, despite the downward 1995-2004 trend in poverty disparity between adults and children (over versus under 18), children were still 1.6 times more likely to be poor than adults in 2004. The poverty rate for those under 18 was 17.8 percent, while the rate for adults was 11.0 percent. For gender, the slow but consistent narrowing of the poverty gap continued in 2004 for the seventh straight year; 13.9 percent of women were in poverty in 2004, compared with 11.5 percent of men.

“Certainly there is hope for the future as these demographic gaps continue to narrow, but the gaps are still there,” says lead researcher Neil Wollman, Senior Fellow of the Peace Studies Institute and Professor of Psychology. “These poverty gaps are not good for a society that holds equality as one of its important values. Happiness is affected by the ways our values play out in the world and how we feel that we stack up next to our fellow citizens.”

These figures are from the National Index of Violence and Harm, constructed to measure trends in the levels of violence and harm to individuals in the United States. The index is calculated yearly by professors and students at Manchester College in Indiana, by comparing current figures to the baseline year of 1995. Two different scales and nineteen variables are included. Personal violence and harm includes violence against others and against oneself, such as sexual assault and deaths from drug overdose. Societal violence and harm is measured by such factors as lack of health insurance, air pollution, and occupational injuries. Complete details can be found at <http://www.manchester.edu/links/violenceindex/>

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