

LAST DECADE SEES CLOSING POVERTY GAP BETWEEN MINORITIES AND WHITES, BETWEEN YOUNG AND OLD

NO CHANGE FOUND IN DISPARITY BETWEEN WOMEN AND MEN

INCOME GAP WIDENS DRASTICALLY BETWEEN POOR AND RICH

NORTH MANCHESTER, Ind. (October 6, 2006) 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 1995-2005 for several groups in the U.S. population.

As recently reported by the Census Bureau, the overall poverty rate appears to have leveled off in 2005 following an upward climb that began in 2001. Comparisons of several demographic and income level groups reveal mixed trends. The difference in poverty rates between whites and other racial-ethnic groups decreased six of the last ten years, dropping 21 percent overall since 1995, but remaining stagnant from 2004 to 2005 (with whites still being better off overall). The poverty disparity between adults and children decreased seven of those same ten years, dropping 13 percent overall, but stabilizing in 2005 (with adults still being better off overall). After narrowing each year since 1997, the gender-based poverty gap showed a large increase in 2005, widening to a level last seen in 2000. Though the gap closed seven of ten years, this recent increase resulted in their being no overall improvement since 1995 (with men still being better off overall).

Focusing on the most quickly narrowing gap, that for race, reveals that the effect is due principally to minority groups dropping in poverty rate, with white poverty remaining relatively stable (an 8.3% rate for whites in 2005 versus 8.5% in 1995, 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 24.9%; Hispanics from 30.2% to 21.8%; and Asians/Pacific Islanders from 14.6% to 11.1%. Generally speaking, minority groups experienced moderate to strong declines in poverty in the late 1990's followed by small increases in the new century.

However, there is bad news on another front. Inequality in income between the richest and the poorest households increased seven of ten years (with no change in one year) reaching a modern-day high in 2005. According to research team statistician James Brumbaugh-Smith, Associate Professor of Mathematics, "While the closing of some poverty gaps is encouraging, in 2005 the income gap between the top 5% and the bottom 10% was the widest observed since the Census Bureau began publishing such data in 1967. The 95th percentile income is now 14.7 times higher than income at the 10th percentile. This measure of inequality is 29 percent higher than first observed in 1967 and 14 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 poverty gaps based on race and age is tempered by a closer look at the data. Non-whites are still 2.6 times more likely to live in poverty than whites, comparable to 2004. Similarly, despite the downward 1995-2005 trend in poverty disparity between adults and children (18 and over versus under 18 years old), in 2005 children were still 1.6 times more likely to be poor than adults (with no change from 2004). The poverty rate for those under 18 was 17.6 percent, while the rate for adults was 10.9 percent. Even more problematic is the poverty rate of children in minority households, 33.5 percent for Black households and 28.3 percent in Hispanic households, compared to the overall childhood rate of 17.6.

The poverty gap based on gender actually increased after a consistent seven-year decline. 14.1 percent of women and girls were in poverty in 2005, compared with 11.1 percent of males. Females are now 27 percent more likely to be in poverty than males (up from 21 percent in 2004), returning to a disparity level not seen since 2000. For females living in Black and Hispanic households the poverty rates are considerably higher, 26.9 and 23.9 percent respectively, compared to 14.1 percent overall.

“There is some hope for the future as some demographic gaps generally narrowed over the decade, 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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