# Forty five million in poverty in the US

**By Andre Damon**
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Forty-five million people are living in poverty in the United States, according to figures released Tuesday by the Census Bureau. The 2013 *Income and Poverty in the United States* report found that the number of people in poverty remained at a record high last year, while the income of a typical household remained stagnant. According to the Census figures, the median household income in the US has fallen 8 percent since 2007.

The continuing prevalence of mass poverty and the stagnation of the incomes of working people are an expression of the fact that the so-called economic "recovery" touted by the Obama administration is a recovery only for the financial elite: corporate profits hit a record in the year covered by the report, while stock values increased by a third that year, fueled by the Federal Reserve's money printing operations.

The White House praised the report, saying that it showed that "key indicators of poverty and family income improved." In reality, the report is yet another confirmation of the fact that there has been no real improvement in the living conditions of working people.

The report follows the publication earlier this month of the Federal Reserve's Survey of Consumer Finances, which found that between 2007 and 2013, the income of a typical US household fell 12 percent. According to the survey, the median American household now earns $6,400 less per year than it did in 2007.

The poverty threshold, which currently stands at $23,624 for a family of four with two children, or $12,119 for an individual without children, is abysmally low. Using this measure, the latest Census Bureau report finds that the official poverty rate fell by .5 percent, to 14.5 percent, the first fall in the poverty rate since 2006. While the poverty rate fell, the total number of people in poverty remained at the same level as the year before.

One in five children in the US were in poverty in 2013, and the child poverty rate stood at 19.9 percent in 2013, down from 21.8 percent the year before.

The stagnation of real wages shown in 2013 is part of an ongoing decline in workers' wages. According to an analysis of the Census figures by the Economic Policy Institute (EPI), the inflation-adjusted median earnings for a man in 1973 was $52,419, higher than the present figure of $50,033. According to the EPI's data, "the decline in median non-elderly household income from 2000 to 2013" was $7,337, or 11.2 percent.

According to the Census figures, while the Gini coefficient, a measure of social inequality, increased 4.9 percent from 1993 through 2012, it remained largely unchanged in 2013.

The report also noted that there were 42 million people in the United States, or 13.4 percent of the population, who did not have health insurance in 2013. The share of the population that does not have health insurance dropped as a result of the implementation of the Affordable Care Act, which imposes fines on those who do not have health insurance.

As a result of the 2008 economic crash, a growing number of people avoided getting their own homes or apartments, or moved back in with their parents or acquaintances. According to the Census Bureau, such "shared households" are defined as "those that include at least one 'additional' adult: a person 18 or older who is not enrolled in school and is not the householder, spouse or cohabiting partner of the householder." The number of such households had increased from 17 percent to 19 percent by spring 2014, according data referred to in the Census report.

The Census figures do not reflect a series of drastic cuts to social spending that were implemented in 2013, including elements of the "sequester" budget cuts, $11 billion in cuts to food stamp benefits, and the expiration of federal extended jobless benefits at the end of the year. These draconian spending cuts together removed tens of millions of dollars in income from the poorest and most vulnerable sections of the population.

The Census report follows the publication of a number of social indicators showing growing poverty and social distress in the US. In April, Feeding America published its annual report on hunger, which showed that 49 million people, or 16 percent of the population, lived in food insecure households in 2012, up from 11.1 percent in 2007. The level of food insecurity among children is even worse, affecting 16 million children, or 21.6 percent of all children in the US.

The collapse of workers' incomes and the growth of inequality express the basic response of the ruling class to the economic crisis that erupted in 2008. The Obama administration seized upon the economic downturn in order to carry out wage-cutting in the auto companies it restructured, incentivize companies to slash workers' health care benefits through the Affordable Care Act, and slash billions of dollars in social programs.

As a result of these policies, the top 1 percent of income earners in the US took in 95 percent of all income gains between 2009 and 2012.