

Where the Money Doesn't Go -- Poverty USA

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Never did know for whom the bell tolls but I sure do know where the money goes and it doesn't go to thee!



A famous Zen koan asks, 'what is the sound of one hand clapping?' If you've ever heard the sound of Bankers and Corporatists pocketing money with one hand while directing it with the other, then you'd know.

According to a report in the Guardian, over 46 million Americans are now living below the poverty line -- so much for justifying all the holocausts and illegal wars America wages with the refrain, 'look what your country has done for you!' The short answer, if you don't belong to the criminal 1%, is fire you, then foreclose on your house, put you on food stamps and what is laughingly called, 'welfare!' Buddy can you spare a cartridge, cuz 46 million makes a very potent force should they wake to the facts and realise they have been shafted by their own government and the opulent, avaricious, insular, 1%?

I describe them as insular simply because if they were truly cognisant of the consequences of their actions and realised how hated and vulnerable they truly were -- history proves that regardless of the tightest security, anyone can be killed -- they would immediately close the HUGE disparity gap and begin REHABILITATING the nation. But as we all know greed is what made and broke the back of this nation -- "a man sees what he wants to see and disregards the rest" -- Paul Simon. So I suggest armoured vests and bullet-proof vehicles -- even the long suffering, intellectually bereft, paralysed American population has its breaking point! Go back to the soup kitchen America, your government is serving the 1%.

Guardian story by Chris McGreal follows:

Millions of Americans will be forced into poverty in the coming years even as the US hauls itself out of the longest and deepest recession since the second world war.

A study from Indiana University, released on Wednesday, says the number of Americans living below the poverty line surged by 27% since the beginning of what it calls the "Great Recession" in 2006, driving 10 million more people into poverty.

The report warns that the numbers will continue to rise, because although the recession

is technically over, its continued impact on cuts to welfare budgets and the quality of new, often poorly paid, jobs can be expected to force many more people in to poverty. It is also difficult for those already under water to get back up again.

"Poverty in America is remarkably widespread," concludes the study, *At Risk: America's Poor During and After the Great Recession*. "The number of people living in poverty is increasing and is expected to increase further, despite the recovery."

The white paper, drafted by the university's school of public and environmental affairs, which is among the best ranked schools of its kind in the US, says that six years ago, 36.5 million Americans fell below the poverty line. By 2010, the number of people living in poverty rose to 46.2 million and continued to grow over the past year.

"The Great Recession has left behind the largest number of long-term unemployed people since records were first kept in 1948. More than 4 million Americans report that they have been unemployed for more than 12 months," said the report.

John Graham, dean of the school and one of the authors of the report, said that the numbers of "new poor" will continue to rise.

"One of the big surprises is that poverty in the United States is likely to continue to increase even as the economic recovery unfolds," said Graham. "The unique feature of the great recession is not just the high rate of unemployment, but the long duration of unemployment that millions of Americans have experienced. [For] a lot of these long-term unemployed, the job that they had won't exist when they go back in to the labour market."

Graham said that many of those who once held well-paid jobs will be forced to settle for lower paying work, trapping some in a permanent cycle of poverty.

"As a consequence they will be poor or near poor for a substantial period of time," he said.

The latest census data shows that nearly one in two of the US's 300 million citizens are now officially classified as having a low income or living in poverty. One in five families earns less than \$15,000 (£9,600) a year.

The Indiana University study says that the numbers of people falling into poverty is also likely to grow because of severe cuts to state and federal welfare budgets.

"The states by their constitutions all have to have a balanced budget each year. A lot of states are already in the process of cutting back their safety net programmes at the same time that poverty is increasing," said Graham. "Their needs are going up but the programmes are receiving less support. It's going to continue because the revenues of state governments are not increasing as rapidly as is needed and the federal government will be under a lot of pressure because of its large deficit to decrease funding given to the states."

The report warns that the situation is likely to become even worse if the long-term unemployed lose their jobless benefits. Congress extended them for two months at the end of the year, but it is unlikely they will be continued indefinitely.

Among the most severely affected states are Florida, Nevada and Arizona, which have been particularly badly hit by the housing foreclosure crisis, and Michigan and Ohio, which have seen the collapse of traditional manufacturing.

Minorities are among the hardest hit. More than one in four African Americans and Hispanics is officially recorded as living in poverty. About one in 10 white Americans fall below the poverty line.

"We can expect to find that the most vulnerable parts of our society are the ones who will recover most slowly from a deep recession like this. More have gone in to poverty and they'll be slower coming out of it," said Graham. "If you look at the educational levels and skill levels of African Americans and Hispanics, they are more vulnerable as the job market tightens. They don't have either the extra edge in education or skills that white Americans do."

The report says that the situation would have been much worse had it not been for the Obama administration's 2009 federal stimulus package, which increased child health insurance for poorer families, and cut taxes for low income workers.

Still, the study says that although unemployment is officially falling, that may not be the whole story. Some workers give up looking for jobs and are no longer counted in the unemployment rate.

"Although the official rate of unemployment is declining, much of this apparent progress is attributable to the fact that many adults are giving up on the search for a job," it said.

The report argues that a better measure of how well an economy is creating employment is the "jobs-to-people ratio". It says that in a healthy economy the range is between 0.60 and 0.70. The US fell within that range until it fell to 0.582 at the end of 2009. It had risen only to 0.585 in November 2011.

"These data suggest that the reported progress in reducing the rate of unemployment may not be as encouraging as we think since increasing numbers of the unemployed may simply be giving up on the search for a job," the report said.

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