
Poverty and Plenty: The Divided American Plate

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“Poverty manifests itself differently in different places, but it is universally difficult and unappealing to those who must live with it every day.”¹

Overview

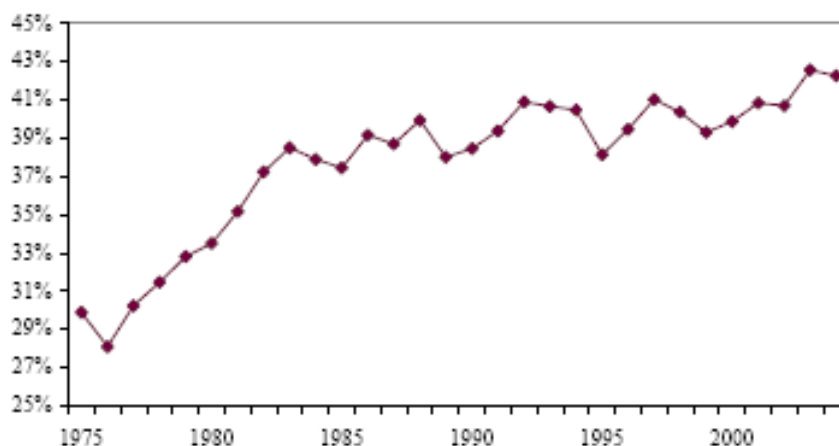
You're poor, hungry, and not alone. Your Food Stamp benefits translate into some food on your plate the first two weeks of the month, but an empty plate the last two. In America, the top 1% of households holds thirty percent of the nation's wealth, while the bottom 40% hold less than one percent.² The number of Americans earning wages that don't cover basic living expenses is increasing. In 2007, 36.5 million Americans (12.3%) were marginalized by poverty.³ This equals the entire populations of the six New England states, plus New York, Delaware, West Virginia, and half the District of Columbia.⁴ Economic, social, political, community and individual policies and practices contribute to the widening chasm between poverty and plenty. Tax breaks given to the wealthy translate into more tax burden for the remainder of workers. Being poor in America limits one's ability to purchase healthy foods. Even with food stamps or pay check funds, there are fewer full service grocery stores in low-income neighborhoods. This paper considers poverty, food insecurity and food price trends, major factors contributing to the growing poverty and wealth divide, as well as strategies to address food insecurity.

Scope of the Problem

Federal agencies use two official tools to describe poverty. 'Poverty thresholds' are the original measure of poverty.⁵ The Census Bureau uses these for statistical reporting. The 'poverty guidelines, based on the thresholds, are issued by Health and Human Services (HHS).⁵ For a family of four in 2007, the annual poverty threshold was \$21,027.00; the poverty guide-

line was \$20,065. However, many costs incurred by families today are not factored into either measure.⁶ Most families today depend on driving their own cars to work, and those with young children often face child care costs. Employees are also expected to contribute a greater share of their income for health insurance. All of these factors contribute to less disposable income available for food purchases. The number of the very poor who are below 50% of the poverty guideline (extreme poverty) is at the highest level on

Table 1: Percent of Poor Below Half the Poverty Line 1975-2004



From The State of Working America, 2006/2007

www.stateofworkingamerica.org/news/SWA06Facts-Poverty.pdf

record since data first became available (Table 1).⁷ Low-income (typically considered equal to 200% of poverty level) is a better indicator of overall economic and nutrition risk. This includes one third of all Americans (90 million) including 40% of all children.⁸

Poverty Wage, Minimum Wage, Livable Wage and Food Insecurity

The poverty wage is calculated based on its ability to lift a person or household above poverty. Using the 2007 poverty guideline, a sole provider of a family of four would need to earn \$9.92/hour. Close to 25% of Americans are employed in jobs that will not lift a family out of poverty.¹

The minimum wage is the lowest hourly rate permitted that an employee performing a particular job can be paid without the employer breaking federal law. Though many are covered by minimum wage, most farm laborers and seasonal migrant workers are not. The minimum wage was raised from \$5.15/hr to \$5.85 in July of 2007; additional increases for July 2008 (\$6.55) and July 2009 (\$7.25) are planned. As of July 2008, a full-time minimum wage worker will earn \$13,624/year (based on 2080 hours), before taxes.

Livable wages more fully represent the typical costs incurred by individuals and families. The Poverty in America 'living wage calculator' estimates costs of living for each state and county.⁹ In 2006, the New Hampshire Basic Needs and Livable Wages study presented data estimates for NH, and compared it to other regions of New England;¹⁰ livable wage estimates were nearly double the 2008 minimum wage.

Recently, USDA announced new terms to describe the continuum of food security: high food security (complete adequacy), marginal food security, low food security and very low food security (formerly called hunger).¹¹ The term "hunger" has been eliminated, but not the problem.

Income and Tax Inequality

Income and tax differentials significantly impact every American. Income inequality is escalating.¹² American households are divided into quintiles; those in the lowest 20% had average annual incomes of \$15,300.00, those in the highest quintile averaged annual incomes of \$172,200 (Table 2). After adjusting for inflation, from 1979 to 2005, income in the lowest fifth of households rose by 6%, while those at the top fifth saw incomes rise by 80%; those at the very top 1% realized household income increases of 228%.¹³ The very wealthy also enjoyed the most favorable tax breaks.

American Populations at Risk of Poverty

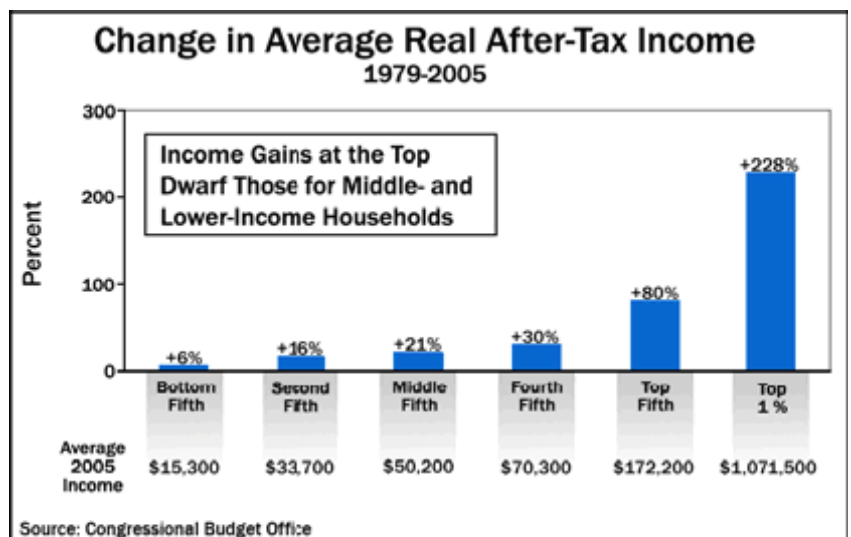
More whites live in poverty than any other population group. However, based on percent of the population, single women and children, Blacks, ethnic minorities, and those with limited education are at greater risk than the general population. In 2006, 28.3% female-headed families (4.1 million families) were in poverty, compared to 4.5% of married-couple families (2.9 million families).¹³ The Southern part of the US has the highest number of residents living in poverty when compared to other regions.⁸

Food Price Increases and Impact on the Population

Globally, food prices are escalating at unprecedented rates.^{14, 15} According to the USDA, food prices rose in the US an average of 4% in 2007; increases of 4.5 to 5.5 are expected in 2008.¹⁶ Others predict rises of closer to 8-9%. Major reasons for surging food costs are higher US farm commodity prices and staggering increases in energy costs.^{14, 15, 17} Increased global need for US crops used for food and fuel have served to dramatically increase national and international food prices. The Congressional Record report suggests global demand for US farm commodities are due to five major factors, including

- 1) increased diversion of corn as an ethanol source instead of a food source;
- 2) globally, oil and grain production were diminished due to poor weather conditions;
- 3) the falling exchange rate for the US dollar has made US crops more attractive to other import markets;
- 4) rising incomes and standards of living have created a greater demand for foods;

Table 2: Change in Average Real After-tax Income 1979-2005



5) the cost of the inputs used in growing crops has also increased.¹⁴

In the US, most commodity funding goes to large farms or corporations.¹⁷ Additionally, price supports undermine global agricultural capacity and farming economies and put environmental pressures on fragile farmlands both nationally and internationally.^{15, 18} Record energy prices impact transportation, fertilizer, processing, production and retail costs.

Food Assistance: Public and Private

Federal nutrition programs serve about one in five Americans.¹⁹ For eligibility, annual gross income can not exceed 130% for Food Stamps or 185% for WIC of the poverty guideline. The average Food Stamp benefit is only about \$3.15/day/person.¹⁹ Though marketed as the federally sponsored ‘food and nutrition safety net’ stringent eligibility criteria and low reimbursement rates mean many working-poor Americans either do not qualify, or receive minimal benefits, from these programs. The US government food and nutrition assistance programs include multiple national programs such as Food Stamps, the Women’s, Infants and Children (WIC) program, and National School Breakfast and School Lunch Programs and Farmers Market Programs.

Increased Demands for Private Assistance

Many non-federally mandated programs exist in addition to federal or state initiatives. Selected anti-hunger and poverty programs include Share our Strength, America’s Second Harvest, Catholic Charities, Bread for the World, Oxfam America, and the Food Research and Action Center but are just a few of many organizations attempting to address food insecurity. America’s Second Harvest estimates that over 25 million Americans were served by food banks in 2007.²⁰ Catholic Charities reports a 12% increase in food services between 2005 and 2006, serving more than 6.3 million; those receiving food services increased by nearly 60% between 2002 and 2006.⁷

By the middle of the month, as food stamp benefits expire, many low income families turn to area food banks, soup kitchens and pantries. Community agencies, churches, and public/private partnerships form a patchwork of assistance. Many try to provide healthy food, but are not in control of the types or amount of food that is available, have limited hours of operation and variable capacities to store perishable food items. Food may be donated, but is it contributing to a healthy diet? The growing rates of obesity among low income

individuals speak to the hazards of overconsumption of cheap, high fat, high calorie foods.

Recommendations:

Just providing more food assistance funding does not address income and educational inequality, concentration in the food industry, and reliance on foods grown distances from consumption that are some of the major force fueling food insecurity. ‘Business as usual’ is not an option if we are to devise long term solutions to food inequality. The root causes must be addressed. The Food and Agricultural Organization recently called an emergency food meeting to consider global systematic problems and solutions for the worldwide food crisis.¹⁵ The Center for American Progress Task Force on Poverty report provides a twelve step plan to reduce American poverty in half by 2010. Strategies include policies and programs designed to promote equitable wages, establish more fair tax programs, promote unionization, address child care, promote affordable and accessible education, encourage work mentorship and provide housing vouchers.⁸ Bread for the World proposes four strategies to create systematic solutions:

- 1) Set a national goal to cut hunger and poverty in half by 2015;
- 2) Make every job a good job;
- 3) Strengthen work-support programs; and
- 4) Create incentives to save and build assets.¹

In the introduction to *Slow Food Nation: Why our foods should be good, clean and fair*, Carlo Petrini suggests that even though we are each only given a limited time on this earth, we can (albeit must) contribute to the building of local agricultural systems designed to promote better access to food, healthy environments, food enjoyment, and the promotion of sustainable food systems.²¹ As a founding partner of the international ‘Slow Food’ movement, he calls upon each of us to make our local and regional food systems more ‘good, clean and fair.’ Working systematically and applying sustainable and ethical principles, there is the opportunity to minimize the great American and global dinner plate divide.

What will each of us do to make this difference? At UNH, students and staff have many opportunities to take meaningful steps that are designed to provide both short and long term solutions. Below are select examples for student involvement. The Student Nutrition Association welcomes all students to participate into their organization. For the past three years, they have worked

with Nutrition faculty, Health Services' dietitians and peer leaders to promote the fall food drive. Donations help to support the statewide outreach of the NH Food Bank as well as the local Cornucopia Food Pantry. Members of the T-School gather donations to make food baskets for those in need. UNH is home to the first Organic Dairy Research Farm that provides opportunities for students and staff to evaluate best practices in sustainable farming. The student Organic Farming Club promotes sustainable agricultural practices while teaching club members environmentally friendly farming practices. The club members' commitment to share their food via monthly community dinners gives students a chance to share their harvest with those that are less fortunate. Meanwhile, the newly formed Slow Food Club and Oxfam UNH are additional opportunities for students to take steps that promote long term food and agriculture solutions. The newly approved Eco-Gastronomy Dual Major provides students with a formal way to provide a systems approach to farm, food access, environmentally friendly and sustainable food practices. During 2008–2009, we will be inviting community members to participate in the "Food Stamp Challenge". Participants will be asked to live for a week on the typical American daily food stamp reimbursement. This challenge is designed to bring attention to the inherent limits of food assistance. It will also call attention to the need for livable wages. It is not enough to acknowledge there are differences between those who are poor and those who are wealthy; working toward long term solutions empowers each of us to make a difference. What will you do?

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