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THE FACTS ABOUT AMERICA'S POOR

Robert Rector
Senior Policy Analyst

Each year, the U.S. Census Bureau reports the number of Americans who are "living in poverty." According to the Bureau, in 1992 there were 37 million poor Americans. But a close look at the actual material living standards of persons defined as "poor" demonstrates that the Census Bureau's official poverty report is highly misleading. For most Americans the word "poverty" means destitution, an inability to provide a family with nutritious food, clothing, and reasonable shelter. Only a small number of the 37 million persons classified as "poor" by the Census Bureau fit such a description.

In fact, numerous government reports indicate that most "poor" Americans today are better housed, better fed, and own more personal property than average Americans throughout most of the century. As Chart 1 shows, in 1991, the per capita expenditures of the lowest income one-fifth of the U.S. population exceeded the per capita income of the average American household in 1960, after adjusting for inflation.¹

Actual Living Standards

The following are facts about persons defined as "poor" by the Census Bureau. Data are taken from various government reports:

- ✓ In 1991 nearly 40 percent of all "poor" households actually owned their own homes. The average home owned by persons classified as "poor" by the Census Bureau is a three-bedroom house with a garage and porch or patio.²
- ✓ Over three-quarters of a million "poor" persons own homes worth over \$100,000; 71,000 "poor" persons own homes worth over \$300,000.³

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- 1 U.S. Department of Labor, Bureau of Labor Statistics, *Consumer Expenditures in 1991*, Report 835, December 1992, p. 4. U.S. Department of Commerce, Bureau of the Census, *Historical Statistics of the United States, Part I* (Washington, D.C.: U.S. Bureau of the Census), 1975, pp. 297 and 301.
 - 2 U.S. Department of Housing and Urban Development, and U.S. Department of Commerce, Bureau of the Census, *American Housing Survey for the United States in 1991*, Current Housing Reports H150/91 (Washington D.C.: U.S. Government Printing Office, April 1993), pp. 38, 90, 94, 102.
 - 3 *Ibid.*, p. 120.

- ✓ Only 8 percent of “poor” households are overcrowded. Nearly 60 percent have more than two rooms per person.⁴
- ✓ As Chart 2 shows, the average “poor” American has twice as much living space as the average Japanese and four times as much living space as the average Russian. (Note: These comparisons are to the *average* citizens in Russia and Japan, not to those classified as poor.)⁵
- ✓ Nearly 60 percent of “poor” households have air conditioning.⁶ By contrast, just twenty years ago only 36 percent of the entire U.S. population enjoyed air conditioning.
- ✓ Sixty-four percent of “poor” households own a car; 14 percent own two or more cars.⁷
- ✓ Fifty-six percent own microwave ovens.⁸
- ✓ Close to a quarter have an automatic dishwasher;⁹ nearly one-third own a separate, stand-alone freezer in addition to their refrigerator.¹⁰
- ✓ Ninety-one percent have a color television. Twenty-nine percent own two or more color televisions.¹¹
- ✓ “Poor” Americans live in larger houses or apartments, eat more meat, and are more likely to own cars and dishwashers than is the general population in Western Europe.¹²
- ✓ The “poor” are far from being chronically hungry and malnourished. In fact, poor persons are more likely to be overweight than are the middle-class persons.¹³
- ✓ Poor children actually consume more meat than do higher-income children and have average protein intakes 100 percent above recommended levels.¹⁴

4 Only 7.5 percent of poor households have one room per person or less. *Ibid.*, p. 42.

5 Robert Rector, “How the Poor Really Live: Lessons for Welfare Reform” Heritage Foundation *Backgrounder* No. 875, January 31 1992, pp. 12, 13.

6 *American Housing Survey for the United States in 1991*, p. 50.

7 *Ibid.*, p. 50.

8 U.S. Department of Energy, Energy Information Administration, *Housing Characteristics 1990* (Washington, D.C., Department of Energy, May 1992). *Ibid.*, p. 112.

9 *American Housing Survey*, *op. cit.*, p. 44.

10 *Housing Characteristics*, *op. cit.*, p. 114.

11 U.S. Department of Energy, Energy Information Administration, *Housing Characteristics 1990* (Washington D.C., Department of Energy, May 1992), p. 115.

12 Robert Rector, Kate Walsh O’Beirne, Michael McLaughlin, “How Poor Are America’s Poor?” Heritage Foundation *Backgrounder* No. 791, September 21, 1990.

13 Robert Rector, “Food Fight: How Hungry Are America’s Children?” *Policy Review*, Fall 1991.

14 U.S. Department of Agriculture, Human Nutrition Information Service, Nutrition Monitoring Division, *Low Income Women 19-50 Years and Their Children 1-5 Years, 4 Days, Nationwide Food Consumption Survey of Food Intakes by Individuals*, NFCS CSFII Report No. 85-5 (Washington, D.C.: U.S. Department of Agriculture, March 1988), pp. 14, 72-73. U.S. Department of Agriculture, Human Nutrition Information Service, Nutrition Monitoring Division, *Women 19-50 Years and Their Children 1-5 Years, 4 Days, Nationwide Food Consumption Survey of Food Intakes by Individuals*, NFCS CSFII Report No. 85-4 (Washington, D.C.: U.S. Department of Agriculture, August 1987), pp. 16, 64-65.

✓ As Table 1 shows, the average consumption of protein, vitamins, and minerals is virtually the same for poor and middle-class children, and in most cases is well above recommended norms.¹⁵ Poor children today are in fact super-nourished, growing up to be on average one inch taller and ten pounds heavier than the GIs who stormed the beaches of Normandy in World War II.¹⁶

Comparing Spending with Income

The Census Bureau counts as poor any household with a cash income less than the official poverty threshold, which was \$14,343 for a family of four in 1992. But the simple fact is that the Census Bureau dramatically undercounts the incomes of less affluent Americans. Other government surveys consistently show that spending by low-income U.S. households greatly exceeds the income which Census claims these households have.

As Chart 3 shows, in 1991 Census claimed that the lowest income fifth (or quintile) of U.S. households had an average “income” of \$7,263. In the same year, the Consumer Expenditure Survey of the Department of Labor showed that the average household in the same lowest income quintile spent \$13,464. The Labor Department and the Census Bureau data directly contradict each other. The Labor Department survey shows \$1.85 in spending for every \$1.00 of income Census claims these same households possess. This is no fluke; a similar wide gap between spending and alleged “income” occurred throughout the 1980s.

But the picture is still incomplete. When counting household expenditures, the Labor Department’s Consumer Expenditure Survey excludes public housing subsidies and health care subsidies provided through Medicaid, Medicare, and other government medical programs. If housing and medical subsidies are included, the total expenditures of the average household in the bottom income quintile rise to \$17,804.¹⁷ This means less-affluent households spend \$2.45 for every \$1.00 of “income” reported by Census.

Table 1
Average Per-Capita Consumption of Nutrients as a Percentage of Recommended Daily Allowances for Children Under Age 6 in 1985

	Family Income Below 75% of Poverty Threshold	Family Income Above 300% of Poverty Threshold
Protein	211	213
Vitamin B-12	211	164
Thiamin	192	152
Vitamin A	186	230
Vitamin C	179	164
Riboflavin	181	182
Folacin	149	158
Niacin	138	145
Phosphorous	120	127
Vitamin B-6	113	133
Vitamin E	113	102
Magnesium	105	126
Calcium	94	99
Zinc	76	73

Source: See footnote 15.

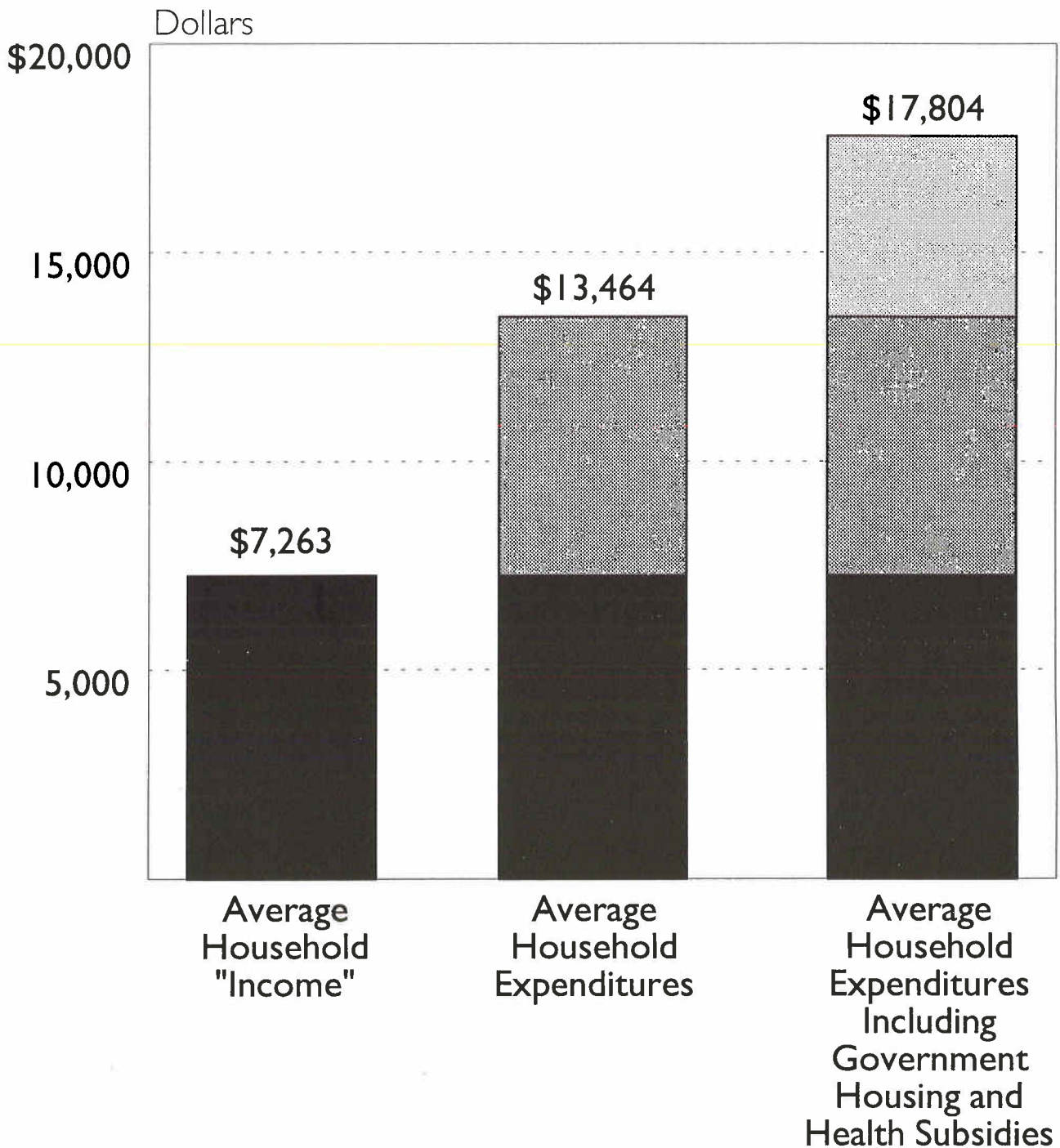
15 *Low Income Women 19-50 Years and Their Children 1-5 Years, 4 Days, op.cit.*, pp. 72-73. *Women 19-50 Years and Their Children 1-5 Years, 4 Days, op.cit.*, pp.64-65.

16 Based on a comparison of males in their late teens. Bernard D. Karpinos, *Height and Weight of Military Youths* (Medical Statistics Division, Office of the Surgeon General, Department of the Army, 1960), pp. 336-351. Information on the current height and weight of youths provided by the National Center for Health Statistics of the U.S. Department of Health and Human Services based on the National Health and Nutrition Examination survey.

17 This calculation assumes that the bottom income quintile received the following share of government outlays: 75 percent of means-tested housing subsidies; 60 percent of means-tested medical subsidies to non-institutionalized persons, and 30 percent of Medicare outlays. The share of outlays going to the bottom quintile was estimated using data provided in the American Housing Survey, the Current Population Survey, and the Survey of Income and Program Participation.

Chart 3

Low-Income Households in 1991: Spending Compared to "Official Income"



Note: Figures are for households in the lowest income quintile.

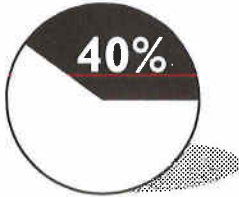
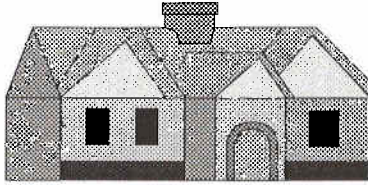
Sources: "Income:" Census Bureau; Expenditures: Department of Labor.

Heritage DataChart

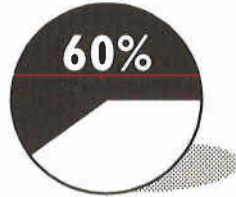
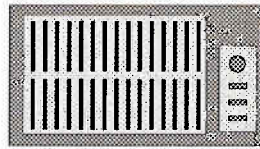
Chart 4

Living Standards of "Poor" Households

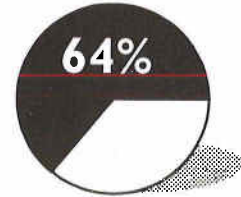
Own Home



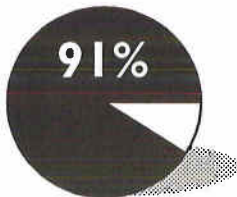
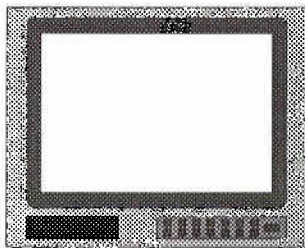
Have Air Conditioning



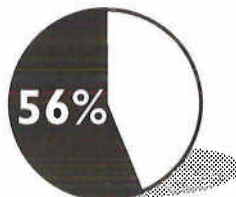
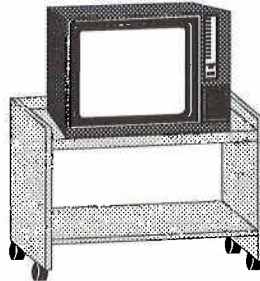
Own Car



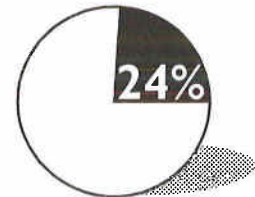
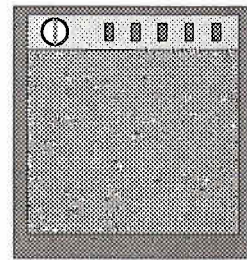
Own Color TV



Own Microwave



Have Dishwasher

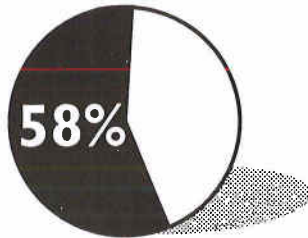
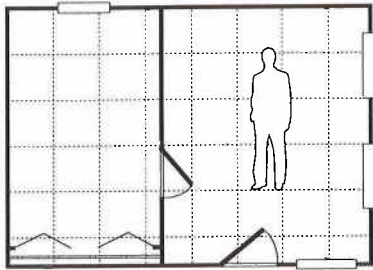


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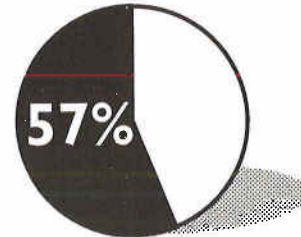
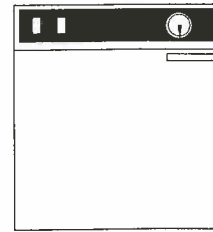
Heritage DataChart

Living Standards of "Poor" Households

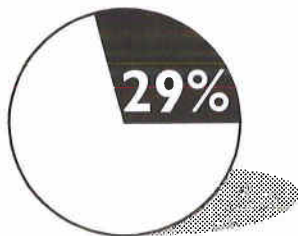
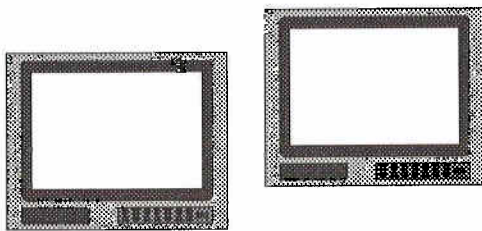
Two or More Rooms per Person



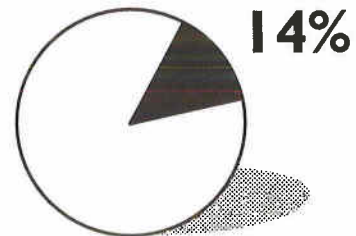
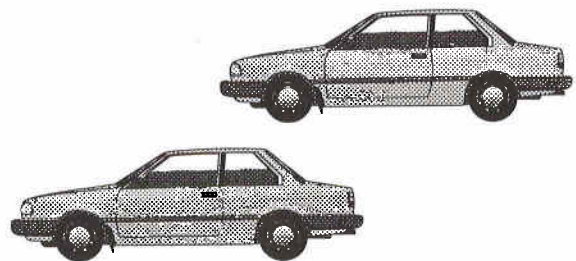
Own Clotheswashing Machine



Own Two or More Color TVs



Own Two or More Cars



Source: See text.

Heritage DataChart