

Poverty Standard Inadequate Measure

The Federal government declared war on poverty and poverty won", declared President Reagan in 1988. However, many would dispute that assertion, as it is based on data that does not tell the entire story. The missing element pertains to the effect public spending on anti-poverty programs has had on ameliorating the problem which is not included in official poverty statistics. As anti-hunger advocates, government officials, as well as elected leaders on both sides of the aisle have argued for quite some time – the current definition of poverty does not accurately or fully reflect the hardships or the resources available to struggling Americans.

This issue is all the more relevant today, as calls for updating the way poverty is defined has again come to the fore with the release of the U.S. Census Bureau's annual Income,

Poverty and Health Insurance Coverage report. The report indicated the nation's poverty rate remained flat at 12.5% from 2006 to 2007. This finding regarding children and families living in poverty was determined based on an inadequate, and antiquated, methodology to measure poverty.

The current measure of poverty was developed in the early 1960's by a Social Security Administration economist, basing the measure on a 1955 Department of Agriculture study which estimated that poor Americans spent about one-third of their after-tax money on food. The economist decided a family was not poor if its income equaled three times the annual cost of basic groceries

and that everyone that fell below that threshold was poor. However, census officials acknowledge that, today, families typically spend about one-seventh of their income on food, while they are spending much more on housing, transportation and child care expenses that are not taken into account by the federal poverty measure. Moreover, no adjustments are made for differences in the cost of living within and across states, with the poverty measure the same whether one lives in a rural West Virginia county or in a relatively more affluent locale such as the San Francisco Bay area.

Many recommendations have been offered regarding an improved
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Economic Stimulus - Take Two

Uncertain economic times seem to be a common topic within all circles these days. With the recent \$700 billion bailout of Wall Street, many citizens and advocates are demanding assistance for those on "Main Street" as well. In response, Congress and the Administration are looking at a second economic stimulus package. While the House was able to pass such a package, Bush was expected to veto it at the time of press. Similarly, the Senate narrowly missed the 60 votes needed for their version. There are some indications, however, that the Administration is now willing to consider some of the elements that had been formerly dismissed entirely.

Most economists agree that providing additional temporary funding for the Food Stamp/Supplemental Nutrition Assistance Program and extending unemployment benefits would be highly effective. It is estimated that a \$1 in food stamps would generate \$1.73 in economic activity and \$1.64 from unemployment benefits. Such an increase in food stamps would help nearly 1.2 million Pennsylvanians and nearly 56,500 who will exhaust unemployment at the end of the year. Go to Hunger Action's website www.pahunger.org to get the latest developments on this story and to take action to ensure that the second economic stimulus package includes these elements.

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Food Stamps at Pantries

As part of Hunger Action Month and promotion for a new food pantry in Elizabethtown, the Central PA Food Bank conducted a mobile food pantry in Upper Dauphin County in September. Over 362 families lined up in the parking lot of Wal-Mart to receive free boxes of food. Also present at this event, Hunger Action's Food Stamp Outreach Associate Maritza Melendez encouraged participants to sign up for the Food Stamp Program (FSP) now known as the Supplemental Nutrition Assistance Program (SNAP). She was on hand to answer questions, as well as promote the changes to the program resulting from both the Farm Bill and the PA Department of Public Welfare (DPW)'s adoption of categorical eligibility.

Despite advocates' best efforts, myths surrounding the program persist. Hunger Action's Food Stamp Outreach consists of public education about and assistance in enrolling in the program. With the changes to the program, as detailed in the August *Hunger Advocate*, Hunger Action is promoting the increase in eligibility and benefit allotment, as well as the overall increased accessibility to the program. As the new name implies, food stamps are now a SNAP. While clients will still face obstacles to enrollment, organizations, such as Hunger Action, are working with County Assistance Offices and DPW to make it easier for them to successfully enroll in the program.

At the United Way of the Capital Region's Basic Human Needs Summit, Food Stamp Outreach Manager Laura Tobin urged all agencies to strongly encourage all of their clients to apply for food stamps – even if they had been denied in the past. This is particularly an important message for pantry workers to send to their recipients. If you know a household is food insecure, your first question to them should be "Are you getting food stamps?"

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Poverty...from front page measurement of poverty. These include rectifying the aforementioned shortcomings – by including housing, day care and other expenses, as well as adjusting for differences in cost of living based on geographic area – while others suggest expanding beyond cash what counts as income by including government assistance such as food stamps, housing subsidies and tax credits. On this point, advocates for change agree the way poverty has been measured can't demonstrate whether these programs designed to reduce economic hardship are effective.

To many, the assessment of income inadequacy is itself measuring the wrong thing. In contrast to a poverty measure intended to assess significant economic deprivation is a totally different perspective designed to determine the level of economic resources needed to attain a basic, independent standard of living.

PathWays PA has spearheaded this approach with its 2008 *Self Sufficiency Standard for Pennsylvania* report. In response to the economic realities of stagnant wages, resulting increases in income inequality, and the fact that many working families that do not qualify as "poor" under the official poverty measure are, nonetheless, under duress to cover their basic needs, PathWays' focus is on income adequacy. As stated in the Introduction to their bi-annual report, "The Self Sufficiency Standard measures how much income a family of a certain composition in a given place needs to meet their basic needs –

without public or private assistance".

The Standard addresses the concerns related to the poverty measure described above by: introducing cost variability for every individual basic need (rather than for one item – food – at a fixed percentage of the family budget); incorporating geographic variations in cost relative to housing, child care, health care and transportation; and, including the net effects of taxes and tax credits. Further, the Standard accounts for cost variations based on the ages of children in the family (and not just family size and composition), as well as assuming all adults in the household work full-time, so as to include all major costs associated with employment.

The Self Sufficiency Standard seeks to alter the perspective of measuring a family's economic wellbeing – moving away from "income inadequacy" to consider "wage adequacy". This a not-so-subtle shift in thinking forces an evaluation of the degree to which a given family approximates the Standard, as compared to placing families in a category of "poor" or "not poor" based on the determination of income adequacy against the federal poverty measure. The distinction is key as the latter focuses on economic deficiency and dependence, while the former establishes a positive context for movement towards economic independence. This alternative to the existing poverty measure is the one our society should be invested in, because it can facilitate the upward economic progress of American families aspiring to fulfill their own dreams.

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Whither the economy?

Director's Report

That question is on the minds of just about everyone – news reporters, members of Congress, bankers, stockbrokers and investors of all types – including us common folks. We all wonder where the economy is headed and how long it will take to get there. Is the stock market up or down? Are we finally, and formally, ready to call it a recession? Is it global?

It doesn't matter. It's a wake up call. Will we take advantage of the opportunities current economic circumstances present to us?

Whether your vantage point is Main Street or Wall Street, unbridled capitalism and consumerism have conspired to create the most dire economic crisis our nation has faced since the Great Depression. And no matter what side of the street you're on, everyone must now assess and correct the behaviors that got us here. We Americans have distanced ourselves from quaint notions such as personal responsibility, earning the things you acquire, prudence in business and professional accountability. The time is now to return to the values, work ethic and innovative spirit that made America a once-great economic power.

And what about the people who were too poor to play "good consumer" in the first place?

The forgotten and invisible denizens of the nether world of poverty should have a stake in whatever economic renaissance is (hopefully) forthcoming. Maybe a reconstruction of the economy provides the ammunition to wage anew the battle against inequality forty years after the first war on poverty was declared. So, too, must the working poor be participants in the effort to raise the country to its once-great economic heights while raising their own standard of living. There is no better way for anti-hunger and food security advocates to achieve their objective than to have people able to fend for themselves.

The time has come to provide all people the opportunity to pursue their economic independence and to create a country of shared prosperity. New industries and initiatives that put people to work in jobs that offer a living wage must be created as the means by which to extract our country from its economic morass. America can be rebuilt both literally and figuratively by addressing a too-long-ignored infrastructure that is in tatters. Likewise, the development of alternative energy industries would provide both the literal and figurative fuel to restart our economic engine. From a difficult present for many we can create a bright future for most.

Do we have the will to seize the moment.....or will we roll over and go back to sleep?

World Food Day 2008

The Greater Philadelphia Coalition Against Hunger marked World Food Day 2008 with a Food Stamp Forum on October 16. Addressing the standing-room-only crowd (with many turned away) were Department of Public Welfare Secretary Estelle Richman, Department of Agriculture Deputy Secretary Cheryl Cook, Philadelphia Mayor Michael Nutter and other officials. They spoke to improvements in the Food Stamp Program, including its name change to the Supplemental Nutrition Assistance Program, as well as other social service resources available to assist city residents in need. Panel presentations followed which focused on specific client populations – senior citizens, immigrants and families with children – providing details on program administration pertinent to each group.

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In Memorium

Hunger Action would like to remember Senator James Rhoades who passed on Saturday, October 18, 2008, from injuries sustained in a car accident. Serving over twenty-eight years in the Pennsylvania Senate for the 29th district, Rhoades was an advocate for children across the Commonwealth. As a former school administrator, he recognized the importance of programs, such as Head Start and School Breakfast. In 2004, Rhoades fought for and won higher reimbursement rates for those schools that served breakfast to its students. Our thoughts and deepest sympathy go out to his family and friends.



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Heating Assistance

One of the biggest dilemmas facing low- income Pennsylvanians during the winter is their heating bill. Those on fixed incomes often must choose between heating their home and buying health-sustaining medication or buying nutritious food. Faced with an \$800 bill to fill their oil tanks, some families opt to heat their homes unsafely with electric or kerosene heaters.

In response to the rising energy prices anticipated this winter, the federal government increased funding for the Low Income Home Energy Assistance Program (LIHEAP) from nearly \$2.6 billion in 2008 to \$5.1 billion this year. In PA, this translates into \$275 million - more than double the funding over last year. In addition to these federal funds, the state has also designated up to \$10 million. These levels are expected to drop again next year. In PA, LIHEAP provides funds to low-income households to help pay for heating, energy crises, weatherization, and repairs related to the heating of a home.

This increase in funding has prompted the PA Department of Welfare (DPW) to change income eligibility for the program from 150 percent of poverty guidelines to 60 percent of PA's median income . This means that a family of two can have an annual income of up to \$30,221 and a family of four \$44,443. DPW believes that this will translate into an additional 80,000 households being served this winter. The minimum cash grant will be \$300. The program runs November 2008 to March 2009. However, DPW urges households to apply early on in case funding is exhausted before March.

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