

MYTHS ABOUT POVERTY

By Gil Peterson

**Center for Urban Studies
Youngstown State University
Youngstown, OH 44555-3355
(216) 742-3355**

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Myth No. 1: People Are Poor Because They Are Lazy And Do Not Want To Work

Most of us descend from immigrant groups that, upon their arrival in this country, occupied the lowest rung of the socioeconomic ladder. Our grandparents had it tough, but they worked hard and eventually made it. Many question why the poor of today can't do the same thing our grandparents did. We must remember that our grandparents came at a time when there was a rapidly expanding economy and a demand for unskilled labor. If grandfather came today, he wouldn't get a job.

Myth No. 2: There Are Lots Of Jobs Available

New jobs are being formed. Seventeen million jobs were created during the past eight years. However, what is not readily pointed out is that 58 percent of these jobs pay below the minimum wage standard of \$3.35 per hour. An additional 17 percent of these new jobs pay above the minimum wage but are still low paying jobs. Few of the new jobs include benefits such as hospitalization, life insurance, or a retirement fund. During this same eight-year period, our Nation lost 10,000,000 jobs--mostly well-paying jobs in manufacturing--which included benefits.

Myth No. 3: Welfare Provides For The Poor

The amount of money paid to welfare recipients has not kept pace with the cost of living. The typical welfare mother with two children receives \$309 per month, plus a food allowance. The maximum amount a family of three can receive for a food allowance is \$222 per month. The "minimum standard of need" for the same family in the State of Ohio has been determined to be \$674 per month, inclusive of the cost of food.

Myth No. 4: People Would Rather Stay On Welfare Than Find A Job

The overwhelming majority of welfare recipients do not want to be on welfare. However, when only low paying jobs are available (a minimum wage job pays \$536 per month), a parent with dependent children cannot afford to take a low paying job and have to pay for child support and medical insurance; the latter is provided through welfare. There are many "working poor" without dependent children who are taking the low paying jobs, sometimes working two or three jobs at the same time.

Myth No. 5: There Are Lots Of Able-Bodied Men On Welfare

Eighty percent of all welfare payments go to dependent children. Most of the remaining 20 percent is distributed among single parents, the elderly, and the handicapped. It is very difficult for a man to get welfare unless he is a single parent with dependent children. The maximum amount a single man can receive under general assistance is \$160 per month.

Myth No. 6: Homelessness Is A Lifestyle People Voluntarily Choose

A 1985 study of the homeless in Ohio revealed only 6 percent chose homelessness as a lifestyle. Most people are homeless because of chemical dependency (20%) or mental illness (33%). The latter was not a major homeless group until the federal government withdrew support for mental health facilities. The fastest growing segment of the homeless is women with children.

REGIONAL ECONOMICS

- I. Mahoning Valley is a text book example of the development of a regional economy.
 - A. Historical development of local iron smelting (iron, coal, limestone)
 - B. Civil War produced great demands for iron
 - C. Open hearth, Bessemer (blast furnace) processes (1880s)
 1. Welsh Church - original steel workers
 - D. Electricity and the internal combustion engine
- II. The Mahoning Valley is in a strategic location - iron ore to the north and coal to the south (400 miles).
 - A. 1990s the development of the steel industry
 1. Steel versatile, spurred the growth of manufacturing
 - B. Exchange between autos and steel
- III. Enjoyed industrial expansion for 100 years
 1. Most mills dated from early 1900s
 2. My dad's mill installed in 1920s
 3. World War II - didn't update
 4. European and Japanese competition
 5. 1960s - too little too late
- IV. Nothing has replaced the steel industry in the Mahoning Valley
 1. Tony Stocks - 2,000 jobs - service industry
 2. 59 percent of 17 million jobs below minimum wage - lost 10 million
 3. Erosion of the middle class
 4. Outlet looks bleak
- V. Major things are happening
 1. Soviets
 2. Arafat
 3. Can reverse military spending
 4. We allow people to remain poor

P. XVII (Owensby)
- VI. Ohio Standard of Need
 1. \$674 month
 2. Welfare: $309 + 222 + 322 = 853$ mo. - \$10,236 yr.
 3. Wages equivalent: $1,402$ mo. = \$16,824 yr. = 8.09 hr.
 4. Minimum Wage: $\$3.35$ hr. = 6,968 yr. = 580.67 mo.
 5. $\$5/n = \$10,400$ yr. = \$866.67 mo.
 6. Erosion of the middle class