

ACE ADDISON COUNTY SUMMER POVERTY INTERNSHIP

Poverty in Our Country, Our County

What is “Poverty?”

The word “poverty” is used frequently in our society, and you no doubt have a clear mental image of what “poverty” means to you. In many cases, however, the word “poverty” is a term of art that has a very specific definition and meaning. The following information will discuss some of the specific ways that poverty is defined in the United States, and hopefully will assist you in reflecting upon your experiences throughout the summer as you work with poverty-related issues.

Describing Poverty: Absolute & Relative Definitions

Poverty is a concept that may be defined in either absolute or relative terms. When poverty is defined in absolute terms, one is either “in poverty,” or one is not. When defined in absolute terms, poverty may be further described in “social” terms (*e.g.* poverty is the condition of lacking certain items necessary for proper living such as food, clothing, water, and shelter¹), or in “statistical” terms (*e.g.* poverty is the condition of earning less than a statistically calculated amount of money per year). Note that when poverty is defined in absolute terms, it is theoretically possible to *eliminate* poverty. As you will see below, the United States government defines poverty in “absolute statistical” terms – an important detail to keep in mind when considering federal statistics on poverty.

In addition, poverty may also be defined in relative terms. That is, poverty can be defined as the condition of having significantly less income and/or wealth as compared to other members of society. For example, in the European Union, poverty is defined in relation to median incomes (in the EU, one is “in poverty” if he or she makes less than 60% of his or her member country’s median income). Note that when poverty is defined in relative terms, there will *always* be poverty, because “poverty” is a question of degree.

Poverty in the United States

The Federal Poverty Thresholds

According to the U.S. Census Bureau, 12.6% of U.S. residents were living in poverty in 2005. What precisely does “living in poverty” mean in this context? To answer that question, you must know how the U.S. government defines poverty. As noted above, the U.S. employs an **absolute statistical** definition of poverty, whereby poverty is defined as the condition of having one’s annual income equal less than a statistically calculated amount of money. This amount of money (which is calculated based on the size of one’s household) is sometimes referred to as the federal “poverty line” or “poverty threshold.”

¹ For example, at the UN’s World Summit on Social Development, the *Copenhagen Declaration* described poverty as “a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information.”

First calculated in 1965, the Census Bureau updates the poverty thresholds each year to account for inflation. How did the Census Bureau originally develop its poverty thresholds? Put simply, in 1965, the poverty line was set at approximately **three times the cost of a nutritionally adequate diet.**² The poverty threshold was a good indicator in 1960s when approximately 1/3 of the family budget was spent on food. Unfortunately, it is not a good indicator today, when only 1/6 of the family budget is spent on food. Here are some current “poverty thresholds” in the U.S. for different household types:

Household Type	Federal Income Threshold
Single person	\$10,160
Two people (e.g. married couple)	\$13,080
Three people (e.g. 1 child family)	\$15,730
Four people (e.g. 2 child family)	\$19,800

Comparison to Median Income

The chart below shows how the poverty thresholds compare with the median³ income of the population as a whole.

Household Type	Median Pre-Tax Income	Federal Income Threshold
Single Female	\$22,690	\$10,160
Single Male	\$34,050	\$10,160
Married Couple	\$66,060	\$13,080

So, How Many Are There?

How many people are defined as “poor” under the federal definition?

Total U.S. Population (2005)	295 million
U.S. Population Living in Poverty (2005)	37 million⁴
Percentage living in Poverty (2005)	12.6%

² The roots of the definition of poverty as used throughout the U.S. government are old. The story begins in the 1930s when, in response to the Depression, the U.S. Department of Agriculture (USDA) designed four “nutritionally adequate” food programs for families, with the cheapest program described as being “designed for temporary or emergency use when funds are low.” Years later, in 1955, the USDA’s “Household Food Consumption Survey” found that the average family spent 1/3 of their after-tax income on food. Combining these findings, in 1965, Mollie Orshansky of the Social Security Agency reasoned: assuming that poverty is the point below which one cannot meet his or her minimum “nutritionally adequate” food requirements, if it costs X dollars to buy the USDA’s least expensive “nutritionally adequate” diet, and families spend 1/3 of their income on food, then “poverty” should be the point at which $X = 1/3$ of a household’s annual income. Put another way, **the federal “poverty threshold” occurs where one’s annual income equals three times the cost of the cheapest nutritionally adequate food program.**

³ Remember that the median is the midpoint in a series of numbers: half the data values are above the median, and half are below. For example, in the series {1, 4, 9, 12, 33}, 9 is the median. In the series 1, 4, 10, 12, 33, 88}, 11 is the median (halfway between 10 and 12). Remember that the median is *not* the same as the average (mean). For example, the *median* of {2, 6, 10, 22, 40} is 10, but the *average* (mean) is 18.

⁴ Actual Figure: 36,950,000. According to the Census Bureau, of the approximately 37 million people in poverty, 24% are black, 22% are Hispanic, 11% are asian, and 10% are white.

Poverty in Addison County

General Facts About Addison County

Addison County was organized on October 18, 1785, and is the 6th largest out of 14 counties in Vermont. The primary stream of the county is Otter Creek, which runs through the county from the south to the north. Middlebury is the county seat.

The 23 towns of Addison County include: Addison, Bridport, Bristol, Cornwall, Ferrisburg, Goshen, Granville, Hancock, Leicester, Lincoln, Middlebury, Monkton, New Haven, Orwell, Panton, Ripton, Salisbury, Shoreham, Starksboro, Vergennes, Waltham, Weybridge, and Whiting.



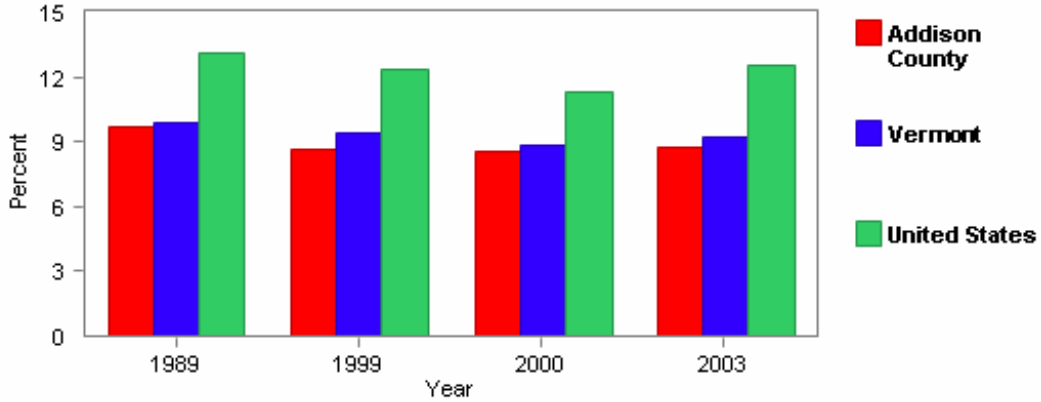
Statistical Overview

Total Population (2004)	36,965
Percent of the population under 18 (2004)	22.1%
Percent of the population between 18-64 (2004)	66.3%
Percent of the population 65 years & older (2004)	11.6%
Percent of population that identify as non-white (2004)	2.7%
Percent of population that identify as black (2004)	0.6%
Percent of population that identify as Asian/Pacific Islanders	0.8%
Percent of population that identify as two or more races	1.0%
Total area (in km ²)	2,093
Percentage of total area that is covered by water	4.72%
Poverty rate (2003)	9%
Number of jobs (2004)	24,176
Annual average wage per job (2004)	\$30,585
Unemployment rate (May- 2006)	2.2%

Overall Poverty in Addison County: 8.7 %

In Addison County, the overall poverty rate for residents was 8.7% in 2003.

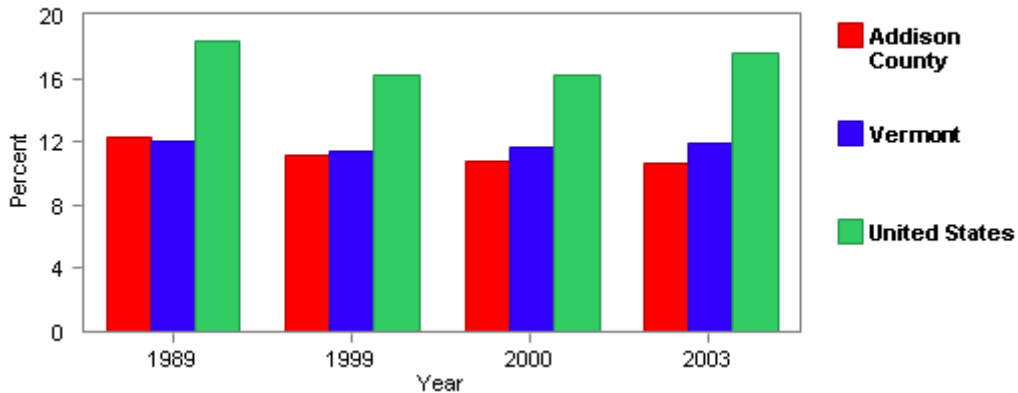
Poverty Rate: Addison County, VT & U.S. (1989-2003)



Child Poverty Rate in Addison County: 10.6 %

In Addison County, the poverty rate for people under the age of 18 was 10.6% in 2003.

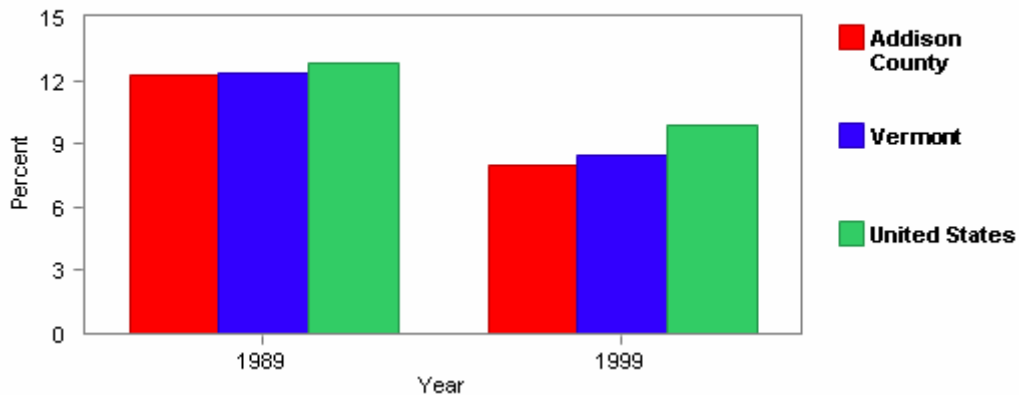
Poverty Rate: Children Under Age 18 (1989-2003)



Senior Poverty Rate in Addison County: 8.0 %

In Addison County, the poverty rate for people 65 and over was 8.0% in 1999.

Poverty Rate: People Age 65 & Over (1989-1999)



Median Household Income: \$45,324

The median household income is the level of income at which half the population has lower incomes and half has higher incomes. Addison County's median household income (adjusted for inflation) was \$45,324 in 2003

Per Capita Income: \$30,784

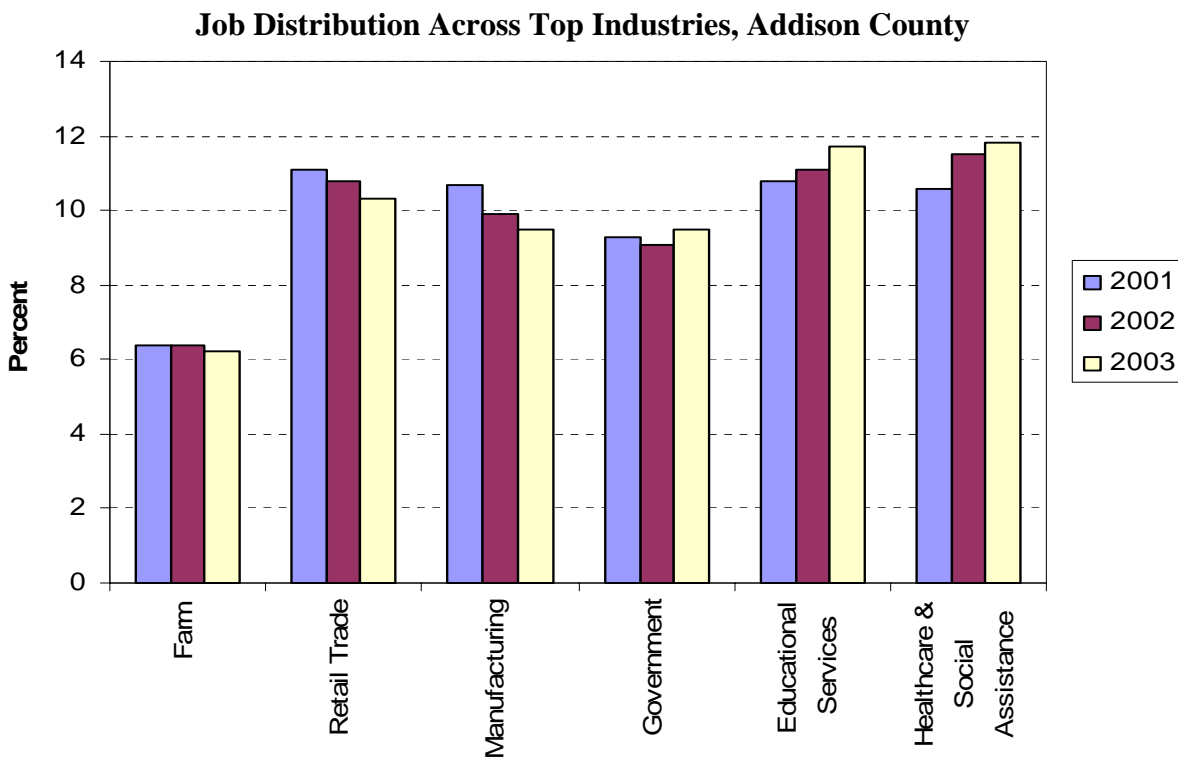
Per capita income is the "mean" or average income received by individuals, that is, total income divided by total number of people. Addison County's per capita income (adjusted for inflation) in 2004 was \$30,784 (9th from highest to lowest-out of Vermont's 14 counties in 2004).

Addison County Unemployment Rate: 3.3%

People are counted as unemployed if they are at least 16 years old, are without a job and available for work, and have recently made specific efforts to find employment. The unemployment rate is the number of unemployed as a percent of the entire labor force. Addison County's unemployment rate was 2.2% in May 2006. This compares to 3.4% in Vermont and 4.9% in the U.S. as a whole.

The Local Economy

In 2003, the industry that provided the most jobs was healthcare and social assistance at 11.8%. The second largest employer was the educational services industry at 11.7%.



Total Housing Units:

A housing unit is defined as a house, an apartment, a mobile home or trailer, a group of rooms, or a single room occupied as separate living quarters (or if vacant, intended as separate living quarters). Housing units are classified as being occupied-either by owners or renters-or vacant. In Addison County:

- The number of housing units increased by 9.2% from 1999 to 2000, compared to an increase of 8.5% in Vermont.
- In 2000, 63.9% of all housing units were owner occupied, 21.5% were occupied by renters, and 14.7% were vacant.
- Addison County ranked 8th (from most to least) in the number of occupied housing units among Vermont's 14 counties.

Educational Attainment:

In 2000, 13.6% of Addison County residents 25 years and older in had no high school diploma (compared to 13.6% in Vermont and 19.6% in the U.S). In 2000, 29.8% had a bachelor's degree or higher (compared to 29.4% in Vermont and 24.4% in the U.S.).

Poverty, Vulnerability & Control

Regardless of whether one use an “absolute” or a “relative” definition of poverty, and regardless of where one finds it, a universal characteristic of poverty is the difficulty that it can create for individuals and/or households trying to exert *control* over their lives in a meaningful way. People living in poverty are often more vulnerable to any natural, health-related, or political disasters that they may experience than are those who do not live in poverty. When the primary wage-earner in an impoverished household falls sick, or a family member is hospitalized, or a flash flood destroys their basement, those who live in poverty have comparatively fewer safety nets to fall back on, and instead may be driven into deeper poverty as a result. This relationship between **poverty, vulnerability, and control** is a common phenomenon in our society, and is a useful one to keep in mind as you work with individuals and families this summer.