

# **SOCIAL JUSTICE IN A WORLD OF POVERTY AND WEALTH**

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## **Abstract**

The United States has glaring disparities of poverty and wealth as witnessed by public demonstrations for the 99% who struggle and against the 1% who thrive. This paper will explore poverty and its effect on families, especially women and children in the United States of America using statistics from the US Census (2010) and The Research Supplemental Poverty Measure: 2010, along with analysis by the Economic Policy Institute Education for social justice begins with reading the Bible for signs of liberation and justice. Writings by Gustavo Gutierrez and Letty Russell will assist in explaining how an option for the poor and solidarity are complemented by hospitality.

The twenty-first century has witnessed a world of great disparities: vast numbers of people living in poverty and smaller numbers living in excessive wealth. Economic disparities have grown over the last thirty years as salaries remained stagnant but remuneration to CEOs ballooned. The recession of 2008-2009 exasperated economic inequality. This paper will explore the realities of poverty in the USA—how poverty is defined and how poverty affects women, children, and people of color. In addition Gustavo Gutierrez and Letty M. Russell will serve as guides for considering an option for the poor through the lenses of solidarity and hospitality.

## **POVERTY IN THE UNITED STATES OF AMERICA**

In September 2011 the US Census Bureau published its annual assessment of poverty in the USA. The report stated that in 2010 the official poverty rate was 15.1 percent. When considered demographically, the poverty rate for Blacks was 27.4 percent, for Hispanics 26.6 percent, for Asians 12.1 percent, and for non-Hispanic Whites 9.9 percent. The poverty rate for children under the age of 18 was 22 percent (16.4 million) as compared with 13.7 percent for people aged 18 to 64 years, and 9.0 percent for people aged 65 and over. The rate of poverty also differs by the type of family. Married couples had a poverty rate of 6.2 percent, while families headed by a single female had a poverty rate of 31.6 percent and those with a male householder 15.8 percent.

For four consecutive years the number of people living in poverty has risen. The number of people in poverty increased from 37.3 million (12.5 percent) in 2007 to 46.2 million (15.1 percent) in 2010, the highest number since 1959, when poverty data were first available. The poverty threshold in 2010 for a family of four consisting of two adults and two children with total cash earnings for the entire year was \$22,113.<sup>1</sup>

This measure of poverty is based on total yearly earnings for the family. Critics state that this measure of poverty is misleading because it does not take into account public service monies and services received by those living in poverty. Means tested benefits such as WIC (Supplementary Nutrition Program for Women, Infants, and Children ), Medicare/Medicaid, EITC (Earned Income Tax Credit), SNAP (Supplemental Nutrition Assistance Program),

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<sup>1</sup> <http://www.census.gov/hhes/www/poverty/data/incpovhlth/2010/highlights>

formerly known as food stamps, the National School Lunch Program, housing subsidies, Low-Income Home Energy Assistance (LIHEAP) and child support payments are not included to show how these benefits supplement poverty wages. This measure also does not deduct payroll taxes, work-related expenses (transportation, clothing, and child care), health insurance premiums, and medical out of pocket costs. The Supplemental Poverty Measure, on the other hand, is more inclusive for it takes into account cash income from all sources and the value of in-kind benefits minus work expenses and the effect of geographic differences, a factor that impacts the cost of shelter, medical expenses, food, utilities, fuel for travel, and heating or cooling one's residence. Interestingly, when benefits are added and expenses subtracted, the supplemental poverty measure shows that more people are living in poverty (49.1 million).<sup>2</sup>

## THE GREAT RECESSION

The world has suffered the most serious recession since the Great Depression of 1929. The Great Recession resulted from the sudden decrease in stock values and housing. With little federal or state regulation, the stock market offered opportunities to make money. When a company goes public and sells shares, there is a demand to increase profits each and every quarter. The primary purpose of a corporation is to generate profits for stockholders. From December 2007 through June 2009 millions of American workers lost well paying jobs. Workers found it difficult to find jobs with commensurate wages and benefits. Those most affected were older workers, blacks and Hispanics. Unions considered the protector and advocate of workers' rights were weakened as membership waned<sup>3</sup> and especially when another company could buy out the original company, reorganize, and excess workers. Under such conditions workers not only lost their jobs and health benefits but also their pensions. Companies earned huge profits when manufacturing was outsourced to countries with lower salaries. How could an American company compete against corporations that employed foreign workers at lower salaries and in countries that had no legal protections for health and safety issues and little regard for environmentally safe conditions? Job loss was rampant causing experienced older workers to compete against younger workers. The millions of job losses during the Great Recession were evident in the high unemployment rates. As a result of high unemployment, income from local, state, and federal taxes decreased dramatically and caused state workers' hours to be cut and then workers to be fired. No worker felt safe in this economy.

Initially workers looked for jobs with comparable wages and benefits, but after months of searching, they often had to accept jobs at the minimum wage. Workers had unemployment insurance for a limited time and they economized in every way possible. With no secure income they resorted to: drawing on their savings, using credit cards, and cashing in IRAs and other defined contribution pension plans such as 401(k) plans. Prolonged unemployment affected every aspect of life—economizing on food purchases, limiting purchases and travel, buying or leasing a new/used car, their children's plans for a college education. The housing bubble in good times offered many the opportunity to live in a private home or condominium in a good neighborhood and the ability to borrow against home equity as home values soared. All came to a screeching halt when the bubble burst and homes were devalued. Owners had to adjust to a greatly devalued home and a mortgage whose adjusted rates they could no longer afford. Many

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<sup>2</sup> *Income, Poverty, and Health Insurance Coverage in the United States: 2011*, 1-4.

<sup>3</sup> "Unions, Inequality, and Faltering Middle-Class Wages," Lawrence Mishel. EPI Issue Brief #342 August 29, 2012 p. 2. Union membership declined from 26.7 percent in 1973 to 13.1 percent in 2011.

homeowners were in greater debt on the property than the current market value of the house, the so-called ‘underwater mortgages’. Some chose to walk away from their depreciating investment rather than spend more money with no hope of benefiting from their investment. Families faced housing choices: downsizing from a home to a rental, living with relatives, and in extreme cases being reduced to homelessness. As a result of lower income, many middle class people realized that they were staying in place, then slipping and becoming part of the working poor. As many more workers were excessed and salaries for workers who were expected to do more with less remained stagnant, the ranks of the working poor were swelling.

The American Recovery and Reinvestment Act of 2009, also known as the Stimulus or the Recovery Act, was an attempt to counter the effect of the Great Recession. Federal funds decreased the impact of a stagnant economy by saving jobs, providing tax relief for the middle class and tax credits for parents with children, and extending the time for unemployment insurance benefits. The Stimulus also funded a broad array of projects such as repairing infrastructures, building new schools, offering incentives to develop green energy projects, and offering funds for education thus creating and maintaining jobs at a time when local funds were vastly depleted. This Keynesian approach to economics was praised by those who favor a pro-active approach to economics, namely using federal funds to augment state and local projects. In the process of gaining congressional approval, the amount of stimulus was lowered. The Recovery Act succeeded in preventing the descent of the GNP into negative numbers. At the local level state and municipal government executives are obliged to propose a balanced budget. When Stimulus funds were no longer available, there were both negotiations and confrontations with unions whose duty it was to protect workers’ rights and benefits for which they had successfully negotiated over the years—wages, health insurance, health and safety regulations, and pensions. Mayors resorted to firing teachers, police officers, and fire fighters. Governors even supported legislation that effectively restricted the unions’ power to negotiate wages for their employees. With high unemployment and lower union membership, mayors and governors were emboldened to question unions’ right to negotiate wages. In addition there were major cuts to staff and to budgets of social programs. These cuts had adverse effects on women and children, and minorities. As a consequence there were cuts to local and state programs. Food banks, for example, received less funding; at a time of increasing demand, their resources were stretched beyond their capacity.

Poverty has been especially intractable for children in the United States. For the last decade the percent of children living in poverty has increased each year. Children under the age of 18 had a poverty rate of 21.9 percent in 2011. The only practical way to help children is to help the adults in whose care they live. Poverty affects essential aspects of life: the food and nourishment children receive each day, the clothing and shelter which protect them from the elements, medical and dental care, the quality of the air they breathe and the water they drink, the environment which surrounds them, the care and education they receive, and the safety of their neighborhood. Parents of children in poverty have limited resources; as a result their children are more likely to suffer food insecurity, i.e., hunger, housing, insecurity, exposure to chemicals and poisonous substances, inadequate childcare, inferior education, and limited healthcare. In a time of fiscal constraint children will suffer inordinately when funds are cut for the programs that help them in life-affirming ways. The development of a child’s brain is on a strict schedule and cannot wait for funds to be restored. When medical, dental, and psychological programs for children and their families are eliminated, the intervention that would be most effective at an early age is postponed. Sadly society will learn that inaction magnifies small problems and delayed remediation will be less effective and more costly with long term consequences for children and society.<sup>4</sup>

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<sup>4</sup> *The Science of Early Childhood Development*. National Scientific Council on the Developing Child. <http://www.developingchild.net> January 2007.

## RELIGIOUS EDUCATION AND POVERTY

Religious educators need to be aware of poverty in the United States and how it affects families, especially women and children. All are called to be their brother/sister's keeper (Gen. 4:9). It is tempting to blame others for their misfortune as in the story of Job when his three friends insist that he is responsible for all the evil that befell him for God rewards the upright with prosperity and punishes wrongdoers so they will seek repentance. Job knows from personal experience that suffering is not necessarily the result of wrong-doing. Suffering often embitters, but it can also open one's eyes to others who are struggling to survive. Job rejects their theology of retribution when he moves beyond his individual agony and identifies the real issue as "the suffering and injustice that mark the lives of the poor." Belief in God leads a believer to "lighten the burden of the poor by helping them and practicing solidarity with them." When God speaks, Job realizes that "the world of justice must be located within the broad, demanding horizon of freedom that is formed by the gratuitousness of God's love" (Gutiérrez, 1987, 16).

## SOLIDARITY

The Gospels introduce Jesus who in the midst of healing the sick reminded his disciples, "Blest are you poor; the reign of God is yours." The rich, though full from feasting and delighting in their good fortune, will go hungry and weep (Lk 6:20, 24-25). Jesus a poor man himself is comfortable with those in need. As he exhorted his followers to "Love your enemies, do good to those who hate you" he reminded them that this is God's way of acting for God "is good to the ungrateful and the wicked" (Lk 6:27, 35). Compassion, pardon, and generosity are presented as the coin of the kingdom, "For the measure you measure with will be measured back to you" (Lk 6: 38).

The life and teachings of Jesus are models for the preferential option for the poor. God is concerned with all of creation, but those in most need have a special place like a mother of many children who loves all her children while being solicitous of those with extraordinary needs. Solidarity is standing with the poor and sharing their concerns in this historical time and place. This commitment encompasses all of life for poverty affects people in many ways. Solidarity flows from charity whereby the person who experiences God's love is willing to see God in those less fortunate. Solidarity builds on empathy whereby persons feel compassion for others in their suffering. Feeling is undergirded by a determination to be with and work with those who are in need. As comrades with those who face misfortune we resolve to right wrongs and reverse misfortune. When suffering is the result of structural evil, then solidarity calls for the courage to identify and address the evil and work with others to reverse it. An important aspect of solidarity is bringing forth the voice of those whom others dismiss as unimportant or worse, nonexistent. As Gustavo Gutiérrez has written, "...the irruption of the poor—their new presence on the historical scene—signifies a true irruption of God into our lives" (Gutiérrez, 2009, 319). He goes on to say that, "Solidarity with the poor is the source of spirituality, a collective—or communal—journey toward God" (Gutiérrez, 320). Solidarity has the advantage of offering strength in numbers, and with God, to work to effect justice in our time. In the words of Archbishop Oscar Romero, "There is a criterion for knowing whether God is close to us or far away: all those who worry about the hungry, the naked, the poor, the disappeared, the tortured, the imprisoned—about any suffering human being—are close to God" (February 5, 1978) (Gutiérrez, 320).

Poverty in the United States presents a conundrum. How can the richest nation in the world have so many millions living in poverty? "There is a safety net," counter some. Yes, there are services and tax refunds for those who work at low-paying jobs. Applying for and negotiating the social service system is a job in itself because it challenges the determination and savvy of those who need the services. A mother with a baby and toddlers in tow has her hands full before she travels to and arrives at the appropriate agency. Organizing the required forms and documentation is like climbing Mount Everest for someone in poor mental or physical health. Completing job applications and writing letters of application is overwhelming for some workers. Social service workers are challenged to view their work from a faith

perspective as Jesus responded to the hunger and sickness of those who pressed upon him. No one wishes unemployment on another, but the experience can make one appreciate the challenges of the poor. Neighbors can offer to help those who face these obstacles. The computer literate can assist those who need to apply electronically. A local community group, church or congregation could organize volunteers to meet the needs of their members. As people get involved in direct service, they will realize that advocacy is also required to get needed repairs in apartments when owners are unresponsive, to remove lead paint so children are not poisoned, and to fight evictions and foreclosures to prevent homelessness.

## HOSPITALITY

Over a lifetime as teacher and educator, Letty M. Russell, worked to make social justice a reality. She encouraged students and parish members to work together as partners in community united in a common struggle. God is the model of community in the loving interaction of the Trinity as Creator, Liberator, and Reconciler. So too God partners with people so together they can work to mend creation. Encouraging each person to claim his/her dignity as a child of God, Russell reminded people to recognize God's presence in each other.

A theology of hospitality is the theme of Letty Russell's last book, *Just Hospitality—God's Welcome in a World of Difference*, edited by J. Shannon Clarkson and Kate M. Ott. The seeds of her thinking about hospitality are evident in earlier works where she wrote about sharing communion at the welcome table where all come and feel included. In sharing the Eucharist each person experiences the love of Jesus and the welcome of all those present (Russell, 1993). Hospitality in her words is, "the practice of God's welcome, embodied in our actions as we reach across difference to participate with God in bringing justice and healing to our world in crisis" (Russell, 2009, 19). Scripture reminds us to be hospitable in God's admonition to care for the widow, orphan, and stranger (Ex 22:20-21). When churches and congregations welcome members, they imitate God by including all who come as well as reaching out to those in need through prayer and home visits. Are the poor included in prayer and planning in local congregations? Members and their families and friends are affected by unemployment or underemployment. Is there thought of welcoming not only poor members but also those in the larger community who need food, clothing, and shelter? It may require tactful inventory or reminding members of public/private services that would help them now. It may well call members to act to respond to their neighbor's need. After all, moments of need are opportunities for growth for the one who gives as well as the one who receives. In the words of Paul, "Accept one another, then, as Christ accepted you, for the glory of God" (Rom 15:7).

In this year of presidential elections there is no end to political chatter. In the midst of claims and counter-claims, seldom does one hear about the poor. They whitewash problems and address the middle class. Contrast this with the Nuns on the Bus who traveled from the Midwest to Washington, DC stopping at centers that served the poor, the hungry, and the homeless. Their message was a just one: deep cuts to programs that serve the poor will severely limit services for the poor. During their two week campaign they criticized the Budget sponsored by Representative and now Vice President elect, Paul Ryan. In place of a budget that punishes the hungry and homeless, they advocate A Faithful Budget. Written after thoughtful meetings of believers from Jewish, Christian, and Muslim traditions, the Faithful Budget was submitted to the United States Congress on March 22, 2012. It challenges leaders to act with mercy and justice to seek the common good as one nation under God. Individuals are invited to support this effort by reading and signing the Preamble. The Faithful Budget addresses the following concerns: domestic human needs, health care, humanitarian and poverty-focused international assistance, human rights and true human security, creation/environment/renewable energy, and a fair and just system of taxation.<sup>5</sup> It remains for citizens to view the budget as a moral document, one which considers human concerns as a matter of justice.

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<sup>5</sup> <http://www.faithfulbudget.org>

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