Introduction: The Paradox of Poverty in America

American society is based on paradoxes. Its citizens are at once among the richest and the most economically insecure in the developed world. While income inequality was once on the decline, over the last twenty years the distribution of wealth and prosperity in the nation has become more unequal. Individuals and families at greatest risk for poverty are men with less than a college education, people of color (especially blacks and Hispanics), working families and families headed by women, and a significant number of the nation’s elderly, who live at or close to the poverty line. A reflection on late 1950s America reveals a nation poised to embrace a vision of opportunity shared by all. It is a reflection we begin with to tell the story of America today. America is not the nation it envisioned itself being four decades ago. In the land of opportunity, many of its citizens experience poverty, economic insecurity, and income inequality on a daily basis.

The Demography of Poverty: Starting in the 1950s

In 1959, according to federal poverty statistics, at least 20.8% of families lived in poverty (Table 3). While 16.5% of white families lived below the poverty line, 54.9% of black families were poor. One out of two female-headed households lived below the poverty line. Two thirds of black female-headed households lived in poverty. More than one in four children lived below the poverty line: in 1959 regardless of whether the family was headed by a male or female (Table 4). Rates were significantly higher for children of color compared with white children (39.6% versus 11.0%).

It was not until 1972 that the federal government published poverty statistics for Hispanic families. Hispanic families, too, had high rates of poverty—22.3% in the early 1970s. Almost one third of Hispanic children also were poor (Figure 9). Regional data show that in the 1960s, the poor were concentrated in the South—the location of 46% of the nation’s poverty population (Map 4). The relatively unsettled West had the lowest poverty rate (17%) followed by the Northeast and the Midwest (22%).

The Geography of Poverty

In the first half of the 20th century, poverty was primarily confined to rural areas. In 1959, while 18.3% of central city residents lived below the poverty line, 33.2% of nonmetro residents were classified as poor (Figure 9). Regional data show that in the 1960s, the poor were concentrated in the South—the location of 46% of the nation’s poverty population (Map 4). The relatively unsettled West had the lowest poverty share (15%), followed by the Northeast (17%) and the Midwest (22%).

Poverty Forty Years Later: What Progress Has Been Made?

Despite a four-fold nominal increase in median family income over the last forty years, the absolute number of people in poverty has changed remarkably little in four decades (Figure 10). The lack of decline in the absolute number of persons in poverty is correlated with several factors. One that is clearly important is the stagnation of real median family incomes (1959 adjusted family income was $60,670 versus $43,318 in 2003).

Another distinct quality of poverty in the nation is its persistence. In 2003, as in 1959, a person of color was far more likely than a white person to be living below the poverty line. A person of color still had a one in four chance of being poor. For whites it was one in ten. Female-headed households had a one in three chance of living below the poverty line; for mem-