Chapter 2 Summary

**Chapter 2**

**Social class and poverty**

This chapter, along with the next four chapters, presents some of the history, facts, dimensions, and social consequences of human diversity.  While this chapter focuses on social class and poverty, subsequent chapters will discuss race and ethnicity, gender, sexual orientation, and age and aging as dimensions of diversity.  Before addressing the dimensions of diversity specified for this chapter, the author acquaints the reader with some of the broad-based negative consequences of diversity such as prejudice and discrimination.

 The author introduces Marilyn Loden and Judy Roseners’ Wheel of Diversity in the section introduction.  They identify two major dimensions of diversity including one dimension that is fixed in nature that has several characteristics such as age, ethnicity, gender, physical abilities, race, and sexual orientation.  The second dimension has characteristics that are changeable and include such things as educational attainment, income, and religious beliefs.  The introduction continues by noting that many of these and other characteristics that make us different unfortunately leads to negative consequences for many minority groups such as social stratification and few or diminished life chances in areas such as education, shelter, and health care.  In addition, people that are different often face prejudice (a negative attitude) and discrimination (acts based on prejudiced beliefs) from others.

 This chapter explores many of the issues surrounding social class and poverty in the United States.  Though the United States is one of the richest countries, severe economic inequalities are evident and the resulting consequences are seen, for example, when recounting the aftermath of Hurricane Katrina in 2005 on New Orleans residents.

The gap between rich and poor in the United States is wider than in any other society with comparable economic institutions and standards of living.  Data reveals that wealth, the value of assets owned by a household at a point in time is more unequally distributed and more concentrated than income which is defined as the money earned from one’s work.  Research found that during the late 1980s and 1990s, the top one percent of wealth owners in the U.S. owned more than forty-five percent of all net worth and nearly fifty percent of all financial assets.

 Several definitions of poverty are discussed including absolute and relative poverty and poverty threshold and guidelines.  Absolute poverty refers to a lack of basic necessities such as food, shelter, and income.  Relative poverty is a situation where people are falling behind from the average income or life style enjoyed by the rest of society.  Poverty threshold refers to the original federal poverty measure based on food, while poverty guidelines are used for determining family or individual eligibility for federal assistance programs.

 There are certain demographics that describe the poor.  White-Americans, black-Americans (as a proportion of their group as compared to other racial and ethnic groups), children, and female headed households with children are the most likely to suffer from poverty in the United States.  In addition, research shows that though the majority of poor people live in cities and suburbs, poverty rates are higher for residents living outside metropolitan areas.  Also, regional patterns of poverty have developed throughout the U.S. with the South having the highest levels, followed by the West, Northeast, and finally the Midwest.

The four sociological perspectives are used to shed light onto the social implications of social class and poverty.  Functionalists believe that inequality in the social system is necessary to maintain social order as some individuals are more important and better suited for certain positions, and therefore should be compensated more than others.  Functionalists feel that poverty exists because it is functional for society in several ways.  For example, it upholds the legitimacy of dominant norms, it helps preserve social boundaries, and it provides a low-wage labor pool to do the “dirty work” which no one else wants to do.  Conflict adherents believe that inequality is systematically created and maintained by those trying to maintain their advantage over the system. Conflict theorists argue that poverty exists because the rich and powerful are unwilling to give up some of the resources that they have accumulated, leaving little else for others.  The Feminist perspective focuses on gender inequality which is felt to be the byproduct of a patriarchal society.  Feminists report that poverty is especially devastating to women because they are under the control of a patriarchal system that is more willing to assist men than women.  Finally, Interactionists believe that social inequality is a social creation that is made real by stereotypes, beliefs, and attitudes which shape our behavior and produces the inequality we believe is real.  Interactionists state that poverty is learned and their attention is focused on the meaning people give to poverty.

Some of the consequences of poverty are explored in the chapter.  Health care costs are rising quickly and the elderly and impoverished, especially children, are not receiving the treatment they require.  While a portion of the poor are eligible for medical care under Medicaid, coverage is not comprehensive and numerous poor people do not qualify.  Fifteen percent of American families are considered food insecure which means that these families do not always have access to enough food for active and healthy lives for all members of the household.  Most families who leave welfare do not earn enough to afford decent and appropriate housing.

Throughout the twentieth century, the federal government has attempted to reduce poverty by helping those that could not help themselves starting with the creation of welfare in the 1935 Social Security Act.  Lyndon Johnson expanded assistance to the poor in his “War on Poverty” by creating additional social programs like Head Start and affirmative action.  Finally, in the 1990s, there was great concern that welfare had become more of a problem than solution and Bill Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) which instituted significant changes in the way welfare was managed.

In 2005, PRWORA was reauthorized by emphasizing promoting work, increasing resources for welfare families, protecting children and strengthening families, and enhancing state flexibility in welfare funding and programming.  Under PRWORA, adults are limited to five years of federal benefits, although states have the authority to impose shorter time limits.  The Earned Income Tax Credit (EITC) program was enacted in 1975 and was expanded in the 1980s and 1990s.  EITC provides federal tax relief for low-income working families, especially those with children.