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Salt Lake Tribune – Growing Poor: More Utahns move into poverty

Growing poor

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As Harry Truman once said, “It’s a recession when your neighbor loses his job; it’s a depression when you lose yours.”

Overall, the economic downturn that Americans are experiencing is a far cry from the Great Depression of the 1930s, the era of crushing poverty that has been, so far, unequaled. But, if you are one of the hundreds of thousands of Utahns in poverty, the line between recession and depression doesn’t mean much.

And, whether it’s because of job loss, medical bills, bankruptcy, foreclosure, lack of education or myriad other reasons, the number of poor in Utah is growing.

That’s the message in a new report from the Utah Community Action Partnership, a coalition of groups that work with people who need assistance through financial crises and help to get jobs and become independent. The annual report shows that 10 percent of Utahns and 11 percent of their children lived below the poverty level in 2007, the most recent year when data was reported. That’s an increase of 11.4 percent since 2000.

The CAP’s January 2009 assessment of those receiving services from nine community action agencies shows 61 percent of people seeking help were doing so for the first time — the new poor, so to speak. These are former middle-class Utahns who have been pushed into the ranks of the poor while people who were barely getting by moved deeper into poverty. Those numbers are probably at least partly the result of a 57.6 percent increase in unemployment over the past year.

There are many more statistics in the CAP report, including numbers that show Utah’s income inequality — the gap between rich and poor — is growing. All results of CAP’s thorough research and analysis are available at www.caputah.org

While CAP only provides data and does not make policy, the group has a few recommendations that make sense in addressing this alarming trend. To help people move back to self-sufficiency, CAP rightly recommends that policy makers consider removing the asset-elimination requirement for government assistance. Current policies require people to cash in their assets in order to qualify for help. Then, when they start moving toward self-sufficiency, the assets that might have helped them are gone.

Also, state legislators should appropriate enough to government assistance programs such as Medicaid so the state qualifies for federal matching funds. It is inexcusable to turn back cash when so many in Utah need it so badly.