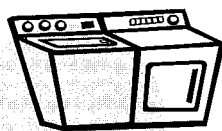


# How Poor are the Poor?

BY  
BRUCE  
BARTLETT



Along with its annual poverty report, the U.S. Bureau of the Census recently released a study measuring the availability of various consumer appliances to different groups of Americans. These data show that even persons officially described as poor in this country now have extraordinary access to conveniences, labor saving devices, and even luxury goods. For example, 93 percent of poor families have a color television, 72 percent have their own washing machine, 60 percent have microwaves and VCRs.

To put these numbers in perspective, it is worth looking at comparable rates in other industrialized countries (see Table One). Comparative figures show that ownership of dishwashers, for instance, is higher among Americans living in poverty than it is among the *general* population in the Netherlands, Italy, or the U.K. Ownership of clothes dryers among *all* Swedes is about the same as among the American poor. Typical residents of every country in Europe have less access to microwaves than the U.S. poor do. And the U.K.

is the only country in Europe where general ownership of VCRs exceeds that of the American poor.

Data on consumer expenditures collected by the U.S. Bureau of Labor Statistics confirm that America's "poor" have a comparatively high level of material well-being. In fact, economic consumption by households in the lowest 20 percent of the U.S. income distribution is more than double their reported income, as Table Two illustrates. How can that be? There are a variety of simple explanations: some people have unreported income, some are living off reserves while their income is just temporarily low, some are supported by family members. Insofar as consumption is a truer measure of living standards than income, the main point is that many low-income Americans are far better off than their reported income suggests.

Two other factors obscure the true condition of America's poor. One is non-cash in-

## Blue-Ribbon Commission

Recently, a commission of economists headed by Stanford University's Michael Boskin met to study the way government agencies measure inflation via the so-called Consumer Price Index, or CPI. One reason that subject is important to more than just statisticians is because the CPI is used to adjust the nation's income and poverty numbers. If inflation is being mismeasured every year, then income and poverty will be too. Over a period of years, our understanding of how our quality of life is progressing can be badly skewed.

In addition to Boskin, former chairman of the president's Council of Economic Advisers and an adjunct scholar at the American Enterprise Institute, the blue ribbon commission included eminent scholars like Dale Jorgenson, an expert on measuring economic growth and former winner of the John Bates Clark award for best American economist under age 40, and Zvi Griliches of Harvard, former president of the American Economic Association and an authority on the measurement of quality changes in goods and services. The group issued their report in September.

For purposes of understanding U.S. in-

TABLE ONE

### PERCENT OF HOUSEHOLDS OWNING SELECTED APPLIANCES

	VCR	Microwave	Dishwasher	Dryer
U.S. Poor	60	60	20	50
<b>All residents:</b>				
Belgium	42	21	26	39
Denmark	39	14	26	22
France	35	25	33	12
Germany	42	36	34	17
Italy	25	6	18	10
Netherlands	50	22	11	27
Spain	40	9	11	5
Sweden	48	37	31	18
Switzerland	41	15	32	27
U.K.	65	48	11	32

Source: Euromonitor, 1991; U.S. Bureau of the Census, 1992.

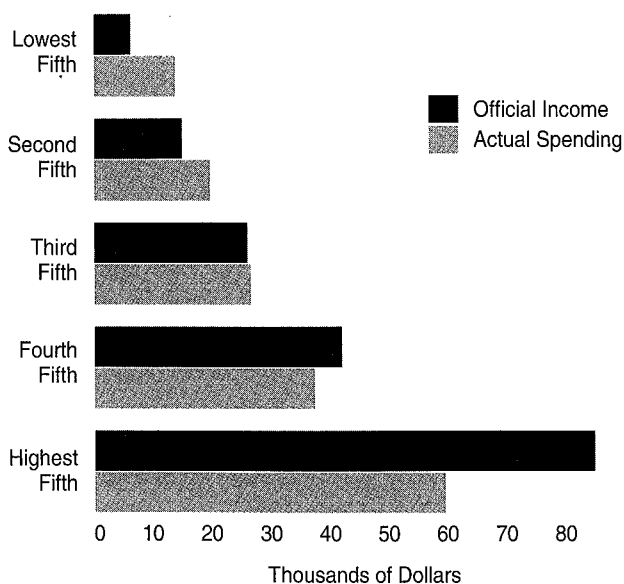
come. Food and housing are two of the largest expenditure items (after taxes) in any family budget, yet a poor person may live in government housing and receive food stamps without a dime of these benefits being counted as income. The second factor is that a large percentage of those with low money incomes are elderly (37 percent of persons whose income puts them in the bottom fifth of households are over 65, according to the Census Bureau). Many of these older people have substantial assets and low expenses to go with their low incomes. Elderly persons in the bottom fifth had a median net worth of \$30,400 in the latest year. Fully 41 percent of Americans in the bottom fifth owned their own home, and three-quarters of that group held it free and clear, with no mortgage payments to make.

In short, while many Americans who appear to be poor are under real strain, many others are not.

*Bruce Bartlett is a senior fellow at the National Center for Policy Analysis.*

TABLE TWO

## OFFICIAL INCOME VERSUS ACTUAL SPENDING U. S Households by Fifths, 1993



Source: U.S. Bureau of Labor Statistics

## Suggests Poverty in America is Over-Estimated

come trends and poverty, the most important finding of the Boskin Commission was that the CPI has overstated the rise in the cost of living in recent years by about 1.5 percent a year. That may not sound like much to a layman, but it's a very big deal. Economics writer Jonathan Marshall illustrates why:

Say your boss gave you a 3 percent raise last year, but prices rose 2 1/2 percent, according to the government. That left you thinking you came away with only half a percent more purchasing power after inflation.... Now say the government got its figures wrong and prices really climbed only 1.5 percent. In that case your buying power actually rose 1.5 percent—three times as much as you originally thought. Over a decade, that difference would compound into sizable sums.

If the Boskin commission economists are right, median weekly earnings for full-time male workers didn't *fall* 12 percent from 1979 to 1994, as the gloomy official

numbers suggest—they actually *rose* 14 percent. And women's earnings over the same period didn't rise 7 percent as published, but actually zoomed upward 35 percent.

The number of Americans in poverty under these revised figures is enormously different than officially advertised. If the CPI has been overstated by 1.5 percent a year since 1967, there are 15 million poor this year instead of 38 million.

Marshall comments:

These revisions to the wage and poverty picture may seem fancifully rosy, but they fit with other facts about improvements in people's material well-being. From 1970 to 1990, Americans' life expectancy rose to 75 years from 71 years. The share of households without a telephone fell to 5 percent from 13 percent. The share of households with color TVs soared to 96 percent from 34 percent. The number of households with cable TV jumped to 55 million from 4 million.

The Boskin Commission spelled out a variety of reasons why the CPI seems

to be overstating the cost of living. These include:

Overlooking consumer substitutions of cheaper goods for more pricey ones, like the shift from beef to chicken.

Missing improvements in quality and efficiency in new goods which mean that consumers are getting much more for the same dollar spent—as when they get a bigger refrigerator that runs on less energy for the same amount an inferior fridge cost a decade earlier.

Failing to take account of the mass switchover of consumers from shopping at department stores and regular groceries to discount outlets instead, where they get the same goods for less than official retail prices.

Leaving out new products and services that improve human welfare.

"Just momentous" is how Harvard economist Jorgenson summarized the commission's findings to Marshall. "This," he notes, "could revolutionize the whole standard-of-living story."

—The Editors

# DECONSTRUCTING

by Frederick Turner

It is December 20, 2015, and I am writing this at your request—though you have no sanctions to force me beyond the punishments I already face. From my cell I can see the fused stumps of the El Aksa Mosque and the Dome of the Rock. There seems to be some activity going on over there, though with my poor eyesight I cannot make it out exactly. I'm told the Wailing Wall has completely disappeared, and that the old limestone paving blocks of the square were turned to marble by the heat and shock-wave of the explosion. The Church of the Holy Sepulchre has been reduced to rubble. They say the total death-count is around 80,000.

It was perhaps a little melodramatic of you to hold my trial here within sight of my greatest achievement. The residual radioactivity must surely inconvenience the court. And it was a little obvious to give me a cell facing Jerusalem's ruins. As a veteran propagandist I must warn you against gestures that might suggest a media show trial. Purely professional advice, one publicist to another.

The failure of our little conspiracy—yes, 80,000 dead was a failure, as you shall learn—does not diminish a certain exhilaration that I must confess to feeling. You wish to know how I did it; you are not interested in why. But let us compromise: I will give a little how if you will accept a little why.



I was born in 1968 in Aurora, Illinois, not far from the big collider ring at Fermilab. That was the year of the revolutionary socialists in Paris, of the Days of Rage in Chicago—uprisings that were our inspirations and raw precursors. Our movement we called the *Chiffre* (French for “cipher”).

My father, a liberal Presbyterian minister, saw promise in me and groomed me for a religious career. Much to his disappointment I chose literary studies, escaping first to Madison, Wisconsin, and then to Berkeley and Santa Cruz. There I made the acquaintance of the great magicians of our movement: Derrida, Heidegger, de Man, Althusser, Foucault, the feminists, the multiculturalists, the deep ecologists. My father died in '87; my mother is, I am told, here in Israel for my trial, but I refuse to see her. Some time during graduate school I met and married my wife, whose name for the moment escapes me; we had a son. When I went to Europe I did not leave them an address; I heard some years later that my teenage son committed suicide. I have to approve of his instinct for liberation; in my case the act had to be delayed because I had bigger fish to fry.

In Santa Cruz, while working on my unfinished Ph.D., I met Ruhollah and Héloïse, and we founded the *Chiffre*. Ruholla, who took his revolutionary name from the Ayatollah Khomeini, was born Bruce Robins. He was a dazzlingly handsome youth, in

appearance the all-American boy, with his golden locks and clean-cut jaw. His favorite garb was a check shirt and chinos, though later, in order to fit in with our European friends, he adopted the black tieless shirt, black parachute silk pants, and ponytail of the Paris intellectual. Héloïse, born Susan Jones, renamed herself for the medieval nun who violated her vow of chastity. She was also strikingly attractive, in her dark, anorexic way. She was charming, hostile, and extremely intelligent. She smelled to me of smoke and electricity; we never touched each other's bodies, even casually. I was the only unattractive one of us three, with my lank hair, concave frame, and long pale face. I shall not go into the relationship among us; it is a personal and irrelevant matter, and they are dead now.

We had long analytical conversations over coffee in the Broken Cross, a favorite student hangout, painted black, with a view of the Pacific. The key, as we saw it, was freedom. Of course our vocabulary did not contain such clumsy terms as “key” or “freedom”—I am putting this in your terms. We sought the common denominator of the many liberation movements that arose in the 1970s and '80s, during what we called “late capitalism.” (In 1989 it became obvious that unless we did something about it, this was actually only the first dawn of true capitalism.)

The common denominator at the root of liberationism was rejection of all foundations. Structuralism showed us we didn't need to consider the “meaning,” of a statement; structure was all. Then deconstructionism called structure itself into question. The new historicism showed that language was designed to support the interests of the powerful. Feminism demonstrated that gender was simply a linguistic invention used to oppress women. Multiculturalism unmasked colonial tyranny. Deep ecology showed that human logic and language was just an excuse for ecological genocide.

It was not enough for us that humankind had liberated itself from God. All the grammatical, intellectual, and natural constraints by which authority has its hold on us must be overturned. Women must liberate themselves from male domination; people of color must reject white scientific logic; animals must be liberated from their slavery to humans; biological life must be freed from the influence of human technology.

So far we were still in the mainstream of postmodern intellectualism. But the *Chiffre* went further. After all, matter itself is constrained by the metabolism and anatomy of animals and plants. True liberation must include the liberation of matter from life.

Furthermore, matter itself is confined in structure; energy is bound up in matter. Genuine liberation must involve the liberation of energy from matter. And if it is possible, even energy should be deconstructed in turn, for energy is a repetitive structure of waves arbitrarily imposed upon space-time. Sometimes, as we sat