A History Of Poverty

For over 50 years now, the Democrats have been waging their "War on Poverty." Put in layman's terms, that means taking money from the working and giving it to the poor.

In other words, wealth redistribution; one of the liberal's favorite games.

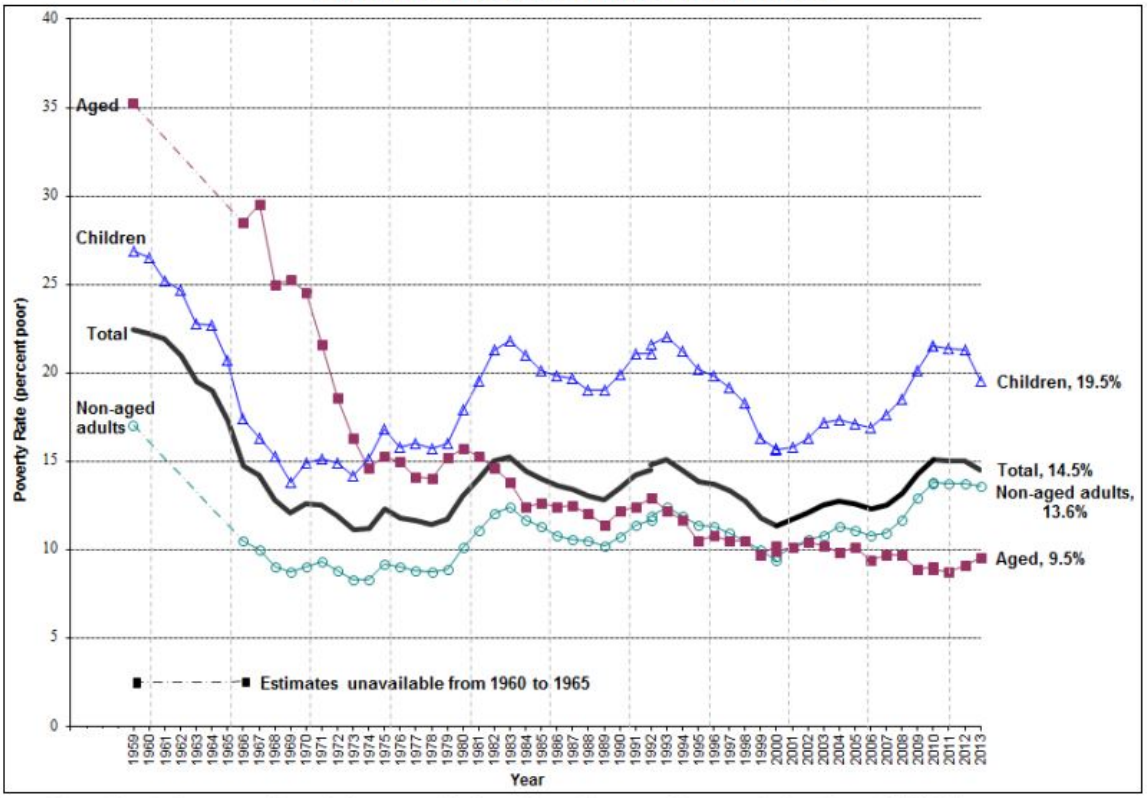
Of course, when they talk wealth redistribution, they make it sound like they're only going after the wealthiest of the wealthy; but what really happens is that the middle class ends up suffering. While they raise taxes on the wealthy, they raise them on the middle class as well. Then you end up with poor people who can afford iPhones, while middle class people can't. Is it just me, or is that messed up?

So, what has 50 years of giving handouts to the poor gotten us? According to census data, we've reduced the poverty rate by a whopping three percent! Yep, $22 trillion has gained us a grand total of three percent reduction in the poverty rate.

I'm not sure that anyone could call that a great return on investment. Oh, and that's the same poverty rate that existed in 1967, three years after President Lyndon Johnson declared the war on poverty.

US Poverty Versus World Poverty

Figure 2. U.S. Poverty Rates by Age Group, 1959-2013



Source: Prepared by the Congressional Research Service using U.S. Census Bureau, "Income and Poverty in the United States: 2013," Tables B-1 and B-2, Current Population Report P60-249, September 2014, available on the Internet at http://www.census.gov/content/dam/Census/library/publications/2014/demo/p60-249.pdf.

Source: fas.org

These statistics only deal with poverty here in the United States, not world poverty. In the eyes of much of the world, especially what is known as the "third world," the poor in America have it pretty darn good. They are only poor as compared to other Americans.

In that we find the key to understanding American poverty. In reality, it's about jealousy. It's about "they have and I don't. And while there are definitely poor in our country, even people who are extremely poor, there are few who are starving to death. Of those who are, there is usually some underlying problem that is causing their poverty.

But I'd like to take a different look at poverty today; seeing it in the historic perspective. You see, when we look at it that way, we encounter that poverty is the norm, not the exception. Throughout world history, the vast majority of the

people have been poor. There have been a small upper class and a large lower class, with a small middle-class in between.

I don't care what ancient culture you look at, the vast majority of the people were poor. The "noblemen" gathered all wealth to themselves, treating the surfs and peasants like surfs and peasants. In other words, mistreating them. I don't care if you look at ancient Egypt, the Ming Dynasty or feudal Europe, you find the same thing in each culture. The vast majority of people were poor.

The idea that poverty can be eliminated is actually a rather new idea in world history; and I've got to say that it's an idea that has been created by capitalism. Ironic isn't that? The great enemy of the progressive-liberal mindset, capitalism, is what has given birth to one of their founding principles.

You see, the true indicator of a society's financial well-being isn't the poor or the rich, it's the middle class. Before the time of the Renaissance, this group of people was all but non-existent. Oh, there were a few artisans and merchants who rose up above the level of the peasants, but they were very few. Basically, people rose from being peasants to becoming part of the "minor nobility" if they amassed enough wealth, that was the only middle class there was.

What brought about a true middle class is commerce; the free trade of goods, often across borders. Those who participated in this trade, often at great risk to themselves, were the true founders of the middle class. Unbeholden to a noble or lord, other than paying taxes, they were the first to start living as free men and women, with the freedom to buy and sell property, the ultimate freedom in a feudal world.

Our ancestors understood the importance of land ownership, even here in the United States. As it was originally created, our voting system only allowed landowners to vote. The Panic

of 1819 led to the end of this, as many property owners lost their property and with it the right to vote. They demanded their rights as citizens back, ultimately leading to the several states changing their laws and allowing all white adult makes to vote by 1860.

While we would call that highly discriminatory today, the world was a different place back then. But that’s an issue for another day. The point here, is that the first step towards creating a middle class was the elimination of the feudal ownership of land and placing the land in the hands of the people. This was so important that the westward expansion of the United States was largely fueled by the government giving land to people who moved west.

That land ownership moved the people into the middle class. Regardless of their financial situation, they were no longer poor. The difference was that the work of their hands went to feeding them and their families, not to enriching some nobleman far away.

The private ownership of land gave commerce a huge leap forward. The buying and selling of land, as well as the produce of that land, gave people a chance to improve their financial state. No longer were people bound to poverty by being born to a particular caste or group, true upward mobility was available to the masses. One’s chance at wealth was linked more closely to their intelligence and industry than anything else.

This is the country our forefathers gave us; a country where it is possible for all to raise themselves out of poverty. Perhaps the first country like that in the whole world. Remember, at the time our country was founded, Europe was still run by feudal governments. While some countries had parliaments to create the laws, those parliaments were still populated by lords at that time.

Capitalism is the child of the freedom our forefathers gave us. Never before had the world seen such a system. Even the commercial system of Europe, which was probably the closest thing to our free-market system in existence at that time, wasn't the same.

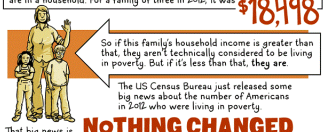
And Now…

WHAT DOES IT MEAN TO BE POOR IN AMERICA?

According to the federal government, it involves a number:

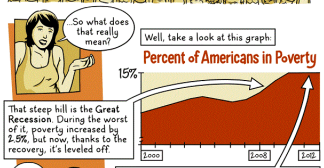
THE POVERTY THRESHOLD

That number was developed in the 1960s to determine if a family has the resources to meet basic needs. It changes depending on how many people are in a household. For a family of three in 2012, it was **$18,498**

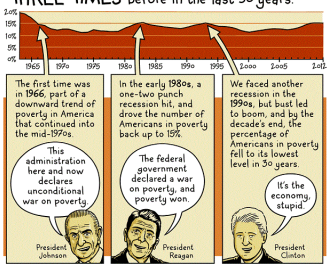


That big news is...

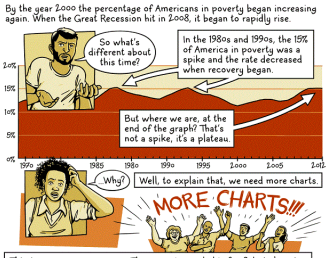
NOTHING CHANGED



We've hit this percentage of Americans in poverty **THREE TIMES** before in the last 50 years.



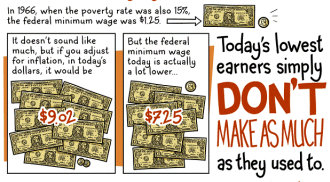
By the year 2000 the percentage of Americans in poverty began increasing again. When the Great Recession hit in 2008, it began to rapidly rise.



This is an uneven recovery. The recession ended in 2009, but almost all of the economic gains since then have gone to the highest earners.

Then there's wage growth (or lack of it!).

In 1966, when the poverty rate was also 15%, the federal minimum wage was $1.25.

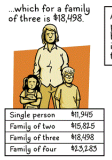


Today's lowest earners simply **DON'T MAKE AS MUCH** as they used to.

But what does that actually mean for families?

That's $3,360 BELOW the poverty line

...which for a family of three is $18,498.



Single person	$11,945
Family of two	$15,825
Family of three	$18,498
Family of four	$23,283

As the economy continues to recover, the percentage of Americans in poverty will probably begin to drop again. But with income disparity at its highest point since 1917, and wages stagnated, the bottom levels of our society are still hurting.

As Treasury Secretary, Jacob J. Lew said

upworthy.com

Okay, so how does this all tie into poverty, the subject I started talking about? Simple. Our free-market capitalistic system, which liberals love to badmouth, is the greatest weapon against poverty there is. It is the one political/financial system in the world, which truly allows anyone to pick themselves up out of poverty and stand on their own two feet. It doesn't matter if people start out rich or poor, if they are willing to work and apply their imagination, they can find a way to make money.

The proof of this is that most of the rest of the world has adopted the American model of a free market. While badly maligned, capitalism has taken over the world. Even countries like China, which is openly communist, allows capitalism, because it is that capitalism which brings the necessary money into their country, so that the government can do the things it wants to. While it's doing that, it's also creating an atmosphere where people can rise up and make a better living.

So, the great cure for poverty isn't giving people a handout, it's giving people a hand up. In other words, giving them the means to start their own business. Ultimately, they can make more money by running their own business, than they can working for someone else. Not only that, they aren't dependent on someone else for a job.

This is being proven out in third-world countries, even as we speak. Organizations are offering micro-loans to people in these countries, so that they can start their own businesses. In many cases, those micro-loans are as little as twenty dollars. But in that economy, they are able to start a business.

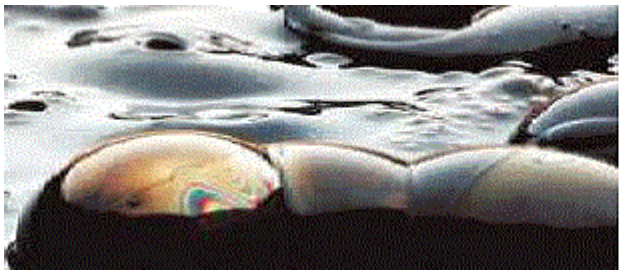
Maybe you can't start a business in the United States with twenty bucks, but you can still start one cheap. All someone needs to start an eBay store or Etsy store is a little bit of inventory and access to a computer. Even if they don't have a computer at home, they can still do it, using a computer in a

public library.

If we are ever going to win the war on poverty, it won't be by spending another 22 trillion dollars, it will be by encouraging people to start their own businesses. At the same time, that will be the best thing that can be done for the economy overall.

Small businesses has been badly mauled in recent years, but their day is not over. There are still many people, myself included, who would rather do business with a local or small business, than give their money to the mega-corporations.

Almost all businesses start out as small businesses, even the great corporations of today. All it takes is someone with the guts and vision to start… and there's no telling where they will go.



*This article has been written by **Bill White** for Survivopedia.*

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