Can Poverty in America Be Compared to Conditions in the World's Poorest Countries?

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Abstract

Some contend that the American poor are affluent by international standards, and recent survey evidence finds that Americans have deeply divided views about the conditions faced by the poor in this country. To what extent can poverty in the United States be compared to conditions in the world's poorest nations? Few analysts have examined this question beyond "instrumental" measures of poverty such as income and consumption that only indirectly capture well-being (Sen, 1999). The current paper uses available evidence to examine this question based on four direct indicators of wellbeing: 1) life expectancy; 2) infant mortality; 3) risk of homicide, and 4) risk of incarceration. By these metrics, well-being is highly stratified in the U.S. Among Americans at the bottom of the economic ladder, quality of life looks similar to what is experienced in countries with per-capita economic output that is a small fraction of that in the U.S.

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Background

Some have argued that America's poor "live better than most of the rest of humanity." Furthermore, the nation is deeply divided in regards to the conditions faced by poor Americans. A recent survey by the Pew Research Center found that a majority of middle-to-upper income Americans agreed with the statement "poor people today have it easy because they can get government benefits without doing anything in return." In contrast, nearly two-thirds of low-income Americans agreed that "poor people have hard lives because government benefits don't go far enough to help them live decently" (Krogstad & Parker, 2014).

All this raises the very basic question of whether poverty in the U.S. can be compared to poverty in the world's poorest countries. Do poor Americans look rich or poor by international standards? In terms of rates of consumption, there is little doubt that the American poor on average are better off than the poor in the world's poorest countries. Poor Americans often live in larger homes and have access to goods that are luxuries in other parts of the world. Yet measures of consumption and income are but indirect markers of a person's well-being. A person might have a high level of consumption but low quality of life. Different societal standards might necessitate different patterns of consumption to allow basic human functioning, and certain forms of consumption may actually decrease quality of life.

Sen (1999) argues that to really judge a person's well-being, one must move beyond "instrumental" measures of well-being such as income or consumption and take into consideration direct indicators of quality of life. In that spirit, below we compare the circumstances of America's poor to conditions in some of the world's poorest countries, using four direct measures of well-being for which available data allow international comparison. Our analysis treats the American poor—or sub-populations of disadvantaged Americans as available data require—as a "country," comparing them to the countries of the world to see where they rank. Our four markers of well-being are: 1) life expectancy; 2) infant mortality; 3) risk of homicide, and 4) risk of incarceration. There may be numerous other metrics that could be included, but we contend that most would agree that length of life, health of one's children, physical safety, and personal freedom are four salient metrics of quality of life that supersede access to consumable goods.
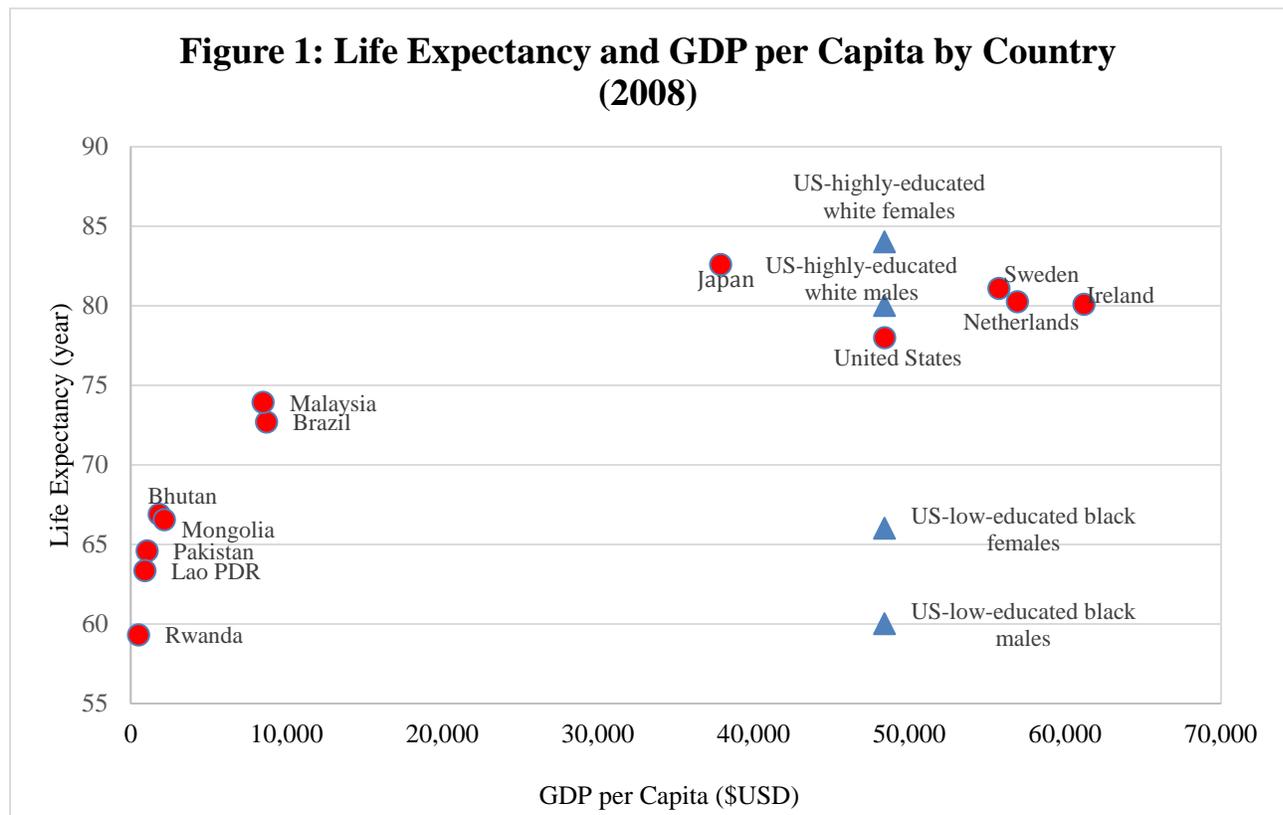
Life Expectancy

Life expectancy is defined as the average number of years a newborn in a given country is expected to live if mortality rates at each age were to remain at their current level in the future. Over the last thirty years, Americans have experienced an increase in life expectancy, rising from 73.6 years at birth in 1980 to 78.5 years in 2010 (World Bank, 2014). However, the growth is not homogeneous across geography and demographic groups. A study by Singh and Siahpush (2006) reports a widening gap in life expectancy between the most affluent and the most deprived U.S. counties from 1980 to 2000. In the study, U.S. counties were sorted into deciles based on a deprivation index constructed from indicators of education, occupation, wealth, income distribution, unemployment, poverty, and housing quality.

In 1980-82, the absolute difference in life expectancy at birth between counties in the bottom and top deciles was *2.8 years*. By 1998-2000, the gap had widened to *4.5 years*. The most deprived counties are disproportionately concentrated in southern states, while the most affluent ones are mostly in the northeast and west.

We compare these results to World Health Organization statistics on life expectancy at birth by country and year. In 1998-2000, the poorest decile of counties in the U.S. had an estimated overall life expectancy at birth of 74.7 years. This figure is comparable with the life expectancy observed in year 2000 in Bahrain, the United Arab Emirates, and below that in Mexico (WHO, 2014).

Significant disparities in life expectancy can also be seen on the basis of educational status and race in the United States (Olshansky et al., 2012). In 2008, the life expectancy at birth of highly-educated white males was 80 years, but it was only 66 years for low-educated African American males. Life expectancy was 84 years for the highly-educated white women, and 74 years for African American females with low educational levels, a difference of 10 years. Figure 1 shows that while the life expectancy of highly-educated whites compares favorably with countries with similar GDP levels, the life expectancy of low-educated blacks is of the same level of much poorer countries. In 2008 life expectancy for low-educated African American males was equivalent to that observed in 2008 in Pakistan, Bhutan, and Mongolia (World Bank, 2014).

Figure 1: Life Expectancy and GDP per Capita by Country (2008)

Sources: Life Expectancy by country and GDP per Capita (World Bank, 2014)
U.S. Life Expectancy by race, education, and gender (Olshansky et. Al, 2012)
Note: For values depicting U.S. life expectancy by education level, race, and gender, the GDP per Capita value does not reflect the GDP per Capita generated by this particular subgroup but by the United States as a whole.

Infant Mortality

The infant mortality rate (IMR) is defined as the number of infants who die before reaching one year of age, per 1,000 live births in a given year. In 2013, the U.S. IMR was 5.9 per 1,000 live births, ranked 51st internationally (World Bank, 2014). Yet this figure masks serious racial and socio-economic disparities. In 2011, the IMR for non-Hispanic African Americans was 11.5, compared with 5.1 for non-Hispanic whites. A nation with an IMR of 11.5 would have ranked 77th internationally in 2011, just below Tonga and Grenada.

A recent finding by Oster and Williams (2014) shows that the post-natal mortality rate of infants born to white, college-educated, married women in the U.S. is comparable to similar advantaged demographics in selected high-income European countries. However, unlike the U.S., the mortality rates across differentially-advantaged sub-populations do not vary much for the comparison countries. In other words, the cross-country difference between U.S. and its peers is driven by the tremendous within-country disparities in the U.S.

Figure 2: Infant Mortality Rates by GDP per Capita (2011)
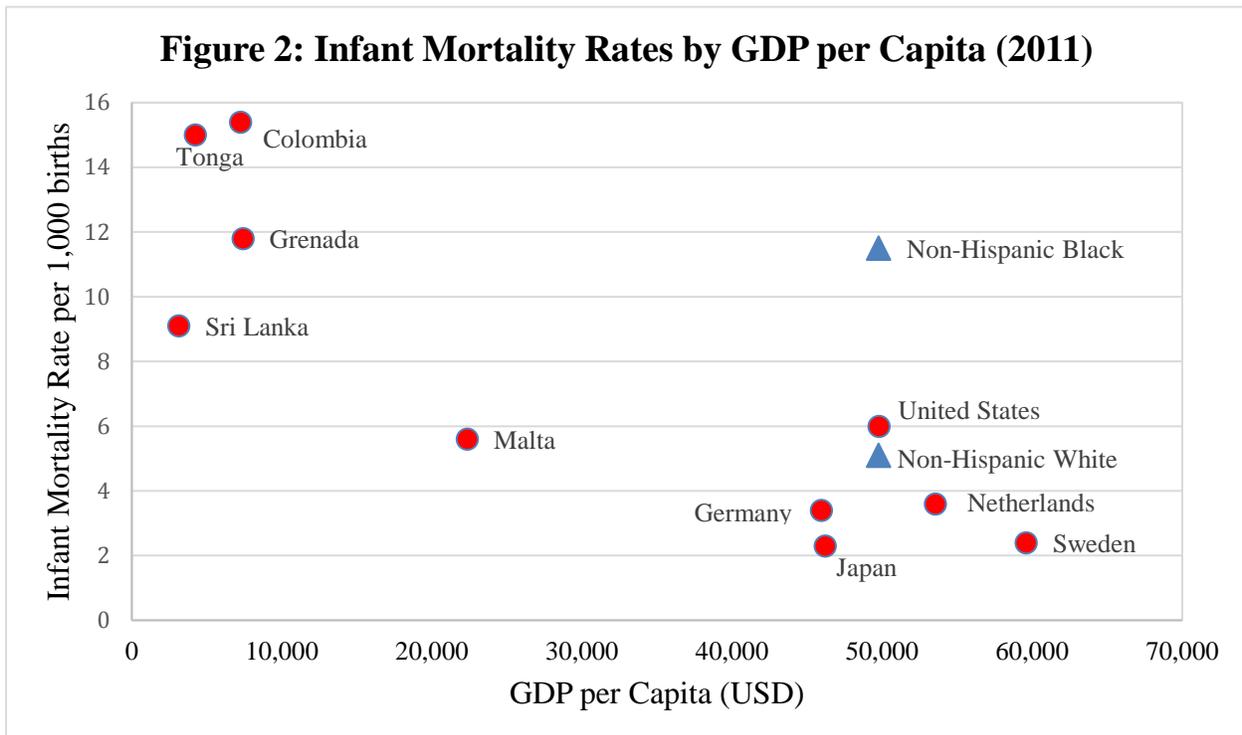
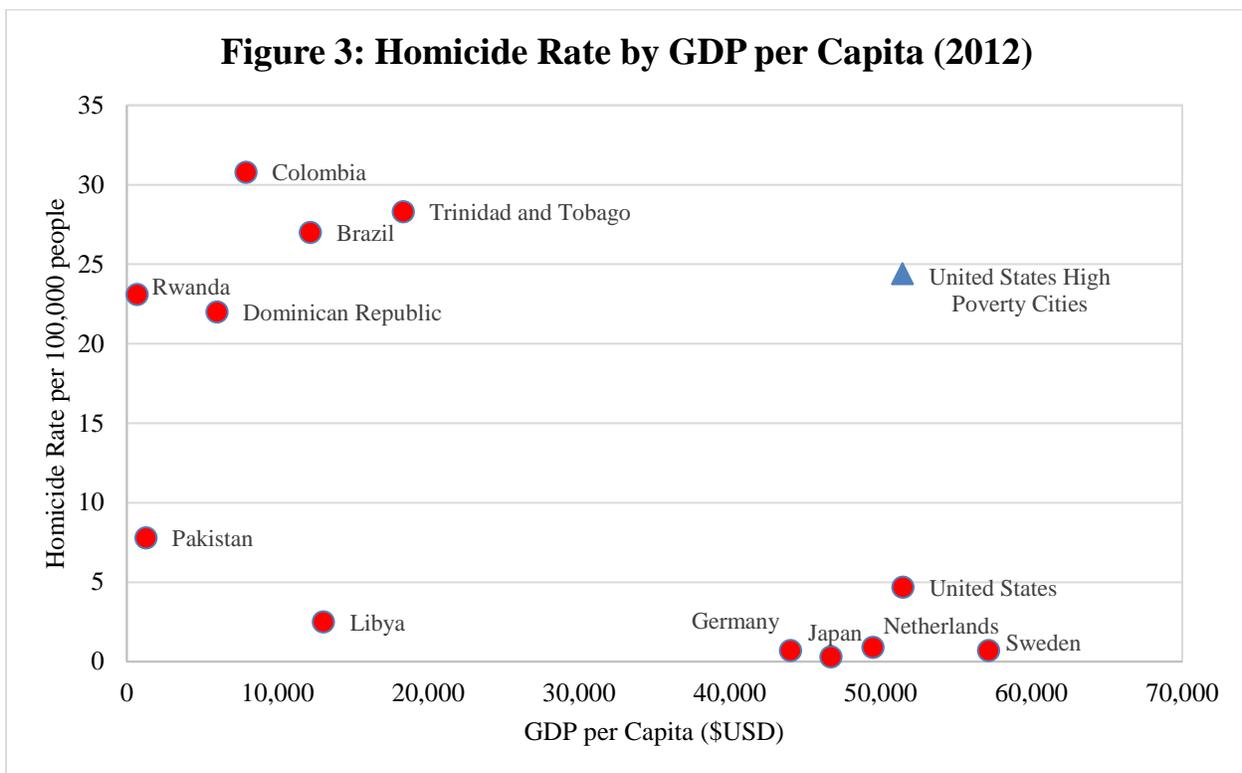Source: Infant Mortality Rate and GDP per Capita (World Bank, 2014)
Note: For values depicting U.S. infant mortality rate by race, the GDP per Capita value does not reflect the GDP per Capita generated by this particular subgroup but by the United States as a whole.

Risk of Homicide

Past research has indicated that the homicide rate, defined as number of homicides per 100,000 persons, is associated with income disparities within a country (UNODC, 2011). In 2012, the homicide rate in the U.S. was 4.7 which ranked 128th internationally. The rate is significantly

higher than that of countries with similar GDP per capita, such as Canada (1.6) and Finland (1.6). Countries with comparable homicide rates to the U.S. included Cuba, Albania, Yemen, and Niger.

It is not possible to examine the homicide rate experienced by the nation's poor, but one can construct such a rate for the nation's poorest cities. If one examines large cities in the United States with populations of more than 200,000, and restricts to cities with a poverty rate above 25 percent, the resulting group would have a population of 8.4 million people and a homicide rate of 24.4 per 100,000. Among all nations, this homicide rate would rank this collection of cities the 19th most deadly place in the world, slightly less dangerous than Colombia (30.8) and Brazil (27), and more dangerous than the Dominican Republic (22.1). Figure 3 shows how these high poverty cities and the United States compared to other countries.

Figure 3: Homicide Rate by GDP per Capita (2012)

Sources: Homicide Rate (UNODC, 2012) and GDP per Capita (World Bank, 2014)
Note: For the value depicting the homicide rate among U.S. high poverty cities, the GDP per Capita value does not reflect the GDP per Capita generated by this particular subgroup but by the United States as a whole.

Risk of Incarceration

The U.S. has the highest incarceration rate in the world, defined as the number of prisoners per 100,000 of the national population. In 2011, the rate was 716 per 100,000 in the U.S, well above all other countries including Barbados (521), Cuba (510), and Rwanda (492) (Walmsley, 2012). There is no clear relationship between the incarceration rate and the economic prosperity of a country with both the Scandinavian countries and the western African countries having the lowest incarceration rates in the world.

However, the burden of high incarceration rates in the U.S. does not fall equally. As of 2010, the incarceration rate for African American males was 4,347 per 100,000 of the national population, compared with 678 for white males, 260 for African American females, and 97 for white females (Glaze, 2011). The incarceration rate for African American males has no international comparison as Figure 4 clearly shows. Even amongst white male Americans, the incarceration rate is much higher than the next highest country – Rwanda.

Research by Pettit & Western (2004) further looks into class inequality in incarceration rates by examining imprisonment disparities by education level and race. They find that incarceration is highly stratified not only by race, but also by education. For white male high school dropouts born 1965 to 1969, 11.2 percent will serve prison time before age 35, compared with 3.6 percent for white male high school graduates and 0.7 percent for people with some college education. The cumulative risk is 58.9 percent for African American male high school dropouts, 18.4 percent for high school graduates and 4.9 percent for people with some college education. For an African American male who does not complete high school, it is more likely than not he would have served some prison time by age 35.

Figure 4: Incarceration Rates by GDP per Capita (2010)

Sources: Incarceration Rates (Walmsley, 2012) and GDP per Capita (World Bank, 2014)
Note: For the values depicting U.S. incarceration rates by race and gender, the GDP per Capita value does not reflect the GDP per Capita generated by this particular subgroup but by the United States as a whole.

Where Do the American Poor Stack Up?

There is considerable disagreement about the severity of the conditions facing America's poor. Some argue that they are affluent by international standards. Can poverty in the U.S. really be compared to what is experienced in the world's poorest countries?

In an attempt to offer evidence on this question, the current paper builds on Sen (1999) and moves beyond "instrumental" measures of well-being such as income and consumption to

identify four direct indicators of well-being or quality of life. We then ask how poor Americans fare on these measures relative to those living in the world's poorest countries. In all four domains, America's poor rank far lower than what is seen in the most affluent countries, and instead find themselves in the company of countries with just a fraction of the GDP of the United States. Some groups of disadvantaged Americans have a life expectancy that parallels that of Bahrain while others have life expectancy similar to what is experienced in Mongolia. African Americans face an infant mortality rate comparable to that of Tonga and Grenada. The homicide rate in America's large and very poor cities is slightly higher than that of Rwanda, and slightly lower than that of Colombia. Finally, the American poor are more likely to lose their freedom to incarceration than the population of any other country in the world. By these metrics, it is not at all clear that the poor are wealthy by global standards. In fact, their circumstances look quite poor indeed.

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