Poverty is Inevitable but Can Be Controlled
On Poverty in Akron and Potential Solutions to Reduce Poverty

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Abstract

Even if we do not want to think about it: poverty, as in one having less money, resources, or opportunities than another, is inevitable. Unlike the United States GDP may suggest, the economy is worse off for more people. The causes of poverty, typically including inflation, wage stagnation, educational opportunities or the lack of opportunities, debt, corruption, and unemployment, making it increasingly difficult if not impossible to obtain necessities needed to live. Even if a specific area has job opportunities, one or more of these factors may become an issue, keeping more people in poverty. While the free market can not regulate itself, it could be regulated through government intervention such as incentives, paid sick leave and paternity/maternity leave, affordable healthcare and health insurance available to anyone, and reforms to the justice system so that nonviolent offenders are not punished with prison time, and so that nonviolent offenders are not punished with prison time, and so that offenders, incarcerated or not, would be able to become a part of normal society again. This paper takes a look at the meaning of poverty, the inevitability of poverty, statistics for income, and provides an understanding of the effects of poverty and solutions for how to start solving or reducing it.

Keywords: Poverty, Akron, Statistics, Solution

1 Introduction

The United States GDP in 2018 was $20.5 trillion, was estimated to be $21.1 trillion in 2019, and expected to increase to $22.2 trillion in 2020.[1] The US is currently ranked as the top economy[2] with a GDP of over 21 trillion, while 12.3% (compared to 13.6% in 2001, with the average rate of "8.1 percent[3]"), which is about 39.7 million of all Americans, are living in poverty.[4]

The poverty rate in the United States is growing, along with a divide between the rich and poor in the country.[5] The causes can be traced back to several reasons including inflation, stagnating wages, under-education, debt, corruption, and unemployment, among other reasons.

2 Understanding Poverty

Inflation is defined as an increase of overall price levels within a specific time period, leading to above-average prices for goods and services.[6]

For many Americans, the price of goods are going up while wages are staying the same. For example, while the average living wage in the United States is $16.07 before taxes are taken out,[7] and Americans making less than this amount hourly are living in poverty. However, the federal minimum wage is currently $7.25 (which remains unchanged since 2009, despite growing inflation) and jobs where payment is given through tips from customers have a $2.13 minimum wage[8] (which remains unchanged since 1991,[9] also despite growing inflation). Employees receiving the standard minimum wage receive 45% of a livable wage. Likewise, employees receiving tips only receive 13%.

Education and job experience play an important role in reducing poverty through influence on poverty and earnings.[10] Studies have shown how skills and knowledge gained from education plays a very important role when looking for employment, with many jobs requiring a college degree or high school diploma, even if it should not be necessary for that job.

Studies have also shown that corruption can affect economic growth in various ways such as the tax systems, social program targeting, ownership of assets and other resources, educational opportunities, among other factors.[11] This could include taxes for poorer people taking more

1. "United States: Gross domestic product, current prices," The International Monetary Fund (IMF), 2019, https://www.imf.org/external/pubs/ft/weo/2019/01/weodata/weoreptc.aspx.

2. "Predicted GDP (Nominal) Ranking 2019 (According to the International Monetary Fund)," International Monetary Fund, 2018, http://statisticstimes.com/economy/projected-world-gdp-ranking.php.

3. Timothy Smeeding, Lee Rainwater, and Gary Burtles, "United States Poverty in a Cross-National Context," *Surface*, 2001, 1–50.

4. Katie Warren, "One Brutal Sentence Captures What a Disaster Money in America Has Become," 2019, https://www.businessinsider.com/bottom-half-of-americans-negative-net-worth-2019-5.

5. Umair Haque, "The World's First Poor Rich Country," 2019, https://eand.co/the-worlds-first-poor-rich-country-c411afc68539.

6. Sukanya Kemp, *Simply Economics* (2018).

7. Amy K. Glasmeier, "NEW DATA UP: Calculation of the Living Wage," 2018, http://livingwage.mit.edu/articles/27-new-data-up-calculation-of-the-living-wage.

8. "What is the minimum wage for workers who receive tips?," United States Department of Labor, https://webapps.dol.gov/elaws/faq/esa/flsa/002.htm.

9. Sylvia A. Allegretto and David Cooper, *Twenty-Three Years and Still Waiting for Change: Why It's Time to Give Tipped Workers the Minimum Wage* (University of California, Berkeley: Institute for Research on Labor and Employment, 2014).

10. Mia Melin, "Education – a Way out of Poverty?," *New Education Division Documents*, 2001,

11. Sanjeev Gupta and George Abed, "Parents' Low Education Leads to Low Income, Despite Full-Time Employment," 2002, https://asean.elibrary.imf.org/abstract/IMF071/02861-9781589061163/02861-

of their income than richer people, groups of people being purposefully excluded from social programs and schools being closed in poorer, disadvantaged areas.

A person is considered unemployed if perse does not have a job but is actively looking for one.[12] Even if a person isn't actively looking, no job would mean no income, making it more difficult (if not impossible) to pay bills, buy necessities such as food, water, clothes, or even survive.

3   Statistics: Poverty in Akron, Ohio

The City of Akron consists of 22 neighborhoods with the Per-Capita Incomes ranging from $9,141 (University Park) to $59,656 (Merriman Hills), with the overall average being $21,897. The below table shows the populations, average household size, per-capita income, median household income, and average household income for Akron's neighborhoods:

Table 1: Akron Neighborhood Statistics (2016)

Neighborhood Name	Population	Average Household Size	Per-Capita Income	Median Household Income	Average Household Income
Cascade Valley	2,218	2.27	$17,331	$19,968	$40,286
Chapel Hill	4,934	2.27	$19,951	$27,584	$38,497
Downtown	3,439	1.58	$16,577	$11,444	$24,429
East Akron	13,517	2.51	$13,173	$25,887	$33,219
Ellet	20,443	2.3	$22,081	$43,527	$50,758
Fairlawn Heights	2,175	2.34	$43,087	$67,940	$102,227
Firestone Park	9,967	2.32	$24,384	$45,649	$56,228
Goodyear Heights	15,242	2.4	$18,239	$37,546	$43,906
Highland Square	7,848	1.96	$24,465	$36,875	$47,476
Kenmore	18,190	2.38	$16,816	$33,705	$40,115
Merriman Hills	2,807	2.38	$59,656	$88,015	$142,031
Merriman Valley	6,366	1.98	$26,130	$42,239	$51,389
Middlebury	5,405	2.5	$11,016	$22,297	$27,478
North Hill	15,983	2.48	$16,043	$32,690	$40,066
Northwest Akron	11,478	2.16	$35,198	$53.639	$76,127
Sherbondy Hill	7,954	2.32	$13,143	$19,989	$30,204
South Akron	8,852	2.52	$12,279	$25,626	$32.435
Summit Lake	3,981	2.67	$9,530	$19,075	$26,045
University Park	8,329	2.44	$9,141	$19,369	$24,834
Wallhaven	5,600	1.99	$30,563	$45,629	$59,168
West Akron	16,741	2.41	$16,761	$31,188	$40,669
West Hill	3,117	2.02	$16,198	$19,729	$32,677

Table 1. Neighborhood population, household size, per-capita income, median household income, and average household income.[13] —

4   Understanding Poverty in Akron, Ohio

The poverty line for one person is $12,490. Akron neighborhoods which have per-capita income below the poverty line, from highest to lowest income amounts are: South Akron, Middlebury, Summit Lake, and University Park.

Located south of Downtown Akron, South Akron is a primarily residential neighborhood (mostly single-family homes), with several industries, shops/retail, and other small businesses located

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9781589061163/ch17.xml.

12. Kemp, *Simply Economics.*

around Brown Street, Cole Avenue, Grant Street, East Miller Avenue, Morgan Avenue.[14]

Located east of the University of Akron, Middlebury is a combination of residential and major industries, retail, and other companies. It is also historically the oldest settlement in Akron.[15]

Also located south of Downtown Akron, Summit Lake is primarily residential with some industrial, retail, and other companies. However a lot of industries that were in this neighborhood either moved out from Akron, or were closed due to decisions made by the City/State, such as a reconstruction project for South Main Street and Interstate 76 that lead to several buildings along old South Main Street and South Broadway Street (formerly High Street) to be demolished with the affected companies not staying in the area.[16]

Located in Downtown Akron for the city's University, University Park consists primarily of University campus buildings, residence halls, along with retail and other apartments, and is bordered by Middlebury and South Akron. Most residents attend the University of Akron,[17] and many students hold jobs both on and off of campus.

Despite having industries, retail, and other companies, these 4 neighborhoods still have the lowest per-capita incomes. This could be for one or more reasons including companies not hiring or they have specific requirements such as a minimum education level or job experience.

5   Statistics: Poverty in the United States

Similar to Akron, the United States as a whole is facing its economic issues. 22% of adults can not pay all of their monthly bills, over 25% had to skip important medical procedures in 2017 since they couldn't afford them, 38% think they would be able to get by on their retirement savings, 40% can not cover emergency expenses, and 43% of households can not afford basic items required to live.[18]

About 65% of jobs are predicted to require a college degree and/or college education.[19] Additional studies also show that a majority of children who are in low-income families have parents who have not received any college education.[20]

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6 Solution: Federal Government Intervention

The free market cannot regulate itself so that poverty is not a problem. It has been tried in places, and a so-called "self regulating free market" has always lead to increased poverty for the majority. But while poverty can not be fully eliminated, it can be greatly reduced through economic policies.

Minimum wage and especially tipped wages should be changed to fit inflation. The minimum wage should be the same as the living wage or the amount of money needed for necessities. Doing so would be able to lift millions out of poverty. Additionally, a separate wage for employees who also receive tips should be done away with, and tipped employees should receive their legal wage along with the tips earned.

In cities with abandoned houses, buildings, and vacant lots of land, the city government could offer compensation for renovating or building new homes, stores, or other buildings. Doing so would be able to boost the area's housing market and bring more jobs to the city.

Access to healthcare continues to be a burden for many. In 2017 one out of every 5 adults without health insurance.[21] The Medicaid system could be expanded to everyone, leaving money that would have gone to cover medical bills and expenses for other necessary costs such as food, clothes, rent, and more.

Many employees end up trying to delay medical procedures or overwork themselves due to sick leave or paternity/maternity leave being unpaid[22].[23] Neither being sick or having a child should have to be huge financial burdens, and even if the entire leave is not paid for, a livable amount of money should still be covered.

The United States has the highest incarceration rate in the world.[24] When people who are incarcerated get out, they have trouble finding a house, getting a job, and getting their life back together. The justice system should be reformed so that prisons are no longer filled with non-violent and low-level offenders, and provide ways to help the offenders become a part of society again.

7 Conclusion

Despite an area having industry, educational opportunities, and access to services, the costs can still outweigh the positives, leaving many unable to afford necessities. With government intervention, these problems could effectively be reduced. While poverty is inevitable, it can be controlled so it would not need to be as bad as it is.

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Notes

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