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## The social crisis in America

Andre Damon

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US stock markets surged Friday to new record highs as Wall Street traders seized on a tepid jobs report to engage in a fresh orgy of speculation.

The official line promoted by the Obama administration is that the United States is in the midst of an accelerating economic recovery. For the corporate and financial elite that runs America, and the section of the upper-middle class that hangs on its coattails, a soaring stock market is indeed what defines economic health. For the vast majority of the population, however, life five years after the Wall Street crash of 2008 is dominated by the daily struggle to make ends meet.

Official statistics—of poverty, unemployment, indebtedness, declining wages—give a glimpse of this social reality, which the mass media does its best to obscure.

One sobering statistic that emerged on Thursday points to the social reality that underlies the euphoria on Wall Street. According to the Centers for Disease Control and Prevention, the past decade has seen a sharp increase in the US suicide rate.

Among those aged 35 to 64, suicides soared nearly 30 percent between 1999 and 2010. More people in the US now kill themselves than die in car accidents. The fundamental cause is no mystery. It is the economic crisis, which has brought with it a rise in unemployment, poverty,

malnutrition, illness and homelessness, and all of the personal and family problems that go along with these scourges.

The social crisis affects all sections of the working population—young and old, working and unemployed—of all races, genders and ethnicities.

For millions of older workers, the prospect of economic security and a decent retirement is growing ever more distant as the elderly are forced to dip into their savings and take on ever greater debt just to survive. The debt of Americans aged 65 to 74 is rising faster than that of any other age group, according to Federal Reserve figures. For a typical household led by someone 65 or older, household debt grew by more than 50 percent between 2000 and 2011.

The already insufficient benefits provided by Social Security and Medicare, the federal retirement and health care programs, are being scaled back. Fewer and fewer retirees have a guaranteed pension. Among those that do, many have resorted to borrowing against their pensions and paying usurious interest rates to unscrupulous lenders.

Last week, the *New York Times* reported that companies that offer pension advances often charge interest rates, after factoring in fees, of between 27 and 106 percent. Older households spent 7.1 percent of their incomes to pay off debt in 2010, up from 4.5 percent three years earlier, according to figures from the Employee Benefit Research Institute.

Earlier this month, Wells Fargo reported that the number of older workers borrowing from their 401(k) retirement accounts—and paying penalties to do so—surged 28 percent at the end of 2012 compared to the same period in 2011.

Conditions are no better at the other end of the age spectrum. Almost 16 million children in the US, or 22 percent, live in families whose income is below the federal poverty line, according to the National Center for Children in Poverty. Last month, the United Nation's Children's Fund released a report showing that, among developed countries, the United States ranks 26 out of 29, behind Greece and just above Lithuania, Latvia and Romania, in terms of the percentage of children living in poverty.

Every year, 1.3 million students drop out of high school in the United States, and, according to the National Center for Education Statistics, low-income students fail to graduate at six times the rate of higher-income youth.

Those students who get to college are increasingly saddled with student loans they will never be able to pay off. Between 2003 and 2012, the portion of 25-year-olds with student debt rose from 25 percent to 43 percent.

In the face of unemployment and falling wages, marriage and home ownership are becoming too expensive for many. Home ownership rates are at the lowest level in eighteen years, while the portion of children born out of wedlock has grown from 31 percent in 2005 to 36 percent in 2011, according to Census Bureau figures released this week.

The Census report noted, “Children who are born to unmarried parents are more likely to live in poverty and to have poor developmental outcomes.” In 2010, 42.3 percent of families headed by single females with children were in poverty, according to the Demos Project.

Overall, the current US poverty rate, estimated at 16.1 percent, is the highest since 1965. According to the Census Bureau's supplemental poverty measure, there are a staggering 49.7 million people in the United States who are in poverty. More than 48 percent of the population is poor or “near poor,” meaning they make less than double the official poverty rate.

Nor is poverty confined to the unemployed. According to a report issued last month by the US Census Bureau, the percentage of the population who are “working poor” rose dramatically, from 5.1 percent in 2006 to 7 percent in 2011. One quarter all those in poverty—about 10.4 million people—are working.

The bulk of new jobs are in low-paid service industries, and even manufacturing workers increasingly make as little as \$10 an hour—a poverty wage for a family of four.

The effects of poverty are myriad. According to one recent study, 80 million adults in the US, about 43 percent of the total population, did not get medical care sometime in 2012 because they could not afford it. This is up a shocking 17 million since 2003.

Growing poverty and social distress are treated essentially as non-issues by the mass media. According to a recent study by the Pew Research center, the US media focused just one fifth of one percent of its news coverage on the topic of poverty. “In no year did poverty coverage even come close to accounting for as little as one percent of the news hole,” Mark Jurkowitz, the project's associate director, told Harvard’s Nieman Foundation.

In an earlier period, such indices of social distress would have been treated as a national disgrace. Today, far from proposing any measures to address the social crisis, the Republicans and Democrats, with the Obama administration in the lead, vie with each other over how best to slash Social Security, Medicare and other vital social programs.

There is a deep and growing anger directed against the entire social system and a ruling elite that grows rich from the impoverishment of the broad masses of the people. This sentiment can find no expression within the framework of the existing political system.

The critical question in the coming mass struggles against economic oppression is the building of a revolutionary leadership to arm the movement with a conscious socialist and revolutionary program. That means building the Socialist Equality Party and its youth movement, the International Youth and Students for Social Equality.