

New Gauge Shows 49.7M Poor In U.S.

BY HOPE YEN
 Associated Press

WASHINGTON — The ranks of America's poor edged up last year to a high of 49.7 million, based on a new census measure that takes into account medical costs and work-related expenses.

The numbers released Wednesday by the Census Bureau are part of a newly developed supplemental poverty measure. Devised a year ago, this measure provides a fuller picture of poverty that the government believes can be used to assess safety-net programs by factoring in living expenses and taxpayer-provided benefits that the official formula leaves out.

Based on the revised formula, the number of poor people exceeded the 49 million, or 16 percent of the population, who were living below the poverty line in 2010. That came as more people in the slowly improving economy picked up low-wage jobs last year but still struggled to pay living expenses. The revised poverty rate of 16.1 percent also is higher than the record 46.2 million, or 15 percent, that the government's official estimate reported in September.

Due to medical expenses, higher living costs and limited immigrant access to government programs, people 65 or older, Hispanics and urbanites were more likely to be struggling economically under the alternative formula. Also spiking higher in 2011 was poverty among full-time and part-time workers.

As a result, the portrait of poverty broken down by state notably changes. California tops the list, hurt by high housing costs, large numbers of immigrants as well as less generous tax credits and food stamp programs to buoy low-income families. It is followed by the District of Columbia, Arizona, Florida and Georgia.

In the official census tally, it was rural states that were more likely to be near the top of the list, led by Mississippi, New Mexico, Arizona and Louisiana.

"We're seeing a very slow recovery, with increases in poverty among workers due to more new jobs which are low-wage," said Timothy Smeeding, a University of Wisconsin-Madison economist who specializes in poverty. "As a whole, the safety net is holding many people up, while California is struggling

more because it's relatively harder there to qualify for food stamps and other benefits."

Broken down by group, poverty was disproportionately affecting people 65 and older — about 15.1 percent, or nearly double the 8.7 percent rate calculated under the official formula. That's because they have higher medical expenses, such as Medicare premiums, deductibles and drug costs, that aren't factored into the official rate.

While poverty rates for older Americans as a whole are higher, the new measure does show improvement in their income levels — about 15.1 percent were poor last year, down from 15.8 percent in 2010. Smeeding attributes that to a wave of more affluent, still-working baby boomers in dual-income households who are beginning to turn 65 and, as a result, are slowly raising overall income levels for seniors.

Working-age adults ages 18-64 saw an increase in poverty from 13.7 percent based on the official calculation to 15.5 percent, due mostly to commuting and child care costs.

In contrast, the new measure showed declines in poverty for children, from 22.3 percent under the official formula to 18.1 percent. Still, they remained the age group most likely to be economically struggling by any measure.

"These new numbers only reinforce what AARP and AARP Foundation hear from real people every day: older Americans are struggling to make ends meet," said Deb Whitman, executive vice president of AARP, an advocacy group. "Policymakers need to understand that not every senior is well off and the critically important role Social Security or Medicare plays as providing a safety net to keep even more older Americans out of poverty. As Washington debates what should happen during the lame duck, we cannot afford to undermine the current safety net that allows many to live with dignity."

Hispanics and Asians also saw much higher rates of poverty, 28 percent and 16.9 percent, respectively, compared with rates of 25.4 percent and 12.3 percent under the official formula. Their poverty levels rose after the government took into account safety-net programs such as food stamps and housing, which have lower participation among immigrants and non-English speakers.

In contrast, African-Americans saw a modest decrease in poverty, from 27.8 percent

under the official rate to 25.7 percent based on the revised numbers. Among non-Hispanic whites, poverty rose from 9.9 percent to 11 percent.

Economists long have criticized the official poverty rate as inadequate. Based on a half-century-old government formula, the official rate continues to assume the average family spends one-third of its income on food. Those costs have actually shrunk to a much smaller share, more like one-seventh.

The official formula also fails to account for other expenses such as out-of-pocket medical care, child care and commuting, and it does not consider noncash government aid, such as food stamps and tax credits, when calculating income.

In reaction to some of the criticism, the government in 2010 asked the Census Bureau to develop a new measure, based partly on recommendations made by the National Academy of Sciences. It released national numbers based on that formula for the first time last year. This year's release features a 50-state breakdown on poverty, prompted in part by local officials such as New York City Mayor Michael Bloomberg who have argued that the official measure does not take into account urban costs of living and that larger cities may get less federal money as a result.

The goal is to help lawmakers to better gauge the effectiveness of anti-poverty programs, although it does not replace the Census Bureau's official poverty formula.

Among the findings:
 —If it weren't for Social Security payments, the poverty rate would rise to 54.1 percent for people 65 and older and 24.4 percent for all age groups.

—Without refundable tax credits such as the earned income tax credit, child poverty would rise from 18.1 percent to 24.4 percent.

—Without food stamps, the overall poverty rate would increase from 16.1 percent to 17.6 percent.

"These figures are timely given the looming expiration of two key measures that account for part of these programs' large antipoverty impact: federal emergency unemployment insurance and improvements in refundable tax credits" such as the Earned Income Tax Credit, said Arloc Sherman, a senior researcher at the Center for Budget and Policy Priorities, a liberal-leaning think-tank. "Letting these measures expire at year's end could push large numbers of families into poverty."

Obama

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John Allen has disrupted Obama's plans to keep a narrow focus on the economy coming out of the election. And it has overshadowed his efforts to build support behind his re-election pledge to make the wealthy pay more in taxes in order to reduce the federal deficit.

Obama said he hoped the scandal would be a "single side note" in Petraeus' otherwise extraordinary career.

Petraeus resigned as head of the CIA last Friday because of an extramarital affair with his biographer, Paula Broadwell, who U.S. officials say sent harassing emails to a woman she viewed as a rival for the former general's affection. The investigation revealed that that woman, Jill Kelley, also exchanged sometimes-flirtatious messages with Allen.

Obama brushed aside questions about whether he was informed about the FBI investigations that led to the disclosures quickly enough. White House officials first learned about the investigations last Wednesday, the day after the election, and Obama was alerted the following day.

"My expectation is that they follow the protocols that they've already established," Obama said. "One of the challenges here is that we're not supposed to meddle in criminal investigations and that's been our practice."

Turning back to the economy, the president vowed not to cave to Republicans who have pressed for tax cuts first passed by George W. Bush to be extended for all income earners. Obama has long opposed extending the cuts for families making more than \$250,000 a year, but he gave into GOP demands in 2010 when the cuts were up for

renewal.

That won't happen this time around, he said Wednesday.

"Two years ago the economy was in a different situation," Obama said. "But what I said at the time was what I meant. Which was this is a one-time proposition."

The president and Congress are also seeking to avoid across-the-board spending cuts scheduled to take effect because lawmakers failed to reach a deal to reduce the federal deficit. Failure to act would lead to spending cuts and higher taxes on all Americans, with middle-income families paying an average of about \$2,000 more next year, according to the nonpartisan Tax Policy Center.

Obama said he was "open to new ideas" but would not allow current tax rates to continue for the top 2 percent of wage earners, drawing a line for Republicans who say they will not tolerate any tax rate increases. Asked if the tax rates for the rich had to return to Clinton-era levels, Obama indicated he was open to negotiations.

Looking ahead to his second-term agenda, Obama pledged quick action on comprehensive immigration reform, but said climate change would be a tougher slog. There was little action on either issue during his first term.

Obama said he expected that a comprehensive immigration reform bill would be introduced "very soon after my inauguration." The White House is already engaged in conversations with Capitol Hill.

He said the legislation should make permanent the administrative changes he made earlier this year that allow some young illegal immigrants to remain in the country legally. He said that the overall bill should include a "pathway to legal status" for the millions of immigrants who are in the U.S. illegally but haven't committed crimes unrelated to immigration.

On climate change, Obama said he would soon start conversations

with Congress and industry to sound out their positions.

Before tackling those issues and others, Obama will have to face the departure of several key Cabinet secretaries and White House staffers. Among those expected to leave are Treasury Secretary Timothy Geithner and Secretary of State Hillary Rodham Clinton.

Rice, the U.S. ambassador to the United Nations, and Massachusetts Sen. John Kerry are the leading candidates to replace Clinton. Rice is a favorite of the president, but she has faced intense criticism for her role in the initial administration response to the deaths of four Americans, including the U.S. ambassador to Libya, during an attack.

"When they go after the U.N. ambassador, apparently because they think she's an easy target, then they've got a problem with

me," Obama said. "And should I choose, if I think that she would be the best person to serve America, in the capacity of the State Department, then I will nominate her. That's not a determination that I've made yet."

Graham responded quickly after the president's news conference, saying he did, in fact, hold Obama responsible for the Benghazi attack.

Obama broke no new ground on some of the key foreign policy issues facing him in his second term. He reiterated his long-standing position that there is still time for the U.S. and its allies to find a diplomatic solution to its nuclear standoff with Iran. And of the ongoing civil war in Syria, he said the U.S. considers opposition groups as representative of the Syrian people but is not prepared to recognize them as a government in exile, as France has done.

What Will It Take To Obey Evacuation Orders

NEW YORK (AP) — Despite days of dire forecasts and explicit warnings, hundreds of thousands of people in New York and New Jersey ignored mandatory evacuation orders as Superstorm Sandy closed in. Now, after scores of deaths and harrowing escapes, emergency officials will look at what more can be done to persuade residents to get out when their lives are in danger.

"The issue of those who either can't or won't abide by those orders — that is a question that we have to address," Homeland Security Secretary Janet Napolitano said during a tour of ravaged Staten Island over the weekend.

The same troubling pattern has been seen in previous storms, and the ideas tried across the country include stern warnings about the dangers of staying behind, moral appeals not to imperil rescuers, scary ads, and laws that threaten fines or jail time. And yet people refuse to leave, and some come to regret it — that is, if they survive.

"Staying there was the stupidest thing I've ever done," acknowledged Steve Shapiro, a 55-year-old Staten Island resident who witnessed Sandy's surge lift nearby houses off their foundations. Two of his neighbors, a 13-year-old girl and her 55-year-old father, died when the rushing water destroyed their house.

Brooklyn Borough President Marty Markowitz said officials should work to make sure residents can feel safe in shelters and confident their homes will be safeguarded in their absence.

Abortion Debate Flares In Ireland

DUBLIN (AP) — The debate over legalizing abortion in Ireland flared Wednesday after the government confirmed that a woman in the midst of a miscarriage was refused an abortion and died in an Irish hospital after suffering from blood poisoning.

Prime Minister Enda Kenny said he was awaiting findings from three investigations into the death of Savita Halappanavar, a 31-year-old Indian woman who was 17 weeks pregnant. Her case highlighted the legal limbo in which pregnant women facing severe health problems can find themselves in predominantly Catholic Ireland.

Ireland's constitution officially bans abortion, but a 1992 Supreme Court ruling found the procedure should be legalized for situations when the woman's life is at risk from continuing the pregnancy. Five governments since have refused to pass a law resolving the confusion, leaving Irish hospitals reluctant to terminate pregnancies except in the most obviously life-threatening circumstances.

The vast bulk of Irish women wanting abortions, an estimated 4,000 per year, simply travel next door to England, where abortion has been legal on demand since 1967. But that option is difficult, if not impossible, for women in failing health.

Halappanavar's husband, Praveen, said doctors at University Hospital Galway in western Ireland determined she was miscarrying within hours of her hospitalization for severe pain on Sunday, Oct. 21. He said over the next three days, doctors refused their requests for an abortion to combat her surging pain and fading health.

European Nations Hit As Workers Protest Cuts

BRUSSELS (AP) — Hundreds of thousands of Europe's beleaguered citizens went on strike or snarled the streets of several capitals Wednesday, at times clashing with riot police, as they demanded that governments stop cutting benefits and create more jobs.

Workers with jobs and without spoke of a "social emergency" crippling the world's largest economic bloc, a union of 27 nations and half a billion people.

The protests were met with tear gas in Italy and Spain, but were largely limited to the countries hardest hit by the austerity measures designed to bring government spending into line with revenues. Wealthier nations like Germany, the Netherlands and Denmark saw only small, sedate demonstrations.

Governments backing the line of stringent austerity were not impressed by the show of force.

"We must nevertheless do what is necessary: break open entrenched labor markets, give more people a chance to work, become more flexible in many areas," German Chancellor Angela Merkel said. "We will of course make this clear, again and again, in talks with the unions."

Thanksgiving Day Deadlines

The Yankton Daily Press & Dakotan will be closed Thursday, November 22, for the Thanksgiving holiday.

The following deadlines will apply:

Friday, November 23 newspaper — Monday, November 19, 5 p.m.

Out On The Town — Wednesday, November 21, 5 p.m.

Saturday, November 24 and Monday, November 26 newspapers —

Tuesday, November 20, 5 p.m.

Tuesday, November 27 newspaper — Wednesday, November 21, 3 p.m.

There will be no newspaper on Thursday, November 22, 2012.

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