

# Worse Off Under Reagan

By Robert Greenstein  
and Laura Weiss

WASHINGTON — Are you better off than you were four years ago? If you are black, the answer is likely to be "no."

A wealth of new private and Government data show that blacks are faring even worse economically than most critics of the Administration had assumed.

In a study, the nonpartisan Urban Institute, a public-policy organization, found that at every stratum of income the average black family has less disposable income and a lower standard of living today than it did in 1980, when Ronald Reagan was elected. Average black middle-class and poor families alike have lost economic ground.

Even more disturbing are findings on the status of black two-parent families. Obviously, these families should be encouraged and strengthened, yet they are the very families who have lost the most. Today, the average black two-parent family in which one parent works has \$2,000 less in income than four years ago.

The black poverty rate has shot up to 36 percent. Even that fails to approach the poverty rate for black chil-

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dren under six, now 50 percent. What kinds of policies allow half of all young black children to be impoverished? Moreover, the gaps between black and white income levels and poverty rates have widened. The proportion of the black population added to the ranks of poverty since 1980 is nearly double the proportion of whites so added. And while white unemployment today (6.4 percent) has edged just below the January 1981 level, black joblessness is up, to 15.1 percent of the black labor force.

In fact, while the number of whites out of work more than six months and still looking for jobs is at January 1981 levels, the number of blacks who are in the long-term-jobless ranks is up 50 percent.

What has caused this economic slide? While many factors are at work, the Urban Institute's analysis places most of the blame on Administration policies. Without these policies, most of the black economic decline would not have occurred, the organization found.

For example, the average black family lost three times as much from the 1981 budget cuts as the average white family, according to the Institute. Moreover, the Congressional Budget Office discovered that households with incomes under \$20,000 a year stand to lose \$20 billion in income and benefits between 1983 and 1985 from the Administration's budget and tax changes. These cuts disproportionately affect black families, nearly two-thirds of whom fall into this low-income category.

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## New data show marked decline

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Compounding the impact of budget cuts have been tax increases — yes, increases — for low-income families. Since 1980, a family of four at the poverty line has seen its taxes double: they have soared from \$460 in 1980 to \$1,076 today. Refusal by the Administration and Congress in 1981 to offset the impact of inflation on the taxes of the working poor spurred this trend. Many low-income families have lost at least as much to tax hikes as to budget cuts.

As a result of the ensuing shift in tax burdens, the bottom 40 percent of the population now pays more of its income in taxes than in 1980. Since most blacks fall into this bottom group, blacks' tax burdens have increased.

Of course, the predicament affects low- and moderate-income families of all races. For example, the majority of Hispanic families fall into the low-income group that lost economically, just as most blacks do. The Hispanic poverty rate is now 28 percent, and the increase in poverty since 1980 among young Hispanic children rivals the increase for any other group in the country.

Where does the nation go from here? The outlook is not encouraging. The widening gulf dividing rich from poor and black from white has been discussed surprisingly little during the campaign. This suggests that political leaders believe that most Americans are not troubled by it. Because of swollen Federal deficits, further budget cuts are inevitable. Minorities and the poor could find themselves under the budget ax again.

In 1968, the Commission on Civil Disorders (the Kerner Commission) warned that the nation was becoming two racially divided societies. Many whites and blacks acknowledged the problem and responded. That concern, now largely dissipated, needs rekindling. The national agenda should be broad enough to encompass efforts to attack increased poverty and racial economic division as well as to cut the deficit. □