



# American History (High School) Lesson 3



## The United States in the 21st Century

### Lesson 3

# Poverty and Social Concerns

## Key Terms and People

**minimum wage** The lowest wage that employers can legally pay their workers

**income gap** Difference in income shown by the fact that the rich are getting richer, the poor are getting poorer, and the middle class is shrinking

***Citizens United v. Federal Election Commission*** 2010 Supreme Court ruling that affected campaign spending by organizations

**political action committee (PAC)** An organization that merges campaign contributions from members and uses the merged funds to campaign for or against candidates or legislation

## Before You Read

In the last lesson you learned about foreign policy in the 21st century. In this lesson you will read about how poverty and other social issues affect millions of Americans.

## As You Read

Use a chart to take notes on modern social issues and their effects on Americans.

### POVERTY IN AMERICA

#### **Why is poverty a major problem in the United States?**

Poverty has many causes, including illness, natural disasters, and economic downturns. Other causes are lack of skills, limited access to childcare, illiteracy, and discrimination against racial minorities.

Many employed adults are still below the poverty line. These working poor have low-wage jobs with few benefits. To help these workers, some people say that the **minimum wage** should be increased. Many Americans say this increase will help buying power. Other people say that it will hurt small businesses and result in job loss. However, when states recently

raised their minimum wages, more jobs were created.

A major sign of poverty is the homeless population. About 750,000 Americans do not have access to shelter on any given night. This is a symptom of larger problems including unemployment, low-wage jobs, and high housing costs.

The **income gap** between the rich and the poor has widened during the 21st century. Causes include tax policies that favor the rich, and difficulty for people with lower incomes to afford health care, childcare, and higher education. Other causes are a global economy that puts low-wage workers in competition with workers abroad, and

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the fact that corporate CEOs receive huge salaries.

Income inequality is a major problem. It leads to slower economic growth, economic instability, high levels of debt, and fewer opportunities to advance.

1. How is the widening income gap related to poverty?

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**MONEY AND INFLUENCE**

***How do PACS influence politics in the United States?***

Vast sums of money are spent on political campaigns. Special-interest groups use money to gain influence. In 2010 the Supreme Court ruled that the First Amendment could not restrict political expenditures by nonprofit corporations in *Citizens United v. Federal Election Commission*. Corporations are free to spend money on advertisements for candidates. However, they cannot donate directly to candidates. This case also influenced the growth of the **political action committee (PAC)**. A PAC is an organization that merges campaign contributions from members. Then it uses the merged funds to campaign for or against candidates or legislation. This has led to Super PACs, that collect unlimited amounts of money from corporations, unions, and individuals. The power and influence of these groups is enormous.

2. Suppose a Super PAC supports a candidate's views. How is this a benefit to the candidate?

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**THE ROLE OF GOVERNMENT**

***What role does the government play in helping its citizens?***

The federal government has addressed issues related to its people's welfare throughout its history. During the Depression, FDR passed New Deal programs that created jobs for the unemployed. Republicans argued against these programs because they did not want the government to have so much power. Then in the 1960s President Johnson proposed programs to end poverty and racism. Once again, Republicans objected.

Leaders disagree on how the government should deal with poverty. Some feel that federal programs are necessary. Others think that the government's role should be more limited.

Since the New Deal, the main way people get aid is through the Social Security Administration. This is funded by a tax paid by working Americans. Because people are living longer, more money is being paid out than is being taken in. The same is true for Medicare, which funds health care for disabled Americans and the elderly. People have suggested placing restrictions on Medicare benefits, raising the age of eligibility, or increasing the share to be paid by the elderly.

In 2010 President Obama signed the Patient Protection and Affordable Care Act in order to improve Americans' health care. Many uninsured Americans were able to get coverage.

3. What is one reason Social Security and Medicare seem to be running out of money?

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Complete the chart by summarizing the effects of each issue.

<b>WHAT WAS THE EFFECT OF EACH ISSUE ON AMERICANS?</b>	
1. Minimum wage	
2. Income gap	
3. <i>Citizens United v. Federal Election Commission</i>	
4. Super PACS	
5. Social Security/Medicare	
6. The Patient Protection and Affordable Care Act	