

The Cost of being poor

James Baldwin once stated, "It is expensive to be poor", reflecting on the economic challenges faced by the low income families in every aspect of their lives. Irrational decisions made by the poor to access short-term benefits do not lessen the overall demerits of being poor. Poor families are trapped in the vicious cycle of expensive basic necessities and inelastic commodities including food, healthcare, education, insurance, and transport facilities.

Additionally, comparing the opportunity cost and marginal benefits of different alternatives is very crucial before making any decision. Unfortunately, the poor individuals are unable to practice this approach. For example, a low income family might plan to buy a house on loan without taking into account the consequences it can bear, such as higher interest rate and the maintenance cost. Food is also not an easy option for the poor households, especially with issues like lack of access to the cheaper or larger stores! The richer families often buy in bulk: this grants them the advantage of lower prices.

Transportation cost is inevitable for the economically challenged individuals (many factors, in particular- the maintenance costs, the fluctuating prices of the fuel, the insurance, and most importantly, the higher interest rate on loaned cars are the reasons to the lower number of cars owned by the struggling families). After trying to cover other basic requirements, only a small portion is left for healthcare. However, factors that hinders access to such services complicate the situation further.

Furthermore, if one think of taking loans or borrowing money, the higher interest rate plays a pivotal role in discouraging such motives. Credit cards which is considered a convenience by many, comes at a bigger cost. The higher taxation rate makes the situation and survival of the underprivileged individuals quite difficult. The purchasing of low quality products at cheaper prices often proves to be a trap for poor families as they frequently switch from one substitute to another in shorter time span.

Concluding the discussion, the world truly revolves around the mantra of 'survival of the fittest'. The rich is getting richer and the poor is getting poorer: Poverty indeed is silent killer with inflation and disruption in the financial markets majorly affecting the needy ones. The key difference that creates a line of distinction between the poor and the rich is how they allocate their resources and time. The privileged ones are definitely at advantage in this regard. The social mobility seems impractical in such societies where cost for being poor is so high.