

Poverty means in general a condition of insufficient subsistence, but different persons have different conceptions of sufficiency. At one extreme poverty includes paupers, while its upper limit, at least in common language, varies with the plane of living which is assumed to be normal. As used by economists and social students, it denotes a lack of some of the requisites of physical efficiency; that is, normal health and working capacity. Like pauperism, it implies a more or less prolonged condition; for to be without sufficient food or clothing for a few days is not necessarily to be in poverty. Unlike pauperism, poverty does not always suppose the receipt of charitable assistance. As the definition just given sets up a purely material and utilitarian standard, namely, productive efficiency, we shall in this article substitute one that is more consonant with human dignity, yet which is substantially equivalent in content to the economic conception. — Poverty, then denotes that more or less prolonged condition in which a person is without some of those goods essential to normal health and strength, an elementary degree of comfort, and right moral life.

One of the great causes of poverty — namely, insecurity of employment, of residence, and of shelter — was certainly much less frequent in the older time. If we compare the poverty of today with that of one century ago, we find all authorities agreeing that it has decreased both absolutely and relatively. Against this general fact, however, we must note one or two circumstances that are less gratifying. Both the intensity and the extent of the lowest grade of poverty are probably quite as great now as they were at the beginning of the nineteenth century; and there are some indications that the improvement occurring during the last twenty-five years has been less than in the preceding half-century.

The causes of poverty are very numerous and very difficult to classify. A better classification is that of immediate and original causes; but it is not always possible to determine which is the true original cause, nor how many of the intermediate causes have operated as mere instruments, and contributed no special influence of their own. Misfortune was, therefore, the predominant cause in three and one-half times as many cases as misconduct. Among the principal effects of poverty are physical suffering, through want of sufficient sustenance. In a word, the effects of poverty are sufficiently numerous and sufficiently destructive to elicit the fervent wish that this condition might be totally abolished.

The abolition of all poverty which is not due to individual fault, congenital defect, or unusual misfortune is one of the ideals of contemporary philanthropy and social reform. It is a noble aim, and it ought not to be impossible of realization.

For the great majority, the wish of the Wise Man, “neither poverty nor riches,” represents the most favourable condition for right and reasonable life.

A debt arises not merely from a contract of borrowing; something may be due to another in justice for many different reasons, but all these may be reduced to two. If a man has no money and no means of getting any, he is excused on the ground of impossibility from paying his debts. Even if he could not pay without reducing himself and his family to beggary,

Loans, bonds, notes, and mortgages are all types of debt. Interest is the fee paid by the borrower to the lender. Interest is calculated as a percentage of the outstanding principal, which percentage is known as an interest rate, and is generally paid periodically at intervals, such as monthly or semi-annually.

Debtors of every type default on their debt from time to time, with various consequences depending on the terms of the debt and the law governing default in the relevant jurisdiction. If the debt was secured by specific collateral, such as a car or home, the creditor may seek to repossess the collateral. In more serious circumstances, individuals and companies may go into bankruptcy.

Besides these more formal debts, private individuals also lend informally to other people, mostly relatives or friends. One reason for such informal debts is that many people, in particular those who are poor, have no access to affordable credit. Such debts can cause problems when they are not paid back according to expectations of the lending household..

Debt will increase through time if it is not repaid faster than it grows through interest. This effect may be termed usury, while the term "usury" in other contexts refers only to an excessive rate of interest, in excess of a reasonable profit for the risk accepted.

This mania of resorting to debts, credit cards, etc started in the 90s after the fall of Soviet Union, where Oligarchs siphoned wealth and spread it in the open market and used their advertising genius to market themselves to ignorant people and aimed at those who were easily gullible and who were not prepared to take the advice of those who had managed through the years after the depressions and wars of the early 20th century. Today they are paying the price. Who knows when they will wake up?

<http://www.newadvent.org/cathen/12327a.htm>

as well as wikipedia.