

Ending Poverty in America

Nearly 44 million people are living in poverty in the US, over 14 percent of our population.¹ With governments at all levels struggling to balance budgets, it may seem impossible to fully address the growing need given available resources, but the Center for American Progress and many others are convinced it is possible.

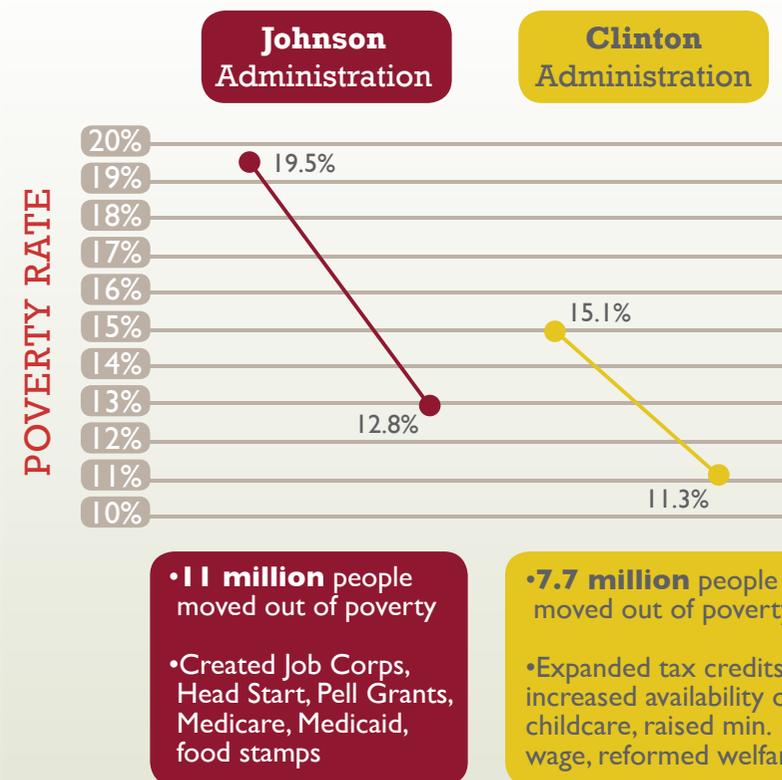
Ending Poverty Is Possible

By way of example, three young men from the impoverished neighborhoods of Newark, New Jersey—Sampson Davis, Rameck Hunt and George Jenkins—mutually supported one another through high school and, given where they were raised, achieved the statistical improbable heights of completing college and medical school. During their junior year, a university recruiter visited their school to talk about a program that groomed underprivileged students for medical careers. After the seminar, Sampson, Rameck and George made a pact to stick together, go to college, graduate and become doctors. These students not only escaped poverty but all three also went on to become doctors. They have since founded the Three Doctors Foundation, which aims “to inspire and motivate youth through education, to achieve leadership and career success



The Three Doctors, from left: Sampson Davis, Rameck Hunt, and George Jenkins, escaped poverty and formed the Three Doctors Foundation.

⋮ Joy Moses
⋮ Center for American Progress



• **11 million** people moved out of poverty

• Created Job Corps, Head Start, Pell Grants, Medicare, Medicaid, food stamps

• **7.7 million** people moved out of poverty

• Expanded tax credits, increased availability of childcare, raised min. wage, reformed welfare

dropped from 19.5 to 12.8 percent, moving 11 million out of poverty. As the programs continued to flourish after Johnson left office, the poverty rate dropped even lower.

• **Clinton-era Reductions in Poverty.** During the 1990s, the economy was strong, and President Clinton and Congress created various government policies that promoted and supported workers. For example, they expanded tax credits for low-income workers, increased the availability of childcare and raised the minimum wage.⁴ Significantly, the Clinton years were also defined by large-scale welfare reform that produced some mixed results—many women successfully moved from welfare to work while a significant number (15 to 19 percent) still faced employment barriers coupled with a lack of accesses to federal welfare

in their community through the formation of positive peer and mentor relationships.”²

The Center for American Progress is a part of a larger movement of advocates, faith-based organizations, policy-makers, academics, think tanks and others who believe more stories like that of the three doctors are possible and that we can drastically reduce, and eventually end poverty in America. These groups believe that no problem is too big once the collective will of our nation is behind solving it. That attitude is also based on past successes with drastically reducing poverty here in America and internationally, for example:

• **LBJ’s Great Society and the War on Poverty.** Within his very first State of the Union address, President Lyndon Baines Johnson declared a war on poverty. The subsequent joint efforts of Congress and LBJ were comprehensive and multi-faceted, encompassing employment, education, housing, basic needs assistance and national service.³ Multiple programs were created that still exist today, including Job Corps, Head Start, Pell Grants and federal student loans, Medicare, Medicaid, food stamps and Volunteers in Service to America. During the Johnson administration, the poverty rate

dropped from 15.1 to 11.3 percent between 1993 and 2000, which equated to 7.7 million people being lifted out of poverty.⁶

• **UK Child Poverty Target.** In 1999, Prime Minister Tony Blair announced a goal to end child poverty within a generation. The country decided to tackle the problem via policies that increased benefits and tax credits for families with children, established a minimum wage and expanded childcare and employment services.⁷ Statistics show that child poverty was cut in half within eight years—with 1.7 million fewer children living in poverty.

A Game Plan

Any new movement must be based on an awareness of poverty in America. In 2009, over 43 million people

It is possible to drastically reduce, and eventually end, poverty in America.

In the US, the poverty threshold for a single person under 65 was \$10,830, and the threshold for a family group of four, including two children, was \$22,050.

lived below the poverty line, representing 14.3 percent of the population. That year the US Census poverty threshold for a single person under 65 was an annual income of \$10,830; the threshold for a family group of four, including two children, was \$22,050.⁸

Alleviating and eventually ending poverty requires a thoughtful, comprehensive and multi-faceted strategy. A taskforce of well-respected poverty experts from the worlds of academia and advocacy developed an encompassing plan: From Poverty to Prosperity: A National Strategy to Cut Poverty in Half. The plan includes a series of recommendations, such as:

1) **Work Opportunities and Supports.** Work is definitely a key antidote to poverty. However, individuals with limited skills and opportunities may find it difficult to obtain and maintain employment. This is particularly true of the estimated 1.4 to 5 million disconnected

youth in their late teens and early twenties who are neither involved in school or work.⁹ Thus, the taskforce recommended greater investments in job training, job placement and service programs that help provide such supports, including YouthBuild, AmeriCorps, Service and Conservation Corps and Youth Opportunity Grants.

Additionally, approximately 41 percent of the 2.3 million people incarcerated in the nation's prisons and jails¹⁰ have not completed high school.¹¹ Once released from prison, they frequently face job discrimination due to their criminal backgrounds.¹² Solutions focused on job training as well as preventing crime and incarceration must be developed at all levels of government.

Finally, childcare improvements and expansions are needed. Parents cannot work at all, or work effectively, if they don't have a safe and nurturing place to leave

their children during those hours when they are on the job. However, for many low-wage workers, childcare costs are impossibly unaffordable. Forty percent of poor, single working mothers who paid for childcare in 2001 spent at least half of their cash income on childcare.¹³ Federal and state governments offer childcare assistance to low-income workers, but current structures and resources are insufficient to truly address the need. It is estimated that only 17 percent of federally eligible children received assistance in 2008.¹⁴ Thus, some restructuring of the system and increased investments are in order.

2) **Improving Incomes.** Unfortunately, there are many people in this country who work but are still struggling to get by. In the Department of Labor's most recent study, 10.4 million people were considered a part of the working poor, meaning that they worked for a significant portion of the year, but still fell under the federal poverty line.¹⁵ Thus, the Center for American Progress's Poverty

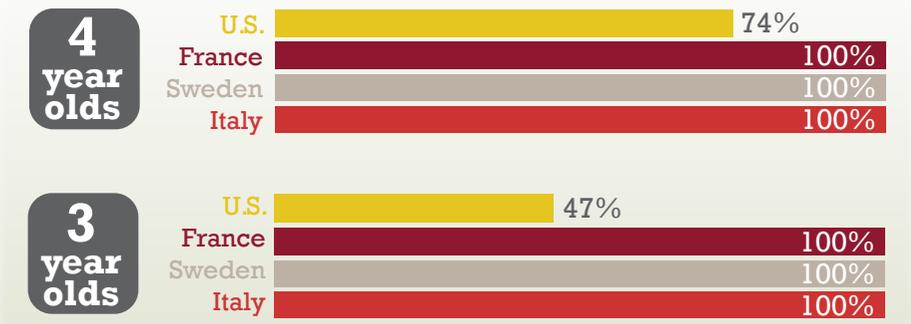
Taskforce recommends that the federal minimum wage be re-established at 50 percent of the average wage (allowing it to automatically increase over time). Fourteen states and the District of Columbia have enacted minimum wage laws that exceed federal requirements,¹⁶ and more states should consider following suit. Income improvements could be further achieved through expanded tax credits for working families and a greater freedom to unionize and collectively bargain for improved wages and benefits.

3) **Education.** Education truly opens doors to new opportunities and forms a solid pathway into the middle class. However, in order to be successful, it must work at every level. Thus, children require access to quality early childhood education. Only 74 percent of four-year-olds and 47 percent of three-year-olds par-



Participation in preschool and early childhood education programs, such as Head Start, is vital to a child's education and future chances for success.

Participation in Pre-School Activities



ticipate in preschool services,¹⁷ reflecting the need to expand preschool programs such as Head Start, while in Sweden, France and Italy have universal enrollment in preschool.¹⁸

The Obama administration agrees that continued effort should be placed into improving pre-K–12 education through measures designed to expand learning time, promote high expectations and accountability, improve teacher quality and increase access to valuable programs and services. For example, the Obama administration's Early Learning Challenge Grant proposal challenges states to develop effective, innovative models that promote high standards of quality and a focus on outcomes across early learning settings, and would dedicate \$10 billion over ten years toward this effort.¹⁹ "For every \$1 we invest in these programs, we get \$10 back in

AmeriCorps volunteers participate in Habitat for Humanity's 2011 Build-a-Thon, a national event that provides opportunities for youth to share ideas and meet others who are committed to eliminating poverty housing.





“Chronic unemployment is not a condition anyone chooses, nor does it have to be a fact of life.”

Cincinnati Works is Finding Answers to Unemployment

“Why don’t they just get a job?” It’s easy to ask that question when driving through a rundown, inner-city neighborhood. Too often “poor” is associated with “lazy,” “dependent” or “unskilled.”

When searching for inspiration to enter non-profit work, Dave and Liane Phillips understood that chronic unemployment is not a condition anyone chooses, nor does it have to be a fact of life. There are thousands of skilled and driven people who are unemployed in every major city, and there are also thousands of entry-level positions opening up every year. Dave and Liane realized that the solution to urban poverty is removing the barriers between these two groups.

The couple founded Cincinnati Works to provide anyone who voluntarily comes to their non-profit with the services needed to remove these barriers. Their approach is systematic. All applicants must agree to commit to the Cincinnati Works program with the goal in mind of working towards economic self sufficiency. The next week they must enroll in an individually tailored, 30-hour workshop to improve their job readiness. Within the next year, they must start developing skills to move beyond entry-level work.

What differentiates Cincinnati Works from other jobs programs is that applicants are not merely referred to a variety of other specialized agencies. Research shows that many individuals raised and living in poverty are depressed or lack confidence, so Cincinnati Works keeps a full-time mental health expert on staff, ready to work with applicants on their first day. Applicants with legal issues work directly with the legal coordinator. Applicants with poor computer skills for example begin to work with staff or a volunteer. The list of quality, free services goes on and on.

Even with all their faith in people, Dave and Liane couldn’t have expected their results. New employees from Cincinnati Works have an 80 percent rate of one year, continuous employment retention, compared to a 25 percent average around the nation. Over 90 major employers throughout the city now look to the organization first when filling a job opening. And, most importantly, every year over 400 people are getting employment in jobs that will lead to more stable financial sufficiency.¹

from the editor

A nation that has a sense of purpose, people to accomplish the tasks ahead and policy blueprints that have been proven and refined is able to win the battle against poverty and win for good.

reduced welfare rolls, fewer healthcare costs and less crime,” President Obama said in a 2007 speech in Manchester, New Hampshire.²⁰

Finally, higher education should be made more accessible to the poor. The Health Care and Education Reconciliation Act of 2010 made important changes to the Pell Grant program (which provides federal grants or scholarships to low-income students). However, more work lies ahead, including further raising the maximum grant to 70 percent of the average costs of attending a four-year public institution, simplifying the application process and incentivizing institutions to increase completion rates. This would go a long way toward making higher education more accessible.

Additionally states should develop strategies to make post-secondary education affordable for all residents. Georgia, for example, guarantees tuition and fees at any public college for students who graduate with a 3.0 GPA or better. In an effort to revitalize its urban center, the Kalamazoo Promise is a scholarship program that covers the cost of tuition and fees to public universities and community colleges in Michigan for students who graduate from the city’s public school system. Many other cities around the nation are looking to adapt the concept.²¹

4) **Fixing the Broken Pieces.** There are certain elements of our national life, such as housing and the safety net, that have been noticeably broken for a very long time, impacting families of varying income levels—they must be fixed. Many low- and middle-income families

pay far too much for housing and/or have been impacted by the recent foreclosure crisis. Appropriately capitalizing the National Housing Trust Fund, which is designed to create affordable housing, and multiplying investments in other programs such as rental subsidies or Housing Choice Vouchers would help in addressing this problem.

Unfortunately, regardless of work and education opportunities, there will be those who experience temporary hardships such as job losses, injuries or health problems that impact their ability to meet their basic needs. For these groups, effective safety net programs such as unemployment insurance, food stamps and energy assistance are a necessity. Yet, these programs need improvement because typically there’s only enough funding to serve a small fraction of the people who qualify for services. Many such programs have a host of other problems including burdensome application procedures, bureaucracies and a lack of outreach to potential participants. Congress and administrative officials must continue to address these barriers.

There is definitely much work ahead but there are some signs of hope. A nation that has a sense of purpose, people to accomplish the tasks ahead and policy blueprints that have been proven and refined by its best minds is able to win the battle against poverty and win for good.

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Joy Moses is a senior policy analyst at the Center for American Progress (www.americanprogress.org). She produces reports and analyses focused on alleviating, preventing and ending poverty. Her work has covered a broad spectrum of issues including federal safety net programs, access to justice and tax credits. She was previously a staff attorney at the National Law Center on Homelessness & Poverty and the NAACP Legal Defense Fund. Moses currently serves on ABA Commission on Homelessness and Poverty and the board of the Washington Council of Lawyers. She received her JD from Georgetown University Law Center and a BA from Stanford University.

