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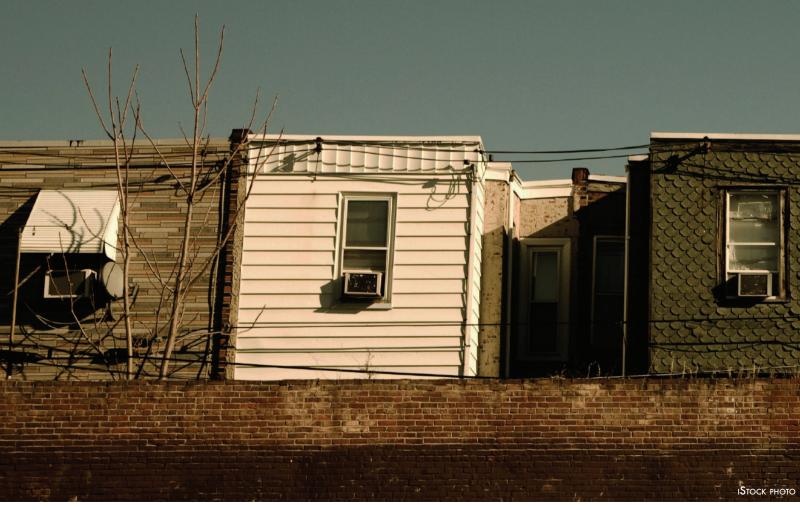
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Why Is It So Hard to End Poverty in America?

By Peter Edelman



orty-six million people in poverty. Fifteen million more since the year 2000. An increase of nearly 50 percent in the new century. Fifty years since we declared war on poverty. Are we losing the "war"? Why aren't we doing better?

We've actually done a lot that works and what we've done is making a huge difference. Without the policies and programs we have in place—enacted and expanded over a period from the New Deal up through the Obama administration, not just in the '60s—we would have twice as many people in poverty as we do now. Social Security, Supplemental Security Income (SSI), SNAP (the new name for food stamps), the Earned Income Tax Credit, the Child Tax Credit, housing vouchers, and more—these all work. Medicaid greatly reduced infant mortality and food stamps erased extreme malnutrition. Most of these programs were enacted with bipartisan support and they all matter, powerfully.

The sixties proved that we can reduce poverty. In 1959, 22 percent of the population and 55 percent of African Americans were poor. By 1973, poverty was cut in half, down to 11.1 percent. African-American poverty was reduced to 31 percent. How did we achieve these striking accomplishments? Three main reasons. The economy was not for most of the decade, the civil rights movement and the historic civil rights laws leveraged the hiring of African Americans in both the public and private sectors, and the Great Society programs added a measure of income generation and new doors to opportunity.

So why do we still have 46 million people in poverty? Why is it so hard to make further progress in reducing poverty in our country? I count eight major factors and forces that intervened to slow forward movement—all unforeseen. Even with the loss of JFK, RFK, and Dr. King and the disastrous war in Vietnam, the '60s ended with a

widespread sense of movement forward on poverty, albeit with highly visible problems in inner cities and large rural areas like Appalachia, the Mississippi Delta, and Indian reservations. What happened to that momentum?

First, and the single biggest thing, is that we have become a low-wage nation. In the wake of World War II we had world markets largely to ourselves. Well-paid unionized industrial jobs not requiring even a high school diploma built an enlarged middle class that, especially in the sixties, cut across racial lines. The year 1973, the year of the first oil price shock, was the turning point in the other direction. The good jobs disappeared to other countries and later to technology as well. Unions lost ground, too.

New jobs appeared, mainly in the service sector and paying far less than those lost. The medianpaying job in the country now pays about \$35,000 a year (if you have it full time and all year), barely more than it paid in 1973. A quarter of the nation's jobs pay less than the poverty line for a family of four—less than \$23,000 a year. Millions of people are just plain stuck. Upward mobility is almost nonexistent. To cope where it was possible to do so, two-parent families sent mom to work outside the home. But single mothers were and are in trouble. with a poverty rate in excess of 40 percent. In all, 106 million peoplea third of our population—have incomes below twice the poverty line, or less than \$39,000 for a family of three.

This is the biggest single reason why people are poor. Of course, millions of people are poor because they are still completely unemployed due to the recession. But a larger number of the poor are employed—often part time or seasonally and more often at minimum wage jobs that, at \$7.25 an hour, keep a family of three or larger in poverty. About 60 percent of

households in poverty have income that comes from work. So lowwage jobs are a key ingredient in the magnitude of poverty. We did not foresee this 40 years ago.

Second, and related, family structure plays a big role in poverty, and the large number of single-mother-headed households that we have now is something else we did not foresee. This is a complicated and controversial subject, but one thing is indisputable—in the current economy, having a two-earner family can make all the difference in whether a family is in poverty or not. The poverty of single mothers with children at home, of all races, is the highest among demographic groups, higher than any minority or age group.

Personally, as a dad, I think a good dad is an asset to a family and to children. But I also think that a woman who does not want to get married should be able to find a job for herself that pays enough to support her family, and in our low-wage nation this is too often impossible. The idea that economics dictates marriage is troubling, and equally troubling is the fact that some advocates of marriage see it as a panacea and seem simply to assume that a marriageable man is easy to find. That said, creating effective pathways through education and into the labor market and ending mass incarceration will, among other important outcomes, have the effect of enlarging the pool of marriageable men.

Third, our public education system insofar as low-income children are concerned has, if anything, deteriorated since the early seventies. Even assuming it is no worse, it is not up to the challenges of the 21st century. There are no good jobs that do not require some amount of postsecondary education, let alone the high school diploma that until fairly recently was a ticket to a reasonably decent position. We do see schools—more often charter schools than traditional public high schools (and there are plenty of problems

with charters)—that send most of their lower-income students to college. But we also continue to see horrific inner-city high schools with more ex-students on the street or in jail than in college. And we should be clear. The worst schools in our country are those attended by children of color—African American and Latino. Poverty itself is a paramount civil rights issue for this century, and education is a major part of that, as is the criminal justice system.

There is a two-way street here. Schools are our passage to a better life. Done well, working with children from low-income and even troubled homes, they (and especially the mentoring teachers among their faculties) can send at least some of their graduates to places in society that would never have been accessible otherwise. Done badly, they exacerbate the problem, adding to the strikes against a child and hastening the pipeline to prison or just nowhere. Schools and schooling are far more important than they were 40 years ago. As of now, they fail to measure up too much of the time.

Fourth, mass incarceration is a major factor in the incidence of poverty. Being poor starts writing the ticket to prison, and doing time in prison is a likely path back to poverty. The imprisonment of well over 2 million people—disproportionately men of color—is a phenomenon of the past 40 years. The number of those locked up was tiny in comparison before that. The war on crime and the war on drugs produced the upward zoom in incarceration and wreaked havoc in inner cities especially.

Fifth is the poverty associated with place and especially the poverty of the inner cities, although persistent rural poverty in Appalachia and elsewhere also traps millions of people. There were certainly segregated neighborhoods in all major cities and elsewhere for a long time, and they contained people in poverty, but they were healthy

communities with a mix of incomes and a good measure of social capital. People who grew up in those neighborhoods recall fondly that when they were seen by "Mrs. Johnson" doing something wrong, she said to them, "You stop that or I will tell your mother."

There certainly was a measure of crime and drugs in those neighborhoods, but not like what happened later. A perfect storm ensued in the early seventies. After the civil unrest of the sixties and the enactment of the Fair Housing Act, as well as the expansion of the black middle class, many of those who had the wherewithal to move out did so. Also, when deindustrialization occurred, many jobs disappeared. The result of the outmigration of people and the loss of jobs produced neighborhoods of concentrated poverty. Crime, violence, and drug use went up. School dropout rates went up. Marriage rates declined. Out-of-wedlock births increased substantially. The political response was to lock up the men and attack the women as welfare queens.

If you think all of this is a story that relates only to people of color (putting aside the mass incarceration and the attacks on welfare), watch for Robert Putnam's forthcoming book about what has happened in his hometown of Port Clinton, Ohio. This is a white community in which everyone did well in its heyday, with the sons and daughters of factory workers going regularly to colleges and doing better than their parents had done. After deindustrialization, the town's economy fell apart and the town fell apart. Now the town features all of the behavior I've described above.

We are way behind on all of this. President Barack Obama has created Promise Neighborhoods and is pursuing other modest efforts to attack concentrated poverty, but as a nation we are simply not awake to the seriousness of the problem. And from generation to generation it

only gets worse. Take a look at Patrick Sharkey's disturbing book *Stuck in Place*. You can tell from the title what it's about.

Sixth is the increase in deep poverty. "Deep" or "extreme" poverty means an income of less than half the poverty line—\$9,500 for a family of three. The latest numbers show that more than 20 million people are in deep poverty, up by nearly 8 million since 2000. Six million people have incomes composed only of food stamps, which for a family of three is a bit more than \$6,000, or about a third of the poverty line.

The biggest part of the increase is in single-mother households with children. This in turn is mainly due to what we did to cash assistance (in the vernacular, welfare) in the "welfare reform" law enacted in 1996. TANF (Temporary Assistance for Needy Families) is the program that replaced welfare. It barely exists in many states now, which is why there are so many people whose income consists only of food stamps. There was a lot wrong with the program it replaced. It did little to help people toward selfsufficiency, so there were 14.3 million people on welfare when President Clinton took office, which was too many. But one positive feature it did have was a legal right to receive it. Benefit levels were up to the state and they were stingy in many states, but they couldn't turn people away. They can now.

TANF was the result of a 30-year campaign. Robert Kennedy, for whom I worked, was also critical of welfare, but from a perspective of a need to treat recipients respectfully and to give meaningful help to people to get them the jobs, child care, and health coverage they needed to become self-sufficient. Few on the progressive side picked up that mantle after Kennedy died. The critique on the right that portrayed poor women as welfare queens pretty much had the floor to itself.

The result of destroying the legal right to benefits was painfully clear when the Great Recession hit. Food stamp participation went from 26.3 million in 2007 to 48 million now because there is a legal right to get it. Food stamps were a powerful anti-recessionary tool. TANF was down to 3.9 million people at the outset of the recession and went up only to 4.4 million. Some states actually cut their rolls. Before TANF, welfare reached 68 percent of children in poor families nationally. Now the number is 27 percent. Half of the states serve fewer than 20 percent of children living in poor families. Wyoming is the worst. About 600 people—4 percent of those living in poor families—receive cash aid in Wyoming. We have blown a huge hole in our nation's safety net.

Seventh is the continuing negative politics of race and gender. I would have thought our progress on race and gender in other regards would reach our politics on poverty. Politicians and their collaborators continue to demonize low-income young men and women of color, painting them with a broad-brush accusation that their poverty stems completely from individual irresponsibility. Of course, personal responsibility is a basic, but the facts of failed schools and mass incarceration and other instances of institutional racism and straight-out discrimination are of no interest to the purveyors of a politics of bad choices. We need an honest discussion of the pervasive role that structural racism and implicit bias play throughout our society. And it would be helpful as well to emphasize that the largest number of Americans in poverty are white—a fact that would surprise a lot of people.

Eighth, and finally, we did not foresee the huge worsening of the gap between rich and poor. The numbers abound. One that I like is from Paul Krugman, who reports that the top 25 hedge fund managers have a total income that

exceeds that of all kindergarten teachers in the country. Another, from Nicholas Kristof, tells us that the six Walmart heirs are worth as much as the bottom 41 percent of American households put together. And while the income of the bottom half of the population has been stalled for 40 years, our economy has doubled in magnitude and the top 1 percent have received almost all of the proceeds.

What are we to do? To begin with, we need to understand who has to act. Public policy at all levels is essential, but it is not sufficient. Civic action and individual volunteering are vital, as is personal responsibility.

Next, our public policies need to respond to the needs of our time, which are different in some respects from what was needed in the '60s, but in other respects distressingly the same. The basic needs, as always, are jobs that result in a decent income, quality public education, healthy and safe communities, a fair justice system both criminal and civil, strong human services, and a strong safety net.

Decent jobs were always at the heart of reducing poverty, but, much more than half a century ago, there is a flood of low-wage jobs that is exacerbated by the skyrocketing housing and energy costs and the cost of higher education as well. Women, married or not, are now in the labor market in massive numbers, and families must have access to quality, affordable child care. Public policy must address the supply and cost of child development and child care, the increased need for help with affordable housing, and the need for help with postsecondary education at a time when low tuition in public colleges is a distant memory. Thanks to President Obama, help is arriving to assist with the cost of health care.

Work supports are crucial but so is the need to raise wages and use wage supplements when that is the only way (other than the cash value of work supports) to supply income related to work. We need to raise the minimum wage substantially, but the wage gap now is such that wage supplementation is a must. That is why we have the Earned Income Tax Credit and the Child Tax Credit, but we will need more. We need to change laws that cripple union organizing. We need to attack wage theft. We need to end the gender gap in pay. And we need to invest public funds in work that America needs done, including infrastructure, a genuine system of child development, and creation of affordable housing.

All of this will help not only to alleviate poverty but also to reach those low incomes up to twice the poverty line with policies that will help them make ends meet. Our work must include revitalizing public education for all children, pursuing steps to strengthen our sense of community everywhere, and seeing that people have access to lawyers to help them navigate the courts no matter what brings them there.

So much of our national discussion about poverty turns immediately into a discussion about welfare. People see the two words as synonyms. Yet, tackling poverty, as should be obvious, is composed of a far larger and more complex set of actions and policies. Still, what we provide as a safety net is in many ways a measure of a decent society. Beyond everything that helps people of all ages get out of or avoid being in poverty, we must have a safety net that leaves no one in pain. We have gone backward in that regard over the past two decades.

As Rabbi Abraham Joshua Heschel said, "We are not all guilty, but we are all responsible."

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