

**The Scouting Report – Decrease Poverty and Increase Opportunity
Live Web Chat with *Politico* Senior Editor Fred Barbash and Brookings
Senior Fellow Rebecca Blank
November 26, 2008**

12:17 Fred Barbash-Moderator:

Hello everyone, and welcome to The Scouting Report—a weekly web chat on matters concerning the President-elect with Brookings and Politico. I'm Fred Barbash--Politico senior editor--and I'll be moderating today's chat. I'd like to welcome Brookings Senior Fellow Rebecca Blank. Rebecca is an expert on social and economic policy, and she is prepared to answer your questions about poverty and opportunity in the United States. Welcome Rebecca.

12:29 Becky Blank:

Thanks Fred. I'm glad to be part of this web chat.

12:29 Fred Barbash-Moderator:

This question came in via email Rebecca: What policy areas are the most important to low-income Americans?

12:30 Becky Blank:

Job availability and decent earnings are most important. Low-income families primarily rely on earnings and employment to make ends meet. High unemployment always hits lower-wage and lower-skilled workers much harder. The most important policy change of the past decade was an expansion in the Earned Income Tax Credit (EITC), which supplements wages for low-wage workers in low-income families.

12:31 Fred Barbash-Moderator:

Thanks Rebecca. I had a journalism student during the campaign that set out to see what the presidential candidates were saying about poverty. Other than tidbits on their websites, and other than John Edwards, there was very little directly on point. What are candidates so afraid of when it comes to confronting this directly?

12:32 Becky Blank:

Several candidates talked frequently about poverty, including President-elect Obama, during the campaign. It was clear by the general election campaign, however, that both candidates wanted to appeal to the middle, particularly the middle class (which 95% of Americans say they belong to.) Given all of the many high-priority issues on his plate, if poverty policy is going to be a major component of President Obama's agenda, he will need to hear from community groups and others that poverty as an issue is one in which his involvement is important and necessary. The current recession will, I hope, increase the likelihood that his White House will focus some of their attention on policies aimed at low-income families.

12:33 Fred Barbash-Moderator:

It will certainly increase the numbers of low-income families, this recession, won't it?
Any guesses on that?

12:34 Becky Blank:

Of course, that depends on how long and deep this recession is. The Center on Budget and Policy Priorities has estimated that if unemployment rises to 9 percent, the number of poor Americans will rise by between 7.5 and 10.3 million. That would be a very large increase, historically. But I expect the recession to be long, so this seems like a pretty good ballpark figure.

12:35 [Comment From Vince, Syracuse, NY]

How much will the uncertain economic times affect the ability to put policies in place that really help alleviate poverty? And is there any way to judge how many people have slipped into poverty since the debacle on Wall Street began?

12:36 Becky Blank:

Our poverty numbers always come in with a year's lag, so it's hard to say this with any accuracy. Since the beginning of the year (Jan 2008), unemployment has risen from 4.9 to 6.5 percent -- this is heavily concentrated among low-wage and less-skilled workers. I'm sure we'll see poverty going up for 2008, perhaps by as much as a full percentage point (current 12.5% of all Americans are poor....one in eight.)

12:36 [Comment From John]

How can we reduce the rising number of American families living in poverty?

12:38 Becky Blank:

There are immediate actions we can take to alleviate some of this pain. This includes paying out supplemental food stamp benefits, and expanding low-income energy assistance dollars. We also need to be sure that assistance is available to those who lose jobs -- either through the unemployment insurance system or through cash assistance via traditional welfare programs. This is a problem because many persons who are eligible for these programs are not receiving them.

12:38 [Comment From Steve Hammer]

What do we do when we come out of the recession and structural poverty is still present in our society? It seems all the fixes are focused on artificially pulling people out of poverty and not fixing the conditions that contribute to it.

12:39 Becky Blank:

Yes, my earlier answer was all about short-term relief. In the long term, education matters more than anything for today's children. Expanded pre-school education and educational reform in disadvantaged schools has got to be at the top of the agenda. And we need to make sure that low-wage work pays enough to support a family. I support an expanded minimum wage, but even more important are expansions in the Earned Income Tax Credit, that supplements the wages of low-wage workers in low-income families.

12:40 [Comment From Jordan]

Hi Becky. I work for the Corporation for Supportive Housing, which helps communities build housing for the homeless connected to supportive services. In looking at transition planning from Obama's team there's an agenda on poverty and a separate one for urban policy, but aside from CDBG and a housing trust fund little else on homelessness. Do you think it could get lost in the shuffle and in stovepiping, or is it just too early? There have actually been positive declines in long-term homelessness in recent years, and we'd hate to see a loss of focus.

12:42 Becky Blank:

The data (which is very limited on homelessness) suggests that there have been some gains in reducing chronic homelessness in recent years. But the current recession will increase temporary homelessness... And the foreclosure problems in poor neighborhoods add to that problem. I do agree that this issue can get lost. In the longer run, we actually need a national housing policy in this country...which might lead to expansions in programs like Section 8 vouchers that help low-income families stabilize their residential locations.

12:43 [Comment From Mark H. - Greenbelt, MD]

President-elect Obama has enormous ability to inspire people, and he has the wind at his back after the election. What can he ask ordinary Americans to do to address this problem? Our leaders used to ask us to sacrifice in times of need. Now, they ask us to go shopping.

12:45 Becky Blank:

President-elect Obama should use the 'bully pulpit' of the Presidency to raise the issue of poverty. Over the next year, if the recession is as deep as I expect, government programs are not going to fill that hole. All of us should look at what we can do in our local communities to support the organizations that work on hunger, homelessness, job training, and assistance to unemployed and struggling families. I hope that Obama can both call upon personal service and outreach, at the same time as he recognizes the real role of government assistance...make it a both/and, not an either/or.

12:45 [Comment From Penny, Washington DC]

The Washington Post says this morning that a record number of Americans are using food stamps. That's a tenth of the population. There's a lot more Americans now - do you know how those numbers compare to other historic economic downturns?

12:46 Becky Blank:

The food stamp program has completely restructured itself following welfare reform, so that it's much more readily available to low-income working families....used to be that most families on food stamps were non-working single mothers on welfare. The result is that more people have access to food stamps in this recession than in the past. This is very good news for those of us who care about a safety net in this country. I think these recent increases are pretty large, relative to historical experience (although food stamps always increase when unemployment goes up.)

12:47 [Comment From Thomas Z]

What's the single most important thing the new Obama administration can do at the very outset to lessen the number of people living in poverty in America?

2:47 Fred Barbash-Moderator:

We'll hear what Becky has to say about this in a moment. What do you all think the Obama administration should do first?

12:48 [Comment From Jason]

I think the Obama administration really needs to get the foreclosure crisis under control.

12:48 Becky Blank:

As noted above, there are some things that should be in that stimulus package that's promised for February, such as Food Stamp expansions. But for things that will matter in the longer term, my first priority is an expansion in the Earned Income Tax Credit to low-wage workers who don't live with children. The decline in labor force participation among men, especially men of color, is a growing and real problem. We need to provide incentives for this group to work in the mainstream economy. Many of them support children.

12:49 [Comment From Richard]

What is the likelihood of president-elect Obama creating a "Poverty Czar?"

12:51 Becky Blank:

One can have too many 'czars' running around the White House... in which case none of them are effective. But one or two who are charged with coordinating and developing broad policies in important areas can be effective. Poverty policy requires coordinating activities from a wide variety of cabinet agencies and a poverty czar has the opportunity to speak with the authority of the administration. Obama has mentioned his interest in this...but is also talking about a "urban policy czar." He'll have to decide how many such people he wants, and what their focus will be.

12:51 Fred Barbash-Moderator:

I want to get back to the politics of poverty because I think poverty hasn't had traction as an issue since the Kennedy-Johnson Era. Why is it that politicians can talk about helping the middle class, and lionize Joe the Plumber, but somehow find it disadvantageous to actually talk about poor people... per se.

12:52 Fred Barbash-Moderator:

And we received another answer to my question about what the Obama administration should do first...

12:52 [Comment From Matt from CA]

The first thing the Obama administration should do is tackle our health care crisis. That will help a lot of families stay above the poverty line.

12:53 Becky Blank:

Well, even really low-income folks don't think of themselves as poor...95% of Americans say they are 'middle class.' And middle class voters are often wary of anti-poverty programs. There's a long and deep strain in American political opinion that worries about handouts and dependency. So most politicians worry that talking about poverty won't win them many votes. I think it takes real leadership (and Obama can do this!) to talk about anti-poverty programs in a way that makes mid-income American understand why they are important.

12:54 [Comment From Kate]

Speaking of supporting children, what are some ways to strategically approach the demographic issues of poverty? For example, the fact that more women than men live in poverty and that many of them are single mothers. How do we consciously and effectively address issues like race and gender within the fight to end poverty?

12:54 Fred Barbash-Moderator:

And to our readers - how does everyone think we can improve opportunities for children and ensure that today's poor children have greater opportunities than their parents?

12:54 Becky Blank:

First, just making work pay is going matter to everybody, but particularly to women and people of color, since they tend to have the lowest wages.

12:55 Becky Blank:

But we need to worry about more than just this...policies that enforce child support, that support child care for low-wage working moms, and that help parents balance work/family (like the FMLA) really matter. So does enforcement of anti-discrimination laws!

12:56 [Comment From Thomas Z]

Isn't the rise in poverty in the U.S. really caused by shortcomings in the education system rather than in the economic system?

12:56 Becky Blank:

Educational inequality is a real problem (though not the only reason why poor children grow up to be poor adults.) I would argue that we probably need to spend MORE resources in poor schools than in rich schools, because of the greater need for compensatory services among many disadvantaged children. That said, the problems of poor schools go far beyond resources. In order to spend money effectively, schools need good principles and good teachers. Schools as institutions need to work well. Having the monetary resources to make this happen is necessary, but by itself is not sufficient.

12:57 Fred Barbash-Moderator:

How do you think Barack Obama's background--and roots in Chicago--will affect his actions in office?

12:58 Becky Blank:

Coming from the south side of Chicago, Senator Obama is particularly well suited to bring together a broad coalition of leaders and experts concerned about poverty. He can talk credibly about the values of personal responsibility, marriage and family cohesion, and work effort, complementing policies to strengthen the safety net and support low-income working Americans. This really gives him the opportunity to reach out to a very diverse set of voters as he talks about anti-poverty initiatives, if he would choose to do so.

12:59 Fred Barbash-Moderator:

How should Barack Obama address mortgage and housing problems?

12:59 Becky Blank:

It's particularly important for Barack Obama to focus on neighborhoods with a high foreclosure rate, where homeowners with no personal financial problems have seen the value of their homes plummet. I hope the new Administration will work to keep families in their homes or encourage banks to expedite resale and re-occupancy. In some neighborhoods with too many empty houses, it may be attractive to offer a "homesteading" option to allow a family to buy an empty house at a low price and do their own repairs.

12:59 [Comment From seth]

What has your research revealed about marital status and poverty? More specifically, what is the influence of family structure and marital status on the likelihood of children experiencing poverty?

1:00 Fred Barbash-Moderator:

We've also received some interesting comments from our readers...

1:00 [Comment From Anne, Virginia]

Schools need good schools and teachers and good curriculums including for career and vocational education, such as green collar jobs.

1:00 [Comment From Sue from IL]

I think creating more unionized jobs will help to ensure that our children won't have to work for minimum wage!

1:00 [Comment From Anne, Virginia]

On the politics of poverty, people are anxious about their own and their children's future in the global economy. We sense that we don't have the fundamentals right for most of us. Under these circumstances it's tougher to garner attention for the most vulnerable. Strategies with universal focus, such as education and health care reform, have a better chance at traction because that address everyone's needs. As social security did during the New Deal.

1:01 [Comment From Steve Hanmer]

Transition from a purely liberal arts focused education to one that blends experience in the community and involves the community (non profits and business) in the classroom so as to create relevance and interest among a bored and un-stimulated student population.

1:02 Becky Blank:

There's a pretty strong consensus among many researchers that having married parents is a good thing for children -- it often means more income, and beyond income, kids clearly want connections to their parents and want to have as much time from them as possible. That said, we all know the many reasons why marriage doesn't seem like a viable option for many moms (and dads.) One of the reasons poverty has been stubbornly high in the last two decades is because the growing number of single mothers has raised poverty rates...these women struggle more to make ends meet and their families are poorer. As this group grows, children's poverty has grown.

1:02 [Comment From Jim]

Can you speak to the interconnection between immigration and poverty reduction? There are approximately 12 million people in the United States who lack legal status, most of whom are poor.

1:03 Becky Blank:

Immigrants are (and always have been) disproportionately likely to be poor. The big question here is a second-generation question. Typically, immigrant kids move up the income distribution. Making sure that immigrant families have access to good schools, medical care, and other services is important for this generational change to occur. But the higher number of immigrants in America today has raised poverty rates, all else equal.

1:04 [Comment From Howard]:

I'm concerned that so far the primary talk on poverty work is a form of trickling-down: poverty can be reduced if the federal government does this or that. But at the local level aren't residents facing generational poverty barriers that are going to take case management, community organizing, et al. to address??

1:05 Becky Blank:

I'm very sympathetic to this question...the discussion has been focused on the new administration and what the federal government can and should be doing. But this is hardly a full answer to the problems of poverty. Community-based organizations are often most effective at mobilizing low-income families and mobilizing community resources to address immediate local problems.

1:06 Fred Barbash-Moderator:

Becky: You've strongly recommended changing the current method used for measuring poverty. Why?

1:06 Becky Blank:

Our current poverty measurement statistic is inadequate, based on 1950s data and 1960s methodology. It's time to ask the Census Bureau to produce and publish a modern poverty statistic, which will provide a much better sense of who is poor in America and the trends in poverty over time. Legislation on this will be introduced in the House and Senate in the new term. The Administration should move out front on this issue and make it happen.

1:06 [Comment From Anderson]

Why haven't we, as a nation, made more progress against poverty?

1:08 Becky Blank:

Part of the problem is the way we measure poverty, as the last answer noted. We don't take account of any of the expansions in in-kind benefits of the past 3 decades in our poverty statistics and these would have lowered poverty. But at the same time, other changes have pushed to raise poverty...rising numbers of single-mother families, rising numbers of immigrants. The result has been essentially flat poverty rates since the early 1970s.

1:09 Fred Barbash-Moderator:

Someone proposed that we set a national goal to end poverty? What do you think about that?

1:11 Becky Blank:

In the 1990s, Prime Minister Tony Blair announced a British goal of cutting poverty in half over the years ahead. I'd really like to create a new and more accurate poverty measure, and when that is released, announce a national poverty reduction effort from this new baseline. It'll take about a year to release a new poverty measure...this will be just about the time that the recession is ending and poverty will have gone up significantly. That's a good time to focus the nation's attention on trying to reduce this number. There's a 'Half in Ten' campaign to cut poverty in half in 10 years...I'd even take Half in Twenty!

1:11 [Comment From Walter]

How does the new administration prioritize across far too many good things to do to reduce poverty?

1:11 Fred Barbash-Moderator:

And to our readers - how do you think the current condition of our economy will impact any anti-poverty initiatives that Obama might undertake in the next few years?

1:13 Becky Blank:

The Administration has too much on its plate...it will have to take a few initiatives and push these. So selecting the set of policies that can be passed, and that will be most effective, is very important. As I've said above, the EITC expansion is high on my list. I know the administration has talked about pushing pre-school programs and additional post-high school training, both of which are very important. So is health care reform.

And I hope this recession creates the impetus for reforming our unemployment insurance system so it really works as a safety net when people become unemployed.

1:13 [Comment From Mavis]

What can be done in a stimulus package to help people who are really struggling the most in this country?

1:13 [Comment From Les in Chicago]

I think that as people feel more threatened by poverty themselves, the nation might really get behind a new anti-poverty agenda.

1:14 Becky Blank:

Just getting the macro-economy turned around, so that jobs are increasing and unemployment is falling is very important...low-wage workers will gain more from this than anybody. But the stimulus package should also include temporary expansions to food stamps and low-income energy assistance. It should help states cover the costs of increasing numbers of single moms who've lost jobs and need short-term cash assistance. The extension of Unemployment Benefits was also very important.

1:15 [Comment From Larry]

Does our current economic condition make it easier or harder to come up with, rally support for a poverty policy?

1:16 Fred Barbash-Moderator:

We received another answer to our reader question -

1:16 [Comment From Anne, Virginia]

It makes it difficult for employment service and job training strategies to have an immediate impact. Less revenue available not only to the federal government but also to state and local government, business and philanthropy partners. Foundations that support a great deal of innovative anti-poverty work and simple food banks have their resources from the stock market and donations hammered.

1:16 Becky Blank:

It's always an interesting question whether a recession makes people more willing to support anti-poverty initiatives (because people see lots of folks losing their jobs and are more sympathetic) or if it reduces support (because less money is available.) Historically in the U.S., economic recessions have usually increased political support for policies that help low-income families. I hope we see this happening in the current recession.

1:16 [Comment From Ron]

Do you think that Obama's efforts to reach across the aisle and come to bipartisan consensus might hinder efforts to reduce poverty?

1:18 Becky Blank:

I assume the concern is that Republicans and Democrats won't agree on anti-poverty policies. But there are some policies where this isn't an accurate assumption. For instance, the EITC has had broad bipartisan support in the past...I hope that might continue for future EITC expansions. There has been Republican support for preschool and post-high funding. One reason to focus on these issues is because a broader coalition might support their passage.

1:19 [Comment From Anne, Virginia]

Poverty could be an area of bi-partisan collaboration. New leadership in the fundamentalist Christian world is growing around addressing poverty rather than the culture wars.

1:19 Fred Barbash-Moderator:

Becky: "Poverty" has been such a politically counter-productive term, as we discussed before. Maybe it needs a "rebranding." Is it possible that poverty addressed in terms of "opportunity"--or people deprived of opportunity--might get more political traction? Abolish the word "poverty" entirely...

1:20 Becky Blank:

It really matters how 'poverty' is visualized...when you show little kids and talk about poverty, you get a very different response than if you show a bunch of teen gang members. That's one reason why leadership matters...President-elect Obama has the ability to talk effectively about poor families in ways that other Americans can hear.

1:21 Becky Blank:

One of the successes of the welfare reform efforts of the 1990s was that the focus was on 'economic opportunity' rather than poverty, per se. Perhaps the current recession will help us talk about policies that get people back to work or educational reforms that expand skills and opportunities. I agree that these are effective ways to 'sell' such policy reforms.

1:22 Fred Barbash-Moderator:

Ok, folks, we've got time for about two more questions.

1:22 Fred Barbash-Moderator:

What should President-elect Obama do to help single mothers?

1:22 Becky Blank:

I think the welfare reforms of the 1990s went too far in shrinking the safety net for families with children. An increasing number of single mothers, particularly those who face barriers that make it difficult to hold full-time stable jobs, are not receiving badly needed assistance. It's time to rethink the rules by which the Temporary Assistance to Needy Families block grant is distributed, and to give states additional funds to help parents who can't readily find work.

1:23 [Comment From reggie]

When we're talking about cutting in poverty in half over ten years, to what extent do we have to have targeted and focused policies that are about addressing the needs and the struggle of low income Americans versus kind of an approach that is much broader that may end up resulting in a lot of the same outcomes?

1:24 Becky Blank:

If we are really going to be serious about long-term poverty reductions, we have to focus on the long-term solutions. This makes educational reform most important. As well as health care...many single moms who have difficulties finding jobs, suffer from depression, for instance. This is a treatable disease, but not for low-income folks who don't have much access to health care. So we need to think about a broad set of social policies, many of which are not immediately in the 'anti-poverty' category, but which over time may reduce economic need.

1:25 Fred Barbash-Moderator:

Alright, I think that's a great way to wrap things up for today.

1:25 Fred Barbash-Moderator:

I'd like to thank our readers for all their great questions

1:25 Fred Barbash-Moderator:

And thank you to Becky for your thoughtful answers!

1:25 Becky Blank:

Thank you, Fred.

1:26 Fred Barbash-Moderator:

We'll be posting the transcript for this chat later this afternoon. Also, next week at 12:30 there will be another edition of the Scouting Report. We'll have William Gale on hand to discuss fixing the tax system. We hope to see you there.