

Poverty

Attacking Poverty and Inequality

Reinvigorate the Fight for Greater Opportunity

Background

The nation's poverty rate is higher now than it was in the 1970s and there are large and growing gaps between the rich and the poor. No President since Lyndon Johnson has made fighting poverty a major plank of his campaign or goal of his administration. Now is the time for presidential campaigns and the next elected President to focus on poverty and inequality in America. Evidence suggests that the American people are ready to support a reinvigorated fight.

Three of the most effective ways to reduce poverty are to increase work levels, reverse the growth of single-parent families, and improve educational outcomes. Past initiatives that produced strong results, including welfare reform in the 1990s, can be models for aggressive pursuit of all three strategies.

Recommendations

The next President should launch a new generation of effective policies based on a comprehensive work-family-education assault on poverty and inequality. Specifically, the next President should advance policies that:

- strengthen work requirements in government assistance programs
- increase the minimum wage
- expand the earned income tax credit
- subsidize child care for low-wage workers
- promote marriage as the best environment for rearing children
- fund effective teen pregnancy prevention, premarital education, and family planning efforts
- invest in high-quality early childhood education

Any effective strategy to expand opportunity will target the bottom third and help them onto the ladder that leads to the middle class. A comprehensive new strategy would cost about \$38 billion per year in new federal funding which should only be enacted if it is fully paid for by reducing other expenditures.

This approach will ultimately draw more workers into the labor market, create more taxpayers, reduce dependence on government assistance, and improve people's lives.

Key Facts

- poverty engulfs 13 percent of all Americans and 18 percent of America's children
- the poverty rate is higher now than it was in the 1970s
- the current federal poverty level is \$15,700 for a family of three
- the years since 1979 have seen large increases in income for those at the top of the income distribution, modest increases for those in the middle, and almost no change at all for those at the bottom

A full version of this proposal, as well as supporting background material, is available at www.opportunity08.org.

About the Authors and the Project

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Opportunity 08 aims to help 2008 presidential candidates and the public focus on critical issues facing the nation, presenting policy ideas on a wide array of domestic and foreign policy questions. The project is committed to providing both independent policy solutions and background material on issues of concern to voters.