

Poverty Reduction Strategies for the US

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Strategy #1: Construct the infrastructure for practical, well-managed poverty alleviation initiatives, including appropriate measures for assessing success and learning from experience.

This strategy recognizes that “poverty” is a complex set of problems, and that poverty alleviation can only be accomplished by a portfolio of policies and programs tailored to specific aspects of the problem. It recognizes that poverty alleviation efforts must reflect the best practices in public management, including the specification of concrete goals, the assessment of the strategies and the ability to learn and improve. In this context, the current official measure of poverty is nearly useless either for figuring out what the problems are, for assessing whether any progress has been made in addressing the problems or for stimulating systematic and creative approaches to trying out and evaluating solutions to different variants of poverty problems. This strategy sets the stage for problem solving efforts at the community as well as the national level to identify specific problems that can be tackled, to create and try out solutions, and to measure success or lack thereof.

The strategy involves:

- Identifying and advocating for alternative measures of income poverty that make it possible to tell whether federal tax and safety net programs are having an effect on income poverty;
- Identifying a menu of other specifications of the poverty problem and other ways of measuring success, reflecting specific problems that people care about, for example, hunger, inadequate shelter and the lack of opportunity for children;
- Laying out problem-solving protocols and designs for learning, and trying them out in community problem solving efforts.

Why? The measures. The current official poverty measure compares annual household income with a poverty standard and classifies each household as above or below the poverty line for the year. The official poverty measure has many critics, and much scholarship and analysis have been devoted to proposals for changing the definition. Many of the criticisms are valid and many of the proposals sensible. I want to focus only, however, on one set of criticisms: i.e., those that address the usefulness of the poverty measure in setting targets for action, in generating ideas about solving the problems and in tracking success or failure.

Two examples of the failures of the current poverty measure to be useful may be helpful in understanding the importance of reframing the concept. The first has to do with the discrepancy between the way we have constructed poverty policy over the last forty years and the way we measure poverty. By far the largest federal anti-poverty programs are Food Stamps, the Earned Income Tax Credit and Medicaid, two in-kind programs and a program that operates through the tax system. None of the three are counted when a determination is made of whether a household is officially poor or not. Only cash income

is counted, and it is counted before taxes; i.e., both before social security and other taxes are deducted and before the EITC is added. This definition of income makes the official poverty measure useless for assessing whether the major federal anti-poverty programs are having any effect.

The second example has to do with the implications of the official poverty measure for thinking about solutions. If poverty is defined as annual household cash income below a set income poverty line, then the obvious solution to the problem of poverty is to bring annual income up to the poverty level. In the 1960s and 1970s many economists and a few policy makers thought that the most efficient way to do this was through the tax and transfer system, with something like a negative income tax. Much effort went in to technically elegant solutions to the design problems of a negative income tax; i.e., ways to get the benefit level, the tax rate and the breakeven point into some kind of sensible alignment. Large scale experiments were done to test these designs. The Nixon administration, of all people, developed legislation proposing a large-scale federal negative income tax program.

But as the political discussions and public opinion polling around these proposals showed, “annual cash income below the poverty line” was not a good definition of the problem people were concerned about. There were and are, in fact, multiple definitions of the problem. Some have to do with the lack of very basic necessities; hunger, for example, or homelessness. Some have to do with self-sufficiency, especially the ability of families to support themselves through employment. Some have to do with income security. And some have to do with social ills that are related to but not defined by cash income: crime, for example, or health problems or lack of educational opportunities.

A poverty strategy may be more likely to succeed if it addresses the more specific problems that are of concern to groups and communities, that policy makers and community problem solvers can get their heads around, and for which “success” and “failure” can be both visualized and measured.

Examples of these more specific poverty problems can be inferred by looking behind the official poverty data and identifying the very different characteristics of the households grouped together as “poor:”

- Immigrant Latino families in border communities in which nearly everyone is poor when they first arrive but many progress or move (and many do not); the problem here might be specified as opportunity, especially for the children;
- Long-term even multi-generational single parent families; these present complex problems;
- Working families fallen on hard times for a year or two; the problem here is economic insecurity;
- Native Americans on reservations where not only are incomes low but a host of other social and health problems occur at very high rates; the problem here is a complex interaction of social and economic factors at the community level;
- Young single people just getting started in jobs; not really a problem, but some are counted as poor.

There are obviously many other possible examples. These are all different problems, which cannot be solved with a single anti-poverty approach or specified with a single measure of poverty. They require very different policy and program responses, at different levels of government. The first step is the recognition of the need for new measures and the creation of good ones.

Other aspects of a problem solving infrastructure. Attempts to alleviate poverty have sometimes suffered from a lack of attention to operational issues and from a lack of program structures that encourage innovation, assessment and learning. This is true at the level of federal policies, which are sometimes assumed to be self-implementing; issues of participation and operational barriers to participation are often ignored. The lack of problem solving structures is a special problem at the state and local level, where efforts such as employment and training, compensatory education and so on are carried out. Good management practice suggests that successful efforts will be characterized by following a problem solving protocol with something like the following elements:

- Preliminary identification of the problem(s);
- Preliminary identification of the unit within which the effort will operate;
- Identification of the lead coalition of government and community partners, which should start small and expand later;
- Scoping the problem through data analysis and community focus groups, agreeing on a more precise definition of the problem to be addressed;
- Agreement on the measure that would be used to decide whether and when progress is being made on the problem;
- Generation of strategic options;
- Small scale testing;
- Assessment and reformulation of options.

Putting these practices in place would be helped by further specification and by the development of training materials and opportunities for policy makers and program operators. The next two strategies I discuss are meant to be examples of how this approach can be used.

Potential impact: The impacts of these strategies will be indirect: on the way poverty is thought about and conceptualized, and on the ways people think about solving problems. This is an important foundation, I believe, for all poverty alleviation efforts.

Strategy #2: Address food insecurity and nutrition-related health problems more effectively through the Food Stamp Program.

This strategy focuses on the specific problems of food insecurity and nutrition-related health problems, both of which are problems of poverty broadly conceived. It focuses on improving the Food Stamp program, which is one of the largest and most basic anti-poverty efforts in the US. It builds on the facts that Food Stamps are widely used and enjoy considerable public and political support. It also builds on the fact that nutrition, obesity and diabetes are serious problems among long income groups, and that the Food and Nutrition Service is in a position to provide a catalyst for community's addressing these issues.

The elements of the strategy are:

- Making it easier and more “normal” to apply for and use Food Stamps. The key is increased use of electronic technology and multiple ways of accessing the system. There is really no necessity for FS applicants and recipients to have to make multiple or indeed any visits to welfare offices; the whole process could be done electronically from home computers or from kiosks located all over the place. Electronic technology is also the key to fraud and abuse prevention; there need not be a serious trade-off between ease of application and use and integrity;
- Examining the components and costs of a nutritious diet in the 21st century US, and if warranted by the data, adjusting the level of Food Stamp benefits;
- Using the Food Stamp program as a vehicle for addressing food insecurity and for improving both family budgeting and eating habits. The idea would be for the federal Food and Nutrition Service to initiate a process that would challenge communities themselves to define the nutrition-related health problems in the community, figure out measure of success, and experiment with approaches to reducing the incidence of obesity and diabetes-related conditions;
- Making sure that Food Stamps are counted as income when poverty and progress against poverty is assessed.

Why? Food insecurity and income poverty. The US Department of Agriculture sponsors and reports on an annual household survey designed to assess the extent of food security in the United States. Households in the sample are asked a series of 18 questions including, for example, “ ‘The food that we bought just didn’t last and we didn’t have enough money to get more’ Was that often, sometimes, or never true for you in the last 12 months?” “In the last 12 months, were you ever hungry, but didn’t eat, because there wasn’t enough money for food? (Yes/No);” “ ‘We couldn’t feed our children a balanced meal, because we couldn’t afford that.’ Was that often, sometimes or never true for you in the last 12 months?” Households were classified as food secure, with low food security or with very low food security on the basis of the number of responses that indicated problems with the availability or affordability of food.

On the basis of this survey, a Department of Agriculture research report concluded that 12.1 percent of the population experienced food insecurity and 3.8 percent experienced very low food security or hunger in 2006. The official poverty rate in 2006 was also slightly above 12 percent. But only 34 percent of those counted as income poor also experienced food insecurity; 64 percent of the income poor were reported as food secure. And 64 percent of the households experiencing food insecurity were not counted as poor; 62 percent of those experiencing very low food security were not counted as poor. So it is clear simply from these numbers that food security and poverty are different phenomena, experienced to a large extent by different people.

Food insecurity and Food Stamps participation. Hunger, not having enough to eat, and not being able to afford nutritious food are problems that we tend to associate with poverty and that we worry about. In public opinion polls, substantial majorities of Americans agree that preventing hunger is a responsibility of government. The Food Stamp program is directed at the problems of hunger and food insecurity. It is widely used and widely available: Some 25 million Americans receive Food Stamps in a given month. The Food Stamp program is also popular politically, usually attracting strong bipartisan support in Congress. Food Stamps are also an important component of a work support package that has the potential for ensuring that if you work, you won't be poor.

But the relationship between food insecurity and receipt of Food Stamps is surprising. Only 34 percent of food insecure households report receiving Food Stamps. And half of those who report receiving Food Stamps also report being food insecure.

The problem of food insecurity can partly, though only partly, be addressed through expanding participation in the Food Stamps program and attempting to reach the 64 percent of food insecure households who do not participate in the program. One issue has to do with eligibility rules, though it seems likely that most food-insecure households are indeed eligible. Though the participation rate of eligibles in the Food Stamp program has increased noticeably in recent years, it is still lower than it might be, especially among elderly, the working poor and immigrants. To some extent at least, non-participation seems to result from a sense that nice people don't get food stamps, and from the hassles involved in applying for and participating in the program. That is why operational changes that make Food Stamps as normal and as easy to get as, say, the EITC or Social Security are really important.

They are also possible, given technology, and if implemented correctly need not compromise the integrity of the program. In recent years, some states have begun accepting applications and determining eligibility on-line. In at least one of these states (Massachusetts) participation in the program increased dramatically. Changes to application and eligibility determination processes would certainly be easier to bring about if the Food Stamp program were administered nationally, rather than by the states. Legislative change to the administrative structure of the program might, however, be more trouble than it is worth. So the strategy might have to be one of facilitation and

persuasion with the states, assessing the effects of new procedures in the states that have tried them and helping other states understand and implement best practices.

Food Stamp benefit levels. The fact that half of all Food Stamp recipients report food insecurity raises the question of Food Stamp benefit levels. Some households are obviously unable to make their food budgets stretch over the entire month. Studies conducted on the Food Stamps program also show, relatively consistently, that participation modestly increases the amount families spend on food, but does not consistently improve nutrition. Indeed, some research suggests that Food Stamp recipients eat fewer fruits and vegetables than non-participants, and that Food Stamp recipients are somewhat more likely to be obese than non-recipients. This raises the issue of Food Stamp benefit levels, though it raises other issues as well. It is at least possible that Food Stamp benefit levels are not sufficiently high to allow families to purchase nutritious diets.

Establishing the extent to which this is true requires a new comprehensive study of the components and costs of a nutritious diet in the contemporary US. Such a study would need to be large enough to discover geographic variations. Based on the findings of such a study, Food Stamp benefit levels may need to be adjusted upwards, to ensure that they are sufficient to allow families to buy nutritious diets.

Nutrition-related health issues. Addressing nutrition and nutrition-related health issues like obesity almost certainly requires more than simply expanding participation in the Food Stamps program, or even raising benefit levels. Families may need both education and structural devices, like receiving their Food Stamps weekly rather than monthly, for food insecurity to decrease. There does seem to be a link between food insecurity and obesity, so increasing food security may increase the ability of people to eat nutritious food and may decrease the stress that may lead to over- or unhealthy eating.

But there is no proven approach to addressing obesity and other nutrition-related health issues. Almost certainly, mailing out brochures is not the right answer and the various attempts at nutrition education that the Food and Nutrition Service has experimented with have not been particularly successful. These findings suggest that nutrition-related health problems might be good candidates for a community problem solving approach; i.e., an effort to understand the problems at the street level, identify some promising approaches, try them out, evaluate and modify if necessary.

We can use the framework sketched out in the previous section to think about a strategy. The approach can be appropriately initiated by a government agency, in this case by the national or by a regional office of the Food and Nutrition Service. The steps that might be followed are:

- Preliminary identification of the problem(s) in a quite general way; i.e., food insecurity and nutrition-related health problems, with the problems to be defined more specifically at the community level;

- Preliminary identification of the unit within which the effort will operate: a state, city or more likely a large community within a city;
- Identification of the lead coalition of government and community partners; FNS could take the lead in identifying the small group to start with, which would likely include local health clinics, other community organizations and perhaps local food merchants;
- Scoping the problem through data analysis and community focus groups; communities might decide to focus on food budgeting, obesity, diabetes prevention or other aspects of the problem identified as most salient.
- Agreement on the measure or measures that would be used to assess whether and when progress is being made on the problem; both short term measures, for example, changes in food purchases, and longer term measures of health outcomes could be appropriate.
- Generation of strategic options; for example, strategies to increase availability and affordability of fruits and vegetables in the community; strategies to increase locations and opportunities for physical exercise; strategies to increase food security and reduce stress; strategies to help people meet their own aspirations to eat healthier diets.
- Choice of a few strategic options to mount in the community;
- Assessment of the effectiveness of the initiatives and reformulation or the development of new initiatives.

Impact. This set of strategies has the potential for reducing food insecurity, an important problem of poverty, and for mobilizing community resources to deal with obesity and other nutrition-related health problems.

Strategy #3: Tackle the tangle of issues connected with incarceration and its effects on communities.

This strategy recognizes that the massive increase over the last two decades in incarceration rates, especially those of young black men, has had profound economic and social impacts on the incarcerated, on their families and on the communities from which they come and to which they return. A vicious circle exists in many of these urban communities: of criminal activity leading to incarceration leading to disrupted families, limited economic prospects and poverty, leading to more criminal activity. This strategy attempts to break the vicious circle of incarceration and poverty at a number of points.

The strategy involves:

- Educating the public and public officials about the extent of incarceration and the magnitude of its impacts on urban black communities;
- Advocating for policy changes at the state and federal level to both rationalize sentencing policies and ease reentry;
- Expanding reentry programs at the community level, and assessing the effectiveness of different models.

Why? Incarceration and poverty. Income poverty rates are much higher for blacks than they are for non-Hispanic whites; in 2006, the official income poverty rate for blacks was 24.3 percent compared with 8.2 percent for non-Hispanic whites. Income poverty rates for black children, especially those in female headed families, are appallingly high. In 2006, 53 percent of black children lived in female headed families; the official income poverty rate for these children was 49.4 percent. High income poverty rates among black children result from both relatively low marriage rates and relatively poor economic prospects for both men and women, especially those with low levels of education.

Recent studies, most notably a fine book by Bruce Western, document the role of incarceration in these patterns of economic distress. Western estimated that of black men born between 1965 and 1969, 20 percent will have had at least one episode of incarceration by the time they reach age 35. Among non-college black men the odds increase to 30 percent, and among high school drop-outs, 59 percent. Twice as many young black men will have been in prison than will have graduated from college; thirty percent more will have been in prison than in the military. Incarceration increases the odds that these young men will be jobless or channeled into the secondary labor market. Western estimates that the life-time earnings of those who have experienced incarceration will be 42 percent lower than earnings of those who have not been incarcerated. Incarceration reduces marriage and has profound effects on families. Western estimates that 9 percent of black children have an incarcerated father. These family dynamics also increase poverty rates in black communities.

Arrests and sentences. The overall incarceration rate—prisoners per 100,000 residents—almost quintupled between 1970 and 2005. The probability of incarceration at some point is about twice as high for black men born between 1965 and 1969 as for those born between 1945 and 1949. Incarceration rates are, of course, associated with rates of criminal activity. But increasing incarceration rates cannot be explained by increasing crime; indeed crime rates have been going down over the period that incarceration rates have been going up. What have been going up are arrest rates, probabilities of prison sentences and length of sentences; one estimate suggests that the changes in sentencing policies account for 80-85 percent of the expansion in the prison population. This has been described by researchers as “one of the largest *policy* experiments of the 20th century.”

It has been an extremely costly policy experiment, with the states spending more than \$44 billion on prison costs in 2007, an increase of 127 percent in real dollars from 1987. The benefits in terms of public safety from these costs are unclear to say the least.

Alternatives to long prison sentences. A number of states have been experimenting with alternative approaches to reduce both prison admissions and lengths of stay. Some states are trying to divert low-risk offenders, such as non-violent drug offenders, into community settings rather than prison. Others have recognized that technical parole violators, of whom there are large numbers, need not necessarily be returned to prison. Some states are working to reduce lengths of stay in prison by giving credit for good behavior, rehabilitation or education programs. Some of these approaches being tried by states seem promising, and worth trying in other states, according to reports from the Pew Foundation Public Safety Performance Project.

Policies aimed at reducing incarceration can be politically difficult, since no elected officials want to open themselves to charges of being soft on crime. Most of the advocacy for new policies has based its arguments on the financial and opportunity costs of prison systems to the taxpayers. The new research by Western and others also documents the many costs of incarceration to vulnerable families and communities, including the increased risks of poverty. Educating the public about the costs of incarceration and about sensible alternatives to incarceration ought also to be part of an anti-poverty agenda.

Reentry. The other opportunity for intervention lies with reentry. Large numbers of incarcerated prisoners inevitably mean, at some point, large numbers of prisoners returning to their communities. They face well documented problems: difficulties in finding work; difficulties in finding housing; problems with relationships; temptations to re-engage in criminal activities. There have been a number of programs aimed at addressing reentry problems, and there is currently a fairly large Department of Justice sponsored program that gives grants to states for reentry projects (The Serious and Violent Offender Reentry Initiative). Some of these programs have been evaluated, and some of them appear to be promising, but as yet there is not evidence that any particular program, approach or set of approaches is particularly effective.

There are also some policy changes that may be helpful, for example, legislation protecting against employment discrimination, or more flexible policies on accrued child support obligations. Here too there have been some promising experiments, but no evidence that they can make a real difference.

The right approach here is probably to work at the state level, and to develop and test a comprehensive approach based on an analysis of the incarcerated population in the state, the communities to which they return, and the specific problems that seem to await returning prisoners. A lead player, perhaps from the governor's office, should convene the including corrections officials, officials from the large cities and various governmental and NGO service providers.

Impact. If these strategies are effective in reducing incarceration and making it easier for prisoners to reenter their communities and the broader labor market, they will help to break the vicious circle of poverty in some of the most vulnerable communities.

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