

Discovering Poverty (Again)

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We Americans are now supposedly discovering poverty for at least the fourth time since World War II. The first occurred in 1962, when Michael Harrington's classic "The Other America" appeared. To a nation generally dazzled by its newfound suburban prosperity, Harrington described the grim realities of West Virginia shanties and inner-city slums. Then there was Lyndon Johnson's "war on poverty" and later what was often described, rightly or wrongly, as Ronald Reagan's war against the poor. Now Hurricane Katrina has purportedly raised America's consciousness once again.

The horrifying images -- mostly of black people stranded on rooftops or abandoned at the Superdome -- are forcing Americans to face the "enduring problems of poverty, race and class that have escaped their attention," said a Newsweek cover story. Columnist Thomas Oliphant of the Boston Globe, appearing on PBS, put it this way: "I think what happened almost spiritually in America over the last couple of weeks is that those scenes that we had to witness on television reawakened us to the enormity of poverty everywhere."

It's unclear whether most Americans are as oblivious to the problems of poverty, class and race as these journalistic pronouncements presume. But what is clear is that the leap from Katrina to broad generalizations about poverty involves considerable simplification.

One myth is that we haven't made any progress. Superficially, this seems believable. The government's poverty rate, released just as Katrina struck, was 12.7 percent in 2004. That's the proportion of people living beneath the official poverty line, about \$19,300 for a family of four. The current poverty rate is up from its recent low (11.3 percent in 2000) and similar to many earlier years (13 percent in 1980 and 12.6 percent in 1970).

But the overall poverty rate is misleading. True, poverty has been stuck for non-Hispanic whites, though it's fairly low. Since the late 1970s, it's generally fluctuated between 8 percent and 9 percent, depending on the economy. But poverty among blacks -- though still appallingly high -- has declined sharply. In 2004 it was 24.7 percent, down from 33.1 percent in 1993, though up from 22.5 percent in 2000. As recently as 1983, it was 35.7 percent.

The dramatic improvement may reflect the 1990s' economic boom. Or it could stem from the 1996 welfare reform, which restricted benefits and imposed tougher work requirements. Job-holding among single mothers has increased significantly. Ron Haskins of the Brookings Institution reports that the share of never-married mothers working rose from 46 percent to 66 percent from 1994 to 2002. The number of families receiving traditional welfare dropped from 5 million in 1994 to 2 million in 2003.

Given these trends, the overall poverty rate should be drifting down. It isn't. The main reason, as I've written before, is immigration. We have uncontrolled entry of poor, unskilled workers across our southern border. Although many succeed, many don't, and

many poor Latino immigrants have children, who are also poor. In 2004, 25 percent of the poverty population was Hispanic, up from 12 percent in 1980. Over this period, Hispanics represented almost three-quarters of the increase in the poverty population.

A second myth is that the political process has abandoned the poor. Not so. Welfare reform was not punitive; it aimed mainly to counteract a self-defeating dependency. Other major programs for the non-elderly poor have not been similarly scaled back. Some have been repeatedly expanded, usually without much fanfare.

The Congressional Budget Office recently examined how the non-elderly poor fared under four major programs: food stamps, the earned-income tax credit (EITC), Medicaid and Supplemental Security Income. In 2004 these programs cost \$201 billion and had "generally experienced increases in participation in recent decades," the CBO said. From 1990 to 2003, the number of Medicaid beneficiaries rose from 20 million to 51 million; EITC coverage expanded over the same period from 12.5 million to 19.3 million. (Medicaid provides health insurance coverage for the poor; the figures include a related program for children. The EITC offsets income taxes and provides a cash rebate to those without taxes.) Among other things, LBJ's war on poverty left a legacy of advocacy groups for the poor, a sympathetic press corps and a general sensitivity among politicians.

Still, there are limits to what can be done. One way to curb poverty would be tougher immigration policies that kept out the new poor. There's no consensus to do that. What about spending more on the poor? Perhaps some programs could be usefully expanded, but any big increase would collide with spending on the elderly -- more than four times larger. Between the poor and the elderly, the poor usually lose. Indeed, many advocates for the poor also oppose controlling spending on the elderly. (Reversing Bush's tax cuts for the rich might close today's budget deficits; it wouldn't provide much for new programs.) Beyond these political obstacles, much poverty involves personal behavior that government can't easily alter. In a report, Haskins, along with Sara McLanahan and Elisabeth Donahue, both of Princeton University, note the following: The share of children living with a single parent is 27 percent, up from 12 percent in 1970; the teen birth rate, though lower than a decade ago, still "exceeds that of other industrialized nations"; and "one of every three children -- and seven of every 10 black children -- are born outside marriage." Poor children, needing the most family support, have the least. This alone ensures that, even if we make added progress, poverty will repeatedly be rediscovered.