Poverty declined significantly in the decade after Lyndon Johnson’s 1964 declaration of “War on Poverty.” Dramatically increased federal funding for education and training programs, social security benefits, other income support program, and a growing economy reduced poverty and raised expectations that income poverty could be eliminated within a generation. Yet the official U.S. poverty rate has never fallen below its 1973 level and remains higher than the rates in many other advanced economies. Conducting and disseminating multidisciplinary research to further understanding of the changing nature of poverty and to inform effective policymaking lies at the heart of IRP’s mission.

In May 2008, to assess our current state of knowledge, IRP sponsored a national conference at which experts in various areas presented papers on poverty trends and on particular issues such as economic changes, demographic changes, and trends in poverty; mobility and its consequences; the evolution and scope of antipoverty policies; and the politics of poverty and its meaning in a rich country. Papers presented at the conference are summarized in the Fall 2009 issue of Focus; revised papers, which expand upon the effects of the then-deepening recession, were published in a volume in fall 2009, Changing Poverty, Changing Policies, co-edited by Maria Cancian and Sheldon Danziger, and available from the Russell Sage Foundation. Changing Poverty, Changing Policies is the latest in a distinguished series of volumes compiled by the Institute for Research on Poverty that periodically examine antipoverty policies in the United States.

Related IRP Publications


Introduction to Changing Poverty, Changing Policies

“Changing Poverty and Changing Antipoverty Policies,” Maria Cancian and Sheldon Danziger

(Also published as introduction to conference volume, Changing Poverty, Changing Policies)

Full Text: DP 1364-09

Since the early 1970s, dramatic changes in the economy, demographic composition of the population, and in public policies have combined to reduce the antipoverty effects of economic growth. Because economic growth is now necessary, but not sufficient, to significantly reduce poverty, antipoverty policies must be expanded and reformed, especially in the aftermath of the severe recession that began in late 2007.
The authors review three cross-cutting factors that shape the extent and nature of poverty and prospects for reducing poverty: the changing role of race and ethnicity in the labor market and society; changing gender roles that influence both trends in labor force participation of women and patterns of family formation and childbearing; and the recent history of social welfare programs and policies. They conclude by recommending a set of high priority antipoverty policies that are consistent with current trends in work effort, patterns of family formation, and continuing changes in how the globalized economy affects the employment and earnings prospects of less-educated workers. These policies focus on making work pay, helping parents balance work and family responsibilities, and raising the educational attainment of disadvantaged children. The authors also briefly summarize the other chapters in the forthcoming Changing Poverty volume.

Full Text of Two Conference Papers

“Trends in Income Support,” John Karl Scholz, Robert Moffitt, and Benjamin Cowan

(Full text—differs from book chapter in Changing Poverty, Changing Policies)

Full Text: DP 1350-08

Antipoverty programs are designed to mitigate the most pernicious aspects of market-based economic outcomes—unemployment, disability, low earnings, and other material hardship. These programs compose society's "safety net" and each has different eligibility standards and benefit formulas. While they can be aggregated and categorized to summarize trends in coverage and generosity, a consequence of their patchwork nature is that the safety net may appear different to a family in one set of circumstances than it does to a family in another.

The authors have three primary goals in this paper. First, they provide updated information on expenditures and recipients for a range of antipoverty programs, describing the evolution of the safety net over the past thirty-five years. Second, they use data from the Survey of Income and Program Participation (SIPP) to calculate the antipoverty effectiveness of federal programs for families and individuals in different circumstances. Third, they explore changes in the characteristics of recipients of means-tested transfers, tax credits and social insurance.

“Immigration and Poverty in the United States,” Steven Raphael and Eugene Smolensky

(Full text—differs from book chapter in Changing Poverty, Changing Policies)

Full Text: DP 1347-08

In this paper, the authors assess the likely contribution of immigration over the past three and a half decades to poverty in the U.S. They first document trends in poverty rates among the native-born by race and ethnicity and poverty trends among all immigrants, recent immigrants, and immigrants by their region and (in some instances) country of origin. Next, they assess how poverty rates among immigrants change with time in the United States. Finally, they simulate the effects of competition with immigrant labor on native wages and the likely consequent effects on native poverty rates.
The authors find that international immigration to the U.S. between 1970 and 2005 has increased the overall poverty rate due to the facts that (1) immigrants are more likely to be poor and (2) an increasing proportion of the U.S. resident population is foreign born. This effect, however, is modest (it increases U.S. poverty rates by half a percentage point) and transitory, as immigrant poverty rates decline quickly with time in the U.S. The authors' wage simulations indicate that competition with immigrants does adversely impact those natives, and only those natives, with the least education. However, the impact of wage competition with immigrants on native poverty rates is negligible.

**Changing Poverty, Changing Policies Chapter Abstracts**

Changing Poverty and Changing Antipoverty Policies

Maria Cancian and Sheldon Danziger

*(Also published as introduction to conference volume, Changing Poverty, Changing Policies)*

**Full Text:** DP 1364-09

Since the early 1970s, dramatic changes in the economy, demographic composition of the population, and in public policies have combined to reduce the antipoverty effects of economic growth. Because economic growth is now necessary, but not sufficient, to significantly reduce poverty, antipoverty policies must be expanded and reformed, especially in the aftermath of the severe recession that began in late 2007.

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Poverty Levels and Trends in Comparative Perspective

Daniel R. Meyer and Geoffrey L. Wallace

*(Conference paper and chapter in Changing Poverty, Changing Policies volume)*

In 2006, 42 years after President Johnson proclaimed war on poverty, the rate of poverty according to the official measure was 12.3 percent, about the same as it was in the late-1960s. A poverty measure that incorporates additional income sources shows somewhat lower poverty, 11.4 percent, but if a relative measure (that incorporates changes in the standard of living over
time) is used, poverty in 2006 would be 16.0 percent. Regardless of the exact rate, it is clear that the struggle against poverty has been protracted and difficult, and, despite a variety of social policy changes, very little progress has been made. This paper reviews the way in which poverty is officially measured in the U.S., examines which groups are most affected and how poverty has changed over time, and concludes with a comparison of U.S. poverty rates with those of other countries. The authors end with the suggestion that "perhaps it is time for a renewed war on poverty, this time fought with new commitments and different policy weapons."

Economic Change and the Structure of Opportunity for Less-Skilled Workers

Rebecca M. Blank

(Conference paper and chapter in Changing Poverty, Changing Policies volume)

The primary source of support for most non-elderly adults comes from their employment and earnings. Hence, understanding the availability of jobs and the wages paid to less-educated workers is key to understanding changes in the well-being of low-income populations. Expansions and contractions in the macroeconomy influence unemployment rates, wages, and overall economic growth, all of which are important determinants of the economic circumstances facing low-income families.

This chapter focuses on the trends in labor market and macroeconomic circumstances that particularly affect less-educated and low wage workers. The first section looks at changes in work behavior among individuals by skill level; the second, at unemployment and job availability. The third section investigates trends in earnings and discusses the reasons behind substantial earnings shifts among less-educated men and women since 1980. The fourth section looks at the most disadvantaged families and investigates the relationship between macroeconomic and labor market factors and poverty rates. The final section discusses policy implications.

Family Structure, Childbearing, and Parental Employment: Implications for the Level and Trend in Poverty

Maria Cancian and Deborah Reed

(Conference paper and chapter in Changing Poverty, Changing Policies volume)

The correlation between family structure and economic well-being is well established. Poverty rates vary dramatically by family structure; in 2006 about 8 percent of married couples with children, 40 percent of single mother families, and 14 percent of single father families were poor. Eligibility for income support programs, including cash welfare, food stamps, and the Earned Income Tax Credit, are tied to family composition. Moreover, in recent years policymakers have sought not only to respond to family changes, but to try to influence the decisions people make about marriage, divorce, and childbearing. Poverty policies and family policies are increasingly tied.
This paper examines changes since 1970 in family structure and their implications for poverty and income support policy. The authors discuss changes in marriage and childbearing and their implications for the living situations of children, such as the increasing proportion of children living with a single mother. They also highlight differences in work and earnings by marital and parental status, such as the substantial increase in the employment rates of single mothers with young children.

Immigration and Poverty in the United States

Steven Raphael and Eugene Smolensky

(Full text available—differs from book chapter in Changing Poverty, Changing Policies)
Full Text: DP 1347-08

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The authors find that international immigration to the U.S. between 1970 and 2005 has increased the overall poverty rate due to the facts that (1) immigrants are more likely to be poor and (2) an increasing proportion of the U.S. resident population is foreign born. This effect, however, is modest (it increases U.S. poverty rates by half a percentage point) and transitory, as immigrant poverty rates decline quickly with time in the U.S. The authors’ wage simulations indicate that competition with immigrants does adversely impact those natives, and only those natives, with the least education. However, the impact of wage competition with immigrants on native poverty rates is negligible.

Enduring Influences of Childhood Poverty

Katherine Magnuson and Elizabeth Votruba-Drzal

(Conference paper and chapter in Changing Poverty, Changing Policies volume)

Poverty is a common experience for children growing up in the United States. Although only about one in five children are in poverty each year, roughly one in three will spend at least one year living in a poor household. Child poverty is a significant concern to researchers and policymakers because early childhood poverty is linked to a multitude of worse outcomes, including reduced academic attainment, higher rates of non-marital child bearing, and a greater likelihood of health problems. Moreover, childhood poverty, especially when it is deep and persistent, increases the chances that an individual will be poor as an adult, thereby giving rise to the intergenerational transmission of economic disadvantage.
In this chapter the authors review research on the dynamics of child poverty and the influences of poverty on development during childhood and early adulthood in the United States. They begin by describing trends in child poverty. Next, they present three dominant frameworks for understanding the influences of poverty on families and discuss challenges faced by researchers interested in measuring causal effects. Then they review studies that estimate childhood poverty's influence on development in three domains: educational attainment and achievement, behavior, and physical health. They conclude by discussing policies that show promise in attenuating the links between childhood poverty and development across the life course.

Mobility in the United States in Comparative Perspective

Markus Jäntti

*(Conference paper and chapter in Changing Poverty, Changing Policies volume)*

The United States has a much more unequal distribution of income than most developed nations. In fact, although it has one of the highest standards of living on average, as measured by its gross domestic product per capita, the more unequal income distribution translates into comparatively high rates of both relative poverty (50 percent of median disposable income) and absolute poverty (the official US poverty thresholds).

This paper examines the dynamics of poverty in the United States in light of evidence from other developed nations. The author begins by examining poverty mobility in the United States based on monthly incomes. The proportion of those who have below-poverty-level income in two or more months is much greater than poverty based on annual income, so the experience of poverty is in some sense much more common than annual figures suggest. Similar background factors—belonging to a racial minority or living in a female-headed household—are associated with higher short-term, annual, and long-term poverty.

Trends in Income Support

John Karl Scholz, Robert Moffitt, and Benjamin Cowan

*(Full text available—differs from book chapter in Changing Poverty, Changing Policies)*

**Full Text: DP 1350-08**

Antipoverty programs are designed to mitigate the most pernicious aspects of market-based economic outcomes—unemployment, disability, low earnings, and other material hardship. These programs compose society's "safety net" and each has different eligibility standards and benefit formulas. While they can be aggregated and categorized to summarize trends in coverage and generosity, a consequence of their patchwork nature is that the safety net may appear different to a family in one set of circumstances than it does to a family in another.

The authors have three primary goals in this paper. First, they provide updated information on expenditures and recipients for a range of antipoverty programs, describing the evolution of the safety net over the past thirty-five years. Second, they use data from the Survey of Income and
Program Participation (SIPP) to calculate the antipoverty effectiveness of federal programs for families and individuals in different circumstances. Third, they explore changes in the characteristics of recipients of means-tested transfers, tax credits and social insurance.

The Role of Family Policies in Anti-Poverty Policy

Jane Waldfogel

(Conference paper and chapter in Changing Poverty, Changing Policies volume)

Families are changing. In 1975, two-thirds of American children had a stay-at-home parent. Today only about a quarter of children do (20 percent live with two parents, only one of whom works; while 6 percent live with a single parent or married parents who do not work; see Table 1). Fully half live with two parents who both work, while a quarter (24 percent) live with a single parent who works.

This paper considers the role various types of family policy might play in reducing poverty among families with children. The first section focuses on work-family policies that help parents address the conflict between the demands associated with working and those associated with caring for children. The second section discusses several types of income support policies, including universal child allowances that raise incomes for all families with children, and child-focused earnings supplements targeted to low-income families (such as the EITC). The third section considers policies that address the disproportionate risk of poverty facing single-parent families.

Improving Educational Outcomes for Poor Children

Brian A. Jacob and Jens Ludwig

(Conference paper and chapter in Changing Poverty, Changing Policies volume)

One of the best ways to avoid being poor as an adult is to obtain a good education. Individuals with higher academic achievement and more years of schooling earn more than those with lower levels of human capital. This is not surprising given that we believe that schooling makes people more productive, allowing them to command higher wages in the labor market.

This paper offers a message of tempered optimism in contrast to a sense of pessimism about the ability of schools to lift poor children's life chances. The past few decades have seen a dramatic improvement in the technology of education policy evaluation, which has enhanced our ability to uncover moderately-sized program impacts within the complex environment that determines schooling outcomes. The available evidence reveals a number of potentially promising ways to improve the learning outcomes of low-income children. This is not to say that everything works: many current and proposed education policies either enjoy no empirical support for their effectiveness, or in some cases have strong empirical evidence for their ineffectiveness. But a careful sifting of the empirical evidence identifies a selected set of interventions that seem to be promising.
Workforce Development as an Antipoverty Strategy: What Do We Know? What Should We Do?

Harry J. Holzer

*(Conference paper and chapter in Changing Poverty, Changing Policies volume)*

Over the past few decades, the gaps in earnings between more- and less-educated American workers have risen. The number of adult workers in low-wage jobs has risen—partly because of the growing supply of these workers, associated with welfare reform and immigration (among other forces), and partly because of growing demand for these workers in low-paying jobs. And, at least among less-educated and minority men, the numbers with criminal records and other characteristics that make them "hard to employ" has risen dramatically as well.

In this paper the author addresses the following questions: Why has support for workforce development policies fallen so far as an antipoverty strategy? What are the most recent developments in the field, and what is the state of knowledge about their success? Is a resurgence of interest in workforce development for the poor merited? And, for low-wage workers for whom workforce development is unlikely to be a successful option, what other policies might work? He concludes with some thoughts on what a workforce development agenda might include, and what is needed for such an agenda to succeed.

Health Care for the Poor: For Whom, What Care, and Whose Responsibility?

Katherine Swartz

*(Conference paper and chapter in Changing Poverty, Changing Policies volume)*

Americans' efforts to help poor people obtain medical care have evolved as the country has grown richer and as medicine has become capable of increasing life-expectancy and improving quality of life. The evolution has not been a direct path of increased generosity towards poor people. Instead, it reflects a mix of philosophical beliefs, greater understanding of the links between health and ability to work, and swings in the economy that have made Americans alternately more and less willing to help pay for poor people's medical care.

This paper focuses on the recent history of public policies intended to help the poor obtain health care, including the concerns now surrounding public insurance. The first half of the paper (Section II) provides a brief review of efforts to provide health care to the poor since 1900. The second half shifts to examining current concerns with Medicaid and SCHIP and issues that should be addressed in continuing efforts to provide health care to the poor and near-poor. The third section focuses on recent and current efforts to control and slow the spending for Medicaid and SCHIP. In the fourth section, the author examines four concerns with the current operation of Medicaid and SCHIP. The author concludes with observations about the inconsistency in our attitudes towards helping poor people with health care costs and she offers three recommendations for improving health care outcomes for low-income people.

Poverty Politics and Policy
Mary Jo Bane

(Conference paper and chapter in Changing Poverty, Changing Policies volume)

In 1992, "ending welfare as we know it" was an important theme in Bill Clinton's presidential campaign. It polled well, and was consistent with other aspects of the New Democrat agenda that Clinton was campaigning on, an agenda that also included "making work pay" and "reinventing government." Candidate Clinton talked a good deal about welfare in the context of an approach to poverty that emphasized work and responsibility.

In May 2008, when Hillary Clinton and Barack Obama were neck and neck for the Democratic nomination, neither of their campaign issues Web sites mentioned welfare. Both had issue papers on poverty, Clinton's a sub-topic under the broad issue of "Strengthening the Middle Class," Obama's one of twenty issue areas. John McCain, the presumptive Republican nominee, included neither poverty nor welfare in his list of important issues, though he did have an economic plan that included proposals directed at the struggling middle class.

Much has happened in politics and policy around poverty and welfare after and to some extent because of Clinton's 1992 campaign agenda. In this paper, the author addresses three questions: What changed in policy, practice and the lives of the poor? What changed, if anything, in public opinion and the political context around poverty and welfare? What are the prospects and the best political strategies for improvement in the lives of the poor going forward from 2008?

What Does It Mean to Be Poor in a Rich Society?

Robert Haveman

(Conference paper and chapter in Changing Poverty, Changing Policies volume)

In 2007, Mollie Orshansky, whose contributions led to the nation's official poverty measure, passed away. Given the data available in the early-1960s, the Orshansky poverty measure—based on family money income and an absolute poverty threshold—made perfect sense. President Johnson had declared a War on Poverty in 1964, and the nation needed a statistical picture of the poor. Since this time, the U.S. official poverty measure has stood nearly unchanged. This, in spite of extensive efforts designed to improve the measurement of both financial means and the poverty threshold.

In this paper, the author attempts to broaden the discussion of poverty and poverty measurement. He first discusses the broad question of "what is poverty?" and describes various poverty concepts that have been proposed. He then describes the official U.S. poverty measure, highlights its main characteristics, and notes some of the criticisms directed toward it. Finally, he examines broader conceptions of poverty and deprivation. The paper ends with a modest proposal for the development of a broader measure of poverty and social exclusion for the United States.
Suggested Supplementary Readings, by *Changing Poverty, Changing Policies* Section

1. Changing Poverty and Changing Antipoverty Policies
   Maria Cancian and Sheldon Danziger

   Race & Ethnicity:

   Gender Roles and Family Structure:
   - See readings for chapter 4

   History of Social Programs:

Section I. Economic Changes, Demographic Changes, and Trends in Poverty

2. Poverty Levels and Trends in Comparative Perspective
   Daniel R. Meyer and Geoffrey L. Wallace


   Note: Also see suggestions for poverty measurement papers under chapter 14.

3. Economic Change and the Structure of Opportunity for Less-Skilled Workers
   Rebecca M. Blank


   Maria Cancian and Deborah Reed

See also, references for chapter 9.

5. Immigration and Poverty in the United States
   Steven Raphael and Eugene Smolensky
   Historical Overview of U.S. Immigration and Key Research Questions:

   Immigration Assimilation:
Economic Competition between Immigrants and Natives:


Section II. Mobility and Its Consequences

6. Enduring Influences of Childhood Poverty
   Katherine Magnuson and Elizabeth Votruba-Drzal


Policy-Oriented Reading:


7. Mobility in the United States in Comparative Perspective
   Markus Jäntti

Section III. The Evolution and Scope of Antipoverty Policies

8. Trends in Income Support
   John Karl Scholz, Robert Moffitt, and Benjamin Cowan
   

9. The Role of Family Policies in Antipoverty Policy
   Jane Waldfogel
   

10. Improving Educational Outcomes for Poor Children
    Brian A. Jacob and Jens Ludwig
    


11. Workforce Development as an Antipoverty Strategy: What Do We Know? What Should We Do?
   Harry J. Holzer


12. Health Care for the Poor: For Whom, What Care, and Whose Responsibility?
   Katherine Swartz


### Section IV. The Politics of Poverty and Its Meaning in a Rich Country

#### 13. Poverty Politics and Policy

Mary Jo Bane


#### 14. What Does It Mean to Be Poor in a Rich Society?

Robert Haveman

U.S. Poverty Measurement:


Measuring Social Exclusion Poverty in Europe: