



# LEGACIES OF THE WAR ON POVERTY

A Russell Sage Foundation Policy Brief

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## Introduction

In his first State of the Union Address, President Johnson declared an “unconditional war on poverty.” Over the next few years, the President pushed landmark legislation through Congress that transformed American schools and higher education, employment and training programs, the size and scope of the social safety net, and health insurance for the elderly and poor.

Was the War on Poverty a success? Historical and contemporary accounts often portray the War on Poverty as a costly experiment that ultimately fed doubts about the ability of public policies to address complex social problems. Indeed, victory is hard to claim given that in 2010, 46 million, or 15.2 percent of all Americans, were below the official poverty line, as were about one in five children. These poverty rates are almost as high as when the War on Poverty was declared.

In *Legacies of the War on Poverty*, Martha Bailey and Sheldon Danziger and a team of social science experts review the era’s human capital, income support, housing, and medical care policies and programs. They document that the idea that the War on Poverty was a “failure” is far too simplistic. The War on Poverty was fought on many fronts, encompassed a diverse set of strategies, and affected many outcomes other than income poverty rates. The authors uncover many previously unappreciated successes. Racial discrimination and economic hardship would likely have been much greater today if the War on Poverty had not been launched.

The book is timely as January 8, 2014, marks the 50th anniversary of the launch of the War on Poverty.

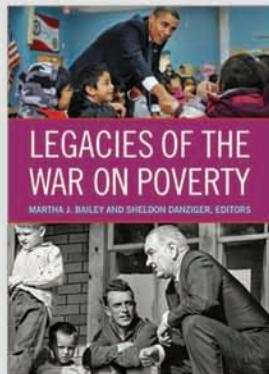
## LEGACIES OF THE WAR ON POVERTY

A new book from the Russell Sage Foundation

Edited by Martha Bailey & Sheldon Danziger

Many believe that the War on Poverty, launched by President Johnson in 1964, ended in failure. Historical and contemporary accounts often portray the War on Poverty as a costly experiment that left doubts about the ability of public policies to address complex social problems. Featuring a multidisciplinary team of renowned scholars, *Legacies of the War on Poverty* challenges and contests this conventional wisdom as too simplistic. The volume examines the empirical evidence accumulated over the past 50 years and offers a balanced and broad assessment of the long-term impacts of the War on Poverty.

(Available September 2013; visit [russellsage.org/publications](http://russellsage.org/publications) for more information)



## Contested Legacies

*Legacies* defines the War on Poverty as Johnson did: the full legislative agenda laid out in the 1964 State of the Union and in eleven goals discussed in the 1964 Economic Report of the President. These goals include maintaining high employment, accelerating economic growth, fighting discrimination, improving regional economies, rehabilitating urban and rural communities, improving labor markets, expanding educational opportunities, enlarging opportunities for youth, improving the nation’s health, promoting adult education and training, and assisting the aged and disabled as well as insuring their families against their illness.

Evaluating the War on Poverty is difficult, in part because it had so many goals and in part because fundamental shifts in the economy, in family arrangements, and in social norms and institutions have unfolded over the last 50 years. Many of these shifts have tended to increase poverty, even as many antipoverty programs have tended to reduce it. These offsetting forces render misleading simple comparisons of today’s poverty rate with the one in 1964.

For example, after the early 1970s, the rising tide of economic growth no longer lifted all boats. The resulting slowdown in earnings growth for less-skilled workers (most without college degrees) failed to reduce poverty rates. Other poverty-increasing trends include the growth in male incarceration and nonmarital childbearing rates.

An important objective of *Legacies of the War on Poverty* is to understand the effects of the War on Poverty programs on poverty and other dimensions of economic well being while accounting for these countervailing economic, demographic, and other social forces.

## Human Capital

The first four chapters of the volume focus on the primary goal of the War on Poverty—to raise levels of educational attainment and job skills and thereby increase earnings and reduce poverty.

Chloe Gibbs, Jens Ludwig, and Douglas Miller (chapter 2) review the record of Head Start, which has provided early education and health services to low-income preschoolers since the summer of 1965. The researchers dispel the notion that the Head Start education program does not work. While its impact on children’s test scores fades after a few years, the program contributes to participants’ long-term educational achievement and, importantly, their earnings growth later in life.

Elizabeth Cascio and Sarah Reber (chapter 3) evaluate the effects of Title I of the 1965 Elementary and Secondary Education Act (ESEA), which roughly doubled federal funding for K-12 education. Using newly collected data, they demonstrate that Title I dramatically changed the relationship between poverty and school funding and reduced the gaps in per pupil school spending between poorer and richer states. Bridget Terry Long (chapter 4) examines the War on Poverty’s policies and programs to make higher education more accessible for those who could not afford it. Long shows that Pell grants have grown substantially since the early 1970s—about 40 percent of all college students receive them today. But she also documents how four-year college costs have increased more rapidly than expected over the last thirty years, partially offsetting the effects of increased federal grants.

The War on Poverty also sought to increase employment and earnings by expanding job training programs for out-of-school youth and adults. Harry Holzer (chapter 5) examines the evolution of workforce development programs and the extent to which they have raised the employment and earnings of the disadvantaged. He notes that most studies conclude that even though the benefits of many programs exceed their costs, only a few have generated large enough increases in educational attainment, employment, and earnings to have a significant effect on poverty.

## Raising Incomes and Living Standards

The three papers in the volume's second section focus on programs designed to raise the income, consumption, living standards, and housing conditions of the poor.

Jane Waldfogel (chapter 6) summarizes the evolution of the cash and near-cash safety net for families with children. She notes that the era's expansion of food and nutrition programs left the most enduring imprint by achieving a solid track record in reducing poverty and food insecurity and improving child health.

She concludes that child poverty, according to the official poverty statistics, is lower today than it was fifty years ago (20 percent versus 27 percent) and racial gaps are smaller (the African American poverty rate is twice that for whites today, versus three times as high in 1959), but President Johnson's vision of winning the War on Poverty remains unfulfilled.

One of the most successful legacies of the War on Poverty era is the dramatic decline in the official poverty rate of the elderly. In the mid-1960s, the poverty rate for persons over sixty-five was roughly twice that for adults between eighteen and sixty-four. Today, the poverty rate among the elderly is lower than the rate for adults. Kathleen McGarry (chapter 7) documents how new legislation and expansions of Social Security benefits contributed to this development. While she concludes that the War on Poverty has been a great success for the elderly, she also notes great disparities in their poverty rates, particularly among widows and African Americans. She also shows that the low-income elderly spend a substantial share of their income on medical expenses not covered by Medicare and Medicaid.

Another legacy of the War on Poverty is its impact on housing. Edgar O. Olsen and Jens Ludwig (chapter 8) show that the number of households receiving housing assistance substantially increased during the War on Poverty, a lasting and underappreciated legacy.

## Medical Care and Health

The two chapters in the volume's third section address the War on Poverty goal that has consumed an ever-increasing share of the federal budget over the past fifty years: increasing access to medical care and improving the nation's health. Both chapters document that even though the poor today are still less likely to have access to medical care and are more likely to have health problems than the affluent, these disparities are much narrower than they were before the War on Poverty was declared.

Barbara Wolfe (chapter 9) describes the legacy of the War on Poverty with respect to access to medical care and improved health among non-elderly adults and children. These programs, she concludes, have contributed to large reductions in infant mortality and increased life expectancy, in part because the Johnson administration demanded that, to receive federal funds, hospitals desegregate. Nonetheless, large disparities remain in health outcomes between the poor and the nonpoor. Wolfe notes that in 2010, the poor remained more than twice as likely to be uninsured as the nonpoor, 29 percent versus 13 percent, respectively.

Katherine Swartz (chapter 10) reviews the legacy of the War on Poverty's health programs for the elderly. Primary among these is Medicare, which has provided health insurance coverage to all individuals sixty-five and older since 1966.

Swartz concludes that Medicare created large benefits for the country as a whole. The program was a significant factor in the racial integration of hospitals. Its funding also fostered the development of medical treatment options, some of which have increased life expectancy and improved the quality of life for the elderly and non-elderly. But these benefits have come at a high budgetary cost. One lesson from this era is that the increased coverage for medical treatments may have the unintended consequences of increasing medical costs for all Americans, not just the elderly.

## Summary

The War on Poverty was a grand policy experiment based on a grand vision. An important conclusion of the volume is that the combined influence of its programs and policies was greater than the impact of any individual program. Many accounts fail to credit the War on Poverty with the broad expansion of the nation's human capital, health, housing, and income support programs. Many fail to recognize its connections to civil rights compliance and improvements in opportunities and outcomes for minorities.

Nonetheless, the War on Poverty was not won, in part because the Johnson Administration could not foresee the fundamental changes in the economy. Since the 1970s, unemployment rates have rarely fallen below 5 percent and earnings growth has been slow for workers without a high school degree. If economic growth had continued to lift the incomes of less-educated workers at the same rate as in the two decades before the War on Poverty began, poverty rates would be much lower today. Fifty years since Johnson's declaration of the War on Poverty, his vision "to eliminate poverty" remains unfulfilled.

At a time of high unemployment and wage stagnation, *Legacies of the War on Poverty* presents compelling evidence that well-designed government programs can reduce racial discrimination and material hardship. This insightful volume contradicts the oft-heard pessimism about government policy and provides new lessons about what more can be done to eliminate poverty in America.

The information in this policy brief comes from Chapter 1 in *Legacies of the War on Poverty*. (Russell Sage Foundation, September 2013)

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