

**Republican Themes for Subcommittee Hearing on  
Improving How the U.S. Measures Poverty**  
July 17, 2008

1. **Congress' priority should be to reduce energy prices that are effectively driving more Americans into poverty.**
  - a. According to a recent CRS analysis, more than one million more U.S. households have living standards below poverty due to recent rises in energy prices.
  - b. This makes it all the more critical for Congress to expand energy supplies and drive down energy prices.
  
2. **Republicans reduced poverty through welfare reform. But Republicans also think it is critical to understand the true nature of poverty, and the effectiveness of current programs. The best place to start is by counting as income all CURRENT anti-poverty benefits. That alone would cut the *real* poverty rate in half.**
  - a. "Official" poverty data is overstated because it ignores hundreds of billions of dollars in benefits paid to low-income families. If all anti-poverty benefits were counted as income, as proposed in the Weller bill (H.R. 3243), the *real* poverty rate would drop from 13 percent to 5 percent – less than half its current *official* level.
  - b. While the McDermott proposal makes some positive steps by counting more anti-poverty benefits as income, it increases the poverty line even more, defining millions more as "poor" and ultimately leading to more government spending.
  
3. **With rising poverty due to energy inflation, it makes no sense to define millions of non-poor Americans as poor. Yet that's what the McDermott proposal does.**
  - a. The McDermott proposal would increase the number of officially "poor" Americans from about 37 million to 52 million – a 40 percent jump.
  - b. The McDermott proposal also would convert the current poverty measure from an *absolute* measure of whether a family has enough basic resources into a *relative* measure of whether a family is keeping pace with the rising consumption of middle class families. That's a question of income inequality, not poverty.
  
4. **Ironically, as recently as 2005 Democrats proposed eliminating poverty within 20 years. Now they are proposing to increase the number of poor Americans, and guarantee the U.S. will never "eliminate" poverty.**
  - a. Chairman McDermott sought to amend welfare legislation in 2005 by setting a national goal of cutting poverty in half in 10 years and eliminating it in 20 years.
  - b. Yet today the McDermott proposal would increase the number of households defined as "poor," and guarantee that poverty would never be eliminated so long as some Americans earn less than others.