

Republican Themes for Full Committee Hearing on Poverty

January 24, 2007

1. ***Pro-work Republican welfare reforms reduced poverty since 1996.*** Poverty declined in the wake of the 1996 welfare reforms, which encouraged more work and less welfare dependence. Studies¹ show promoting more work and stronger families is the only way to really reduce poverty, suggesting the need to redesign more programs to better encourage work and marriage.
2. ***Massive new government spending won't solve poverty.*** The U.S. spent literally trillions of dollars on welfare, food, health, and housing for the poor since LBJ declared war on poverty in the 1960s. A key lesson is that massive government spending won't eliminate poverty.²
3. ***The decline of marriage is a key factor behind remaining child poverty.*** The steady decline of marriage in the past generation has greatly contributed to higher poverty, especially among children. We won't be able to "solve" child poverty without reversing the decline in marriage.³
4. ***Immigration policy and patterns contribute to higher poverty.*** Recent immigration by large numbers of poor and unskilled immigrants has contributed to more poverty in the U.S.⁴
5. ***Most poverty is temporary.*** Fortunately, most of the poor are not "trapped" in poverty for long. For example, one out of three U.S. households experienced poverty in at least one year of a 13-year stretch. But only one out of 20 families was poor in at least 10 years, and only one out of 60 stayed poor in all 13 years. So the "permanent" poverty rate is less than 2 percent, even though the "official" annual poverty rate is about 13 percent.⁵
6. ***"Official" poverty is overstated – including by ignoring benefits meant to reduce poverty.*** Official poverty counts ignore billions of dollars in taxpayer benefits, making families appear poorer than they really are.⁶ If such benefits were counted as income, the "real" poverty rate would drop to 5 percent, instead of today's official poverty rate of nearly 13 percent.
7. ***Many apparently poor households spend far more than their "officially reported" income.*** Measuring family wellbeing by income instead of spending inflates "official" poverty, especially if you only examine the fraction of income counted in assessing whether a family is officially poor. For example, in 2004, *spending* by the poorest fifth of American families exceeded *income* by 95 percent – in effect, spending was nearly twice as much as income for this group.⁷

¹ See Republican W&M Reports on effects of Welfare Reform on work, earnings, and poverty at <http://waysandmeans.house.gov/ResourceKits.asp?section=2314> and Ron Haskins and Isabel Sawhill, "Work and Marriage: The Way to End Poverty and Welfare," Brookings Institution, September 2003, <http://www.brookings.edu/es/research/projects/wrb/publications/pb/pb28.htm>

² Robert Rector, "The Size and Scope of Means-Tested Welfare Spending," testimony before the Committee on the Budget, U.S. House of Representatives, 107th Congress, 1st Session, August 1, 2001, <http://www.heritage.org/Research/Welfare/Test080101.cfm>

³ A new CRS report ("Children in Poverty: Profile, Trends, and Issues," RL32682, January 16, 2007) says: "(I)n 2005 the child poverty rate was 17.1%, but had family composition in 2005 been the same as in 1960, the overall adjusted child poverty rate would have been 12.4%; instead of the observed 12.3 million children being counted as poor in 2005...the number of poor children estimated by this method would have been 8.9 million, or 3.4 million fewer than the number observed." (p. 19) See also Symposium on "The Collapse of Marriage and the Rise of Welfare Dependence," May 22, 2006, at <http://www.heritage.org/Research/Welfare/h1959.cfm>

⁴ See Robert J. Samuelson, "Discovering Poverty (Again)," Washington Post, September 21, 2005, <http://www.washingtonpost.com/wpdyn/content/article/2005/09/20/AR2005092001412.html> and Robert Rector, Heritage Foundation, "Importing Poverty: Immigration and Poverty in the United States," October 25, 2006, http://www.heritage.org/research/immigration/upload/SR_9.pdf

⁵ Described in Bradley R. Schiller, "Poverty's Changing Faces," *The Washington Post*, September 19, 2006, <http://www.washingtonpost.com/wp-dyn/content/article/2006/09/18/AR2006091800996.html>. See also George B. Weathersby, "Most of the 'Poor' in the U.S. Are Not Poor for Long," *Christian Science Monitor*, May 22, 2006, <http://www.csmonitor.com/2006/0522/p09s02-coop.html> and Walter Williams, "Permanent Poverty?" January 2, 2006, <http://www.theatlasphe.com/columns/060102-williams-permanent-poverty.php>

⁶ See Doug Besharov, "Poor America," *Wall Street Journal*, March 24, 2006, http://www.aei.org/publications/filter.all.pubID.24104/pub_detail.asp and Nicholas Eberstadt, "Broken Yardstick," *New York Times*, September 9, 2006, http://www.aei.org/publications/pubID.23147/pub_detail.asp and "College Town 'Poverty' Exposed," *Cleveland Plain Dealer*, September 17, 2006, <http://www.cleveland.com/news/plaindealer/index.ssf?/base/news/115848202226180.xml&coll=2>

⁷ Bruce D. Meyer and James X. Sullivan, "The Well-Being of Single-Mother Families after Welfare Reform," Brookings Institution, August 2005, <http://www.brookings.edu/es/research/projects/wrb/publications/pb/pb33.pdf>