

Republican Themes for Subcommittee Hearing on Poverty

February 13, 2007

1. Democrats want to make poverty a “relative” standard.

- a. Democrat witnesses (Smeeding, Bernstein) suggest today’s “absolute” poverty line (“what income is needed for basic needs like food and shelter?”) should be replaced. Instead, they support a “relative” poverty measure -- “less than half the median income.”
- b. The median income for a family of four in most states is about \$70,000; half that is \$35,000. The current “official” poverty threshold for a family of four is \$20,000. So Democrats are saying every family of four making between \$20,000 and \$35,000 is really “poor.”
- c. This “relative” standard is used in the international comparisons cited. Under these comparisons, the U.S. poverty rate (17%) resembles Mexico’s (20%). Recent UN studies suggest 20% of Mexicans live on less than \$2 per day or \$700 per year.
- d. *Ask: “What is the median income in Mexico? What does that make the “relative” poverty line there? How does that compare with the “relative” poverty line in the U.S.?”*

2. Democrats suggest poverty is getting worse, and the government has done little or nothing about it (especially compared with other countries).

- a. Poverty declined since the 1996 welfare reforms. Most Democrats on the Committee then (including McDermott, Stark, and John Lewis) opposed the 1996 law and predicted it would cause poverty to rise. Exactly the opposite occurred.
- b. Federal and state governments spend \$600 billion per year on anti-poverty programs. But much of this spending – including areas where spending is rising, like health care and income supports like the EITC – doesn’t get counted to determine whether a family is poor.
- c. *Ask: “In determining poverty, why don’t we start by counting what the government is already doing to help the poor?”*

3. Democrats stress “more education and training” as necessary for life out of poverty.

- a. Several witnesses suggest they need more education.
- b. The former welfare system in the U.S. allowed unlimited education and created nearly unlimited dependence. The average stay on welfare before 1996 was 13 years.
- c. Current federal law allows states to count adults as “working” for up to a year if in full time school; after that, the adult must combine work and school to be countable as “working”. This sort of combined work/training is the most effective in terms of lifting family incomes.
- d. *Ask: “How long should taxpayers – many with only high school degrees – pay higher taxes so parents on welfare can take college classes without working? How fair is that?”*

4. The most effective strategies to combat poverty – strengthen families and promote full-time work – are barely mentioned.

- a. Research confirms Republican policies promoting full-time work and healthy marriage are the strongest weapons against poverty – far more effective than doubling welfare benefits.
- b. But instead Democrat witnesses propose vast new spending – including on programs not under Ways and Means jurisdiction. One even discusses an apparent “supermarket gap.”
- c. *Ask: “Most poverty is in families with children, and the highest poverty rates are in families headed by single mothers. A high (37 percent) and rising share of all births today are outside marriage. How come today’s witnesses pay so little attention to measures to address that central cause of poverty in the U.S. – the decline in marriage and rise in non-marital births?”*