

Innovating to End Urban Poverty Conference



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University of Southern California

Panel 6: Rapporteur – Bringing it All Together Summary

Panelists

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Legacies of the War on Poverty

Considerations

- The War on Poverty has been misinterpreted. The War on Poverty did not fail...the economy has failed. Poverty is high because we no longer have an economy where a rising tide lifts all boats. The economy is causing the problem.
- Doing things innovatively is very difficult (e.g., raising employment and earnings; employment for formerly incarcerated individuals, etc.)
- We live in a gilded age of rising inequality. Poverty rose above 15% during severe recessions of the early 1980s, milder recession in the early 1990s, and Great Recession of 2007-2009. Poverty falls during recoveries, but not to the 1973 level.
- Poverty would be higher without the War on Poverty, due to economic changes. Real wages of the median worker are no longer correlated with productivity increases, due to: skill-biased technological challenges, globalization of markets, decline in unionization, erosion of the minimum wage, and declining progressivity of the federal income tax.
- Academics tend to be pessimistic, while practitioners are usually optimistic. The replication of model programs is difficult to accomplish, such as replicating Geoffrey Canada's Harlem Children's Zone. However, individuals like Kabira Stokes, from Isidore Electronics Recycling, view their efforts as attempts to make as much of a difference as possible.
- We as a country have different views about the role of government.

Lasting legacies of the War on Poverty

- Pioneering programs for early childhood (e.g., food stamps improved infant health; Head Start increased educational attainment).
- Racial integration and greater equity (e.g., Medicare reimbursements encouraged hospitals to desegregate; infant mortality among African Americans fell sharply).
- Reduction in elderly poverty: fell by half from 35% in 1959 to 16% in 1973.
- Synergies of programs (e.g., Medicare and funds for public schools aid hospital and school integration; Medicare increases family resources for college tuition or retirement savings).
- Broad goals for antipoverty policy: reduce barriers to quality education, health care, and housing; raise employment and earnings; supplement low wages; safety net for the long-term disconnected, unemployed, and disabled; implement policy changes effectively.

Discussion

- Many people, employees and customers alike, benefit from Wal-Mart's business model. Wal-Mart employs about twice as many people per \$100,000 of sales as Costco. If Wal-Mart tried to use the model of Costco, they would end up with the number of employees Costco has, which means a lot more people would be out of work.
- Wal-Mart could do what Wal-Mart is doing with slightly less profits if it did better by its workers.
- Importance of mobilizing communities to bring their own resources to the table and feel like agents of change.
- A lot of innovation does bubble up from the community level. There is incredible talent, and more and more we are seeing people who combine a business sense, community organizing, and care about the issues that we are talking about.
- There is a need for more businesses like Isidore Electronics Recycling. It is the best-case scenario of what private employers can do to help strengthen the economy while employing the hard-to-employ, such as formerly incarcerated people.
- Regarding the prospect of spending more time focusing on state and local policy in making progress against poverty, there are model states, but there are several states that will not do anything. There is a possibility of disaster for low-income people: without federal guidelines or mandates, states may divert Food Stamp, Medicaid, and other funding to other areas.
- The tax system is an important element that we have not discussed as much as other elements throughout the conference.