I. Introduction

As the fiftieth anniversary of the War on Poverty has approached, assessments of its legacy have frequently consisted of a tally of its accomplishments and disappointments, as though a balance sheet of all its successes and failures could allow us to declare unequivocally whether the War on Poverty had been won or lost. Part of this desire for an ultimate accounting stems from the fact that it is so easy to claim that the War on Poverty failed. If the goal of the War on Poverty was “to cure [poverty] and, above all, prevent it” (Johnson, 1964), and yet poverty persists today at levels not substantially different from those that existed when the War on Poverty was declared in 1964, then one might conclude that it has failed. Such an oversimplified assessment belies the War on Poverty’s achievements, among them the overwhelming reduction in the elderly’s poverty rates (Mangum, 2003; McGarry 2013), the decline in food insecurity, especially among children (Waldfogel, 2013), and a reduction in the disparity of access to medical care for both children and the elderly, to name a few (Swartz, 2013; Wolfe, 2013). A full appraisal of the War on Poverty’s impact is complicated by the difficulty in calculating the hardship that was avoided due to the existence of the safety net it provided. An estimated 17 million individuals were kept out of poverty through payments received from either Social Security or unemployment insurance in 2012 alone (DeNavas-Walt, Proctor, & Smith, 2013). However, such estimates do not take into account shifting
demographic and economic factors that may have increased poverty in the absence of these anti-poverty interventions. Such factors, including a decrease in earnings for low-skilled workers (Danziger, 2013; Danziger & Gottschalk, 1995) and an increase in economic inequality (Danziger, 2013; Danziger & Gottschalk, 1995; Iceland, 2003), as well as a rise in incarceration rates (Blumstein & Beck, 1999; DeFina & Hannon, 2009) and changes to family structure (Iceland, 2003; Lerman, 1996) have been blamed for much of the stagnation in poverty rates.

However, instead of using the occasion to tally the achievements of the War on Poverty, its anniversary may more usefully serve as both a time of reflection for policymakers, scholars, and advocates committed to eradicating poverty and a call to action to revisit the way we approach poverty and generate solutions to end it. The aim of this paper is to provide an outline of poverty as it currently exists and is experienced by a substantial portion of Americans, in the hope that by understanding the current challenges we can collectively move towards more appropriate and successful solutions.

II. Poverty in America

In the fifty years since the War on Poverty was declared, there have been two waves of continuous poverty reduction resulting in decreases in the poverty rate of more than 2.5 percentage points. The first wave was already under way prior to the enactment of the War on Poverty legislation in 1964 and ended in 1973 with the lowest poverty rate ever recorded (Dalaker, 2001). The second began in 1993 and ended in 2000, when the poverty rate, though technically higher than the 1973 rate, was statistically the same (Dalaker, 2001). Since 2000, there has been a steady increase in the poverty rate so that the gains made during the second
wave of poverty reduction in the 1990s have effectively been lost. Increases in the poverty rate have been largest in the South and the West (DeNavas-Walt et al., 2013).

Overall, since 1964, the total percentage of Americans living in poverty dropped from 19% to 15% in 2012, the most recent year with available figures, as measured by the U.S. Census Bureau’s official poverty thresholds (DeNavas-Walt et al., 2013). 46.5 million Americans currently live in poverty compared to the 36.1 million who lived in poverty in 1964 (DeNavas-Walt et al., 2013). While poverty rates among whites remained relatively steady over the past fifty years, the percentage of blacks in poverty was reduced from 41.8% in 1966 to 22.5%, the lowest poverty rate experienced by blacks, in 2000 (DeNavas-Walt et al., 2013). The poverty rate among Hispanics increased from 22.8% in 1972, when Hispanic was first included as a separate category in the Current Population Survey, through the mid-nineties before dropping to 20.6%, its lowest rate ever, in 2006 (DeNavas-Walt et al., 2013).

After 2000, the gains of the second wave of poverty reduction were gradually eroded. Between 2000 and 2012, the number of people in poverty grew by 15.5 million, raising the poverty rate by 3.7 percentage points, while the percentage of those in extreme poverty (incomes less than 50% of the poverty threshold) grew by 2 percentage points from 5% to 7% of all Americans (Bishaw, 2013). The percentage of those in near poverty who have incomes below 125% of the poverty threshold increased by 4 percentage points to nearly 21% (Bishaw, 2013). Minorities were adversely impacted, with poverty rates among blacks and Hispanics rising to 27.1% and 25.6%, respectively, in 2012 (DeNavas-Walt et al., 2013).

Child poverty rates also grew during this time. By 2012, nearly 22% of all children, 16 million children in total, lived in poverty (DeNavas-Walt et al., 2013). Children also made up over a third of the impoverished population despite being less than a quarter of the United States
population as a whole (DeNavas-Walt et al., 2013; U.S. Census, 2014). Minority children and those who live in female-headed households are disproportionately affected, with nearly one in three black and Hispanic children and almost half of children in female-headed households living in poverty (DeNavas-Walt et al., 2013).

It should be noted that the number of both impoverished and non-impoverished individuals living in areas of concentrated poverty have risen since 2000. According to the five-year estimate of poverty rates between 2005 to 2009, nearly half of all people in poverty live in census tracts that are classified as areas of either concentrated (20-39% of residents are impoverished) or extreme (40% or more of residents are impoverished) poverty (Bishaw, 2011). Since 2000, the population living in extreme poverty neighborhoods rose by a third (Kneebone, Nadeau, & Berube, 2011). Regionally, the South and the West have the largest percentage of residents living in concentrated or extreme poverty areas, 27.4% and 21.6% respectively (Bishaw, 2011). In most Southern states (the exceptions being Virginia, North Carolina, Georgia, and Florida), 30% or more of the population lives in areas of concentrated or extreme poverty (Bishaw, 2011). However, in recent years, the growth of concentrated poverty has been largest in the Midwest, followed by the South. It has also spread beyond urban centers to the suburbs (Kneebone et al., 2011).

Not all groups have been adversely impacted during this period of economic instability. The elderly still fare comparatively well, with their poverty rate remaining relatively unchanged and even decreasing at a statistically significant level in 2009 (DeNavas-Walt, Proctor, & Smith, 2010). In 2012, however, the total number of those over 65 in poverty did increase slightly to 3.9 million, a statistically significant change, though the increase to a 9.1% poverty rate did not represent a significant change (DeNavas-Walt et al., 2013). Naturalized citizens, the nativity
group with the lowest poverty rate, were also less affected during this period. 12.4% are currently classified as living in poverty compared to 14.3% of native-born Americans and 24.9% of non-citizens (DeNavas-Walt et al., 2013). Though naturalized citizens’ poverty rate has increased since 2000, it only did so at a statistically significant level between 2010 and 2011 when it rose from 11.3% to 12.5% (DeNavas-Walt, Proctor, & Smith, 2012).

Unfortunately, the increase in the poverty rate that occurred during the Great Recession does not yet seem to be on the decline for most groups. The official poverty rate remains 2.5 percentage points higher than before the Great Recession and since 2010 both the poverty rate and the total number of people in poverty have remained virtually unchanged despite the official end of the recession in June 2009 (DeNavas-Walt et al., 2013).

Given that poverty is frequently experienced episodically rather than chronically, it is important to note that these cross-sectional estimates don’t tell us the actual number of people who experienced poverty over the course of the year. Between 2009 and the end of 2011, nearly a third (31.6%) of the population experienced episodic poverty, defined as living in poverty for two or more consecutive months, compared to the 27.1% who experienced poverty of the same duration between 2005 and 2007 (Edwards, 2014). During the same timeframe, the median length of a poverty spell increased from 5.7 months to 6.6 months (Edwards, 2014). The chronic poverty rate, which measures poverty spells lasting 12 months, increased from 7.3% during the 2009 calendar year to 8.1% in 2010 (Edwards, 2014).

Of course, how poverty is measured deeply impacts our understanding and approach to addressing it. By omitting non-cash assistance and tax credits in its calculations of poverty, the official poverty threshold contributes to perceptions of the War on Poverty as being ineffectual, since individuals lifted out of poverty by the Earned Income Tax Credit, the Supplemental
Nutrition Assistance Program (SNAP), and other non-cash supports are counted as being in poverty (Currie, 2006; Iceland, 2013). While appropriate, this approach understates the scale of the poverty problem.

The U.S. Census’s supplemental poverty measure, which incorporates the role of government assistance as well as necessary living expenditures (including taxes, child care, and medical expenses), shows a persistently higher rate of poverty than the official historical poverty rate (Meyer & Sullivan, 2012a; Short, 2013). It also takes into account the changing structure of American households by defining a unit as all those individuals who cohabitate and thus, are likely to often share resources, rather than the traditional family unit which the official poverty threshold still relies on (Meyer & Sullivan, 2012a). The supplemental poverty rate is particularly interesting in the context of geography. The Midwest’s poverty rate is reduced while the Northwest and the West’s rates increase (Meyer & Sullivan, 2012a; Short, 2013). Using the supplemental poverty rate, California averaged the highest rate of poverty of any state in the United States (24%) between 2010 and 2012 (DeNavas-Walt et al., 2013). Nearly a third of California’s poor live in Los Angeles County, and when analyzed in terms of the California Poverty Measure, Los Angeles County also has the highest poverty rate within California at 27% (Bohn, Levin, Mattingly, & Wimer, 2013).  

Consumption-based measures, which calculate poverty using household expenditures, challenge income-based measures’ estimates of the poor both in terms of the overall number of the poor and the level of deprivation they face. Meyer and Sullivan’s (2012a and 2012b) consumption measure, which excludes medical care and education spending as well as “big-ticket” items like cars and homes in their construction of expenditures, found that while there

---

1 The California Poverty Measure is similar to the Census Bureau’s supplemental measure but takes into account the widely varying cost of housing throughout the state (Bohn, et. al., 2013).
were far fewer people designated as poor under their consumption measure (only 4.5% of the population), those who were considered poor experienced far more deprivation than those identified as poor under the official and supplemental poverty measures (Meyer & Sullivan, 2012a). Interestingly, under their consumption measure, poverty for the elderly and single-parent families has been decreasing since the 1980s, but poverty among married couples has not improved, a narrative very different from the one told by the official threshold measure (Meyer & Sullivan, 2012a). In the context of the War on Poverty, the consumption measure shows a decline in poverty of 26.4 percentage points between 1960 and 2010 (Meyer & Sullivan, 2012b). However, consumption measures are also problematic since some individuals may choose to consume less despite adequate resources, while others may opt to go into debt during times of economic hardship, smoothing their consumption patterns but masking the actual distress they experience (Iceland, 2013).

III. Why poverty persists

The question that remains is why, despite how much we know about poverty and fifty years worth of intensive anti-poverty efforts, does poverty persist? The next section examines factors that help perpetuate poverty. Poverty, as constructed by both the official and supplemental poverty measures, is a function of income and expenses, and thus we turn our discussion to the mechanisms most closely associated with income and expense outcomes: economic issues, education and job training, discrimination, program supports, place, and social interaction.

There is substantial evidence that since the 1970s, real wages have decreased and inequality has grown (Bailey & Danziger, 2013; Danziger & Gottschalk, 1995; Juhn, Murphy, &
Innovating to End Urban Poverty  
March 27 & 28, 2014

Pierce, 1993; Kopczuk, Saez, & Song, 2010; Mangum et al., 2003). This has been especially true for men (Kopczuk, Saez, & Song, 2010). Much of the recent inequality has been due to an increase in wages among the highest earners. Between 1973 and 1995, only those earning in the top quintile of income experienced an increase in terms of real wages (Mangum et al., 2003). This continued into the 2000s and contributed substantially to the income inequality observed (Kopczuk, Saez, & Song, 2010). Wealth inequality has also been growing since 1984 but increased most spectacularly between 2001 and 2007. In 2007, the net worth of those at the 25th percentile had declined to 70% of its 1984 value, while the wealth of those at the 95th percentile had more than doubled in value (Pfeffer, Danziger, & Schoeni, 2013).

The Great Recession exacerbated these challenges. The median household income in 2012 was 8.3% lower than it was in 2007 (DeNavas-Walt et al., 2013). An overall decline in median incomes even occurred among men and women who had full-time employment during this period (Freeman, 2013). Unemployment spiked as job losses were much larger than any other post-World War II recessions. The number of jobs contracted by 6.3% during the Great Recession, as compared to a 3% average loss rate for other recessions (Freeman, 2013). By the end of 2013, there were approximately 6 million fewer jobs than if the unemployment rate were at its prerecession level and the employment participation rate had risen to the level expected in the absence of the current cyclical weakness (Congressional Budget Office, 2014). Furthermore, the 2.6% long-term unemployment rate is still higher than it has ever been prior to 2008 (Congressional Budget Office, 2014). As of December 2012, nearly 40% of the unemployed had been so for over half a year (Freeman, 2013).

---

2 The long-term unemployment rate is based on the number of individuals who have been out of a job for 26 weeks or more (Congressional Budget Office, 2014).
While all demographic groups were impacted by the recession, the increases in unemployment were not distributed equally among all workers. Job losses were felt most acutely by minorities, individuals under the age of 25, and those without a high school diploma (Hoynes, Miller, & Schaller, 2012). These findings are generally consistent with outcomes associated with previous recessions in which less educated, low-wage, young, and minority workers are more negatively impacted in terms of unemployment and reduced wages and hours (Hoynes, 2000; Hoynes et al., 2012). Similarly, while over a fourth of all households lost 75% of their wealth and half lost at least 25%, these negative impacts were felt most by minorities, the young, and those with less education (Pfeffer et al., 2013).

Economic inequality is both the source and the result of inequalities in educational investments and outcomes. Individuals who have lower levels of education and less access to job training typically have lower wages relative to their more-educated and trained counterparts, which then inhibits their ability to invest in their own education as well as their children’s.

This point is underscored by evidence that shows that while the education achievement gap between black and white students has been closing, the achievement gap between low-income and high-income students has been growing, though not always in ways that are fully predicted by income inequality (Magnuson & Waldfogel, 2008; Reardon, 2011). In some respects this is unsurprising, given that low-income families have fewer resources to provide stimulating home environments, quality childcare, and educational materials (Duncan, 2012; Haveman, Sandefur, Wolfe, & Voyer, 2004; Keegan, 2002). The absence of these resources leads to reduced academic outcomes and increased behavior problems that further exacerbate students’ academic achievements (Keegan, 2002). The income achievement gap is now almost twice as large as the racial achievement gap despite the reverse being true half a century ago.
The achievement gap between low-income students and their richer counterparts is compounded during the summer when poorer students experience a greater learning loss (Augustine, McCombs, Schwartz, & Zakaras, 2013). The gap persists throughout college, with low-income students, particularly male students, being less likely to enter and graduate from college (Bailey & Dynarski, 2011). This is problematic given that one of primary labor trends of the past few decades for young people is that the undereducated increasingly command lower wages compared to those earned by their more educated counterparts due to the escalating educational requirements demanded by employers (Danziger & Ratner, 2010; Mangum et al., 2003). In 2012, the difference in median income between families headed by a bachelor’s degree holder and those headed by a high school dropout was $71,800 ($101,909 versus $30,107) (U.S. Census, n.d.).

Students in low-income schools also experience school-level challenges that negatively impact their achievement relative to their wealthier peers. Low-income schools are more likely to employ teachers with fewer years of experience compared to wealthier schools (Clotfelter, Ladd, Vigdor, & Wheeler, 2007; Ingersoll, 2001), and minorities are more likely to be taught by less-experienced teachers (Clotfelter, Ladd, & Vigdor, 2005). However, teaching experience has been shown to have a positive relationship with gains in student achievement (Rockoff, 2004). Having a greater percentage of inexperienced teachers also negatively impacts low-income schools when districts face teacher layoffs. Most districts have “last in, first out” policies when dismissing teachers, which means that low-income schools are disproportionality impacted by layoffs (National Council on Teacher Quality, 2010; Sepe & Roza, 2010). This is problematic because teacher turnover impacts school functioning via the organizational challenges it causes (Guin, 2004), as well as student achievement (Ronfeldt, Loeb, & Wyckoff, 2013). Ronfeldt,
Loeb, and Wyckoff (2013) found that teacher turnover negatively impacts students’ math and English language arts testing outcomes. These impacts are particularly felt in schools with large populations of black and low-performing students and are even experienced by students whose teachers were at the school in the previous year (Ronfeldt et al., 2013).

The disparities in access to education are perpetuated even after students have left school and entered the labor force as low-wage workers typically have access to fewer training and educational opportunities needed for advancement (Miller et al., 2012). While employment programs have been shown to positively impact incomes, their effects are inconsistent across groups (Anderson et al., 2013; Holzer, 2013), with women usually experiencing more positive impacts (Holzer, 2013). Unfortunately, the gains generated by job training programs are generally insufficient to shift individuals out of poverty (Bailey & Danziger, 2013; Holzer, 2013).

Perhaps due in part to the ambiguity of job training program outcomes, there has been a reduction in federal spending on these programs in the last three decades (Bailey & Danziger, 2013). This decrease in spending on workforce programs underscores a broader trend of reduced support for anti-poverty programs. With the exception of Social Security, Supplemental Security Income, and Temporary Aid to Needy Families (TANF), which alleviate poverty by directly increasing individuals’ income, most anti-poverty programs function to alleviate poverty by reducing expenses in critical areas or providing training or education with the goal of increasing income. Since the 1980s, anti-poverty efforts, many of those enacted under the War on Poverty, have experienced periods of reduced support.

Aid to Families with Dependent Children, more commonly known as welfare, which had provided support since the Great Depression, was replaced in 1996 with Temporary Aid to
Needy Families (TANF) through the enactment of Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). PRWORA radically altered the structure of welfare by enacting both time limits (federal assistance is limited to a lifetime maximum of five years though states have the option of extending assistance through their own funds) and replacing welfare’s previous state-federal matching funding structure with block grants to states, which, while representing a windfall to the states in the 1990s, put them at risk of receiving less aid at times when they need it most (Powers, 2000; U.S. Government Accountability Office, 1998). Though PRWORA also established a TANF contingency fund, only half of states qualified for the additional assistance during the recession due to requirements that states also increase their spending in order to receive contingency funds (Pavetti, Finch, & Schott, 2013). While the federal government did appropriate $5 billion as emergency supplemental TANF funding as part of the American Recovery and Reinvestment Act (ARRA), this funding was by no means guaranteed, and if it had not passed, state governments that did not meet the contingency fund requirements would not have received any additional federal assistance for TANF despite increased need. Furthermore, during the Great Recession, the national TANF caseload increased by only 16%, though the number of unemployed individuals increased by 88% (Pavetti et al., 2013). Despite the increase in the numbers of the poor, some states actively sought to decrease their TANF caseloads during this period by enacting new time limits or altering their definition of TANF eligible income in order to increase the number of ineligible households (Pavetti et al., 2013). States were also allowed to spend the emergency TANF funding on services unrelated to providing direct relief (Pavetti et al., 2013).

This shift towards reduced government support for safety net programs even at the time of national economic distress reflects the overall trend towards decreased spending on anti-
poverty programs. Since PRWORA was enacted, the real value of TANF support has decreased in all but two states (Center on Budget and Policy Priorities, 2012).

Housing supports have also suffered in the past two decades. Despite evidence that housing vouchers assist some of the most vulnerable individuals in our society, including children, those with disabilities or mental illness, and veterans facing mental health or substance abuse issues, by reducing poverty and homelessness, support for vouchers has been cut (Fischer, 2014, Rice 2013; Rice, 2014). The first freeze in voucher support began in 1995 and resulted in nearly 65,000 families losing assistance between 1994 and 1998 (U.S. Department of Housing and Urban Development, 1999). This occurred despite the fact that even before the freeze was enacted the number of vouchers was insufficient to provide adequate support for the growing number of individuals needing help with affordable housing (U.S. Department of Housing and Urban Development, 1999). Since then, housing supports have periodically suffered from substantial reductions in support. From the beginning of 2004 to the middle of 2006, vouchers for approximately 165,000 families were lost due to changes in federal funding for vouchers (Rice, 2010). The recent sequestration-based budget cuts reduced the number of families using vouchers by an estimated 70,000, only half of which were restored under the 2014 budget (Rice, 2014).

The Supplemental Nutrition Assistance Program (SNAP) has been consistently shown to alleviate poverty. SNAP is associated with a reduction in overall poverty of about 4.4 percent between 2000 and 2009 and of child poverty by 15.5 percent during this same period (Tiehan, Jollife, & Gunderson, 2012). It has also contributed to increased food consumption and a reduction in food insecurity (DePolt, Moffitt, & Ribar, 2009; Hoynes & Schanzenbach, 2009). Despite this, support for SNAP has diminished. The program suffered a loss of $5 billion last
November when the benefit increase enacted in as part of the American Recovery and
Reinvestment Act of 2009 was allowed to expired, despite the fact that SNAP benefits may have
kept nearly 1.6 percent of all Americans and 3 percent of all children out of poverty in 2012
alone (Dean & Rosenbaum, 2014; Short, 2013). An additional $8 billion in SNAP funding is to
be cut over the next ten years (Nixon, 2014).

Discrimination also remains a real barrier to improving the economic situations of
minority groups that are already disproportionately impacted by poverty. Racial and ethnic
discrimination reinforce poverty via their impact on employment, education, housing
opportunities, and incarceration.

In 2011, Hispanic women earned 73.6% of the amount earned by white women and
87.1% of the amount earned by black women (U.S. Department of Labor, 2012). Hispanic males
earned 66.7% of the average salary earned by white men and 87.4% of black men’s average
salary (U.S. Department of Labor, 2012). In the same year, black women earned 84.6% of the
average amount earned by white women, but black men earned only 76.3% of white men’s
earnings (U.S. Department of Labor, 2012). While part of the wage gap is attributable to
differences in work skills and educational attainment, there is evidence that the personal biases
of employers impact both the likelihood of being offered a position and wages earned. Pager and
Western (2012) found evidence of discriminatory hiring practices in low wage work situations,
with blacks being less than half as likely to be considered for a low wage position as similarly
qualified whites candidates, which is particularly troubling given that individuals competing for
low-wage positions may be the least able to combat hiring discrimination in hiring.

In terms of education, black children are punished more severely in schools, with higher
rates of office referrals and suspensions than their white peers, especially when the precipitating
event is more subjective in nature (Skiba, Michael, Nardo, & Peterson, 2002). This not only impacts their immediate educational outcomes by reducing the time spent in the classroom and potentially lowering their engagement with their schools but also impacts their likelihood of graduating and their higher education achievements (Gregory, Skiba, & Noguero, 2010).

Discrimination in schools also occurs via teachers’ expectations for low-income and minority children. Teachers’ expectations towards their students have been shown to modestly impact their students’ achievement (Brophy, 1983; Jussim, 1989; Jussim & Harber, 2005; Rosenthal & Jacobson, 1968) and also influence the way they behave towards students and structure their classes (Brophy & Good, 1970; Rist, 1970). These “self-fulfilling” expectations are problematic since there are indications that teachers have lower expectations for minority and low-income students (Diamond, Randolph, & Spillane 2004; Farkas, 2003).

Minorities also experience discrimination in almost every aspect of the housing process. This discrimination ranges from the units presented to minorities (Ondrich, Stricker, & Yinger, 1999; Turner et al., 2013; Zhao, 2005; Zhao, Ondrich, & Yinger, 2006), to the financing they are offered (Avery, Brevoort, & Canner, 2006), to the landlords and real estate agents’ responsiveness (Hanson & Hawley, 2011; Hanson, Hawley, & Taylor, 2011). In terms of rental housing, Hispanics who present themselves as well-qualified renters/buyers are told about 12.5% fewer units and shown 7.5% fewer units than equally qualified whites, but there is no difference in treatment when Hispanics seek to buy a home (Turner et al., 2013). Blacks, on the other hand, are told about 11.4% fewer rental units and shown 4.2% fewer rental properties than equally well-qualified whites, but the disparity grows much larger when they are seeking to own a home. Then they are told about 17% fewer homes and shown 17.7% fewer homes (Turner et al., 2013). Minorities are also more likely to receive sub-prime loans that also are more expensive. In 2005,
over a quarter of all black (27.2%) and over a fifth of all Hispanics (21.9%) were approved for high-priced loans, compared to 17.2% of whites, even after the incidence rates were adjusted for lender and borrower-related factors (Avery et al., 2006).

Being perceived as low-income also leads to experiences of class-based discrimination. For instance, as mentioned above, individuals with African-American names were subject to more discrimination when contacting landlords online about available properties. However, this discrimination disappeared if the subjects were also presented as being of a higher social class (Hanson & Hawley, 2011).

Minorities and less educated individuals also face discrimination in their interactions with the criminal justice system. Between 1979 and 1999, the lifetime risk of incarceration doubled, but those with only a high school diploma felt almost all of the increased risk (Pettit & Western, 2004). Though blacks and whites have similar drug use rates, blacks are more likely to be arrested than whites for drug related crimes (Western, 2006). Racial bias also influences the severity of sentences (Sweeney & Haney, 1992; Steffensmeier & Demuth, 2000), though there are mixed findings regarding whether Hispanics (Steffensmeier & Demuth, 2000) or blacks are given longer sentences (Bushway & Piehl, 2001; Western, 2006).

By limiting housing, employment, and educational opportunities and negatively impacting their outcomes in these arenas, discrimination reinforces the pathways of poverty.

Place also matters when discussing poverty. Though only 15% of the population lives in poverty, many more are impacted by it. Since areas of concentrated and extreme poverty include many individuals who live above the poverty threshold, there are large numbers of people who feel the negative impacts of concentrated poverty but do not receive assistance. By historically limiting the housing choices of minorities, who already experienced poverty at higher than their
counterparts, racial segregation in housing created these areas (Massey & Denton, 1993). Concentrated poverty reinforces the negative outcomes associated with household level poverty by limiting the scope and quality of job networks and access to jobs (Ellen & Turner, 1997; Pastor & Adams 1996; Pastor & Marcelli, 2000) and by increasing exposure to environmental hazards (Pastor, Sadd, & Hipp 2001).

While poverty itself has also been shown to be associated with increased social isolation, residing in areas of concentrated poverty also increases experiences of social isolation (Wilson, 1987). One study of social isolation in Atlanta found that blacks with incomes less than 125% of the official poverty threshold were less likely to live with another adult or have a discussion partner outside the home with whom they could discuss important matters. Furthermore, those who lived in neighborhoods that had a concentration of poverty greater than 30% were less likely to have a discussion partner who was employed or college-educated and had smaller social networks overall (Tigges, Browne, & Green, 1998).

In addition to the factors mentioned above that enable poverty’s persistence, there are also certain populations that experience higher risks of poverty. The disabled, children of teen mothers, children living in female-headed households, foster children, and the formerly incarcerated are all particularly susceptible to falling into poverty.

Disability status and severity are both associated with a greater risk of poverty. 28.6% of individuals aged 15 to 64 with severe disabilities live in poverty compared to 17.9% of the non-severely disabled and 14.3 percent of the non-disabled population (Brault, 2012).

While poverty is itself a determinant of teenage pregnancy, teenage pregnancy also perpetuates poverty and disproportionately impacts minorities who live in urban areas (Basch, 2011). Though teenage pregnancy and birthrates have been on the decline for the past two
decades, with the pregnancy rate reaching its lowest point in nearly thirty years in 2008, the year with the most recent figures available, the birthrate among blacks and Hispanic teenagers remain nearly twice as high as their white peers (Kost & Henshaw, 2012). Children born to teenage mothers experience many negative economic and social outcomes. Teenage mothers are twice as likely to their child removed from their home and placed in foster care in the first five years after birth than women who had their first child between the ages of 20 and 21 (Hoffman & Maynard, 2008). However, it is important to note that these outcomes are not the direct result of their mothers’ young age at time of birth but rather a function of early motherhood’s effects on a variety of future outcomes, including schooling outcomes, the likelihood of marriage, and total fertility (Gibb, Fergusson, Horwood, & Boden, 2014; Hoffman & Maynard, 2008; Moore et al., 1993).

Nearly half (47.2%) of all children in female-headed households live below the poverty threshold (DeNavas-Walt et al., 2013), and indeed family structure coupled with maternal employment are two major indicators of child poverty (Cancian & Reed, 2009; Iceland, 2003; Lichter, Qian, & Crowley, 2005; Ranjith & Rupasingha, 2012;). Between 1969 and 1990, family structure is estimated to have increased the poverty rate among black children by 8.1 percentage points and among Hispanic children by 3.6 percentage points (Iceland, 2003). Furthermore, if the percentage of children living in married households in 2000 had been the same as in 1990 (72.5% versus 67.8%), it is estimated that the overall child poverty rate would have been reduced by 1.1 percentage points (Amato & Maynard, 2007). Maternal employment also had a substantial impact during this period and is estimated to be responsible for nearly 40% of the overall reduction in child poverty between 1990 and 2000 and nearly 60% among certain minority groups (Lichter et al., 2005).
Between 2002 and 2012, the number foster children decreased by 23.7%, but nearly 400,000 remained in care (U.S. Department of Health and Human Services, 2012). Children who have experiences with the foster care system, particularly those who age out of the system, are vulnerable to a number of factors that can put them at risk of living in poverty. Children who age out of foster care tend to have poor mental and physical health outcomes (Zlotnick, Tam, & Soman, 2012). They also experience unstable employment and are, on average, paid wages that are insufficient to keep them out of poverty (Courtney & Dworsky, 2006; Dworsky, 2005; Pecora et al., 2006; U.S. Department of Health and Human Services, 2008). In their analysis of a sample of 600 former foster care youth, Courtney and Dworsky (2006) find that 90% of those who reported earning any income in the past year earned less than $10,000. Furthermore, foster children who experience multiple placements and multiple incidences of being placed in care along with those who first entered care between the ages of 12 and 15 are also at increased risk of incarceration (Jonson-Reid & Barth, 2000).

The increase in incarceration rates, especially among black men, has also led to increases in poverty and is partially responsible for the stagnation in the poverty rate. While employment rates for young white men with a high school diploma decreased from 97.9% to 90.6% between 1973 and 2007, for black men it decreased from 95.9% to 72.7% due in large part to the increased numbers of them experiencing incarceration (Danziger & Ratner, 2010). There is substantial research that suggests the stigma of having a criminal record, the lost years of labor force participation, and the low levels of average education among the incarcerated have a significant negative impact on incomes (Grogger, 1995; Pager, 2003; Waldfogel, 1994; Western, Kling, & Weiman, 2001). In fact, between 1980 and 2004, it is estimated that the poverty rate would have decreased by 2.8 percentage points if mass incarceration had not occurred (DeFina &
Hannon, 2009). Incarceration was also found to impact child poverty rates (DeFina & Hannon, 2010). Another collateral consequence of incarceration that has implications for poverty is the underrepresentation of the incarcerated and formerly incarcerated in statistical counts (Pettit, 2013). Undercounts render our statistics on inequality, employment, and other socio-economic indicators inaccurate and obscure the true depth of the challenges faced by the communities most affected by incarceration (Pettit, 2013). Undercounts also reduce the amount of resources and representation allocated to these communities, which is particularly troubling given their general level of deprivation.

IV. Effects of poverty

Like its causes, the effects of poverty are diverse and manifold. Poverty has economic, health, educational, and social consequences as well as actual pecuniary costs for those who experience it.

Among adults, poverty is strongly associated with poor health outcomes (Braveman, Cubbin, Egerter, Williams, & Pamuk, 2010). Poverty most likely shapes health through a variety of inputs, including nutrition, stress, and access to health care, which then have negative health consequences. SNAP participants, for instance, consume fewer whole grains and more red meat, potatoes, and fruit juice than non-beneficiaries (Leung, Ding, Catalano, Villamor, Rimm, & Willett, 2012). Poverty-related stress has been shown to be associated with symptoms of anxiety and depression (Santiago, Wadsworth, & Stump, 2011).

There is also evidence that poverty itself alters the way adults mentally engage with their problems, making it more likely that they focus on certain problems while ignoring others (Shah, Mullainathan, & Shafir, 2012). Interestingly, even absent stress, poverty may negatively impact
adults’ cognitive functioning by consuming mental resources that would otherwise be appropriated to other tasks (Mani, Mullainathan, Shafir, & Zhao, 2013). Similarly, poverty also impacts the way in which parents engage with their children, which is crucial in the context of generational poverty. Not only does poverty reduce the amount of time parents are able to spend with their children (Duncan, 2012), but it is also leads to more severe discipline-oriented parenting (McLeod & Shanahan, 1993).

For both the poor and the non-poor, residing in an area of concentrated poverty also has negative ramifications, including limited educational, employment, and mobility opportunities, increased exposure to crime, negative health outcomes, and increased costs for necessities (Chung & Myers, 1999; Ellen & Turner, 1997; Pastor & Adams, 1996; Sharkey & Elwert, 2011; Wodtke, Harding, & Elwert, 2011).

For children, the consequences of poverty are mediated by the depth, timing, and duration of the deprivation they experience (Brooks-Gunn & Duncan, 1997). For instance, children who live in sustained poverty experience more negative cognitive outcomes than those who experience shorter bouts of poverty (Brooks-Gunn & Duncan, 1997). Early experiences of poverty also impact children’s school completion (Duncan, Yeung, Brooks-Gunn, & Smith, 1998) as well as their earnings and work hours as adults (Duncan, Zoil-Guest, & Kalil, 2010). Poor children are also more likely to evince emotional problems and negative behaviors than their non-poor counterparts (Brooks-Gunn & Duncan, 1997). Childhood poverty has also been shown to impact adult neural functioning in the areas of the brain associated with stress and emotional regulation (Kim et al., 2013). Poor children experience more adverse health and environmental effects, such as increased higher lead exposure, as well (Brooks-Gunn & Duncan, 1997).
Children who live in high poverty neighborhoods experience a host of negative outcomes including increased aggression, criminal activity, and teen pregnancy (Harding, 2003) and lower academic achievements and graduation rates (Harding, 2003; Wodtke et al., 2011). They also have worse mental and physical health outcomes compared to their peers who live in middle and high-income neighborhoods (Leventhal & Brooks-Gunn, 2003a). Adults who live in low-income neighborhoods also have worse employment and health incomes relative to those who live in more prosperous areas (Ludwig et al., 2013). Low-income neighborhoods have also been shown to negatively impact parents’ mental health (Leventhal & Brooks-Gunn, 2003b).

In addition to the many personal and social costs of poverty, low-income individuals also wind up paying a “poverty premium” due to their low-income status. This premium is generated due to their reduced access to credit and banking services, higher interest rates, late fees for bills (Karger, 2007). Before the Great Recession, moderate and low-income families with median incomes of $17,000 a year spent nearly $8 billion on fees related to informal banking situations or short-term loans (Fellowes & Mabanta, 2008).

V. Conclusion

The increase in poverty during the past decade, its more general endurance over the last half-century, and the host of factors that enable its persistence can make the prospect of poverty reduction seem daunting. Yet, we know from history that with good solutions and sufficient resources, we can substantially decrease the poverty rate. Given growing poverty and inequality, now is a crucial time to reinvigorate our country’s commitment to the War on Poverty. In the same State of the Union address in which he declared the War on Poverty, President Johnson cautioned that “[i]f we fail, if we fritter and fumble away our opportunity…history will rightfully judge us harshly (Johnson, 1964).” These words serve as a reminder of our continued
responsibility as researchers and practitioners to devote our best efforts and resources to finding new solutions to ending poverty.
References


Public Health, 100(S1), S186-S196.


Farkas, G. (2003). Racial disparities and discrimination in education: What do we know, how do we know it, and what do we need to know?. *The Teachers College Record, 105*(6), 1119-1146.


