

# Update on The War on Poverty: Poverty is Winning

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Last week, I awoke to the strange headline that Trump's economic team declared the *War on Poverty* "largely over and a success." This must have come as surprise to the over 40 million Americans living in poverty. The absurdity and irony of this statement made me recall George Bush's infamous "Mission Accomplished" speech in 2003.

Fifty-years ago, Lyndon Johnson declared war on poverty. He expanded food stamps and the created Medicare and Medicaid, which changed millions of lives for the better. However, as Martin Luther King explained, America also needed to fight racism, economic inequality, worker mistreatment, and militarism. MLK believed that without an integrated approach we would never defeat poverty and live up to our ideals.

## The Battlegrounds

Today there are two Americas: one for the rich, and one for the rest. Rich America is the land of plenty, with luxury cars, renowned universities, innovative companies, and smiling families. Yet, most Americans live in the "other" America. This "other America" lags well behind Europe and Japan in health, quality-of-life, and opportunity. Last year, nearly half of low-income Americans put off medical care due to costs. American life expectancy is decreasing, and is several years shorter than Japan's. American children lack the educational and economic opportunities of their European peers, and our level of inequality falls between Lithuania's and Turkey's. We have the second highest poverty rate among wealthy nations, and nearly 15% of Americans will experience hunger this year. Millions of Americans have third-world standards of living. In Oglala Lakota County, S.D., life expectancy is under 67 years, significantly below the global average. Montgomery County, OH saw over 800 opioid deaths in 2017. In Wheeler County, GA, per capita income is below \$9,000 a year. In Flint, MI, nearly 40% of residents live at or below the poverty line.

## Three Deadly Myths

We cannot effectively fight poverty until we shatter three myths about public assistance.

Myth #1: The welfare programs make poor people lazy. This is patently false. Rigorous research into effective anti-poverty programs shows them to benefit both recipients and society. Studies demonstrated that children whose families received expanded Medicaid coverage earned higher wages, worked more, and required less welfare as adults. Studies on an incentive-based cash-transfer program in Mexico demonstrated similar results. Children in families receiving assistance attended more school and worked more hours as adults than those who did not in the program.

Myth #2: Only certain ethnic groups benefit from welfare. This is a racist lie. For decades, Republicans have used racial dog-whistles like Ronald Reagan's "welfare queen," to play on white anxieties. "Welfare" itself has become code for "black." Trump's calls for "welfare reform" convince his base that their benefits are safe from cuts. Ironically, whites are the largest group receiving Medicaid, welfare and food stamps. Experiments have demonstrated that racism, not economics, is the primary driver in the opposition to welfare.

Myth #3: Public assistance is a failing waste of money. Each year, Social Security lifts over 20 million Americans from poverty. The earned-income tax credit provides vital cash for millions of families struggling to make ends meet. SNAP (Supplemental Nutrition Assistance Program) stops millions of children from going hungry and is one of the most efficient government programs. Columbia University research has shown that without such programs, the poverty rate would likely double to 30%. America's biggest failing is the lack of a stronger safety net to allow all children to fulfill their potential.

### **Strategies and Tactics**

Other nations and innovative thinking can teach us new ways to combat poverty.

Japan's national government invests in poorer schools to ensure they have adequate resources and good teachers. As a result, unlike in America, poor Japanese students perform nearly as well as their wealthy peers. A universally excellent education makes poverty far less of a cyclical phenomenon in Japan than in America.

France effectively provides universal healthcare that is both affordable and state-of-the-art. Compared to Americans, French patients have broader choice of doctors, wider access to preventative care, and spend far less of their incomes on healthcare. The French system also costs less than half America's per capita healthcare costs. Each year, thousands of American families face poverty and bankruptcy due to health issues that could be addressed with better coverage.

In *Building the New American Economy*, Jeffrey Sachs advocates major infrastructure investments, to improve communities and provide good jobs. He also believes that a robust job retraining and support program for those losing their jobs to globalization and automation is essential to combatting American poverty. Investing in our nation and its people will keep America economically vibrant and competitive in the 21<sup>st</sup> century.

We are at a critical stage in the *War on Poverty*. In the face of rising inequality, one political party appears to deny the human dignity of the poor. Our safety net lets too many Americans slip through the cracks. If we do not catch our fellow citizens, we deprive them and our nation of potential. To truly be a "land of opportunity," we must demand that all Americans have access to opportunity. As the other developed nations show, a fair shot begins with good education and affordable healthcare for all, and the expansion of public transportation, housing, and emergency assistance. We cannot lift the moral shame of American poverty until all Americans are empowered to succeed.