

Conclusion: A call to action

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Stephanie Buckley, of Boston, left, has her resume reviewed by Shelly Piper, of Cape Ann, Mass., at the BostonHires job fair. Buckley is searching for employment in the non-profit sector.

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“There is nothing new about poverty. What is new, however, is that we have the resources to get rid of it.” — Rev. Dr. Martin Luther King Jr.

What would it mean to cut poverty in half across the United States? In concrete terms it would mean 23 million fewer Americans living in poverty. It would mean more consumers for American goods and services to help us rebuild our economy from the bottom up. It would mean more children going to school well fed and ready to learn. It would mean a healthier population, less crime, and a major decline in the racial inequities and disparities that plague our nation. And it would mean a more competitive America with greater opportunity for all its citizens.



During these challenging economic times, it is easy to believe that poverty is a permanent and unalterable feature of our society—that elevated levels of unemployment and diminishing opportunity are the “new normal.” In fact, a May 2011 Gallup poll suggests that for the first time a majority of Americans believe their children will not be better off or have the same opportunities as their own generation. And it’s undeniable that the American Dream is at risk for the more than one in three Americans struggling to make ends meet on low incomes alongside the 46.2 million Americans in poverty.

We have the resources

It doesn’t have to be this way.

In fact, throughout our history there have been periods when we significantly reduced poverty, periods when a strong economy at near full employment combined with government and private initiatives to enable millions of Americans to find paths of opportunity into the middle class. Our past experiences teach us a great deal and we now boast more effective strategies for poverty reduction. We know it is possible to reduce poverty and expand the middle class. What we need more than anything is the will to do so.

We are today, as we were in Dr. King’s time, at a crossroads—a pivotal moment that will test our collective ability to spur our great nation to reach its highest ideals. The overall picture of the American economy is gloomy,

with the lingering effects of the mortgage crisis, persistent unemployment, and falling median income all undermining Americans’ economic security.

Since the beginning of the Great Recession, the number of poor people in America has grown by 9 million.¹ And that number is likely to continue to grow if nothing is done. We cannot expect prosperity to trickle down without intentional steps to increase and share the economic growth so that all Americans move forward together.

Ending poverty is in the national interest. Our nation cannot continue to lead the world while ignoring widespread poverty and economic insecurity that paralyzes families, destabilizes communities, and closes doors of opportunity to our children. To compete in the 21st century, we must be a nation that nurtures and deploys

the talents of all of our citizens. And while poverty affects every race and nationality in our nation, we must also be brutally honest about the racial disparities that continue to separate blacks and Hispanics from whites. While the 2010 poverty rate among whites was 13 percent, 27.4 percent of blacks and 26.6 percent of Latinos lived in poverty.

Our growing population and growing diversity as a nation is a source of strength in the international economic arena. But we need to provide economic opportunities to all Americans to capitalize on these important demographic trends—not least because these future taxpayers will be providing the fiscal resources for our own aging population in the coming decades.

Rising inequality among these emerging groups is unhealthy for our democracy, too, both in terms of economic growth and social conflicts. Escalating rates of poverty rob the United States of one of its fundamental values—the belief that one can achieve success through hard work.

Thankfully, it's not too late for us to act. This report lays out concrete steps our nation can and should take today to turn the tide on this crisis. By providing access to good jobs that honor the dignity of work and pay a decent wage, policies that strengthen families, and opportunities to promote economic security, we can chart a new course for America's future—one based on the hard-won recognition that stable economic growth requires shared prosperity.

America has never shied away from big challenges. Whether it was rebuilding Europe after

World War II or venturing into the heavens to put an American on the moon, our nation has succeeded by committing itself to grand goals with the focus and determination to achieve what many thought was impossible. Our organizations—the Center for American Progress Action Fund, the Coalition on Human Needs, and The Leadership Conference on Civil and Human Rights—believe that the same focus, fearlessness, and determination that brought stability to post-war Europe and put a man on the moon in less than 10 years can be marshaled to slice poverty in half in the next decade and expand opportunity for all.

This is a vision of society worth fighting for. At critical points in our history, Americans from different backgrounds and political beliefs came together to solve our nation's most pressing problems. Today we enjoy the fruits of those victories that were once thought to be out of reach. Whether we consider the Civil Rights Act of 1964 or the recent expansion of health coverage to 30 million Americans, these hard-fought victories all came because of a national effort to build a better country.

It is time once again for all of us to join together to reignite America's can-do spirit and tackle the great challenge of this generation—cutting poverty and economic inequality in our country. Our political leaders will not take the necessary steps to build this vision of shared prosperity unless we the people work together to demand it. It is time that we recognize our collective strength and come together to fight for that brighter, more prosperous America.

Half in Ten campaign 2012 policy priorities

The protracted congressional debate this year over how to raise the federal debt ceiling was a tough blow for struggling Americans. In the end, the deal is likely to force cuts to programs that will affect those hit hardest by the Great Recession and the slow, uneven recovery. The federal debt ceiling debate further distracted policymakers from addressing critical needs of our nation: 25 million Americans in need of a full-time job, a shrinking middle class, and the lack of economic mobility in too many communities.

The Half in Ten campaign strongly believes it is possible to rebuild a nation of shared and stable prosperity. We can do it by investing in programs to grow the middle class and reduce economic hardship. Without such investments our efforts to reduce the deficit will fail, because the stalled economy will not produce enough revenue and the needs of a struggling population will be costly. A plan to create jobs, raise revenues from those who have gained the most from our economy, and make savings without harming the vulnerable will reduce the deficit and set us on a path of shared growth.

In this report we examine the current economic challenges facing the middle class and low-income families across the United States. The section below calls on policymakers to take immediate action to ensure that, as a nation, we move forward with the appropriate policies to expand economic opportunities for all Americans.

To that end, the Half in Ten campaign will work with its partners to urge policymakers to advance the following sets of progressive policy priorities in 2012 for a better America:

- Create more good jobs.
- Strengthen families and communities.
- Promote family economic security.

Create more good jobs

A comprehensive jobs plan

Record unemployment and underemployment has caused millions of Americans to fall behind. Unemployment damages individual families and neighborhoods and is a driving force behind our national deficit and rising poverty rates. Higher unemployment means fewer people paying taxes and more people requiring social services. Targeted investments to tackle the jobs deficit are a critical component of a strategy to get our nation's budget deficits under control. The Half in Ten campaign supports the essential components of President Obama's American Jobs Act, which takes important steps to target job creation strategies to reach low-income people and communities.

The Half in Ten campaign supports policies to promote equitable job growth among all sectors of the U.S. economy. We urge policymakers to approve a comprehensive jobs strategy that includes investing in jobs for low-skilled and long-term unemployed workers in dis-

tressed communities and in infrastructure projects to rebuild America's aging bridges, roads, and schools, while also creating jobs for skilled construction workers. The Half in Ten campaign also supports federal aid to states and localities to prevent layoffs and allow for the hiring of teachers, public safety, and human services workers in low-income communities.

Increase the minimum wage

Too many American families continue to live in poverty even though they work full-time jobs. The minimum wage must be updated to allow more workers to earn a family-sustaining wage.

The Half in Ten campaign supports increasing the minimum wage and indexing it annually to keep pace with the increasing expenses that families face.

Reform our nation's workforce development system

The American Recovery and Reinvestment Act made significant investments to the nation's workforce development system, adding new funds for job training to the Workforce Investment Act and providing resources for the Temporary Assistance for Needy Families Emergency Fund that were in part used to subsidize 260,000 temporary jobs. These programs provided targeted training and employment services for low-income youth and adults. The Half in Ten campaign supports building on the successful experience of the Temporary Assistance for Needy Families jobs program by providing additional federal funds to create more subsidized jobs, taking care not

to displace existing positions and ensuring the temporary workers are fully protected by labor laws.

In addition, the Half in Ten campaign supports summer and year-round programs aimed at connecting disadvantaged youth to education and work experience as part of a comprehensive jobs initiative to put Americans back to work. Expanded investment in supported work can help people with significant barriers to employment make a successful entry into the labor force.

Finally, reforms are needed to our nation's employment and training system to ensure more dislocated workers and youth are prepared to enter the workforce once the economy starts to grow. Specific investments must be made to connect workers to growth sectors such as transportation, health care, and energy.

Support for paid sick leave

Workers should not have to make a choice between taking care of their health and keeping a job. Yet according to the U.S. Department of Labor, nearly 40 million private-sector workers are not offered a single paid sick day to recover from an illness.

The Half in Ten campaign supports efforts to expand paid sick leave to more low-income workers. These workers should be allowed to earn job-protected, paid sick days each year to address their own illness or the health care needs of a family member. These policies should include a simple formula to calculate sick days to protect both workers and employers from abuse.

Strengthen families and communities

Protect our nation's family and community supports

Protecting funding for critical support programs must be a critical component of our nation's efforts to grow the economy and expand the middle class. Programs such as home energy assistance; the Women, Infants, and Children food-and-health assistance program; housing subsidies; and child care all play a key role in helping low-income families make ends meet. At a time when most states are facing budget shortfalls, with many cutting back on their own funding for child care and other family supports, the federal government should help states continue to serve vulnerable families; it should not make things worse.

The Half in Ten campaign urges policymakers to protect these vital supports in annual spending bills. These programs help families get a foothold in the middle class. The shrinking of the discretionary spending pot already approved as part of deficit reduction plans will further squeeze the funding sources for programs that support families during crisis and help them get on a path to economic stability. Congress and the president should spare programs that provide vital assistance for low-income and vulnerable people, and should reject proposals to cut domestic appropriations even more deeply.

Reform Temporary Assistance for Needy Families

This year marks the 15th anniversary of the Temporary Assistance for Needy Families.

Over the past decade and a half, this program has failed during the toughest economic times to provide the poorest families with support. Its predecessor program, Aid to Families with Dependent Children, aided 75 families with children for every 100 such families in poverty; Temporary Assistance for Needy Families provided help to only 28 out of 100 poor families in 2009, according to the Center on Budget and Policy Priorities.

During the strong economy of the 1990s, many parents found work and left this program, and some were helped by its increased funding for child care and other work supports. But during the Great Recession, when the number of the unemployed doubled, the Temporary Assistance for Needy Families caseload rose only modestly—13 percent—compared to the Supplemental Nutrition Assistance Program for food stamps, which rose by 45 percent in response to the spike in need.

Most of the gains in employment among single mothers since the beginning of the Temporary Assistance for Needy Families program have been wiped out by the bad economy. The reauthorization of the program provides an opportunity to reform it to make it more responsive to the needs of low-income families, to better respond to economic downturns so families can gain support during periods when they are most in need, and to help more low-income parents gain access to training and better-paying jobs.

The Half in Ten campaign urges policymakers to reform Temporary Assistance for Needy



The Half in Ten campaign supports targeted investments in struggling communities to spur economic growth, rebuild crumbling infrastructure, and create jobs.

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Families to focus on real outcome measures such as improved access to education and training, job placement, and wage advancement. Specifically, we call for the creation of a national poverty reduction goal that would include regular measurements of progress as part of the program's core goals.

Build stronger communities

Far too many children are growing up in high-poverty communities, defined by extreme levels of racial and economic segregation. These neighborhoods often lack resources such as high-performing schools, adequate public transportation, banks, parks, and other safe places for children to play. These community factors put families at a higher risk of remaining in poverty or slipping back into poverty.

The Half in Ten campaign supports efforts

to address these challenges through targeted investments in struggling communities to spur economic growth, rebuild crumbling infrastructure, and create jobs. We also call for better cross-system collaboration by government agencies to break down the fragmentation in service delivery to vulnerable families.

Promote family economic security

Support tax credits for low-income workers

The earned income tax credit is one of the nation's most effective work promotion and poverty reduction programs. In fact, this tax credit kept more than 3 million children out of poverty in 2010. Congress recognized the power of the earned income tax credit and the child tax credit and improved both through the American Recovery and Reinvestment Act of 2009.

These reforms increased earned income tax credit benefits to families with three or more children and reduced the marriage penalty by allowing married couples to receive larger earned income tax credit refunds. The child tax credit was substantially improved, allowing a parent of two children working full-time at the minimum wage to receive nearly \$1,500 more than under the original law.

The Half in Ten campaign urges policymakers at least to continue these improvements to the earned income tax credit and child tax credit, which will otherwise expire at the end of 2012. Half in Ten also supports increasing the earned income tax credit for childless adults and young workers. We also urge policymakers to make the child tax credit fully refundable so more vulnerable working families can benefit.

Protect nutrition assistance programs

In 2011 more than 45 million low-income individuals utilized Supplemental Nutrition Assistance Program (food stamps) benefits. The program helped 3.9 million more low-income families buy nutritious food in 2010 than in 2009, responding to the growing need after the onset of the recession. In 2012 Congress will update the program as part of the larger Farm Bill reauthorization.

The Half in Ten campaign urges policymakers to maintain the integrity and responsiveness of the Supplemental Nutrition Assistance Program in the 2012 Farm Bill reauthorization and in any deficit reduction plans. Unlike block-grant programs, the Supplemental Nutrition Assistance Program was able to quickly respond

to the nutritional needs of families hard hit by the recession and slow economic recovery. Congress should continue to strengthen the nation's nutrition safety net by restoring the \$2.2 billion removed from the program in 2010 to pay for the Hunger-Free Kids Act of 2010. The Hunger-Free Kids Act improved nutritional standards in school meals and expanded access to school lunch and other nutrition programs for low-income children, important steps that should not have been funded by reducing Supplemental Nutrition Assistance Program benefits starting in 2013.

Extend unemployment insurance coverage

Unemployment across our country is hovering around 9 percent, with low-income communities, youth, less-educated workers, and communities of color facing disproportionately higher rates of joblessness. Recognizing the ongoing hardship faced by unemployed workers, Congress and the Obama administration have provided additional support to dislocated workers in the form of Emergency Unemployment Compensation and Extended Benefits, both federally funded programs that provide benefits to individuals who have exhausted their regular, state benefits (usually six months).

Emergency Unemployment Compensation, or EUC, is a fully federally funded program that Congress has implemented on an ad hoc basis. The most recent extension of EUC occurred in December 2010, which extended benefits through 2011. The Extended Benefits, or EB program, is a permanent program that provides up to an additional 20 weeks of benefits that trigger on when unemployment rises and

is generally funded 50-50 by the states and the federal government. The American Recovery and Reinvestment Act and subsequent extensions of the EUC program provided full federal funding of the EB program to state that implemented triggers that turned on faster.

The Half in Ten campaign urges policymakers to continue to extend both the EUC and the EB programs to vulnerable jobless workers as they continue to search for employment in this slow economic recovery. Since the introduction of unemployment benefits in 1938, Congress has never failed to act on extending benefits for the long-term unemployed while the national unemployment rate remains above 7.2 percent. Unemployment insurance is an effective safety net and economic engine—the program kept some 3.5 million Americans out of poverty in 2009²—and provides the additional benefits of driving demand among small business, which according to the Department of Labor averted an estimated 1.8 million job losses during the recession and kept the unemployment rate approximately 1.2 percentage points lower than it would have been.³ These programs should be extended until the employment rate falls to pre-recession levels.

Expand needed child care assistance

Safe and affordable child care is an essential component of expanding employment among low-income parents. Without child care, parents face great obstacles to preparing for employment, finding a job, and staying employed. Without adequate and safe child care, too many parents must make the difficult choice between employment and taking care of their children.

These decisions often force many parents out of the workforce, pushing them and their children further into poverty.

The Half in Ten campaign urges policymakers to protect and expand critically needed child care funding in fiscal year 2012. Congress recognized the critical need for additional child care and invested \$2 billion as part of the American Recovery and Reinvestment Act of 2009 to create additional child care opportunities. According to the U.S. Department of Health and Human Services, states have spent these funds to provide care for an estimated 314,000 children.⁴ States have used these funds to reduce parents' copays, as well as shorten, eliminate, or avoid waiting lists. These investments not only support employment among low-income parents but they also promote healthy child development.

Expand efforts to protect and build assets

Our government's current asset-promotion policies favor middle- and especially high-income households by subsidizing asset building, largely through the tax code. By lowering the family tax bill, these policies provide strong incentives for upper-income people to buy a home or save for retirement. One of the biggest barriers that low-income families face to improving their economic situation is a lack of money to invest in these assets. Savings and other assets provide critical protection for families during short-term crises, such as job loss, extended illness, or family breakup.

The Half in Ten campaign supports policies to increase assets and savings among

low-income Americans. Policies to help low-income families build assets must recognize the daily financial challenges these families face. Policies should not discourage savings by stripping access to safety net programs if a

family accumulates limited savings or owns a car. Additionally, policies and regulations are needed to protect low-income families and communities from predatory financial practices that rob them of their limited resources.

The goals are clear, the targets achievable

The moral case that Dr. King so eloquently framed—we have the resources to fight poverty—is even more compelling today. Poverty and near poverty can be found in every state and region of our nation, in our cities, our suburbs, and our rural communities. As we have seen over the past few years, many families that felt comfortably middle class were in reality just one layoff away from losing their homes, their retirement savings, and their ability to afford college or a career education for their children. For more and more Americans, the distance between economic

security and economic despair is narrowing at an alarming rate.

Our policy recommendations in this concluding chapter of this report can increase opportunities for families to lift themselves out of poverty and reduce the threat of falling out of the middle class. And the key poverty indicators we outlined at the end of each of the preceding chapters will measure our success toward cutting poverty in half in 10 years. The American Dream will remain only if we work at it individually and as a nation. It's time to get down to business.

Endnotes

- 1 Carmen DeNavas-Walt, Bernadette D. Proctor, and Jessica C. Smith, *Income, Poverty and Health Insurance Coverage in the United States: 2010* (Department of Commerce, 2011), table B-1, available at <http://www.census.gov/prod/2011pubs/p60-239.pdf>. The poverty rate was 37.3 million in 2007 and 46.2 million in 2010.
- 2 Arloc Shermon, "Despite Deep Recession and High Unemployment, Government Efforts — Including the Recovery Act — Prevented Poverty from Rising in 2009, New Census Data Show" (Washington: Center on Budget and Policy Priorities, 2011), available at <http://www.cbpp.org/cms/index.cfm?fa=view&id=3361>.
- 3 U.S. Department of Labor, "Summary: The Role of Unemployment as an Automatic Stabilizer During a Recession," News release, 2009, available at <http://www.dol.gov/opa/media/press/eta/eta20101615fs.htm>.
- 4 As of March 31, states and territories reported spending \$1.77 billion or 90 percent of their ARRA allocations for 2011. The majority of the reported ARRA expenditures were on direct services (or \$1.44 billion). Through March 31, 2011, states spent ARRA child care funds on direct services for an estimated 314,000 children. See: "Recovery Act Funds for Child Care — Data Summary as of 03/31/2011," available at http://www.acf.hhs.gov/programs/ccb/initiatives/arra/arra_data/summary_110331.htm.

About the Authors

Melissa Boteach is the Half in Ten Manager at the Center for American Progress Action Fund. In this capacity she coordinates “Half in Ten: The Campaign to Cut Poverty in Half in Ten Years,” a project designed to build the political and public will to reduce poverty in the United States. Prior to joining the Center for American Progress, Melissa worked as a senior policy associate and the poverty campaign coordinator at the Jewish Council for Public Affairs, or JCPA.

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About the Half in Ten partners

The Coalition on Human Needs is an alliance of national organizations working together to promote federal policies that address the needs of low-income and other vulnerable populations in the United States. The coalition's members include service providers, religious, labor, civil rights, and professional organizations as well as those concerned with the well-being of children, women, the elderly, and people with disabilities.

The Leadership Conference on Civil and Human Rights is the nation's premier civil and human rights coalition, consisting of more than 200 national organizations working together to build an America that's as good as its ideals.

The Center for American Progress Action Fund transforms progressive ideas into policy through rapid response communications, legislative action, grassroots organizing and advocacy, and partnerships with other progressive leaders throughout the country and the world. The Action Fund is also the home of the Progress Report and ThinkProgress.

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The Half in Ten campaign is a project of the Center for American Progress Action Fund, the Coalition on Human Needs, and The Leadership Conference on Civil and Human Rights. It is dedicated to building the political and public will to cut the U.S. poverty rate in half in 10 years. The campaign builds on the work of the Center for American Progress's 2007 Task Force on Poverty, combining evidence-based policy recommendations with strategic building of networks, spokespeople, and opinion leaders in communities to amplify the call to reduce poverty in America. Our approach is grounded in four fundamental principles: creating good jobs, promoting economic security, strengthening families, and cutting poverty in half in 10 years.

