



**To:** Half in Ten Campaign

**From:** Karl Agne

**Date:** December 12, 2008

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*National Survey on Poverty – Key Findings*

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At this pivotal moment in our country's history – in the midst of an economic crisis, with our troops engaged in two wars overseas, with energy and health care and taxes dominating so much of the debate in the presidential campaign – there is a strong temptation for policy experts and political pundits alike to forget the issue of poverty. But the American people have not forgotten about this issue. In fact, the current economic crisis has brought poverty very much into focus on a national level and much closer to many Americans on a personal level. And it has increased their commitment to address poverty in our country as part of a larger economic agenda that drives economic growth by creating quality jobs and investing in working Americans and their families. Poverty is not viewed as a separate, competing priority, but as a fundamental part of our economy's failure and its eventual recovery.

This survey<sup>1</sup> depicts the tremendous impact of the current financial crisis and the widespread insecurity it has created. While ratings of the national economy have been near record lows for months now, this survey also finds ratings of personal finances – the last economic indicator to fall – falling markedly. A clear majority rate their own financial situation as 'poor' (22 percent) or 'just fair' (36 percent), compared to 35 percent who rate their own financial position as 'good' and just 7 percent 'excellent.' This represents a 16-point net drop from 2001, when the identical question was asked in the Pew/Kaiser Foundation/Kennedy School poll on poverty. What's more, when these Americans look ahead a year from now, more than half believe their personal financial situation will be about the same (42 percent) or even worse (14 percent) than it is today.

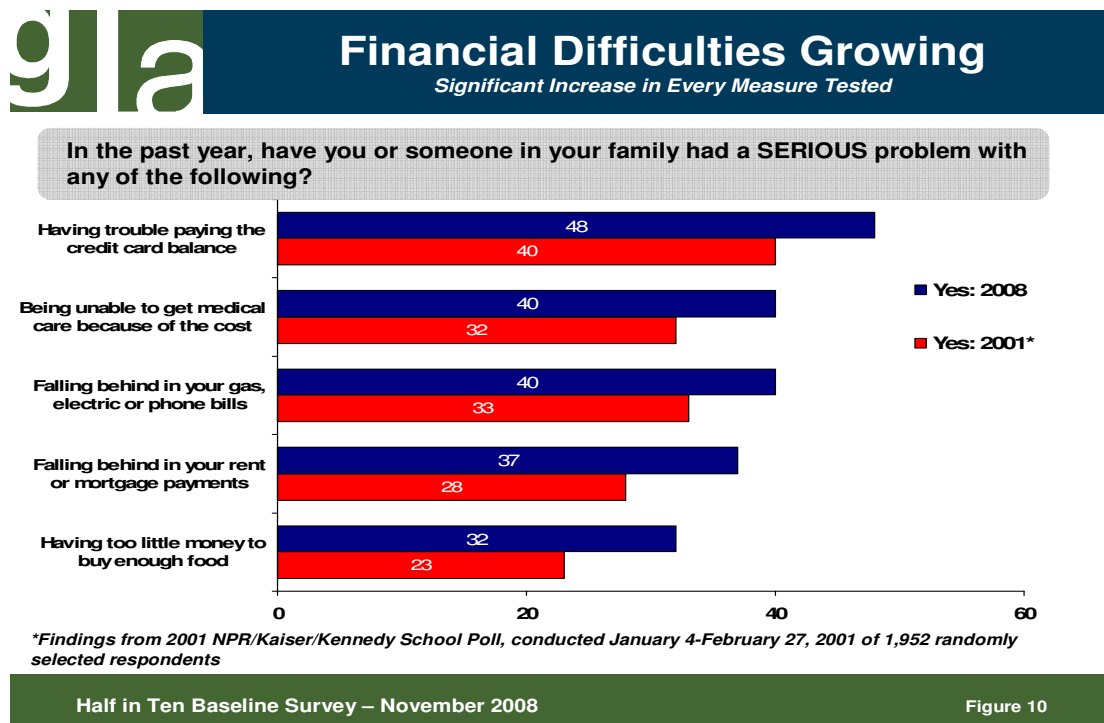
Reflecting the realities of rising prices and growing economic uncertainty, Americans define the poverty line for a family of four at just over \$29,000 – well above the official line established by the federal government. They further estimate that 29 percent of all Americans currently live in poverty – once again higher than official government estimates, but consistent with their own threshold of just under \$30,000. Personal experience clearly plays a role here, as those with annual household incomes of \$75,000 or more estimated less than 1-in-4 Americans living in poverty, while those with incomes under \$50,000 put the number at almost 40 percent.

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<sup>1</sup> National telephone survey of 1,397 Americans age 18 or older, conducted November 11-17, 2008 by Gerstein | Agne Strategic Communications. Poll has a margin of error of +/- 2.8%.

When asked what kind of income is required to achieve a middle class lifestyle in our country today, Americans identified a mean income of just over \$62,000 – more than twice their own poverty line – with 1-in-5 saying it now requires an annual salary of \$75,000 or more.

Further demonstrating the extent of the current financial crisis on ordinary Americans, we asked whether they were personally experiencing a number of different economic difficulties, all originally explored in the 2001 Pew survey. Every measure tested showed an increase of at least 25 percent over the past 8 years.

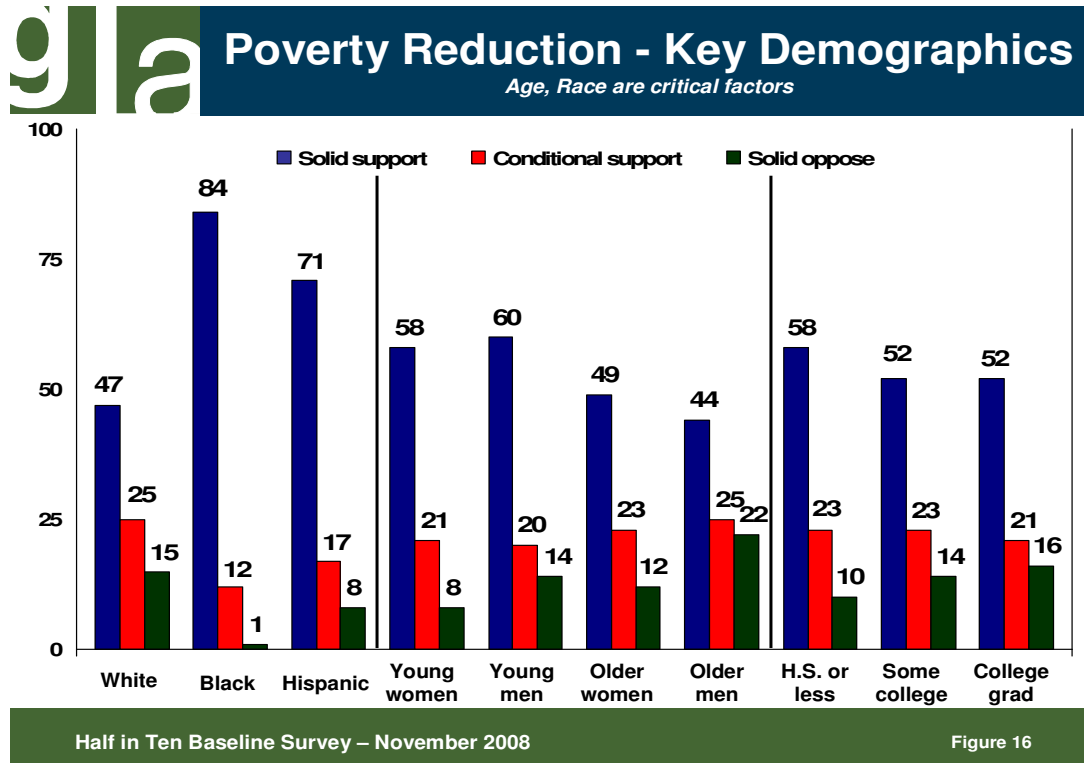


Of course, everyone facing some increased level of economic difficulty at this time is clearly not living in poverty. The most startling piece of data in this survey is another Pew question from 2001 that we asked again in this survey to measure movement over time. In 2001, 36 percent of Americans indicated that someone in their own immediate family was living in poverty; today, more than half (52 percent) say they or another member of their immediate family is living in poverty. This incredible increase of nearly 50 percent over the last 8 years shows that poverty can no longer be dismissed as an unfortunate circumstance that doesn't really impact most Americans in their own lives. More than half of all Americans now share a personal connection to poverty in the United States.

### Broad Support for Poverty Reduction Goal

More than 3-in-4 Americans express support for the fundamental goal of the Half in Ten Campaign – Congress and the next President setting a national goal to cut poverty in the United States in half within 10 years. But what about the costs? Support for this poverty reduction goal remains surprisingly strong even when respondents are told that it will ‘require businesses to pay their workers higher wages and contribute more for benefits like health care’ and that it will ‘require higher taxes for the wealthy and new government spending.’ After both of these challenges, support for the goal remains at 54 percent. The tax-and-spend critique was the more effective critique in peeling away supporters, but both show clear majorities still in ‘solid support’ of the larger goal.

There are important differences that emerge between various groups of Americans on this measure, particularly along lines of race and age.



It is interesting to note that the emergent groups whose higher turnout helped shape this past presidential election – especially younger voters, African-Americans, and Hispanics – are the audiences most supportive of the poverty reduction goal.

## Exploring Attitudes on Nature of Poverty in U.S.

We presented respondents with a series of statement pairs to get at some of their most fundamental attitudes about poverty in the United States. Four critical insights emerged from this exercise that are invaluable in understanding how Americans approach this issue and how they believe it is best addressed as a public policy priority:

### 1. Poverty directly impacts the middle class

The greatest consensus of all of the statement pairs tested was on the fundamental assertion that ‘the negative consequences of poverty affect all of us’ (77 percent), rather than ‘mostly those living in poor neighborhoods’ (19 percent). Going even further, 59 percent agree that ‘poor families share a lot of economic needs and priorities with middle class families,’ while 36 percent feel that ‘poor families have different economic needs and priorities than middle class families.’

### 2. External social and economic factors are the root causes of poverty

By a margin of more than 2-to-1, Americans believe that ‘most people who live in poverty are poor because their jobs don't pay enough, they lack good health care and education, and things cost too much for them to save and move ahead’ (57 percent), not because ‘they make bad decisions or act irresponsibly in their own lives’ (25 percent). Going straight at the volatile issue of personal responsibility, 47 percent say that ‘most people who live in poverty are poor because economic conditions outside of their control cause them to be poor’ while 38 percent disagree, saying ‘most people who live in poverty are poor because they are not doing enough to help themselves out of poverty.’

### 3. Plight of the poor hasn't changed much and may be intractable to some degree

Looking at poverty in the U.S. in a historical context, there is limited support for the view that people at the bottom of the economic spectrum are no longer really poor—56 percent believe that the poor continue to face real hardships while 37 percent say that the poor are actually doing pretty well compared to those in earlier generations. It is the question of poverty's intractability that is more disturbing (and presents the greater challenge to poverty reduction efforts). By a 2-to-1 margin, Americans believe that, ‘Despite our best intentions, there will always be a sizeable group of poor people living in America,’ (62 percent) rather than the more optimistic view that, ‘Our nation has made great strides in reducing poverty among the elderly and working class, and with new efforts we can move closer to eradicating poverty among all Americans’ (31 percent). However, the inability to fully eradicate poverty is by no means a rationale for failing to act in their eyes.

### 4. The current financial crisis is no reason to delay action on poverty



There is no question that Americans are deeply concerned about the economy and intensely focused on how the federal government will seek to stimulate growth and kickstart the economy. That's why it is so important that only 21 percent feel that, 'given all the money we are spending to fix the financial crisis, the government should not plan any new spending to help the poor' while an incredible 71 percent say 'even with the costs of fixing the financial crisis, the government cannot ignore the economic needs of poor families.' This makes sense when you consider the roots of the current financial crisis – a majority see it as 'primarily a result of government deregulation and reckless behavior by Wall Street banks and CEOs' (53 percent) while less than 1-in-4 see it as 'primarily a result of low-income and minority homebuyers getting in over their head with mortgages they could not afford' (22 percent).

### **Jobs, Health Care Emerge as Most Urgent Priorities**

Looking to an agenda to address the issue of poverty in the U.S. and the structural economic issues underpinning it, Americans clearly identify jobs and health care as the areas where action is most urgently needed. Pointing to the 800,000 jobs lost in the U.S. in this year alone, 58 percent identify this situation as a crisis that must be addressed immediately if we are to reverse our current direction. Nearly half (49 percent) also see the 46 million Americans who currently lack health insurance coverage as a similar crisis.

A host of proposals centered around jobs and wages – including the creation of thousands of green jobs by investing in alternative energy production and energy efficiency efforts, an increase in the minimum wage and indexing to inflation, and help to enable low wage workers to afford child care – all receive strong support from approximately 2-in-3 Americans or more. A national commitment to provide quality, affordable health care for all Americans and an expansion of publicly funded scholarships to help more families afford college receive similar levels of broad, intense support. Personal responsibility is an unmistakable part of the equation, with 80 percent of Americans strongly supporting an effort to reduce teen pregnancy. But so is corporate responsibility, with 70 percent strong support for a ban on predatory lending practices that target low-income families with high cost loans.