



## Keeping the Poor Poor (Until They're Not)

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Government data indicate that the U.S. remains far from winning the longest war in its history: the war on poverty.

The latest line of argument from defenders of the welfare system is that we are measuring poverty inaccurately; counting welfare as income, they suggest, would show that we are winning the war on poverty. Proponents of changing the way we classify the data on America's poor would accomplish little more than a subterfuge to distract from glaring flaws with the status quo of government social welfare programs.

The economic downturn that began in 2007 has officially been over since June of 2009, but the end of the recession did not mark the beginning of meaningful prosperity for many Americans. With the coming of the debt ceiling and proposed reforms to the government's food stamp program, there is a serious debate unfolding about what the government should do to bring people out of poverty.

Census data for 2012 have just been released showing that poverty levels have remained persistently high at 15 percent. Nearly 48 million Americans find themselves on the food stamp rolls, and the numbers have been on an upward trajectory. At the same time, Republicans in Congress are pushing through changes to the food stamp program that would create stronger work requirements, time limits, and stricter eligibility requirements for those receiving other government benefits. The food stamp program, officially known as the Supplemental Nutrition Assistance Program (SNAP), is currently projected to cost \$764 billion over the next ten years, according to the Congressional Budget Office. The proposed reforms are expected to reduce spending by \$39 billion over that time and remove several million people from eligibility for the program.

As the political battle over food stamps was being joined, the New York Times published an opinion piece, by Sheldon H. Danziger of the Russell Sage Foundation, attempting to justify the government's outlays in fighting the war on poverty in light of the recent Census Bureau report. His thesis was that spending on government programs such as food stamps has been successful in reducing poverty; the problem is that we are not measuring the data

properly. Programs such as food stamps are working, despite the depressing numbers from the Census Bureau, or so the argument goes.

Mr. Danziger took aim at Republican arguments that social welfare programs are both too expensive and ineffective, typified by Congressman Paul Ryan's statement that "[w]e have spent \$15 trillion from the federal government fighting poverty" and remain stuck with the highest poverty rates in a generation. Mr. Danziger countered that if programs such as food stamps and a myriad of others were counted as actual income to recipients, the poverty level would be much lower. For example, counting food stamps as income would mean that 4 million people were no longer below the poverty level.

Such a new measure of poverty, in fact, will be released by the Census Bureau in October. It will help show that decades of expensive government programs fighting poverty haven't been a waste (the reasoning goes). Looked at in this light, programs such as food stamps are responsible for removing millions of people from poverty.

Mr. Danziger is pushing sophistry. And he was recently joined by the New York Times' Paul Krugman, who made a similar argument about the measure of poverty. Their purpose is to obscure failures for which the economic data lay responsibility plainly at the feet of the government anti-poverty programs they support.

Imagining welfare to be income does not change the reality of people's poverty. It is not winning any battle in the war on poverty. The rate of poverty should rightly be a measure of those people in need of assistance because they have little or no income of their own. Removing them as the focus of our measure of poverty would mean sweeping the issue under the rug. Proclaiming that the program has lifted 4 million people from poverty would be deliberately misleading, but for those who have a vested interest in proving the wisdom of the war on poverty, it is a seductive argument.

Measuring poverty in this way does nothing to rebut the policy argument that Mr. Danziger attacks -- namely, that trillions of dollars in federal government spending have done nothing to win the war on poverty. Economic dependency is hardly something to be celebrated or tolerated. Most Americans would agree that winning the war on poverty would mean getting people jobs.

The undercurrent of Mr. Danziger's piece is that government welfare programs shouldn't be touched because they still help people. So, one might argue, if the money is helping people who are currently poor, why reform the program? Why seek to strike more people from the food stamp program?

The negative uproar over the reforms to the food stamp program gives insufficient consideration to the negative externalities of welfare spending in general. The current system of government welfare, of which SNAP is but one piece, distorts incentives to such a degree that it effectively discourages people from joining the workforce. A recent Cato Institute study found that in 35 states, a recipient of typically available welfare support would be receiving more income than that available through a minimum-wage job or other entry-level positions. In 13 states, welfare

pays more than a \$15-per-hour job, and in 11 states, it pays more than the average first-year wage for a teacher. In 39 states, welfare pays better than the starting salary for a secretary; in 3 states, it pays more than a position as an entry-level computer programmer.

Limited and prudent support for individuals experiencing periods of unemployment makes sense, morally and economically; but the data indicate that there is a point at which that support siphons away the economic incentive for a recipient to find a job and the programs become self-defeating. In short, this is how you lose a war on poverty.

A new measure of poverty that renames failure as success won't help anyone, though it may fool some. At bottom, it reflects an attitude that sees more people receiving government aid as a policy victory, not a problem to be remedied. Those concerned about the plight of people struggling below the poverty line should see the current debate over food stamps as a cause for a rigorous reexamination of the nation's welfare programs as a whole, and seek ways to reform them to serve their intended function of ending poverty.