

Free markets. Real solutions.

Join AFF and R Street's Lori Sanders for a panel on the right's response to poverty

By R.J. Lehmann February 20, 2014

Yesterday, the *Washington Post* published a <u>damning chart</u> examining the War on Poverty. The chart showed the poverty rate's fluctuations over the last 50 years, once taxes and transfers are taken into account. Though there are ups and downs, America's safety net has managed to reduce poverty from 26 percent to 16 percent today. But interestingly, the chart also examines what the poverty rate would be without these programs, and the number is an astonishingly high 28.7 percent, or 2.7 percentage points higher than when the War on Poverty was announced.

Though the recession factors into this, the chart reveals that at no point since 1960 has the percentage of Americans in poverty (before transfers) fallen below 20 percent. The safety net appears effective in keeping Americans afloat, but as the *Post* eloquently points out, "it's hard to say we've won the War on Poverty when nearly 1 in 3 Americans lacks, without the government's help, the sustenance necessary to meet the basic needs of life."

The most prominent (and controversial) liberal anti-poverty measure under debate today is a minimum wage increase, which offers a mixed bag. According to the <u>CBO's recent analysis</u>, the poverty rate would only be cut by 2 percent, representing 900,000 individuals, while a full 29 percent of the increase would accrue to families making more than \$72,000. Additionally, 500,0000 jobs would be lost as a result of the wage increase. Clearly this solution isn't good enough.

Even minimum wage proponents argue that <u>more needs to be done</u>, but few ideas are gaining traction. Other liberal mainstays, such as increased unionization, aren't progressing well either, and as Evan Soltas <u>points out</u> today in *Bloomberg*, "U.S. policy must aim to replace unions, not revive them."

Liberals claim the Republican agenda is still lacking, as well. Writing in the *New Republic*, Danny Vinik <u>picks apart</u> the Republican anti-poverty agenda, claiming few new ideas are percolating inside the party. Josh Barro has leveled <u>similar claims</u> in the past. It would seem both parties find themselves unequal to today's challenge. Fortunately, in the right-leaning thought community, fresh ideas are percolating. From criminal justice reform to education policy to solutions to long-term unemployment, conservative and libertarian thinkers are beginning to fill this hole in the policy agenda. However, after many years of avoiding the issue, more needs to be done.

On Tuesday, Feb. 25, America's Future Foundation <u>is hosting a roundtable policy discussion</u> to examine the right's attempts to craft solutions for those below or near the poverty line. Would the right's ideas do a better job of actually ending poverty, rather than simply keeping it at bay? What is standing in the way of even better solutions? How would the Republican Party need to change for these ideas to turn into real legislation?

Moderated by R Street's own Lori Sanders, the panel features Brad Wassink of the American Enterprise Institute, Jonathan Blanks of the Cato Institute, Brandon Smith of the Federalist Society and Elise Amyx of the Institute for Faith, Works, and Economics. Panelists will shed light on the nascent anti-poverty movement on the right and offer their suggestions for waging a successful, long-term battle against poverty.