



America's Poor Need Attention, Not Government Handouts

By Syra Sharif –July 7t, 2013

Extreme poverty is at a constant rate, in that it is unchanged despite government handouts and financial assistance programs. The World Bank defines extreme poverty as living on less than \$1.25 a day, surviving on mostly food stamps or little or nothing at all. So, how do they get by? Government handouts help a small group of people, though looking at various data points and surveys, there is a disproportionate level of attention given to those living in poverty.

In data from the Survey of Income and Program Participation (SIPP), a census program which tracks thousands of households across a span of two to four years, it was found that nearly 1.65 million U.S. households fell below the \$2 a day threshold in just one month. This was according to research presented in the *Washington Post's* Wonkblog and carried out by sociologists Kathryn Edin and Luke Shaefer. In addition, the Heritage Foundation, based off U.S. Census Report data, reported 46.2 million people as living in poverty in 2011. For most Americans poverty can mean near destitution though it should be noted that only a small percentage of people were classified as poor by U.S. Census Bureau standards, hinting that material hardship is based on scope and severity and can be limited.

Those truly living in poverty, compared with those who say they are in poverty, do not account for those that need help the most. As reported in Wonkblog, Edin and Shaefer note that it is essential to take into account housing subsidies and refundable tax credits such as the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC). The number of households which are in extreme poverty is around 613,000. When we factor in government aid to these families, the extreme poverty rate drops by 62.8%.

Those in poverty are still struggling to get by, but we should not forget that most don't have a way out either. In a Cato Institute report from last year, it was found that the federal government was expected to spend more than \$668 billion on at least 126 different programs to aid those living in poverty. As the author of this article in the *New American* notes, "We should also set about shrinking all government transfer payments, not just those directed specifically at the poor." Michael Tanner, Cato's director of health and welfare studies and the author of this report, was quoted as saying that "the vast majority of current programs are focused on making poverty more comfortable ... rather than giving them the tools to help them escape poverty."

Most people agree that the poor need our help. In an article posted to NPR last August, it was estimated that the number of Americans living in poverty would increase to 15.7% this year,

which is the highest that it's been in 50 years. This is an important fact to consider and makes one think back to words President Reagan said in his 1988 State of the Union address in regards to poverty in this country. NPR spoke with Peter Edelman, a professor at Georgetown and an expert on poverty, who noted that the common misperception people seem to have about those living in poverty or below the poverty line is that they are lazy or living off government handouts. The reality is that most are working and they are working as hard as they can, for low wages leading to a low income.

There is still work to be done in terms of accounting for those that live in poverty or below the poverty level. Government handouts help those families that are struggling, though the minimum wage is almost another war in itself. An expert quoted in NPR said: "We know now that by 2018, 45% of all jobs in this nation will require at least an associate's degree. We could invest in the system of training ... focusing on community colleges and preparing people to go to four-year institutions and improving our high school education." At this point, this may be the only way to help those in poverty get out of their situation.