

## A New War on Poverty

The old one has totally failed — we need a new one that encourages work and opportunity.

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Examples of the failures of government, large and small, are pretty easy to come by. Solyndra, the Iraq War, the response to Hurricane Katrina, Obamacare: Take your pick. But in terms of both wasted money and human suffering, it's hard to find a more egregious government failure than the War on Poverty.

It was 50 years ago today that Lyndon Johnson announced, as the centerpiece of his first State of the Union address, an “unconditional war on poverty in America.” No one could deny that poverty was a serious problem at the time. Roughly 19 percent of Americans were poor, although the numbers had been falling steadily since the end of World War II. Fully 23 percent of children lived in poverty. The poverty rate for African Americans ran to an obscene 42 percent.

American government responded to Johnson's call by throwing money at the problem — massive amounts of money. Since 1965, federal, state, and local governments have spent more than \$16 trillion on a panoply of anti-poverty programs. Last year alone, the federal government spent nearly \$1 trillion on 126 anti-poverty programs, ranging from Medicaid to the Undergraduate Scholarship Program for Individuals from Disadvantaged Backgrounds.

There are 33 federal housing programs run by four different cabinet departments, including, bizarrely, the Department of Energy. There are currently 21 different programs providing food or food-purchasing assistance. These programs are administered by three different federal departments and one independent agency. There are eight different health-care programs, administered by five separate agencies within the Department of Health and Human Services. And six cabinet departments and five independent agencies oversee 27 cash-allocation or general-assistance programs. Altogether, seven different cabinet agencies and six independent agencies administer at least one anti-poverty program.

And the result of all this spending? Fifteen percent of Americans still live in poverty. Among children, the poverty rate is nearly 22 percent, barely a point below where it was in when the War on Poverty began. The poverty rate *has* declined significantly for

African Americans, but that has more to do with efforts to end overt discrimination than with anti-poverty programs. Besides, it still remains far too high, at roughly 34 percent.

To oversimplify the math: Federal, state, and local anti-poverty spending totals more than \$20,000 for every poor person in America, more than \$60,000 per poor family of three. Given that the poverty line for that family is just \$18,530, we could theoretically just mail a check to every poor family, wipe out poverty in America, and still save money.

Clearly, we are doing something wrong.

In fact, not only do government programs fail to lift people out of poverty, in many cases they undermine those things that actually do. For example, both academic research and experience provide a pretty solid idea of the keys to getting out of and/or staying out of poverty: (1) Finish school; (2) don't get pregnant outside marriage; and (3) get a job, any job, and stick with it.

But government programs discourage those efforts.

In 1964, just 6.4 percent of children were born out of wedlock. Today, nearly 41 percent are. Among African Americans, more than 70 percent of children are born to single mothers. At the same time, children growing up in a single-parent family are almost five times more likely to be poor than children growing up in married-parent families. Yet, as Charles Murray demonstrated years ago in [Losing Ground](#), the overwhelming body of research shows that the increased availability of welfare benefits is directly correlated with an increase in out-of-wedlock births.

Welfare also undermines the work ethic. The best route out of poverty remains a job. Fewer than 3 percent of full-time workers are poor, compared with nearly 25 percent of those without a job. Even an entry-level, minimum-wage job can be the first step on the road out of poverty. But [in 35 states](#), someone receiving each of the seven most common welfare programs could receive benefits that exceed what they could earn from a minimum-wage job. In 13 states, welfare effectively pays more than \$15 per hour. And, in the eight most generous states, someone on welfare could receive benefits in excess of wages from a \$20-an-hour job. For many people, we have made welfare a smarter choice than work.

Of course, even if we didn't discourage the poor from working, high taxes and excess regulation are making it harder for them to find jobs anyway. In 1965, the unemployment rate was just 5.4 percent. Today, it remains at 7 percent, a number that may underestimate the true level of those unable to find full-time work because many discouraged people have dropped out of the labor force altogether. With the full impact of Obamacare about to hit American businesses, and Democrats seeking both new business taxes and an increase in the minimum wage, we can expect the prospect of a job to remain outside the grasp of millions of poor Americans.

And one merely has to look around in any big city to see how government schools, despite ever more money, have failed low-income children.

We all seek a society where every American can reach his or her full potential, where as few people as possible live in poverty, and where no one must go without the basic necessities of life. More important, we want a society in which every person can live a fulfilled and actualized life.

Throwing more and more money at more and more government programs doesn't work. It is time to try a different approach.

Instead of attempting to make poverty more comfortable, we should focus on creating wider prosperity. We should end those government policies, such as high taxes and regulatory excess, that inhibit growth and job creation. We should protect capital investment and give people the opportunity to start new businesses. We should reform our failed government-school system to encourage competition and choice. We should encourage the poor to work, save, and invest for their future.

That might be a winning strategy for the War on Poverty.