



Assessing the GOP Candidates' Plans on Poverty

Democrats offer more of the same; Republicans have fresh ideas.

By Michael Tanner

May 20, 2015

In the aftermath of the Baltimore riots, attention is once again being turned to questions of poverty, and inner-city poverty in particular. Democrats, unsurprisingly, took about 30 seconds to think about the issue before coming up with their favorite solution: spend more money. President Obama, for instance, wants “massive investments in urban communities.” Representative Elijah Cummings, who represents inner-city Baltimore in Congress says, “We have to invest in our cities and our children.” And according to Maryland representative Steny Hoyer, the House Democratic whip, “We’re going to have to as a country invest if we’re going to have the kinds of communities we want.”

Apparently the \$22 trillion we’ve spent fighting poverty since 1965 — including just under \$1 trillion last year — isn’t enough.

But if Democrats are predictably doubling down on the failed policies of the past, what do Republicans offer as an alternative? Interestingly, for a party with a reputation for indifference toward the poor, the major Republican presidential candidates have actually had quite a bit to say on the issue.

Florida senator **Marco Rubio** offers perhaps the most detailed and well-thought-out set of policy proposals. Rubio would consolidate most of the more than 100 current federal anti-poverty programs and send the funding for them back to the states as block grants. Unlike a similar but much smaller plan put forward by Representative Paul Ryan of Wisconsin, Rubio’s block grants would come with few strings. States would be free to use the money in any way that they chose, as long as the spending is consistent with the broad purpose of the programs they are replacing. A state could not use the funds to reduce taxes on businesses, for instance. Within those limits, states would be free to be, in Justice Brandeis’s famous phrase, “laboratories of democracy,” experimenting with a wide variety of innovative approaches to fighting poverty. And successful states would be rewarded. If a state reduced its poverty rate, its allocation would not be reduced, and the state could use the money however it wished — for education or infrastructure, for example. Rubio would also revamp the earned-income tax credit (EITC) to make it a better wage enhancement.

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Meanwhile, Kentucky senator **Rand Paul** has also spent a great deal of time talking about disadvantaged communities. While his proposals to fight over-criminalization and reduce incarceration for inner-city youth have garnered the most attention, Paul has also pushed proposals to attract more business and jobs to high-poverty areas. In particular, Paul has called for the creation of Economic Freedom Zones in cities with high unemployment or high poverty rates. Income taxes for both individuals and businesses in the zones would be reduced to a flat 5 percent, and the payroll tax would be cut by 2 percentage points for both the employer and the employee. Paul's plan would also reduce the regulatory burdens on businesses in the freedom zones, fast-track visas for qualified immigrants wishing to start businesses there, and allow Department of Education Title I funding to flow to private schools in the zones.

Actually, the first prospective candidate out of the gate in discussing poverty was former Florida governor **Jeb Bush**. His Super PAC is called "Right to Rise," and Bush himself has focused on such well-known antidotes to poverty as education, jobs, and family formation. On education, he has naturally tried to tie in his controversial support for Common Core, though in statements like "Low-income kids have the God-given ability to learn and to succeed just like anyone else does," he can sound like a pale version of his brother denouncing the "soft bigotry of low expectations" while pushing No Child Left Behind. On the more positive side, Bush has aggressively pushed for [school choice](#). To create more jobs in poor areas, Bush calls for "Reducing regulations, removing expensive licensing requirements for startups, and cutting occupational fees" — all good ideas, though more state issues than federal ones. And Bush correctly points out that the most "effective anti-poverty program is a strong family, led by two parents," but he has made no specific proposals for reducing births to single mothers.

Ohio governor **John Kasich**, who plans to announce his candidacy early next month, has suggested that his concern about the poor sets him apart from other Republican candidates, whom he has criticized for waging "war on the poor." Certainly Kasich has been more willing than most Republican governors to pump money into government anti-poverty programs. In addition to expanding Medicaid under Obamacare — something Kasich defended as his Christian duty — he recently announced a \$310 million state program to provide additional casework resources to 23,000 participants in Ohio's welfare-summer-work and federal-workforce programs.

In contrast, Wisconsin governor **Scott Walker** has taken what might be seen as a tougher approach. He has championed drug testing for those seeking welfare and food stamps, and called for extending the idea to other government benefits, such as unemployment insurance. Speaking more broadly, he has denounced welfare as "a hammock" rather than a "safety net." He has also criticized anti-poverty bureaucrats, calling them, in Walter Williams's famous phrase, "poverty pimps." He has not yet, however, suggested any alternatives or specific reforms to the current system.

Texas senator **Ted Cruz** also has not yet put forward much in the way of specific anti-poverty proposals, though he has taken what might be considered a mild shot at Paul's plan for Economic

Freedom Zones, saying, “All of America needs to be a real ‘Promise Zone’ — with reduced barriers to small businesses creating private-sector jobs.”

It’s early in the campaign, of course. We can expect candidates like Cruz and Walker to address poverty in much more detail in the months to come. But already we are seeing an intriguing Republican debate, one offering innovative proposals for creating opportunity and lifting people out of poverty. In fact, if you are looking for a clear contrast between a party locked into the tired and failed policies of yesterday, and one seeking new ideas and new directions, the debate over poverty provides an object lesson.

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