



# Has the War on Poverty Worked?

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Today, there are 126 federal anti-poverty programs. Federal and state governments have spent \$19 trillion fighting poverty since the "War on Poverty" began in 1966, and last year, the federal government spent an average of \$21,000 on every person below the poverty line. There has undoubtedly been massive spending, but have these programs worked as intended?

Michael Tanner and Charles Hughes of the Cato Institute have authored a comprehensive report detailing our nation's attempt to combat poverty. Simply looking at the official poverty rate reveals that poverty has actually risen since 1966: the official poverty rate was 14.3 percent that year, while it was 15 percent in 2012. According to Tanner and Hughes, the only decline in the poverty rate took place in the 1990s in the midst of welfare reform efforts that made eligibility for government assistance stricter.

One of the trickiest things about assessing developments in poverty is how difficult it is to measure. As Tanner and Hughes explain, the official poverty rate looks only at monetary income and fails to look at non-cash assistance from America's many welfare programs, such as the Earned Income Tax Credit, the Child Tax Credit, food stamps and Medicaid and housing assistance, among many others. That makes it very difficult to measure poverty, as 88 percent of all federal assistance programs are noncash, in-kind assistance.

Another measure, the Supplemental Poverty Measure (SPM), does take into account noncash benefits, though doing so yields a poverty rate of 15.1 percent -- slightly higher than today's 15 percent. However, SPM is insufficient because it is only a relative measure of poverty, meaning that no matter the material goods and gains that take place, a group of people will always fall below the poverty threshold. Tanner and Hughes write that even if every American household saw a doubling of income overnight, the SPM would still identify the bottom group of people as being in poverty, despite the real monetary gains.

A number of researchers have attempted to find the "real" poverty rate. One study from the Brookings Institution that took into account in-kind government transfers concluded that the real poverty rate in 2010 was 8.3 percent, nearly half the official rate of 15.1 percent.

Whatever the measurement, the "deep" poverty that existed in the 1960s is no longer in existence today, a development that is evident on a number of fronts:

- Hunger: While one-fifth of the American population and one-third of the poor had diets that failed to meet nutrition standards in the 1960s, just 5.6 percent of American households were ranked as having "very low food security" last year.
- Housing: More than 2.8 million renting households lived in "severely inadequate" housing in 1975; today, just 1.2 million renter households are in such a situation. Similarly, 17.5 percent of households in 1970 lacked adequate plumbing, while just 2 percent lack fully functioning plumbing today.
- Material goods: One-third of poor households lacked a telephone in the 1960s. Today, almost all own a phone, half own a computer, over 98 percent own a television and two-thirds of poor households actually have at least two televisions. Similarly, two-thirds of the poor own a car today, compared to less than half in 1970.

Was the War on Poverty responsible for these gains? Tanner and Hughes are not so sure -- poverty was already on a steady decline before the "war" began, and, in fact, most poverty improvements took place prior to 1972, despite massive additional spending since then to fight poverty.