

Develop a Coordinated State Strategy for Reducing Poverty

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The new Census data tells us that one in eight Americans --- 37.3 million people --- had incomes below the official federal poverty line in 2007. Because the official poverty line is inadequate in many ways, that number does not reflect the far greater number of Americans struggling to make ends meet. There have been dramatic periods of poverty reduction in the nation's history, but the period since 2000 is not one of them --- instead, there are now 5.7 million more poor Americans in 2007 than in 2000.

Persistent poverty impairs the life chances of children and weakens mobility in America. Besides hurting those who are poor, it hurts the US economy. Research conducted for the Center for American Progress concludes that the cost to the US economy of children growing up in persistent poverty is in the range of \$500 billion a year, about 4 percent of the nation's gross domestic product, as a result of lower productivity, increased health-related costs, and increased crime costs.

In the past several years, there has been a notable increase in attention to poverty in and outside of government. At least ten states have created executive or legislative commissions or task forces charged with developing state strategies. In the presidential election, Senator Obama has declared his support for a national goal of cutting poverty in half, and Senator McCain has stated that poverty eradication will be a top priority of his administration. A national campaign effort, Half in Ten, www.halfinten.org, seeks to elevate attention to the need for a national goal, and there has been extensive engagement on the part of a broad range of faith-based groups to bring more attention to addressing poverty. New developments are prominently highlighted in a website created by a set of foundations, Spotlight on Poverty and Opportunity, www.spotlightonpoverty.org.

Ultimately, a successful effort to dramatically reduce poverty will require the engagement of the federal government, but there is a crucial role for states, both in substantive policies and in seeking to spur the federal government to do more.

In *From Poverty to Prosperity: A National Strategy to Cut Poverty in Half*, the Center for American Progress Task Force on poverty recommended a national goal of cutting poverty in half in ten years and proposed a set of recommendations to accomplish it. The CAP Task Force urged that poverty reduction strategies be grounded in four principles:

- **Promote Decent Work.** People should work and work should pay enough to ensure that workers and their families can avoid poverty, meet basic needs and save for the future.
- **Provide Opportunity for All.** Children should grow up in conditions that maximize their opportunities for success; adults should have opportunities throughout their lives to connect to work, get more education, live in a good neighborhood, and move up in the workforce.

- **Ensure Economic Security.** Americans should not fall into poverty in times when they cannot work or work is unavailable, unstable, or pays too little to make ends meet.
- **Help People Build Wealth.** All Americans should have assets that allow them to weather periods of flux and volatility and to have the resources that may be essential to upward economic mobility.

To initiate a state effort, a Governor's office should begin by establishing a Commission or Task Force, including key executive officials and legislators. The Commission or Task Force should focus on both short-term and long-term strategies, and:

- develop a clear picture of the nature, extent, and characteristics of poverty and economic insecurity in the state;
- build in mechanisms to hear directly from those who are struggling to make ends meet, service providers, business leaders and others outside government;
- identify a target for poverty reduction; and
- ask each relevant state agency to identify how it can contribute to reaching the target.

In its effort, the Commission/Task Force should examine questions including:

- The adequacy of the state minimum wage;
- If the state lacks an earned income tax credit, whether to adopt one; if the state already has one, how to improve it;
- Other state tax policies that may burden low-income residents;
- How the state's higher education and workforce systems can enhance their capacity to help low-wage workers advance to better jobs;
- Adequacy of state child care policies and coordination and integration of child care with the state's early education system;
- Simplifying and improving access to federal and federal-state benefits programs available to low-income residents;
- Developing state policies for green jobs that will provide training and opportunities for low-income residents;
- Developing a coordinated strategy for promoting education and employment for disconnected youth and individuals in and leaving the criminal justice system;
- Strategies for improving access to unemployment insurance for low-wage workers;
- Strategies for reducing the high costs of credit, groceries, and other necessities in low income communities, and for helping low-income communities benefit from local and regional economic development.

The state's Commission/Task Force should also:

- call on the federal government to adopt a poverty reduction goal, and to make poverty reduction a priority for the next Administration; and
- recommend that the federal government develop an improved, more realistic method for measuring poverty.