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The War on Poverty: Then and Now

Applying Lessons Learned to the Challenges and Opportunities Facing a 21st-Century America

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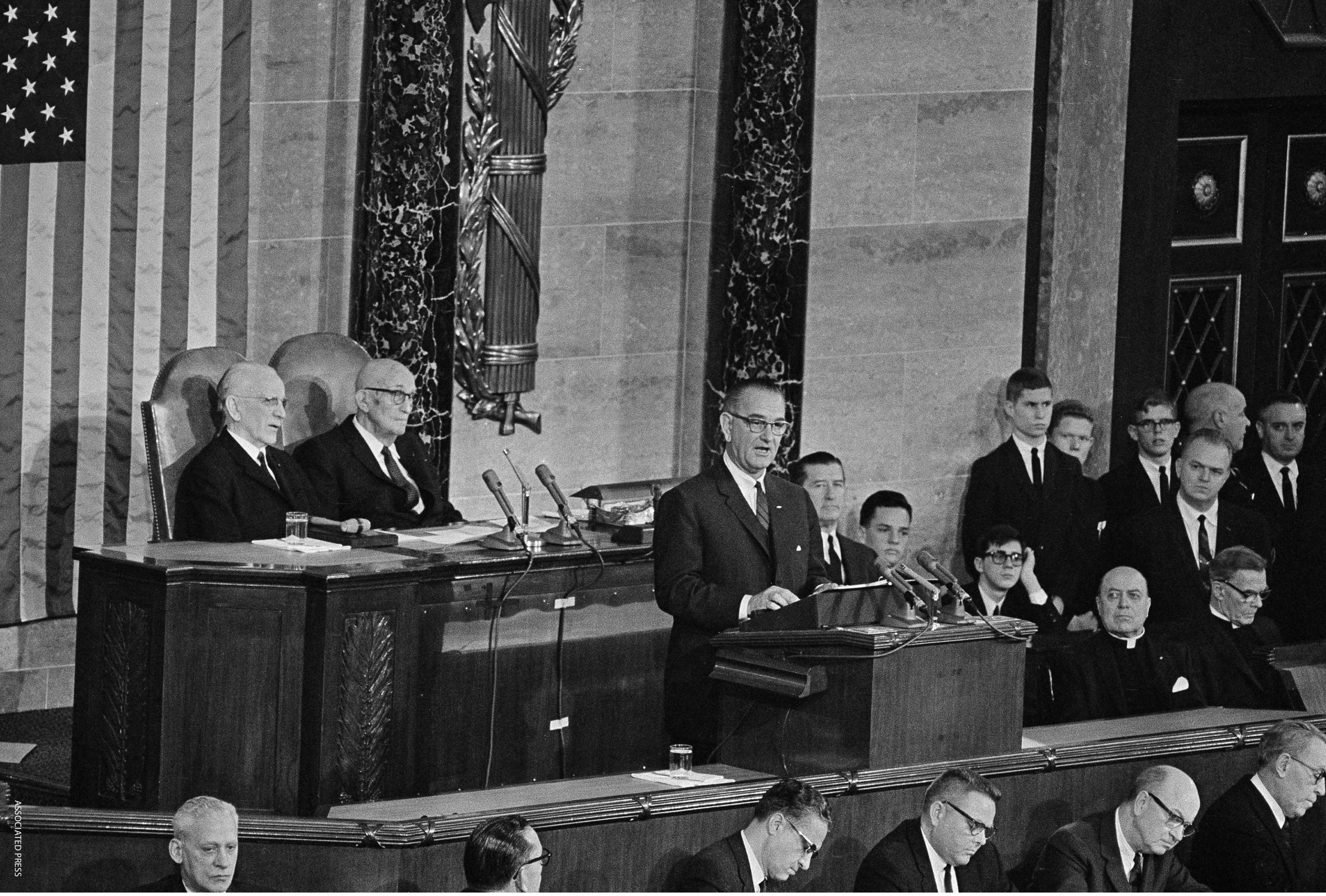

President Lyndon B. Johnson declares a War on Poverty in his State of the Union address on January 8, 1964.

Introduction

> *This administration today, here and now, declares unconditional war on poverty in America. … It will not be a short or easy struggle, no single weapon or strategy will suffice, but we shall not rest until that war is won. The richest nation on earth can afford to win it. We cannot afford to lose it.*[1]
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> — President Lyndon B. Johnson, January 8, 1964

Fifty years have passed since President Johnson first declared a War on Poverty in his 1964 State of the Union address. While many of the programs that emerged from this national commitment are now taken for granted, the nation would be unrecognizable to most Americans if they had never been enacted.

Soon after President Johnson declared his commitment to end poverty, Congress passed the bipartisan Economic Opportunity Act of 1964 and critical civil rights legislation, which created the legislative framework to expand economic opportunity through anti-poverty, health, education, and employment policies. Throughout the Johnson and Nixon administrations, the War on Poverty—and the Great Society more broadly—laid the foundation for our modern-day safety net, including the Supplemental Nutrition Assistance Program, or SNAP, formerly known as food stamps; Medicare; Medicaid; Head Start; and expanded Social Security.

These and other programs with roots in the War on Poverty have kept millions of families out of poverty, made college education more accessible, and put the American Dream within reach for those living on society's margins. Our national poverty rate fell 42 percent during the War on Poverty, from 1964 to 1973.[2] And that trend continues today: The poverty rate fell from 26 percent in 1967 to 16 percent in 2012 when safety net programs are taken into account.[3]

As poverty persists across the country, however, critics of our safety net programs might say we lost the fight. But to label the War on Poverty a failure is to say that the creation of Medicare and Head Start, enactment of civil rights legislation, and investments in education that have enabled millions of students to go to college are a failure. In fact, without the safety net, much of which has its roots in the War on Poverty, poverty rates today would be nearly double what they currently are.[4]

The War on Poverty has not failed us, but our economy has.

Our economy and social fabric have changed significantly in the last 50 years. Demographic shifts, rising income inequality, and insufficient access to jobs and education pose new policy challenges. Too often, our public policies have not met the needs posed by these trends.

It is time for a renewed national commitment to reduce poverty. Half in Ten, a project of the Center for American Progress Action Fund, the Coalition on Human Needs, and The Leadership Conference on Civil and Human Rights, believes we must set and work toward a national goal of cutting poverty in half in 10 years. To get there, we need an investment agenda that addresses the needs of 21st-century

America and the demands of a global economy. It is time to raise the minimum wage, close the gender pay gap, and create better-quality jobs. It is time to invest in work and income supports that cut poverty and expand economic opportunity, and learn from local initiatives that work at the cutting edge of poverty reduction.

By creating a strong economy where gains are more equitably shared and committing to programs and policies that work, we can cut poverty in half in the next 10 years and usher in a new era of shared economic prosperity.

Defining poverty

When discussing poverty in the United States, policymakers often refer to two major measurements:

Federal poverty level

The official poverty definition uses income thresholds that vary by family size and composition to determine who is in poverty.[5] If a family's total income is less than the applicable threshold, then that family and every individual in it is considered to be in poverty. The measure is intended for use as a yardstick, not a complete description of what people and families need to live. The official poverty definition uses income before taxes and does not include capital gains or noncash benefits such as public housing, Medicaid, and SNAP benefits.[6] The poverty line was originally equal to nearly 50 percent of median income in the 1960s.[7] Because it has only been adjusted for inflation and not for increases in living standards, the poverty line has fallen to just under 30 percent of median income as of 2010.[8]

Supplemental poverty measure

The supplemental poverty measure is a more comprehensive measure of poverty that incorporates additional items such as tax payments and work expenses in its family income estimates.[9] It also provides crucial information on the effectiveness of work and income supports in lifting families above the poverty line.[10] Thresholds used in the measure include data on basic necessities—food, shelter, clothing, and utilities—and are adjusted for geographic differences in the cost of housing.[11] This measure serves as an additional indicator of economic well-being and provides a deeper understanding of economic conditions and policy effects.[12]

How are they different?

One major difference between these two measures is that the federal poverty level does not take into account the impact of anti-poverty policies. Families who benefit from tax measures such as the Earned Income Tax Credit, or EITC, or income supports such as SNAP are seen as no better off than families who are not enrolled in these programs.[13] This can create the false impression that poverty is intractable and will persist no matter what government does. According to a recent Columbia University study that used the supplemental poverty measure, our safety net reduced the number of Americans living in poverty from 26 percent in 1967 to 16 percent in 2012.[14] Without these programs, the study estimates that more Americans—29 percent—would be in poverty today.[15] It is necessary to take into account the impact that these critical programs have on individuals and families in order to establish whether or not our anti-poverty policies are working.

The Center for American Progress is a nonpartisan research and educational institute dedicated to promoting a strong, just, and free America that ensures opportunity for all. We believe that Americans are bound together by a common commitment to these values and we aspire to ensure that our national policies reflect these values. We work to find progressive and pragmatic solutions to significant domestic and international problems and develop policy proposals that foster a government that is "of the people, by the people, and for the people."

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