



Insight

# The Speaker's Blueprint to Fight Poverty

BEN GITIS | JUNE 8, 2016

This week, Speaker Paul Ryan's task force on Poverty, Opportunity, and Upward Mobility released a [blueprint](#) for improving the way the federal government assists those most in need and improves the opportunities of low-income families and children. Recognizing that five decades of policy and trillions of dollars have failed to deliver on President Lyndon Johnson's promise to eliminate poverty, the Speaker's task force has outlined a new approach to addressing the issue. In particular, the task force proposes that public assistance programs more effectively connect the able-bodied to work, and support skills development to enable low-income families to become self-sufficient. Moreover, it focuses the government on evaluating programs based on success in leading families out of poverty. The task force's policy recommendations would accomplish these goals without increasing or decreasing government spending on the safety net. The blueprint certainly provides a refreshing alternative to the Obama Administration's anti-growth proposals, such as increasing the minimum wage, which reduce employment and do not effectively lift families out of poverty.

## THE CURRENT STATE OF U.S. SAFETY NET PROGRAMS

Since President Johnson declared a War on Poverty in 1964, the federal government has spent trillions of dollars on several public assistance programs aimed at alleviating poverty. The result? The official poverty rate in 2014 was 14.8 percent, virtually unchanged from the 14.7 percent rate in 1966. Clearly, the current system is not effectively helping families become self-sufficient.

Today there are over 80 federal programs that are intended to help low-income individuals. But, the federal government has no effective way to measure the success of those programs. In particular, government agencies often report how many individuals are enrolled in their assistance programs and how much money the government is spending on the programs. There is no measurement, however, for whether the programs are able to help enrollees become self-sufficient and move off of the programs.

## REFORMS RECOMMENDED BY THE TASK FORCE

Overall, the task force's blueprint seems to have three guiding ideas in their policy recommendations: (1) encourage work, education, and skills development in public assistance programs, (2) effectively measure programs based on how well they make individuals self-sufficient and invest in programs that are successfully accomplish this goal, and (3) accomplish these goals without increasing or decreasing government expenditures.

### Work, Education, and Skills Development

Work is certainly the most effective way for individuals to escape poverty. In 2012, someone who was unemployed was over [four times](#) more likely to be in poverty than someone who was employed. The task force

recognizes the importance of work in both strengthening the social safety net and in enhancing the educational opportunities for low-income individuals.

The task force implores that the best way to strengthen the safety net is to require all persons who can work to get into the labor force. Accordingly, the task force recommends reforms that strengthen work requirements that already exist and introduce new work requirements. For instance, while Temporary Assistance for Needy Families (TANF) already has work requirements to receive benefits, states have allowed many benefit recipients to not work. The task force believes the federal government should require states to have more able recipients engaging in work or work-related activities. In addition, the task force suggests that workforce development activities be connected to child-support enforcement, food stamps, and housing assistance.

The task force also makes a series of policy recommendations to strengthen and skills development opportunities for children and young adults coming from low-income families. In particular, the task force believes policymakers should reduce redundant requirements imposed by the federal government, provide state and local governments and non-profits with flexibility to implement programs best for their communities, and improve coordination between programs at all levels in order to streamline services. The task force generally applies this approach in its policy recommendations for improving early childhood education, supporting at-risk youth, improving career and technical education, and improving the higher education system.

## **Measuring Success in Government Programs**

Under today's safety net system, public assistance programs are not measured or evaluated based on their most important objective: are recipients able to move off of the program and become self-sufficient? With the view that public assistance programs should be evaluated based on that objective, the Speaker's task force makes a series of recommendations to ensure all programs are based on reliable data and that they effectively accomplish their goals. For instance, the task force proposes that new programs be tested before being implemented, program evaluations become based on common metrics, and policymakers use those evaluations when making funding decisions. With better and more consistent data, policymakers would be able to evaluate the programs that work and in turn help more Americans start on a path to work and self-sufficiency.

## **No Changes in Government Spending**

It is important to highlight that in a time when federal budgets are tight, the Speaker's task force does not propose to cut spending on the social safety net. This suggests that the task force views poverty to be a key problem that has plagued the United States too long and needs to be resolved. At the same time, the blueprint does not contain any spending increases. Rather, the task force recognizes that there are countless redundancies and a lack of accountability in the current social safety net. Reforms that streamline programs and improve program outcomes would ensure that federal dollars are being put directly to helping low-income families find a path out of poverty.

## **THE PRO-WORK BLUEPRINT: AN ALTERNATIVE TO THE WHITE HOUSE'S VISION**

The task force's recommendations provide a clear rebuttal to Obama Administration policies that are extraordinarily costly and make it harder for workers to find jobs. The Affordable Care Act's regulations, for

instance, have [reduced worker pay](#) by \$22.6 billion annually and cost 350,000 jobs nationwide. The Administration's proposal to raise the minimum wage would cost the country millions of jobs without effectively helping those in poverty. A [\\$15 minimum wage](#) would cost the country 6.6 million jobs and only 7 percent of the wage earnings gained would actually go to families in poverty. Also, the Administration continues to insist on permanently extending the duration of unemployment insurance during a recession, [despite evidence](#) that extended unemployment insurance during the last recession significantly raised unemployment. Together, all of these policies paint a picture of an administration that cares more about alleviating the symptoms of poverty and economic immobility, rather than solving the root causes of poverty.

## CONCLUSION

By far the most promising feature of the task force's blueprint for addressing poverty is its emphasis on connecting recipients to work. Moreover, measuring the effectiveness of a program based on whether a recipient was able to find a job and become self-sufficient would certainly be a step forward toward reducing poverty in the United States. No matter how many programs the federal government provides, there is simply no better path out of poverty than a job.