



"A Progress Report on the War on Poverty: Lessons from the Frontlines"

**Hearing before the Committee on the Budget
U.S. House of Representatives**

**Testimony of Marian Wright Edelman
President, Children's Defense Fund
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Poverty is the worst form of violence.

— Mahatma Gandhi

Overcoming poverty is not a task of charity, it is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom.

— Nelson Mandela

Just as the commandment 'Thou shalt not kill' sets a clear limit in order to safeguard the value of human life, today we also have to say 'thou shalt not' to an economy of exclusion and inequality. Such an economy kills.

— Pope Francis

Chairman Ryan, Ranking Member Van Hollen, and Members of the Committee:

Thank you for inviting me to testify today. I am honored to have the privilege to present to members of the House Budget Committee, especially on the important topic of the War on Poverty and the great progress it has enabled for children.

The Children's Defense Fund (CDF) has been working for over 40 years to ensure every child in America a *Healthy Start*, a *Head Start*, a *Fair Start*, a *Safe Start* and a *Moral Start* in life and successful passage to adulthood with the help of caring families and communities.

I am gratified that the focus of this hearing is on lessons from the frontlines because I have been there and the Children's Defense Fund remains there through our offices in states that together

cover 40 percent of the country's poor children. In 1964, shortly after President Johnson declared a War on Poverty in his State of the Union Address, I moved to Mississippi to open a law office for the NAACP Legal Defense Fund in anticipation of an onslaught of arrests that were bound to occur during the Mississippi Freedom Summer Project, whose 50th anniversary we celebrate this year. I stayed in Mississippi for the next three years and many of the lessons I learned then guide me to this day.

I worked with church and civil rights groups to start the Child Development Group of Mississippi (CDGM), which created 3,000 new jobs for poor residents outside the plantation and Jim Crow government structure, and enrolled 11,000 children in what was at the time the largest Head Start program in the country. Head Start gave great hope to those poor parents that their children would have a better life through education. I watched both generations get excited about learning. It was so successful that the powerful Mississippi Congressional delegation tried to shut it down immediately. Those poor parents ran the program without one penny of federal funding for four months while we fought to reinstate federal funding.

Life conditions were dire for many families. Tens of thousands of people didn't have jobs and many lacked any income at all. None. So they couldn't even afford the two dollars the state started requiring for food stamps as the state program changed over from free food commodities. The poverty I witnessed was shocking, widespread, and unconscionable in a rich country like the United States, or in any decent country. Families had nothing to eat, their cupboards were entirely bare. People were hungry and some were starving. Children were chronically undernourished and some literally starved. Thanks to the efforts of tireless advocates, we roused the conscience of the nation to this tragedy and helped set in motion major expansions of the federal food and other safety net programs that over time

eradicated the severe malnutrition I witnessed in Mississippi and had lifelong impacts on those who benefitted.

I can tell you with confidence and gratitude that we have made great progress against poverty and hunger since then, although we still have a long way to go. The War on Poverty has lifted millions of children and families out of poverty and I am very concerned that 50 years later some people think the best way forward is backwards – trying to unravel the very investments that have had such impact and given millions of children a new lease on life and hope for the future.

I think for example about Michael Tubbs, one of the thousands of young people CDF has trained through our Young Advocate Leadership Training program at the former Alex Haley Farm in Clinton, Tennessee. Michael grew up poor in Stockton, California, the son of a teenage mother and an incarcerated father. For his first five years, his mother was on welfare. At a national symposium on Black males cosponsored by the Educational Testing Service (ETS) and CDF in June 2013, Michael said: “a lot of these government entitlement programs under fire are the things that made me who I am.” He says it was Head Start that the government paid for that put him on the path to reading at an early age. It was quality magnet programs in public schools that really pushed him to achieve academically, and then it was Pell grants that helped him go to college. Michael attributes his successful trajectory to these programs and a strong, supportive mother, grandmother and aunt who valued education. Today Michael Tubbs has earned his bachelor’s and master’s degrees from Stanford University, where he was a Truman Scholar, a Google and White House intern, and awarded the Dinkelspiel Award, the highest award given to a Stanford undergraduate student. A few months after graduation, he became at age 22 the youngest city council member in the history of his hometown of Stockton. Today, in addition to serving on the city council he is an adjunct professor at Stockton’s

Langston Hughes Academy where he teaches and serves as a role model for boys growing up in circumstances similar to his so they can go on to college and not to prison, the graveyard, or a life on the margins.

Michael is just one of the millions of children and youths who have been helped by the policies put in place as part of President Johnson's War on Poverty. A December 2013 study from Columbia University shows that after taking into account government benefits the United States has reduced child poverty *by over a third* since 1967, and extreme child poverty, or the percent of children living below half the poverty line, by nearly *40 percent*.¹ This is despite the fact that unemployment has more than doubled since then. This means that millions of children have been lifted out of poverty and have seen their lives improved over the past 50 years by Food Stamps (now the Supplemental Nutrition Assistance Program (SNAP)), Medicaid, the Children's Health Insurance Program (CHIP), Aid for Families with Dependent Children, Social Security, Head Start, Early Head Start, the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) among other programs.

These programs continue to have a crucial impact today. In 2012, the latest year of data, a total of 9 million children – that's 1 in 8 children in America – were kept out of poverty by government safety net programs.² For example, 3.3 million children were kept out of poverty by the EITC and 2.2 million by SNAP. Without them, child poverty would have been nearly *60 percent higher* and extreme child poverty *240 percent higher*.¹

¹ Christopher Wimer, Liana Fox, Irwin Garfinkel, Neeraj Kaushal, and Jane Waldfogel, "Trends in Poverty with an Anchored Supplemental Poverty Measure," Columbia Population Research Center, December 2013.

² Arloc Sherman, Sharon Parrott, and Danilo Trisi, "Chart Book: The War on Poverty at 50," Center for Budget and Policy Priorities, January 2014.

These are not programs that serve a static underclass of persistently poor individuals. Nearly 70 percent of Americans between the ages of 14 and 22 in 1979 received income from SNAP, AFDC/TANF, Supplemental Security Income (SSI) or Unemployment Insurance at some point in the 32 years between 1978 and 2010.³ About half of taxpayers with children used the EITC at some point between 1989 and 2006.⁴ And nearly half of all households received support from either refundable tax credits, SNAP, Unemployment Insurance, Supplemental Security Income, housing assistance, school lunch, TANF, WIC, Medicaid or Disability Insurance in 2012.⁵

These investments have real impacts for children. As a result of the efforts begun with the War on Poverty, we've greatly reduced child hunger and more or less eliminated the kind of severe malnutrition that shocked me and the nation back in the 1960s. We've also improved access to health care over the decades. One indicator of these improvements is that infant mortality, the share of babies who die before their first birthday, has decreased *by 75 percent* since 1964, although of course more work remains to be done on that front since babies in the U.S. still die at one of the highest rates among industrialized nations.⁵

We've also increased high school and college graduation rates: 81 percent of young people ages 18-24 have a high school degree now compared to 68 percent in 1964, a 19 percent increase, and we've more than doubled the percent of people ages 25-29 with college degrees from 13 percent then to 34 percent now.⁵

³ The Council of Economic Advisors, "The War on Poverty 50 Years Later: A Progress Report," January 2014.

⁴ Tim Dowd and John B. Horowitz, "Income Mobility and the Earned Income Tax Credit: Short-Term Safety Net or Long-Term Income Support," *Public Finance Review* 39, no. 5619-652, 2011.

⁵ Children's Defense Fund, "The State of America's Children 2014," January 2014.

One of the most important things we have learned about these programs is that they have *long-term* positive benefits for children. Growing up poor can have lifelong detrimental consequences, lowering a child's chances of graduating from high school and being self-sufficient and in good health as an adult. When poor children's basic needs are met as they are growing up, they do better in school and in life.

A recent study on the long term effects of what began as the food stamp program looked back to the earliest days when it was rolled out county by county to identify children who had access to food stamps in early childhood and whose mothers had access during their pregnancies.⁶ They tracked their progress from the 1960s and 1970s into adulthood, comparing them to similar children who didn't have access to food stamps. The results showed the power of nutrition: the children who had access to food stamps were less likely to have stunted growth, be obese, or have heart disease as adults—and the positive effects weren't just health-related. One of the largest differences was that children in families with food stamps were *18 percent more likely* to graduate from high school. Another study found that children in families who received income boosts due to refundable tax credits like the EITC and the Child Tax Credit were more likely to attend college and have higher earnings as adults.⁷ One of the crucial lessons we have learned over the past 50 years is that when we help struggling families to meet basic needs for children, those children do better in the long run, and so does our country.

⁶ Hilary W. Hoynes, Diane Whitmore Schanzenback, and Douglas Almond, "Long Run Impacts of Childhood Access to the Safety Net," National Bureau of Economic Research Working Paper No 18535, November 2012.

⁷ Raj Chetty, John N. Friedman, and Jonah Rockoff, "New Evidence on the Long-Term Impacts of Tax Credits," Statistics of Income Paper Series, November 2011.

I believe those who say such programs do not work and create a poverty trap are misguided and/or misinformed and should pay closer attention to the research evaluating the impact of these programs and to those directly affected. There are millions of adults like Michael whose lives were put on an upward trajectory because of the boost their families received from nutrition assistance, housing subsidies, refundable tax credits, Head Start, Medicaid and CHIP among other programs. We know a lot about what works and must act on it.

The real poverty trap in our country is the fact that good jobs have become hard to find and that the minimum wage is now worth 22 percent less than it was in 1964. It is the fact that we still fail to provide the resources needed to educate all of our children so that they can compete in the 21st century global economy. It is the fact that we let the poorest among us be segregated in communities with the fewest resources, with failing schools, and then blame them for not being able to get ahead by saying they have a culture of poverty and don't want to work. The real poverty trap is the Cradle to Prison Pipeline[®] crisis lodged at the intersection of race and poverty that disproportionately funnels children of color into the criminal justice system, and consigns them to a lifetime at the margins of society before they have even reached adulthood. The real poverty trap is our unwillingness to make the investments needed if we are serious about ending poverty in America and our continued refusal to ensure a level playing field for every child to develop their potential to the fullest.

Those who talk about a poverty trap should walk for a while in the shoes of someone struggling to make ends meet with multiple minimum wage jobs, sky-high child care and housing costs, and no opportunities for advancement. It was Senator Robert F. Kennedy's visit to the Mississippi Delta with other Democratic and Republican members of the Senate Subcommittee on Employment, Manpower,

and Poverty to see for themselves the hungry poor in our very rich nation that helped galvanize the nation to act. It was the poor people brought to Washington to testify before Congress in 1968 by Dr. Martin Luther King Jr.'s Poor People's Campaign, for which I served as counsel and federal policy liaison, who helped make hunger and poverty visible and set in motion a series of positive incremental steps that led to the expansions of the federal food and other safety net programs that so many children and families continue to benefit from today as they struggle to work and improve their futures. Chairman Ryan, you have spent some time traveling around the country and visiting low-income communities. I invite you and all your Budget Committee colleagues on both sides of the aisle to accompany me on a Child Watch to see with your own eyes more of the need that still exists and the impact that programs like Early Head Start, Head Start, child care subsidies, school meals, Medicaid and CHIP and others are having on children's lives. I encourage the committee to hear directly from those served by these important programs before making any decisions about how to "improve" the nation's anti-poverty investments.

Child poverty is unacceptable in the United States. We are rich enough and have a dynamic enough economy that we should not have the highest child poverty rate among our peer nations. The truth is that despite important progress, the United States is still not a fair playing field for millions of children afflicted by preventable poverty, hunger, homelessness, sickness, poor education and violence in the world's richest economy with a gross domestic product of \$17 trillion.

That every fifth child – 16.1 million children – is poor based on their families' cash income in our rich nation is morally shameful and economically costly. Children are the poorest age group in our country and the younger they are the poorer they are. Every tenth child is extremely poor. Every

fourth infant, toddler and preschool child is poor. In five years children of color who are disproportionately poor, nearly 1 in 3, will be a majority of all children in America and of our future workforce, military and consumers. But, as CDF's *The State of America's Children*[®] 2014 report documents, millions of these children still are unready for school, poorly educated and unprepared to face the future. I would like to enter [*The State of America's Children 2014*](#) report into the record so that you can see for yourselves how poorly our nation, and your individual states support, safeguard and nurture our children. They need you to be their champions.

You may ask how it is possible that safety net programs work when there are still so many poor people. There are two answers. The first is that we have never made the necessary investments to meet the needs of all poor and near-poor children and families. Currently only 4 percent of eligible poor children under age 3 have access to Early Head Start. Only 1 in 4 eligible families has access to housing subsidies, and less than 1 in 5 children eligible for subsidized child care is receiving it. We spend much less on alleviating poverty than other rich nations and suffer higher poverty rates as a result. In his last Sunday sermon at Washington National Cathedral, Dr. Martin Luther King Jr. retold the parable of the rich man Dives who ignored the poor and sick man Lazarus who came every day seeking crumbs from Dives' table. Dives went to hell, Dr. King said, not because he was rich but because he did not realize his wealth was his opportunity to bridge the gulf separating him from his brother and allowed Lazarus to become invisible. He warned this could happen to rich America, "if we don't use her vast resources to end poverty and make it possible for all of God's children to have the basic necessities of life."

The second reason why we still have unacceptable levels of poverty and child poverty is that while the safety net can help prevent the worst consequences of poverty when families fall on hard times, it does not prevent those hard times from happening. It does nothing to prevent families from losing their jobs when recessions hit, to prevent parents from being cut back to part-time work or to prevent the value of parents' wages being eroded compared to the growing cost of living. It does nothing to prevent the manufacturing and skilled trade jobs that used to be the ticket to the middle class from disappearing from our cities and towns. In short the safety net alone can't make the economy work for families and children. And over the past three decades, the economy has stopped working for middle class, low income and poor families. Starting in the 1980s, economic growth stopped being widely shared across society and started accruing nearly exclusively to those at the higher end. While productivity has more than tripled since the 1980s, average hourly compensation has barely grown. With all the benefits of economic growth going to the top earners, income and wealth inequality has grown tremendously: the share of the national income going to the top one percent more than doubled from 10 percent in 1964 to 22 percent in 2012.⁸

The precarity of working families in this economy is illustrated by the Barretts of New Orleans. Darryl and Jeanna Barrett are both college graduates who together earned about \$60,000 a year. Blessed with three beautiful daughters, they survived Hurricane Katrina and bought a home in New Orleans, eager to help rebuild their city and get on the road to living their American dream. Then Darryl became disabled due to an accident and Jeanna lost her job when the program she worked for lost state funding in 2010. Darryl's Social Security Disability and Jeanna's unemployment insurance placed them barely above the poverty line for a family of five. By Christmas of 2011, they had \$36 in

⁸ Thomas Piketty and Emmanuel Saez, "Income Inequality in the United States, 1913-2012," September 2013.

their bank account and their 15-, 10-, and 7-year-old daughters would have gone hungry without the Supplemental Nutrition Assistance Program (SNAP), free school lunches, and a local food pantry.

If America's dream continues to fade for millions of poor, near poor and middle class children like the Barretts, families' work and wages continue to decline, and education and basic survival needs continue to be ravaged to protect the powerful interests of the top one percent, then America will miss the boat to the future. There is no greater threat to our economic and military security than the fact that at least 59 percent of *all fourth and eighth grade public school students* and at least 74 percent of Black and Latino fourth and eighth graders cannot read or do math at grade level and will be unable to succeed in our increasingly competitive global economy. The fact that 75 percent of all 17- to 24-year-olds cannot qualify for the military because of poor literacy, obesity or prior incarceration should be a loud wake-up call for all of us. We must finish the job started by President Johnson and Dr. King.]

The way to end poverty is not to cut the very programs that are making the difference between a child eating and a child going hungry. Nothing in my decades of work on behalf of poor children makes me believe that cutting vital lifelines for millions of families who have fallen on hard times is the way to create well-paying jobs or help parents have the time and resources to be able to nurture and support their children. Nothing in my experience makes me believe that putting college further out of reach for low-income students will help them compete for well-paying jobs. Nothing in my experience makes me believe that the Committee's budget proposal recently passed by the House of Representatives, which gets 69 percent of its cuts from programs that assist low-income children and families while giving tax breaks to the wealthiest and most powerful among us, will help create the economic opportunity and support system that is needed to truly end poverty in our rich nation. It

boggles my mind that some believe we can afford to cut tax rates for the richest but when it comes to investing in the needs of our children, the coffers are dry.

We don't have poverty in our midst because we have done *too much* for people. We have poverty because we have done too little. We should be fixing the policies that have fueled inequality and given birth to an economy that has stopped working for the majority of hard-working people in our country. When there is a job with a living wage for every working-age person in this country, when every single child, regardless of her parents' income or skin color or country of origin, has access to nurturing and enriching early childhood programs and effective schools, when no families have to choose between whether to pay the electricity bill or buy medicine for their sick child, or have to figure out how to make the last \$20 in food assistance stretch till the end of the month, then we will have ended child poverty. Until that is the case, it is deeply misguided to try to reduce poverty by cutting the very programs enabling struggling families to stay afloat in a hostile economy, the very programs that help ensure that the next generation's adults won't be scarred by a childhood of deprivation, which if unchecked fuels a cycle of poverty that repeats itself through generations.

To end poverty in America we must do at least three things. First, for the sake of millions of children who are poor right now through no fault of their own, and whose potential will be diminished unless their families and communities have resources to nourish their development, we must ensure our safety net programs are robust enough to stop the irreparable harm caused to children growing up poor. Too many children still fall through the holes in our already porous safety net. We must increase the value of nutrition assistance, remove barriers to accessing benefits, and extend the reach of housing subsidies. We must expand Medicaid to poor parents and others in all states. It is so harmful to

children and parents, as well as single adults, and to their own economies, that 24 states are not implementing the Medicaid expansion approved under the Affordable Care Act, even though they would be eligible for 100 percent federal funding. Six of the ten southern states that have declined the funds were among states with the highest child poverty rates in the country in 2012. We must make permanent the extensions of the EITC and the CTC that were put in place in 2009 and increase the EITC for families with children as well as for childless adults and non-custodial parents, including young adults. The EITC has been expanded under every President, Republican and Democrat, since it was first created in 1975. Not only does it reduce child poverty and improve life chances for children, it also boosts employment and is credited as one of the main drivers of increased employment among female-headed households in the 1990s.

Second, building on quality early childhood practices already underway in both red and blue states and sound research about the crucial importance of early brain development, we must invest in a quality early childhood continuum of care from birth through age 5 so that every child, regardless of the circumstances of birth or lottery of geography, is ready for school and has a fair chance to reach their God-given potential. We know that if we properly support children in their early years, not only will they benefit, but so will all America. This is not only the just but the smart and cost-effective thing to do. Nobel laureate economist James Heckman estimates a lifelong economic rate of return of 7 to 10 percent each year for every dollar invested in quality early childhood programs. Former Chairman of the Federal Reserve Ben Bernanke told CDF conference attendees in 2012: “Very few alternative investments can promise that kind of return. Notably, a portion of these economic returns accrues to the children themselves and their families, but studies show that the rest of society enjoys the majority

of the benefits, reflecting the many contributions that skills and productive workers make to the economy.”

Finally, we must work together to create an economy that works for all not just the very few at the top. Congress should immediately extend unemployment insurance for the long-term unemployed and increase the minimum wage. Unemployment insurance kept 600,000 children from poverty in 2012. An estimated 3.6 million children could be harmed this year if benefits for long-term uninsured are not extended. The minimum wage should be an easy lift. It would not cost the federal government anything and would improve the lives of an estimated 14 million children, nearly one in five children in America. A higher wage would help their parents put nutritious food on the table, keep a roof over their heads, and ensure they get the health care they need to develop to their full potential. A parent working full time at the federal minimum wage of \$7.25 an hour earns \$15,080 a year before taxes. That’s \$4,700 *below* the poverty level for a parent with two children. It goes against all that our country stands for that someone could work full-time and not be able to make ends meet. Congress should raise the federal minimum wage to \$10.10 and index it to inflation so that it will naturally grow with the economy. We must also invest in increasing economic opportunity for all, create jobs, jobs, and more jobs, and increase the skills and capacity especially for young people as they are starting out in their careers.

To say that these are the three things we must do does not mean that parents and communities are off the hook for ensuring the well-being and success of their children. It goes without saying that those first responsible for raising children are their mothers and fathers and extended families. And there is no doubt that too many parents need help in meeting their responsibilities. But the way to help

children is not to punish them for their parents' failings. It is to ensure the parents have all the resources and opportunities to be the best parents they can be. Parents need a country that helps them meet their obligations towards those they bring into the world. They need a country where a full-time job provides an income a family can live on. They need a country that supports them when the economy falters or when tragedy hits, that provides quality affordable child care so that they can work, that provides opportunities to build skills and gain the education they need to succeed in this economy.

To those who claim our nation cannot afford to prevent our children from going hungry and homeless and prepare all our children for school, I say we cannot afford not to. Child poverty costs the nation more than \$500 billion each year in lost productivity and extra education, health and criminal justices costs.⁹ If the foundation of your house is crumbling, as ours is, we must fix it. Children are the foundation of our society. Education is a lot cheaper than ignorance. Preschool education is a bargain compared to prison and we should be ashamed that America is the largest incarcerator in the world, spending more than twice as much per prisoner as per K-12 pupil. And consider how many good jobs a quality universal early care system would provide at a time of rampant unemployment and declining wages. A quality pre-K education (and I hope full-day kindergarten education) for all young children is a win-win for everyone.

For those who insist on offsetting these cost-effective child investments despite not requiring the same of tax breaks for the rich and for corporations, there are so many ways to do it. More than 17,000 low-income children could benefit from Head Start for the cost of just one F-35 plane among the nearly 2,500 the Department of Defense is scheduled to buy. The amount the U.S. spends on

⁹ Harry J. Holzer, Diane Whitmore Schanzenback, Greg J. Duncan, and Jens Ludwig, "The Economic Costs of Poverty in the United States: Subsequent Effects of Children Growing up Poor," Center for American Progress, January 2007.

subsidizing corporate jets would pay the salary of 6,400 high school teachers. The amount the U.S. spends per minute on corporate tax breaks would pay the salary of 16 child care workers for a year. Budgets are about choices and values. Do we really think a few more F-35s, which have not yet been shown to function properly, are more important than ensuring all of our children enter school ready to learn? Do we really think subsidizing corporations for their private jets is more important than ensuring all our children graduate from high school? We have the money to pay for this, it's just a question of making the right choices about where to invest. We must end the double standard that gives to the very rich at the expense of poor children and that requires investments for children and low-income families to be offset but has no such concern when it comes to tax cuts for the rich.

MIT Nobel laureate economist Robert Solow in his foreword to the 1994 report *Wasting America's Future: The Children's Defense Fund Report on the Costs of Child Poverty* was prescient when he wrote:

“For many years Americans have allowed child poverty levels to remain astonishingly high — higher than for American adults; higher than for children in nations that are our competitors; higher than from the entire period of the late 1960s and 1970s, a period when we had less wealth as a nation than we do now; and far higher than one would think a rich and ethical society would tolerate. The justification, when one is offered at all, has often been that action is expensive: ‘We have more will than wallet.’ I suspect that in fact our wallets exceed our will, but in any event this concern for the drain on our resources completely misses the other side of the equation: Inaction has its costs too...As an economist I believe that good things are worth paying for; and that even if curing children's poverty were expensive, it would

be hard to think of a better use in the world for money. If society cares about children, it should be willing to spend money on them.”

Children have only one childhood, and that childhood determines much of what they grow up to accomplish. This means we adults have only one short time window in which to make sure that all children, regardless of the lottery of birth, are nurtured and fed, physically and spiritually, and are educated and supported to grow up to be the best they can be.

I call on members of the Budget Committee and all of America’s political leaders in every party at every level to mount a long overdue, unwavering, and persistent war to prevent and eliminate child poverty and finish the task President Johnson and Dr. King began. Two- and three-year-olds have no politics and we must reject any leaders who for any reason play political football with the lives of millions of our children and our nation’s future. If America is to lead in the 21st century world, we must reset our economic and moral compass and do right by our children – *all* of them. God did not create two classes of children, the American Dream did not envisage two classes of children, and neither should we.