

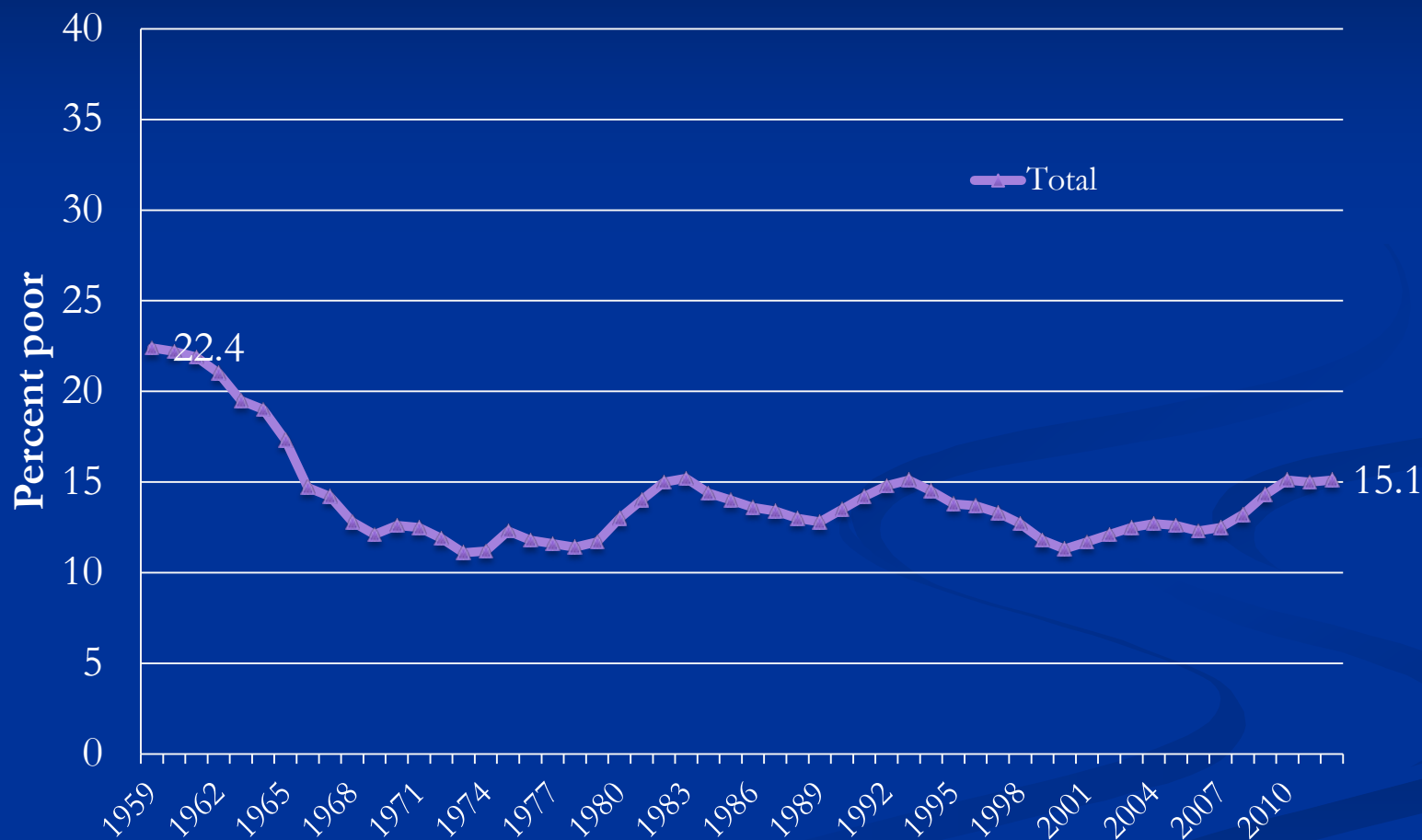
Poverty in America 50 Years After the War on Poverty

John Iceland
Penn State University

Overview

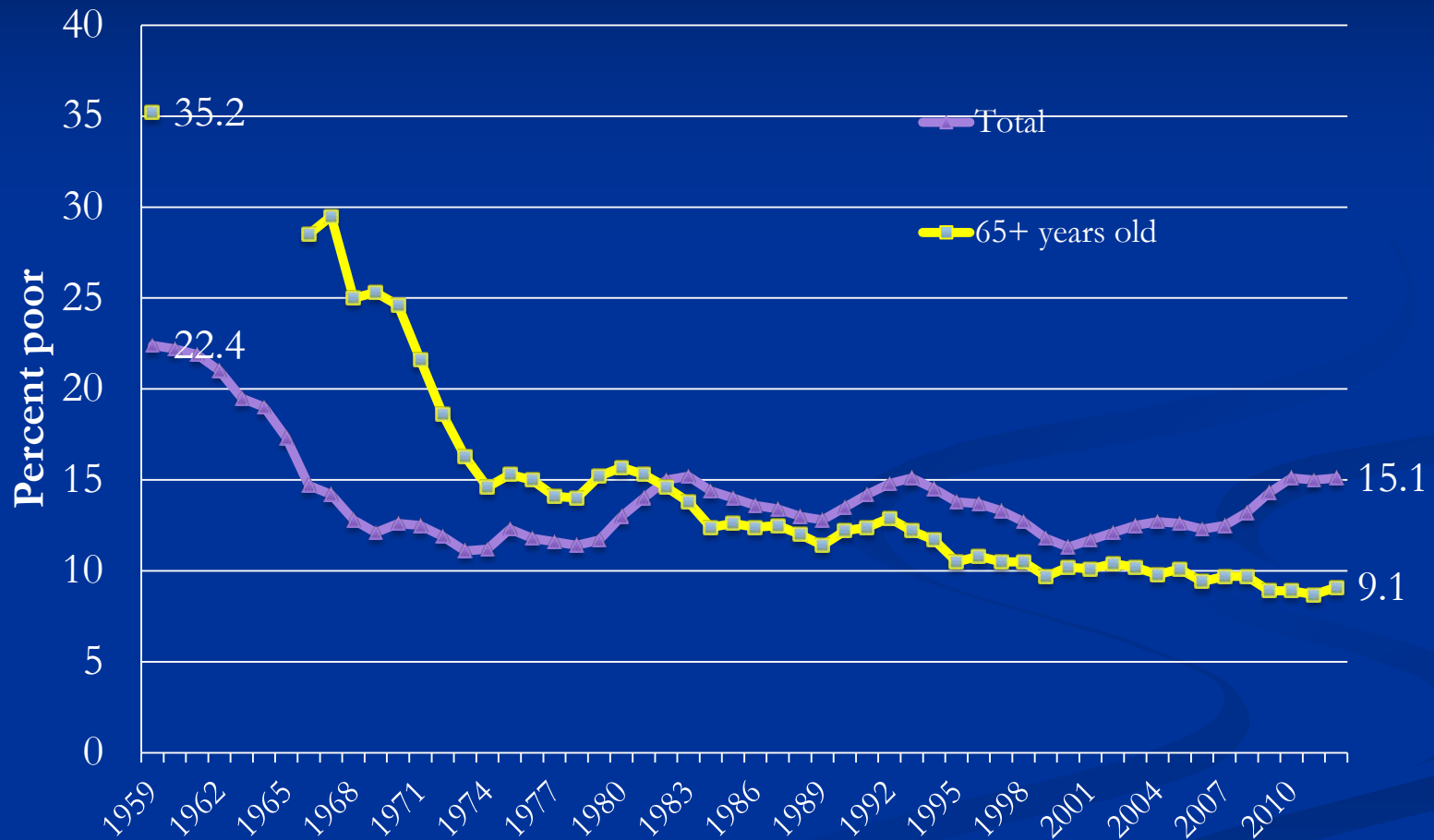
- Trends in poverty & why measurement matters
- Effects of different programs on poverty
- Trends in inequality
- International comparisons of poverty
- Conclusions

Poverty Rates by Age, 1959-2012



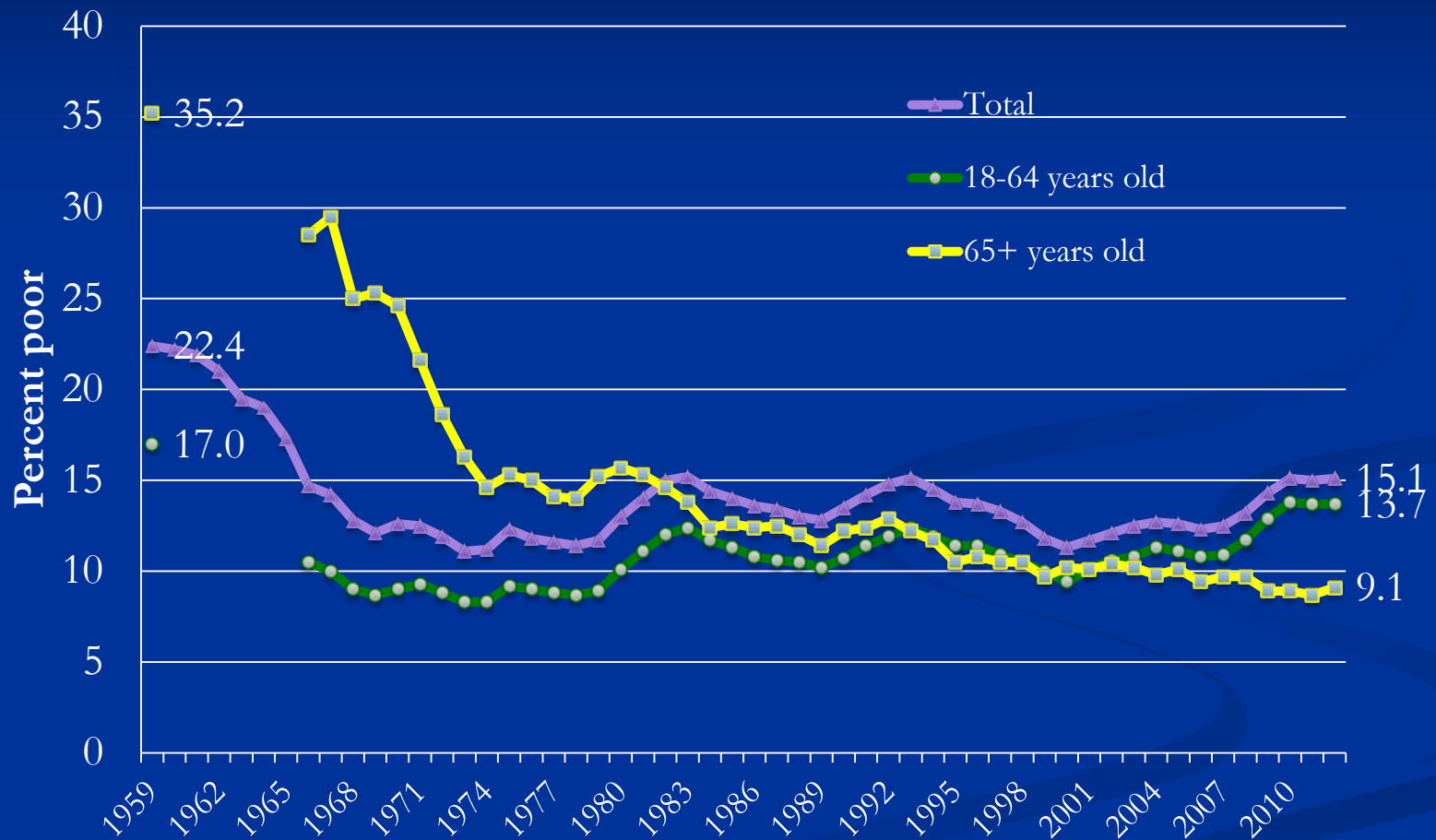
Source: DeNavas-Walt, Carmen, Bernadette D. Proctor, and Jessica C. Smith, 2012, Table B2. Based on Current Population Survey data.

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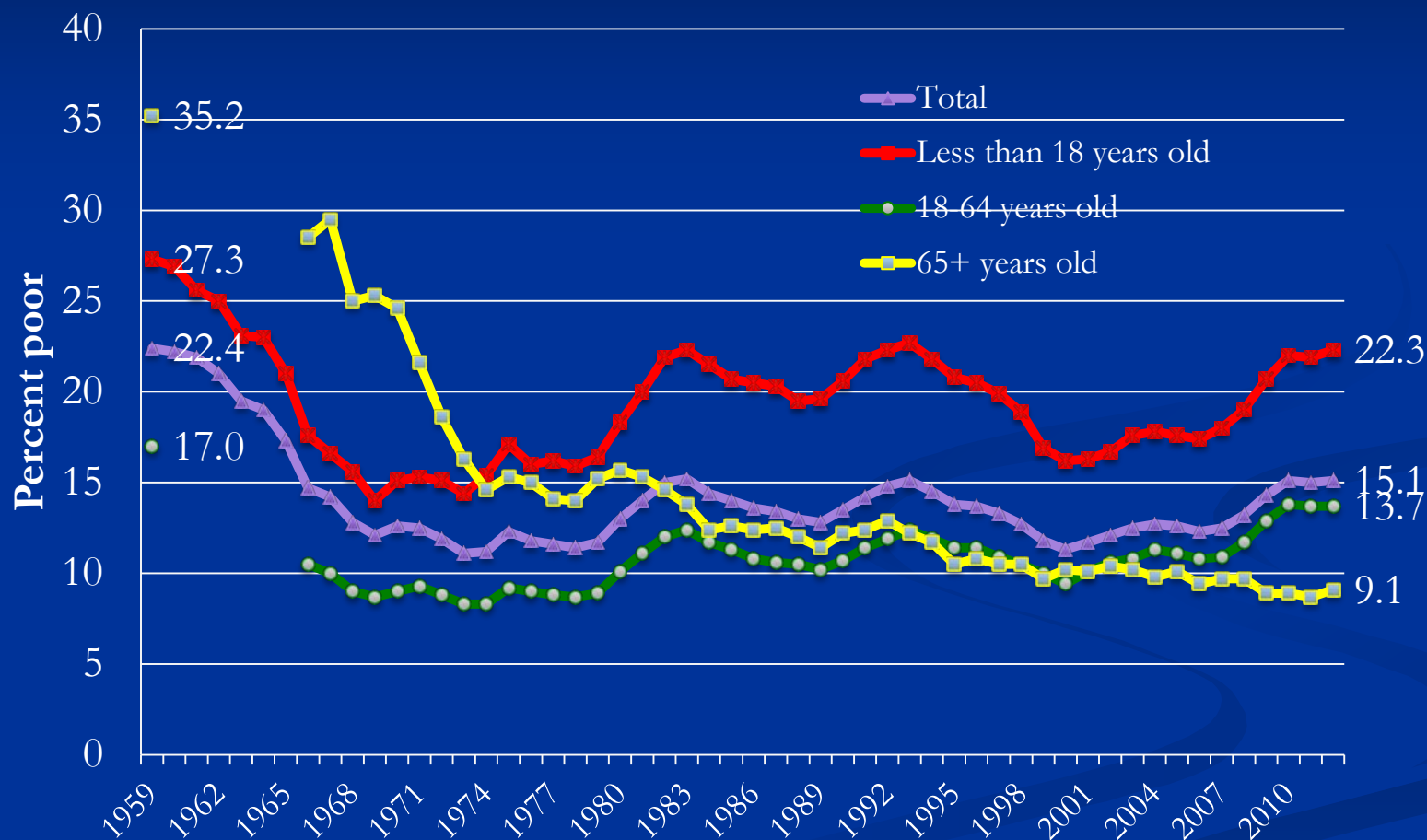
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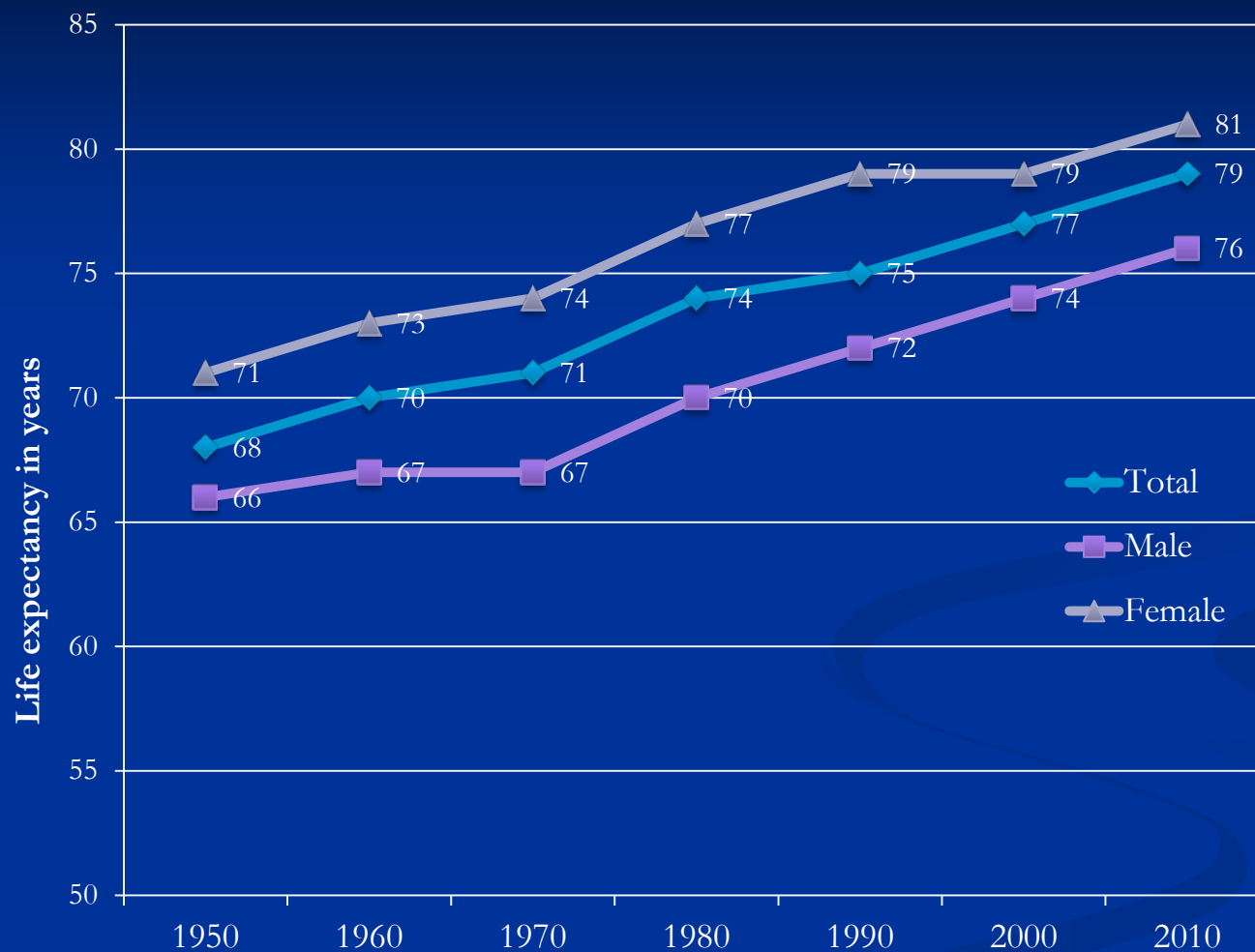


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Some Good News

- Rising living standards over generations have conferred real benefits

Figure 9.1 Life Expectancy at Birth, by Sex, 1970 to 2010

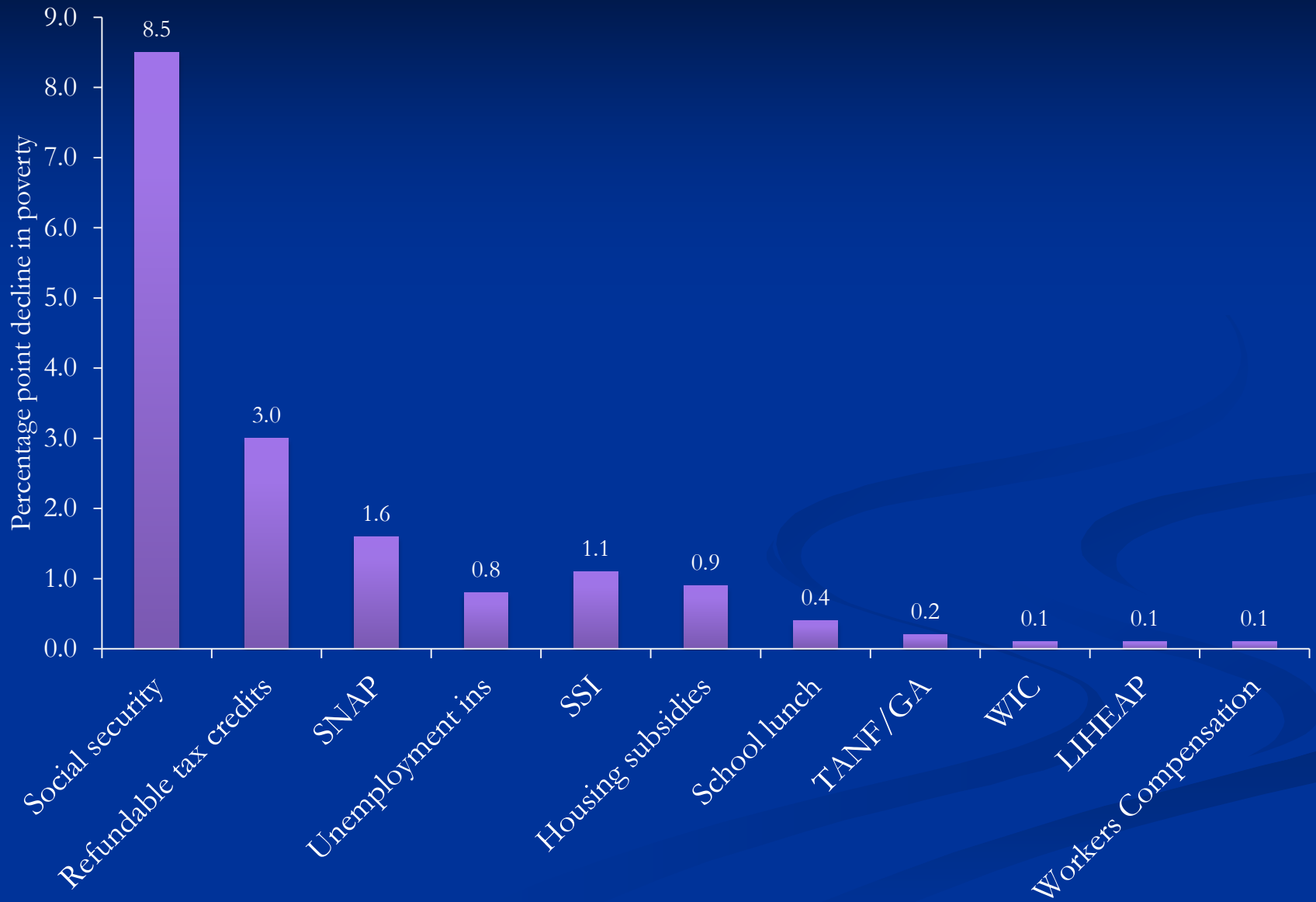


Source: Centers for Disease Control and Prevention 2011, Table 22. Based on Vital Statistics data.

Anti-Poverty Programs

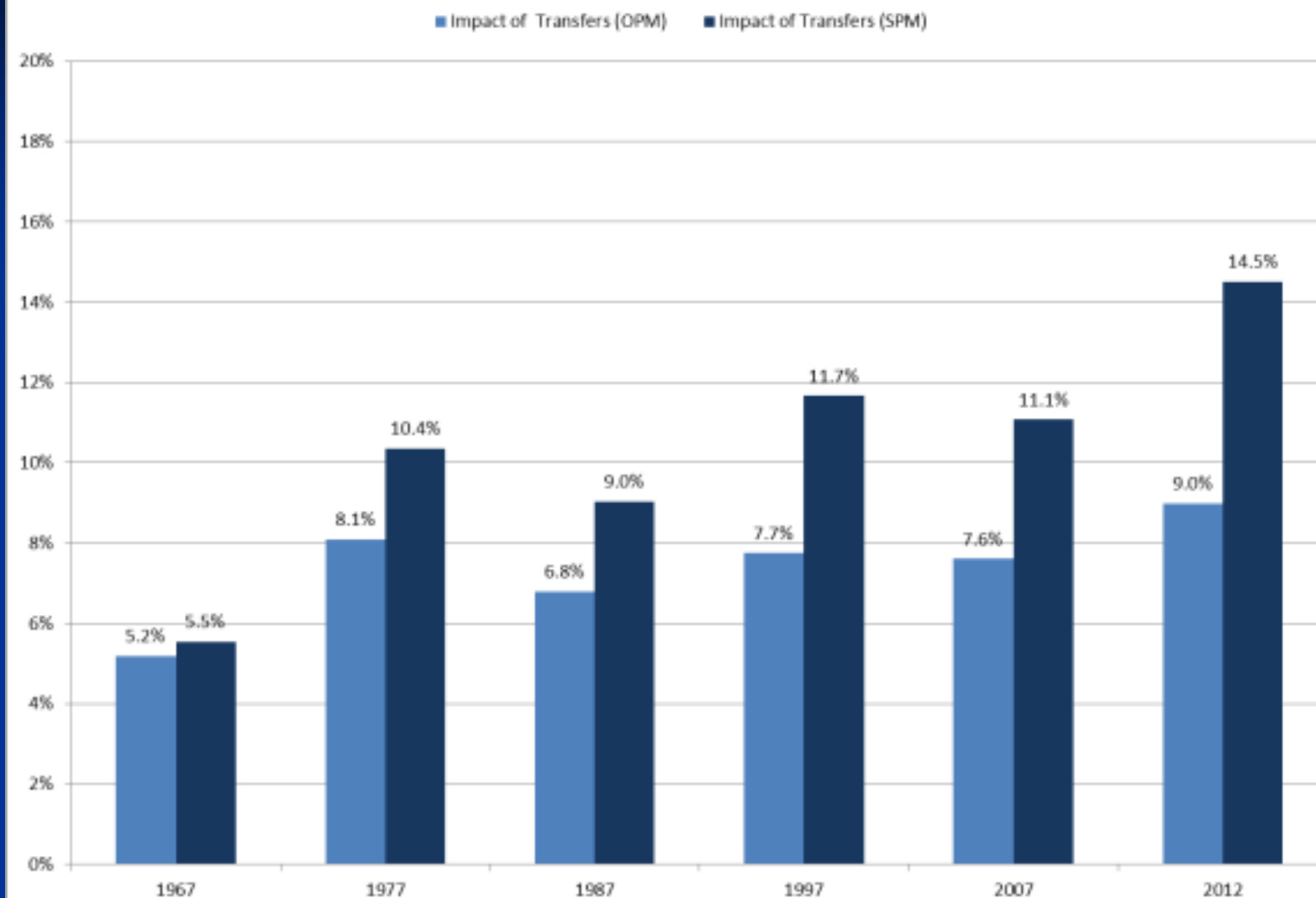
- Programs help reduce poverty
 - The official poverty measure masks some of this reduction, especially in recent years

Reduction in Poverty, by Program: 2012



Source: Short, 2013. Based on Current Population Survey data.

Figure 6b: Percentage Point Impact of Transfers Under OPM and SPM, 1967-2012



Source: Fox, L., Garfinkel, I. Kaushal, N., Waldfogel, J., and Wimer, C. 2014. "Waging War on Poverty: Historical Trends in Poverty Using the Supplemental Poverty Measure." NBER Working Paper 19789. Based on analysis of Current Population Survey data.

Figure 8: Cumulative Impact of Individual Sets of Transfer Programs on Child Poverty, 1967-2012

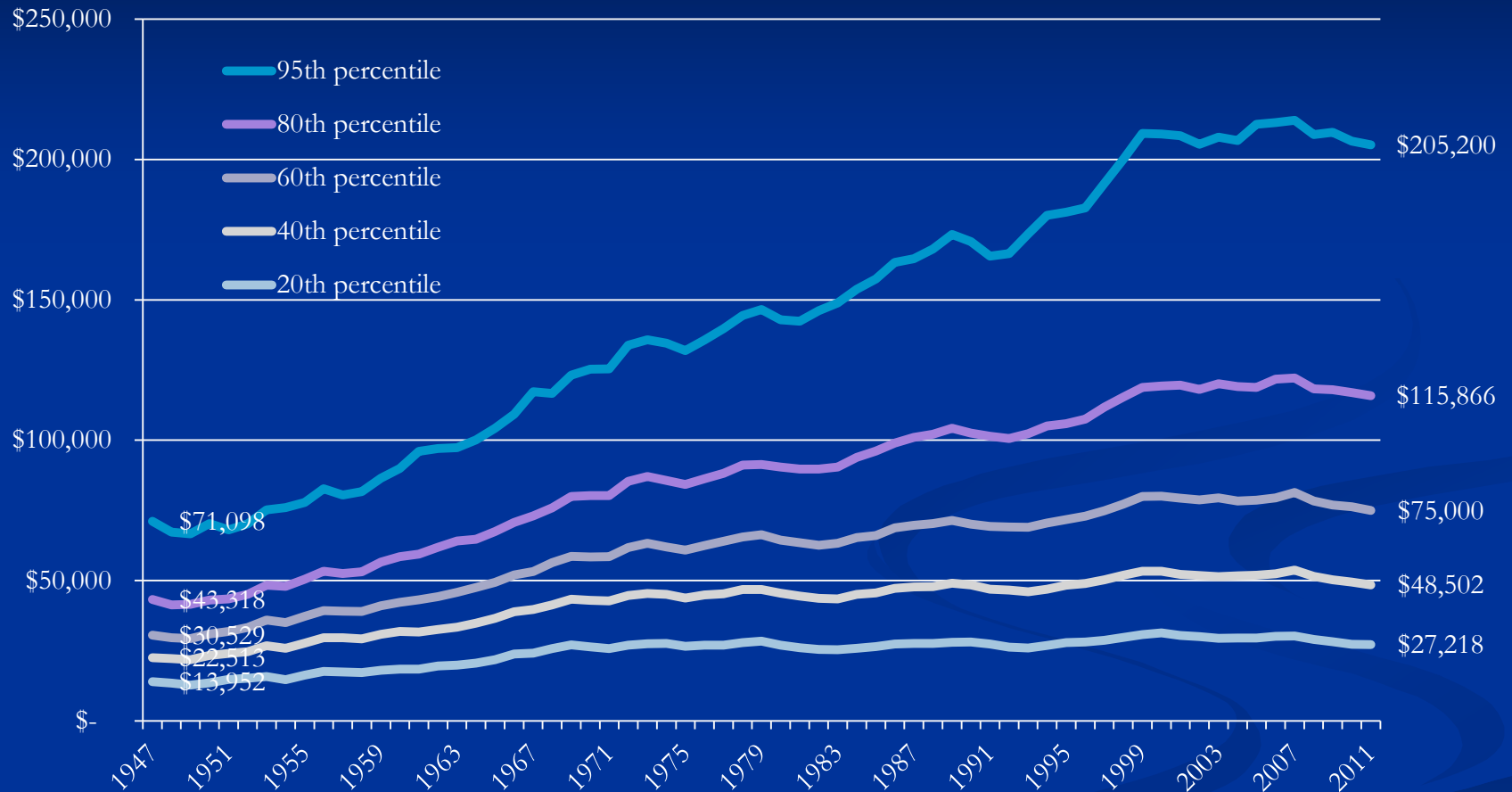


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Some Not So Good News

- Income inequality has increased
- U.S. poverty higher than in peer countries
 - Programs do less to reduce poverty

Figure 5.4. Family Incomes by Quintile, 1947-2011
(2011 dollars)



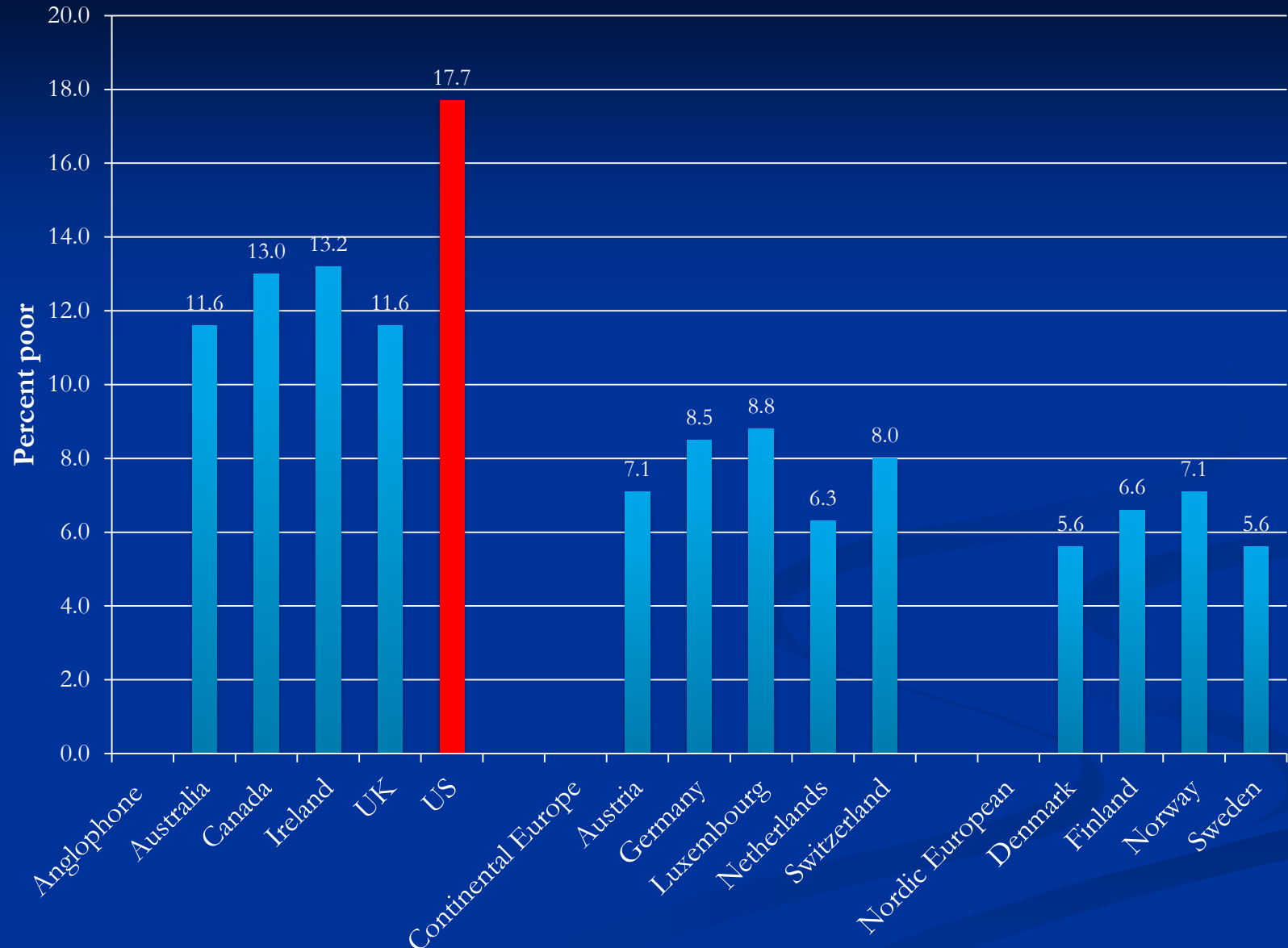
Source: U.S. Census Bureau 2012. Based on Current Population Survey data.

Figure 5.5. Gini Coefficient for Inequality in Family Income, 1947 to 2011



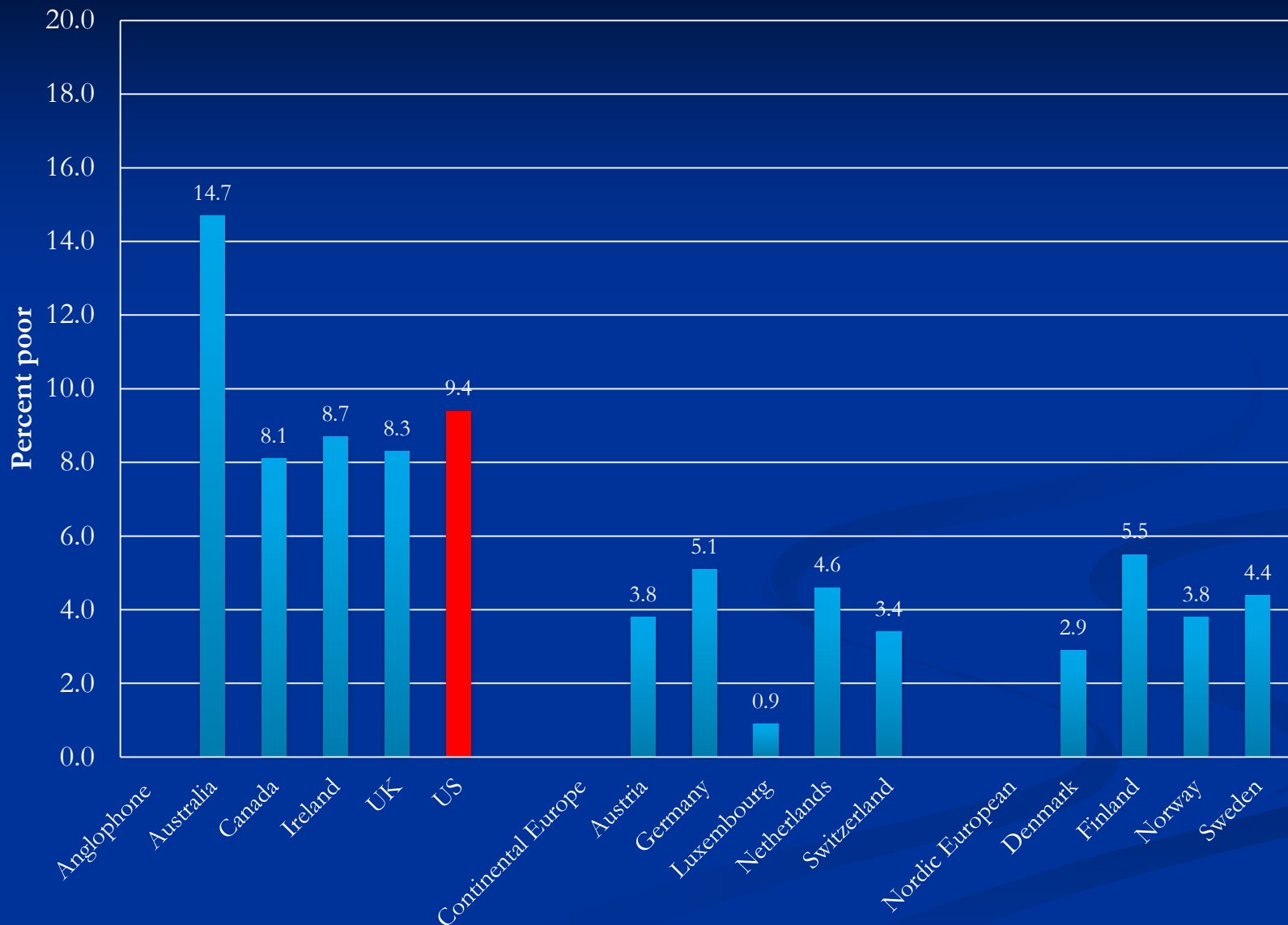
Source: U.S. Census Bureau 2012g. Note: The sharp increase in the Gini coefficient in the early 1990s was due to the redesign in the survey used to collect household income data. Higher numbers mean more inequality. Based on Current Population Survey data.

Relative Poverty Rates for Selected Countries: Mid 2000s



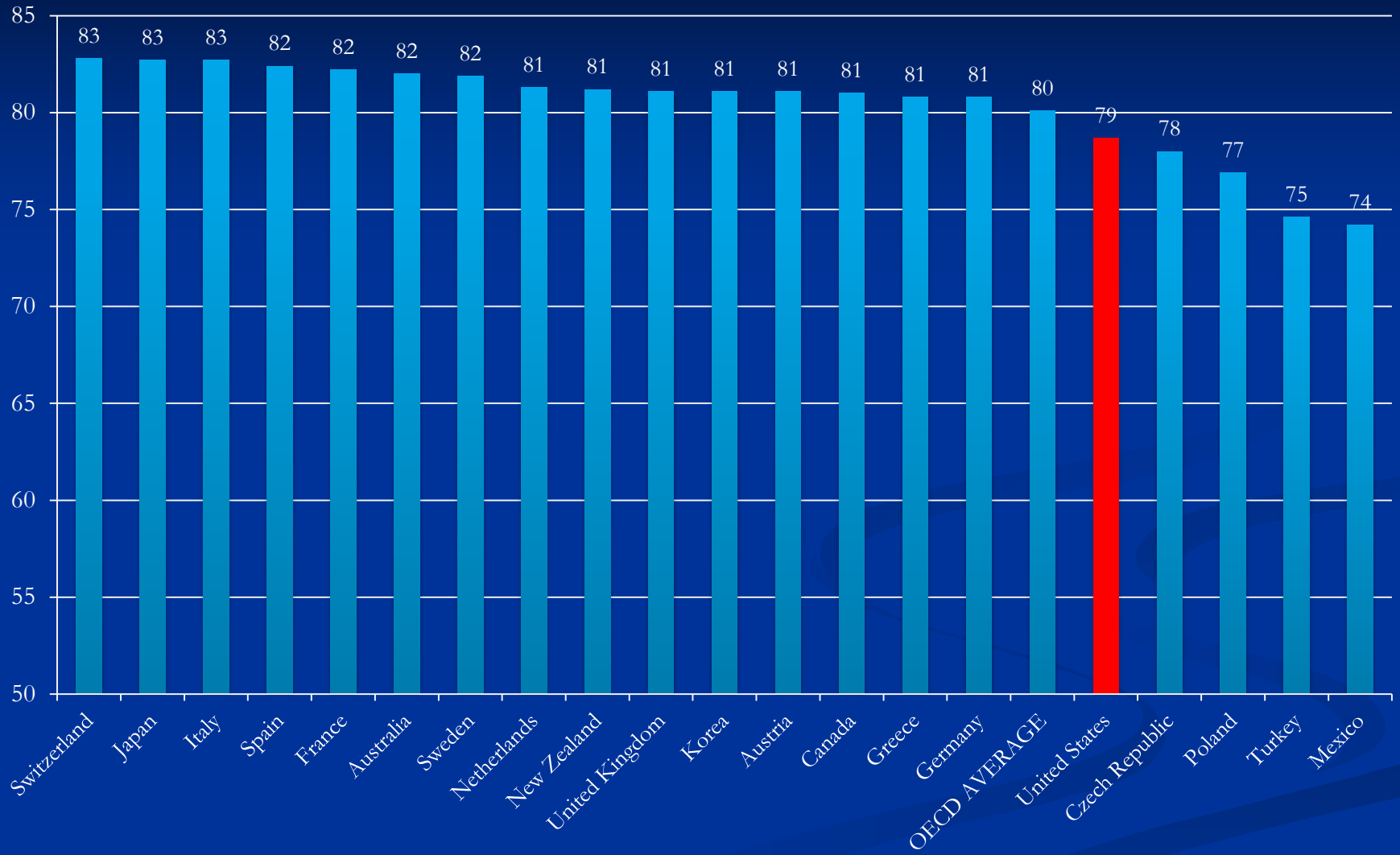
Source: Gornick and Jantti (2011), Table 1. U.S. calculations based on Current Population Survey data.

Absolute Poverty Rates for Selected Countries: Mid 2000s



Source: Gornick and Jantti (2011), Table 1. U.S. calculations based on Current Population Survey data

Figure 9.6 Life Expectancy at Birth, Selected OECD Countries, 2011



Source: OECD 2013. U.S. calculation based on Vital Statistics data.

Have We Won the War on Poverty?

■ No:

- Poverty still common
- Poverty higher in the U.S. than in peer countries
- Inequality has grown
 - Produces a headwind in our efforts to reduce poverty

■ However...

- Income assistance programs do much to reduce poverty; without them, U.S. population would be significantly worse off