

## **Citizens League Poverty Policy Initial Conversations**

(September 9, 10 and 19)

**The following is a synthesis of what we heard at the three conversations and a few auxiliary discussions with those who were unable to attend the three meeting times.**

There was broad acknowledgement that the effects of poverty ripple out with great impact through our education and health care systems and that “we are all in this together.” Yet there was a strong sentiment that poverty is accepted by the public along with a general feeling that most Minnesotans don’t feel there is an urgent problem because they have little or no interaction with people living in poverty.

It was noted that there are three times as many private police in this country as public police and that many people have done a very effective job at insulating themselves from poverty. In addition, our increasing social isolation leads us to wildly different perceptions about poverty.

There is confusion about what is “poverty.” We identify poverty that is generational, transitional, rural, urban, elderly (which is often based on disability), and cultural – all under one umbrella, but the solutions are different. A key question was whether the goal of this process is to eliminate poverty or to make the effects of poverty less onerous.

Some have defined poverty as two different types.

- Lack of economic resources. This could be called a conference table view of poverty (housing, taxes, jobs, etc.). This includes the official measures of being poor.
- Lack of family structure. This could be called the kitchen table view of poverty (alcohol and drug abuse, attitudes, uninvolved parent). You may have more economic resources than some, but still be in poverty when others with your economic resources are not.

There was a strong sense that we must significantly reframe our ways of approaching poverty and that the Citizens League could play an important role in changing the approach.

### ONE WAY TO ORGANIZE THE DISCUSSION

The Minnesota Council of Churches has produced four ways to look at the causes of poverty, which have been part of the Legislative Commission to End Poverty deliberations. Here is an attempt to show where initial discussions by the Citizens League might relate to the four areas:

#### **1. Individual decisions or situations**

(This includes people with mental and physical disabilities as well as chemical dependency and personal choices/decisions)

The portions in the Citizens League discussions that might most relate to this point were mainly about **belief systems and individual character.**

Some of the comments:

- How much poverty stems from mental illness and chemical dependency?
- Individual character is a factor in poverty. Does poverty cause people to do bad things? Are people poor because they make bad choices?
- There is a set of beliefs held by some that poor people choose poverty or are to blame for their poverty due to laziness or some moral failing.
- Antipathy toward government; a belief that charitable institutions should be responsible for solving poverty.
- People think we spend more on “welfare” than we do.
- Poor people would prefer to rely on government subsidies.
- There is a “floor” to our current system. We generally will not tolerate people starving in front of us, but other than that there is not widespread agreement about reducing/eliminating poverty and what that means.
- Most people don’t think that people who work are poor.

What should the Citizens League focus on?

- Focus on the connection between poverty and health (mental and physical).
- Reach a common understanding of what it is to be poor that crosses sectors. We need a baseline of what we are calling poverty. We get stuck funding the consequences, but don’t have this basic agreement about poverty.
- Look at what kind of incentives are imbedded in current policies. Do the incentives really encourage “good” choices or do they push people to make “bad” choices?

**2. Structural and systemic causes**

(This cause includes public policies and other systemic reasons that either cause people to be in poverty or keep them there.)

The portions in the Citizens League discussions that might most relate to this point were mainly about **economic and government systems.**

Some of the comments:

- Does poverty serve a purpose in our society? Are we really trying to get rid of it?
- A portion of our economic system is predatory. When you are poor everything costs more.
- Poverty is useful to those who wish to keep wages low, because it creates a cheap labor pool.
- Many have “made it” in our society based on free/reduced labor costs. Poverty is sustained by a series of decisions that are imbedded in this economic equation.
- Policymakers look for quick fixes, are not strategic and don’t make long-term, long-time-horizon plans.
- Programs are not set up to move people out of poverty. Many of the policies that we have help with immediate needs, but are not designed for a long-term impact.
- Money goes mainly to agencies and institutions, not to people.
- Disincentives to Earn: government programs and the tax code actually stop people in their tracks when they try to work their way out of poverty.

- There is an overall fragmentation of programs and systems.
- The non-profit and charity efforts, along with government programs, create a dizzying set of factors that people in poverty must navigate. Better coordination won't make this effective.
- Don't entirely discount better coordination. Dade County, Florida put everything government-related on line and it has been more successful.
- Private and community programs can be more effective, but we won't necessarily be able to find that out through coordination of government programs.
- Food support in Minnesota is a \$1 billion industry.
- The poverty "industry" has built up over the last few decades and has institutionalized our approaches to addressing poverty whether they are effective or not.
- Nonprofits are filling a void that is not being filled by government and business. People agree there is a government component to poverty.
- We must recognize how truly turbulent times are compared to the agrarian society up to the 1920s and the stable manufacturing society from 1920 to 1960.

What should the Citizens League focus on?

- The amount we spend on the current model of poverty reduction. This could also include data and costs from our criminal justice system.
- The cost of our current policies on poverty and compare that to the cost of establishing a minimum income.
- Generational poverty, not just the transitional issues. (This could also apply to #1)
- The fragmentation of our systems and programs. Change the disincentives to earn.

**3. Community situations**

(This includes concentrated communities of poverty—where there is a prevalence of low wages, high prices, crime, decreased access to education, transportation, and living wage jobs)

The portions in the Citizens League discussions that might most relate to this point were mainly about **concentrations**.

Some of the comments:

- Where are the concentrations? Poverty has many different forms.
- Where does the nexus of poverty occur across issues and sectors? How do we engage to find that?
- Recognition of poverty within different cultural groups. Individual empowerment needs to occur within cultural groups.
- School readiness is something that is a problem for all poor kids. It cuts across race.

What should the Citizens League focus on?

- Identify the concentrations and do the outreach to connect with those who are impacted.
- Find the nexus between sectors and issues.
- We must cross-auger the silos. All the work done in different policy "silos" needs to be organized differently than currently occurs to leverage the resources. (This could also apply to #2)

- Continue to explore the frame of children. We have different standards for children than we do for adults. We want children to have food, clothing, shelter and more.
- Look more closely at the early childhood work pursued by the Minnesota Early Learning Foundation. This could have major community impact in the long term.

#### **4. Exploitation**

(This cause deals with the realities of race, gender, class, age, etc—all those ways in which certain types of people are excluded from equal pay, housing, other advantages that privileged people just do not have to notice.)

The portions in the Citizens League discussions that might most relate to this point were mainly about **institutional practices**.

#### **Some of the comments:**

(The first four bullets under #2 also apply to institutional practices.)

- Poverty is not just a symptom of other causes. Part of the cause is a disease fueled by racism and classism. This leads to large disparities in things like health care.
- The perception of poverty is built on prevailing community standards. These standards imbed the racism and classism that feed the disease.
- There are policies that support institutional racism everywhere and until those policies are examined within the institutions where they exist, we will have difficulty making progress.
- Having a criminal record is a growing factor in poverty. Electronic records, etc. make this a growing impact. Just finding employers who will work with people who have a criminal record is a challenge.
- We are one of the worst areas in terms of segregation. Look at the TC Compass “disparity of place” information.
- Two Minnesotas: One that is well-educated, etc. and those who aren’t doing well. African Americans are most likely to be under the poverty line. We are fourth highest on this measure in the country!!

#### **What should the Citizens League focus on?**

- Identify institutional racism and classism in our institutions.
- The intersection of race and poverty. That will force us to focus on system failures.
- Don’t shy away from the philosophical. What is the claim that we each have on each other? What is the cultural framework of poverty?

Outside of the four areas above were more general questions such as, “How do we transform the way people look at poverty?” How do we focus on shifting the focus to prosperity? **One suggestion here was that the Citizens League focus on barrier removal and opportunity creation when assessing poverty.** Some of the barriers and opportunities listed below could also fit in the four areas above.

### Barriers

- Government policies that require poverty
- Government policies that impede movement out of poverty.
- The obstacles to equal access to opportunity.
- The intersection of poverty with health care and child care. You can't work your way out! (Disincentives to earn)

### Opportunities

- We do need to think about the institutions that are effective and focus there.
- Building wealth is a mentality. There are a lot of people who experience poverty only as a stage of life to get somewhere else. What is the modeling for kids to make this more often the expectation.
- Look across sectors and issues. Where is the nexus and how do we engage? Find the nexus.
- Recognition of poverty within different cultural groups. Individual empowerment needs to occur within cultural groups.
- How do we mainstream ideas like micro-credit?

**An additional question was asked by the Citizens League at the last two sessions: "Should we administer fewer programs and provide more cash?"**

### Some of the comments:

- When dealing with generational and cultural poverty, it would take a lot of mentoring. The extra cash would get blown in a month and then where would we be?
- If you think about the chaos of the current structure, more cash is a better approach, but there is a political barrier. There is a limit to how much cash you can offer when compared to factors like minimum wage, etc.
- The cash needs to be on the job side. Wage subsidies rather than minimum wage. The real trade-off is jobs vs. social services. So far social services have been the dominant model.
- More cash" is a better approach. People don't trust government programs.
- Cash is a non-starter at the Legislature. We have block grants where 27 percent is cash and that has not been raised since 1987.