

How we Lost the War on Poverty

By Darrow Miller

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On January 8, 1964, President Lyndon B. Johnson used his State of the Union address to announce an audacious government undertaking: to end poverty in the USA. Johnson stated, "This administration today, here and now declares unconditional war on poverty in America." His stated goal was, "not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it."

Johnson's goal was noble indeed. He did not want to simply "relieve the symptom of poverty." He did not want to put a Band-Aid on the problem. He wanted to attack the root of the problem, to "cure" poverty, and beyond that to assure that the conditions that created poverty would be destroyed. He wanted "to prevent it" from coming back.

Johnson's War on Poverty turned 50 this year. What have we learned? Has the war on poverty been a success or failure? What do we have to show for the trillions of dollars and dozens of federal programs?

As a young man in college, I was confronted with poverty during a six-week stay at an orphanage in Mexico City. This experience set the course of my life. It comprised a call to work to alleviate poverty in the "developing" world. Almost 50 years later my passion has not abated. In those years, I have discovered that some things create the conditions for people to escape poverty. Other things perpetuate or even exacerbate poverty. Among the latter is the War on Poverty in the US, a government effort that has actually increased poverty in America.

When a government creates 126 agencies and spends \$15 trillion (1.5 thousand billion dollars ... some say \$21.5 trillion¹) over a 50-year period fighting poverty, what outcome might we expect? Surely such an unsparing effort should eliminate, or at least greatly reduce, poverty in a nation!

But poverty levels are about the same as they were in 1964. The facts are undeniable, yet whole segments of the establishment leadership regard today's continued poverty as evidence that we need to spend more money.

¹ <http://www.forbes.com/sites/louiswoodhill/2014/03/19/the-war-on-poverty-wasnt-a-failure-it-was-a-catastrophe/>

President Obama, for example, wants to add \$56 billion to the current \$1 trillion in federal spending to help the poor. Janelle Bouie, a staff writer for *Slate*, wrote, "By and large, the easiest solution is to mail larger checks to more people."² Bouie was responding to a proposal from Congressman Paul Ryan, chairman of the House Budget committee, to help poor families develop life skills to earn their way out of poverty.

Obviously, many people assume that money solves the problem of poverty. It does not. \$15 trillion has not solved poverty because the root of the problem is not the lack of money.

Robert Rector, senior research fellow at the Heritage Foundation and one of the nation's leading experts on poverty issues, has written:

Fifty years later, we're losing that war. Fifteen percent of Americans still live in poverty, according to the official census poverty report for 2012, unchanged since the mid-1960s. Liberals argue that we aren't spending enough money on poverty-fighting programs, but that's not the problem. In reality, we're losing the war on poverty because we have forgotten the original goal, as LBJ stated it half a century ago: "to give our fellow citizens a fair chance to develop their own capacities."

The federal government currently runs more than 80 means-tested welfare programs that provide cash, food, housing, medical care and targeted social services to poor and low-income Americans. . . . If converted to cash, current means-tested spending is five times the amount needed to eliminate all official poverty in the U.S.³

In terms of Johnson's goal of moving people towards self-sufficiency, away from dependency on government largesse, the war on poverty has been a failure. As the graph below⁴ shows, self-sufficiency has declined as government funding has increased.

Percentage of Individuals Who Live in Poverty (excluding welfare benefits)



²http://www.slate.com/articles/news_and_politics/politics/2014/07/paul_ryan_s_anti_poverty_plan_the_house_budget_chairman_s_paternalistic.html

³ <http://dailysignal.com/2014/07/28/index-culture-opportunity/>

⁴ <http://index.heritage.org/culture/self-sufficiency/>

The graph pictures the unintended consequences in the war on poverty. Obviously, the *intended* outcomes were that as more money was spent to eliminate poverty poverty rates would fall. The actual result was closer to the opposite. More and more money has been spent but poverty has not decreased. Those who have lost their dignity, become enslaved and dependent on the government are far more than those who have become free, independent producers of wealth.

The more money spent by the government on programs to help the poor, the more people have become dependent on government programs. The unintended consequences of the implementation of the war on poverty have meant more families enslaved and fewer families self-sufficient and free.

Michael Tanner, a senior research fellow at the libertarian Cato Institute, has written extensively on poverty. In the abstract for his 2012 research paper, “The American Welfare State: How We Spend Nearly \$1 Trillion a Year Fighting Poverty — and Fail,” Tanner writes:

News that the poverty rate has risen to 15.1 percent of Americans, the highest level in nearly a decade, has set off a predictable round of calls for increased government spending on social welfare programs. Yet this year the federal government will spend more than \$668 billion on at least 126 different programs to fight poverty. And that does not even begin to count welfare spending by state and local governments, which adds \$284 billion to that figure. In total, the United States spends nearly \$1 trillion every year to fight poverty. That amounts to \$20,610 for every poor person in America, or \$61,830 per poor family of three.

Welfare spending increased significantly under President George W. Bush and has exploded under President Barack Obama. In fact, since President Obama took office, federal welfare spending has increased by 41 percent, more than \$193 billion per year. Despite this government largess, more than 46 million Americans continue to live in poverty. Despite nearly \$15 trillion in total welfare spending since Lyndon Johnson declared war on poverty in 1964, the poverty rate is perilously close to where we began more than 40 years ago.⁵

This analysis is devastating.

- Federal, state and local spending on welfare programs averages a trillion dollars (\$1,000,000,000,000) a year.
- For every poor person the government spends \$20,610 a year.
- The amount of money spent in government “means-tested” programs is five times the amount needed to eliminate poverty in the US.
- The outcome: 15% of Americans live in poverty, roughly the same percentage as before all that money was spent.

Tanner continues:

⁵ http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2226525

*Clearly we are doing something wrong. Throwing money at the problem has neither reduced poverty nor made the poor self-sufficient. It is time to reevaluate our approach to fighting poverty. We should focus less on making poverty more comfortable and more on creating the prosperity that will get people out of poverty.*⁶

How do we define success in this matter? Some measure success by the amount of money spent. By this reckoning, surely the United States has been wildly successful. Perhaps no country in history has spent more on helping its poor citizens.

But such a definition of success is unhelpful. As Tanner points out, “Shouldn’t we judge the success of our efforts to end poverty not by how much charity we provide to the poor but by how few people need such charity?”

Yes. Success means fewer people on welfare, more people thriving in their God-given potential. By this metric, the war on poverty has been a dismal failure. Poverty has won in America.

A welfare mentality crushed the war on poverty

If the problem is not lack of money, if more money (and more government bureaucracy) is not the solution, what is?

To answer that question we need to see the relationship between four parts of public life:

Paradigms (worldview) → Principles → Policy → Programs

Our poverty fighting *programs* are derived from government *policies*. Policies are grounded in *principles*. How often do citizens and policy makers examine the principles from which they are functioning? And the foundational level of all this is our *paradigms*, or worldviews. How many people concerned about poverty take time to consider how various paradigms (or sets of assumptions) affect our policies and programs?

Perhaps it is time to curtail spending and ask some difficult questions regarding the root of poverty. Maybe we need to examine the principles and paradigms which, consciously or sub-consciously, are driving our policies and programs.

Often the problem is in the mind. There is such a thing as a poverty or entitlement mentality:

“Someone else will take care of me.”

“The government will take care of me!”

“President Obama will take care of me.”

⁶ Ibid.

The United States is becoming less a land of opportunity and more a land of government largess.

Chris Cabrera, a vice president in the National Border Patrol Council Local 3307 at McAllen, Texas, spends his time working along the Mexican-US border. He knows firsthand the human tragedy now taking place there. Speaking from an “on-the-ground perspective,” he states what he is hearing from illegal immigrants as to their motive for streaming across the border:

I find it odd that their whole thing is, “We are going to get amnesty when we get here. Where is my permiso [permission]? Where is my permission to go north so I can get my medical care and my schooling and all that? President Obama is going to take care of us and make sure we’re all OK.”

Whether it’s the adults or the young kids, one thing we consistently hear is, “Obama will take care of us.”⁷

This is a prime example of how the mind of poverty works. In previous generations, people “yearning to breathe free” immigrated to America. Now would-be immigrants are yearning to be taken care of by the state.

A poverty *mentality* gives rise to poverty *behaviors* that contribute to the intransigence of poverty. In the old order, people made distinctions between virtue and vice. Virtuous people were wise. They applied the truth, choosing to live in the moral reality that God had made. Others chose to follow their baser instincts, to indulge in vices. They were foolish in their behavior and their bad choices led to bad consequences.

Some readers will take offense at my words. Some will be indignant at my audacity to make value judgments on other’s behaviors. But if we really have a heart to help people *out* of poverty rather than merely enabling them to live more comfortably *in* poverty, perhaps we need to go deeper in our analysis of the problem.

Robert Rector is senior research fellow at the conservative Heritage Foundation. He wrote that President Lyndon B. Johnson’s War on Poverty was intended to “attack not just the symptoms of poverty but, more important, remove the causes.” Rector continues,

By that standard, the war on poverty has been a catastrophe. The root “causes” of poverty have not shrunk but expanded as family structure disintegrated and labor-force participation among men dropped. A large segment of the population is now less capable of self-sufficiency than when the war on poverty began.⁸

Closer to the root of the problem is family breakdown and loss of a work ethic, particularly among large segments of youth and men. Rector identifies that responsible behavior is a product of the virtues that lead to self-sufficiency:

⁷ <http://mobile.wnd.com/2014/07/children-crossing-border-obama-will-take-care-of-us/>

⁸ <https://www.myheritage.org/news/were-losing-the-war-on-poverty-robert-rector-writes-in-the-wall-street-journal/>

Welfare breaks down the habits and norms that lead to self-reliance, especially those of marriage and work. It thereby generates a pattern of increasing inter-generational dependence. The welfare state is self-perpetuating: By undermining productive social norms, welfare creates a need for even greater assistance in the future.⁹

What we are discovering is that we can buy as much poverty as we want to pay for. Author, engineer, and entrepreneur Louis Woodhill writes: “What turned the War on Poverty into a social and human catastrophe was that the enhanced welfare state created a perverse system of incentives, and people adapted to their new environment.”¹⁰

It’s Not Too Late to Win the War

Poverty often results from the natural human tendency to respond to incentives. That’s true, by the way, not only for those who *receive* money from government programs but also for those whose livelihood depends on *managing* government programs.

One example is the breakdown of the family. Research has shown that intact, two-parent households have a higher standard of living than single-parent households. Many government welfare programs pay single mothers more as they have more babies. This has the consequences of separating the parents. The man loses much of the incentive to father the children he has created. The mother bears more children to increase her income. A well-intentioned program has the unintended consequence of increasing poverty. Single mothers are incentivized to bring more children into poverty rather than to make the changes necessary to escape poverty.

My wife tells a related story from her role as a nurse doing postpartum visits to a young mother and her baby. On entering the darkened home of this young mother, in a poor neighborhood, she found four generations of the family sitting on a couch in the middle of the day watching TV. The new mother with her baby, and her mother and grandmother sat “amusing themselves to death,” to borrow from Neil Postman.

That’s what life on welfare often looks like: no husband, no work, increasing poverty, enough government assistance to survive. Without some dramatic changes, the baby would grow up in this environment, assuming such a life to be normal. In 15 years the same couch might hold another newborn and **four** women watching soaps on (a new) TV. What a tragedy.

Rachel Sheffield is a policy analyst at the Heritage Foundation. She recently wrote an article, “Marriage Won’t End Poverty. But It Will Help (A Lot).”

There is a strong connection between the breakdown in marriage and child poverty. Living with two working parents raises household income. Children in single-parent homes are more than five times as likely to be poor, regardless of parental education level.

⁹ <http://dailysignal.com/2014/07/28/index-culture-opportunity/>

¹⁰ <http://www.forbes.com/sites/louiswoodhill/2014/03/19/the-war-on-poverty-wasnt-a-failure-it-was-a-catastrophe/>

They also are more likely to drop out of high school, spend time in prison, abuse drugs and alcohol, and have an unwed birth.¹¹

As the message spreads throughout Central America that if you get to the USA “Obama will take care of you,” more and more people will seek to cross the border. What would I do in similar circumstances? Quite likely, I would try to get my children across the border.

What mentality do we encourage and support? Do we reward work or idleness? Living within our means or excessive spending? Responsibility or imprudence? Family formation or divorce and single-parent households? Michael Tanner, quoted above, continues in the same vein:

The vast majority of current programs are focused on making poverty more comfortable — giving poor people more food, better shelter, health care, and so forth — rather than giving people the tools that will help them escape poverty. ... And we know that the best way to create wealth is not through government action, but through the power of the free market.¹²

Is it compassionate to spend more money on programs that are failing, programs that create dependency, that engender a whole class of chronically dependent people? An objective analysis of results and a heart of compassion compel us to stop what we are doing and transition to new programs that actually change people’s minds *and* circumstances. Rachel Sheffield writes of some of the factors that need to change.

Multiple factors ... contribute to opportunity: a strong economy, a thriving work ethic, access to quality education, as well as strong families. These factors work together, not independently of each other.

A sound anti-poverty strategy must include: self-sufficiency through work, implementing policies to encourage job creation, improving access to quality education, and taking steps to restore a culture of marriage. Combining these efforts will help create a society where more individuals have the opportunity to succeed and flourish.¹³

We need the courage to recognize the failure of current welfare programs. We must acknowledge that the failure is a direct result of faulty policies derived from faulty principles and paradigms. We need to begin to work from the biblical worldview. We must articulate biblical principles that directly relate to the causes of poverty and to the creation of free and flourishing people, communities, and nations. We need to develop

¹¹ http://dailysignal.com/2014/07/31/marriage-wont-end-poverty-will-help-lot/?utm_source=heritagefoundation&utm_medium=email&utm_campaign=morningbell&mkt_tok=3RkMMJWWfF9wsRonuaXNZKXonjHpfsX56eUvWa62lMI%2F0ER3fOvrPUfGjI4ASMBII%2BSLDwEYGJlv6SgFQrLBMa1ozrgOWxU%3D

¹² <http://www.cato.org/sites/cato.org/files/pubs/pdf/PA694.pdf>

¹³ http://dailysignal.com/2014/07/31/marriage-wont-end-poverty-will-help-lot/?utm_source=heritagefoundation&utm_medium=email&utm_campaign=morningbell&mkt_tok=3RkMMJWWfF9wsRonuaXNZKXonjHpfsX56eUvWa62lMI%2F0ER3fOvrPUfGjI4ASMBII%2BSLDwEYGJlv6SgFQrLBMa1ozrgOWxU%3D

policies and their corresponding programmatic application that will lift people out of poverty. We need to invest money in programs that will reduce poverty by preparing people to flourish in their home and in the workplace, to be wealth creators, not simply wealth consumers.

We follow the One who “preached good news to the poor.” Surely we can be more effective servants to them in his name.

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