Confronting Poverty Discussion Guide

Module

10

What can be done to alleviate poverty?

Our last module covers a topic that serves to conclude the discussion guide. In thinking about what can be done to alleviate poverty, there are at least two ways to address this question. The first is to take a look at what you as an individual can do to reduce your own chances of experiencing poverty. The second is to focus on what can we do as a nation to reduce the overall extent of poverty in this country.

Individual Strategies

With respect to the first question, one thing that is absolutely clear from the research is that those with greater human capital (e.g., education, skills, training, etc.) tend to be more competitive in the labor market, and as a result, will run a lower risk of experiencing poverty. As we discussed in Module 5, this helps to explain why the five factors in the poverty risk calculator are so important. Individuals possessing more education, skills, and training are typically more competitive when it comes to landing higher paying jobs. Consequently, one way to reduce your individual chances of experiencing poverty is to increase your amount of human capital. By doing so, you will make yourself more attractive to employers, resulting in a reduced risk of unemployment or working at a lower paying job, which in turn results in a lower probability of poverty.

It turns out that many of us have had difficulty with respect to our savings behavior. For example, a recent study from the Federal Reserve found that 46 percent of Americans did not have enough money saved to cover a $400 dollar emergency expense. Other research has shown that a majority of the population do not have enough liquid assets to keep them above the poverty line for three months should they lose their main source of income.

Consequently, saving a portion of your paycheck can become an important insurance strategy for dealing with that rainy day. Putting aside a set amount of income each month results in some degree of economic security should the need arise.

Policy Strategies

A second way to think about alleviating poverty is to examine what can be done on a policy level to reduce the number of households that are poor. To go back to our earlier musical chairs analogy (Module 6), how can we restructure the game such that there are more opportunities and supports for those who are playing the game?

There are at least four broad strategies that can be employed to reduce poverty on a national, state, and local level. First, there is a need to create enough adequately paying jobs that can support individuals and families above the poverty line. This includes initiatives such as raising the minimum wage to a living wage, increasing the Earned Income Tax Credit, and stimulating the creation of good quality jobs.
Second, it is important to increase the accessibility of key social and public goods. These include quality education (both at the primary and secondary level, as well as at the post-secondary level), health care, affordable housing, and child care.

Third, policies that encourage the building of assets, particularly for those of modest means, is vital. Likewise, building the assets and resources of lower income communities is important.

Finally, providing a strong and effective social safety net is critical in addressing poverty on a national, state, or local level. This would include a range of programs and supports designed to allow families to get back on their feet when economic turmoil strikes.

Can you think of other policies and strategies that would be effective in reducing the overall U.S. rates of poverty? What about individual behaviors and actions that might reduce the risk of poverty?

There are many ways to begin to take action in confronting poverty. For example, continue to learn about poverty and share your newfound knowledge with others. Consider getting involved in your community with those organizations that are assisting low-income families. Mobilize a group of your friends and acquaintances to begin to consider the ways in which you might stand up to poverty and injustice. Make your voices heard to legislators and policy makers in your community, state capital, and Washington D.C. Ultimately, the change begins with each of us. As Margaret Mead once said, “Never doubt that a small group of committed citizens can change the world. Indeed, it is the only thing that ever has.” ★