Center for American Progress


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# A Progressive Agenda to Cut Poverty and Expand Opportunity

By Melissa Boteach, Rebecca Vallas, and Eliza Schultz June 2016

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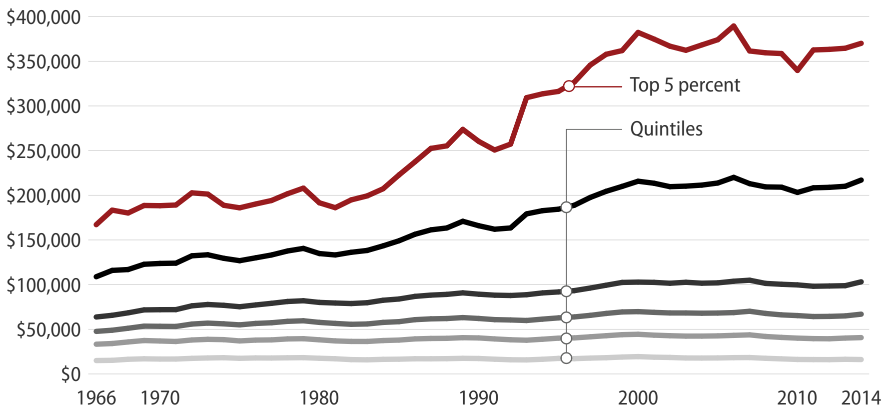
# Introduction and summary

Economic inequality has reached historic heights in recent decades, as an off-kilter economy has concentrated the gains from economic growth in the hands of those at the top of the income ladder. Since the late 1970s, most American workers have seen their wages stagnate or even decline in real terms, even though their productivity has more than doubled over the past two decades.[1] Meanwhile, the share of income going to the wealthiest Americans has skyrocketed. Most recently, in the wake of the Great Recession, the top 1 percent of households captured nearly 76 percent of inflation-adjusted income gains between 2009 and 2013.[2]

**FIGURE 1**

**Mean money income received by each income quintile and top 5 percent of families**

All races, 1966-2014, Current Population Survey, Annual Social and Economic Supplements




Source: Bureau of the Census, *Table F-3: Mean Income Received by Each Fifth and Top 5 Percent of Families, All Races* (U.S. Department of Commerce, 2015), available at http://www.census.gov/hhes/www/income/data/historical/families/.

To make matters worse, the costs of the pillars of a middle-class life—child care, higher education, housing, health care, and retirement—have all been rising faster than wages.[3] This squeeze on families' budgets has made it even harder for Americans to gain a foothold in the middle class.

Today, a staggering one in three Americans—more than 105 million people—live in poverty or are teetering on the economic brink with incomes of less than twice the poverty line.[4] New analysis by the Center for American Progress finds that if not for the dramatic rise in economic insecurity since 2000, nearly 13 million fewer Americans would be living on the edge today.[5]

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This squeeze has not only made it harder for families to get by; it has also made it harder to save for the future. Increasingly, families find themselves turning to high-cost borrowing in order to afford the basic pillars of family economic security or to deal with an unexpected crisis. Recent survey data show that nearly half of all Americans could not come up with $400 in the event of an emergency.[6] In an economy that favors the wealthy few, widespread inequality has left many families vulnerable to financial shocks that can send them spiraling into poverty—and trapped in an inescapable cycle of debt.

Programs such as Social Security, nutrition assistance, and tax credits for working families have helped mitigate these trends: The social safety net cut poverty by 40 percent from 1967 to 2012.[7] Additionally, efforts by the Obama administration over the past seven years have pulled the nation out of a deep recession and bolstered economic security for millions of Americans by, for example, dramatically increasing access to health insurance, strengthening tax credits for working families, investing in high-poverty communities, improving job quality, and removing barriers to opportunity for Americans with criminal records and their families.[8]

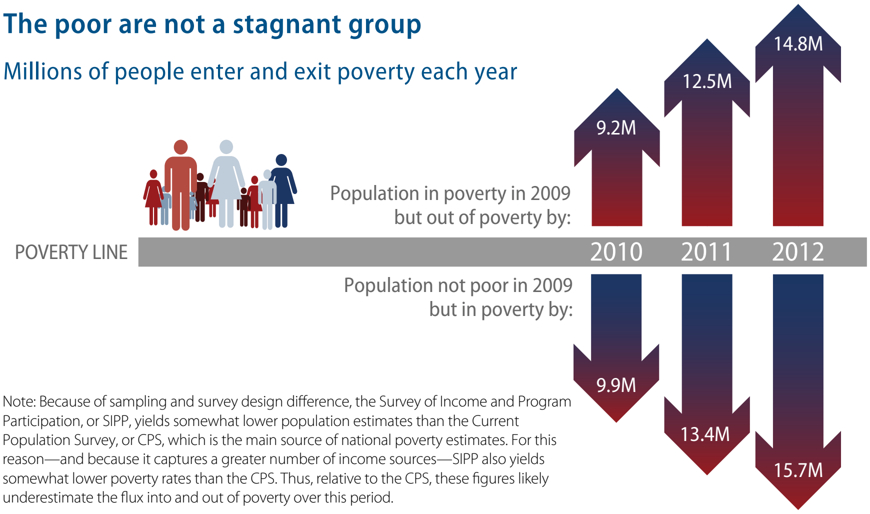
But the nation still has a long way to go to build an economy that works for everyone, rather than just the wealthy few. A new Congress and administration must build upon these efforts to tackle the economic instability that has become a mainstream experience shared by working and middle-class families alike.

Indeed, Census data confirm that the line between the middle class and those struggling to join it is blurry and porous, with millions of Americans falling in and out of poverty each year.[9] In fact, an analysis by Mark Rank and his colleagues shows that half of all Americans will experience at least a year of poverty or teeter on the edge of poverty at some point during their working years.[10] Adding those who experience a year of unemployment or need to turn to the safety net, that number rises to four in five Americans.[11]

FIGURE 2

## The poor are not a stagnant group

Millions of people enter and exit poverty each year




Note: Because of sampling and survey design difference, the Survey of Income and Program Participation, or SIPP, yields somewhat lower population estimates than the Current Population Survey, or CPS, which is the main source of national poverty estimates. For this reason—and because it captures a greater number of income sources—SIPP also yields somewhat lower poverty rates than the CPS. Thus, relative to the CPS, these figures likely underestimate the flux into and out of poverty over this period.

Source: CAP analysis using SIPP data from Bureau of the Census, *Dynamics of Economic Well-Being: Poverty 2009-2012* (U.S. Department of Commerce, 2014), tables 5 and 6, available at http://www.census.gov/hhes/www/poverty/publications/dynamics09_12/index.html.

An off-kilter economy does not just threaten family economic security; it takes a toll on the nation's economic health. In fact, research from the International Monetary Fund shows that excessive inequality hampers economic growth more broadly.[12]

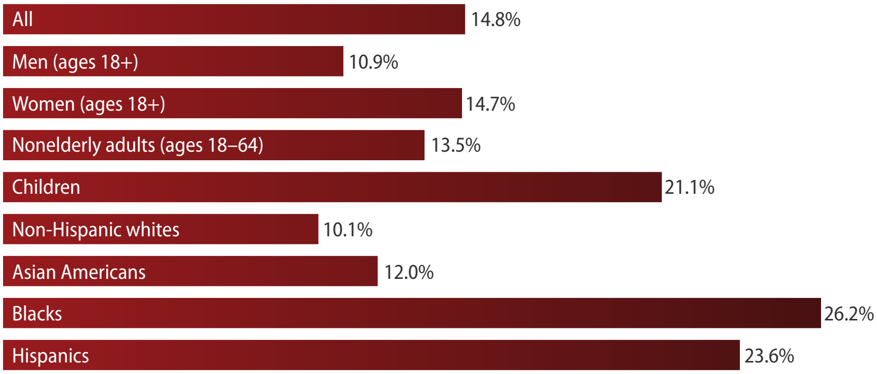
Policies based on failed theories such as trickle-down economics have played a central role in the nation's unsustainable levels of income inequality and have contributed to widespread instability.[13] It is long past time to put these policies, which favor the wealthy few at the expense of working families, in the rearview mirror where they belong. It is not the wealth of the rich but rather a stable and secure middle class that is the key to economic growth. A robust middle class provides the consumer base and economic demand that drive investment and productivity. What's more, the middle class is strongly linked to economic mobility: Analyses from the Center for American Progress show that areas of the United States with larger middle classes have greater levels of economic mobility among working families.[14]

Elevated poverty levels and stagnant incomes are not inevitable. Instead, they are the direct result of deliberate policy choices that put income into the hands of the most affluent Americans but leave millions more with barely enough to get by.[15] While the vast majority of Americans have felt the impact of this off-kilter economy, groups that face the greatest barriers to opportunity have been hit the hardest—including women, communities of color, LGBT individuals, those without college diplomas, people with criminal records, and individuals with disabilities.[16] The nation's policies must therefore move everyone forward while leveling the playing field for those who have historically been left behind.

**FIGURE 3**

**Women, children, and people of color more likely to experience poverty**

2014 poverty rates by gender, age, and race




Source: Carmen DeNavas-Walt and Bernadette D. Proctor, "Income and Poverty in the United States: 2014" (Washington: U.S. Department of Commerce, 2015), available at https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf. Poverty rates for men and women ages 18 years and older are authors' calculations using Bureau of the Census, *Annual Social and Economic Supplement: Table POV01. Age and Sex of All, People, Family Members and Unrelated Individuals Iterated by Income-to-Poverty Ratio and Race* (U.S. Department of Commerce, 2015), available at https://www.census.gov/hhes/www/cpstables/032015/pov/pov01_100.htm.

This blueprint lays out a policy framework that would dramatically reduce poverty and restore the American dream along five core areas:

- Building better jobs and wages
- Valuing all families
- Ensuring basic living standards
- Investing in human capital
- Removing barriers to opportunity

Families across America cannot afford to wait any longer. We need to build an economy that works for everyone, not just for the wealthy few.

# Building better jobs and wages

A good job is the best pathway out of poverty. Work and work-related benefits represent the primary source of income for the vast majority of Americans. More and better jobs must be a centerpiece of any serious agenda to cut poverty and ensure families can get into—and stay in—the middle class.

## Boost wages and improve job quality

Although the national unemployment rate has been steadily declining in recent years,[17] without significant improvements in wages and job quality, millions of Americans will remain consigned to the ranks of the working poor. This means, in turn, that the entire economy will suffer as families continue to have little to spend. Moreover, a large share of workers—especially low-wage workers—lack basic labor standards that would allow them to have a voice on the job and to balance work and family. Outdated overtime rules,[18] frequent wage theft,[19] and widespread misclassification of employees[20] as independent contractors deprive workers of both critical income that would improve their economic security and the rights and dignity that should go hand in hand with work.

Previous CAP analyses highlight the importance of policies that would improve job quality, including policies to raise wages, make the tax code work better for low-wage working families, guarantee basic labor standards, and ensure equal pay.

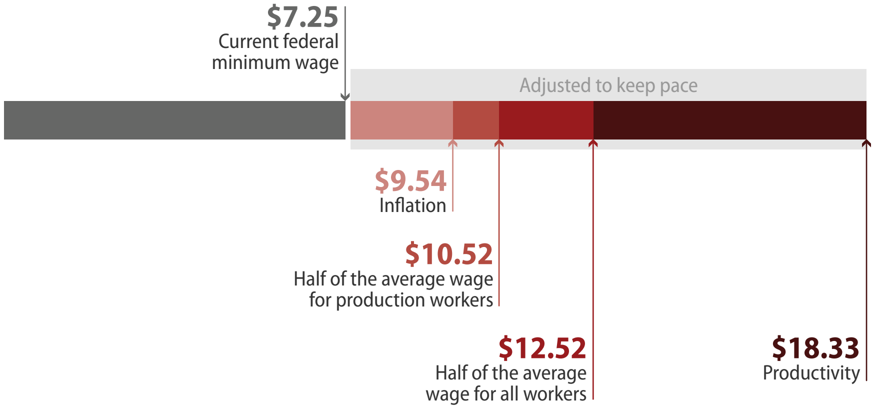
### Raise wages

Decades of wage stagnation have trapped millions of working families in poverty.[21] The federal minimum wage has been stuck at an anemic $7.25 per hour for six years, and as evidenced by the emergence of the Fight for $15 movement, Americans are sorely in need of a raise. When adjusted for inflation, the minimum wage has lost nearly one-quarter of its value since 1968.[22] As its current level, it leaves a full-time worker with two children thousands of dollars below the poverty line.[23] In turn, many minimum-wage workers must turn to public assistance in order to meet their basic needs.

**FIGURE 4**

### The value of the federal minimum wage continues to erode

What the minimum wage would have been in 2015 had it been adjusted since 1968 to keep pace with average wages or other standards




Note: All calculated adjustments based on the 1968 minimum-wage floor ($1.60) as set by the Fair Labor Standards Act. See U.S. Department of Labor, "Changes in Basic Minimum Wages in Non-Farm Employment Under State Law: Selected Years 1968 to 2016," available at https://www.dol.gov/whd/state/stateMinWageHis.htm (last accessed May 2016).

Sources: Minimum wage: U.S. Department of Labor, "Changes in Basic Minimum Wages in Non-Farm Employment Under State Law: Selected Years 1968 to 2016"; Ination: Authors' calculation based on Bureau of Labor Statistics' Consumer Price Index Research Series Using Current Methods, or CPI-U-RS, from 1977 to 2015 and the Consumer Price Index for Urban Consumers Experimental Series, or CPI-U-X1, from 1967 to 1976. Since the CPI-U-RS is not available before 1977, the CPI-U-X1—a series with many similarities to the CPI-U-RS—was used. Bureau of Labor Statistics, Updated CPI-U-RS, All items, 1977-2015 (U.S. Department of Labor, 2016), available at http://www.bls.gov/cpi/cpiurs.htm; Bureau of Labor Statistics, "Consumer Price Index Research Series Using Current Methods," available at http://www.bls.gov/cpi/cpirsqa.pdf (last accessed May 2016); Production workers: Authors' calculation based on Bureau of Labor Statistics, Current Employment Statistics (U.S. Department of Labor, 2015), "Average Hourly Earnings of Production and Nonsupervisory Employees: Total Private," retrieved from Federal Reserve Bank of St. Louis, FRED Economic Data, available at https://research.stlouisfed.org/fred2/series/AHETPI; All workers: Authors' calculation based on Bureau of Labor Statistics, Current Employment Statistics (U.S. Department of Labor, 2016), "Average Hourly Earnings of All Employees: Total Private," retrieved from Federal Reserve Bank of St. Louis, FRED Economic Data, available at https://research.stlouisfed-.org/-fred2/series/CES0500000003; Productivity: Unpublished calculation by David Cooper, Economic Policy Institute, 2015. See David Cooper, "Given the Economy's Growth, the Federal Minimum Wage Could Be Signicantly Higher" (Washington: Economic Policy Institute, 2015), available at http://www.epi.org/publication/given-the-economys-growth-the-federal-minimum-wage-could-be-signicantly-higher/.

Raising the federal minimum wage to $12 per hour by 2020 would lift more than 4.6 million Americans out of poverty.[24] Additionally, increasing the minimum wage to $12 per hour would generate significant savings in public assistance programs, including $53 billion in nutrition assistance over the course of a decade.[25] Federal policymakers should also phase out the subminimum wage for tipped workers—which has been stuck at a meager $2.13 per hour since 1991—to bring its value up to that of the regular minimum wage.[26]

## Make the tax code work better for low-wage working families

The Earned Income Tax Credit, or EITC, works hand in hand with the minimum wage to help low- and moderate-income earners get by. In 2013, it protected approximately 6.2 million Americans from poverty and mitigated hardship for another 21.6 million.[27] The EITC also improves long-term health, employment, and educational outcomes for children.[28]

CAP has suggested strengthening the credit in several ways. First, policymakers should lower the eligibility age and boost the credit's value for childless workers, currently the only group of low-income earners whose incomes are substantially reduced by federal income taxes.[29] CAP also recommends enabling families to access up to $500 of their EITC midway through the tax year through a partial early refund, giving cash-strapped workers greater protection against predatory lending, as well as the opportunity to make mobility-enhancing investments. And CAP recommends making individuals who receive the EITC categorically eligible for the maximum Pell Grant to enable them to gain the skills and qualifications they need to get ahead in the workforce.[30]

## Guarantee basic labor standards

With steep declines in job quality over the past decades, it is essential to modernize and restore basic labor protections. For example, low-wage workers often face impossible choices when it comes to balancing work and family obligations. As discussed more fully in the "Valuing all families" section of this report, workers must have access to basic protections, such as paid family and medical leave, paid sick days, and the right to request flexible and predictable schedules.[31]

In addition, despite gains in productivity, too many Americans are not fairly compensated for all the hours they work. Overtime protections—which pay time and a half for each extra hour worked in excess of 40 hours per week—have for decades applied only to certain workers who earn less than or equal to $23,660 per year.[32] The Obama administration issued new overtime regulations in April 2016 that will raise this income threshold to $47,476 per year for the majority of employees, regardless of how they are classified. This much-needed update will benefit some 12.5 million Americans.[33] And by linking the overtime threshold to wage growth, the new regulations will preserve these protections into the future.

What's more, shifts in the labor market have eroded traditional employer-employee relationships. While the U.S. Department of Labor has made clear that "most workers are employees,"[34] many employers nonetheless misclassify their workers as independent contractors or subcontractors—which can leave workers without access to critical benefits such as health care and retirement security. As the nature of work continues to change, labor laws that protect workers against misclassification, such as the Payroll Fraud Prevention Act, are even more urgently needed.[35]

Meanwhile, the past few decades have marked a steep decline in union membership. In 2015, a mere 11.1 percent of American workers—and less than 7 percent of private-sector workers—were represented by unions, a historic low.[36] Exacerbating this downward trend, several states, such as Indiana and Michigan, have recently enacted laws to stifle workers' voice in the workplace.[37] Unions offer essential platforms to advocate for wage increases, better benefits, and other critical protections.[38] Moreover, CAP analysis shows that areas with higher union membership are associated with greater upward economic mobility.[39] As such, policymakers should strengthen collective bargaining and remove barriers to union membership through legislation such as the Workplace Action for a Growing Economy, or WAGE, Act, which would strengthen protections for workers who organize and seek change through collective action.[40]

### Ensure equal pay

Occupational differences between men and women—as well as differences in hours of work, familial responsibilities, and enduring discrimination—have contributed to a persistent gender wage gap.[41] Today, the average full-time female worker earns only 79 cents for every dollar earned by the average full-time male worker.[42] This inequity takes a serious toll: Over the course of a lifetime, the average woman will earn $430,480 less than the average man. For women of color, the gender wage gap is even larger, with lifetime losses of $877,480 for African American women and more than $1 million for Latinas.[43]

CAP calls on policymakers to take concrete steps to combat pay discrimination and remove barriers to the full participation of women in the workforce, such as through the Paycheck Fairness Act.[44] This legislation could provide a more level playing field for women, ensuring they are armed with the information and tools necessary to enforce their rights. Closing the gender pay gap would cut poverty among working women and their families by nearly half.[45]

## Invest in and improve access to jobs for disadvantaged workers

Despite 67 straight months of job growth since October 2010,[46] too many workers continue to face unemployment and underemployment[47]—with certain groups hit especially hard. For example, while the overall unemployment rate stood at 5 percent in April 2016, African American workers were unemployed at nearly twice that rate, and younger workers were unemployed at more than three times the national rate.[48] Workers with disabilities face elevated unemployment rates as well, with 10.7 percent out of work in April 2016.[49]

Investments in infrastructure and research would yield dividends for long-term economic productivity, while also creating jobs and pushing the economy toward full employment. A tighter labor market would open up job opportunities to the most disadvantaged workers and exert upward pressure on wages, resulting in wage gains for all workers.[50]

But job creation alone will not resolve longstanding structural inequities in the labor market, which have choked off opportunity for people of color, workers with criminal records, and individuals with disabilities, as well as young adults who are out of school and not working, often called opportunity youth.[51]

To that end, previous CAP reports highlight three approaches that policymakers should consider: apprenticeships, national service programs, and subsidized employment. Such programs would both act as tools for job creation and create pathways to good jobs for the workers who face the steepest uphill climb to get their footing in the labor market.

## Apprenticeships

Apprenticeships offer a proven strategy to expand opportunities for workers to gain in-demand skills and to help employers find workers who can fill open positions.[52] Apprenticeships—an earn-and-learn strategy that combines on-the-job training and classroom instruction—benefit both employers and workers alike. Employers that sponsor apprenticeship programs—in some instances with the help of tax credits or other subsidies—benefit by gaining access to a pipeline of well-trained workers. And apprentices see gains in lifetime income of more than $300,000 on average compared to their peers.[53] To expand this effective model, CAP has called on the federal government to provide employers with tax credits of $1,000 per apprentice over age 25 and $2,000 for each opportunity youth apprentice. CAP also proposes new competitive grants to support public-private partnerships.[54]

## National service programs

National service has the potential to help opportunity youth gain a foothold in the labor market. National service participants earn stipends while they engage in service activities that help fulfill national needs, such as education and conservation. A boon to participants and the economy as a whole, national service boosts the employment prospects of people without high school degrees by 51 percent on average.[55] In addition, national service programs yield a substantial return on investment, with every dollar invested in these programs yielding $4 in societal benefits.[56] With as many as 5.6 million young adults ages 16 to 24 neither in school nor in the workforce, the time is now to invest in national service.[57] Policymakers should fully fund the 250,000 AmeriCorps positions authorized under the Serve America Act, build a competitive Service Catalyst grant program to fund new service positions aligned with growing sectors of the economy, and create Opportunity Youth Service-Learning Awards that would enable opportunity youth to pay for education and training programs to accompany their service. Additionally, in order to meet increased demand for work when unemployment levels are high, CAP proposes creating a funding stream for shorter-term national service positions that automatically expands in recessions.[58]

## Subsidized employment

Subsidized jobs programs have recently been shown to make a critical difference in the lives of disadvantaged workers, helping them enter or re-enter the workforce. In 2009 and 2010, with the help of $1.3 billion from the Temporary Assistance for Needy Families, or TANF, Emergency Fund, 39 states and the District of Columbia successfully created subsidized jobs for 260,000 workers.[59] The program proved to be a win-win-win, benefiting both workers and businesses and injecting money into hard-hit local economies at the height of the economic downturn.[60] As a result, the program garnered broad bipartisan support from state policymakers. To harness this successful model, CAP recommends a national subsidized jobs program that would allow states to create employment opportunities for workers with labor-market disadvantages, with workers' wages either partially or fully subsidized by the government for the duration of their participation in the program. Workers would receive access to resources necessary to support their employment, such as child care, transportation, or job training. The program could be expanded during economic downturns to meet the needs of unemployed workers and to help employers stay afloat during reductions in demand.[61]

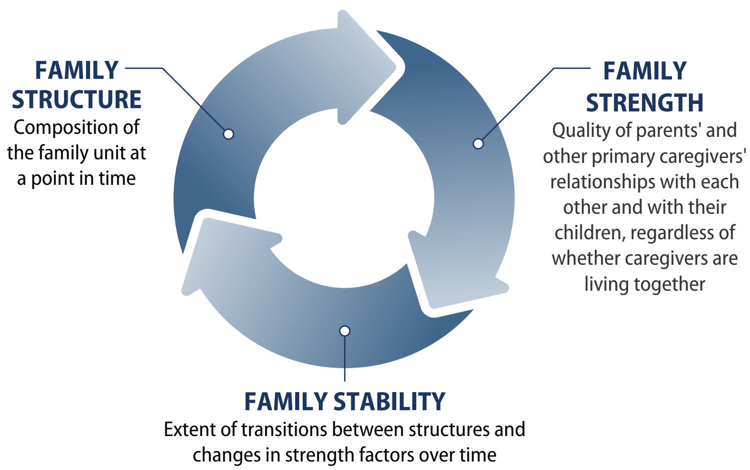
# Valuing all families

Stable and healthy families are a core ingredient for economic security and well-being. On average, families with two adults tend to have more income than those with only one adult, particularly when both adults are able to work. Couples who marry or cohabit benefit from shared housing and food costs, generally have more time to dedicate to child care responsibilities, and have greater insurance against risks such as job loss or illness.[62] Moreover, when a household with children is headed by one adult, that adult is more likely to be a woman, who is likely to face a gender wage gap and a motherhood penalty in the labor market.[63]

However, the national conversation on family too often focuses solely on the difference in poverty rates between married-parent and single-parent households. This stale debate misses the fact that the vast majority of people in low-income families with children are already in households headed by two adults, underscoring that marriage is not a silver bullet to combat poverty.[64]

**FIGURE 5**

**The three S's: A new framework for family policy**



Moreover, strong and healthy families can take a variety of forms, including intergenerational families and those headed by lone parents and lesbian, gay, bisexual, and transgender, or LGBT, Americans. In addition to family structure, the stability and quality of family relationships play a critical role in maximizing family well-being.

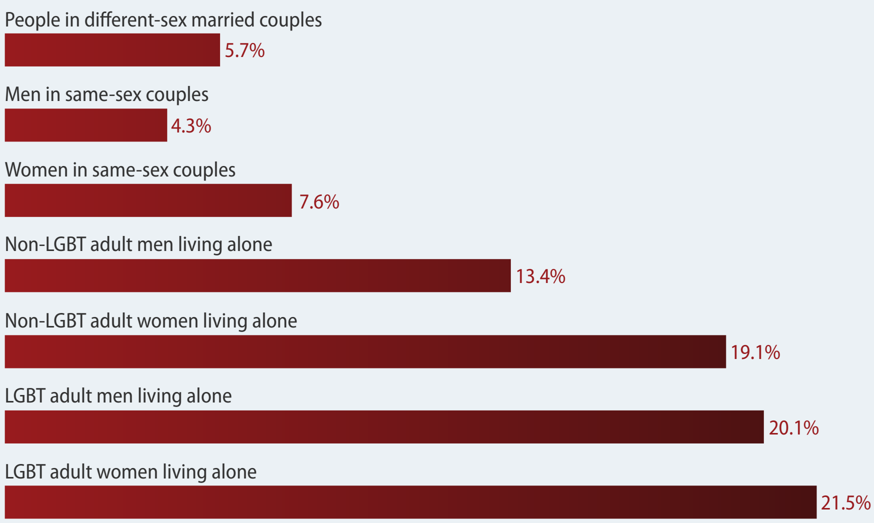
## Nondiscrimination protections for all

A legacy of discrimination has put economic security out of reach for too many LGBT Americans. Transgender people, for example, are four times more likely than the general population to earn less than $10,000 per year, putting them well below the poverty line. This is in no small part due to the fact that LGBT Americans lack certain basic protections under the law. As a result, between 15 percent and 43 percent of lesbian, gay, and bisexual workers[65] and nearly half of all transgender workers[66] report facing employment discrimination. Similarly, LGBT Americans are left vulnerable to housing discrimination.[67] These are only two examples of the areas in which LGBT individuals can legally be discriminated against based on their sexual orientation or gender identity. Valuing all families means ensuring that LGBT families have equal opportunities and protections. CAP urges federal lawmakers to pass the Equality Act—a bill that amends nondiscrimination laws to include sexual orientation and gender identity as protected categories in the areas of employment, housing, public accommodations, public education, federal funding, credit, and the jury system.[68] This step would help ensure economically secure futures for all Americans regardless of gender identity and sexual orientation.

**FIGURE 6**

**Elevated poverty in the LGBT community**

Poverty rates by marital and LGBT status




Note: Rates for couples are from 2010; rates for adults living alone are from 2012.

Source: M.V. Lee Badgett, Laura E. Durso, and Alyssa Schneebaum, "New Patterns of Poverty in the Lesbian, Gay, and Bisexual Community" (Los Angeles: The Williams Institute, 2013).

Policies to promote strong and stable families should therefore aim to address the root causes of family instability and ensure that regardless of the families in which children grow up, they have access to the resources—including income, time, and engagement of loving and caring adults—that will increase their probability of achieving economic security in adulthood.

To that end, recent CAP reports recommend policies along four key pillars: strengthen families' economic foundations, ease tensions between work and family life, help keep families together, and invest in services and supports to increase family well-being and parenting with dignity.

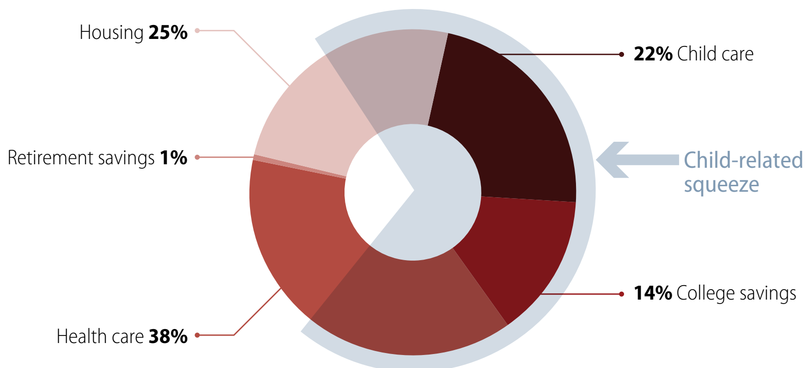
## Strengthen families' economic foundations

While families across the board have been squeezed by the combination of flat wages and rising costs, families with children have been hit particularly hard. In fact, child-related costs account for nearly 70 percent of the so-called middle-class squeeze for a typical two-parent, two-child family.[69]

**FIGURE 7**

**Rising costs and stagnant wages have hit families with children particularly hard**

Child-related costs account for nearly 70 percent of the middle-class squeeze for the typical two-adult, two-child family




Source: CAP analysis of cost increases between 2000 and 2012 for the five pillars of economic security, as identified in Jennifer Erickson, ed., "The Middle-Class Squeeze" (Washington: Center for American Progress, 2014), available at https://www.americanprogress.org/issues/economy/report/2014/09/24/96903/the-middle-class-squeeze/.

The birth of a child is one of the leading causes of poverty spells in the United States, and almost 23 percent of American infants and toddlers lived in poverty in 2013.[70] In addition to short-term hardship and deprivation, child poverty carries long-term effects on health, education, and employment. Indeed, CAP analysis finds that child poverty costs the national economy $672 billion per year—nearly 4 percent of gross domestic product, or GDP.[71]

Child poverty costs the national economy $672 billion per year—nearly 4 percent of gross domestic product, or GDP.

While better-quality jobs and higher wages will go a long way toward boosting families' economic security, CAP proposes strengthening the Child Tax Credit, or CTC, as a complementary strategy. The CTC provides families with up to $1,000 per child under age 17.[72] However, the credit currently misses many families—particularly those with young children. CAP calls for making the full credit available to all low- and moderate-income families and indexing the credit's value to inflation so that it does not continue to erode over time. Additionally, in recognition of the fact that income matters most in the first few years of life for children's long-term outcomes, CAP proposes a supplemental Young Child Tax Credit, or YCTC, of $1,500 per year for children under age 3. CAP suggests making the YCTC available in monthly installments since many child-related expenses, such as diapers and cribs, cannot be put off until tax time.

This proposal would dramatically reduce child poverty, particularly for infants and toddlers, protecting an additional 18.1 percent of poor children under age 3 from poverty while also reducing racial and ethnic disparities.[73]

## Ease tensions between work and family life

In the only industrialized country without guaranteed paid family and medical leave, a significant life event such as the birth of a child or illness of a family member can send families into a downward economic spiral.[74] Meanwhile, 40 percent of private-sector workers and 70 percent of low-wage workers do not have even a single paid sick day, meaning that a call from the school nurse can jeopardize a parent's job or paycheck.[75] Without basic workplace protections such as paid family and medical leave and paid sick days, families may incur lost wages—and even risk termination—when they need to take time away from work to care for themselves or a loved one. To that end, CAP calls for passage of the Healthy Families Act, which would allow workers to accrue up to seven paid sick days per year.[76] Additionally, Congress should pass the Family and Medical Insurance Leave, or FAMILY, Act, which would offer wage replacement through a universal national program to workers in need of family and medical leave for longer-term care obligations.[77]

Compounding the tension between work and family, unpredictable and fluctuating schedules—which are becoming increasingly common for low-wage workers—mean that workers often do not know their schedules until the last minute or can be sent home without pay even though they have already shown up for a shift. This can undercut workers' ability to arrange transportation or child care, derail education and training, and make it impossible for workers to predict their monthly pay—much less take on a second job to supplement their family income. To address unfair scheduling practices, CAP urges passage of the Schedules That Work Act, which would give employees the right to make scheduling requests, provide for advance notice of schedules, and require that workers receive some compensation when they are sent home without the opportunity to complete a shift.

## Help keep families together

After four decades of mass incarceration, the number of Americans behind bars has quintupled, and more than 5 million minor children have had a parent incarcerated.[78] Comprehensive criminal justice reform is urgently needed to overhaul the nation's broken criminal justice system, which has torn apart too many families. What's more, a recent CAP analysis finds that nearly half of the nation's children now have at least one parent with a criminal record.[79] Because a criminal record can present barriers to employment, education, housing, and family reunification, it carries intergenerational consequences for children's economic mobility.[80]

In addition to addressing the many obstacles that individuals with criminal records face to re-entry—as discussed more fully in the "Removing barriers to opportunity" section of this report—policies aimed specifically at children and families affected by the criminal justice system are urgently needed. CAP calls for finalizing the Obama administration's proposed rule to modernize the child support system, which would prevent child support debt from accumulating while noncustodial parents are behind bars, ensure that orders are based on ability to pay, and connect parents with employment assistance instead of jail if they fall short on payments they cannot afford.[81] Additionally, policymakers must revisit and repeal the outdated law that bans individuals with felony drug convictions from accessing TANF and the Supplemental Nutrition Assistance Program, or SNAP, for life. It is unacceptable and counterproductive to bar some of the nation's most vulnerable populations from basic assistance to help them and their families get back on their feet.[82]

Moreover, the current state of the U.S. immigration system leaves millions of people on the economic sidelines and tears families apart through supercharged enforcement and deportations. With about 16.6 million people in households of mixed immigration status, failure to enact comprehensive immigration reform has wreaked havoc on an enormous number of American families—families that in many cases already face language barriers and high poverty rates.[83]

Fortunately, in November 2014, President Barack Obama announced the Deferred Action for Parents of Americans and Lawful Permanent Residents, or DAPA, initiative, under which more than 4 million parents of citizen or permanent-resident children who have lived in the United States for at least five years will be eligible to apply for a reprieve from deportation and a work permit.[84] Under the 2012 Deferred Action for Childhood Arrivals, or DACA, and an expansion of DACA announced in November 2014 for unauthorized immigrants who entered the country before age 16, another 1 million people qualify.[85] DAPA and expanded DACA remain on hold pending the outcome of *United States v. Texas*; the Supreme Court is expected to rule on the case by the end of June. But even with DACA, expanded DACA, and DAPA, another 6 million unauthorized immigrants will remain vulnerable.[86]

In order to keep families together, comprehensive immigration reform that provides a road to permanent legal status and citizenship is urgently needed. Such an action would allow these individuals—the vast majority of whom have been here for more than a decade—to register with the government, pass background checks, and gain the ability to work legally, all of which would also help keep families together.

## Invest in services and supports to increase family well-being and parenting with dignity

Reproductive justice is key to economic security, empowering women to delay motherhood until they decide that the time is right for them and their families. To that end, protecting and building upon the Affordable Care Act, which has eliminated copayments on birth control for millions of Americans, are key to women's economic security.[87] States must also expand Medicaid to make birth control and other reproductive health services more widely available to low-income women, including long-acting reversible contraceptives, or LARCs, one of the most effective forms of birth control. In addition, federal legislation—such as the Equal Access to Abortion Coverage in Health Insurance, or EACH Woman, Act and the Women's Health Protection Act—is needed to ensure that all women can access abortion regardless of insurance and to undo many of the medically unnecessary restrictions that have made the procedure virtually impossible to obtain in too many states.[88] Finally, policymakers must invest in evidence-based holistic pregnancy prevention programs for teenagers, as well as the Title X program, which funds clinics that offer comprehensive reproductive health services to low- and middle-income women, including Planned Parenthood.[89]

Additionally, CAP calls for increased access to evidence-based home visitation programs, which equip parents with the tools they need to be the best parents possible. These programs, which have broad bipartisan support, entail visits from a nurse or social worker, often beginning before the birth of a child and extending all the way into early childhood. Home visitation is associated with better birth outcomes and improved literacy rates for children, leading to greater educational attainment and employment prospects down the line.[90]

# Ensuring basic living standards

Without vital programs such as Social Security, tax credits for working families, unemployment insurance, and nutrition assistance, the nation's poverty rate would be nearly double what it is today.[91] These programs have proven effective not only for protecting millions of children, seniors, and families from poverty and hardship in the near term, but also as tools for boosting economic mobility in the long term by improving children's health, educational, and employment outcomes in adulthood.[92]

## Safety net programs kept millions out of poverty in 2014

### People kept out of poverty by individual programs

Social Security
**25.9 million**

Refundable tax credits
**9.8 million**

Supplemental Nutrition Assistance Program
**4.7 million**

Supplemental Security Income
**3.8 million**

Housing subsidies
**2.8 million**

School lunch
**1.3 million**

Unemployment insurance
**0.9 million**

Temporary Assistance for Needy Families/General Assistance
**0.6 million**

Special Supplemental Nutrition Program for Women, Infants, and Children
**0.3 million**

Low Income Home Energy Assistance Program
**0.3 million**

### Factors pushing people into poverty

Medical out-of-pocket costs
**11.1 million**

Work expenses
**6.3 million**

Note: This figure shows the impact of excluding specific benefits and expenses one by one on poverty—measured using the Supplemental Poverty Measure, or SPM—while holding all else the same. The total impact of benefits and expenses is different than the sum of the individual impacts. Because the SPM does not count Medicaid and Medicare as income or include the cost of health care in calculation of the SPM threshold, the anti-poverty impact of public health insurance, while likely substantial, is not estimated.

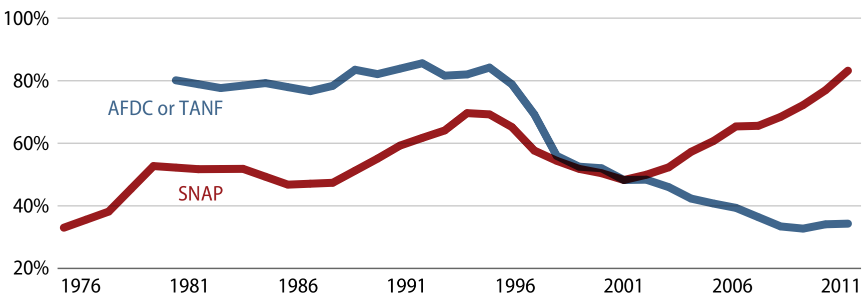
Source: Bureau of the Census, *The Research Supplemental Poverty Measure: 2014* (U.S. Department of Commerce, 2014), Table 4a.

Moreover, the vast majority of Americans—approximately 70 percent—will need to turn to the safety net at some point during their working years.[93] And an even greater share—roughly 8 in 10 Americans—will receive Social Security benefits in retirement.[94] For that reason, all Americans have a stake in ensuring that critical social insurance and assistance programs are there to protect us during the messy ups and downs of life.

It is long past time that policymakers closed the book on tiresome debates about cuts to vital programs and instead embarked on a new conversation on how to strengthen the nation's system of work and income supports to provide greater dignity, security, and mobility. For example, some point to TANF as a model for other income assistance programs. However, as a flat-funded block grant that has lost approximately one-third of its value since the program was established in 1996, TANF has proven woefully unresponsive to economic downturns and today serves just a small fraction of families in need.[95] In fact, during the Great Recession, while SNAP successfully expanded in response to rising unemployment and hardship, many states saw only modest increases—and in some cases even declines—in the number of families helped by TANF.

**FIGURE 8**

**Share of the eligible U.S. population participating in SNAP compared to TANF or AFDC**




Note: Figure shows participation in the Supplemental Nutrition Assistance Program, or SNAP, from 1976 to 2011; Aid to Families with Dependent Children, or AFDC, from 1976 to 1996; and Temporary Assistance to Needy Families, or TANF, from 1996 to 2011.

Source: U.S. Department of Health and Human Services, *Welfare Indicators and Risk Factors, Annual Report to Congress* (2014), available at http://aspe.hhs.gov/hsp/indicators-rtc/index.cfm.

Policymakers need to strengthen and invest in income support and employment services for struggling families, not tear down existing programs by modeling them after TANF. Previous and forthcoming CAP reports highlight the importance of protecting and strengthening vital assistance programs, including nutrition assistance, Social Security and Supplemental Security Income, unemployment insurance, health care, and affordable housing, as well as reforming counterproductive savings and ownership penalties in aid programs.

## Nutrition assistance

SNAP helps families put food on the table in the short term and is associated with better health, educational, and employment outcomes in the long term. It also generates substantial economic activity—each dollar invested in the program returns $1.70 to the economy.[96] But with benefits averaging just $1.41 per person per meal, most families struggle to stretch these benefits through the end of the month.[97] Switching to the U.S. Department of Agriculture's Low-Cost Food Plan would increase the adequacy of SNAP benefits.[98] Additionally, Congress should boost investments in child nutrition, especially during the summer months when many children cannot access meal sites through schools and local nonprofits and hunger spikes.[99] Congress should also improve access to meals in early childhood settings and take steps to increase participation in the School Breakfast Program.

## Social Security and Supplemental Security Income

Social Security has long been a bedrock of economic security for American workers and their families, helping them stay afloat when a breadwinner can no longer work because of old age, disability, or death. Today, some 240 million Americans age 20 and older are insured under the program.[100] The benefits that Social Security provides are modest—the typical retired worker receives just $16,140 each year, not far above the federal poverty line.[101] But they are critical to economic security: Social Security protects nearly 26 million Americans from poverty annually.[102] Additionally, Supplemental Security Income serves as a critical component of the Social Security system, providing a modest lifeline—at most $733 per month in 2016—to low-income seniors, as well as adults and children with disabilities.[103] Social Security will play an even more significant role for future generations as an increasingly large share of Americans risks falling short of financial security in retirement.[104] Expanding and strengthening Social Security and Supplemental Security Income—including by boosting minimum benefits—are essential steps to ensure that Americans will be able to retire with dignity and security today and in the future.[105]

## Unemployment insurance

More than two in three Americans will experience at least a year of unemployment or unemployment of their head of household at some point during their working years.[106] Fortunately, unemployment insurance, or UI, offers unemployed workers a critical lifeline while they search for new employment. In 2009, it helped 5 million Americans avoid poverty[107] and saved more than 2 million jobs by boosting demand.[108] At the same time, it is the U.S. economy's first line of defense against downturns; during the Great Recession, UI closed nearly one-fifth of the shortfall in GDP,[109] in part due to emergency expansions of the program passed by Congress. But UI has not kept pace with the changing economy, leaving too many Americans without protection from joblessness.

It is time to bring the UI system into the 21st century by strengthening the program to help more jobseekers quickly reconnect to the labor force and get the training they need; to more effectively prevent layoffs; and to better protect underserved groups, such as women and low-wage workers. What's more, policymakers must prepare UI to respond to the next recession by improving the program's solvency, reversing the cuts made to benefit adequacy and duration, and repairing the Extended Benefits program. A forthcoming report from the Center for American Progress, the Georgetown Center on Poverty and Inequality, and the National Employment Law Project provides detailed recommendations for modernizing and strengthening this vital system of social insurance for jobseekers.[110]

## Health care

Under the Affordable Care Act, eligibility for coverage under the Medicaid program has been extended to almost all individuals with incomes at or below 138 percent of the federal poverty line.[111] While this action filled a historic gap that long excluded many low-income adults from health insurance, 19 states continue to refuse to expand Medicaid.[112] These decisions are estimated to have left 3 million low-income adults without insurance.[113] State policymakers should expand Medicaid coverage, ensuring that struggling adults are able to access the health care they need.

## Affordable housing

Between a lack of available affordable housing and a long legacy of residential segregation, where Americans live is determined in large part based on income, race, and ethnicity.[114] It is therefore crucial to pursue policies that help all households find decent and affordable housing in communities that offer safety and security, as well as economic opportunity. CAP has proposed a two-pronged approach to the nation's affordable housing crisis that would both promote residential mobility and invest in places with high concentrations of poverty. CAP recommends that policymakers significantly increase investments in the housing voucher program in order to reach more families and couple this investment with a much-needed federal law that prohibits landlords from rejecting prospective tenants just because they carry a voucher.[115] And in order to increase the supply of affordable housing, lawmakers should expand the Low-Income Housing Tax Credit, a program that offers landlords tax incentives to keep units financially accessible to very low-income renters for at least three decades.[116] Finally, policymakers must do away with exclusionary zoning that effectively bars affordable housing construction from high-opportunity neighborhoods.[117]

## Reforms to counterproductive savings and ownership penalties in income assistance programs

Several public assistance programs come with restrictive asset limits that require families to verify both that they are low income and that their resources—such as cars, savings, and other resources that are key to economic security—fall below a certain threshold.[118] Penalties on savings and ownership encourage low-income individuals to sacrifice long-term mobility for short-term assistance.[119] CAP proposes significantly raising or eliminating asset limits for TANF, SNAP, the Low Income Home Energy Assistance Program, and Supplemental Security Income so that recipients are able to build the savings they need to protect their families in the event of financial emergencies and to plan for the future.[120]

# Investing in human capital

Education is the strongest determinant of earnings in adulthood, but a large part of educational disparities can be predicted before a child even reaches kindergarten.[121] Meanwhile, the jobs of the 21st century increasingly require the levels of knowledge, skills, and abilities that are best acquired through higher education. Having a high school diploma is no longer enough. For example, men who completed high school saw their employment rates drop from 96 percent in 1970 to just 75 percent in 2011, coupled with earnings declines of nearly 50 percent over the same period.[122] Yet higher education has moved farther out of reach for too many families. Student loan debt has reached record levels, preventing many young people from buying homes, jump-starting careers, starting families, and more.[123] Indeed, Millennials face some of the highest levels of economic insecurity.

In order to build an economy in which everyone has the chance to succeed, CAP recommends policies such as putting high-quality, affordable child care and preschool within reach, preparing K-12 students for college and a career, and expanding access to higher education.

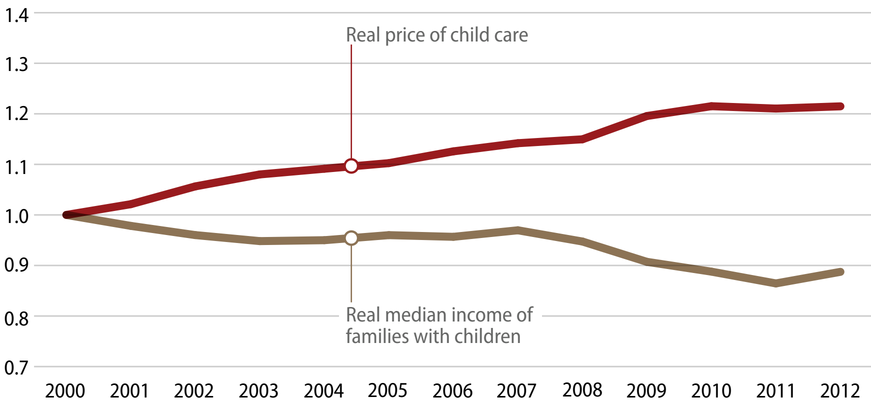
## Put high-quality, affordable child care and preschool within reach

With a majority of children in households in which all available parents are in the workforce, child care is an economic necessity now more than ever.[124] But with an average annual price tag of $10,000 for care at a child care center, child care has become out of reach for the families who need it.[125] Between 2000 and 2012, the annual cost of child care for a typical middle-class family ballooned by $2,300.[126] In most states, a year of center-based child care now exceeds the cost of tuition and fees at a public four-year institution.[127] CAP therefore recommends the creation of a High-Quality Child Care Tax Credit for low- and middle-income families of up to $14,000 per child. The credit would be paid directly to high-quality child care providers selected by the parents themselves. Under this plan, parents would contribute up to 12 percent of household income toward child care fees.[128]

This proposal accompanies CAP's call for universal pre-K, in which the federal government would match state preschool expenditures up to $10,000 for each child every year, enabling families with 3- and 4-year-olds to send their kids to a full-day preschool program.[129] Not only do affordable child care and universal preschool hold immense promise for closing the achievement gap that has left too many low-income children behind, but these two proposals would also help parents balance the demands of work and family, which, in turn, would help families get ahead.

FIGURE 9

**Real median income of families with children versus the real price of child care, relative to 2000**




Source: CAP analysis using Bureau of the Census, *Table F-10: Presence of Children Under 18 Years Old All Families by Median and Mean Income: 1974 to 2013*, (U.S. Department of Commerce, 2014), available at http://www.census.gov/hhes/www/income/data/historical/-families/; Bureau of Labor Statistics, "Consumer Price Index Child Care & Nursery School Component–CUUR0000SEEB03," available at http://download.bls.gov/pub/time.series/cu/cu.data.17.USEducationAndCommunication (last accessed July 2015). Both series were adjusted using the Consumer Price Index for All Urban Consumers Research Series, or CPI-U-RS.

## Prepare K-12 students for college and a career

A high-quality K-12 education is one of the surest ways to expand opportunity for all. But too many children do not get what they need to achieve at high levels, particularly children from low-income families, children of color, those with disabilities, and children who are learning English.[130] In order to dramatically improve outcomes for these students, policymakers need to make sure that all students are taught rigorous content by great teachers.[131] States must make sure that their academic standards truly prepare students for college and a career. And the nation needs to focus on modernizing and elevating the teaching profession at all stages of the teacher pipeline.[132]

## Expand access to higher education

Due to significant shifts in the economy, the United States is projected to face a shortfall of 5 million college-educated workers by 2020.[133] At the same time, higher education remains unaffordable for too many low- and middle-income Americans.[134] To eliminate this barrier to postsecondary education, CAP proposes College for All, a plan in which the federal government provides students with the financial support necessary to attend public two- or four-year institutions of higher education. This proposal would streamline loan repayment and tie it to individuals' income in order to avoid the pitfalls of loan delinquency and default. College for All would also increase funding to ensure students have more support for all postsecondary expenses—including direct academic charges and living costs. Alongside CAP's recommendations for a scaled-up apprenticeship, national service, and subsidized jobs programs—discussed previously in the "Building better jobs and wages" section of this report—more accessible higher education would boost employment outcomes for graduates, as well as strengthen the economy.[135]

# Removing barriers to opportunity

In addition to enacting policies that pave pathways for individuals and families to get ahead, policymakers must also address the barriers that stand in the way.

Many of these barriers have been noted in previous sections, including discrimination based on gender, race, ethnicity, sexual orientation, and gender identity and roadblocks facing unauthorized immigrants. Progressive policies should move all Americans forward and also address these underlying disparities in ways that level the playing field for historically disadvantaged populations.

To that end, CAP proposes policies that address these and other barriers to opportunity, including ensuring that children's ZIP codes do not determine their life chances, breaking the link between mass incarceration and poverty, giving workers with disabilities a fair shot, and promoting financial empowerment.

## Ensure that children's ZIP codes do not determine their life chances

In neighborhoods where opportunity is hard to come by and poverty rates are high, communities routinely face poorly funded schools, inadequate public infrastructure, inferior health outcomes, and bleak employment prospects.[136] Concentrated poverty hampers children's health, educational, and employment outcomes in the long term.

This is precisely why the Promise Zones initiative, an effort by the Obama administration, is so important. This federal model offers local governments the resources necessary to implement tried and true, comprehensive strategies to revitalize high-poverty communities.[137] It is critical that this model be continued in future presidential administrations. In addition, CAP encourages state leaders to adopt this model for themselves. Key ingredients include private investment and job creation, a strong education-workforce pipeline, improved access to income supports, attention to concerns such as pollution and food access, and greater investments in infrastructure and affordable housing.[138] In addition, CAP encourages federal agencies to facilitate stronger relationships between educational and medical institutions—which are responsible for fully $1 trillion of the U.S. economy and employ millions of workers—and the communities in which they are embedded.[139]

## Break the link between mass incarceration and poverty

Mass incarceration and the barriers associated with having a criminal record are major drivers of poverty and racial inequality in the United States. Indeed, if not for recent trends in mass incarceration and the barriers to employment, education, and more associated with having a criminal record, the nation's poverty rate would have dropped more than one-fifth between 1980 and 2004.[140]

Nearly 2.3 million Americans are behind bars in prisons and jails today, and many millions more face obstacles to getting ahead because of the stigma of involvement in the justice system. A staggering one in three Americans have some type of criminal record, and nearly half of U.S. children have a parent with a record.[141] Having even a minor record—such as a misdemeanor or even an arrest that did not lead to conviction—can be a life sentence to poverty, not just for the people with records but also for their children and families. In addition to addressing unjust mandatory minimum sentences and enacting prison reform that prepares inmates for release, comprehensive criminal justice reform must include policies that give people with criminal records a true shot at a second chance. For example, CAP recommends that individuals with low-level, nonviolent records be permitted to earn a "clean slate" after remaining crime free for a set period of time.[142] Additionally, fair chance hiring and housing policies are needed to prevent individuals with records from having their applications pre-emptively thrown in the trash.[143] State and local policymakers must reform criminal justice debt policies because unaffordable fines and fees can stand in the way of both gainful employment and successful re-entry and pave a path back to prison.[144] And policymakers should boost funding for civil legal aid, which provides critical re-entry services, such as help accessing housing and employment.[145]

## Give workers with disabilities a fair shot

Disability is both a cause and a consequence of poverty. Americans with disabilities are more than twice as likely to live below the poverty line—and workers with disabilities earn just 63 cents on average compared to every dollar earned by the average worker without a disability.[146] Thus, cutting poverty and expanding opportunity in America requires breaking the link between disability and poverty. In the report "A Fair Shot for Workers with Disabilities," CAP calls for policies such as expanding access to affordable, accessible housing and transportation; a disabled worker tax credit to offset the costs associated with disability; a national Medicaid buy-in program to expand access to long-term services and supports; increased funding for the vocational rehabilitation system, which helps people with disabilities prepare for, find, and stay at work; and strengthening vital income assistance programs such as Social Security Disability Insurance and Supplemental Security Income.[147]

## Promote financial empowerment

Research shows that even modest savings can help low-income families weather financial shocks in the short term while also boosting economic mobility in the long term. Yet survey data indicate that nearly half of Americans would not be able to come up with even $400 in an emergency.[148] Worse still, fully 25 percent of African American households have less than $5 in liquidated financial assets.[149] For the bottom one-quarter of Hispanic households, this figure is $199.[150] To that end, CAP proposes making the Saver's Credit fully refundable and enabling direct deposit into tax filers' retirement accounts, which would further make it possible for low- and moderate-income families to save.[151] As previously discussed, asset limits in aid programs must be significantly increased or eliminated to make it possible for families to build savings. Additionally, CAP urges the Obama administration to exempt its myRA accounts from such limits.[152] The payday rule proposed by the Obama administration in June 2016[153] also represents a critical step toward protecting families against predatory loans, which leave four out of five borrowers with unsustainable debts and can kick off a downward financial spiral.[154]

# Conclusion

With flat incomes and inequality stuck at historic levels, one might assume that widespread instability and an off-kilter economy are the new normal. But there is nothing normal or inevitable about elevated poverty levels and stagnant incomes. They are the outcome of policy choices that put wealth and income into the hands of the wealthy few at the expense of working families. It is long past time to put the failed theory of trickle-down economics in the rearview mirror where it belongs and work together to build an economy that works for everyone.

The good news is that different policy choices can produce different outcomes. When policymakers invest in policies to create good jobs and boost wages, support strong and healthy families, ensure basic living standards, invest in human capital, and remove barriers to opportunity, American families will have the chance not only to achieve stability but to get ahead.

American families cannot wait any longer. The next Congress and administration must work together to tackle the economic instability that has become a mainstream experience shared by working and middle-class families alike.

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## Endnotes

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2 See Rebecca Vallas and others, "The Effect of Rising Inequality on Social Security" (Washington: Center for American Progress, 2015), available at https://cdn.americanprogress.org/wp-content/uploads/2015/02/SocialSecurity-brief3.pdf for the authors' calculations using data in Emmanuel Saez, "Striking it Richer: The Evolution of Top Incomes in the United States (Updated with 2013 preliminary estimates)." Working Paper (University of California, Berkeley, Department of Economics, 2015), available at http://eml.berkeley.edu/~saez/saez-US-topincomes-2013.pdf. In fact, between 2009 and 2012, the top 1 percent captured 91 percent of the income gains. But as the Economic Policy Institute observes, the wage earnings of the top 1 percent fell modestly between 2012 and 2013. See Lawrence Mishel and Will Kimball, "The Top 1 Percent of Wage Earners Falters in 2013—Was it a Temporary Event?", Working Economics, October 24, 2014, available at http://www.epi.org/blog/top-1-percent-wageearners-falters-2013/.

3 Jennifer Erickson and others, "The Middle Class Squeeze" (Washington: Center for American Progress, 2014), available at https://www.americanprogress.org/issues/economy/report/2014/09/24/96903/the-middle-class-squeeze/.

4 "Economic insecurity" is defined here as living below 200 percent of the poverty line. This figure is based on the official poverty measure, which measures families' cash income before taxes and transfers. Thus, this figure captures the effects of certain public programs on families' economic security (such as Social Security and unemployment insurance) but excludes the support families receive from tax credits (such as the Earned Income Tax Credit) and or other noncash public programs (such as the Supplemental Nutrition Assistance Program), providing a snapshot of families' economic security before many critical programs are taken into account and demonstrating the clear need for these programs. See Bureau of the Census, *Historical Poverty Tables – People: Table 2. Poverty Status, by Family Relationship, Race, and Hispanic Origin* (U.S. Department of Commerce, 2015), available at https://www.census.gov/hhes/www/poverty/data/historical/people.html; Bureau of the Census, *Historical Poverty Tables – People: Table 5. Percent of People by Ratio of Income to Poverty Level* (U.S. Department of Commerce, 2015), available at https://www.census.gov/hhes/www/poverty/data/historical/people.html.

5 In 2014, more than one-third of Americans—33.4 percent—lived in families with incomes equal to or less than 200 percent of the federal poverty level, compared to 29.3 percent in 2000. Starting with its 2013 data collection (2014 release), the Census Bureau made several improvements to the income-related questions in the March Current Population Survey, resulting in a discontinuity in the historical series on income and poverty for 2014 compared to earlier years. In 2013, the Census Bureau collected data using both the traditional and redesigned income questions in order to indicate how these improvements would affect income and poverty series. This exercise showed that a slightly greater share of Americans had incomes below 200 percent of poverty using the traditional questions (33.9 percent) than using redesigned questions (33.5 percent). Assuming the pattern remains similar in the 2014 data, the analysis in this paper offers a conservative estimate of the number of people who would be below 200 percent of poverty if economic insecurity had not increased dramatically by more than 4 percentage points to 33.4 percent in 2014 from its historic low in 2000. This overall figure masks differences across demographic groups: For example, the share of adults age 65 and older living below 200 percent of poverty declined from 37.4 percent in 2000 to 32.5 percent in 2014, while the share of children under age 18 living below 200 percent of poverty rose from 37.4 percent in 2000 to 42.9 percent in 2014. See Carmen DeNavas-Walt and Bernadette Proctor, "Income and Poverty in the United States: 2014" (Washington: U.S. Department of Commerce, 2015), available at http://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-252.pdf, p. 17; Bureau of the Census, *Table 2. Age, Sex, Household Relationship, Race and Hispanic Origin by Ratio of Income to Poverty Level: 2000* (U.S. Department of Commerce, 2001), available at http://www.census.gov/hhes/www/cpstables/macro/032001/pov/new02_001.htm. An alternative measure of poverty, the Supplemental Poverty Measure, shows much higher rates of poverty for adults age 65 and older when factors such as medical out-of-pocket costs are taken into account. See Kathleen Short, "The Supplemental Poverty Measure: 2014" (Washington: U.S. Department of Commerce, 2015), available at https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-254.pdf, p. 10.

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8 Examples include passage of the Affordable Care Act; making permanent key improvements to the Earned Income Tax Credit and Child Tax Credit that made these credits more broadly available to low-income working families; the administration's place-based anti-poverty policies, including the Promise Zones initiative, which has partnered with high-poverty communities to help facilitate investments and technical assistance to improve economic mobility; a new U.S. Department of Labor rule to update and expand overtime protections to more working Americans; and administrative actions to mitigate barriers to employment, housing, and more for Americans with criminal records.

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15 For example, as this report will show, the minimum wage has been allowed to erode in recent decades while Congress has passed lopsided tax cuts for the wealthiest families, in particular the Bush tax cuts of 2001 and 2003.

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