

POVERTY 101

WHAT LIBERALS AND CONSERVATIVES CAN LEARN FROM EACH OTHER

By DAVID KUO

The 21st century has already begun with a radical new welfare system that fundamentally changes how America cares for her poor, dependent, jobless, and abused. The 1996 welfare reform law was the result of a decade of often dramatic and contentious debate about the proper nature of reform. On the one side were conservative reformers who demanded work requirements, illegitimacy prevention, and general de-entitlement. On the other were liberal reformers who also had an interest in work requirements and better job placement but wanted to see the essential characteristics of the social safety net remain intact.

The heat of the last debate was often painfully intense, but perhaps the lull before the next welfare debate begins will afford both camps of reformers the opportunity to learn from each other—especially when it comes to the hard work of recreating civil society and a private sector approach to caring for those individuals in need.

Liberals first. Faith matters. Ironically for a liberal welfare tradition that had its roots in religious revival, many of today's liberals acknowledge that religious faith is certainly a matter of importance, while ignoring—or being actively hostile to—its policy potential as a catalyst for radical change in people's lives.

During the last welfare debate, for instance, Senator John Ashcroft's "charitable choice" provision to allow states to contract with private and religious charitable organizations using federal funds was broadly attacked by many on the left. Yet its basic purpose was simply to level the playing field for faith based not-for-profits.

Overwhelming evidence coming from groups as diverse as the Heritage Foundation and Public/Private Ventures suggests that faith is not only important, it may be the factor in determining whether an at-risk child, a welfare mother, or a convicted criminal is able to turn his or her life around. It is vital that political liberals embrace this idea. The next year will give them opportunities to do so: new efforts to encourage this kind of religious element in

welfare include the charity tax credit and further implementation of charitable choice-type measures.

Conservatives next. Governmental programs can do—and have done—good. In just the past few decades, hunger and malnutrition have become far less serious social problems thanks to food stamps. Where once one out of every three elderly Americans was in poverty, today that number has dropped to about one in ten, thanks to the indexing of Social Security benefits and Medicare. These are social policy successes virtually without parallel.

Despite its well-documented failures, particularly vis-à-vis the family, the War on Poverty changed the face of poverty. The lesson for conservatives is that keeping intact a safety net of noncash services for the poor—and especially for the children—is crucial to preventing future welfare dependency. In a recent book, *What Money Can't Buy*, University of Chicago professor Susan Mayer pointed out that the two most important things determining a child's future are, first, that his or her basic needs be met, and, second, that he or she be the child of parents with character. Legislatively, little can be done to ensure the second. Realistically, improving the delivery mechanisms for programs like Medicaid so that those who use the services will have better care and better access should be at the forefront of the conservative agenda.

Liberals need to place more trust in the private sector. Long skeptical of some conservative claims that the private sector could replace decades-old government programs overnight, some liberals appear to believe that the private sector can actually do very little—while clinging to the belief that true compassion is directly related to federal spending on welfare. In fact, free market charity and social entrepreneurship operating without the debilitating effects of government are the real hopes for making a transformational difference.

Looking to examples like the "He Is Pleased" program in Delaware, founded by mutual fund magnate Foster Friess, the evidence is apparent that the social sector is a market like any other—with one difference: here the profit isn't

David Kuo is president of The American Compass.

financial, it is personal. He Is Pleased helps homeless men and women transition from the streets into full-time employment. Started with venture capital from Friess several years ago, HIP has already helped about 100 homeless people change their lives. Grounded in hard work—a 90-day cycle of paid work cleaning up the city—and tough rules—tardiness is not accepted, drug tests are mandatory—HIP is a social sector equivalent to micro-corporations like Apple or Sun Microsystems 20 years ago. It is cutting-edge, it is optimistic, and it is providing a challenge to established forms of charity. Scores of programs like these have sprung up across the country—they are the best hope for change and need to be supported.

Conservatives must not trust blindly in the private sector. One temptation to which conservatives sometimes succumb is believing that all government programs are bad and all private charity programs are good. Both are quite untrue.

Conservatives ought not to paint too rosy a picture of private sector charity. Rhetorically, they asked Americans to choose between government and charity, HUD or Habitat for Humanity, HHS or the Red Cross, knowing the answer they would get. But in so doing, they ignored the reality that many of the biggest and best known organizations—groups with multibillion dollar budgets and national recognition—have served as little more than private sector surrogates of the welfare state. Groups like the United Way, the Red Cross, and Catholic Charities receive a substantial portion of their funding from the federal government. Not coincidentally, they also tend to reflect in mission, means, and orientation the government model of impersonal, bureaucratic, and secular assistance that is a far cry from the kind of assistance people need. Conservatives who have been at the forefront of critiquing government should now be at the forefront of critiquing the private sector—of pointing out the good, the noble, and the bad. The recently completed National Commission on Philanthropy and Civic Renewal took a much-needed step in this direction.

Work: The First Step to Beating Poverty

Liberals need to better appreciate the importance of work—all work. Too often liberals have focused on the availability of “good” jobs to the exclusion of encouraging employment. Belittling “low-wage” jobs as demeaning, intentionally or unintentionally they sent a message that work, in and of itself, is not that important—that only “good” jobs count. Conservatives, for their part, need to consider the barriers to moving from welfare to work. Moving to a low-paying job can mean giving up medical benefits for one’s children—a clear systemic barrier to work.

Most studies show that getting and keeping a job, any job, is the most essential step to beating poverty. Finding

and keeping a job provides more than income. It provides a sense of self-worth and accomplishment. It does something else as well—it almost guarantees raises. While having focused on job training and job opportunities, liberals haven’t focused enough on putting people to work—a sort of trial by employment fire. Early evidence from the states seems to suggest that for many people on welfare, the new welfare law provided the impetus to change. This is not to say that all have found work or will be able to, but it is an important lesson—one that, as Governor Thompson of Wisconsin has shown, sometimes requires state spending.

Poverty: A Grinding Reality

A final thought for conservatives. Poverty in America is real. Some on the right seem to suggest that poverty is just an invention of the left, that it is mostly a matter of sloth and bad bookkeeping.

While poverty may not be as life-threatening as it once was, it can still be dark and desperate. As accounts like *There Are No Children Here* and *Turning Stones* have shown, poverty is not just “poverty” though its ravages can turn children into “children”—kids who may be chronologically young but who have seen and experienced life that is beyond the nightmares of many adults.

Coming to grips with the reality of poverty in America may be the most important thing that conservatives can learn from liberals. Certainly it would change the tone of conservatism. Conservatives will have more success undoing the welfare state if they abandon arguments asserting that all of America’s poor are either “undeserving” or “nonexistent.”

The hope that liberals and conservatives can take the time to learn from each other on matters of poverty springs from the common ground they have already found in the need to strengthen America’s civil sector. In just the past half-decade, politicians, pundits, and professors from across the ideological spectrum have come to the recognition that the real hope of reform and the true answers to long-vexing social problems will come from “civil society.”

That agreement is rooted in a common appreciation that communities and civic groups and churches have strengths and abilities beyond the dreams of government. They are actively and intimately involved in needy individuals’ lives. They share a common code of moral responsibility that provides guidance and guardrails. They have elements of faith that touch people in a far more profound way than a check or a voucher.

If this kind of agreement could find a way to grow in the poisonous atmosphere of the last welfare debate, let us all hope that in this calm after the storm the two sides will come together even more closely and revivify our common lives.