

Remarks of Kathryn Edin
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Warren/Cummings Event

When we travelled to Chicago in the summer of 2012, we found Jennifer Hernandez and her two kids, Kaitlin and Cole; Madonna Harris, mother of 15-year-old Brianna; and Susan and Devin Brown and their one-year-old daughter Lauren living on less than \$2 per person per day in reported cash income. None had had any income from welfare or work in months.

In 2013, we spent our first summer in Cleveland, where we met Rae McCormick, mother of toddler Azara, and Paul Heckewelder, the patriarch of a clan of 20 children and grandchildren who had all found themselves at his doorstep after the family pizza business failed. For six months' time, Paul, his wife Sarah, and the rest of the household had to make do on a sole SSI check, which put them under the \$2 per person per day in cash threshold.¹

In February of that year, we also travelled to the foothills of the Appalachian Mountains—to Johnson City, TN, where we met Jessica and Travis Compton and their girls Rachael and Blythe. By that point, the family had had no source of cash income for several months, a repeat of a circumstance they'd found themselves in a half dozen times over the last few years.

It was in the Spring of 2014 that we first visited the Mississippi Delta, where we met Alva Mae Hicks, her 10 children still under the age of 18, and an evolving cast of children and grandchildren who were in and out of her home, plus Martha Johnson, and her daughters Alona and Candice. Both families had less than \$2 per person per day in reported cash income to survive on, a situation that had persisted for several years.

\$2 a day is less than a cup of coffee at Starbucks. You can easily spend more than \$2 a day on a loaf of bread.

Yet as of 2010, the best--although far from perfect--government survey for estimating its prevalence, the Survey of Income and Program Participation, or the SIPP, showed that in any given month roughly 1.5 million families with 3 million children were living on cash incomes so low—and in a poverty so deep—that we didn't even think it existed in America—up 130 percent from just 15 years earlier. In the most recent year for which we have data—2012—the ranks of the \$2 a day poor show no signs of depleting, despite the strengthening economy.

With the SIPP, we followed children over a year's time in order to see how chronic the condition was. We found that the number of American kids living under the \$2 a day threshold for at least three months had grown from about 1.7 million in 1994 to roughly

¹ Paul had lost a foot as a young man in an accident while working at a steel mill. At nearly 60, his prosthetic foot no longer allowed him to walk or stand without effort. Due to this and a number of other chronic health conditions, he applied for and received SSI at age 59.

2.5 million in 2005 and to just over 3.2 million in 2012. Most of that growth had been among children who live in \$2 a day poverty for seven or more months in a calendar year. As of 2012, the number of children in chronic extreme poverty stood at 1.3 million, up from about 400,000 in 1996.

<<Figure 1 here>>

Elsewhere too we found evidence that things for families at the very bottom had worsened since the transformation of the safety net in 1996: the Personal Responsibility and Work Opportunity Reconciliation Act commonly known as welfare reform.

Since the mid 1990s, the number of families with children on the Food Stamp Program--now called SNAP (Supplemental Nutritional Assistance Program)—reporting no source of cash income quadrupled, from 316,000 in 1996 to 1.3 million in just 15 years' time.

<<Figure 2 here>>

The number of American school children who had no regular place to call home, data schools were required to collect beginning in 2004, doubled from 656,000 to 1.3 million in the decade that followed.

<<Figure 3 here>>

The number of unduplicated clients at food banks had grown too: from 21.4 million in 1997, to 25.3 million in 2005. In the most recent year for which we have data, 2013, that number stood at 46.5 million (although Feeding America warns that some changes in methodology mean the most recent report is not directly comparable to previous ones).

<<Figure 4 here>>

One can argue that one of these trends might be an aberration. But when they all point in the same direction, one should worry that conditions have worsened—dramatically—for the very poorest families in America.

What has occurred over the last decade and a half that is responsible for the growth of a kind of poverty so deep we just didn't think it existed?

First, the nation's cash safety net—colloquially referred to as “welfare”—is largely dead. After the Aid to Families with Dependent Children (AFDC) program was replaced in 1996 by Temporary Assistance to Needy Families (TANF), the U.S. saw large, steady declines on the welfare rolls. A program that was serving 4.6 million adults and their 9.6 million children in 1994 is touching the lives of only about 1.1 million adults and 2.9 million children today. Currently, there are more avid postage stamp collectors in the United States than there are welfare recipients. Half of the adults on TANF hail from just two states—California and New York. In most others, welfare is a shadow of its former self. In many southern and mountain states, it barely exists at all.

When we asked Modonna Harris in Chicago why she didn't get welfare, she told us, "Haven't you heard? They just aren't giving it out anymore." Travis Compton, down in Johnson City, TN, was asked why he hadn't approached welfare's door. In response, he asked, "What's that?" He had never heard of the program. Rae McCormick, from Cleveland, was finally convinced to go down to the welfare office after having spent nearly half of her life in and out of \$2 a day poverty. According to Rae, a caseworker told her "Honey, I'm sorry. There are just so many needy people, there's just not enough to go around. Come back next year."

Second, even though most among the \$2 a day poor hold firmly to the idea that they are workers, and not dependents, the bad jobs of today are far worse than the bad jobs of 15 years ago. Involuntary part time employment, unpredictable hours (such as the emergence of on call, zero-hour contracts and other techniques employers have devised to precisely peg their labor supply to consumer demand), low hourly pay, plus rampant wage theft have all wreaked havoc on workers holding the least-skilled jobs. In 2011, roughly 70 percent of children who found themselves among the \$2 a day poor had at least one adult in their household who had held down a formal sector job for at least some period of time during the previous year. Meanwhile, only 10 percent have claimed even a dime from welfare. Yet those holding on to the tattered edge of the low wage labor market find themselves just one emergency away from job loss and a spiral into extreme destitution. Given their often-fraught personal lives, troubled extended families, and fragile health, emergencies are the rule, not the exception.

Twenty-one year-old Rae McCormick, from Cleveland, enjoyed a three year spell as a part-time cashier at Kmart that came to an end when SuperWalmart came to the west side of town, shuttering Kmart's doors. Rae was lucky enough to land a cashier job at Walmart. Determined to succeed there, she took note of the barcodes of the most commonly-purchased produce items, dictating them into the recording device on her cell phone. Then, she put the recording on continuous play, listening while she slept. "My subconscious did the job" she related. Within just six months, she'd twice been named cashier of the month. Yet the gas tank registered empty on the truck she shared with housemates—just days after she'd spent what remained of her last paycheck to ensure that the tank would be full. The housemates had used up all the gas running errands, leaving Rae no means to get to work. Desperate, she called her manager, who told her that if she couldn't find a way to arrive on time, she shouldn't bother coming in any more. Couldn't someone have given the two-time cashier of the month a ride, or floated her a loan?

Added to the death of welfare and the increasingly-perilous nature of work is the affordable housing crisis. Housing instability was virtually ubiquitous among the \$2 a day poor we met around the country. What researchers call "Adverse Childhood Experiences" threaten the wellbeing of American children who suffer them both in the near term and well into adulthood. In our data, it is the housing instability that so often accompanies a spell of \$2 a day poverty that most often exposes children to Adverse Childhood Experiences (including sexual abuse) as they move through multiple,

precarious, double ups, live in their cars, spend precious resources to secure a few nights in a cheap motel, or (like Jennifer Hernandez and Modonna Harris) find themselves moving through a string of Chicago homeless shelters, none willing to shelter them for more than a few months' time. Such trauma can both spur and lengthen a spell among the \$2 a day poor. And research suggests that the impact can be both deep and reach across the generations.²

How do the \$2 a day poor survive? In Chicago, Jennifer Hernandez is an expert at taking advantage of every charity she can find—free dental checkups, backpack and school supply giveaways, a performance of Hamlet as part of the city's Shakespeare in the Park series. Yet she has no cash to buy her kids socks and underwear. So, like many among the \$2 a day poor, she finds she must trade away a portion of her most valuable resource—her SNAP—in order to make such purchases, for a return of just 60 cents on the dollar. Down in the Mississippi Delta, Alva Mae Hicks does the same in order to keep her electricity on in a climate where the temperature has ranged from 9 to 109 degrees in just the past six months. In the Delta, where the going rate for SNAP is a little lower due to the ubiquity of poverty there, she trades \$600 in SNAP in order to meet her \$300 utility bill. This means her kids go hungry most of the month. When we ask her 18 year old daughter, Tabitha, who has lived for much of her life in \$2 a day poverty what it feels like to be so hungry, she responds: “It feels like you want to be dead, because it's peaceful being dead.”

Another nearly universal strategy is practiced by Jessica Compton, down in Johnson City TN. While Travis watches the girls at home with an eye to the window because he expects the sheriff's deputy to arrive any minute to evict them—they are now four months behind on the rent—Jessica makes the trek down to the local plasma donation center. Twice weekly--as often as the law allows—this 111 pound borderline anemic mother of two sells her plasma to generate the little bit of cash that keeps the family going at a minimal level in the months since both her and her husband's employers—Red Lobster and Burger King—reduced their hours to zero in response to slowing foot traffic in the seasonal economy. She gobbles down protein bars and takes deep soothing breaths to make sure that her blood pressure and heart rate are in the acceptable range. Once hooked up to the machine,

She...contracts her fist to start the blood flowing, and keeps contracting it at intervals to keep the purplish liquid moving down the tube to the machine that will separate her blood from her plasma. The goldish liquid is extracted and preserved, while her blood and platelets are returned to her system. First an extraction. Then a return. Another extraction. And so on.... The procedure takes a toll, she says. “I get tired. Especially if my iron's down, I get, like, really tired.”³

² <http://www.cdc.gov/violenceprevention/acestudy/year.html>; Bethell CD, Newacheck P, Hawes E, Halfon N. Adverse Childhood Experiences: Assessing the Impact on Health and School Engagement and the Mitigating Role of Resilience. Health Affairs, 33, no.12 (Dec 2014):2106-2115.

³ *\$2 a Day: Living on Almost Nothing in America*. Kathryn Edin and Luke Shaefer, 2015:96

“Donating” plasma is so common among the \$2 a day poor that it might be thought of as their life blood. As another indication that things for families at the bottom may be getting worse over time, plasma donations have recently spiked in the U.S., growing from just 10.4 million to 23 million between 2005 and 2011.⁴

Other strategies include small enterprises like Martha Johnson’s home business selling popsicles and homemade Kool-Aid pickles—a Delta delicacy, “scrapping” used air conditioners and aluminum cans, and exchanging sex for cash or favors. This is how Modonna Harris keeps her cell phone on and pays for the storage locker where she keeps her daughter’s baby book and other heirlooms—the shelter only allows one bag of possessions per person. For a time, Tabitha Hicks, at only 15, was lured into a sexual liaison with her gym teacher who in-boxed her on Facebook saying he had been watching her ‘since you were real young,’ waiting for her to “mature”, promising food if she would meet him at his house after school.

Mainly, though, the \$2 a day poor get by using any means necessary, like Paul Heckwelder’s brood. When the water was shut off in the summer of 2012, Paul and his sons rigged up the roof’s gutters to capture the rainwater in garbage cans—water that was then used to flush the house’s sole toilet and wash clothes. The family also planted a garden in the back yard with spoiled produce they had gotten from the local food pantry. An impressive yield of tomatoes, potatoes, and eggplant kept the family going for a time.

How should we respond to the plight of the \$2 a day poor? In our book *\$2 a Day: Living on Almost Nothing in America*, published by Houghton Mifflin Harcourt in September 2015, H. Luke Shaefer and I advocate for three principles for our nation moving forward.

First, give all the opportunity to work. The \$2 a day poor are, first and foremost, workers, and take great pride in that identity. But there is too little work-- much less decent, full-time stable work, to go around. After the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 was passed, the nation saw large increases in the number of poor parents who went to work. By and large, the country has all but eliminated the ranks of those who are solely reliant on cash welfare and eschew work. Even among the poorest of American families, formal-sector work is common while cash welfare is rare. One could argue that the poor have lived up to their part of the bargain—they have embraced Personal Responsibility. But the nation has not done its part to secure Work Opportunity.

Expanding the generosity and reach of the EITC—especially doing more for part time workers—is one way forward. Recently, the U.S. experimented with a subsidized jobs

⁴ <http://www.nytimes.com/2009/12/06/business/06plasma.html? r=0>

<https://www.inverse.com/article/7618-the-10-bleed-how-plasma-donors-got-stuck-with-prepaid-card-fees-and-why-it-matters>

program praised by politicians and employers alike that created several hundred thousand new jobs employers claimed they would not have been able to offer otherwise. Expanding public sector employment so as to meet critical needs, such as repairing our nation's infrastructure, would also add vital jobs. A tight labor market creates a race to the top among employers in terms of pay, hours, and benefits.

Second, all parents deserve the opportunity to raise their children in a place of their own. Increasing children's risk of Adverse Childhood Experiences is a cost too high to pay. It is vital that the nation expand its stock of affordable housing, perhaps especially in high-growth markets where rents are steepest but job opportunities are also the strongest.

Third, sometimes work won't work, and we need a safety net that can truly catch poor families when they fall. The block-grant structure of our current welfare program offers perverse incentives to states to deflect federal welfare dollars to other uses. Currently, only 25 percent of the 16.5 billion the federal government sends to states for cash welfare ends up in the pockets of needy families. In those cases where welfare dollars have been diverted to fill state budget holes, the TANF program has become welfare for the states, not for people.

*The ultimate litmus test we endorse for any reform" however, "is whether it will serve to integrate the poor...into society. It is not enough to provide material relief to those experiencing extreme deprivation. We need to craft solutions that can knit these hard-pressed citizens back into the fabric of their communities and their nation."*⁵

⁵ \$2 a Day, P. 158

Figure 1

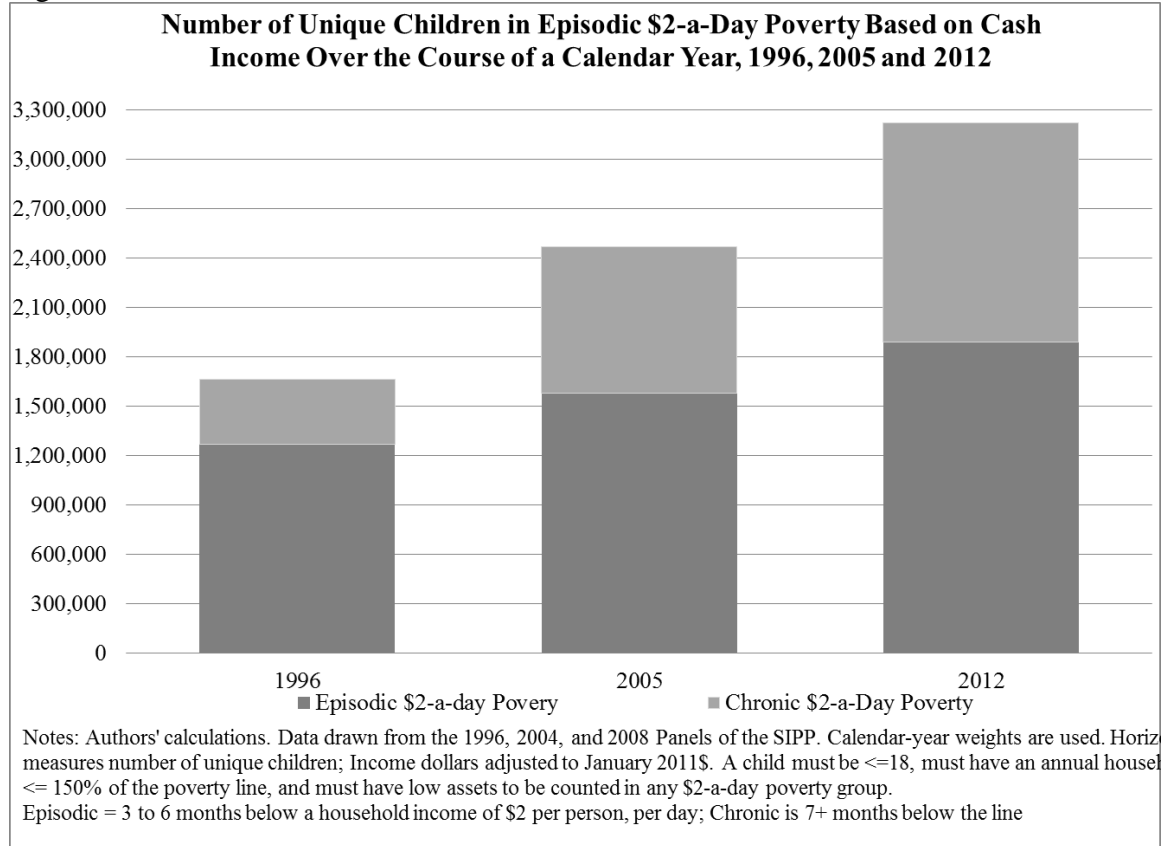


Figure 3

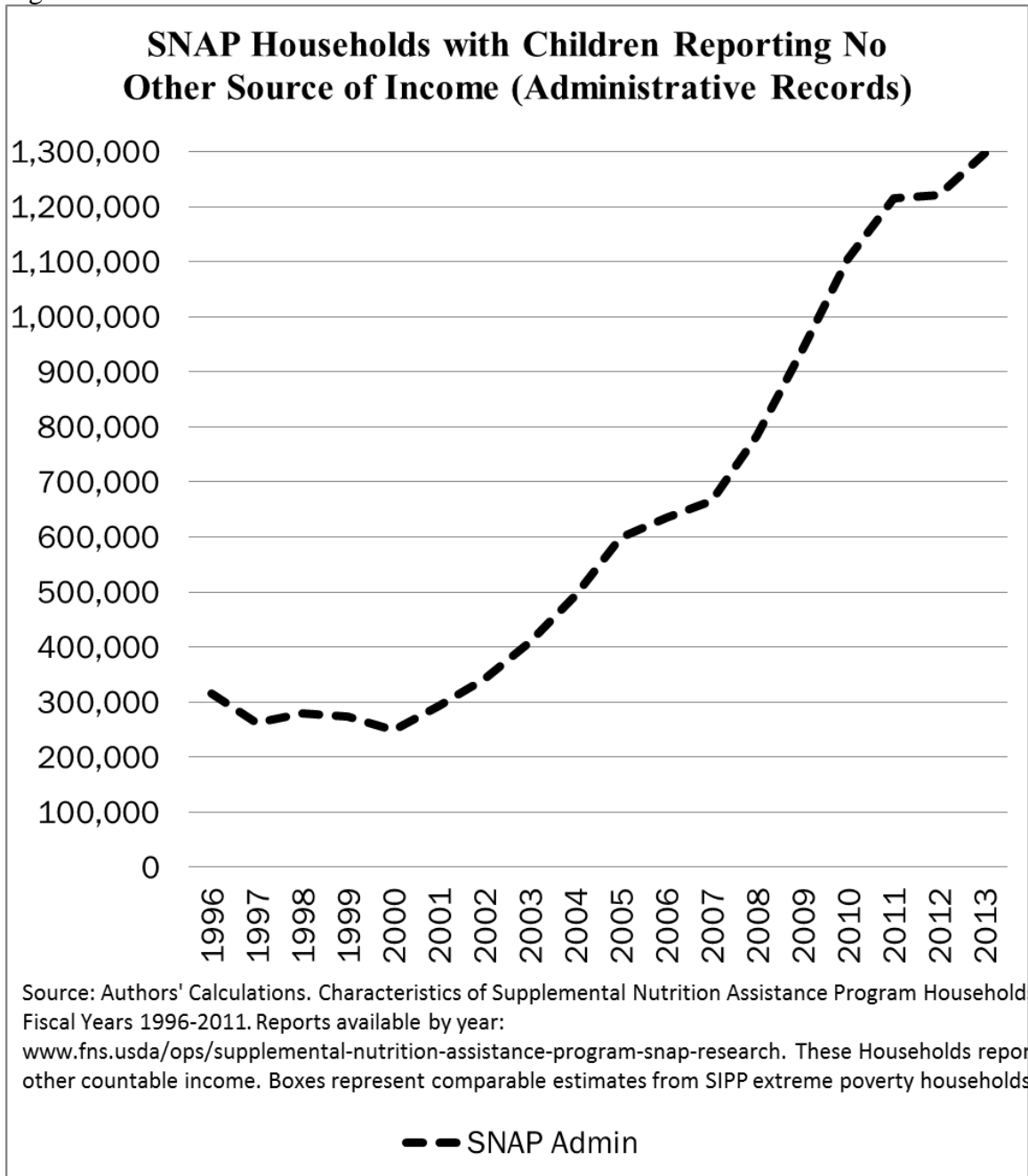


Figure 4

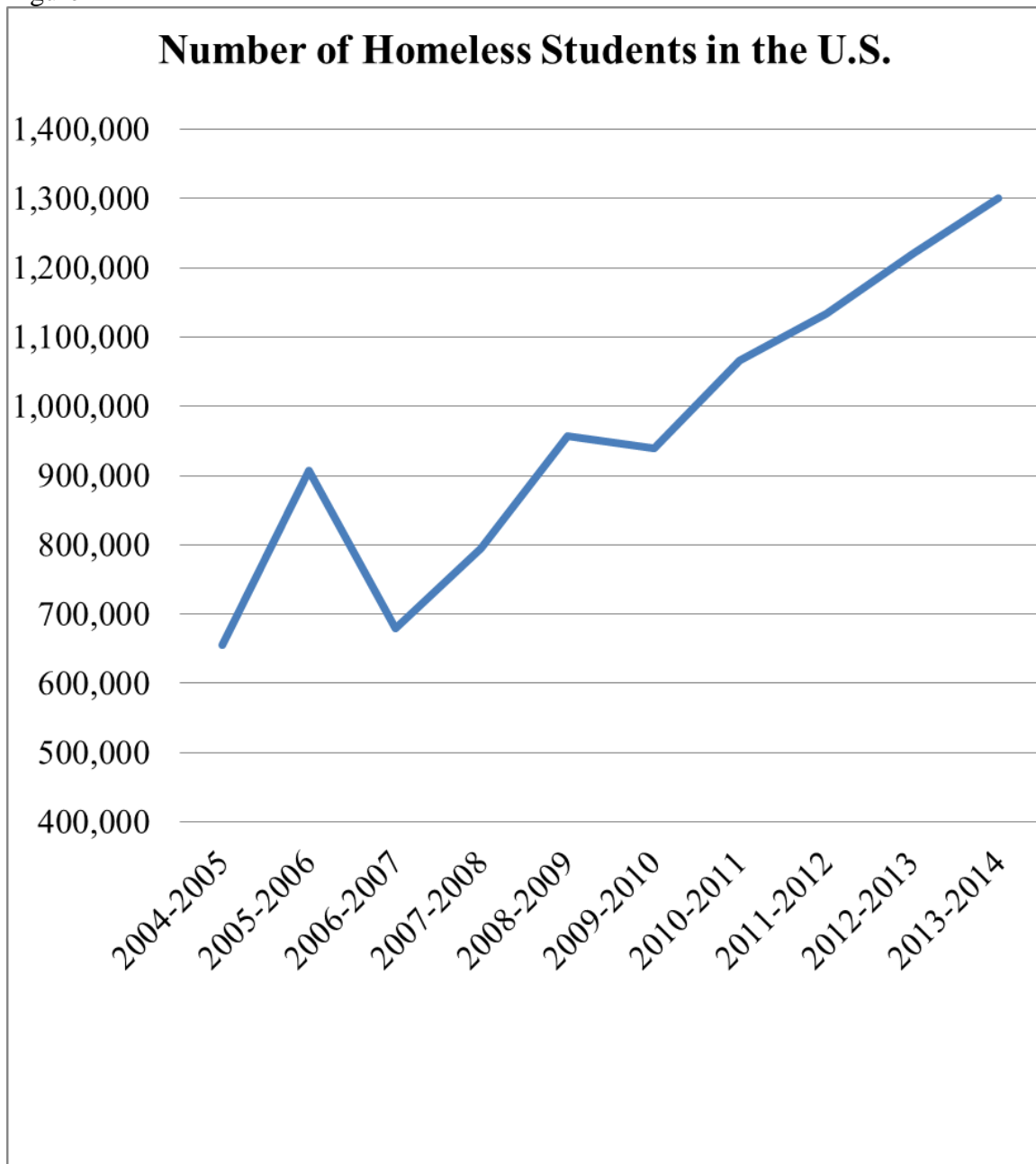


Figure 5

