The Poverty Puzzle

Why aren't rates worse?

Lawrence M. Mead

The government announced last Thursday that in 2009, 14.3 percent of Americans were poor — up from 13.2 percent the year before. The question we should be asking is: Why has poverty risen so little?

The increase over 2008 was smaller than many expected, and the previous year's rise was even smaller. Between 2007 and 2009, despite the deepest downturn since the Great Depression, the poverty rate rose by only 1.8 points, even as the unemployment rate almost doubled — from under 5 percent to nearly 10 percent.

The recent additions to the poor population clearly reflect the recession. Poverty would have risen more without unemployment benefits and other safety-net programs that protect the jobless. Yet it's a mistake to blame most poverty on the economy — because most poor Americans don't work even in good times and thus are little affected by the recession.

In 2009, only 36 percent of poor adults age 16 and over worked, compared to 63 percent of the general population. Only 9 percent worked full-time and full-year, compared to 42 percent of the general population.

One might blame these low figures on the recession, but the share of poor adults who worked never exceeded 43 percent even in the booming 1990s and has since declined. Those thrown into poverty by the recession are only the icing on a large and nonworking cake.

Of poor adults who didn't work in 2009, only 12 percent blamed inability to find a job. That was a big jump over 2007, when the figure was only 5 percent — but it was still the least common reason given. Many more jobless poor said they were ill, retired, in school or needed in the home. Nonworkers in the general population say much the same; only 10 percent of them cited lack of jobs.

In and out of poverty, the main barrier to working in America isn't the job market but the demands of private life.

Welfare reform in the 1990s sharply raised the share of welfare mothers who were expected to work. That pressure (along with low unemployment and wage subsidies) drove up work by poor women, both on and off welfare, in the later 1990s. By 1999, 64 percent of poor single mothers with children were working.

But in the last decade, much of that gain was lost as the pressure to work subsided and the economy worsened. Meanwhile, low work levels among poor men haven't improved. So, overall, the poor population is still largely nonworking.

Reformers had hoped to turn welfare into a form of unemployment insurance: Poor mothers would go on aid when they couldn't find a job, then leave it when they could. But the welfare rolls have risen little in the recession, suggesting that most poor mothers can still find work.

For poor men, the story is similar. I interviewed state and local officials in six states in late 2008 and early 2009, a period when national unemployment soared from 6 to 9 percent. I asked them how easy it was for poor men owing child support or ex-offenders leaving prison to find work. Most said that the recession had made it somewhat harder, yet many jobs were still available.

The principal victims of the recession aren't the poor but the middle class, which has often lost well-paying jobs that it finds hard to replace. While finding some job is still fairly easy in America, finding a good job able to support a middle-class lifestyle is much harder.

None of this denies that poverty is a serious problem. So are unemployment and inequality. Yet, more than we'd like to admit, these problems are largely separate. Fixing one won't fix the others.

Middle-class people fear unemployment because their lifestyle demands steady income, but they're seldom poor, because they work most of the time. Conversely, the poor suffer from low income because they seldom work regularly, but, for the same reason, unemployment largely passes them by.

Whether they work depends less on economic conditions than on whether they can organize their lives for employment. Their in turn, hinges on whether the government promotes work by rewarding it with benefits and also by enforcing it on groups like welfare mothers, who have an obligation to work.

If the poor work regularly, they usually escape poverty. Yet the jobs they get are usually low-paying, so the problem of inequality remains.

We shouldn't picture most poor adults as thrown into poverty by joblessness. Rather, their challenge is to work steadily enough so that they can suffer from unemployment as the middle class does.

By working more, many welfare mothers have become more vulnerable, but better off and more integrated. Government now needs to achieve the same for nonworking men.

Lawrence M. Mead is a professor of politics and public policy at New York University.