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Mark Twain once wrote that when he was 15 years old, he was ashamed at how dumb his father was. When he turned 21, however, he was amazed at how much his father had learned in six years. Although my father died when I was only 20 years old, many of his comments and observations have made more sense to me as I have grown older.

As a child, the manner in which my relatives would reminisce about the Great Depression always struck me as somewhat strange. It seemed as if they were competing with one another about who had it the toughest—the thinnest soup or biggest holes in their shoes. When I learned about the horrors of the Great Depression, I remember asking my father how they could wax nostalgic about such an awful time. His simple response was that our family was “broke, not poor.”

It took a long time for me to fully comprehend what my father meant. He perceived being “broke” to be a temporary financial condition, while being “poor” defined a more chronic state of hopelessness and futility. The key difference was that my family, while financially strapped, was not without assets. These included the following:

Personal Assets: including literacy, work history, job skills, basic education and health.

Social Assets: They were part of a community, a neighborhood, a family, and a religious congregation that they could rely on for support. They usually looked to family before government for assistance.

Financial Assets: When absolutely necessary, they had something to leverage such as jewelry, which could be pawned or insurance against which they could borrow.

I believe that these assets may be a key contributing indicator of successful poverty alleviation. According to Jim Masters of the Center for Community Futures, some 20 percent of the population will fall under the poverty standard in any given year. Of that group, half will not seek public assistance and 40 percent will find themselves in poverty

for four months or less. This implies that there is a significant amount of churning and that high numbers of people find pathways out of poverty with little reliance on public resources. Identifying the variables that contribute to situational vs. generational poverty and developing public policies and programs to support them is critical to reducing poverty and welfare dependency.

Recently, APHSA has been involved in two major projects designed to study

‘Broke, Not Poor’

poverty-related issues. The Family Economic Success program sponsored by the Annie E. Casey Foundation addresses a wide range of factors, including increasing EITC receipts, tax policy, work supports, predatory lending, asset strategies, etc., designed to help families achieve self-sufficiency. The HHS-funded 21st Century Model to Address Poverty was designed to refine the definition of poverty, develop community empowerment strategies and maximize technology. Through these efforts, APHSA, with its partners, hopes to identify resources to further evaluate and measure these components and formulate a more comprehensive strategy to address this need.

It has been 40 years since Lyndon Johnson announced his War on Poverty and nearly a decade since the passage of welfare reform. We have learned a great deal during this period. We know that public policies that demonstrate a return on investment and advance the concepts of personal responsibility, reciprocity, community empowerment, public and private partnerships, multiple tools, family formation, and services coordination will enhance the prospects for reduced dependency. We have also learned that success depends on the public’s confidence in our ability to manage our resources efficiently and effectively. Welfare reform has demonstrated positive results in caseload reduction, workforce attachment, increased child care, and child support collections.

Alleviating poverty, however, implies more than just reforming welfare policies. Tighter requirements resulting from TANF reauthorization, funding reductions contained in the Budget Reconciliation Bill, and the potential impact on the demand for entitlement services, creates a compelling case for review of our national policy on poverty. Recently released data from the Congressional Budget Office confirm a widening income gap. The average

after-tax income of the poorest fifth of the population rose just 4 percent over the past 24 years, while it rose by 54 percent for the top fifth in this same period. The study further reports that, after adjusting for inflation, wages among low-income workers have actually fallen since 2003. A serious national conversation on this matter would be both timely and welcome.

There is another example that heightens this need and creates an even stronger sense of urgency. Last August, as Hurricane Katrina battered New Orleans, the country witnessed a flaw in our safety net that resulted in significant suffering in the streets of one of the nation’s great cities. Many Katrina victims lacked assets, or put themselves in harm’s way to protect those that they had. The public’s reaction resulted in a call for action at the highest levels to address this disparity. I believe that there is an economic and a moral imperative to begin that conversation. To date, that call has been largely unheeded.

At times like this, I wish my father were still around. I could sure use his insight and wisdom on this one.