

POVERTY, BY AMERICA

Based on the book *Poverty, by America* by Matthew Desmond (Penguin Random House, 2023).

Slides created by Tasneem Yusufali.

We imagine that their sufferings are one thing
and our life another.

- *Leo Tolstoy*

1 in 3 (108 million)

get by on \$55,000 or less

1 in 9 (38 million)

live below the poverty line

1 in 18 (18 million)

live in **deep** poverty

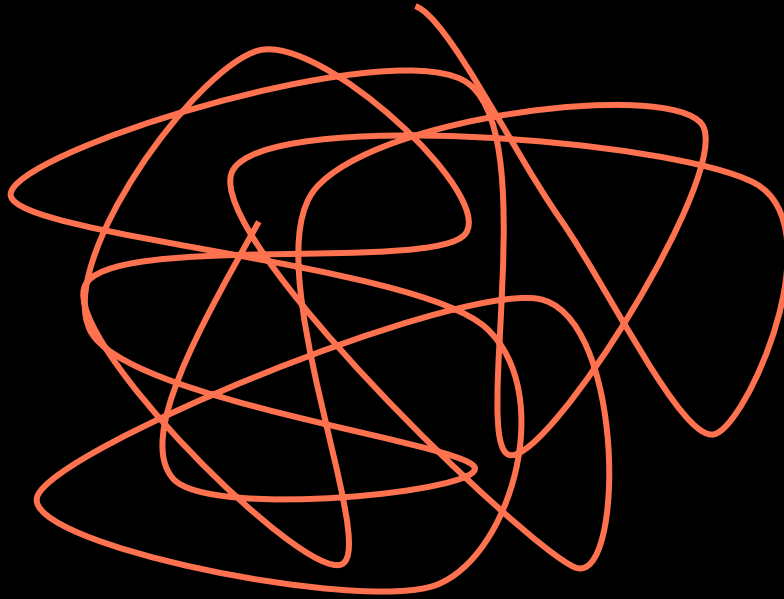
CONTENTS

- Chapter 1** *The Kind of Problem Poverty Is*
- Chapter 2** *Why Haven't We Made More Progress?*
- Chapter 3** *How We Undercut Workers*
- Chapter 4** *How We Force The Poor to Pay More*
- Chapter 5** *How We Rely on Welfare*
- Chapter 6** *How We Buy Opportunity*
- Chapter 7** *Invest in Ending Poverty*
- Chapter 8** *Empower the Poor*
- Chapter 9** *Tear Down the Walls*

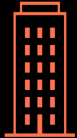
Chapter 1:

THE KIND OF PROBLEM POVERTY IS

Poverty isn't a **LINE**. It's a **TIGHT KNOT** of social maladies.



Poverty isn't a **LINE**. It's a **TIGHT KNOT** of social maladies.

 2.2 MILLION people in prison	 38% of impoverished kids witness shootings; 8% above poverty do.	\$22.4 BILLION paid by the poor in fines and fees yearly	The <i>poorest 1%</i> live 12.3 YEARS LESS than the <i>richest 1%</i>	 64% in jail lived in poverty pre-imprisonment	58.5%  of bankruptcies are due to medical bills
 Cost deters 89% of people with addiction from seeking treatment	Federal minimum wage stuck at \$7.25 since 2009	 90% surge in homeless public-school students since 2008	30 MILLION uninsured even after the ACA 	3.6 MILLION eviction filings each year 	 2.5 MILLION children enrolled in districts without libraries
600,000 people homeless each night	45 MILLION cannot access traditional loans 	Black households face DOUBLE the poverty rate of white households	150% below federal poverty line?  15x higher chance of felony charge	 HALF of all new jobs eliminated within first year	Due to cost, 24% in poverty skip medication 
Moms lacking high school diplomas face up to 2x infant mortality vs. college degree-holders	5.3 MILLION live on less than \$4 PER DAY	 Most poor renters spend over 50% of income on housing	 36% of workers are in the gig economy	The U.S. is short 7 MILLION affordable rentals 	Gun death risk is 20x higher in poorest areas 

Poverty is **PAIN**



Each month, workers at meat plants sustain an average of **17 SEVERE INJURIES**

Ref. 1

Children in low-income families suffer a greater prevalence of asthma.

Page 14



1 IN 4 children living in poverty suffer from untreated cavities.

Page 14

8 IN 10 gunshot victims nationwide survive the attack, often forced to live out their days in pain.

Page 14



Poverty is **INSTABILITY**



The government only provides housing assistance to **1 IN 4** families who need it.

Page 15

Income volatility, marked by short-term fluctuations in paycheck sizes, has doubled since 1970.

Page 16



1 IN 4 poor renting families spend more than **70%** of their income on housing costs.

Page 15

Each year, Americans face over 3.6 million eviction filings, a number akin to the foreclosure highs of 2010.

Page 15



Poverty is **THE LOSS OF LIBERTY**

Through a process known as **civil asset forfeiture**, the U.S. government seized over **\$2 BILLION** in cars, homes, and other valuables between 2001 and 2013 from people **not charged** with any crime.

Page 18



Around **2.2 MILLION** people sit in our prisons and jails each day. Another **4.5 MILLION** are on probation or parole. The overwhelming majority of America's prisoners are very poor.

Page 18

Poverty measures omit the millions in prisons, jails, psychiatric hospitals, halfway houses, and shelters, understating the true number of poor Americans.

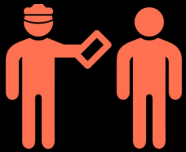
Page 19



Poverty is **FEELING THREATENED BY YOUR GOVERNMENT**

Municipal regulations empower the police to arrest the homeless for being seen in public, criminalizing abject poverty.

Page 19



The poor disproportionately incur costs from the state for minor offenses like turnstile jumping or carrying a joint.

Page 20

Minor violations trap the poor in a cycle of escalating sanctions and debt, where they may face jail not for crimes, but for missed payments or inability to afford bail—the modern equivalent of a debtors' prison.



Page 20



1 IN 12 people killed by a gun in the United States is killed by a police officer.
3 IN 4 Black mothers worry that their children will be brutalized by the police.

Page 19

Poverty is **DIMINISHED LIFE AND PERSONHOOD**



Poverty changes how you think and prevents you from realizing your full potential. It shrinks the mental energy you can dedicate to decisions, forcing you to focus on the latest stressor—an overdue gas bill, a lost job—at the expense of everything else.

THE BANDWIDTH TAX

The toll taken on the mental capacity of those affected by economic or other types of scarcity

Page 21



Being poor reduces a person's cognitive capacity more than going a full night without sleep.



Page 22



When someone is shot dead, the children who live on that block perform much worse on cognitive tests in the days following the murder.

Page 21

HOW THE GOVERNMENT MEASURES POVERTY



The Census Bureau releases two poverty measures every year that describe who is poor in the U.S.

THE OFFICIAL POVERTY MEASURE

THE SUPPLEMENTAL POVERTY MEASURE

Page 10

What's the threshold?	3X the cost of a minimal food budget	The cost of food, clothing, shelter, utilities, and telecommunications + an extra 20%
What counts as income?	Only cash: Salary, child support, Social Security & unemployment insurance	Adds cash + non-cash benefits like SNAP, free lunches, subsidies, and tax credits; Subtracts expenses like taxes and medical bills
How is it customized?	Differs by family size. 2022 poverty line for a family of 4: \$29.6K	Also adjusts for location, cost of living, and whether a renter or a homeowner; Threshold changes throughout the country

HOW THE GOVERNMENT MEASURES POVERTY



The Census Bureau releases two poverty measures every year that describe who is poor in the U.S.

THE SUPPLEMENTAL POVERTY MEASURE



2022 SPM threshold for a
renting family of 4: **\$34.5K**

15.1%

14.5%

11.7%

10.5%

THE OFFICIAL POVERTY MEASURE



2022 OPM threshold for
a family of 4: **\$29.6K**

'09

'10

'11

'12

'13

'14

'15

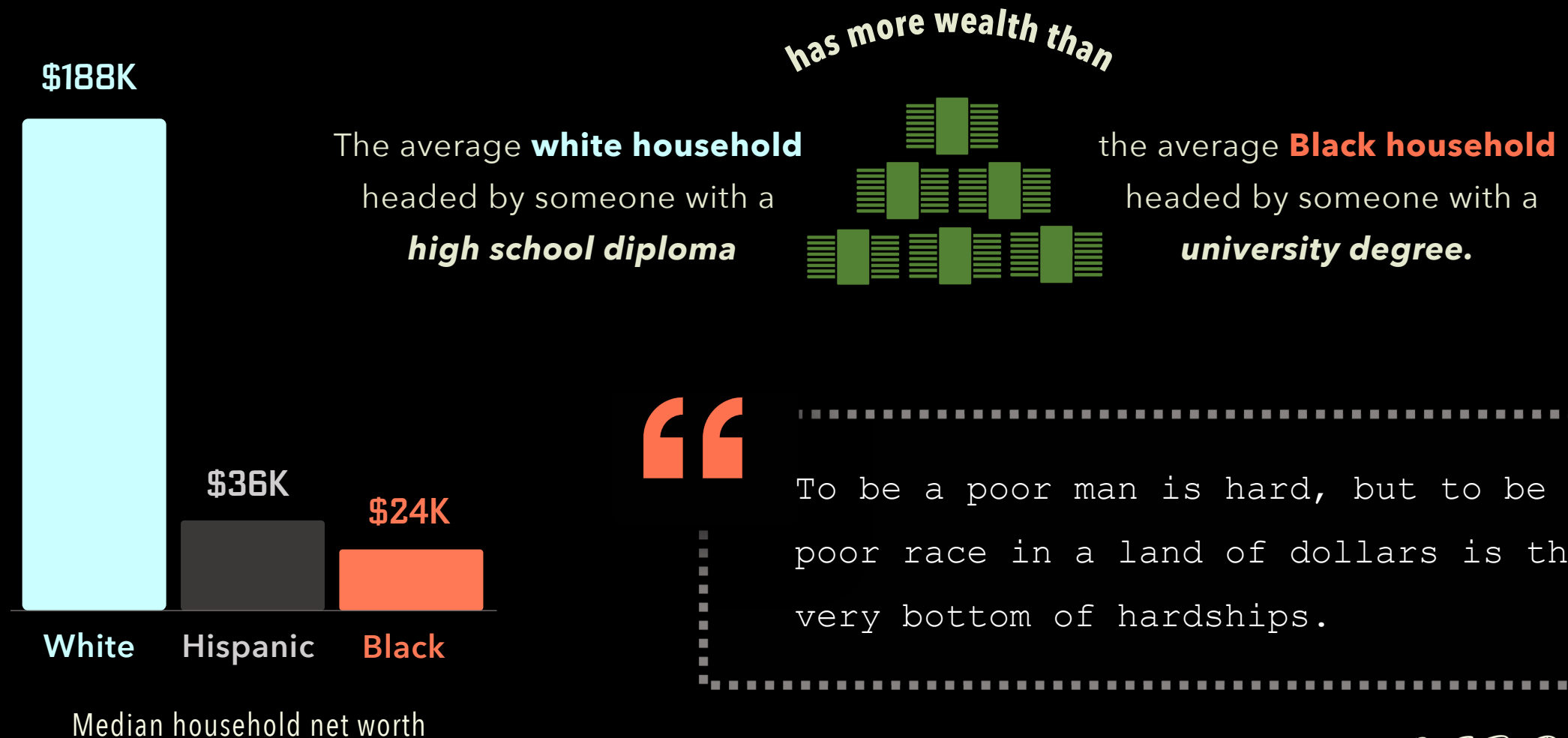
'16

'17

'18

'19

THE RACIAL WEALTH DIVIDE



Page 23

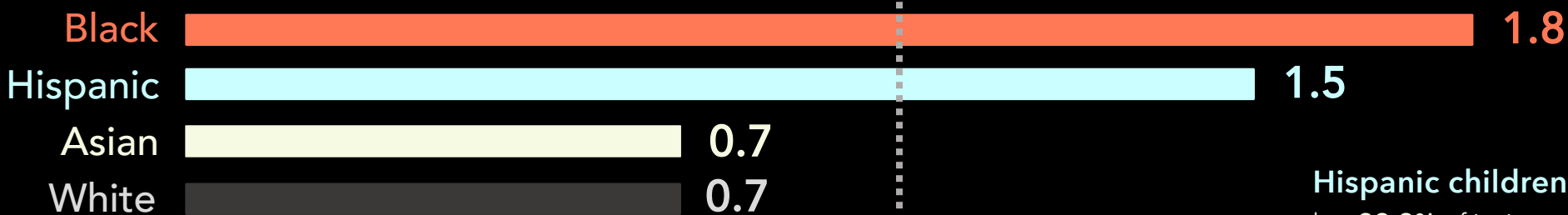
- W.E.B. Du Bois

RACIAL INEQUALITY UNDER THE POVERTY LINE



Black and Hispanic people are disproportionately represented among those in poverty.

Disproportionately represented in poverty

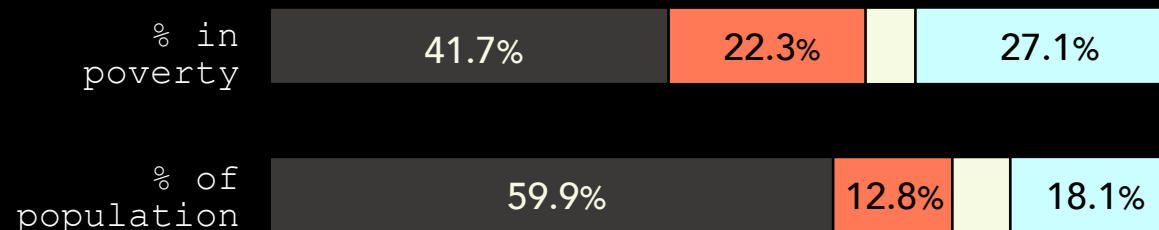


Hispanic children are **22%** of the U.S. but **32.8%** of its impoverished children.

Ref. 3

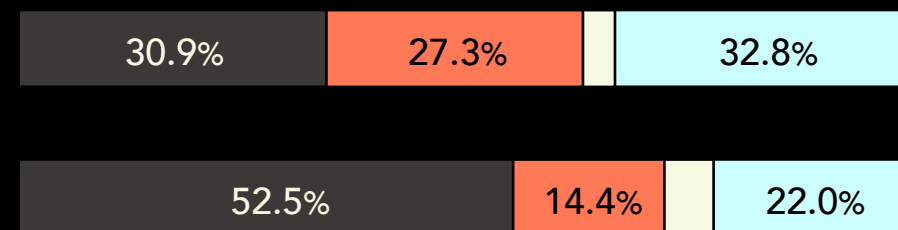
WOMEN

Black women are **12.8%** of the U.S. but **22.3%** of its impoverished women.

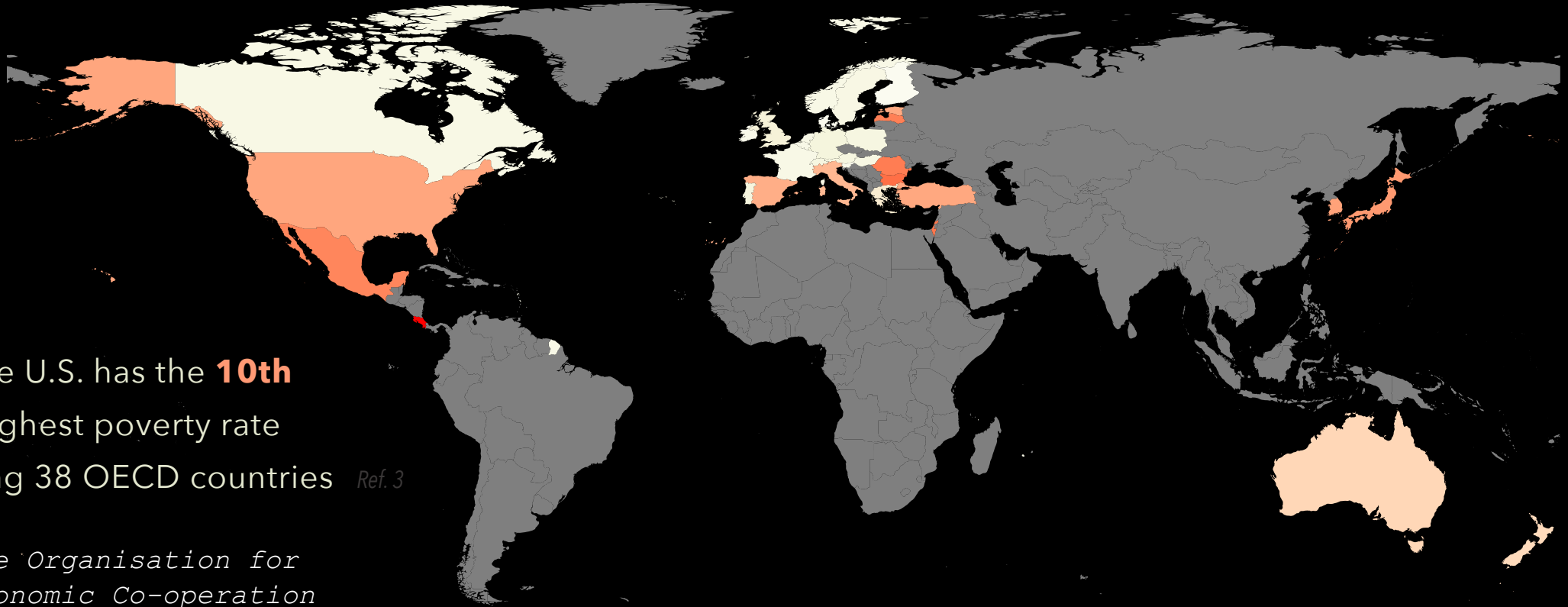


CHILDREN

Ref. 2



INTERNATIONAL POVERTY RATES



The U.S. has the **10th** highest poverty rate among 38 OECD countries Ref. 3

The Organisation for Economic Co-operation and Development: A forum with high-income member countries



CRYSTAL'S STORY

Pages 11-13

Age 0

Premature Birth Following Violence

Crystal was born prematurely after her mother was attacked, beginning her life in a volatile and unsafe environment.



Early Childhood

Exposure to Domestic Violence & Substance Abuse

Growing up in a household marked by domestic violence and drug use, Crystal was exposed to severe instability and emotional turmoil from a young age.

Childhood

Sexual Abuse and Neglect

She experienced sexual abuse and neglect, further aggravating her emotional and psychological trauma.

Age 5 Onward

Multiple Foster Homes

Crystal was placed in foster care, introducing her to a life of constant change and uncertainty, and often lacking emotional support and stability.

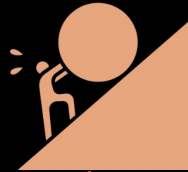
CRYSTAL'S STORY

Pages 11-13

Adolescence

Behavioral Issues and Assault Charges

Conflict with other girls while living in group homes led to fights and assault charges for Crystal.



Teens

Deteriorating Health and Support Systems

At 16, Crystal stopped going to school. Her unstable life with numerous foster homes led to comfort eating and sleep apnea. She was diagnosed with bipolar disorder, post-traumatic stress disorder, reactive attachment disorder, and borderline intellectual functioning.

Early Adulthood

Housing Challenges and Eviction

Faced with an assault charge that barred her from low-income housing and enduring her first eviction, Crystal struggled to secure stable and affordable housing.



Adulthood

Loss of SSI Benefits & Homelessness

As an adult, Crystal was no longer eligible for Supplemental Security Income. Without this critical financial lifeline, she was pushed further into poverty and, eventually, homelessness.

CRYSTAL'S STORY

Pages 11-13

Adolescence

Behavioral Issues and Assault Charges

Conflict with other girls while living in group homes led to fights and assault charges for Crystal.

Early Adulthood

Housing Challenges and Eviction

Faced with an assault charge that barred her from low-income housing and enduring her first eviction, Crystal struggled to secure stable and affordable housing.

WHAT DOES CRYSTAL'S STORY TEACH US ABOUT WHAT POVERTY IS?

Teens

Deteriorating Health and Support Systems

At 16, Crystal stopped going to school. Her unstable life with numerous foster homes led to comfort eating, weight gain, and sleep apnea. She was diagnosed with bipolar disorder, post-traumatic stress disorder, reactive attachment disorder, and borderline intellectual functioning.

Adulthood

Loss of SSI Benefits & Homelessness

As an adult, Crystal was no longer eligible for Supplemental Security Income. Without this critical financial lifeline, she was pushed further into poverty and homelessness.

REFLECT & DISCUSS

Chapter 1: *The Kind of Problem Poverty Is*

1. What is poverty? How can we define it beyond just looking at income?
2. How do you think race worsens the impact of poverty? How can people and communities tackle these long-standing inequalities?
3. How does the exclusion of people in jails, psychiatric wards, and homeless shelters from poverty statistics affect your perception of the true scope of poverty?

REFLECT & DISCUSS

Chapter 1: *The Kind of Problem Poverty Is*

4. How do you think poverty affects children whose families have been poor for many generations?
5. How does poverty influence people's self-esteem, self-worth, and their overall sense of identity and belonging within society?
6. If poverty is a "relentless piling on of problems," how does it affect an individual's daily life and mental well-being? How does the day of a financially-stable person look different from the day of a person living in poverty?

REFERENCES

Chapter 1

- 2.2 million people in prison
- 38% of impoverished kids witness shootings
- \$22.4 billion paid by the poor in fines and fees: *Page 73*
- The poorest 1% live 12.3 years less than the top 1%
- 64% in jail lived in poverty pre-imprisonment
- 66.5% of bankruptcies are due to medical bills
- Cost deters 89% with addiction from seeking treatment
- The federal minimum wage hasn't changed since 2009
- 90% more homeless students since 2008
- 30 million uninsured
- 3.6 million eviction filings each year: *Page 15*
- 2.5 million children enrolled in districts without libraries
- 600K people homeless each night
- 45 million cannot access traditional loans
- Black households face double the poverty rate of white: *Page 22*
- 15X higher likelihood of felony charge for those in poverty
- Half of all new jobs eliminated within the first year: *Page 16*
- Due to cost, 24% in poverty skip medication
- Higher infant mortality rate for less educated mothers
- 5.3 million living on less than \$4 per day: *Page 18*
- Most poor renters spend over 50% income on housing: *Page 15*
- 36% of workers are in the gig economy
- The U.S. is short 7 million affordable rentals
- Gun death risk is 20X higher in poorest areas

REFERENCES

Chapter 1

1. Wasley, Andrew. "Two Amputations a Week: The Cost of Working in a US Meat Plant." The Guardian, July 17, 2018. <https://www.theguardian.com/environment/2018/jul/05/amputations-serious-injuries-us-meat-industry-plant>.
2. U.S. Census Bureau. "Inequalities Persist despite Decline in Poverty for All Major Race and Hispanic Origin Groups." Census.gov, December 9, 2021. <https://www.census.gov/library/stories/2020/09/poverty-rates-for-blacks-and-hispanics-reached-historic-lows-in-2019.html>.
3. "The Basic Facts About Women in Poverty." Center for American Progress, 3 Dec. 2021, www.americanprogress.org/article/basic-facts-women-poverty.
4. Statista. "Poverty Rates in OECD Countries 2022 | Statista," January 8, 2024. <https://www.statista.com/statistics/233910/poverty-rates-in-oecd-countries/>.
5. Select icons in this chapter are courtesy of [The Noun Project](#).

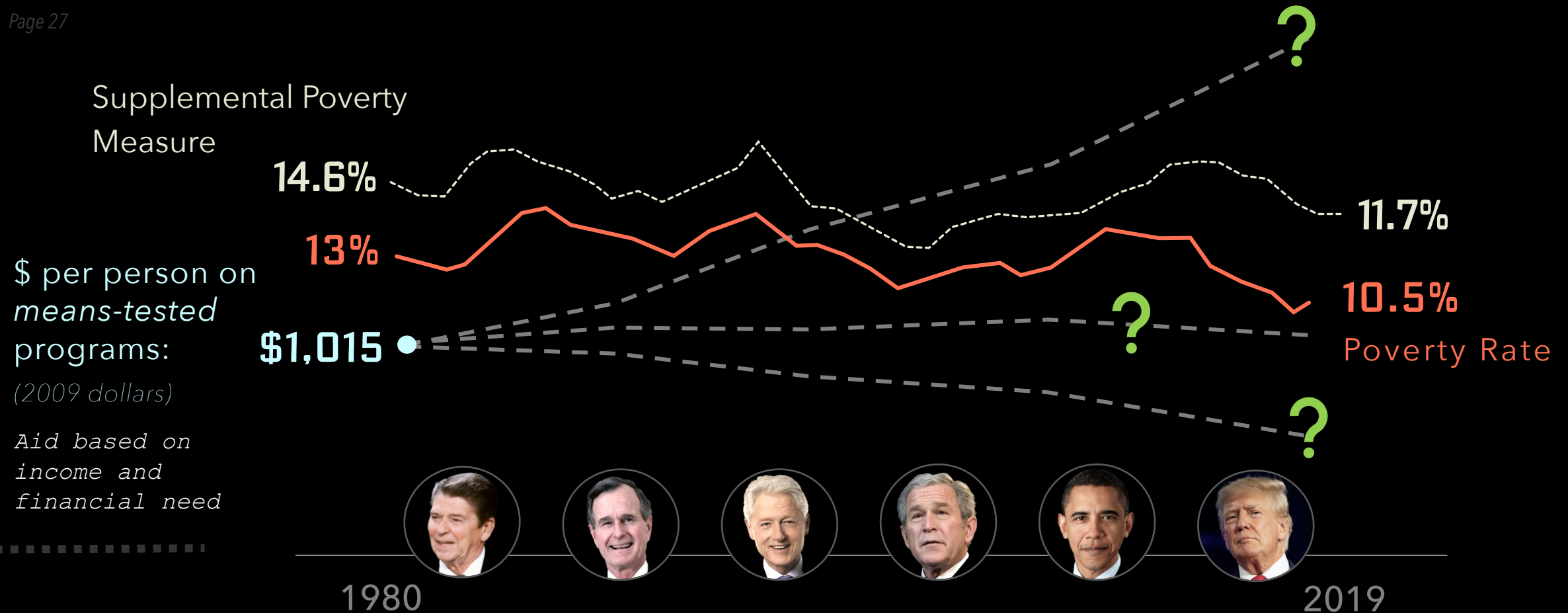
Chapter 2:

WHY HAVEN'T WE MADE MORE PROGRESS?

THE POVERTY RATE HAS REMAINED FAIRLY FLAT IN 40 YEARS

? **Take a guess:** Are we now stingier, more generous, or stagnant with antipoverty spending?

Page 27

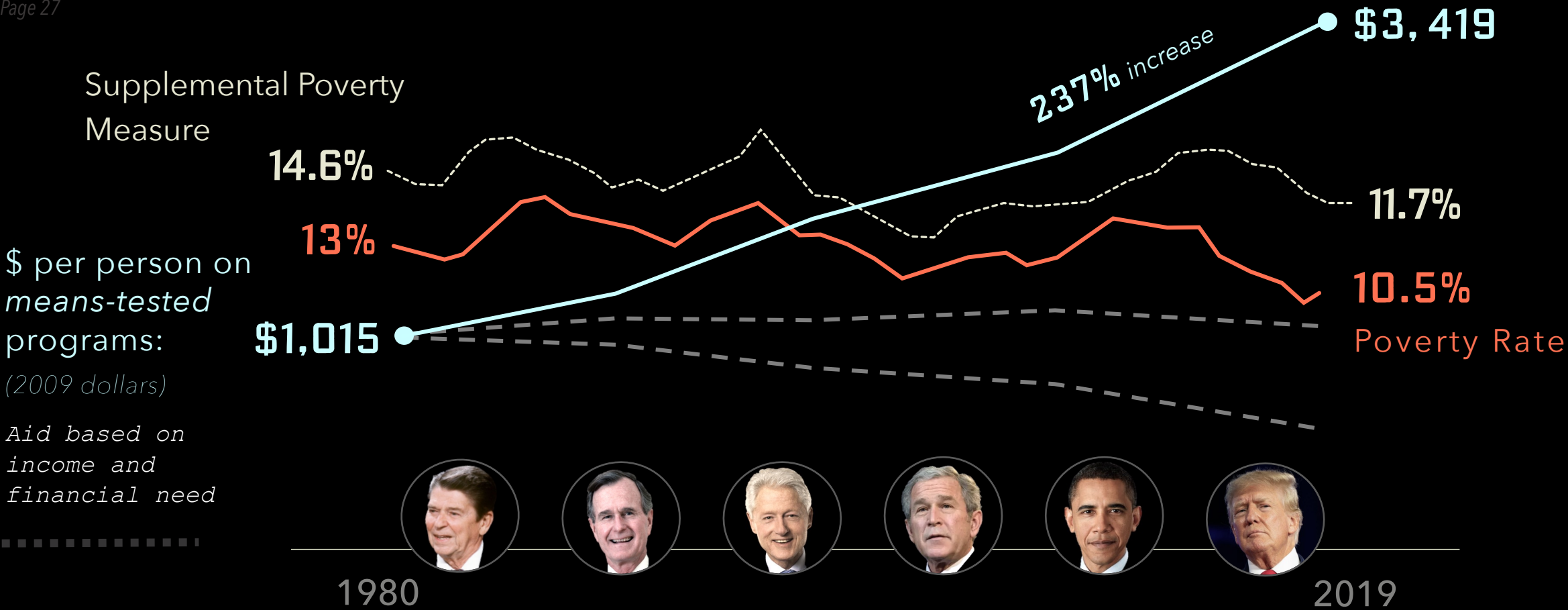


THE POVERTY RATE HAS REMAINED FAIRLY FLAT IN 40 YEARS



Antipoverty spending has increased substantially over the last 4 decades.

Page 27



SPENDING MORE TO STAY IN THE SAME PLACE



The past success of antipoverty spending hinged on robust unions; their decline now undermines antipoverty effectiveness.

GREAT SOCIETY & WAR ON POVERTY

Transformative programs aimed at eradicating poverty nationwide



Medicare & Medicaid
Act of 1965



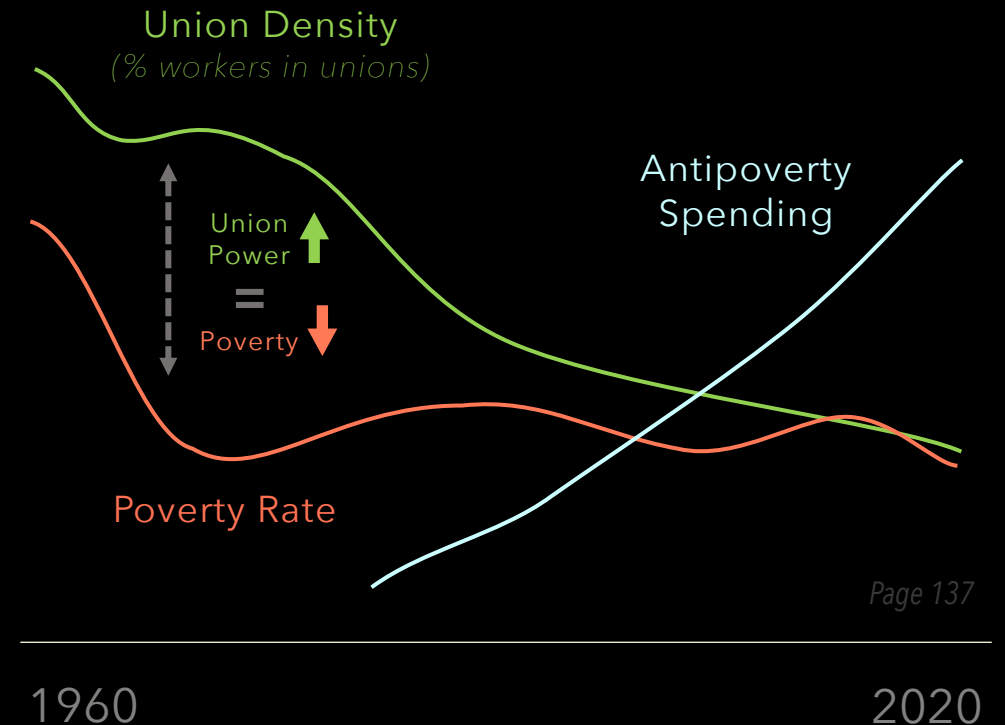
Food Stamp
Act of 1964



Job Corps
Head Start



Economic
Opportunity
Act of 1964



Page 137

WHY HAVEN'T WE MADE MORE PROGRESS?

IMMIGRATION?

Page 34



In the last half century, the states with the most immigration have unchanged or reduced poverty.

California

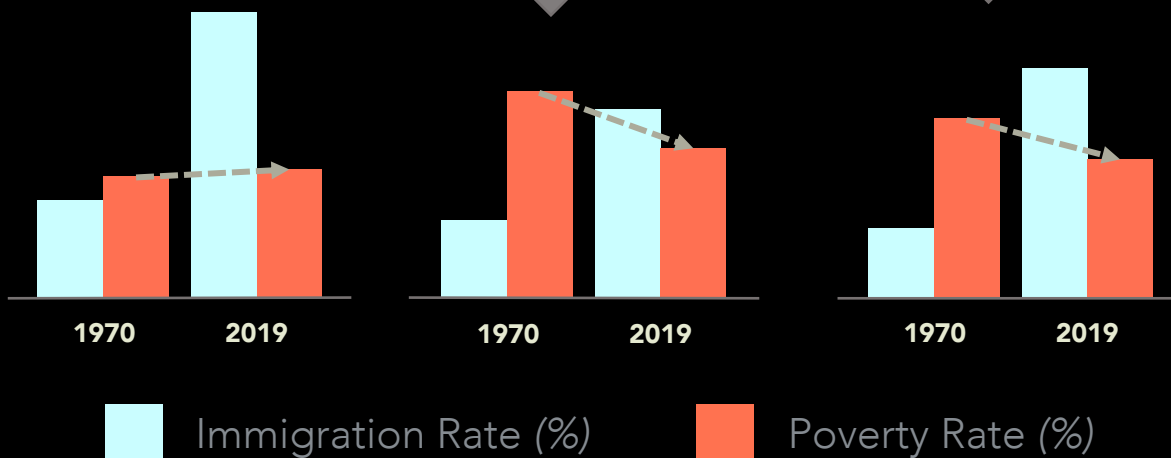
↑ 0.7%

Texas

↓ 5.2%

Florida

↓ 3.7%



SINGLE PARENTHOOD?



Single parents in the United States fare much worse than those in other rich countries.

The U.S. **falls behind** other wealthy countries in:



Paid Parental Leave



Minimum Wage Standards



Affordable Childcare



Reproductive Health Choices

The U.S. ranks **4th** in single-parent household poverty among 35 OECD nations.

Page 36

WHY HAVEN'T WE MADE MORE PROGRESS?



The US welfare system is a leaky bucket.

TANF

Temporary Assistance for Needy Families: A federal cash welfare program for low-income households

In 2021, state governments held around **\$6 billion** in unspent welfare funds.

Page 30



 **cbpp.org**: Search "TANF" to learn more

In 2020, for every TANF dollar budgeted, **only 22 cents** directly reached poor families. *Pages 28-29*

\$36.1
billion instead
spent on:



\$7.1 billion in
direct cash to
poor families

- Work training
- Marriage counseling
- Abstinence-only sex education
- Anti-abortion pregnancy centers
- Private school
- Fitness camps
- Anti-drug classes

In 1996, Bill Clinton transformed welfare into a block grant that gave states considerable freedom in deciding how to distribute the money.

THE MYTH OF THE “SUCCESS SEQUENCE”



Young people are advised to avoid poverty in America through three steps, but it's not so simple.

i Black Americans who followed the success sequence were less likely to escape poverty than whites who did the same.

1.



Graduate from
high school

i Childcare costs prevent single parents from full-time employment.

2.



Obtain a
full-time job

i There are more poor people who followed all three rules than there are who broke all three.

3.



Have children
after marriage

i The step responsible for nearly all the “success” is securing a full-time job.

REFLECT & DISCUSS

Chapter 2: *Why Haven't We Made More Progress?*

1. Considering the increase in anti-poverty spending in recent decades, what are the systemic issues that prevent this financial aid from effectively reducing poverty? What is behind our lack of progress?
2. Reflect on the distribution of TANF funds for non-essential programs. What does this reveal about the priorities of state governments, and how does it impact the fight against poverty?
3. Given the advancements in medicine and technology, why do you think welfare benefits haven't significantly alleviated poverty? Does progress in one sector automatically translate to progress in social issues like poverty?

REFLECT & DISCUSS

Chapter 2: *Why Haven't We Made More Progress?*

4. What misconceptions about immigrants and poverty in the United States does the chapter address? How do these misconceptions hinder progress in combating poverty?
5. Reflecting on your own community, can you identify examples where government aid might not be directly reaching those in need?
6. The notion that single parenthood leads to poverty is challenged by international comparisons. What factors might explain the unique situation in the United States, and how should policy respond?

Chapter 3:

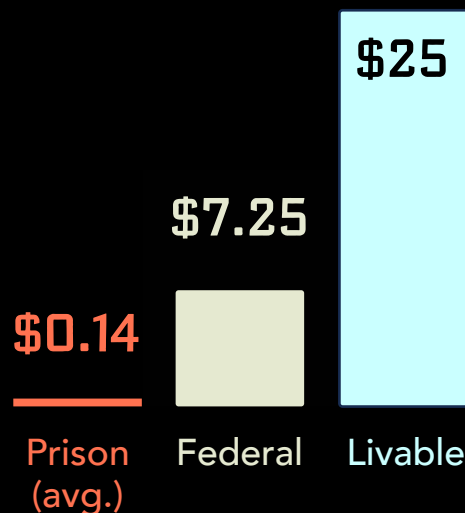
HOW WE UNDERCUT WORKERS

HOW WE UNDERCUT WORKERS



What do we deny workers when we deny them living wages? Happiness, health — life itself.

PRISON WAGES



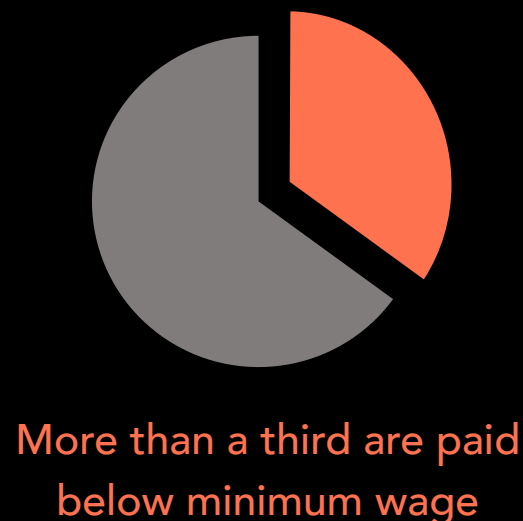
Ref 1

CEO PAY DISCREPANCY



Ref. 2

UNDOCUMENTED WORKERS



Ref 3

STAGNANT WAGES



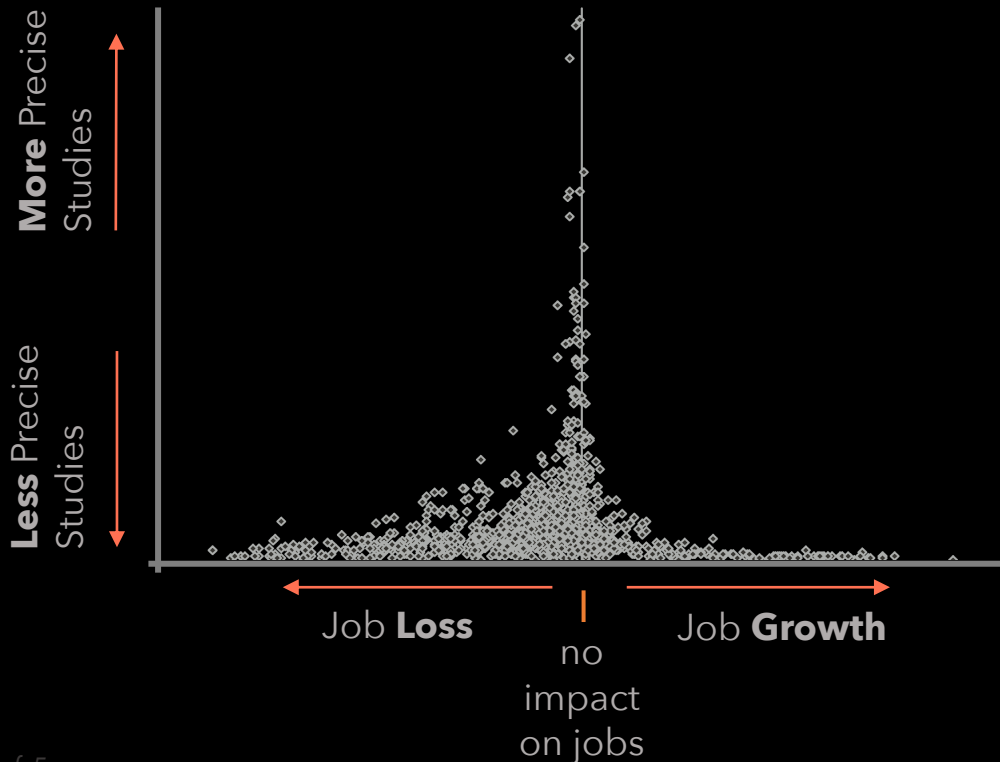
Ref 4

WHY AREN'T WORKERS EARNING THEIR WORTH?

WAGES UP, JOBS DOWN?



The best evidence shows that minimum wage increases have little to no impact on job growth.



Ref. 5

Page 52

GLOBALIZATION? TECH?



Belgium, Canada, Italy, and many other rich countries haven't experienced the kind of wage stagnation and surge in income inequality the US has.

Page 51

INSUFFICIENT EDUCATION?



The share of poverty jobs has risen even for those with a college education.

In 2020, a third of workers aged 25-64 with college degrees earned below the nation's median income.



HOW COMPANIES ENGINEER POVERTY



Our grandparents had careers. Our parents had jobs. We complete tasks. That's been the story of the American working class and working poor, anyway.

- (paraphrasing) Gerald Davis

CONTRACT WORK

Page 53

Temporary employment without long-term employer commitments or benefits



Tech companies save up to **\$100K** per job each year.

Employees endure lower wages & fewer promotion chances.



Temp agencies compete over who can offer cheapest labor.

GIG JOBS

Page 54

Short-term tasks paid per project, often facilitated by apps

Gig workers are often **INELIGIBLE** for:

Vacation Time

Overtime

Health Insurance

Sick Days

Minimum Wage

Worker's Compensation



ALGORITHMS

Ref. 6



Unpredictable Scheduling

41% of early-career U.S. hourly workers receive schedules with less than a week's notice due to just-in-time scheduling practices

Constant Monitoring



Algorithmic monitoring of even keystrokes and motion can be used to dock pay for "breaks," including using the bathroom.

HOW COMPANIES ENGINEER POVERTY



Our grandparents had careers. Our parents had jobs. We complete tasks. That's been the story of the American working class and working poor, anyway.

- (paraphrasing) Gerald Davis

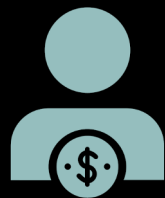
UNION BUSTING

Page 55

- The efforts by employers to prevent employees from joining labor unions to protect their rights



A 2019 report charged **42%** of employers with violating federal law during union campaigns.
1 in **3** cases involved illegal retaliatory firing.



Employers spent
\$433 MILLION
on "union avoidance"
consultants in 2021.

LOBBYING

Page 56

- Companies influence policymakers to limit labor protections, often prioritizing profits over well-being



In 2022, **AMAZON, META & COMCAST** spent more than all labor unions combined

\$3.5 BILLION
spent by corporations

\$52 MILLION
spent by unions

 [opensecrets.org](https://www.opensecrets.org) A campaign finance and lobbying database

MILESTONES IN THE U.S. LABOR UNION MOVEMENT

A union is an organization of workers formed to negotiate collectively with employers over wages, benefits, and working conditions

National Labor Union Founded

America's first labor federation pushed for an eight-hour workday and better conditions.

1866

1935

Wagner Act

Legitimized unions and boosted labor through collective bargaining protections

Taft-Hartley Act

Curbed union powers and enabled right-to-work laws, diminishing union influence

1947

1955

AFL-CIO Merger

United diverse labor factions and amplified their collective negotiating strength and political impact in the U.S.

PATCO Strike and Firing

President Reagan's firing of 11,000 striking air traffic controllers marked a decline in federal support for unions.

1981

2018

Janus v. AFSCME

Cut public union funds by ending mandatory fees from non-members

AFRICAN AMERICANS AND THE LABOR MOVEMENT



Unions' discrimination against Black workers undermined their own mission to advocate for workers' rights.

Page 48

National Labor Union Founded



Wagner Act

Taft-Hartley Act

AFL-CIO Merger

PATCO Strike and Firing

Janus v. AFSCME

Eugene Debs, leader of the American Railway Union, fails to get union members to accept Black railroaders during the Pullman strike

1949 Red Hand Incident: Union members in Philadelphia protest plant integration with racist pamphlets

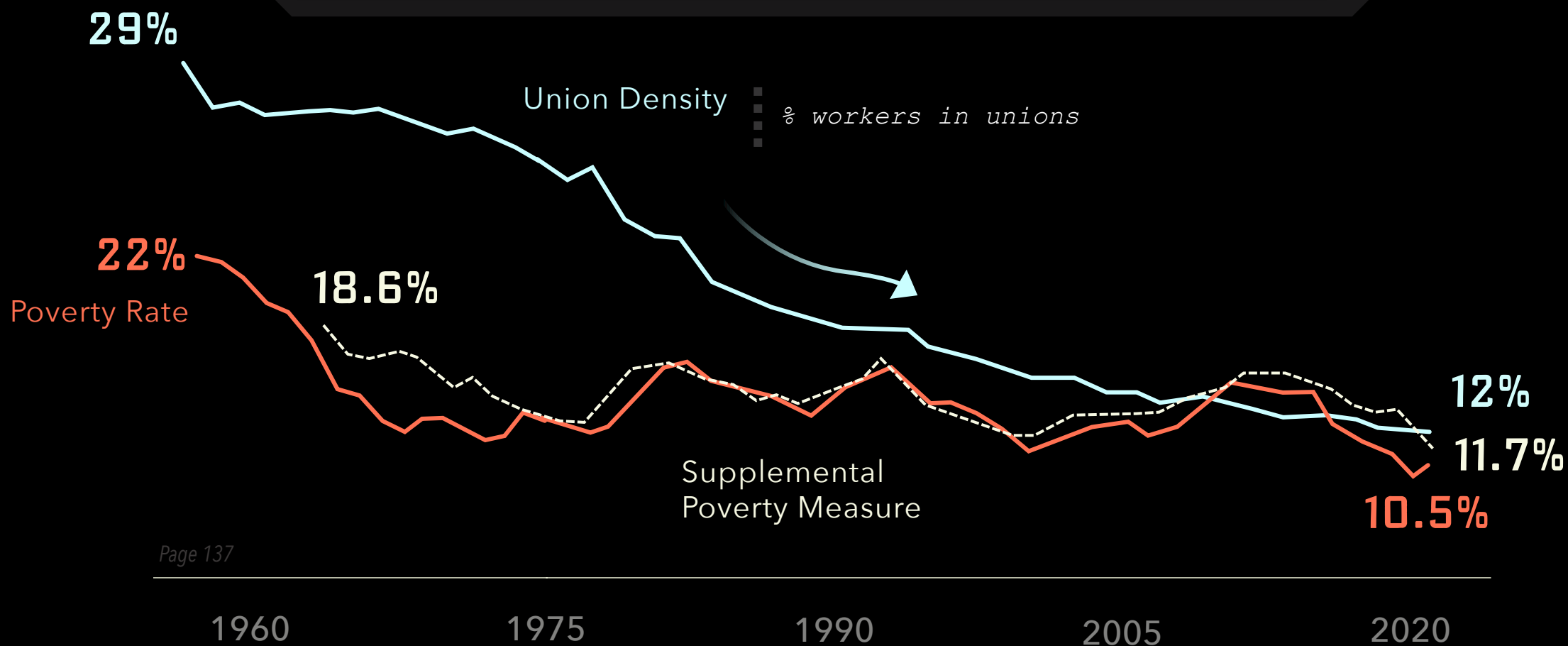
A 1964 study found that 30% of unions had policies that discriminated against minority workers

The American Federation of Labor did not integrate until 1955.

FROM CURES TO DIALYSIS



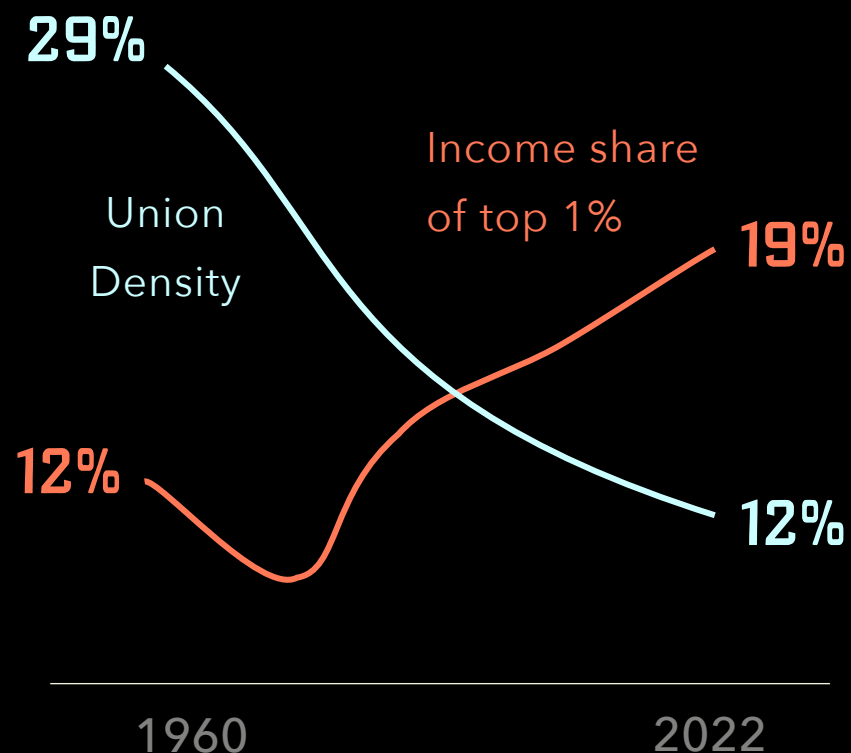
Poverty remains stagnant because today's weakened unions can't protect workers like they once did.



FADING UNIONS AND WIDENING WAGE GAPS



Unions' declining power over 7 decades has led to wage stagnation and growing inequality.



Declining unionization effectively reduced the median hourly wage by **\$1.56** from 1979 to 2017, costing a full-time, year-round worker **\$3,250** annually.

Ref. 12

The U.S. has the **5th** lowest union membership rate among 31 OECD countries.

Ref. 13

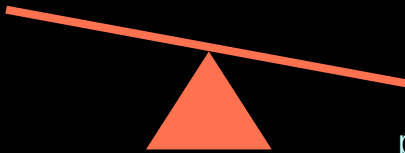
HOW WE ALL CONTRIBUTE TO EXPLOITATION

THE STOCK MARKET



Our direct and indirect investments influence labor prices.

WHEN A COMPANY
RAISES WAGES



STOCKS FALL:

Traders punish a
perceived threat to profit

Through many indirect means, most Americans are
SHAREHOLDERS who benefit from low labor costs:



401(k) retirement
plans



College savings
(529) plans



Universities with
large endowments



Bank savings
accounts

ADDICTION TO CONVENIENCE



Our reliance on certain companies fuels a cycle of
worker exploitation.

Amazon warehouse
turnover rate:
150%

Vehicle and fuel costs
take **30%** of Uber
drivers' earnings.

1 in **7** gig workers
earned under the
federal minimum
wage (\$7.25).



Amazon workers
had **DOUBLE** the
serious injury rate of
peers in 2021.

Income volatility is a
major reported stressor
for gig workers.

Refs. 7-11

REFLECT & DISCUSS

Chapter 3: *How We Undercut Workers*

1. This chapter points out the limited upward mobility and low wages in the U.S. compared to other countries. How does this challenge the narrative of capitalism as a system that rewards hard work and merit?
2. Reflect on the power imbalance between corporations and workers mentioned in this chapter. Can capitalism be reformed to better serve the working poor, or is an alternative economic system necessary to address these disparities?
3. Considering the historical context provided in this chapter, can you think of any potential risks of strong unions that could harm the economy and workforce diversity?

REFLECT & DISCUSS

Chapter 3: *How We Undercut Workers*

4. Have you ever benefited from a system or service that you wouldn't personally want to work in due to its conditions?
5. How do you relate the shift from "careers" to "tasks" in America with what you've seen in your personal, familial, or community experiences? And in what ways do dwindling union memberships touch upon your or your acquaintances' work situations?
6. How might our daily conveniences like ordering online or hailing a ride, coupled with our investment strategies, feed into worker exploitation?

REFERENCES

Chapter 3

1. Initiative, Prison Policy. "How Much Do Incarcerated People Earn in Each State?" Prison Policy Initiative, April 10, 2017. <https://www.prisonpolicy.org/blog/2017/04/10/wages/>.
2. Economic Policy Institute. "CEO Compensation Surged 14% in 2019 to \$21.3 Million: CEOs Now Earn 320 Times as Much as a Typical Worker," n.d. [https://www.epi.org/publication/ceo-compensation-surged-14-in-2019-to-21-3-million-ceos-now-earn-320-times-as-much-as-a-typical-worker/#:~:text=In%202019%2C%20the%20ratio%20of,in%20the%20top%200.1%25\)](https://www.epi.org/publication/ceo-compensation-surged-14-in-2019-to-21-3-million-ceos-now-earn-320-times-as-much-as-a-typical-worker/#:~:text=In%202019%2C%20the%20ratio%20of,in%20the%20top%200.1%25)).
3. Employers Exploit Unauthorized Immigrants to Keep Wages Low - NYTimes.Com," September 3, 2015. <https://www.nytimes.com/roomfordebate/2015/09/03/is-immigration-really-a-problem-in-the-us/employers-exploit-unauthorized-immigrants-to-keep-wages-low>.
4. Economic Policy Institute. "Wage Stagnation in Nine Charts," n.d. <https://www.epi.org/publication/charting-wage-stagnation/>.
5. Stanley, T. D. "Does Economics Add up? An Introduction to Meta-Regression Analysis." European Journal of Economics and Economic Policies: Intervention 10, no. 2 (September 1, 2013): 207-20. <https://doi.org/10.4337/ejeep.2013.02.05>.
6. Brookings. "Do Unpredictable Hours Undermine Upward Mobility? | Brookings," July 29, 2016. <https://www.brookings.edu/articles/do-unpredictable-hours-undermine-upward-mobility/>.

REFERENCES

Chapter 3

7. Segal, Edward. "Amazon Responds to Release of Leaked Documents Showing 150% Annual Employee Turnover." Forbes, October 24, 2022. <https://www.forbes.com/sites/edwardsegal/2022/10/24/amazon-responds-to-release-of-leaked-documents-showing-150-annual-employee-turnover/?sh=744a3a891d0b>.
8. https://fuelandtiresaver.com/wp-content/uploads/2020/03/Zoepf_The-Economics-of-RideHailing_OriginalPdfFeb2018.pdf
9. Wasley, Andrew. "Two Amputations a Week: The Cost of Working in a US Meat Plant." The Guardian, July 17, 2018. <https://www.theguardian.com/environment/2018/jul/05/amputations-serious-injuries-us-meat-industry-plant>.
10. <https://www.apa.org>. "Volatile Pay for Gig Workers Linked to Health Problems." December 8, 2022. <https://www.apa.org/news/press/releases/2022/12/volatile-gig-workers-health-problems>.
11. Zipperer, Ben. "National Survey of Gig Workers Paints a Picture of Poor Working Conditions, Low Pay - The Shift Project." The Shift Project, January 18, 2024. <https://shift.hks.harvard.edu/gig-workers-working-conditions/>.
12. "The Enormous Impact of Eroded Collective Bargaining on Wages." Economic Policy Institute, www.epi.org/publication/eroded-collective-bargaining/#:~:text=Recent%20research%20on%20trends%20in,time%2C%20full%2Dyear%20worker.
13. Buchholz, Katharina. "How U.S. Trade Union Membership Compares." Statista Daily Data, 20 Jan. 2023, www.statista.com/chart/9919/the-state-of-the-unions.
14. Select icons in this chapter are courtesy of [The Noun Project](http://TheNounProject.com).

Chapter 4:

HOW WE FORCE THE POOR TO PAY MORE

HOW WE FORCE THE POOR TO PAY MORE



Anyone who has ever struggled with poverty knows how extremely expensive it is to be poor.

- James Baldwin

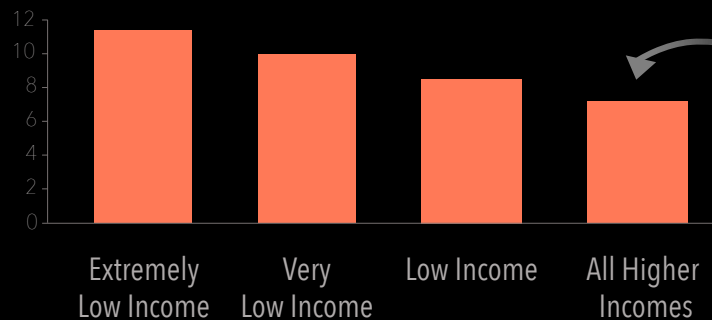
HOUSING



Renters in poor and predominantly Black neighborhoods pay more relative to property value.

HOUSING EXPLOITATION

When rental costs greatly exceed the property's value



% inadequate units:

Incomplete bathrooms

No running water

No electricity Ref. 1



Landlords in **poor** areas make **DOUBLE** the profit of those in **affluent** ones.

Page 67

RIGGED RULES: EXPLOITING POOR FAMILIES IN HOUSING

EVICTION

Some landlords use eviction as a business strategy



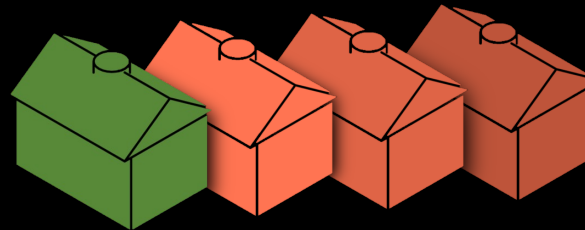
The **TOP 100** evicting buildings account for **40%** of evictions in cities like Tucson, AZ, and Fayetteville, NC.

Page 68

FINANCIAL BARRIERS

Banks deny less profitable small-dollar loans, creating "mortgage deserts."

■ Mortgage
■ Cash or alternative financing



Only **23%** of homes **under \$100K** were financed with a mortgage.

Page 70

DISCRIMINATION

Page 69

Research shows that in 50 years, there has been:

No decline in anti-Black discrimination in mortgage cost

Little decline in anti-Black discrimination in loan denial



HOW WE FORCE THE POOR TO PAY MORE



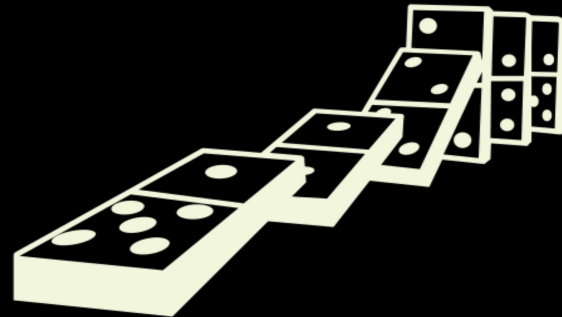
Anyone who has ever struggled with poverty knows how extremely expensive it is to be poor.

- James Baldwin

FINANCE



Banks and predatory lenders levy high fees and unfavorable rates on those least able to afford them.



\$61 MILLION in fees are collected from low-income Americans **each day.**

THE HIGH PRICE OF LOW BALANCES

OVERDRAFT FEES

Page 71

- Charges banks impose when an account balance falls below zero

Average fee:
\$33.58



9%

of account holders with
an average balance of
LESS THAN \$350 pay

\$11 billion
each year

PAYDAY LENDING

Page 74

- Short-term loans with high interest rates that trap vulnerable borrowers

Average customer's income:
\$30K

The average
borrower pays
\$520 in fees
to borrow
\$350...

...and remains
in debt for **5 MONTHS.**

\$9.8 billion
each year

CHECK CASHING

Page 72

- Services that charge unbanked people high fees to process checks

8%

of Black
households

6%

of Hispanic
households

1%

of white
households

Unbanked mostly due to minimum
balance requirements

Fees up to **10%** of
the check's value



\$1.6 billion
each year

REFLECT & DISCUSS

Chapter 4: *How We Force the Poor to Pay More*

1. Explore the psychological impact on a family making difficult housing choices under pressure. How might such stress affect one's capacity for making 'sensible choices'?
2. Analyze the role of credit scores in perpetuating poverty. How does this system disadvantage the poor, and what alternative methods could be used to assess financial responsibility?
3. Discuss the role of payday loan companies and the high fees associated with their services. How do these practices trap people in poverty, and what can be done to offer fairer lending options?

REFLECT & DISCUSS

Chapter 4: *How We Force the Poor to Pay More*

4. Have you ever felt, like many, "forced to choose the best bad option"? How did that situation come about, and what was the result?
5. What's your reaction to the finding that landlords in poor neighborhoods make more profit than those in richer areas?
6. Have you ever wondered why people in impoverished areas don't just move to better places? How does the provided context challenge or support your beliefs?
7. Reflect on any personal biases or stereotypes you might hold about individuals who use services like payday loans and check cashing. How can you challenge these biases?

REFERENCES

Chapter 4

1. <https://www.jchs.harvard.edu/blog/housing-inadequacy-remains-a-problem-for-the-lowest-income-renters>
2. Select icons in this chapter are courtesy of [The Noun Project](#).

Chapter 5:

HOW WE RELY ON WELFARE

A TAX BREAK IS SOMETHING AKIN TO A GOVERNMENT CHECK



Tax breaks are the government's way of spending by not collecting.



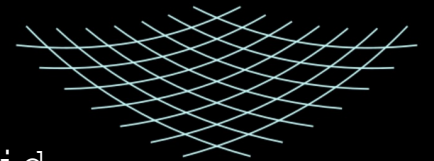
TAX SUBSIDIES

- Reductions in owed tax amount

- Boost household income
- Contribute to federal deficit
- Target specific groups
- Forgone federal revenue
- Benefits skew toward the rich



WELFARE



- Government aid for basic needs

- Boosts household income
- Contributes to federal deficit
- Targets specific groups
- Direct federal expenditures
- Supports the poor

A TAX BREAK IS SOMETHING AKIN TO A GOVERNMENT CHECK



We give the most to families who have plenty already, and this starves antipoverty programs.

The United States spent
\$1.8 TRILLION
on tax breaks in 2021.



The United States spent
\$600 BILLION
on means-tested
benefits in 2021.

529 PLANS: COLLEGE SAVINGS FOR THE RICH

A 529 plan is a tax-advantaged savings account for future education expenses, offering tax-free growth and withdrawals.

COURSE NAME ^

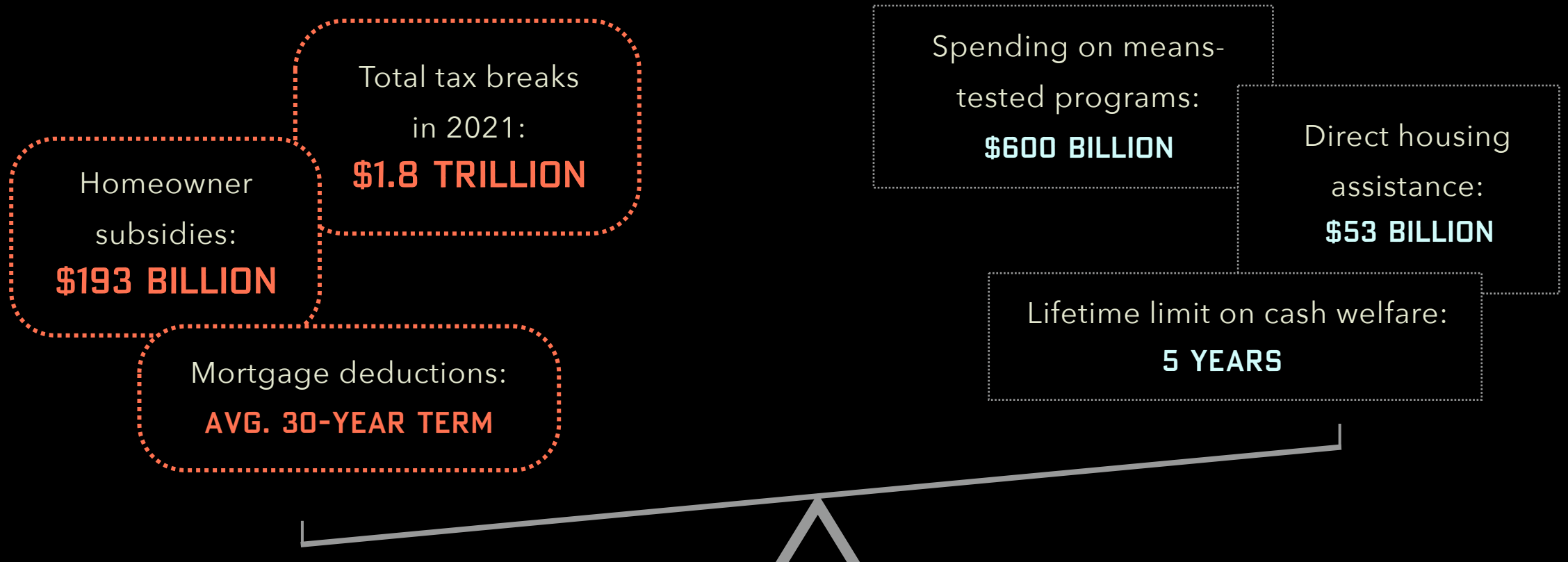
INFO

SOC 529	<u>Inequality Amplified Through Rich Handouts</u>	LOPSIDED BENEFITS	70% of benefits from 529 plans go to families with more than \$200K in household income. Page 96
ECON 529	<u>Fiscal Implications and Government Costs</u>	BILLIONS IN LOST REVENUE	Forgone federal revenue from 529 tax benefits expected to double to \$4.1 billion by 2027. Ref. 1
POL 529	<u>The Dynamics of Wealth and Policy</u>	BACKLASH TO POLICY REFORM	Obama swiftly withdrew a 2015 plan to tax 529 earnings after severe political backlash. Page 96

WE HAVE A **LOPSIDED** WELFARE STATE



When it comes to government aid, the scales tip toward the rich.

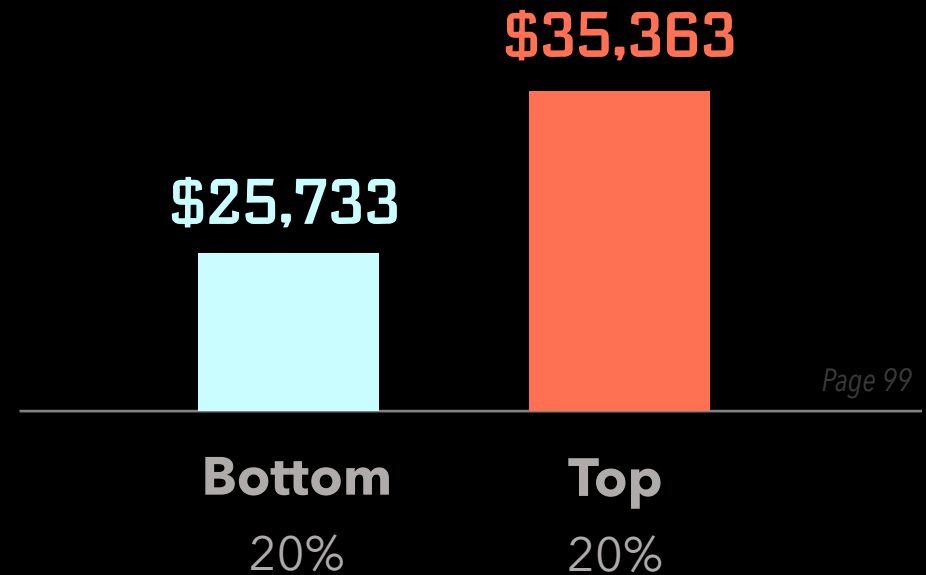


WE HAVE A **LOPSIDED** WELFARE STATE



When it comes to government aid, the scales tip toward the rich.

The **richest** American families receive almost **40% MORE** in government subsidies than the **poorest**.



Page 99

THE SUBTLE WAYS THAT AID FAVORS THE AFFLUENT

TAXING DISPARITY



The progressive federal tax is canceled out by other, regressive taxes, leveling our overall tax rate.



PROGRESSIVE TAX

- A tax rate that increases as taxable income increases

REGRESSIVE TAX

- Taxes that force the poor to pay a larger share of their earnings



Sales taxes consume a larger percentage of poor families' limited income compared to the wealthy.



Capital gains are taxed at a lower rate than wages.

PROGRAM VISIBILITY



A less "visible" tax break is fundamentally the same as a government aid—both boost household income.



Public housing

Food stamps

Cash welfare

Mortgage interest deductions

529 Saving Plans

Employer-sponsored healthcare

More delayed and opaque forms of government aid tend to exclude the poor while substantially aiding the wealthy, who can capitalize on them due to higher tax obligations.

SETTING WELFARE MISCONCEPTIONS STRAIGHT

* MYTH *

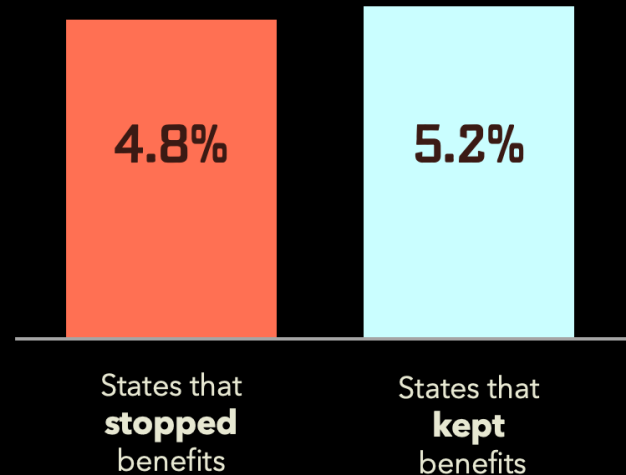
WELFARE ENCOURAGES UNEMPLOYMENT?

* FACT *



Employment didn't rise after COVID-19 aid cuts

Unemployment Rate (August 2021)



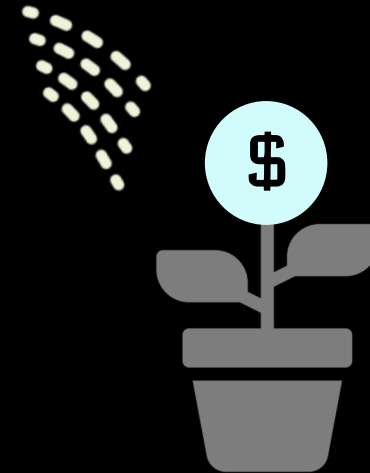
Page 82

* MYTH *

THE MIDDLE-CLASS PAYS THE PRICE?

* FACT *

Page 98



The average middle-class family receives
\$7,100 MORE
in **government aid** than it pays in **federal taxes.**

SETTING WELFARE MISCONCEPTIONS STRAIGHT

Page 89

WELFARE BREEDS DEPENDENCE?



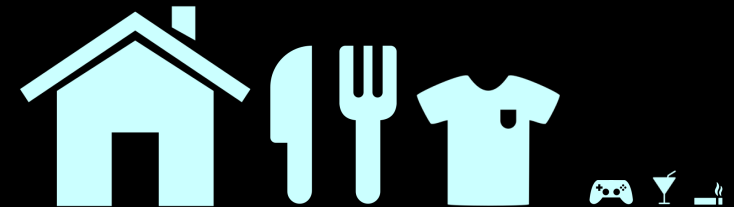
Poor families pass over billions in aid each year.

■ Earned Income Tax Credit (EITC)	
■ <i>Tax relief for low-income workers</i>	\$ 17.3 Billion
Food Stamps	\$ 13.4 Billion
Government Health Insurance	\$ 62.2 Billion
Unemployment Insurance	\$ 9.9 Billion
■ Supplemental Security Income (SSI)	\$ 38.9 Billion
■ <i>Aid for elderly and those with disabilities</i>	
Total aid left on the table	\$ 142 Billion

Page 87

WELFARE RECIPIENTS WASTE MONEY?

Families receiving means-tested government assistance spend a **larger share** of their income on...



...basic necessities than other American families.

THE BRIEF EASING OF CHILD POVERTY



Government action transformed a potential poverty crisis into an unprecedented decline during the pandemic.

The **expanded Child Tax Credit** functions like guaranteed income for households with kids.

2020 - 2021

The expanded Child Tax Credit, unemployment assistance and stimulus checks caused a **46% DECREASE** in child poverty in 6 months.

CHILD POVERTY RATE: 5.2%

Jan 2022

17%

The end of monthly payments caused a **41% INCREASE** in child poverty in 1 month.

12.1%

Dec 2021

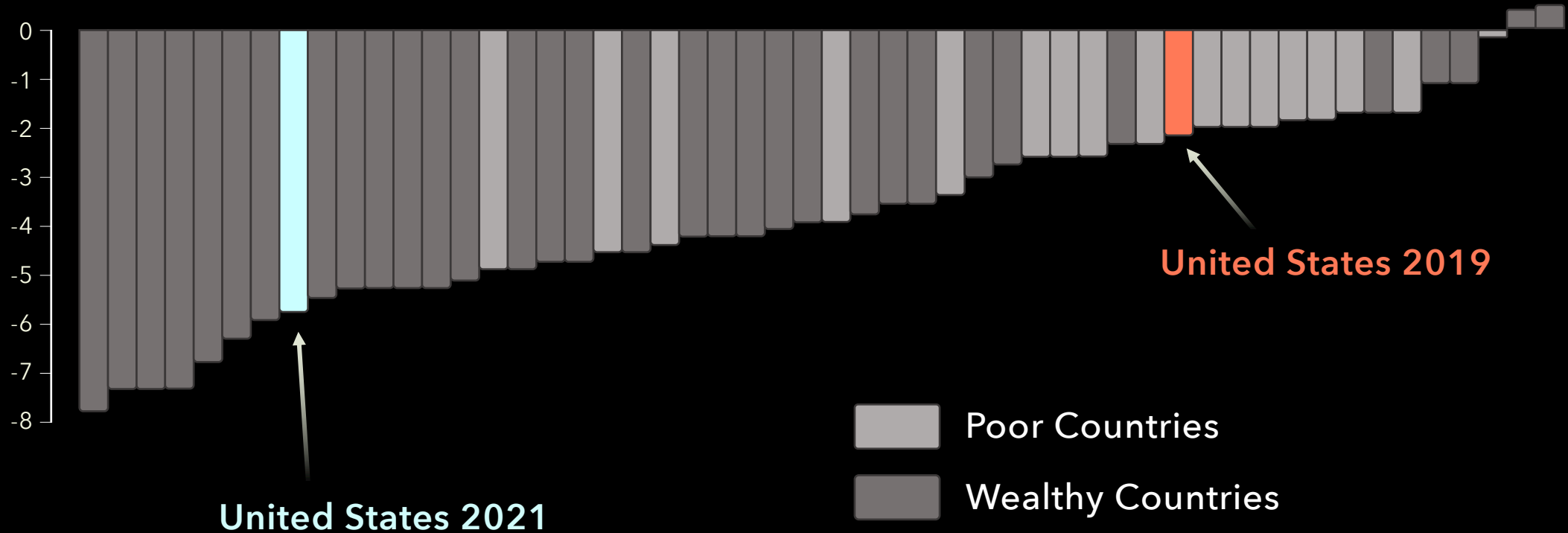
Monthly expanded Child Tax Credit payments **end**

THE BRIEF EASING OF CHILD POVERTY



From lagging among the world's poorest in addressing child poverty, pandemic-era policies catapulted the U.S. to rank alongside the world's richest in reducing child poverty.

% reduction in relative child poverty rates due to taxes and income transfers in the U.S. vs. other countries



WEALTHFARE



Our tax policies default to favoring the wealthy.



Taxes should hurt.

- President
Reagan

Corporate lobbyists and many lawmakers prefer to keep tax filing costly and painful.

Payroll taxes take a larger percentage from low-income workers' earnings.

Homeowners can deduct mortgage interest from taxable income, reducing their tax liability.

WELFARE



How we collect taxes and give benefits matters. Flip the delivery system to prioritize the most vulnerable.

File taxes automatically, ensuring citizens pay what they owe and receive benefits owed to them.

Automatically **cut payroll taxes** for low-income workers.

Instead of a one-time deduction, mail a monthly check; **make benefits for the wealthy an opt-in choice**.

REFLECT & DISCUSS

Chapter 5: *How We Rely on Welfare*

1. Reflect on the idea that tax breaks are similar to government benefits. How does this challenge your perception of government assistance? Have you ever considered homeowner subsidies, student loans, and tax breaks as forms of welfare? Why or why not?
2. Reflecting on the early days of the pandemic, how did you perceive the financial struggles of others around you? Did it change your perspective on poverty and unemployment?
3. How do you feel knowing that swift government action during the pandemic led to a significant decrease in child poverty?

REFLECT & DISCUSS

Chapter 5: *How We Rely on Welfare*

4. Have you ever found yourself agreeing with the sentiment that generous unemployment benefits could discourage people from working? Why or why not?
5. Reflect on the concept of being dependent on the state vs. being dependent on employers. How do you see the balance between these dependencies in your own life?
6. Think about anecdotes or stories you've heard about people on welfare. How have these shaped your beliefs, and how do they compare to the actual data presented?
7. Reflect on the government programs or tax benefits you or your family have benefited from. How do they compare to the benefits received by less and more privileged groups?

REFERENCES

Chapter 5

1. Oliff, Phillip, Laura Pontari, and Rebecca Thiess. "Use of 529 Plans Rising—Along with Revenue Impact." The Pew Charitable Trusts, October 8, 2018. <https://www.pewtrusts.org/en/research-and-analysis/articles/2018/10/08/use-of-529-plans-rising-along-with-revenue-impact>.
2. Zachary Parolin & Sophie Collyer & Megan Curran, 2022. "Absence of Monthly Child Tax Credit Leads to 3.7 Million More Children in Poverty in January 2022," Poverty and Social Policy Brief 20417, Center on Poverty and Social Policy, Columbia University.
3. Parolin, Zachary, and Stefano Filauro. "The United States' Record-Low Child Poverty Rate In International and Historical Perspective: A Research Note." *Demography* 60, no. 6 (November 15, 2023): 1665–73. <https://doi.org/10.1215/00703370-11064017>.
4. Select icons in this chapter are courtesy of [The Noun Project](#).

Chapter 6:

HOW WE BUY OPPORTUNITY

HOW TAX POLICY HAS PADDED POCKETS

Economic Recovery Tax Act of 1981

Caused **70%** cut in Dept.
of Housing and Urban
Development funding

Economic Growth and Tax Relief Reconciliation Act of 2001 Jobs and Growth Tax Relief Reconciliation Act of 2003

Estate tax phase-
out favored rich

Lowered taxes on
dividends and
capital gains

Tax Reform Act of 1986

Lowered corporate and capital
gains tax rates, and halved
top individual tax rates

Tax Cuts and Jobs Act of 2017

Will reduce public
investment by an
estimated **\$1.9**
TRILLION by 2027

PUBLIC SERVICES' SHRINKING SHARE



Private fortunes have outpaced the public purse, slowly choking public investments.



Montana



Oregon

114%

Income increase

112%

Public
education
spending
increase

54%

37%

Page 108



3 decades



Over the last 50 years:

Personal incomes are up **317%**

Taxes have only increased **252%**

Page 107

Government spending as a
percentage of the economy:

22%

1995



17.6%

2021

Page 108

SHADES OF SUPPORT: RACE & PRIVATIZATION



In the wake of the civil rights era, white Americans began voting according to their perceived racial interests rather than their economic ones.

WHITE
FLIGHT

When public schools were ordered to integrate, white parents retreated into private schools or decamped to the suburbs.

... in 2022,

38%

of Atlanta's population is white

16%

of Atlanta's public school students are white

PRIVATE OPULENCE VS. PUBLIC SQUALOR



As the rich come to rely on private enterprises, they withdraw support from public institutions.

Disinvestment in
public institutions

Creation of
replacement private
enterprises



**The
Economist**

Why America's post office
should be privatised

**CATO
INSTITUTE**

Privatizing Social Security:
A Big Boost for the Poor

wjw

Privatization of public
education gaining ground,
report says

ZONING LAWS BUILD WALLS WITHOUT BRICKS

■ Zoning laws govern what kinds of properties can be built in a
■ community, controlling who gets in and who does not.



On roughly **75%** of residential land,
it is **illegal** to build anything except single-
family detached houses.

Only **12%** of residential land in the
median large American city is permitted
for apartment dwellers.

ZONING LAWS AS A MEANS OF SEGREGATION



The law does not prohibit class-based discrimination, which tends to harm racial minorities more. This results in de facto racial discrimination.

Page 114

Racial zoning took the new name of "density zoning" after the 1968 outlawing of segregation:

"R-1 white district"

"R-2 colored district"



"R-1 dwelling house district"

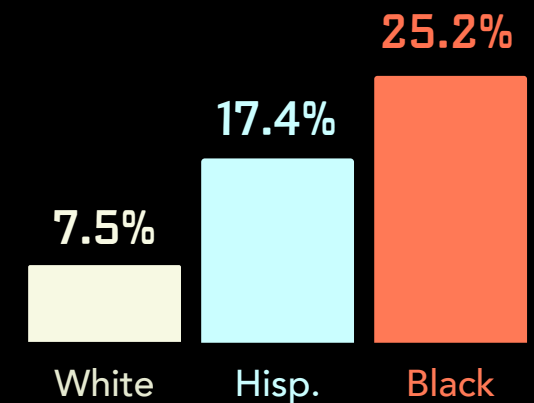
"R-2 apartment house district"

How do such rules achieve segregation even though explicit exclusion based on race is illegal?

- Minimum lot size requirements
- Single residence per lot reqs.
- Minimum square footage reqs.
- Costly building codes
- Building height limits



Housing likely explains more than **30%** of the Black-white racial wealth gap.



% living in high-poverty areas Ref 2.

SUPPORT FOR A 120-UNIT AFFORDABLE BUILDING

“

Perhaps we are not so polarized after all. Maybe above a certain income level, we are all segregationists.

A survey found that **conservative renters** were *more likely to support* a proposal to build nearby affordable housing than **liberal homeowners**.



TAKE A PEEK INTO ZONING MEETINGS

Zoning meetings are public forums where officials and residents discuss land-use rules. In affluent areas, they can be used to exclude lower-income individuals:

**We cannot take
one more person**

**There's no
housing crisis**

**You wanna vote for something in our
neighborhood? Buy some property first!**

We are here to protect the oasis

**You're going to
open the area to
criminals**

**We have a city of "yes,"
maybe we've gotta
turn it into a city of
"no."**

**Affordable
housing is being
weaponized
against us.
This is a war.**

**It's enough.
Just say no
more.**

**No more
affordable
housing!**

**Save the world
somewhere else**

**They are dumping their
garbage in our community**



@WalugiSoap:

The quotes above are selections from hours of footage documenting zoning meetings across NYC.

WE HAVE ENOUGH MONEY TO ABOLISH POVERTY

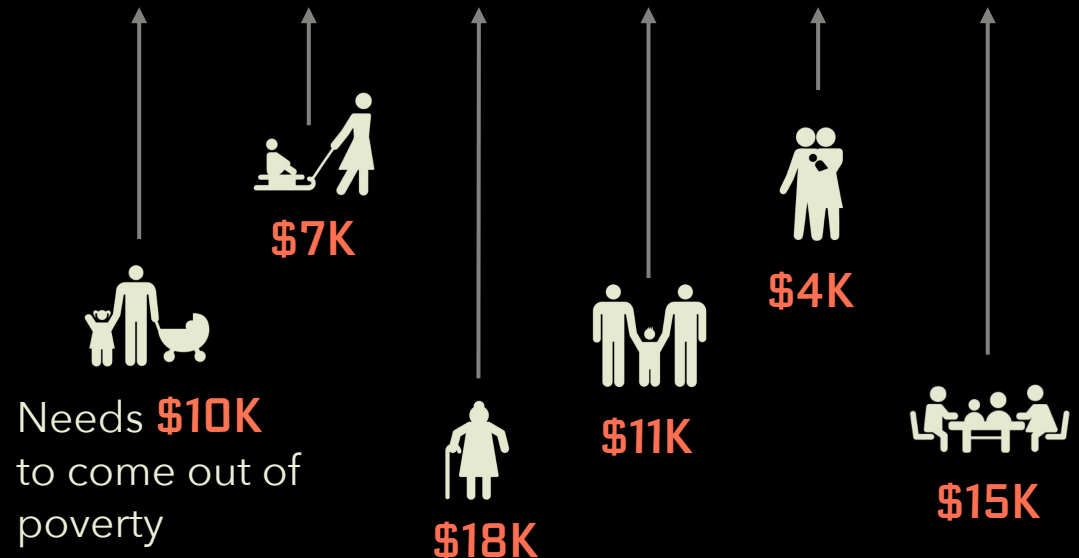


We have to stop spending so much on the rich.
This is what it is to be truly fiscally responsible.

Tax Evasion at the Top of the Income Distribution: Theory and Evidence

From a policy perspective, our results highlight that there is substantial evasion at the top which requires administrative resources to detect and deter. We estimate that 36% of federal income taxes unpaid are owed by the top 1% and that collecting all unpaid federal income tax from this group would increase federal revenues by about **\$175 BILLION** annually.

\$177 BILLION to lift everyone above the **poverty line**



REFLECT & DISCUSS

Chapter 6: *How We Buy Opportunity*

1. Reflecting on the withdrawal of many white families from public spaces after the Civil Rights legislation of the 1960s, in what ways might you or your community perpetuate divisions between public and private spheres today?
2. Why do you think the American middle and upper classes harbor a sentiment of "fret and worry" despite their relative wealth?
3. The concept of "private opulence and public squalor" suggests that the wealthy often disengage from public services. Can you identify instances in your own life where you or your family might have chosen private over public options? What were the motivations behind those choices?

REFLECT & DISCUSS

Chapter 6: *How We Buy Opportunity*

4. How do you reconcile wanting the best for your family (like good schools and neighborhoods) with the broader need for socio-economic integration and opportunity for all?
5. *Poverty, by America* suggests that "sharing opportunity does not mean that everyone wins." Do you agree or disagree with this statement? How can society strive for more equitable distribution of resources without diminishing opportunities for others?
6. Reflect on the statement: "Those who have benefitted from the nation's excesses will have to take less so that others may share in the bounty." In what ways can you make choices that better balance personal advantage with shared community prosperity?

REFERENCES

Chapter 6

1. Demos. "The Racial Wealth Gap: Why Policy Matters | Demos," n.d. <https://www.demos.org/research/racial-wealth-gap-why-policy-matters>.
2. Grimshaw, Abigail. "Understanding Exclusionary Zoning and Its Impact on Concentrated Poverty." The Century Foundation, March 15, 2022. <https://tcf.org/content/facts/understanding-exclusionary-zoning-impact-concentrated-poverty/?agreed=1>.
3. Select icons in this chapter are courtesy of [The Noun Project](#).

Chapter 7:

INVEST IN ENDING POVERTY

CONNECT FAMILIES TO THE AID FOR WHICH THEY QUALIFY



Evidence shows that confusing programs turn low-income Americans away.

100%

How can states improve uptake rates?

Roughly a third of Californians who qualify for food stamps don't use them.

70%



Easy Applications

Reduce text

Use readable fonts

Enroll automatically



Application Assistance

Benefits specialists can help fill out paperwork and collect documents.



Outreach & Reminders

Drive program awareness via mailers, email, advertisements, and phone calls.



Reduce Asset Tests

Rigorous requirements deter candidates from applying, fearing disqualification.

OUR UNSEEN ROLE IN EXPLOITATION

Homeowners benefit from tax breaks and increasing scarcity using zoning restrictions.



Consumers demand efficiency at any cost and invest in an exploitative stock market.



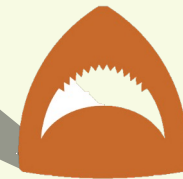
Bank account holders enjoy free checking accounts subsidized by overdraft fees.



Landlords



Corporations



**Check Cashers
Payday Lenders**

HOLD A MIRROR TO YOUR INSTITUTIONS



Push for progress by confronting established practices at home.



Is your **university** adequately supporting first-generation and underrepresented students?

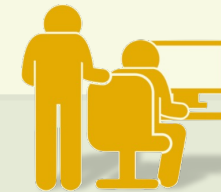
Are staff being compensated fairly?

Is your campus contributing to gentrification?

Does your school have an endowment that funds exploitative corporations?



Does your **bank** fund payday lenders?
Does it charge exorbitant overdraft fees?



Does your **employer** institute unnecessary barriers to entry?
Do they encourage unpaid labor?

MAKE PERMANENT INCREASES TO THE CHILD TAX CREDIT



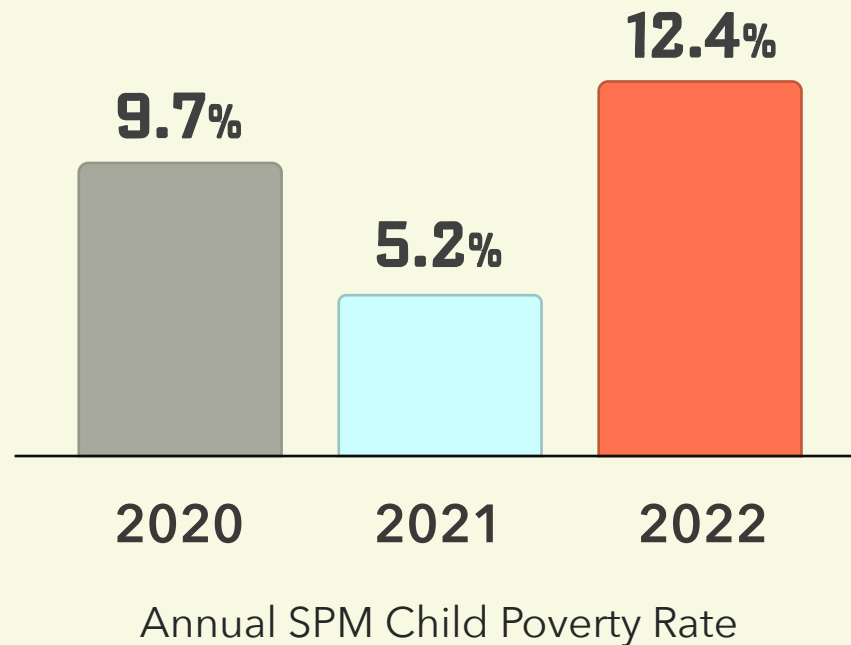
This program led to a historic 46% poverty reduction without affecting employment.

■ The 2021 expanded Child Tax Credit, now expired, benefited many more families, even those with very low incomes.



Low family income left **27 million** kids without full Child Tax Credit benefits before 2021, and it's happening again.

Ref. 1



Ref. 2

July - December 2021

- \$ amount increased per child
- Full credit even if no income
- Payments monthly, not yearly
- Higher phase-out thresholds

PROVIDE MORE RENTAL ASSISTANCE



Rental assistance helps low-income families with housing while tax breaks further enrich already wealthy homeowners.

EMERGENCY RENTAL ASSISTANCE: \$46 BILLION

- A federal initiative to help low-income
- renters avoid eviction during COVID-19

Renters that received rental assistance reported:



Better mental health



Less rental debt



More access to healthcare

Ref. 3

MORTGAGE
INTEREST
DEDUCTIONS:
\$30 BILLION

Page 101

Only 0.01% of savings reach the poorest; over 50% benefit the wealthy.



➤ \$20k annual family income



< \$200k annual family income

FIX OUR MISSHAPEN SAFETY NET



There are countless ways to deepen our investments in economic opportunity and safety.

Collect the
\$175 BILLION
in unpaid federal income taxes
owed by the top 1%.

Mandate a **25%** profit
tax regardless of the
country a U.S. company is
registered in.

Raise **\$30 BILLION** by winding
down the mortgage interest deduction.

Raise **\$64.7 BILLION** by increasing the
max. earnings taxable for Social Security.

Fund the IRS to track down
unpaid federal income
taxes totaling
\$1 TRILLION.

Bump the top marginal
tax rate back up.

70%
1975



37%
2023

Raise **\$37.3 BILLION** by taxing capital
gains and dividends the same as income.

REFLECT & DISCUSS

Chapter 7: *Invest in Ending Poverty*

1. What role do you think shame and public perception play in the reluctance of individuals to claim benefits? How can society combat the stigma attached to these aids?
2. The chapter provides a dollar amount of \$177 billion to abolish poverty. Do you think that simply throwing money at the issue is the solution, or are there deeper, systemic changes needed to truly address poverty?
3. This chapter suggests several of solutions to raise funds for eradicating poverty. Which solutions resonate with you, and why? Are there any you disagree with?

REFLECT & DISCUSS

Chapter 7: *Invest in Ending Poverty*

4. Reflecting on the government's response during the COVID-19 pandemic, do you believe that the measures taken to alleviate poverty were sufficient?
5. What do you think about programs like Emergency Rental Assistance and the Expanded Child Tax Credit?
6. Think of recent movies and TV shows like *Parasite*, *Chef*, *White Lotus*, and *Succession*. What insights do they offer about inequality? Can you think of other media that shed light on the topic of poverty and our role in perpetuating it?

REFERENCES

Chapter 7

1. "Year-End Tax Policy Priority: Expand the Child Tax Credit for the 19 Million Children Who Receive Less than the Full Credit." Center on Budget and Policy Priorities, December 7, 2022. https://www.cbpp.org/research/federal-tax/year-end-tax-policy-priority-expand-the-child-tax-credit-for-the-19-million#_ftnref1.
2. US Census Bureau. "Income, Poverty and Health Insurance Coverage in the United States: 2022." Census.gov, September 26, 2023. <https://www.census.gov/newsroom/press-releases/2023/income-poverty-health-insurance-coverage.html#:~:text=The%20SPM%20child%20poverty%20rate,people%20out%20of%20SPM%20poverty>.
3. <https://nlihc.org/sites/default/files/beyond-housing-stability.pdf>
4. Select icons in this chapter are courtesy of [The Noun Project](#).

Chapter 8:

EMPOWER THE POOR

WHAT CAN WE DO TO FIGHT WORKER EXPLOITATION?

POLICY



In 80+ countries, laws mandate periodic review of minimum wages, usually annually or biennially. *Page 139*



In approximately 100 countries, the central government sets minimum wages after worker and employer groups are consulted. *Page 140*



Strengthen worker protections by regulating anti-union consultants and limiting corporate lobbying.

PERSONALLY



Boycott businesses that have unfair labor practices. These resources can help:

bcorporation.net

donegood.co

betterworldshopper.org

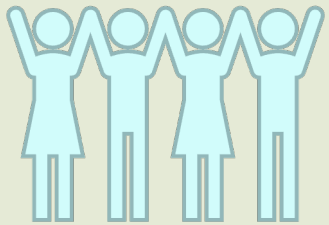
Examine your university's endowment and speak out against investments in exploitative companies.



Vote for representatives who stand for labor rights.

WHAT CAN WE DO TO FIGHT WORKER EXPLOITATION?

SECTORAL BARGAINING: *Uniting Industries for Fair Wages*



Workers across an industry **elect** representatives

Ensures a democratic voice



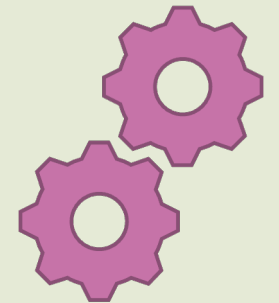
Reps **negotiate** with employers and government

Multi-stakeholder input yields fair, stable agreements



Parties **agree** on wages, hours, and benefits

Standardizes fair worker treatment industry-wide



Agreement gets periodic **review**

Ensures terms evolve with market shifts

WHAT CAN WE DO TO FIGHT WORKER EXPLOITATION?

SECTORAL BARGAINING: *Uniting Industries for Fair Wages*

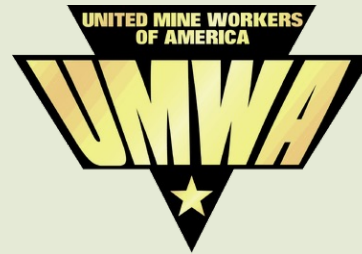


U.S. unions typically negotiate with single employers rather than sectors, though sectoral bargaining exists in some industries.



Building and Construction Trades Council

BCTC unions, like the United Brotherhood of Carpenters and Joiners, negotiate wage and work standards with employers.



United Mine Workers of America

Sets sector-wide wage and work standards with coal industry associations, impacting many mining companies



International Brotherhood of Teamsters

Sets employment terms for almost the entire trucking industry through the National Master Freight Agreement

WHAT HAPPENS WHEN WE RAISE THE MINIMUM WAGE?



Higher wages dramatically improve health and well-being.

The Effect of Minimum Wages on Adolescent Fertility: A Nationwide Analysis

A **\$1** minimum wage hike could cut yearly adolescent births by **5,000**.

Minimum Wages and Racial Inequality

Improved minimum wage policy reduces racial income disparities.

Money matters: Does the minimum wage affect child maltreatment rates?

Increasing the minimum wage leads to fewer child maltreatment reports.

Estimating Potential Reductions in Premature Mortality in New York City From Raising the Minimum Wage to \$15

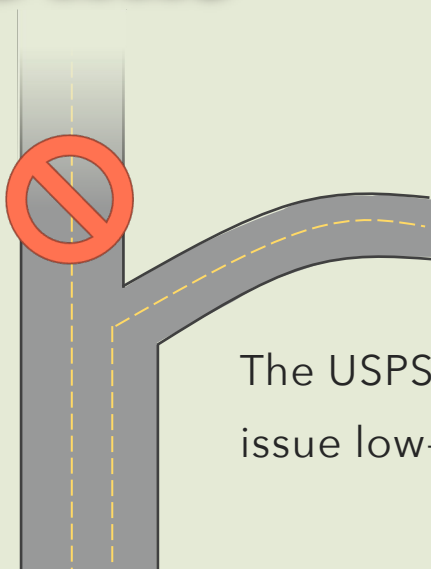
A higher minimum wage could have prevented **2,800** to **5,500** early NYC deaths, or **4-8%** of the total.

BREAK THE CYCLE OF FINANCIAL DECEIT

LEND FAIRLY

**BAN
PAYDAY
LOANS**

16 states prohibit payday loans or cap interest rates, saving their low-income residents **\$3.5 BILLION** annually. *Page 150*



EXPAND ACCESS TO GOOD CREDIT

The USPS or Federal Reserve could issue low-interest, small-dollar loans.

END OVERDRAFT FEES

ALTERNATIVES

- *Decline transactions*
- *Allow grace periods*
- *Offer small-dollar, 1% interest loans*

In the United Kingdom, overdraft fees are **1/10TH** of what they are in the United States. *Page 149*



HOW CAN WE LEVEL THE LIVING FIELD?

FINANCE FAIRLY



Guarantee mortgages to low-income families.



The 502 Direct Loan Program for low-income families in rural areas has moved over **2 MILLION** families into their own homes.

Page 145



For lowest income levels, can cover the down payment



Low interest rates



Includes eligibility for loans and grants to help with repairs

© Matthew Desmond, *Poverty, by America*

COMMONING

Page 146

- Housing emphasizing community input, collective decisions, and shared ownership

STABILITY

No unfair rent hikes or eviction threats

AFFORDABILITY

Units often at below-market rates

SUPPORT

Resource pooling trims individual expenses



REFLECT & DISCUSS

Chapter 8: *Empower the Poor*

1. What does empowerment mean to you, and how can society actively work to empower those living in poverty?
2. What is your stance on the regulation of banks and payday loan companies? Have you or someone you know ever relied on such financial services? How might that experience inform your views on the need for reforms? What alternative credit systems can be established to help those in need without plunging them further into debt?
3. Can you think of a time when collective negotiation would have benefited you or someone you know in the workplace? How would sectoral bargaining have potentially changed that situation?

REFLECT & DISCUSS

Chapter 8: *Empower the Poor*

4. Reflect on your personal boundaries and limits when it comes to paying more for ethically produced goods and services. How do you prioritize your values in your consumption choices?
5. Why do you think the sub-minimum wage for certain workers, like servers, persists in some areas despite criticisms? What do you foresee as potential challenges or benefits to scrapping the sub-minimum wage and increasing the federal minimum wage?
6. How does the "commoning" model challenge traditional concepts of property and housing? What are the potential benefits and drawbacks of such a model based on the examples provided?

REFERENCES

Chapter 8

1. Bullinger, Lindsey Rose. "The Effect of Minimum Wages on Adolescent Fertility: A Nationwide Analysis." *American Journal of Public Health* 107, no. 3 (March 1, 2017): 447-52. <https://doi.org/10.2105/ajph.2016.303604>.
2. Derenoncourt, Ellora, and Claire Montialoux. "Minimum Wages and Racial Inequality*." *The Quarterly Journal of Economics* 136, no. 1 (September 14, 2020): 169-228. <https://doi.org/10.1093/qje/qjaa031>.
3. Tsao, Tsu-Yu, Kevin J. Konty, Gretchen Van Wye, Oxiris Barbot, James L. Hadler, Natalia Linos, and Mary T. Bassett. "Estimating Potential Reductions in Premature Mortality in New York City from Raising the Minimum Wage to \$15." *American Journal of Public Health* 106, no. 6 (June 1, 2016): 1036-41. <https://doi.org/10.2105/ajph.2016.303188>.
4. Select icons in this chapter are courtesy of [The Noun Project](#).

Chapter 9:

TEAR DOWN THE WALLS

END EXCLUSIONARY ZONING

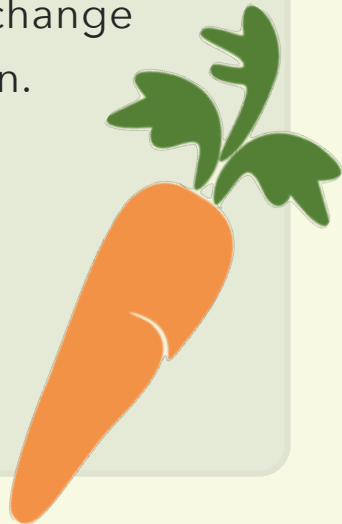


While exclusionary zoning makes it illegal to develop affordable housing, inclusionary zoning makes it illegal not to.

Tax relief for developers that include affordable housing in their blueprints

Density bonuses: Permit extra development volume in exchange for affordable unit allocation.

Lower property taxes and **fund public services** in communities that welcome low-income families.



Cut off federal funding to jurisdictions with exclusionary zoning.



This idea came from Republican Senator George Romney as the 1970 Department of Housing and Urban Development Secretary under Nixon.

END EXCLUSIONARY ZONING



New Jersey is leading the way by mandating inclusionary housing.



The NJ Supreme Court has prohibited exclusionary zoning.



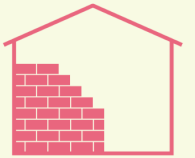
All municipalities are required to provide their "fair share" of affordable housing.



If they fail to do so, the courts can make them by redrawing zoning lines.



340 towns have broken ground on thousands of affordable housing developments.



Developers bid eagerly on more profitable multifamily complexes, requiring no state or federal funding.



NJ property values remain among the highest in the nation and schools rank first.



SPEAK UP AT PUBLIC FORUMS



Opposing segregation is essential to poverty abolitionism.

This community's long-standing tradition of segregation stops with me. I refuse to deny other children opportunities my children enjoy by living here.

BUILD IT.



The voices of young people eager to embrace diversity in their schools and support affordable housing are vital in zoning meetings.

THE IMPACT OF INCLUSIVE EDUCATION AND HOUSING



By deconcentrating poverty in schools and communities, integration blunts its sting.

Children of the Dream: Why School Integration Works

Long-term studies since the 1960s show well-funded, integrated schools boost student success.

Report: Montgomery County's attempt to narrow student performance gap is 'largely ineffective'

Students from poor families at low-poverty schools outperformed peers at well-funded high-poverty schools.

The Impacts of Neighborhoods on Intergenerational Mobility

Areas with higher rates of upward mobility tend to have less segregation by income and race.

Moved to Opportunity: The Long-Run Effects of Public Housing Demolition on Children

Low-income students who relocate to less disadvantaged neighborhoods earn more, have lower dropout rates, and fewer arrests.

RECOGNIZE SCARCITY DIVERSION TACTICS



Manufactured scarcity empowers and justifies racism.

Page 174

SCARCITY DIVERSION PLAYBOOK

1. Allow elites to hoard money and land.
2. Pretend this arrangement is natural and unavoidable.
3. Use scarce leftovers to address poverty caused by hoarding.
4. Fail.
5. Claim it's the best we can do.

HOARD

Six Reasons to Keep Capital Gains Tax Rates Low

Fatal Flaw in Estate and Wealth Taxation

Tax on Wealth Is Counterproductive

DENY

The Case Against the Child Tax Credit

Cut the Earned Income Tax Credit

The Case against a \$15 Federal Minimum Wage:

Rent Control: An Old, Bad Idea That Won't Go Away

Inclusionary Zoning Makes Housing Less Affordable

REFLECT & DISCUSS

Chapter 9: *Tear Down the Walls*

1. Think about the neighborhood you grew up in. How economically and racially diverse was it, and how might that have influenced your early perceptions of poverty and affluence?
2. Given the evidence about the benefits of moving poor families to better neighborhoods, how might the simple act of relocation address systemic issues of poverty?
3. *Poverty, by America* argues that affluent families may need to make sacrifices to end segregation. What might these sacrifices look like, and how can we cultivate a more collective sense of responsibility?

REFLECT & DISCUSS

Chapter 9: *Tear Down the Walls*

4. Have you ever considered how zoning and housing policies in your own community might affect who gets to live there and who doesn't? If you were in a position to decide, would you support inclusionary housing policies like New Jersey's in your neighborhood?
5. Public housing has both negative and positive examples. Is there public housing in your community? What is its reputation?
6. Imagine you're a developer tasked with integrating affordable housing units into a luxury project due to mandated housing policies like those in New Jersey. How would you approach potential resistance from prospective wealthier buyers, and what would you say to ease their concerns?

REFLECT & DISCUSS

Chapter 9: *Tear Down the Walls*

7. How did the infrastructure and resources of your childhood community (schools, parks, libraries) compare to others'? Do you think you had more or fewer opportunities based on the neighborhood's socioeconomic status?
8. How has your childhood neighborhood evolved over the years? Are there more walls or barriers now, or have some been dismantled? How do you feel about those changes?
9. Were you exposed to families from various economic backgrounds where you grew up? How did this exposure (or lack thereof) influence your understanding and interactions with people from different socioeconomic backgrounds now?

REFERENCES

Chapter 9

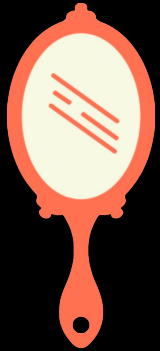
1. Johnson, Rucker C., and Alexander Nazaryan. *Children of the Dream: Why School Integration Works*. Basic Books, 2019.
2. Lumpkin, Lauren. "Report: Montgomery County's Attempt to Narrow Student Performance Gap Is 'Largely Ineffective.'" *Washington Post*, December 30, 2019. https://www.washingtonpost.com/local/education/report-montgomery-countys-attempt-to-narrow-student-performance-gap-is-largely-ineffective/2019/12/30/eec8729e-227e-11ea-bed5-880264cc91a9_story.html.
3. Chetty, Raj, and Nathaniel Hendren. "The Impacts of Neighborhoods on Intergenerational Mobility I: Childhood Exposure Effects," December 1, 2016. <https://doi.org/10.3386/w23001>.
4. Chyn, Eric. "Moved to Opportunity: The Long-Run Effects of Public Housing Demolition on Children." *The American Economic Review* 108, no. 10 (October 1, 2018): 3028-56. <https://doi.org/10.1257/aer.20161352>.
5. *cato.org*. "Six Reasons to Keep Capital Gains Tax Rates Low." December 28, 2012. <https://www.cato.org/commentary/six-reasons-keep-capital-gains-tax-rates-low#:~:text=Aside%20from%20increasing%20realizations%2C%20capital,for%20all%20workers%20over%20time>.

REFERENCES

Chapter 9

6. cato.org. "Fatal Flaw in Estate and Wealth Taxation," May 4, 2021. <https://www.cato.org/blog/fatal-flaw-estate-wealth-taxation>.
7. cato.org. "Tax on Wealth Is Counterproductive," October 1, 2019. <https://www.cato.org/commentary/tax-wealth-counterproductive>.
8. cato.org. "The Case Against the Child Tax Credit," July 31, 2023. <https://www.cato.org/blog/case-against-child-tax-credit>.
9. cato.org. "Cut the Earned Income Tax Credit," November 29, 2022. <https://www.cato.org/blog/cut-earned-income-tax-credit>.
10. cato.org. "The Case against a \$15 Federal Minimum Wage: Q&A," February 25, 2021. <https://www.cato.org/commentary/case-against-15-federal-minimum-wage-qa>.
11. cato.org. "Rent Control: An Old, Bad Idea That Won't Go Away," November 5, 2018. <https://www.cato.org/commentary/rent-control-old-bad-idea-wont-go-away#:~:text=Landlords%20under%20rent%20control%20have,the%20rent%E2%80%90%E2%80%8Bcontrolled%20price>.
12. The Independent Institute. "Inclusionary Zoning Makes Housing Less Affordable | Edward P. Stringham," n.d. <https://www.independent.org/news/article.asp?id=1416>.
13. Select icons in this chapter are courtesy of [The Noun Project](#).

BECOME A POVERTY ABOLITIONIST



Conduct a poverty audit, examining the ways you are connected to the problem—and the solution.



Support policies that disrupt poverty instead of ones that accommodate it.

Withdraw support from corporations that exploit their workers.



Welcome affordable housing



developments in your community.

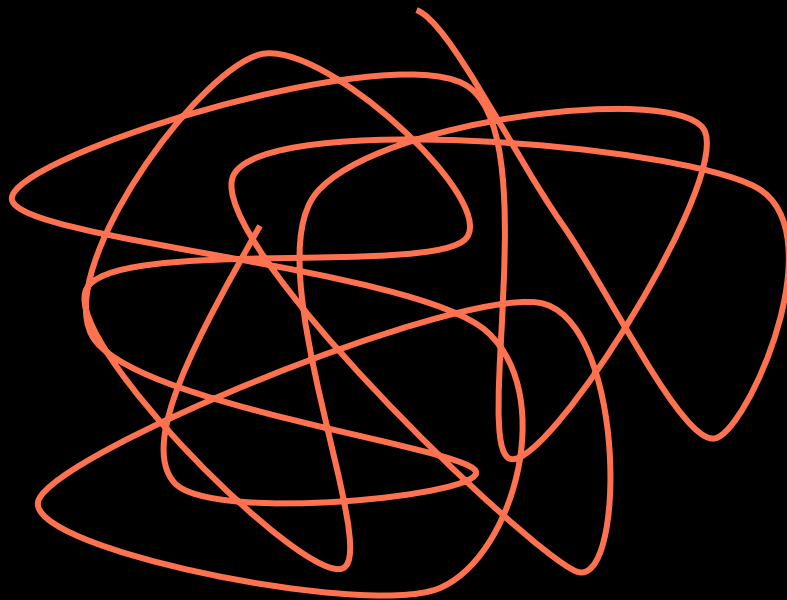
Reject a scarcity mindset and recognize the nation's bounty.



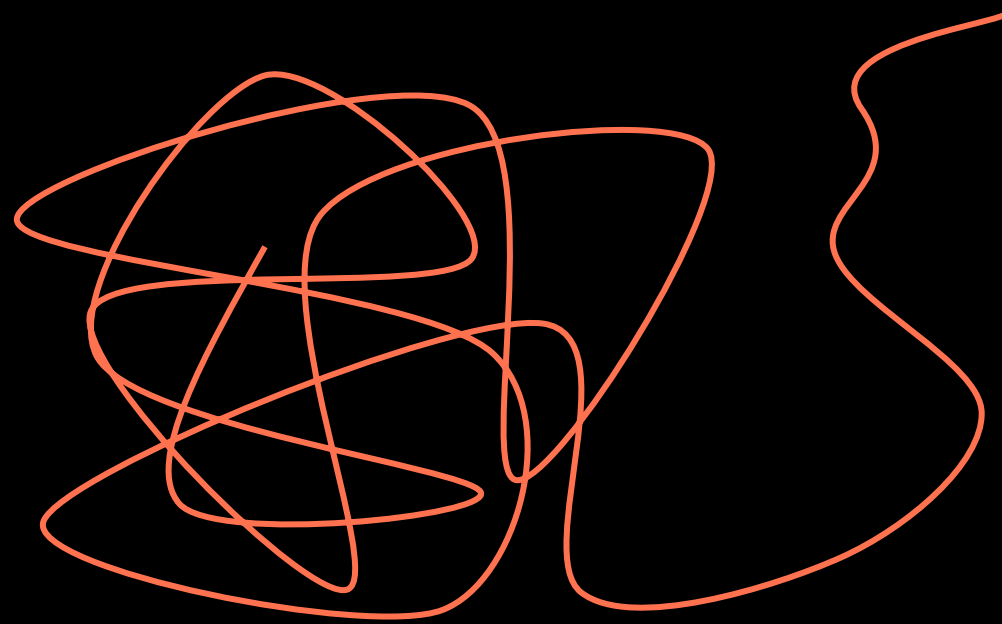
Join an antipoverty organization working to eliminate poverty.



Poverty isn't a **LINE**. It's a **TIGHT KNOT** of social maladies.



Poverty isn't a **LINE**. It's a **TIGHT KNOT** of social maladies.



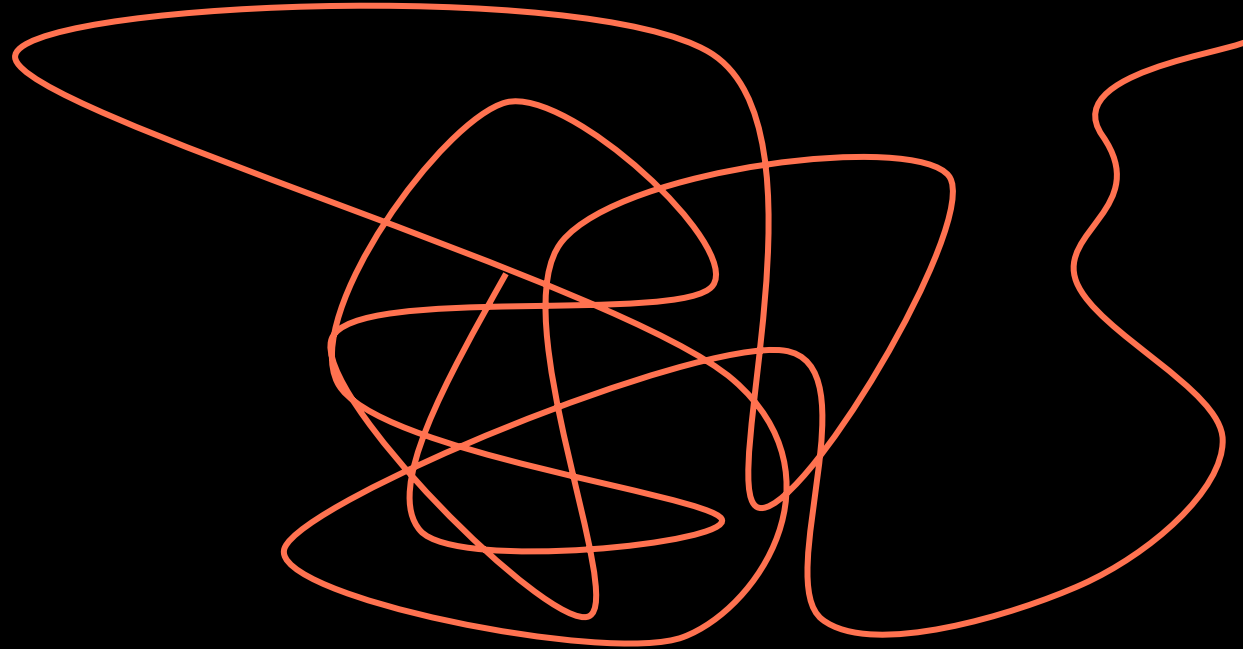
INVEST

in families by
rebalancing the
safety net.

Poverty isn't a **LINE**. It's a **TIGHT KNOT** of social maladies.

EMPOWER

the poor by reining
in exploitation.



INVEST

in families by
rebalancing the
safety net.

Poverty isn't a **LINE**. It's a **TIGHT KNOT** of social maladies.

EMPOWER

the poor by reining
in exploitation.

BUILD

inclusive and open
communities.

INVEST

in families by
rebalancing the
safety net.

