

# Pathways to Prosperity:

## How Louisiana Can Go From Worst to First in Pulling Its Citizens out of Poverty

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Among the states, Louisiana ranks close to the bottom on many education, health, and other economic and quality-of-life indicators. We remain next-to-last in life expectancy, have the third highest in infant mortality rate, and are near the top in violent crime. Only four states have a smaller percentage of citizens with college degrees, and only one state has a greater proportion of its citizens living below the poverty line.<sup>1</sup> We have read these and other similar statistics so many times that we have become dulled to them. We are accustomed to being last and have become complacent.

But, thinking about these rankings afresh, we should be outraged and demand more of our leaders to ensure a healthier, brighter, and more robust future for the people of our state. Our government can show its commitment to improving many of these indicators by focusing on one issue that links them all: poverty.

### What is Poverty?

This year, the federal poverty line for a family of three is only \$18,530, and for a family of four is merely \$22,350.<sup>2</sup> But numbers do not come close to revealing the true nature of poverty. A more descriptive definition of poverty is that “[a] family is poor if the family cannot provide at the most basic levels adequate food, housing clothing, health care, and education for its members.”<sup>3</sup> With the high cost of necessities like food, housing, and child care, many families who earn more than the federal poverty limit still are unable to provide for life’s necessities and thus remain poor. For this reason, many poverty-alleviation programs provide benefits to those with incomes of two or two-and-a-half times the poverty line.<sup>4</sup> Even that is considered by many to be too low a threshold to provide for a person’s needs, and

many have proposed raising the ceiling for some benefits to three times the poverty level.<sup>5</sup>

Louisiana ranks second in the percentage of its citizens living in poverty.<sup>6</sup> Twenty-four percent of Louisiana’s children live below the poverty line,<sup>7</sup> and nearly half live in families who earn less than twice the poverty level.<sup>8</sup> The current recession will only exacerbate the problem, making it harder for families to climb out of poverty and pulling more families in.

### The Impact of Poverty

Poverty harms all of society, but the toll is especially great on children struggling in poverty. Poverty impairs children’s emotional, intellectual, and physical development. Research shows that from a young age, poor children begin to fall behind their wealthier peers and this achievement gap only increases as they attend the lower-quality public schools available in poorer neighborhoods. Hampered cognitive development and poor educational opportunities mean that poorer students drop out of school more frequently and attend college less often than other students. Thus, they enter adulthood without the education and skills required to land higher paying jobs, continuing the cycle of poverty. And it is not only their intellectual development that suffers. Poor children are less healthy and get sicker over time. And, fewer opportunities means they are more likely to turn to crime.<sup>9</sup>

But, poverty does not impact only the poor. It is expensive for the rest of society. In a year, poverty costs the United States \$500 billion in lost productivity and increased health care and criminal justice costs, and each year the country loses approximately 4% in gross domestic product from

1 The statistics in this paragraph are derived from the Interactive Maps and Data page of the American Human Development Project, [www.measureofamerica.org](http://www.measureofamerica.org).

2 U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, “The 2011 HHS Poverty Guidelines,” <http://aspe.hhs.gov/poverty/11poverty.shtml>.

3 Child Poverty Prevention Council for LA, “Implementation Plan,” February 2009, p. 12, <http://www.clasp.org/admin/site/documents/files/CPPC-Implementation-Plan-2009.pdf>.

4 Child Poverty Prevention Council for LA, Implementation Plan, pp. 12-13.

5 Child Poverty Prevention Council for LA, Implementation Plan, p. 13.

6 Maps and Data, American Human Development Project.

7 Kids Count Data Center, <http://datacenter.kidscount.org/data/acrossstates/Rankings.aspx?ind=43>.

8 Kids Count Data Center, <http://datacenter.kidscount.org/data/acrossstates/Rankings.aspx?ind=47>.

9 Center for American Progress, “Child Poverty by the Numbers: New Data Shows Largest Number of People in Poverty on Record,” [http://www.americanprogress.org/issues/2010/09/poverty\\_numbers.html](http://www.americanprogress.org/issues/2010/09/poverty_numbers.html).

poverty.<sup>10</sup> Doing nothing to alleviate poverty not only fails our most vulnerable citizens, but also costs the state millions of dollars a year in lost productivity, tax revenue, and higher health care and criminal justice costs. The ripple effects of poverty will continue to impact the state's budget and fiscal health. Louisiana can no longer afford to waste money keeping its citizens poor.

## The Poverty Discussion: Less Talk and More Action

The federal government is deprioritizing poverty alleviation initiatives, which is all the more reason that Louisiana's state government needs to take a bold step forward to address the issue. The budget bill originally passed by the U.S. House of Representatives included deep cuts to programs to assist the poor. For Louisiana, that budget bill would cut over 5,000 places in Head Start programs for pre-school-age children,<sup>11</sup> \$83 million in Pell grants for 129,000 low-income college students, \$3 million in adult education programs and transition programs for youth being released from prison, \$19 million for job training, \$41.1 million in education for disadvantaged students and school improvements for K-12 education, and \$28 million in low income housing programs.<sup>12</sup> Regardless whether this budget passes (as of this writing, the federal government has not approved a budget), it is evident that going forward, Louisiana will no longer be able to rely on the continued goodwill of Washington, D.C., and instead must prioritize the development and funding of programs to care for our poorest citizens.

But, there is reason to be optimistic that hard work and sound policy choices can make a vast difference. Despite conventional wisdom, poverty is not an intractable problem. Indeed, the U.S. poverty rate fell by more than 40 percent between 1964 and 1973.<sup>13</sup> There is no reason why we cannot enjoy similar success now in Louisiana. By rebuilding our economy, creating good jobs, investing in families, and ensuring economic security, we can replicate this success, move millions into the middle class, and secure the state's economic prosperity.

<sup>10</sup> *ibid.*

<sup>11</sup> National Head Start Association, [http://www.nhsa.org/files/static\\_page\\_files/3A78F56B-1D09-3519-ADBC46009D7A7FC2/REVISED\\_State\\_cuts\\_data.pdf](http://www.nhsa.org/files/static_page_files/3A78F56B-1D09-3519-ADBC46009D7A7FC2/REVISED_State_cuts_data.pdf).

<sup>12</sup> James Horney, et al., "House Bill Means Fewer Children in Head Start, Less Help for Students to Attend College, Less Job Training, and Less Funding for Clean Water," Center on Budget and Policy Priorities, February 18, 2011, Index, <http://www.housingalliancepa.org/var/resourcefile/file/206-CBPP%20House%20GOP%20Proposal.pdf>.

<sup>13</sup> Center for American Progress, "From Poverty to Prosperity: A National Strategy to Cut Poverty in Half," April 2007, p. 7, [http://www.americanprogress.org/issues/2007/04/pdf/poverty\\_report.pdf](http://www.americanprogress.org/issues/2007/04/pdf/poverty_report.pdf).



## A Good Beginning: The Child Poverty Prevention Council for Louisiana

Over the last decade, there has been an increased focus on the need to address poverty in Louisiana. In 2004, Governor Kathleen Blanco started the Solutions to Poverty Initiative through the Department of Social Services.<sup>14</sup> Unfortunately, the impact of Hurricanes Katrina and Rita derailed that state's efforts to focus on poverty as all resources were diverted to recovery.

All was not lost, however. The banner was picked up again in 2008, when several legislators recognized the need to refocus energy and resources on solutions to poverty and so created the Child Poverty Prevention Council for Louisiana and the Child Poverty Prevention Fund to implement programs to reduce child poverty in the state by 50% over the following 10 years.

The Council is made up of private organizations and public agencies including the state Legislature, state executive agencies, business and labor groups, higher education institutions, and nonprofit advocacy groups.<sup>15</sup> Experts cautioned the Council to focus on a short list of priorities rather than create an exhaustive list of all potential strategies to reduce child poverty. To that end, the Council established four priorities:

1. improving birth outcomes
2. becoming a national model for comprehensive, evidence-based early childhood education

<sup>14</sup> "Louisiana Solutions to Poverty: Engaging Ideas Empowering People, Enhancing Lives—Governor's Summit on Solutions to Poverty Summary Report and The First Annual Solutions to Poverty Initiative Roadmap and Action Plan," May 2005, pp. 4-5, <http://www.dss.state.la.us/assets/docs/searchable/OFS/solutionsToPoverty/GovernorsSummitSTOPReport.pdf>.

<sup>15</sup> Child Poverty Prevention Council for Louisiana, "Implementation Plan," p. 6.

3. strengthening the connections between disadvantaged youth and school and work
4. raising the state earned income tax credit<sup>16</sup>

Unfortunately, it appears that the Council has not been active over the past two years. It took an important first step in articulating a handful of goals to pull Louisiana's children out of poverty, but goals are nothing without implementation. The Council must take a more active role now if it is to fulfill its mandate to significantly reduce poverty in Louisiana by 2018. It should also be sure that the solutions it develops are comprehensive enough to address the various causes and aspects of poverty including housing, education, jobs, access to healthcare, and wealth creation.

*The ripple effects of poverty will continue to impact Louisiana's budget and fiscal health.*

## Taking the Next Steps: What Else Can Louisiana Do?

In 2007, the Center for American Progress developed a Strategy to reduce poverty in the United States. It proposed a dozen policies that, if implemented on a national level, would cut poverty in half over 10 years.<sup>17</sup> However, Louisiana should not wait for action on the federal level. It should begin to institute some of these policy proposals now. In doing so, Louisiana can pull more families and more children out of poverty. Not only is this good for the poor of our state and for our economy, but also it would put the state on the leading edge of poverty reduction nationwide; making us first among the states, rather than last. Specifically, Louisiana should take steps to:

1. Expand the earned income tax credit
2. Provide child care assistance to all poor families
3. Promote early childhood education, increase access to Head Start and LA4 programs, and provide pre-kindergarten for all children

4. Ensure affordable higher education and incentivize college savings plans
5. Create programs for young adults to access job training and good jobs
6. Assist former prisoners to find stable employment and reintegrate into society by creating reentry programs available to all prisoners
7. Coordinate benefits programs and other services that assist the poor to ensure that all eligible citizens have access to them and no one falls through the cracks
8. Incentivize banks to move into underserved communities<sup>18</sup>

The Center for American Progress, The Leadership Conference, and the Coalition on Human Needs have developed the Half In Ten Initiative, seeking to reduce poverty by half in 10 years.<sup>19</sup> The Coalition for Louisiana Progress, along with other organizations, individuals, and elected officials, is pledging join in the effort. Louisiana Progress's Pathways to Prosperity Initiative is committed to working with elected officials and communities across Louisiana to pull our state's citizens out of poverty and to move Louisiana forward. Louisiana citizens, nonprofits, and legislators should join the initiative and commit themselves to advocating for policies to address this urgent need.

## Conclusion

It will take the efforts of citizens, government bodies, non-governmental organizations, and elected officials to tackle the crisis of poverty in Louisiana. We all need to work together to ensure the most prosperous future for our state and all of its citizens. If we continue with ill-advised budget cuts in higher education, health care, and social services, we will be unable to meet this goal.

Instead, Louisiana needs to foster policies that will promote education, health, self-sufficiency, and economic growth. With the the proper forward-thinking policies in place, we can achieve a society where citizens can better themselves, their children, their families, and their communities through education, hard work, and the freedom to climb the ladder of success. Louisiana can and should work to become first among the states in poverty reduction, hopefully a first of many firsts to come.

<sup>16</sup> Child Poverty Prevention Council for Louisiana, "Implementation Plan," p. 7.  
<sup>17</sup> Center for American Progress, Task Force on Poverty, "From Poverty to Prosperity: A National Strategy to Cut Poverty in Half," April 2007, pp. 26-58, [http://www.americanprogress.org/issues/2007/04/pdf/poverty\\_report.pdf](http://www.americanprogress.org/issues/2007/04/pdf/poverty_report.pdf).

<sup>18</sup> Adapted from Center for American Progress, Task Force on Poverty, "From Poverty to Prosperity: A National Strategy to Cut Poverty in Half," pp. 26-58.  
<sup>19</sup> Half In Ten, "The Campaign to Cut Poverty in Half in Ten Years," <http://halfintennet.org>.