

The War on Poverty Has Been a Colossal Flop

Robert Rector / September 16, 2014

Today, the U.S. Census Bureau will release its annual report on poverty. This report is noteworthy because this year marks the 50th anniversary of President Lyndon Johnson's launch of the War on Poverty. Liberals claim that the War on Poverty has failed because we didn't spend enough money. Their answer is just to spend more. But the facts show otherwise.

Since its beginning, U.S. taxpayers have spent \$22 trillion on Johnson's War on Poverty (in constant 2012 dollars). Adjusting for inflation, that's three times more than was spent on all military wars since the American Revolution.

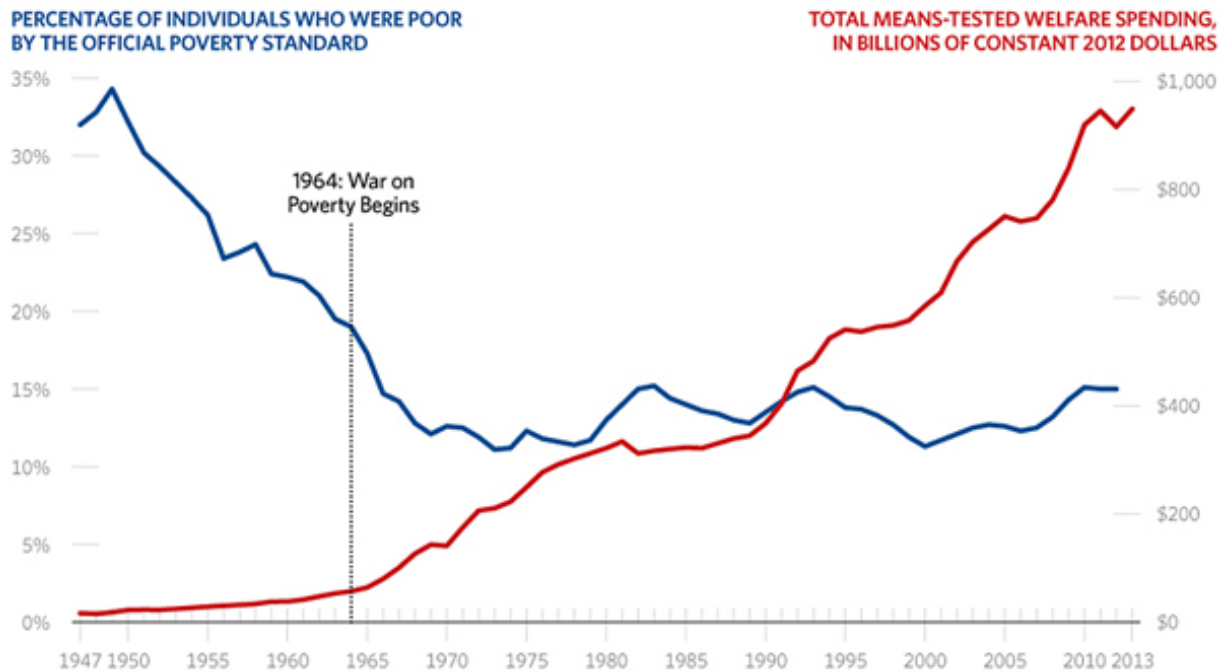
The federal government currently runs more than 80 means-tested welfare programs. These programs provide cash, food, housing and medical care to low-income Americans. Federal and state spending on these programs last year was \$943 billion. (These figures do not include Social Security, Medicare, or Unemployment Insurance.)

>>> INFOGRAPHIC: 9 Facts About How the Poor in America Live

Over 100 million people, about one third of the U.S. population, received aid from at least one welfare program at an average cost of \$9,000 per recipient in 2013. If converted into cash, current means-tested spending is five times the amount needed to eliminate all poverty in the U.S.

CHART 2

Total Means-Tested Welfare Spending and Official Poverty Rate, 1947-2012



Sources: Poverty figures for 1947-1958: Gordon Fisher, "Estimates of the Poverty Population Under the Current Official Definition for Years Before 1959," U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, 1986. Poverty figures for 1959-2012: U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplements, "Historical Poverty Tables—People," Table 2, <https://www.census.gov/hhes/www/poverty/data/historical/people.html> (accessed September 10, 2014). Means-tested welfare spending figures: Heritage Foundation research, U.S. Office of Management and Budget.

BG 2955  heritage.org

But today the Census will almost certainly proclaim that around 14 percent of Americans are still poor. The present poverty rate is almost exactly the same as it was in 1967 a few years after the War on Poverty started. Census data actually shows that poverty has gotten worse over the last 40 years.

How is this possible? How can the taxpayers spend \$22 trillion on welfare while poverty gets worse?

The answer is it isn't possible. Census counts a family as poor if its income falls below specified thresholds. But in counting family "income," Census ignores nearly the entire \$943 billion welfare state.

For most Americans, the word "poverty" means significant material deprivation, an inability to provide a family with adequate nutritious food, reasonable shelter and clothing. But only a small portion of the more than 40 million people labelled as poor by Census fit that description.

The media frequently associate the idea of poverty with being homeless. But less than two percent of the poor are homeless. Only one in ten live in mobile homes. The typical house or apartment of the poor is in good repair and uncrowded; it is actually larger than the average dwelling of non-poor French, Germans or English.