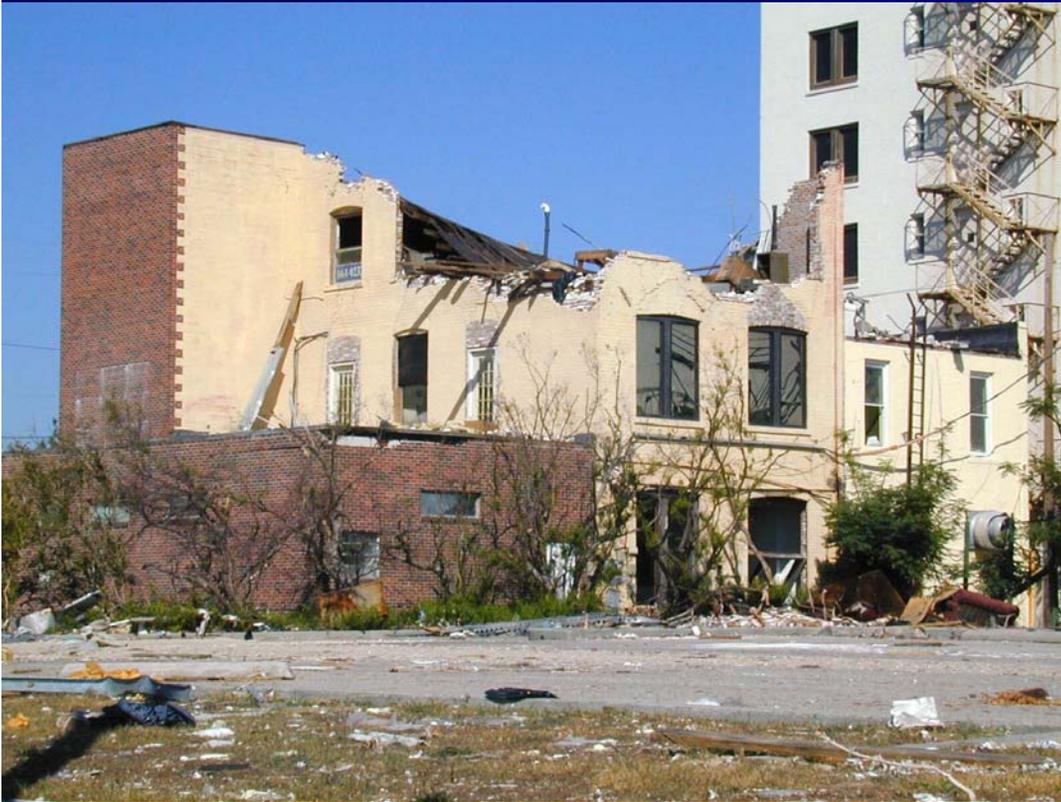


SOLVING THE POVERTY PROBLEM



- Market Outcomes
- Definition of Poverty
- Target Population
- Monitoring Programs

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MARKET LIMITATIONS

Values Outside the Market

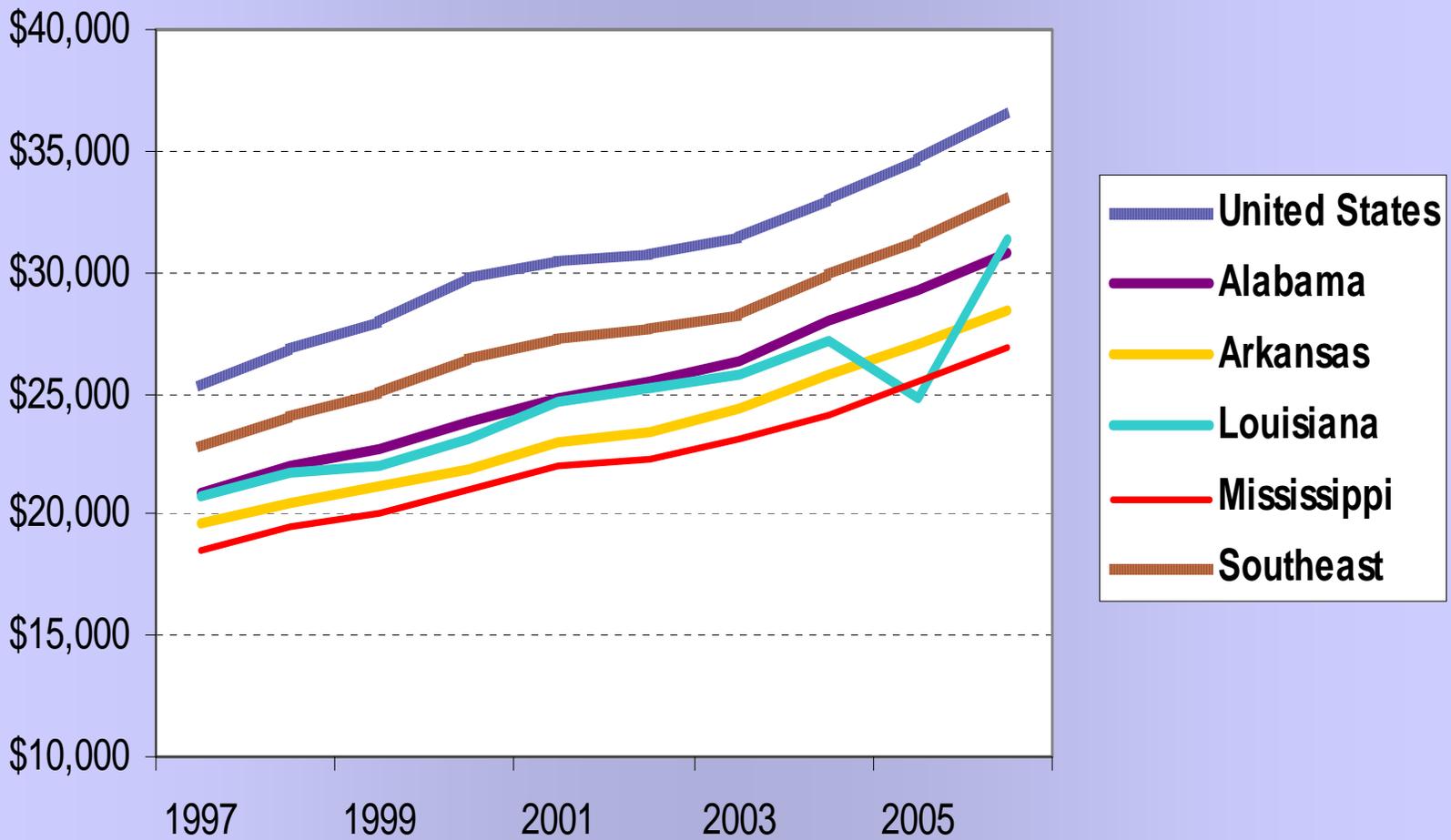
- ❑ Children, National Defense, Universal Education
- ❑ Retirement security, unemployment insurance, environmental quality
- ❑ Dependent care, health care, equal opportunity: Current challenges

CENSUS DEFINITION OF POVERTY INADEQUATE

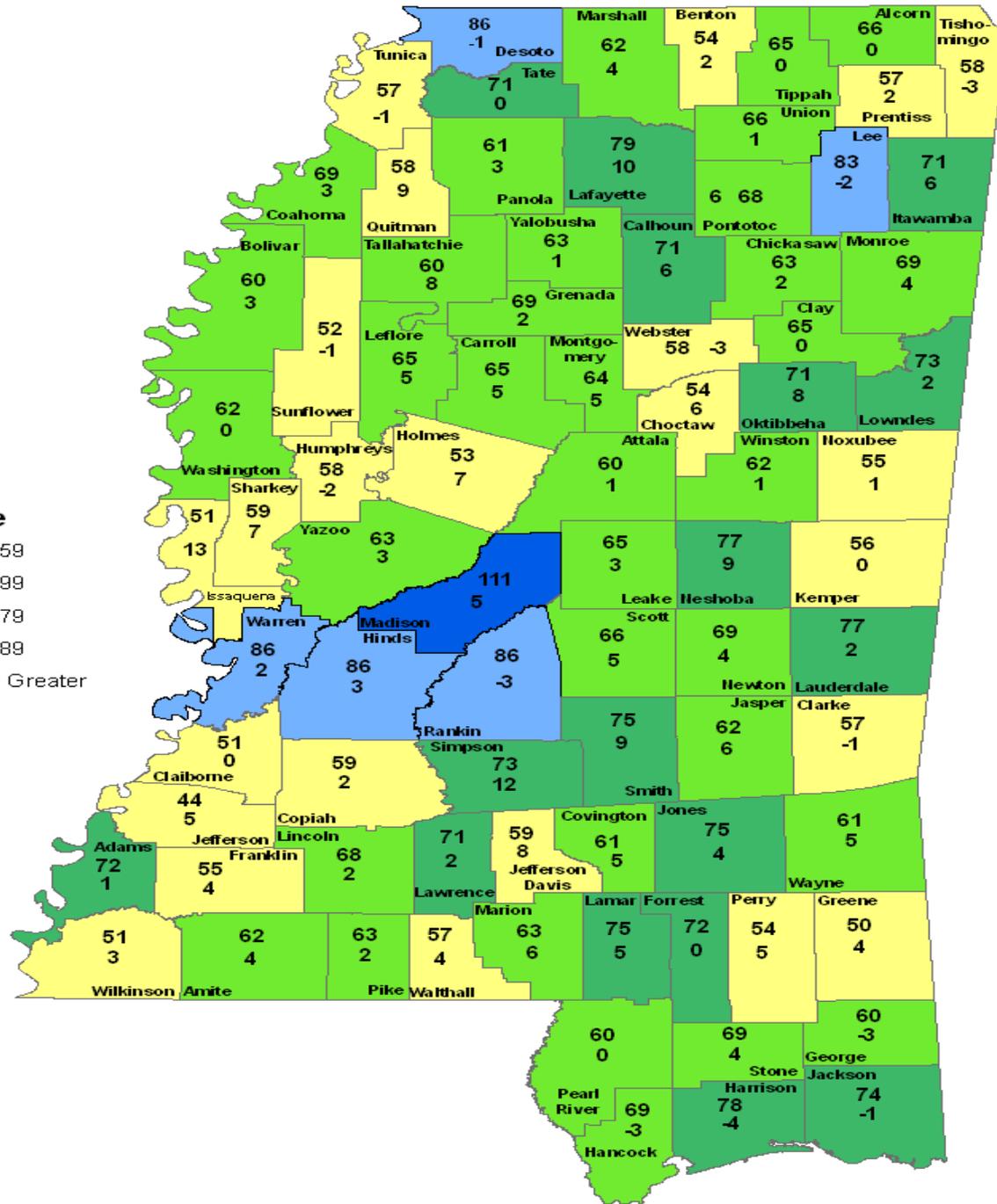
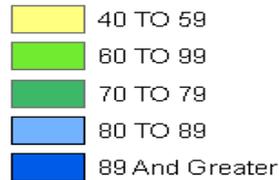
- \$13,884 for two adults under 65 (2007 Census).
- Based on: (estimated cost of food for this household) X 3.
- Self-sufficiency standard: about \$21,000.
- Under most revised definitions, percent in poverty would rise.

PER CAPITA INCOME TRENDS

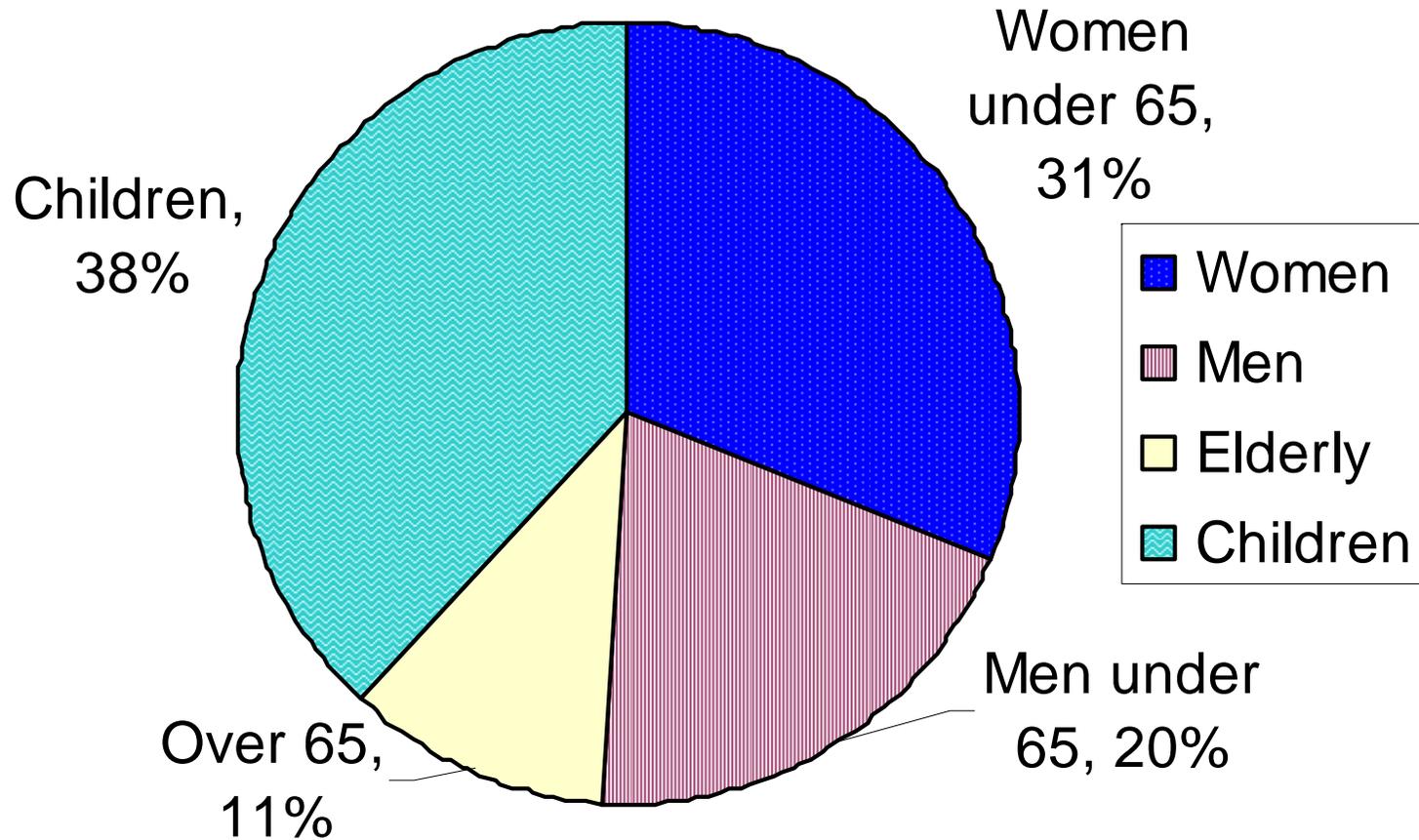
Southeast and U.S. 1997-2006



PC Income

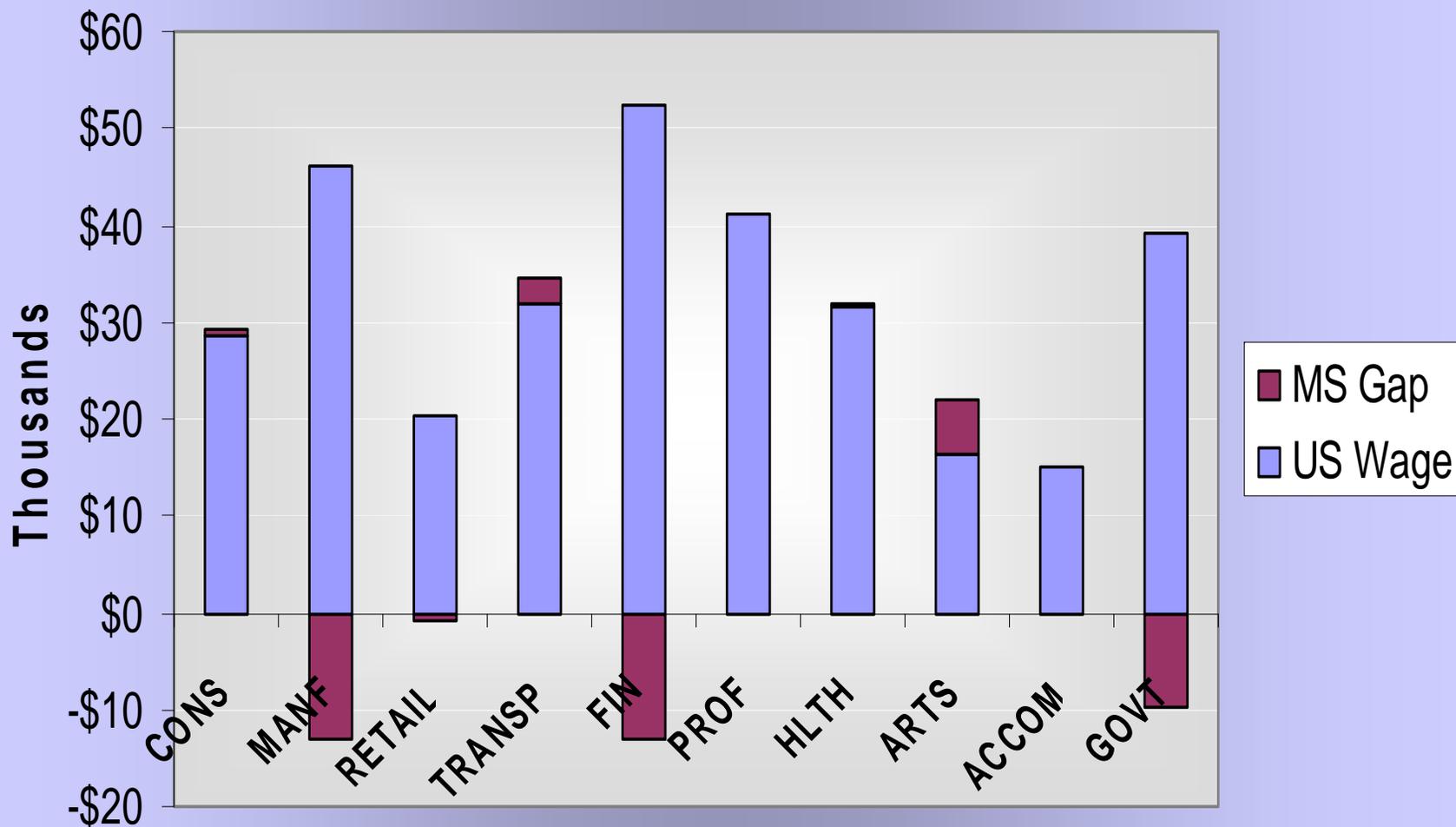


PERSONS IN POVERTY BY AGE, MISSISSIPPI 2000

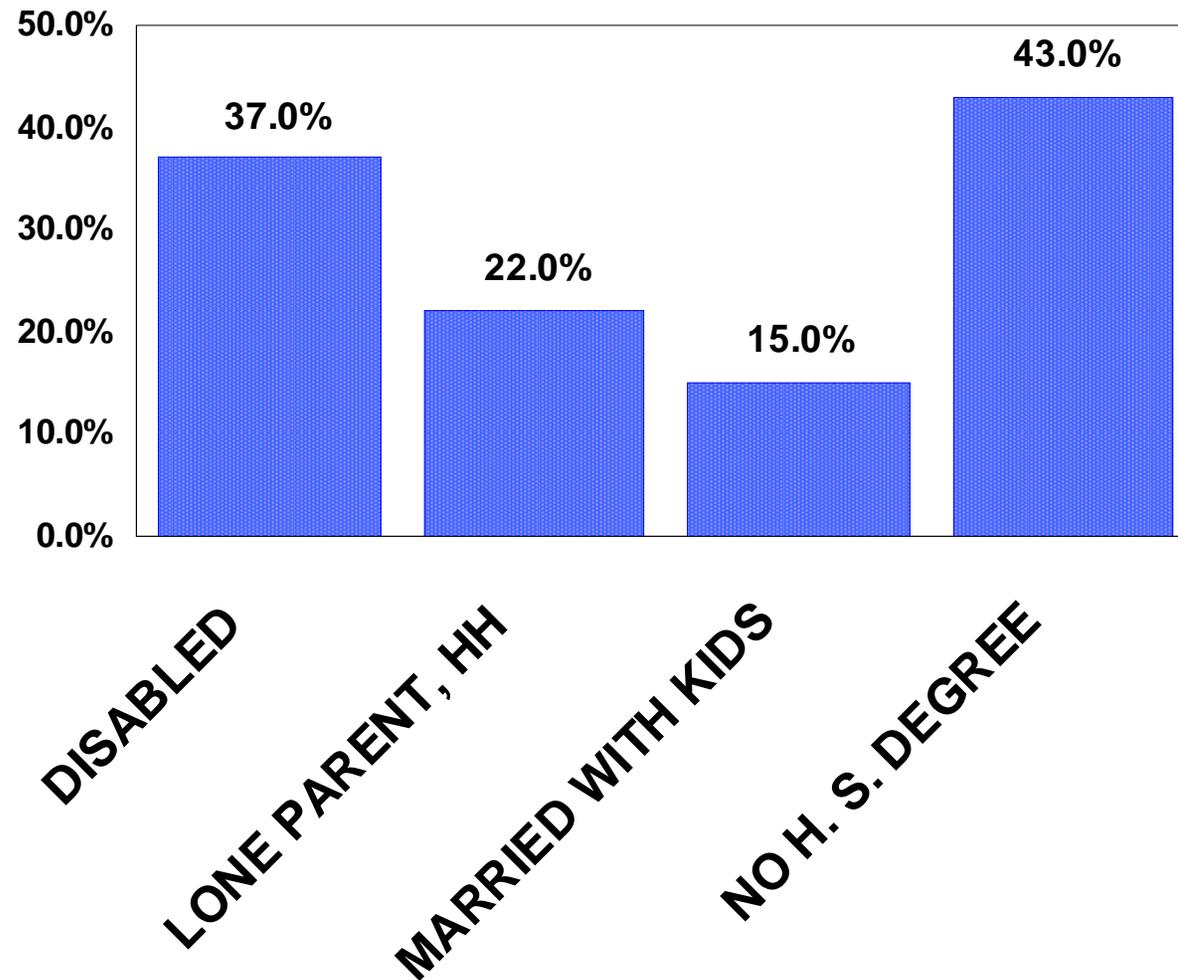


SOURCE: PUMS Dataset, 2000 Census.

Average Annual Wage By Industry Relative to US



MISSISSIPPIANS WHO ARE POOR: SELECTED CHARACTERISTICS (ADULTS 25-64)



Working Age Adults, Mississippi, 2000 Census.

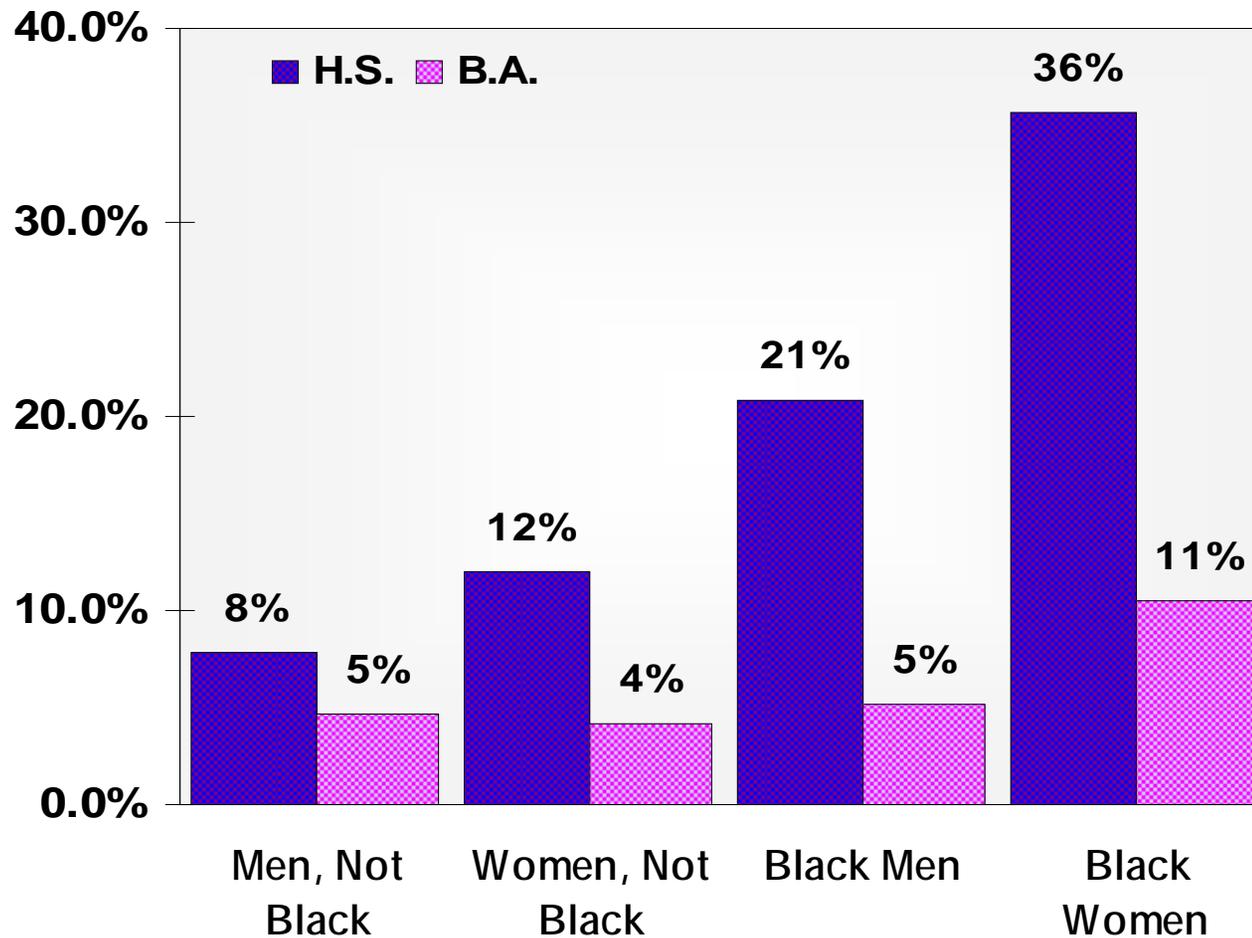
HOUSEHOLD HEADS IN POVERTY

Women with Children, Mississippi

- Median **hours** worked: 29.5
- Median **weeks**: 18
- Median **earnings**: \$3,464 or \$6.52/hr
- Public **assistance**: none (82%)
- **Median income**: \$7558
- Food stamps: \$2482
- Earned income tax credit refund: \$1366

Source: Work-related data, 2000 Census, adjusted to 2007\$; IRS; and USDA.

POVERTY RATES OF ADULTS, AGED 18 - 64, BY LEVEL OF EDUCATION, MISSISSIPPI



SOURCE: PUMS Dataset, 2000 Census.

PREVENTING POVERTY

SUPPORTING, EDUCATING YOUTH

- ❑ Early Childhood Education
- ❑ School Counselors, Nurses
- ❑ After School Programs
- ❑ Dropout Prevention/Tutoring

- ❑ Pregnancy Prevention/Education for Life, Parenting
- ❑ Expand Job Options beyond Military
Paid Volunteer Service?
- ❑ Business-School Partnerships

PREVENTING POVERTY

WORKING AGE ADULTS WITH CHILDREN

(37% of Working Age Poor in MS)

- ❑ Child Care
- ❑ Child Support

DISABLED WORKING AGE ADULTS

(37% of Working Age Poor in MS)

- ❑ Medical coverage under Medicaid Working & Disabled (WD) Program
- ❑ New Technologies, ADA Act

SOCIAL SAFETY NETS

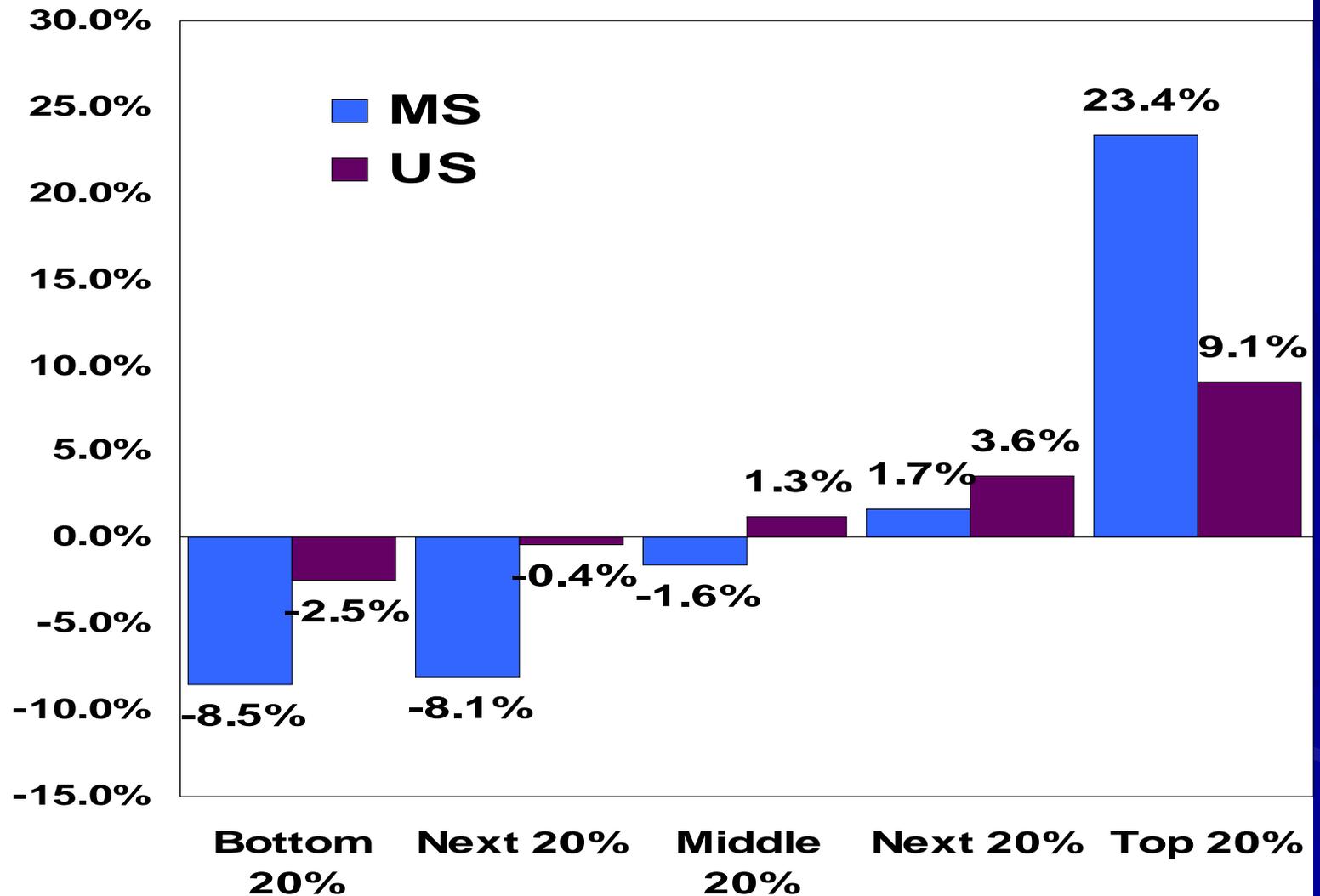
- Health benefits (not pro-rated for part-time) – 24% working age adults in MS lack
- Unemployment compensation (most don't receive)
- Minimum wage – lower than in 1959; many states have own.
- Food stamps, EITC, TANF: keeping up?
- FEMA assistance: oversight

FINANCE/ DISTRIBUTIONAL ISSUES

- \$ \$ ARE THERE: Output per worker:
2.8 X 1959 levels
- WHO WILL PAY? Worsening income
distribution (median HH income down
2000-07) – sales tax: blood from a turnip?
- SERVICE ECONOMY: Unitary taxation of
corporations

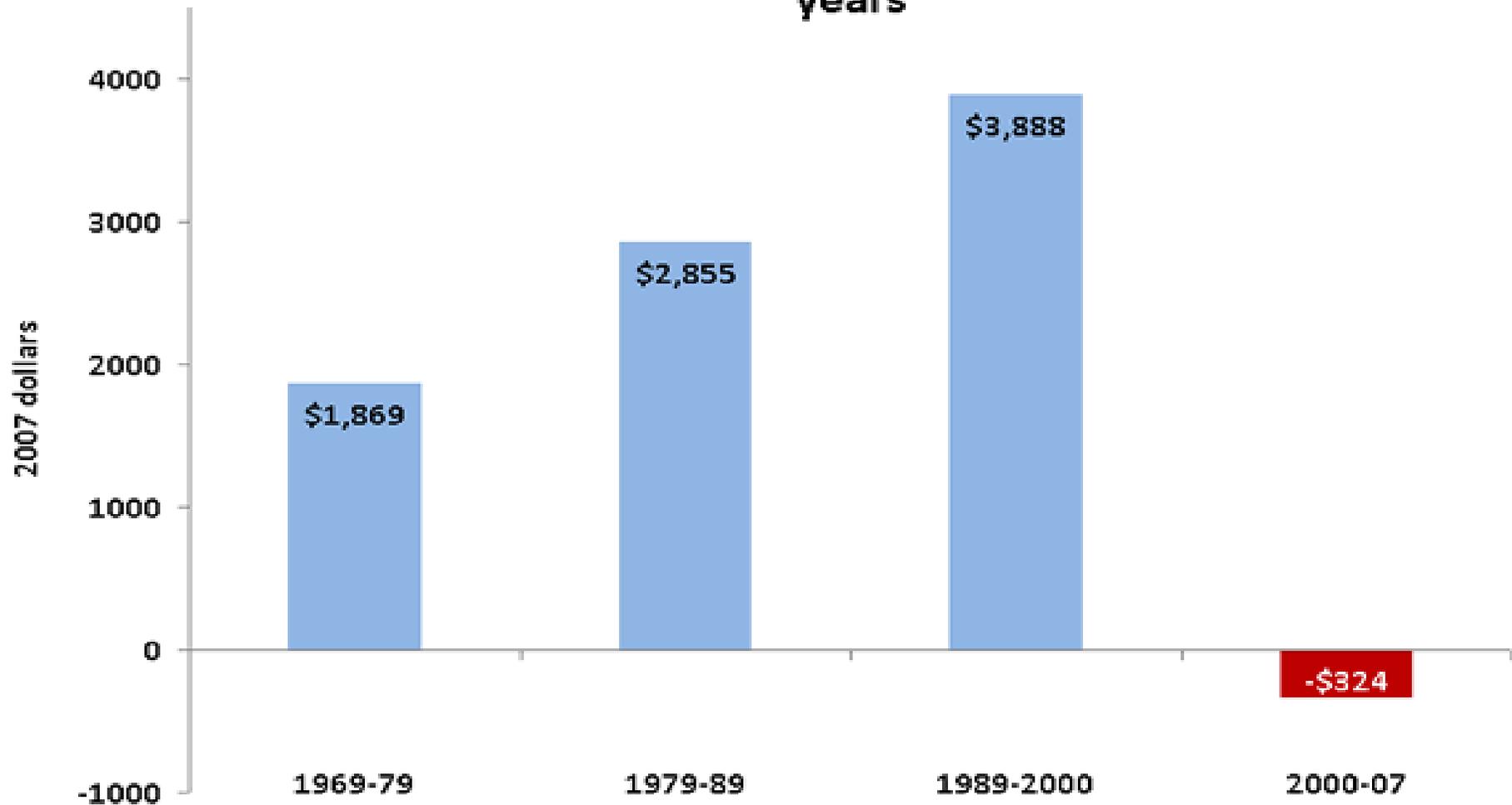
GROWTH OF AVERAGE REAL FAMILY INCOME

**REAL FAMILY INCOME BY QUINTILES
MISSISSIPPI AND U.S., GROWTH 1999-2005**



REAL MEDIAN HOUSEHOLD INCOME GROWTH ACROSS PEAK YEARS

Figure 1: Real median household income growth across peak years



Source: Author's analysis of US Census Bureau data.

INVESTING IN PEOPLE

INCLUSIVE ECONOMIC DEVELOPMENT

Decision for a Democratic Society

- ❖ IMPROVE EXISTING PROGRAMS, REVENUE SOURCES:

- Performance-Based Budgeting
 - Ongoing Monitoring

- ❖ FORMULATE NEW INITIATIVES
- Involve All Stakeholders