A Better Way to Fight Poverty

Our Principle
If the American Dream isn’t true for everyone, then it isn’t true at all. All of us should have the chance to make the most of our lives no matter where we start.

Our Challenge
Our country is all about striving, but too many of our people are stuck. Over the years, Washington has made many promises, created many programs, and spent many trillions to fight poverty. Yet today in America, if you are raised poor, you are just as likely to stay poor as you were 50 years ago.

The key word here is “stay.” Our welfare system is rigged to replace work, not encourage work. Washington measures success by how much it spends, not by how much it helps. The system traps families in a cycle of poverty, shuffling them from program to program instead of helping them break free altogether.

Our Vision
No amount of government intervention—no matter how well-intentioned—can replace the great drivers of daily life: our talents and aspirations, our neighbors and loved ones, our communities and places of worship. We are all in this fight together, and we need an approach which reflects that shared responsibility.

We need to attack poverty right at its roots. Instead of starting with welfare, we start with work. Instead of expanding government, we expand opportunity. Instead of letting people languish, we get them on the ladder of opportunity and help them climb that ladder so they can make the most of their lives.

But here’s the thing: we can’t just make changes in Washington and hope things work out for the best. We have to open up the system. Open it up to accountability for taxpayers, and open it up to collaboration with the men and women on the front lines of this fight. That means we try new ideas, and then we test those ideas, abandoning what does not work so we can build on what does.

We don’t have to settle for people trapped in poverty and deprivation. There is a better way to fight poverty.

Our Ideas

**Reward work.** If you are capable, we will expect you to work or prepare for work.

**Tailor benefits to people’s needs.** We will match poverty-fighting programs with your needs so that it’s easier for you to get back on your feet.

**Improve skills and schools.** We will make sure that poor kids have more opportunities to succeed at every stage, from childhood through college.

**Plan and save for the future.** We will make it easier for you and your family to plan for the future and be retirement-ready.

**Demand results.** We will open up the system to accountability and collaboration, backing ideas that work on the front lines.
REWARD WORK

A good job is the surest way out of poverty. This has been proven time and again. For example, after the government instituted work requirements in 1996, employment rates for single mothers with children increased, while child poverty declined dramatically.

But that was just one program. Most welfare programs do not actually require or even encourage work, making it that much harder for you to start on the path to a better life.

Our plan starts with work, not welfare: **If you are capable, we will expect you to work or prepare for work.**

Our plan includes:

- Stronger work requirements under the Temporary Assistance for Needy Families program, requiring states to connect more people with good jobs. We should reauthorize TANF by restoring its core purpose, ending loopholes that states have used to avoid helping people find work.

- Changes that allow non-custodial parents—who can have a hard time finding work given past transgressions—better access to job training and skills development, so they can make more money and meet child-support obligations.

- Reforms that expand work requirements to include housing benefits, like federal rental assistance. Some 44 percent of work-capable households using federal rental assistance report no annual income from wages. For people who can work or prepare for work, we should align housing benefits with TANF benefits to get more people on the path to self-sufficiency.

- A new approach to unemployment insurance that helps get people who are out of work back to work as soon as possible. The basic structure of the UI program has remained unchanged since the New Deal. We should give states greater flexibility to help people find a new job more quickly, and test those ideas to make sure we are getting results.

- Measures to encourage work-capable adults in the Supplemental Nutrition Assistance Program (SNAP) to work or prepare for work. An increasing number of SNAP recipients are work-capable adults who do not have dependents and are not seeking work.

- A new focus for the Supplemental Security Income program that means more children will have access to special education services, and mental or physical therapies. Children who come into the SSI program stay in it, on average, for 26.7 years. Instead of just limiting our options to cash assistance without accountability, we should be offering children services to help them get on the path to a productive life.

TAILOR BENEFITS TO PEOPLE'S NEEDS

We should always reward work, but the system often does the exact opposite.

Under the status quo, as people start to make more money, they lose benefits. On its face, that makes sense. But since people are rarely on one program, that loss can be sudden and substantial. That’s why this is often referred to as the “poverty trap.” So, you may get a raise and actually lose money. You may get married and end up worse off financially. In other words, you are punished for working hard and doing the right thing.

What’s going on here? Well, Washington looks at your needs in isolation, whether it is food, housing, energy, or child care. It doesn’t see how your needs interact. It doesn’t adapt to you. It just pushes you along the conveyor belt. It is one-size-fits-all, all the way.

Our plan recognizes that everyone’s needs and strengths are different. **We will match poverty-fighting programs with your needs more effectively so that it’s easier for you to get back on your feet.**

Our plan includes:

- New authority for states to link poverty programs so that, instead of a one-size-fits-all strategy, you benefit from a more holistic approach. This means that if you would be penalized under current programs for getting married or working more hours or getting a promotion, states could repackage your benefits to help you find a path forward.

- A commonsense approach to the way the federal government matches state and local spending so that, instead of a one-size-fits-all rate, we back the programs that work and wind down the ones that don’t.
• Greater portability for housing assistance so that, instead of being consigned to poor neighborhoods, you can move to areas with more jobs and opportunities.

• A new commitment to consolidate and streamline programs, so people get better service and have a clear understanding of where they need to go for help.

DEMAND RESULTS
The system is failing you, but it doesn’t want you to know that. Washington measures success by the amount of money it spends and the number of programs it creates. We need to open up the system, so there is both accountability and collaboration. That means more voices at the table and more tools to identify what is working and what is not.

**We will open up the system to accountability and collaboration, backing ideas that work on the front lines.** Instead of passing laws and hoping for the best, we will demand results for you and all taxpayers every step of the way.

Our plan includes:

• A pay-for-results partnership in which the government collaborates with private-sector providers seeking to raise capital for effective social programs. Through social impact financing, if—and only if—the program achieves its stated goals, the government repays the investment.

• A tier-based funding formula that promotes the development of new ideas, rigorously evaluates those concepts, and then backs those ideas that are proven to be effective.

• A pay-for-outcomes model that promotes competition among the states, and shuts down programs that are letting people down.

• New tools to better assess results, from common metrics to improved data collection and coordination.

IMPROVE SCHOOLS AND SKILLS
Too many Americans don’t just fall on hard times; they are born into it, and they never get out. Most poor kids are part of families with single mothers, which can pose additional challenges. It isn’t enough to get parents working and leave it at that. To break the cycle of poverty, we have to protect the next generation from poverty.

This is yet another area in which Washington’s approach is disjointed. For example, there are 45 separate federal programs dedicated to early childhood, including a dozen just for education. Each program has its own set of rules and regulations. The programs overlap with each other, and can’t be matched up with the needs of local communities. What gains are made, don’t last.

If we treat poor kids like statistics, they will become statistics. We should see the potential in every child, and surround each one with opportunities, so that every child has a better shot at a good life.

**We will make sure poor kids have more opportunities to succeed at every stage, from childhood through college.**

Our plan includes:

• Measures to improve early childhood development, supporting ideas that work on the front lines, and making sure parents are fully informed about the choices they have for their kids’ care and education.

• A more inclusive approach to help at-risk youth stay on the path to rehabilitation, tailoring benefits and services to each child’s needs and challenges.

• Reforms to child nutrition programs, so that we help the most vulnerable children—especially those in rural and low-income areas—get better access to healthy meals.

• Changes to improve job training, so that more workers can be matched with the skills needed to fill jobs in their communities.

• A modernization of the Pell Grant program that allows students to use those grants year-round if they want to accelerate their coursework, and financial aid reforms to make it easier for students to pay for college and pay back their loans.
PLAN AND SAVE FOR THE FUTURE

Once you are on your feet, with a good job and a steady paycheck, you should have the ability to capitalize on that success. In many ways, this is the last rung on the ladder of the opportunity, toward a life of dignity and fulfillment.

Unfortunately, the tools to save remain beyond the reach of too many Americans. Nearly 9.6 million households in America do not have bank accounts. Another 24.8 million households have a bank account but use services outside the financial system. This means people have to hand over money just to cash a check, can’t get access to responsible credit, or have to keep money in unsafe places.

We will make it easier for you and your family to plan for the future and be retirement-ready.

Our plan includes:

- Reforms that expand access to 401(k)s, making it easier for small businesses to band together and provide them for their employees.

- New tools to expand access to basic banking services. This means reining in Dodd-Frank regulations to give you the widest possible array of choices, from community banks to small-dollar lending.

- Reforms that promote access to affordable retirement advice, providing low- and middle-income families the help they need to plan for retirement.