Thank you Senator Elizabeth Warren and Representative Elijah Cummings for organizing this panel. The Institute for Policy Studies (IPS) is a progressive think tank dedicated to building a more equitable, ecologically sustainable, and peaceful society. As Washington’s first progressive multi-issue think tank, the Institute for Policy Studies has served as a policy and research resource for visionary social justice movements for over four decades — from the anti-war and civil rights movements in the 1960s to the peace and economic and environmental justice movements of today.

As a partner of the Poor People’s Campaign: A National Call for Moral Revival, IPS has provided empirical research to support the campaign’s activities. Among our signature accomplishments is the production, alongside the campaign, of The Souls of Poor Folk, a moral audit of the last 50 years of change in the interconnected areas of systemic racism, poverty, militarism and the war economy, and ecological devastation. This audit provides the empirical backbone of the campaign’s organizing activities and is the basis for this testimony.¹

One of the most shocking findings of the audit is that nearly 140 million people (43.5 percent) are either poor or low-income in the United States, the world’s richest country.² Despite our nation’s abundance, there is a prevalent myth that we cannot afford to ensure that all of our people can thrive. We also remain challenged by the false notion that poverty is the fault of the poor. In contrast, the audit makes a clear case that the interrelated causes of poverty in the United States are structural and systemic, not individual failings, and that the richest nation in the world has sufficient resources to protect the environment and ensure dignified lives for all its people. The problem is a matter of priorities, as more and more of our wealth flows into the pockets of a small but powerful few and into our bloated Pentagon budget.

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¹ This testimony is drawn from The Souls of Poor Folk, co-published by the Institute for Policy Studies, the Poor People’s Campaign: A National Call for Moral Revival, Kairos, and Repairers of the Breach, April 2018. Available at: https://ips-dc.org/souls-of-poor-folks/

Systemic Racism

Another of our key findings are that legislative actions and legal decisions at the federal and state levels have severely restricted the ability of people of color, especially poor Black people, Latinx, and Native Americans, to participate in democratic processes.³ This includes the 2013 Shelby v. Holder Supreme Court case, which gutted the 1965 Voting Rights Act. Further, 23 states have adopted some form of voter suppression law since 2010, and 25 states have preempted cities from passing minimum wage laws (many in response to successful grassroots living wage campaigns).⁴

Restrictions on democratic participation are compounded by structural changes in employment towards a low-wage economy, tied to a decline in union membership. At the time of the 1968 Poor People’s Campaign, productivity and wages had been rising in tandem for at least two decades. But beginning in the 1970s, employers no longer shared the benefits of improved productivity with their workers. Between 1973 and 2016, hourly compensation increased just 12.3 percent, while productivity increased 73.7 percent.⁵ This has been accompanied by anti-union policies like “right to work” laws that have undermined workers’ power to bargain collectively. Between 1968 and 2017, the share of U.S. workers in unions fell from 24.9 percent to 10.7 percent.⁶

Poverty and Inequality

Instead of going to workers, massive gains from economic growth have been going to a smaller and smaller share of society. Since 1968, the top 1 percent’s share of national income has nearly doubled while the official poverty rate for all U.S. families has merely inched up and down. The 400 wealthiest Americans now own more wealth than the bottom 64 percent of the U.S. population (or 204 million people).⁷

Nearly 41 million Americans live below the federal poverty line. In absolute terms, White people made up 42.5 percent of this population (17.3 million), and the next two largest groups are Latinx (11.1 million) at 27.4 percent, and Black Americans (9.2 million) at 22.7 percent.⁸ In relative terms, Native Americans and Alaska Natives have the highest poverty rate of any racial

group, at 26.2 percent. Black people have the second-highest poverty rate, at 22 percent. This is followed by Latinx people (19.4 percent), White people (11 percent), and Asian Americans (10.1 percent). 

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Almost four in ten children spend at least one year of their lives in poverty, meaning that there has been a rise, also, in the number of poor families.\(^\text{11}\) In 2016, households led by single mothers comprised almost 30 percent of families with incomes below the poverty line. Households led by Native women had the highest poverty rates (42.6 percent), followed by those headed by immigrant women (almost 42 percent), Latinx women (40.8 percent), Black women (38.8 percent) and White women (30.2 percent). LGBTQ people are disproportionately represented among the poor as well.

The scaling back of anti-poverty programs has contributed to the perception that government programs do not work. By far the greatest reduction in federal spending for low-income families came with the passage of Personal Responsibility and Work Opportunity Reconciliation Act in 1996, which eliminated Aid to Families with Dependent Children (AFDC) and replaced it with Temporary Assistance for Needy Families (TANF). TANF drastically reduced resources available to families in poverty and imposed unrealistic work requirements. The AFDC program assisted 68 percent of poor families with children in 1996. Today, TANF assists only 23 percent of poor families with children.\(^\text{12}\) In all but 3 states, TANF benefits have declined since 1996, with monthly benefits in all 50 states equal to or below two-thirds of the federal poverty line. These changes in welfare were part of the overall shift towards a low-wage economy.

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Housing, higher education, and health care costs have increased significantly. Over the past 30 years, rents have gone up faster than income in nearly every urban area in the country. In 2016, there was no state or county in the nation where an individual earning the federal minimum wage of $7.25 an hour could afford a two-bedroom apartment at market rent. In 2017, an estimated 35 percent of extremely low-income renters were able to find affordable housing.\textsuperscript{13}

Cuts in federal housing assistance and affordable, subsidized housing since the 1970s have contributed to rising structural homelessness. The problem is particularly acute for LGBTQ youth, who represent between five and ten percent of the nation’s young people, but between 20 and 40 percent of the homeless youth population. A 2015 survey found that a much larger number of people, estimated at 2.5 million to 3.5 million, sleep in shelters or encampments at some point every year, while another estimated 7.4 million are on the brink of homelessness, having lost their own homes and transitioned into the homes of others.\textsuperscript{14}

### The War Economy and Militarism

One of the sources of these disturbing trends is the militarization of American society. Since Vietnam, the United States has waged an ongoing war against diffuse enemies, siphoning massive resources away from social needs. The current annual military budget, at $668 billion, dwarfs the $190 billion allocated for education, jobs, housing, and other basic services and infrastructure.\textsuperscript{15} Out of every dollar in federal discretionary spending, 53 cents goes towards the military, with just 15 cents on anti-poverty programs.

U.S. military interventions have caused staggering numbers of civilian deaths in poor countries. According to the United Nations, almost one-third more civilians died in Afghanistan during the first nine months of 2017 than during that same period in 2009 when the counting began.\textsuperscript{16} Compared to the same period in 2016, there was a 52 percent increase of civilian deaths from airstrikes in 2017, with women and children comprising 68 percent of these deaths.

Perpetual war has also taken a toll on U.S. troops and personnel. In 2012, suicide claimed more military deaths than military action.\textsuperscript{17} A follow-up study found that in 2014, the risk of suicide


\textsuperscript{15} National Priorities Project, Office of Management and Budget. Military spending includes spending on the Department of Defense, wars, nuclear weapons, and other military activities. Anti-poverty spending was broadly defined to include: federal education spending (K-12 and higher education); Medicare (administration and some program parts); community and regional development; housing assistance; early childhood education; community social services; income security (supplemental income, heating assistance, child care block grants, etc.); training and employment services; and unemployment assistance.


was 22 percent higher among veterans than among U.S. civilian adults.\textsuperscript{18} By September 2017, an average of 20 veterans were still dying by suicide each day. Among women in the military, sexual harassment is rampant. A 2012 Department of Veterans Affairs survey indicated that nearly half of female military personnel sent to Iraq or Afghanistan had reported being sexually harassed, and nearly 25 percent said they had been sexually assaulted.\textsuperscript{19}

\section*{Ecological Devastation}

The U.S. and global climate and ecological crises are multipliers of the other injustices documented in the audit. Fossil fuel, chemical, and other industries have been allowed to poison our air, water, and land, contributing to an estimated 9 million premature deaths (16 percent of all deaths) worldwide in 2015 — three times more deaths than from AIDS, tuberculosis, and malaria combined and 15 times more than from all wars and other forms of violence. The environmental death toll is expected to rise exponentially as a result of climate change. And the poor, particularly poor people of color, face the worst impacts.

The tragic effects of Hurricane Maria on Puerto Rico in 2017 are a disturbing example of rising climate change threats, particularly for the poor. Catastrophic events like hurricanes and flooding are partly attributable to climate change and are expected to become more frequent. When Maria hit Puerto Rico, where the poverty rate was already 43.5 percent, almost the entire island lost access to electricity.\textsuperscript{20} Two months later, more than half of the island’s residents still lacked power and about nine percent lacked water. The delay was partly due to the poor state of the island’s infrastructure, which had been allowed to deteriorate as the U.S. Congress pressured the island to prioritize debt payments to Wall Street.

Across the United States, poor people face crises of water affordability, water pollution, and water scarcity in some areas exacerbated by climate change. As a percentage of income, poor households spend seven times as much on water bills as wealthy households. The United Nations recommends that, in order to remain affordable, water rates do not exceed 3 percent of household income. Yet, there are 13.8 million low-income households that already spend more than 4.5 percent of their income on water, and some communities are facing water shut-off rates of 20 percent or more.\textsuperscript{21} Federal assistance to local water systems is now 74 percent below its peak in 1977, adjusted for inflation, even as pipes are aging and infrastructure investment needs are rising.\textsuperscript{22}

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Given these realities, we urge policymakers to take bold actions to combat systemic racism, poverty, militarism and the war economy, and ecological devastation. We need a rights-based moral national agenda that ensures the wealthy and corporations pay their fair share of urgent social needs, protects voting rights and prohibits racist gerrymandering, hiring, policing, and sentencing policies, ends military aggression and the proliferation of guns, ensures the right to a healthy environment, and increases public investment in jobs programs to transition to a green economy.

Thank you for the opportunity to submit this testimony.

This testimony is drawn from

**The Souls of Poor Folk**

*Auditing America 50 Years After the Poor People's Campaign Challenged Racism, Poverty, the War Economy/Militarism and Our National Morality*

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Available at: [https://ips-dc.org/souls-of-poor-folks/](https://ips-dc.org/souls-of-poor-folks/)