

Background of The War on Poverty and Welfare Reform

By Jim Masters

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The “War on Poverty” is a misunderstood and misused term. In his State of the Union message on January 8, 1964, LBJ announced the War on Poverty and listed 23 strategies related to this new “war.” They are not a unified field theory of poverty, and do not add up to a stand-alone strategy that can be compared with any other strategy --especially with welfare reform. The following list is taken from the LBJ speech.

1. “Poverty is a national problem, requiring improved national organization and support. This attack must be organized at the State and Local level and must be supported and directed by State and Local efforts.” (Became EOA of 1964, with the OEO, State Economic Opportunity Offices, CAA’s and the community action program.)
2. “Our chief weapons will be better schools,
3. better health,
4. better homes,
5. and better training and
6. job opportunities.”
7. “Very often a lack of jobs and money is not the cause of poverty, but the symptom. The cause may lie deeper in our failure to give our fellow citizens a fair chance to develop their own capabilities....in a lack of decent communities in which to live and bring up their children.” (e.g. discrimination as a cause of poverty.)
8. “...a special effort in the chronically distressed areas of Appalachia.” (Appalachian Regional Commission, still going strong. A model for the Delta Commission.)
9. “...expand our small but successful area redevelopment program.”
10. “...enact youth employment legislation...” (became Neighborhood Youth Corps, which is now Youth Training in WIA, and Job Corps.)
11. “...create a National Service Corps....” (became VISTA)
12. “...modernize unemployment insurance....”
13. “...extend coverage of our minimum wage laws to 2 million workers now lacking this basic protection....”
14. “...special school aid funds....”

15. "...improve the quality of teaching, training...."
16. "...build more libraries...."
17. "...build more hospitals, more nursing homes...."
18. "...and train more nurses...."
19. "...provide hospital insurance for our older citizens...." (became Medicare)
20. "...revised housing and urban renewal program...."
21. "...obtain more modern mass transit...."
22. Enact a tax cut "...of 11 billion of tax reduction...."
23. Reduce income tax withholding rate "...to 14% instead of 15%...."

Of the 23 specific strategies that LBJ mentioned, 3 of them (# 1, 10, 11) were explicitly included in the Economic Opportunity Act of 1964. The community action program subsequently worked to bring about changes on some of the other topics, e.g. better schools, better homes, and CAA support was instrumental in getting Medicare (and Medicaid) passed.

In the process of developing and passing the Economic Opportunity Act of 1964, and in the first couple of years after it passed, the **Congress added at least 9 more new strategies** through the EOA and OEO to the list originally proposed by LBJ, including: (a) Legal Services, (b) Head Start, (c) Federally subsidized family planning, (d) senior community service employment programs, (e) senior citizen food programs (became Title III of the OAA), (f) adult basic education, (g) Upward Bound, (h) Title VII Special Impact Programs that are now the Community Development Corporation network, and (i) community health centers. All of these were subsequently turned into programs with their own legislation, and spun off from OEO and CSA into other agencies or were set up as stand-alone agencies (e.g. Legal Services Corporation). All of the 12 strategies from the first couple of years of the Economic Opportunity Act -- the original 3 and the 9 added later -- still exist. In fact the Economic Opportunity Reporter that arrived today had a chart showing 'funding for antipoverty programs' and a quick glance at the funding levels of these 12 "EOA affiliated" programs is over 10 billion dollars, and that does not include LIHEAP and WX which were developed by CAA's and CSA later.

So when people talk about how the War on Poverty failed, I always want to know exactly which of the 23 plus 9 = 32 strategies failed. Since all of the 32 strategies are still being supported by the Federal government, it makes you wonder what people are talking about.

I don't think you can characterize the "War on Poverty" as being either a success or a failure. I do not buy the argument at the level of generalization that "poverty is still with us" therefore everything failed. The end game of this line of thinking is that there should be NO ROLE by the Federal government because it can not totally eliminate the problem. (Which in fact it could, but that's another paper.)

Poverty is endemic to all types of economic systems and all national social structures. The causes and conditions can be reduced or eliminated through a variety of actions by government, the private sector, by citizen organizations by families and by individuals. Many of the strategies listed by LBJ have been very successful in reducing the causes of poverty (e.g. anti-discrimination, Medicare, increasing the minimum wage, Job Corps) and many have had some success (e.g., improving schools, training), and a few work only under special circumstances (e.g., tax cuts) even though some people think they are a panacea. And, some were less than successful.

My point is that success has to be measured at the specific strategy level and not at the slogan level. And at the strategy level there have been many successes and partial successes. The 1972 amendments to the Social Security Act were pushed through with support from President Nixon and reduced the poverty rate among senior citizens from 34% to 14% virtually overnight. Should those amendments be repealed because they 'failed' to totally eliminate poverty among senior citizens? I don't think so. All-or-nothing thinking leaves us with -- nothing.

The "War on Poverty" is not a meta-strategy, and it is not even a linked set of complementary strategies. It was a slogan.

You can make the same kind of analysis and argument about "welfare reform." Are we talking about the reforms of the 1960 and the 1962 Amendments that added mothers and fathers, e.g. the arrival of AFDC and AFDC-U? Or, the 1967 reform that separated income maintenance and social services -- so that the case workers all of whom were degreed social workers could "provide real services" to the families so they could finally get off of welfare and get out of poverty? Or the creation of the WIN program in 1967, which was one of the few truly harmful examples of a public policy. Or, are we talking about the WIN demonstration programs of the 1970's and the 1119 waivers? The biggest 'reform' was probably the 1988 Amendments that created the JOBS program, because the 1995 work requirements were just a modest expansion of the JOBS requirements. Or, maybe we mean the 5-year time limits. What do we mean by 'welfare reform?' For some people a welfare reform is anything that gets people off of welfare. For others, a real reform has to move people out of poverty.

I think that trying to compare the "War on Poverty" with "welfare reform" is a treacherous exercise that immediately takes us into a morass of contradictions and faulty logic. The pathway to developing ore effective strategies lies elsewhere.