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EXECUTIVE SUMMARY

Beyond the Myths: A Clearer Path to Poverty Alleviation in America

by Melissa S. Kearney and James Sullivan

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Introduction

In "Beyond the Myths: A Clearer Path to Poverty Alleviation in America," Melissa S. Kearney and James X. Sullivan reassess poverty trends and policy responses in the United States. They document that, contrary to common perceptions, poverty has declined substantially over the past four decades and that anti-poverty programs have played a central role in this progress. The authors argue that framing poverty reduction as a matter of simply transferring cash overlooks the complex and multifaceted challenges faced by those living in poverty. They contend that sustained progress requires investing in people's capacity to succeed, with particular attention to four areas: developing skills, strengthening families, removing barriers to individual flourishing, and expanding upward mobility for children born into disadvantaged circumstances.

Misconceptions About Poverty in the United States

Misconception 1: The US has made little progress at reducing poverty.

For many years, policymakers and pundits have claimed that poverty has not fallen—a claim typified by sociologist Matthew Desmond's statement, in his widely heralded 2023 book Poverty, by America, that "when it comes to poverty reduction, we have had fifty years of nothing." However, Kearney and Sullivan show that poverty, when measured appropriately, has declined significantly since the 1980s. The Official Poverty Measure produced by the Census Bureau suggests little progress, but more accurate measures—like the Supplemental Poverty Measure (SPM), which takes into account total resources after taxes and transfer payments, and consumption poverty, which measures the value of goods and services families consume—show substantial improvements in material well-being. Since 1980, income poverty measured using an anchored SPM has fallen by 6.9 percentage points (53 percent), and consumption poverty has fallen by 10.6 percentage points (81 percent). These measures also reveal particularly large declines for children, the elderly, and unmarried parents, groups that have historically been at the highest risk of poverty.

Alternative indicators of material well-being, such as housing quality, access to amenities, and vehicle ownership, have also improved significantly for low-income households. While there is still progress to be made, the long-term evidence is clear: Poverty in the United States has fallen substantially over the past four-plus decades.

Misconception 2: Anti-poverty programs are ineffective.

Anti-poverty programs have been central to poverty reduction over the past four decades. Comparisons of pre- and post-tax incomes of low-income households show that tax credits and in-kind transfers directly reduce the poverty rate by roughly two-thirds. For example, in 2023, the pre-tax/pre-transfer poverty rate was 17.4 percent, while the poverty rate based on total income was 6.1 percent. This comparison suggests that the redistribution of resources through tax-and-transfer programs directly (meaning, not accounting for indirect or behavioral effects) cut the poverty rate by 65 percent.

Beyond their immediate impact, these programs yield long-term benefits for child recipients. Evidence consistently shows that childhood exposure to the Earned Income Tax Credit, SNAP, and Medicaid leads to long-term improvements in health outcomes, educational attainment, and adult earnings. Maintaining these critical safety-net programs is important for bringing down rates of poverty in the US. At the same time, lasting progress will require augmenting these safety net programs with policies that promote economic stability and long-term self-sufficiency beyond government support.

Misconception 3: Just giving people cash will solve poverty.

The claim that America could eliminate poverty simply by giving people money conceives of the problem too narrowly as a financial one. In reality, the challenge of poverty runs much deeper. Relying on guaranteed income as the primary solution to poverty is an inherently defeatist approach, as it assumes many adults cannot meaningfully participate in the economy and consigns them to permanent dependence on government support.

Research on guaranteed-income programs shows that unconditional payments rarely lead to greater economic independence or investments in education and skills. Temporary cash assistance can help households weather short-term shocks, such as avoiding eviction or covering emergency expenses, but persistent poverty reflects structural barriers that money alone does not resolve. Treating the underlying causes of poverty, rather than merely addressing the symptom of limited income, requires institutions and policies that expand opportunity and enable individuals to participate productively in society. True poverty alleviation demands addressing issues such as education, health, family stability, and barriers to work, not just supplementing income.

Alleviating Poverty Requires Investing in People

Guided by facts and evidence, Kearney and Sullivan propose an anti-poverty agenda for the country focused on making long-term investments in people and families. Their agenda focuses on advancing education and skills; building strong families; addressing individual barriers to flourishing; and boosting upward mobility for poor children through improved access to nutrition, healthcare, stable housing, and early childhood education. They emphasize that these reforms should complement, not supplant, efforts to promote and sustain strong economic growth and widespread opportunities for well-paid jobs.

Advancing skills and education. Expanding access to high-quality education and training is one of the most reliable ways to reduce poverty and promote long-term economic security. Higher levels of skills and education substantially reduce the risk of poverty and increase employment and earnings. Poverty rates in 2023 ranged from 30.9 percent for those without a high school degree to just 5.9 percent for those with a four-year college degree. Interventions that increase degree attainment and workforce skills are effective in improving economic outcomes, including employment rates and earnings.

Comprehensive student-support programs, flexible high schools for adults, and sector-based workforce training programs can help students obtain skills valued in the labor market. These programs take a hands-on, individualized, comprehensive approach to helping program participants, and they have been shown to raise earnings. Scaling proven educational and training models should be at the center of our nation's anti-poverty strategy.

Building strong families. Family structure is strongly correlated with child poverty and long-term outcomes. For instance, census data show poverty rates of 8 percent in married-couple households versus 24 percent in female-headed households. Children growing up in married-parent households are also more likely to avoid poverty, obtain higher levels of education, graduate from college, have higher earnings in adulthood, and be married as adults, even after statistically accounting for an array of parental characteristics and potential confounding factors.

Investing in strong families as part of an anti-poverty agenda requires a multipronged approach aimed at addressing the decline in marriage among non-college-educated adults, expanding programs that help low-income couples establish healthy and emotionally supportive relationships, and reforming the tax-and-transfer system to eliminate marriage penalties that disincentivize marriage.

Addressing individual barriers to flourishing. All too often, individuals and families who struggle to make ends meet face a complex web of barriers that prevent them from becoming economically stable. For instance, a job training or reskilling program might not be effective if an enrolled individual is also experiencing homelessness or escaping an abusive relationship. Consequently, addressing poverty often requires providing assistance that is customized to the unique set of challenges that each individual or family faces.

There is increasing recognition among social-service providers that the most effective programs tend to be coordinated, multidimensional, and tailored to the individual—such as Padua, a holistic, individualized case-management intervention. Such programs, which explicitly aim to address the multifaceted barriers that people face, are often both time intensive and costly. The challenge for those committed to fighting poverty is finding ways to scale successful programs.

Boosting upward mobility for poor children. Investments in children's nutrition, healthcare, housing stability, and early education have proven to yield long-term gains in health, educational attainment, and earnings. Evidence from programs such as Medicaid, SNAP, and Head Start shows that children who receive support early in life are healthier, more likely to succeed in school, and better positioned to achieve upward mobility as adults. These interventions help reduce the intergenerational transmission of poverty by giving children from disadvantaged families a stronger foundation. Maintaining and expanding such programs for poor children, specifically SNAP and Medicaid, should be part of our country's anti-poverty agenda.

ABOUT THE AUTHORS

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Melissa S. Kearney is the Gilbert F. Schaefer Professor of Economics at the University of Notre Dame. She is also director of the Aspen Economic Strategy Group; the director of the Strengthening Families Research Initiative at the University of Notre Dame; a research associate at the National Bureau of Economic Research; and a nonresident senior fellow at the Brookings Institution. She currently serves on the Board of Directors of MDRC and on the Board of the Notre Dame Wilson-Sheehan Lab for Economic Opportunities. Kearney previously served as the Neil Moskowitz Professor of Economics at the University of Maryland, Director of the Hamilton Project at Brookings, and co-chair of the Massachusetts Institute of Technology J-PAL State and Local Innovation Initiative. Kearney's research focuses on US poverty, inequality, social policy, and the economics of fertility and families. She has served in editorial positions for the American Economic Journal: Economic Policy; Journal of Economic Literature; Journal of Human Resources; Demography; and Future of Children. She is the author of The Two-Parent Privilege (University of Chicago Press, 2023.) Kearney teaches Public Economics at both the undergraduate and Ph.D. level. She holds a B.A. in Economics from Princeton University and a Ph.D. in Economics from MIT.

James Sullivan

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James Sullivan is a Professor of Economics at the University of Notre Dame. He also is co-founder and Director of the Wilson Sheehan Lab for Economic Opportunities (LEO), a research center that works with service providers and policymakers to identify effective and scalable solutions to reduce poverty in America. He has been a visiting scholar at the National Poverty Center and has served on its Advisory Board. He was a visiting professor at the University of Chicago and has served as a national Phi Betta Kappa Visiting Scholar. In 2019, he was appointed to the U.S. Commission on Social Impact Partnerships. His research examines the effectiveness of anti-poverty programs at the national, state, and local level. He also studies the consumption, saving, and borrowing behavior of poor households, as well as poverty and inequality measurement. Sullivan has published numerous journal articles and book chapters and his work has been covered by major media outlets including CNN, the Wall St. Journal, the Washington Post, the New York Times, Forbes, Fox News, Barron's, Bloomberg News, Slate, the Atlantic Monthly, the Chicago Tribune, National Public Radio, and others. He has testified at Congressional hearings on evidence-based policy on multiple occasions. In 2023, he was also appointed as the inaugural Director of the Notre Dame Poverty Initiative. Sullivan received his bachelor's degree from the University of Notre Dame and his Ph.D. from Northwestern University.