

Poverty in Buffalo Niagara: Who's Poor, Why, and What We Can Do About It

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Here in Buffalo, New York, a city is being reborn. We're rediscovering our downtown and our waterfront. Developers are rushing to build new luxury apartments. And yet the poverty rate is going up, not down, and over half the children in the city are living in poverty. Immediately adjacent to the booming development zone of the Buffalo Niagara Medical Campus lies the Fruit Belt neighborhood, where the poverty rate is 45 percent. Can you have a renaissance if it leaves so many people behind? Can a nation be great when it is so unequal? Today I'm going to talk about who's poor, why, and what we can do about it.

Let's start by asking, Who is Living in Poverty?

Imagine that you are a photographer for Time Magazine. The editor calls you because she wants to do a cover story based on the latest Census figures, which show that over 40 million Americans are living in poverty. "Find me the most typical poor family that you can," she says, "and we'll put their picture on the cover."

Our job is to find that typical family. Where should we go to look for them: a city, a suburb, or a rural area? If you answered a city or rural area, you are wrong. There are more people in poverty that live in the suburbs.

Should the typical impoverished family be white, black, or Hispanic? According to Census figures, the most typical race would be white.

Should you be looking for a large family or a small one? The average family living in poverty has only one or two children.

How much education will that typical person have? Should you be looking for a high-school drop-out, or someone with a diploma? Look for someone with a diploma; most people in poverty have at least a high school education, and many have some college.

All right, we've got our Time Magazine cover photo now. It's a white mom with one or two kids, living in the suburbs, with a high school diploma hanging on the wall.

Now imagine that we ask Americans to close their eyes and picture a family living in poverty. Are they seeing the same picture we are?

Why do we have such erroneous views about poverty? One reason is stereotyping. But another reason is that when we think about poverty, we tend to think about the places and groups where the poverty rate is disproportionately high. In other words, we confuse what is disproportionate with what is typical.

Because it is true that poverty rates are higher among people in cities than people in suburbs. It's just that, today, many more people live in suburbs, so that even though the poverty rate in the suburbs is lower, the total number of impoverished people is higher. Take Buffalo Niagara, for example. The poverty rate in the city of Buffalo is four times that of the area outside the city.

But, on the other hand, four times as many people live outside the city than in, so the absolute number of people in poverty is about the same.

Similarly, the poverty rate among African Americans in our region is more than three times that of whites (a much worse disparity than the national average) But there are five times as many whites as blacks in the region, so there are still more whites than blacks living in poverty.

When we think about poverty and how to reduce it, we need to keep both things in mind: what is typical, along with what is disproportionate. If you were designing a program to serve people in need, it would be important to realize that most of your clients live in the suburbs; and yet you would also want to know that the city has a worse poverty problem than any of the suburbs do.

Now let's ask, Why are people living in poverty?

When we ask the question of why, it matters a great deal whether we are talking about individuals, groups, or societies. To understand why, let's do a quick thought experiment.

Imagine that there are one hundred of you in the room today, and that none of you had breakfast or lunch. You are very, very hungry. It so happens that I brought with me a bushel of 90 apples. I empty the bushel on the floor and you, in an explosion of Hunger-Games activity, scramble for the apples.

Sadly, you ten in the back row did not get any apples. You are suffering from apple poverty. Now, I'll examine each of you as individuals to learn why you did not get an apple and what I can do to help. It turns out that one of you has a sprained ankle, so for you I provide an ace bandage and physical therapy. One of you suffers from narcolepsy! You were asleep when I emptied the apple bushel. For you I prescribe a powerful medicine. While you, sir, have some motivational issues. You just were not feeling the apple challenge. For you, I'm assigning a life coach.

Let's agree that each one of these interventions is successful, and the next time I empty out the 90 apples, each of those ten folks muscles through the scrum and gets an apple. Have I solved our problem? No. Ten people still did not get an apple. So I go back to the drawing board, and it occurs to me that maybe there was something about those ten people as a group that helps to explain why they didn't get apples.

This group of ten was seated farthest away from the apples. So the next time I dump out the bushel of apples, I put you all in a circle, and I drop the apples at the center, so that everyone has an equal chance. But do we still have a problem? That's right. We still have only 90 apples for 100 people, so ten people will still go hungry. Our first two approaches turned out to have more to do with which people get apples than with how many people get apples.

Beyond any individual factors keeping people from getting apples, beyond any group inequalities, we need to solve a systemic problem, a macro problem: more people than apples.

One solution has to do with distribution. I can cut all the apples into sections, and give everyone 9/10 of an apple. Or I can make applesauce, and ladle it out into equal bowls. That way no one will get a whole apple, but no one will go hungry, either.

Another solution is about growing the pie – or, in this case, the apple pie. I could find a way to bring 100 apples, instead of 90.

Let's pause here for a moment and translate our apple game back into the world of public policy and use it to frame our answers to the question, why are people living in poverty?

One way to answer that question is to look at individuals, as we did when we first asked why those 10 people did not get apples. This lens can be helpful when we are asking, for example, why when two brothers grew up in exactly the same circumstances, one ended up in poverty and one did not. Maybe one worked harder; maybe one had more talent; maybe one had better luck. They differed as individuals.

The individual lens is also helpful if we are trying to help a person get out of poverty or avoid it in the first place. What advice would you give your teenage child about how to avoid poverty? Stay in school and get as much education as you can – that radically reduces your chance of living in poverty. Stay out of trouble with the law. Don't take on too much debt.

This is all very good advice. But it doesn't address the problem of some groups having unfair advantages. Let's imagine two young people who have followed all our advice, and now they're applying for jobs. Except that one is African American, and one is white. Well, study after study has shown that when researchers send out identical resumes, except that half have "white-sounding" names and half have "black sounding" names, the white names get callbacks at rates far higher than the blacks.

This kind of discrimination, which remains prevalent in employment, but also in education, housing, health care, criminal justice, and every other facet of life, helps to explain why African Americans in Buffalo Niagara have more than three times the poverty rate of whites.

And remember, even when we move from the individual to the group, we are still talking about which people, not how many people live in poverty. To zero in on this distinction between which and how many, let's talk about education. Education is the single best way for an individual to avoid being poor. But when it comes to the macro level, education is a surprisingly weak factor.

Why? Think about the job market here in western New York. About one third of the jobs are low-wage jobs in the service sector – with a median wage of less than \$26,000 per year. These are people working as cashiers, food servers, day care workers, and nursing home aides. They are all doing important work, vital to our economy, but many of them are not earning enough to keep a family out of poverty.

Now let's say that every single one of them earns a PhD. Will we have eliminated poverty? No. Someone still needs to do all those jobs. And if the jobs pay poverty level wages, then the people who work them will be living in poverty. 7-11 will not pay a cashier more because she has a PhD in economics. It's as simple as that. Education is better at predicting which people live in poverty than how many.

To understand our apple example at the macro level, we had to look at how many apples are being brought and how they are being shared. To understand poverty at the macro level, we

need to look at how many living wage jobs there are and how the wealth that they create is being shared.

It's this society-wide lens that helps us to understand why the poverty rate goes up and down. How did we cut poverty among senior citizens dramatically in the 1960s? It wasn't that senior citizens as individuals made better choices. It was that we changed national policy to boost their incomes with programs like Social Security and reduce their expenses with programs like Medicare.

It's also this policy level that helps us understand why countries with similar economies can have vastly different poverty rates. Why is it that the child poverty rate in Denmark is under 3 percent, whereas in the United States it is over 20 percent? Denmark and the US have made different policy choices about how to share their apples.

Now Let's Talk about Solving Poverty

The good news is, that when it comes to understanding poverty at the macro level, it is surprisingly simple. Solving poverty is not like curing cancer or sending people to Mars. Because poverty is, in many ways, a straightforward problem. It means that your income is too low, and your expenses too high. And so reducing poverty means choosing public policies that raise people's incomes and lower their expenses.

Let's talk first about raising incomes. The key to income for most people is wages, and there are some tried and true ways to raise wages. One is to raise the minimum wage.

The current federal minimum wage, \$7.25, is very low. In the late 1960s the minimum wage was worth over \$10 per hour in today's dollars; since then it has been eroded by inflation. If we recovered those losses by raising it back to where it was, we would bring thousands of families out of poverty.

But when we think about raising incomes, remember that not everyone can work. Many people are temporarily or permanently disabled, and whether they live in poverty will depend in large part on how much public assistance we provide to them. The federal program we have for people who are permanently disabled is SSI: Supplemental Security Income. In 2015 the SSI payment for a single person was \$8,804.

The federal poverty line was \$11,770. In other words, our public policy is that people who cannot work because they are permanently disabled should live in poverty. That is not a fact of nature or a fact of life; it's a decision that we as a society have made.

But poverty is not just a question of income; it's also a question of expenses. Think for a minute about the biggest items in your household budget: things like housing, utilities, food, transportation, and child care. The cost of these items affected not just by the private market, but also by public policies.

Let's start with an easy one: taxes. One very efficient way to reduce poverty is by lowering taxes on people with low incomes. One of the most successful anti-poverty initiatives of all time

is the earned income tax credit, which reduces the income tax burden of people with low incomes and lifts about 10 million people out of poverty each year.

There are many other anti-poverty programs in the US that work by lowering people's expenses, and many of them have proved very effective. Food stamps lower the cost of food. Affordable housing programs lower the cost of rent. But when we compare our public assistance programs with those of other developed nations, we find that most other countries are willing to pay more in taxes in order to receive more in benefits such as childcare, healthcare, and education. As a result, their poverty rates are much lower.

In short, it's not that we don't know how to reduce poverty; it's that we choose not to. We lack the political will. Which means it's up to all of us to help generate that political will: to demand that our elected leaders make reducing poverty a top priority. After all, understanding poverty is only the first step; ending it is what we are after.

Now, as we work together to fight poverty, we will do well to remember the words in today's passage from Luke, and to be careful not to become too confident in our righteousness. Our analysis of poverty may be, in some ways, surprisingly simple, but taking collective action to make collective impact is always a bit more complicated.

Poverty may be a national problem that demands many national solutions, but we experience it in the particular place of Buffalo, with all its history and singularities. Many times, making a difference in the realm of public policy or community development is less about knowing the right answer and more about building the right relationships: long-term relationships based on mutual respect and trust.

For the wonderful congregation of Westminster, I have one particular suggestion, based on your location and your history. One of the most bedeviling problems in Buffalo is the artificial walls we have built separating races and neighborhoods, and, in particular, the imaginary wall down the middle of Main Street.

The Fruit Belt neighborhood begins six blocks from here, on the other side of Main Street. It's a fascinating neighborhood with a rich history and many assets, including a host of non-profit, faith, and neighborhood groups dedicated to making it better. One of them, the Buffalo Federation of Neighborhood Centers, is based in the old Westminster House, the settlement house that this congregation founded. I can't think of a more fitting way for this church to bridge that east-west divide than to begin, with patience and humility, to build relationships with the many fine groups and individuals of the Fruit Belt, as it confronts the impacts of years of disinvestment, discrimination, and segregation, now combined with the threat of displacement as a fast changing real estate market transforms the area around the Medical Campus.

Some of you will feel the call to fight poverty at an individual level, some at the group level and some at the societal level. But at whatever level you are working at, I think you will find it most fulfilling and most effective if it is grounded in a particular set of relationships, and if it is grounded in that kind of active humility, that true understanding, that the prayer of Saint Francis urges upon us. Thank you.