

An aerial night photograph of a city, likely San Francisco, with its lights reflecting on the water. The sky is a deep purple and blue, and the city lights are a mix of warm orange and yellow and cooler blue and green.

# REDUCING POVERTY IN CALIFORNIA

*...Permanently*

Conway Collis, David Grusky, Sara Kimberlin,  
Courtney Powers, and Sandra Sanchez

with Marion Coddou, Erin Cumberworth, Jonathan Fisher,  
Jared Furuta, Jasmine Hill, Molly King, Yana Kucheva, Ryan Leupp,  
Ana Matosantos, Natassia Rodriguez, and Rachel Wright

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# Pathways

a magazine on poverty, inequality, and social policy

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### **If California were to seriously commit to equalizing opportunity and reducing poverty, how might that commitment best be realized?**

This is of course a hypothetical question, as there is no evidence that California is poised to make such a serious commitment, nor have many other states gone much beyond the usual lip-service proclamations. There are many reasons for California's complacency, but an important one is that most people think that poverty is intractable and that viable solutions to it simply don't exist.

When Californians know what needs to be done, they tend to go forward and get it done. When, for example, the state's roads are in disrepair, there are rarely paralyzing debates about exactly *how* to go about fixing them; instead we proceed with the needed repairs as soon as the funds to do so are appropriated. The same type of sure and certain prescription might appear to be unavailable when it comes to reducing poverty. It is hard not to be overwhelmed by the cacophony of voices yielding a thick stream of narrow-gauge interventions, new evaluations, and piecemeal proposals.<sup>1</sup>

Although the research literature on poverty is indeed large and may seem confusing, recent advances have in fact been so fundamental that it is now possible to develop a science-based response to poverty. In the past, the causes of poverty were not well understood, and major interventions, such as the War on Poverty, had to be built more on hunch than science. It is an altogether different matter now. The causes of poverty are well established, and the effects of many possible policy responses to poverty are likewise well established. The simple purpose of this essay is to assemble these advances into a coherent plan that would, if implemented, reduce poverty in California substantially.

### **A High-Poverty State**

In any discussion of poverty in California, perhaps the most important point to be made is that we have much of it, indeed likely more than in any other state in the United States.<sup>2</sup> The California Poverty Measure (CPM), a measure that improves on the Census Bureau's supplemental poverty measure, indicates that 22.0 percent of all Californians are living in poverty.<sup>3</sup> This poverty is often very extreme. In fact, 6.1 percent of California's population lives in "deep poverty," meaning that their family income is less than 50 percent of the poverty threshold.<sup>4</sup>

Does it follow that California's current poverty policy, understood narrowly as the many programs making up the safety net, has failed us? Not at all. The "mechanical" effects of state and federal benefits in pushing family income above the poverty threshold are in fact quite large. If all safety-net benefits were suddenly eliminated (CalFresh, CalWORKs, tax credits, school meals, housing subsidies, SSI, Social Security), the percentage of California's population in poverty would increase by a full 12.9 points (from 22.0 percent to 34.9 percent).<sup>5</sup> This result makes it clear that, despite the many criticisms leveled against the safety net, it is doing real and substantial poverty-reducing work in its current form. To be sure, the state's poverty population remains the largest in the country even *after* our state's safety net is applied, but that should not obscure the equally important point that, absent the safety net, the poverty population would be far larger.

### **The Role of Evidence and Values in Poverty Policy**

What, then, might be done to reduce California's unusually high poverty rate? We have no interest in issuing an academic report about policies that will never be undertaken. We have much interest, by contrast, in laying out policies and programs that would reduce poverty substantially and garner public support. In the plan presented here, we have accordingly taken very seriously the key values and commitments that are widely shared within the United States, values and commitments that affect the types of programs that we are likely to embrace and call our

own. There is little point, for example, in attempting to incorporate programs or policies that rest on a wholly foreign set of values, even if those programs or policies are proven poverty-reducers. It is not simply that such programs would likely be opposed by many Californians and therefore never come to fruition. Even if they were somehow implemented, the resulting policies would never feel like our own, would not mesh well with our existing institutions, and would likely be mired in controversy from the start.

This line of reasoning suggests a set of reforms that express our shared commitment to the principles of *equal opportunity* and the *value of work*. Although the United States is a heterogeneous country with many competing commitments, there is much evidence indicating that these two commitments are widely accepted and would accordingly serve well as the foundation for safety-net reform.<sup>6</sup> We review each in turn below.

*Equal opportunity:* However difficult to achieve, the principle of equal opportunity has long figured prominently in American discourse, indeed it is even laid out in drafts of the country's founding documents. This principle implies that *all* children, those from rich and poor families alike, should have a meaningful opportunity to develop their talents and capacities. The equal opportunity plan, which we lay out below, accordingly comprises a comprehensive sequence of interventions that level the playing field by allowing poor children the same access to opportunities (e.g., opportunities for high-quality preschool) that are readily available to their better-off counterparts.

*Making work pay:* If the commitment to equal opportunity is deeply cherished, so too is the principle that everyone should work (insofar as they are able to do so) and that hard work should pay off. In 1996, the U.S. welfare system was revamped to encourage employment and reduce welfare dependency, a reform that was followed by a substantial decline in the size of the nonworking poor population.<sup>7</sup> If a new round of safety-net reforms is consonant with this commitment to work and making work pay, it will again express our deepest values and garner widespread support. We will propose below a set of legal and tax reforms that may be understood as a particular rendition of this commitment.

There is of course a wide range of interventions on offer within the context of these two constraints. At the behest of GRACE Inc., a comprehensive review of these interventions was recently undertaken, with the objective to identify those for which the evidence was unusually clear and compelling.<sup>8</sup> For the most part, the resulting proposals entail building on California's existing safety net, in effect ramping up those programs for which the evidence is strong. That is, rather than assembling some haphazard collection of programs that have been shown to work, our objective is to choose from among such successful programs only those that integrate well with California's existing programs. We have also sought to build on and exploit various reforms under way in California (e.g., health care reform, Local Control Funding Formula).<sup>9</sup> The goal, in short, is to build a comprehensive reform package that rests on programs backed by the best science, that integrates seamlessly with the existing safety net, and that builds on initiatives already in play.

This essay presents in summary form the package of reforms that emerged out of this review and that, taken together, offer an unprecedented opportunity to reduce poverty in California now and into the future. The package is motivated by a commitment to equalize access to investments in skills and to ensure that those who work hard will not be in poverty.

### Reducing Poverty by Equalizing Opportunity

The literature on poverty reveals a growing consensus that cost-effective policy should (a) identify the key junctures in the life course that determine the development of skills and capacities and (b) intervene at those junctures in ways that offset the disadvantages facing low-income children. The resulting reforms are founded on a commitment to ensure that opportunities to develop capacities and invest in skills ("human capital") are available to all children. It is of course difficult to equalize opportunities fully and completely because children born into middle-class families will inevitably have access to better health care, better child care, better schools, and all manner of other advantages that will ultimately assist them in the labor market. The cumulative effect of such advantages can nonetheless be reduced with compensatory programs targeted to key junctures when capacities are being formed or decisions are being made. Although this approach naturally leads one to early interventions, there are also critical junctures in the later life course that are cost-effective to target.<sup>10</sup>

We briefly review this approach by laying out cost-effective interventions at each successive stage of the life course. We start with home visiting programs that intervene very early in the life course (even prenatally); we then turn to early education for preschool children; we follow with a targeted set of interventions for school-age children and young adults; and we conclude by discussing a set of legal and tax reforms that reduce discrimination and (partly) compensate for barriers to opportunity confronted early in life.

### Home Visiting Programs

We begin, then, by discussing home visiting programs oriented toward improving child and adult health practices, improving parenting, and providing referrals to available social services. These programs are built around home visits by nurses or trained staff who provide at-risk mothers with guidance on (a) diet and other prenatal practices, (b) the child's health and development, and (c) parenting. The main rationale for such programs is that they identify at-risk children early on, intervene before problems cascade into much larger ones, and thereby lead to improved health, parenting, and cognitive development in ways that have substantial long-term benefits.

These programs emerge from the growing evidence that prenatal and early childhood experiences affect neural functions and structures that in turn shape future cognitive, social, emotional, and health outcomes.<sup>11</sup> Even at 18 months old, children from poorer households are much slower at identifying pictures of simple words, such as "dog" or "ball."<sup>12</sup> By kindergarten, there is a substantial gap between poor and middle-class children in reading skills (e.g., recognizing letters), math skills (e.g., count-

ing), and behavioral regulation.<sup>13</sup> Because the effects of poverty register so early in children, and because these effects then have long-lasting consequences, there is a compelling argument to intervene early in ways that will reduce these consequences. The home visiting approach rests on precisely this argument.

The case for home visiting programs is backed by a large body of randomized controlled trials and other high-quality research that demonstrates their effectiveness.<sup>14</sup> The U.S. Department of Health and Human Services has designated a number of home visiting models as evidence-based, but we focus here on research evaluating the Nurse-Family Partnership (NFP) and Healthy Families America (HFA), as these two programs have already been adopted by the California Home Visiting Program.

The health benefits of NFP and HFA are clear. Although the specifics of the results differ across NFP and HFA, the general pattern is one of reduced child abuse, increased home safety, reduced emergency medical care, and improved developmental outcomes.<sup>15</sup> The research evidence on cognitive development and school readiness is also strong. The children participating in home visiting programs are more attentive, regulate their behavior better, and develop better language skills. In a well-known randomized controlled trial, 6-year-olds enrolled in an NFP program “demonstrated higher intellectual functioning and receptive vocabulary scores...and had fewer behavioral problems,” when compared with children treated with minimal support services.<sup>16</sup>

The home visiting landscape in California is complicated, however, by virtue of a large number of overlapping providers, funding sources, and target populations. The current tapestry of programs is a patchwork affair that misses some at-risk families and is often focused on narrowly delineated health problems rather than the larger family situation. The home visiting program might accordingly be reformed by expanding coverage and providing a broader range of family services (e.g., linking families to social services).<sup>17</sup> Although an exact estimate of unmet need is unavailable, the best data suggest that approximately 465,000 California families with children up to age 5 are in CPM poverty, have young children, and are not currently being served by the California Home Visiting Program or the Early Start Program.<sup>18</sup>

The skeptic might worry that home visiting programs address symptoms rather than causes and therefore do not cut to the heart of California’s poverty problem. In evaluating this claim, it is useful to distinguish between (a) the poverty arising from problems with labor supply (e.g., underinvestment in human capital) and (b) the poverty arising from problems on the demand side (e.g., shortage of jobs, excess of low-wage jobs). The home visiting program of course addresses the supply side of the problem. That is, insofar as poverty in its unchecked form leads to various health, cognitive, and other developmental problems, a home visiting program has protective effects that can ultimately improve the capacity of at-risk children to make human capital investments (e.g., investments in a college education). If there are enough high-quality training slots to accommodate this new capacity for investment (e.g., enough college scholarships), then home visiting programs will work

to reduce the number of low-skill workers and increase the number of high-skill workers. The poverty rate will accordingly be reduced, not just because the children from home visiting programs are more likely to develop the skills that bring about higher wages, but also because there will be fewer low-skill workers and hence less in the way of wage-reducing competition among them. It follows that a home visiting program can be understood as a systemic response to California’s poverty.

We are of course assuming here that a ramped-up home visiting program is ultimately paired with a ramped-up commitment to providing the education (e.g., vocational training, college) that the new demand for human capital investment will make necessary. Put differently, a successful home visiting program will create a new bulge at the bottom of the training pipeline, a bulge that some 15 years later will need to be met by increasing opportunities at the top of that pipeline (e.g., high-quality college slots, high-quality vocational training slots). The more proximate need, of course, will be to develop the new capacities that will emerge in the *middle* of this pipeline. If an expanded home visiting program yields the expected health and cognitive gains for very young children, the logical follow-up is to cultivate those gains by increasing opportunities to participate in early childhood education. We therefore turn next to a discussion of early childhood education programs and how they might indeed be “ramped up.”

### Early Childhood Education

The home visiting program arguably takes the early-intervention approach to its logical limit by intervening prenatally (and then continuing services up to age 5). Although early childhood education (ECE) programs of course start after birth, they are still chiefly understood as a classic early intervention approach. The empirical rationale for these programs is much the same as that for home visiting: The available evidence suggests that key cognitive and behavioral inequalities are typically established *before* children begin formal schooling and sometimes do not increase all that much thereafter. The income gap in achievement tests, for example, is already very large when children enter kindergarten and remains much the same size as children progress through elementary school.<sup>19</sup> The purpose of ECE is to take up where home visiting programs left off by providing the early experiences, stimulation, and training that can prevent such a large gap from emerging before children enter kindergarten.

The evidence on behalf of ECE is strong, but not without some complexities. In discussing this literature, the standard and natural starting place is the now-famous evidence on two intensive and small-scale programs, the Perry Preschool and Abecedarian programs.<sup>20</sup> The Perry Preschool study was based on an experiment with random assignment of low-income African-American children to either the experimental condition (attending the Perry Preschool) or a control group that entered kindergarten at age 5. In the experimental condition, children attended preschool from ages 3 to 5, with classes meeting 2.5 hours per day for five days per week. The program included weekly home visits with the children and their parents (and in this regard may be understood as an amalgam of home visit-

ing and conventional preschool programs). The key result: The members of the treatment group increased their cognitive and noncognitive skills as well as earnings, were less likely to be arrested, and were less dependent on social programs. The Abecedarian program, which was similar in treatment intensity, yielded roughly comparable results.

Are such positive results found only in small-scale programs? Absolutely not. The best-known study of a public preschool program, the Chicago Child-Parent Centers, showed effects similar in size to those of the Perry and Abecedarian programs.<sup>21</sup> There have likewise been very promising results in the Boston Public School Pre-K Program.<sup>22</sup> The average effect across all programs is sizable: In a recent meta-analysis of 123 quasi-experimental and experimental studies of ECE programs, the long-term effects on cognitive outcomes (e.g., test scores), school progress (e.g., high school graduation), and socio-emotional development were all found to be quite large.<sup>23</sup>

The case for expanding California's ECE program rests on these very positive results.<sup>24</sup> The two key problems with California's existing ECE program are that (a) there aren't enough slots in California for low-income children,<sup>25</sup> and (b) the available slots are not all of adequate quality. If one were to craft an ECE reform, it should accordingly address both deficiencies at once by increasing the number of ECE slots and improving the quality of ECE slots. These reforms, if undertaken, would equalize opportunities by allowing low-income children to develop their skills and capacities in ways that would ultimately position them to opt for high-quality vocational training, attend college, or otherwise increase their human capital.

### Late Interventions

We have to this point presented the home visiting and early childhood education programs as high-return exemplars of the early-intervention approach. Although the evidence behind them is compelling, there is also strong evidence on behalf of some later interventions, evidence to which we will now turn. The life course is studded with a series of critical junctures, some of which occur very early in life (e.g., early brain development), but others of which occur later on (e.g., college entry).<sup>26</sup> If we do not address these later critical junctures, as well as the early ones, we will not fully exploit the increased capacity for human capital investments secured by improving early childhood experiences. The task before us, therefore, is to identify the late childhood junctures at which children are blocked from acquiring human capital.

There are many programs and institutions designed to assist the state's low-income children as they negotiate primary and secondary school, including (a) Title I programs that improve opportunities for academic success in low-income schools, (b) dedicated extracurricular and summer-school activities for low-income children, (c) programs for disseminating information about preparing for and applying to college, and (d) financial aid and loans for low-income children attending college or vocational schools. The relevant evidence suggests that many of these programs for children in primary and secondary school are effective and should be expanded. We will not attempt to weigh in on these

programs here. As the Local Control Funding Formula (LCFF) is implemented in California, children from disadvantaged families may have increased access to many of these programs, thus equalizing opportunities within the later life course.

This is not to suggest that California should rely exclusively on the changes that the LCFF should bring about. The State would do well to additionally exploit a newer class of interventions that, by building on existing programs, offer further opportunities for substantial returns at very low cost. The simple insight behind these interventions is that many key investments (e.g., going to college) require students to overcome entrenched impediments to good decision making and follow-through.<sup>27</sup> These impediments can be overcome with informational and social-psychological interventions that have been rigorously tested and can now be incorporated into California's existing programming at low cost:

*A social-psychological intervention:* A series of brief training exercises can reverse debilitating beliefs about capacities and lead to sizable and long-lasting gains in academic achievement.<sup>28</sup>

*Informational support:* By providing better information and waiving application fees, low-income students with a record of superior achievement will apply to and attend colleges that are well matched to their capacities and talents.<sup>29</sup>

*A text-messaging intervention:* A low-cost program of personalized (but automated) text messages can increase college attendance among low-income students.<sup>30</sup>

Although our natural instinct is to assume that big problems require big institutional reforms, this class of interventions instead proceeds from the recognition that big problems are sometimes amenable to highly targeted and narrow-gauge solutions.

The payoff to the foregoing interventions (per dollar invested) is likely as large as the payoff to high-quality early childhood education.<sup>31</sup> To be sure, there is no disputing that early childhood education yields a higher payoff than many late interventions (e.g., conventional job training programs), but it does not follow that it yields a higher payoff than all of them.<sup>32</sup> It also bears noting that, while the late interventions mentioned here have compelling evidence behind them, a host of others also hold promise and might be developed into a fuller suite of late interventions.<sup>33</sup>

We have to this point discussed (a) the effects of the LCFF in equalizing school funding, and (b) some additional late interventions that may be usefully layered on top of LCFF-induced changes. These two classes of reforms work in the main to provide higher-quality schooling to disadvantaged children and thereby equalize access to college. It is of course also important to develop a third class of late interventions that equalize access to jobs that do not require a college education. Although job training programs are sometimes represented as the prototypic low-return investment, the latest evidence suggests that these programs can have high payoff when training is targeted to expanding sectors of the economy. Because community colleges have become the

center of contemporary workforce development, a shift to such “sectoral programs” may be best promoted by developing new funding formulas that incentivize community colleges to carry out training in high-demand fields.<sup>34</sup>

### Making Work Pay

The foregoing reforms, which focus on upgrading the skills and capacities of California’s labor force, might be criticized for ignoring the role of low-paying jobs in generating poverty. After all, if the main problem is that jobs just don’t pay enough, shouldn’t we take the bull by the horns and find a way to increase pay directly?

This claim is misleading insofar as it implies that the pay attached to jobs can be affected only by directly legislating it. We can also affect pay indirectly by changing the relative supply of low-skill and high-skill labor. If a labor-supply approach were implemented and allowed children from low-income families to better develop their capacities and skills, a growing number of workers would exit the low-skill sector, thus increasing their own wages as well as tamping down wage-lowering competition among those still in that sector. As the low-skill sector thins out, employers will have to pay more for the remaining laborers, which will induce them to refocus on the “high road” of automation and allow California to move more fully into a high-skill niche.

This line of reasoning makes it clear that wages in the low-skill sector are unduly low because the sector is flooded with workers who have not had a full and open opportunity to secure higher skills. The approaches discussed in the prior sections are intended to equalize such opportunities: We need to expand home visiting programs because we want all children, no matter how rich or poor their parents, to be raised in environments that protect their health and develop their capacities; we need to expand early childhood education because we want all children, no matter how rich or poor their parents, to be raised in environments in which those capacities are cultivated and have an opportunity to flourish; and we turn to late childhood interventions because we want all children, no matter how rich or poor their parents, to have full and complete access to college or other training opportunities. It will of course take more time than we would like for these opportunity-equalizing programs to bear fruit. If tax credits are applied now, we can immediately raise the pay of low-skill workers and thereby compensate, if only partially, for the reduced opportunities that most of them faced earlier in their lives. Although the need for such wage support will lessen as soon as opportunities are equalized, there is a pressing need to prop up wages now given that the low-skill sector is flooded with workers who did not have many opportunities.

The two most obvious approaches to “making work pay” entail directly supplementing the income of low-wage workers via the minimum wage or the Earned Income Tax Credit (EITC). Because there are ongoing efforts to further raise California’s minimum wage, and because these efforts, even if wildly successful, will not reduce poverty by nearly the necessary amount, our comments below will focus on the possibility of a parallel effort to increase the EITC.<sup>35</sup> To date, 26 states have their own state-funded EITCs,

usually taking the simple form of a fixed percentage of the federal credit. If the federal EITC were supplemented by 10 percent, California would be a “middle-of-the-pack” state (relative to other states currently providing supplementation). Although a good case could be made for a yet more substantial supplement, the modest one recommended here rests on the likelihood that the federal EITC will be increased in the near future.

This recommendation is grounded in the now-overwhelming evidence that the EITC increases employment and earnings.<sup>36</sup> When the EITC has been expanded, the increases in employment among families with children are quite substantial, especially among those with female family heads.<sup>37</sup> The downstream benefits of the EITC are likewise impressive: The EITC improves the mental and physical health of mothers, reduces the likelihood of low birth weights, improves performance on cognitive tests, and increases college enrollment.<sup>38</sup> The extra money that the EITC delivers to parents makes it into a supply-side intervention as well. When parental income is increased, children are raised in healthier and less stressful circumstances, which in turn positions them to make more substantial human capital investments. This is why Hilary Hoynes recently concluded that the EITC may “ultimately be judged one of the most successful labor market innovations in U.S. history.”<sup>39</sup>

Does it follow that an expanded EITC could fully solve California’s poverty problem? This seems unlikely. If an EITC supplement were adopted in California, many families in deep poverty would simply not benefit from it. From its inception, the EITC has been intended to incentivize work, which means that families without any employed workers will not directly benefit from it. The ongoing rise of nonworking poverty would therefore go unaddressed by an EITC-based reform.<sup>40</sup> It follows that, insofar as a state EITC were adopted, it should be coupled with other reforms (e.g., increased CalWORKs funding) that assist those in even more profound need.

This part of the equal opportunity plan, unlike the two foregoing parts (i.e., home visiting, early childhood education), thus relies on cash transfers or tax credits. Are such transfers or credits difficult to reconcile with core U.S. values? Absolutely not. The EITC is consistent with the country’s values not just because it ensures that “work pays” but also because it compensates for the reduced opportunities that most recipients faced earlier in their lives. This is not, however, the only way in which income transfers are opportunity-equalizing interventions. The EITC and CalWORKs also equalize opportunities for the *next generation*: That is, by raising the income of poor families, the EITC and CalWORKs act to level the playing field for the children raised in these families. There is growing evidence that, when income is transferred to poor families, the children in these families ultimately grow up healthier, have higher earnings, and work longer hours.<sup>41</sup>

It also bears noting that any meaningful commitment to equal opportunity should go beyond such transfers and credits by addressing the legal and institutional sources of poverty. The careful reader will note that—to this point—our discussion has followed convention by conflating anti-poverty policy with safety net policy. This conflation, however conventional, is

deeply problematic. After all, wages and unemployment are also directly affected by a host of legal and institutional practices that are quite unrelated to the safety net itself, practices that lead to (a) an especially high risk of incarceration for children born into poverty (notably African Americans), and (b) employment discrimination against mothers, members of some racial groups, undocumented immigrants, and the formerly incarcerated. These various forms of discrimination, each of which is inconsistent with a commitment to equal opportunity, can be addressed through legal reform and improved enforcement (some of which can be implemented at the state level).

Although we have focused much of our commentary on safety net reform, this legal and institutional reform cuts to the heart of any commitment to equal opportunity and must accordingly be understood as central to any meaningful equal opportunity plan. The available evidence, which suggests such reform would dramatically raise employment and wages in high-poverty populations, speaks to the power of policies that address causes (e.g., discrimination) rather than symptoms (e.g., low pay, unemployment).<sup>42</sup>

### Conclusions

We started this essay by noting that California's poverty rate, which now stands at 22.0 percent, is higher than that of any other state. Worse yet, the poverty rate for high-school dropouts is a shocking 53.9 percent, a rate over five times higher than that for college graduates. The safety net has of course stepped up to the challenge by substantially reducing poverty relative to what would have prevailed in its absence. That said, even after the safety net has done all its important work, we are left with more than one in five Californians in poverty and the highest poverty rate in the country.

Why hasn't this dismal state of affairs led to concerted action and the development of a new antipoverty plan? There are, to be sure, many reasons why poverty hasn't been taken on, but an especially important one is that we haven't known how to do so in a way that's both backed by science and consistent with our beliefs about how a safety net should work. The state has therefore adopted a business-as-usual stance in which safety-net funding plods along, the poverty research industry plods along, and there is but a vague and distant hope that a magic-bullet solution will ultimately present itself.

We do not need to wait any longer. The main purpose of our essay has been to describe just how far the relevant science has come and to craft an antipoverty program rooted in that science. Although we do not mean to suggest that the evidence on all issues is clear-cut, there is a growing consensus around a two-pronged approach that combines opportunity-equalizing and wage-raising reforms.<sup>43</sup>

This approach is well-tested, yields returns in excess of the investments, is consistent with our beliefs about how safety nets should work, integrates well with existing programs in California, and can be delivered with a centralized or decentralized (e.g., Promise Neighborhood) approach. The resulting program is not about treating symptoms, not about providing short-term relief, and certainly not about charity. It is about building a training

system, labor market, and economy that provide opportunities for everyone and that ensure decent rewards for hard work. Because the proposed supply-side and tax-credit reforms treat the upstream causes of poverty, they will bring about a *permanent* reduction in the size of the poverty population and reduce future demands on the safety net. The poverty population will permanently shrink because low-income children will have new opportunities to develop capacities and make high-payoff investments in skills. By virtue of these opportunities, children from low-income families will no longer be mired in the low-wage sector, which not only raises their own wages but also reduces wage-lowering competition among the shrinking number of workers who do remain in that sector.

The evidence behind this program is strong, but it is not just evidence alone that recommends it. It is also attractive because, unlike some safety-net programs and interventions, it comports well with the country's long-standing commitment to equalizing opportunity and ensuring that hard work pays off. We too often embrace the latest flavor-of-the-day programs simply because they work and happen to have supporters. This is surely understandable: After all, only rarely does *any* poverty-reducing program have much support, so we're loath to be all that principled when one finally does. The great virtue, however, of a more principled approach is that it lays out our commitments clearly and allows us to build our institutions in defense of them. The equal opportunity plan reminds us that we're committed to opportunity for all children and that we'll intervene aggressively whenever that commitment is circumvented. When our safety net tells a simple story in this way, it becomes a cherished institution that we hold near and dear, an institution that makes sense to us and that we're especially willing to defend. ■

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## Endnotes

1. The Children's Defense Fund has recently laid out a comprehensive plan for reducing poverty. Although it's an attractive plan that deserves careful consideration, we are presenting here an alternative long-run plan that minimizes reliance on ongoing cash transfers. See <http://www.childrensdefense.org/library/PovertyReport/EndingChildPovertyNow.html>. For a plan closer in spirit to that proposed here, see Sawhill, Isabel, and Quentin Karpilow. 2014. "How Much Could We Improve Children's Life Chances by Intervening Early and Often?" Washington, D.C.: The Brookings Institution. The Colorado Opportunity Project is likewise similar to the plan outlined here (see Winship, Scott, and Stephanie Owens. "Guide to the Brookings Social Genome Model." Washington, D.C.: Brookings Institution).
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43. The recommendations advanced here do not encompass the full constellation of programs for which strong evidence of effectiveness can be found. For an excellent review of many programs not covered here, see Haskins, Ron, "Social Programs that Work," *New York Times*, December 31, 2014 ([http://www.nytimes.com/2015/01/01/opinion/social-programs-that-work.html?\\_r=0](http://www.nytimes.com/2015/01/01/opinion/social-programs-that-work.html?_r=0)). See also Haskins, Ron, and Greg Margolis, *Show Me the Evidence*, 2014, Washington, DC, Brookings Institution Press. There are also any number of key questions about poverty programming that remain unresolved. The evidence is not clear, for example, on whether early and late childhood programs are best delivered by coordinating service delivery at the state or local level. Under a centralized approach, the coordination problem is solved at the state level, with representatives of state service agencies (e.g., the California Department of Social Services) endeavoring to build programs that integrate well with one another. This is of course an ongoing and imperfectly realized process. The obvious alternative is to approach the coordination problem at the local level. The best-known initiative of this sort, Promise Neighborhoods, may be understood as a particular rendition of the equal opportunity plan, predicated on the view that, in any given community, the constellation of service providers is quite variable and that community-specific plans for integrating them are likely to be most successful.

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