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In early 1990s, I travelled the country interviewing hundreds of single mothers about their economic survival strategies, culminating in the book *Making Ends Meet*, published on the eve of welfare reform. Then I moved on to other topics. In 2010, my work took me to the home of Ashley, a 19-year-old mother of a 2-week-old child. When Ashley met us at the door, her hair was unkempt. She wasn't making eye contact. As she moved her child from one shoulder to another, she wasn't supporting her baby's head. The only furnishings were a trash-picked couch, a table missing a leg and a single chair. The kitchen cupboards were bare. As we talked, I was stunned to learn that there was no cash income coming into the household, not from work, welfare, or any other source. I had not encountered this in the early 1990s. A thought occurred to me: could it be that in the aftermath of welfare reform, a new kind of poverty had arisen, a poverty so deep that we hadn't even thought to look for it?

At the end of our conversation, I gave Ashley the standard stipend of \$50 for the interview. Worried about her and the baby, I asked if we could return the next day. Imagine our surprise when, just a day later, we found Ashley on her way out the door to search for a job. She had purchased a home perm and a used pantsuit from the Goodwill store. There was a spring in her step as she made her way down the sidewalk.

Another thought occurred to me: could it be that in the world's most advanced capitalist society, a mere \$50 cash could be the difference between the dispirited woman we had met the first day, and the motivated job seeker we met the second?

To answer these questions, I teamed up with Dr. Luke Shaefer, an expert in the survey that captures more of the income of Americans than any other, the Survey of Income Participation (SIPP). The numbers he produced were astounding. According to the SIPP, by 2011, about one quarter of poor households with children were living virtually cashless lives at any given time, up dramatically since the mid-1990s (Shaefer and Edin, 2013).

Not willing to trust a single data source, we replicated our analysis with administrative data. The SNAP program publishes the number of families with children reporting zero income when they apply for benefits or recertify. Plotting those numbers against our SIPP estimates, we saw an astonishing correspondence (Shaefer, Edin and Talbert 2015). The number of SNAP-zero Income families with children rose to nearly 1.4 million in 2014 before declining slightly to about 1.2 million at latest count (2017), up from just a few hundred thousand in the mid-1990s (FNS).

These numbers raised as many questions as answers. To answer them, we had to find other families like Ashley's and learn more about their lives. We followed 18 such families in Chicago, Cleveland, a community in Appalachia, and one in the Mississippi Delta, for many months, and sometimes years. From this ethnographic work, we

developed three hypotheses about what was behind the rise of this new form of poverty, which we called “extreme” poverty” (households with children living below \$2 per person per day in reported cash income).

The first is the virtual death of the cash welfare system in many parts of the country. Just prior to welfare reform, the Aid to Families with Dependent Children program served roughly two thirds of poor families. At last count, that figure had fallen by two thirds, to 23 percent. Today, only a handful of states have anything resembling their pre-reform cash welfare system, now called the Temporary Assistance to Needy Families program, or TANF (Center for Budget and Policy Priorities 2018).

What was more striking to us, however, is how “dead” the cash welfare system was in the minds of our 18 households. Some, like Modonna Harris of Chicago, had heard that “they just aren’t giving that out anymore.” Others, like Travis Compton of Johnson City, Tennessee, replied to our question about why he hadn’t applied for TANF, asking “What’s that?” When hard times hit, these families didn’t even think to knock on TANF’s door. Rae McCormick of Cleveland did finally apply, but claimed she was told, “Honey, I’m sorry. There are just so many needy people, we just don’t have enough to go around.”

Second, low wage work has become increasingly perilous. Initially, we thought families experiencing extreme poverty might be cut off from the world of work. But the stories of our 18 families were full of jobs held, lost, and searched for. Furthermore,

these parents prided themselves on being workers. When examining children experiencing a spell of extreme poverty for three months or more in the SIPP, we found that 70 percent had an adult in the household who had worked (for at least a month) in that calendar year (the figure for other low income children was about 90 percent) (Shaefer, Edin and Talbert 2015).

Two interwoven dynamics were common among our 18 families: the perilous nature of work and unstable personal lives. Together, they formed a toxic alchemy that had led to a spell extreme poverty. When combined with volatile living situations and family and friends that were unsupportive, or even harmful, even dedicated workers found themselves unable to maintain steady employment.

Jennifer Hernandez and her children, Kaitlin and Cole, were living in a homeless shelter as she searched for work. After several months of pounding the pavement on Chicago's Near North side, she finally found a job at a janitorial company. Initially, she cleaned commercial spaces downtown and loved the visible difference she made each day. But those contracts dried up. Soon, she was cleaning vacant homes on Chicago's South Side in the dead of winter, homes without heat, water, or electricity, and often filled with environmental toxins like mold. This work enveloped Jennifer and her children, all with asthma, in a cycle of illness that led to several visits to the emergency room. When she remained home to care for her sick children, her supervisor cut her

hours, deeming her an unreliable employee. She had to quit that job to help her family recover and have time to search for a new one.

Rae McCormick had worked at Kmart since she was 17, but it closed about the time that a Walmart came to the neighborhood. After obtaining a cashier's job at Walmart, she set her sights on winning "employee of the month." She did so two times in her first six months. To get to and from work, Rae paid her landlord, a family friend, for the use of his truck, putting what remained of each check in the tank each Friday, when she got paid. One Monday, she set out for work only to find that the tank was empty—her landlord had used up the gas running errands over the weekend. Unable to find anyone who could lend her any cash, she called up her manager, hoping for a loan or a ride. Neither was forthcoming. Rae lost that job.

Third, housing instability is a hallmark of life for families in \$2 a day poverty. While doubling up can be an important source of support, our families' stories revealed that doubling up was what most often exposed children to emotional, physical, or sexual abuse. When Jennifer Hernandez lost the cleaning job, she also lost her apartment and her family ended up living in the spare room of an uncle's home in Texas. After running errands one morning, Jennifer returned home to find the uncle molesting Kaitlin, her 9-year-old. "I never expected that," Jennifer said, after describing the family's desperate flight from the house to the local charitable agency where the family found shelter. When we first met her, Rae McCormick had been moving in and

out of \$2 a day poverty for more than a decade, after her father died and her mother abandoned her—at age 12—to pursue a lover to the mountains of Tennessee. After that, Rae experienced a series of repeated, precarious double ups with both kin and non-kin. When recounting her experiences, Rae shrugged, and said, “I’ve been beat, I’ve been raped.”

The number of homeless or precariously housed school-aged children has risen dramatically since schools first started reliably reporting these data in 2007-08. While the figure was about 700,000 then, it has now risen to nearly 1.4 million (National Center for Homeless Education). We used state-by-year fixed effects to discern the role the decline of cash welfare played in the rise, and found that for every 100 fewer TANF cases within a state over a year’s time, there were 14 more homeless students, a stunning result (Shaefer, Edin, and Fusaro 2019). Even a single year living with extended kin or non-kin is significantly associated with a 9 percent lower odds of high school graduation, an 8 percent lower odds of college attendance, and 11 percent higher odds of obesity (Harvey 2018).

How do families survive? Private charity helps but is not evenly distributed across the country. Though overall, SNAP fraud is rare, it is common for the extreme poor to trade SNAP for cash, at 50 to 60 cents on the dollar. Since SNAP is not designed to last the whole month, this virtually ensures the family will go hungry. Families also showed old-fashioned American ingenuity. When his water was shut off due to

nonpayment, Paul Heckewelder of Cleveland “took the gutter apart, rigged it up over the garbage can” and used rainwater to flush the toilets. Jessica Compton, Travis’s wife, donated plasma weekly. This had been the family’s only source of cash income since both were laid off from their service-sector jobs due to a seasonal slump several months before. She told us “Especially if my iron’s down, I get, like really tired.”

Since the mid-1990s, Food pantry utilization among families with children has risen dramatically (USDA-ERS). Plasma donations grew from about 10,000 to almost 40,000 from the late 1990s to 2016. Informally, the U.S. is known as the “OPEC” of blood plasma, accounting for about 70 percent of the world’s supply. This is because the U.S. is the only nation that allows frequent donations, all else deeming it a health hazard (Shaefer and Ochoa 2018). In the U.S., the best single indicator of where a plasma clinic is located is the rate of deep poverty (less than 50 percent of the poverty line) in a census tract (Ochoa, Shaefer, and Grogan-Kaylor, n.d.). Among our families, selling plasma was ubiquitous; many bore a scar on the inside of their elbow from frequent donations

In the Mississippi Delta, Alva May Hicks routinely trades about \$600 in SNAP benefits for \$300 in cash so she can pay her utility bill in a climate that, in the six months prior to our first encounter, had ranged from 9 to 109 degrees. About one week into the month, the remaining SNAP is gone, leaving her and her children without food. I asked

one of the children, Tabitha, “What does it feel like to be that hungry?” She said, “Well, actually, it feels like you want to be dead. Because it’s peaceful being dead.”

Some claim the in the U.S., poor families with children are not really poor. Some even claim they live comfortably. We constructed an Index of Deep Disadvantage that combines measures of poverty, health, and intergenerational mobility. When we compare the 100 most disadvantaged places in the United States to the 100 most advantaged, we find that the poverty rate and deep poverty are both higher by greater than a factor of six. Life expectancy is shorter by a full 10 years, and the incidence of low infant birthweight is double. In fact, average life expectancy in America’s most disadvantaged places, as identified by our index, is roughly comparable to what is seen in places such as Bangladesh, North Korea, and Mongolia, and infant birth weight outcomes are similar to those in Congo, Uganda, and Botswana (Shaefer, Edin, and Nelson 2020). We can argue about the causes and consequences of poverty—and what to do about it—but can anyone really argue that we’ve solved [the problem]?”

In concert with the National Academy of Sciences report, *A Roadmap to Reducing Child Poverty*, we believe the best solution to the problem we’ve described is a universal, or near-universal, child allowance, such as the one proposed by the *American Family Act*. About the Act, we wrote “This proposal eliminates the kind of poverty among families with children that motivated our book *\$2 a Day*. Without creating disincentives to work, it sends a clear message that society values and supports the essential task of parenting

and recognizes the special burdens that all parents of children, but especially young children, face.” The government could, and should, enact a universal, or near universal, child allowance. Doing so could cut child poverty by nearly 40 percent, reduce the number of children in deep poverty by half, and completely eliminate extreme poverty for families with children.

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