



Testimony of Shailly Gupta Barnes

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Before the Select Committee on Economic Disparity and Fairness in Growth

“The Nature and Consequences of American Economic Disparity”

July 29, 2021

Thank you, Chairman Hines and members of this Committee, for calling attention to economic disparity in America and the invitation to participate in this hearing. I am the Policy Director of the Poor People's Campaign: A National Call for Moral Revival and the Kairos Center for Religions, Rights and Social Justice. I have a background in economics, law and human rights and the experiences gained from working with and for poor and dispossessed people for more than 17 years.

The Poor People's Campaign is committed to ending the injustices of systemic racism, poverty, ecological devastation, militarism and the false narrative of Christian nationalism. We are rooted in more than two decades of organizing among poor and low-income communities and, over the past three years, have established a national campaign across 45 states in the country, with a network of more than 200 organizational partners, labor unions and thousands of faith leaders, including national denominations, who together represent tens of millions of people.

As Policy Director, I have worked with leading economists and economic and policy institutes to put the conditions facing poor and low-income communities into context. In 2018, we released the [Souls of Poor Folk Moral Audit](#), a report that looked at the past 50 years to assess the economic trends and policies that have brought us to this moment. To compile this report, we included interviews with poor and low-income people who are on the frontlines of these injustices around housing, water, welfare, climate crisis, war, immigration and more, because they are living through the changes that are later studied and reported on by economists and other experts. Their insights helped to inform the issues that were taken up in that report and, as the Committee develops your assessment of our current content, I encourage you to reference that study and the other reports that we have released that carry out this methodology.

What we have learned is that there are [140 million people](#) in this country who are poor or one emergency away from being poor. This includes 35-40 million people who are living below the poverty threshold (SPM) and 95-100 million people who are living right above it. Among the 140 million are: 52.1 percent or 38.5 million children (below 18); 42.0 percent or 21 million elders (above 64); 41.6 percent or 65.8 million men; 45 percent or 74.2 million women; 59.7 percent or 23.7 million Black, non-Hispanic people;

64.1 percent or 38 million Latino/a people; 40.8 percent or 8 million Asian people; 58.9 percent or 2.14 million Native/Indigenous people; and 33.5 percent or 65.6 million white, non-Hispanic people.

According to a 2021 report from the [Urban Institute](#), the 140 million grew to nearly 150 million in 2020. The conditions facing this massive population - and impacting over 40 percent of the country - include a crisis of low-wages; housing, food and health insecurity; mounting household debts that cannot be paid; polluted air and water; and increasing criminalization, policing and militarism in their communities. There are nearly 50 million people who are working for low wages, including at least 40 percent of Black and Latina/o workers and approximately 30 percent of white workers, while a majority (59 percent) of low wage workers are women. More than half of the low-wage jobs that were lost during the pandemic have not returned. Approximately 30 to 40 million people are at risk of becoming homeless, while an estimated 25-50 million are food insecure, including a disproportionate share of households of color. Leading into the pandemic, 87 million people were uninsured or underinsured and, due to a lack of affordable healthcare, 10 million more people have enrolled in Medicaid since last year. Household debt burdens have swelled to over \$14 trillion, with three-quarters of low-income households having difficulty meeting daily household expenses. Columbia University's Mailman School of Public Health has estimated that 250,000 die every year because of poverty and inequality. There is also profound physical, emotional and mental stress from living under these conditions, the effects of which are not often fully appreciated, but have contributed to shorter life spans among poor and low-income households.

The 140 million are not only a set of numbers or statistics. They are leaders and members in the Poor People's Campaign, and across our 45 state campaigns, who are helping to reveal and diagnose these conditions. Families who have been separated by unjust immigration policies standing alongside families who have been separated by mass incarceration or welfare policies that punish them by taking their children; communities from the Mississippi Delta to Cancer Alley, from the Appalachian hills to Apache lands, people whose communities and sacred lands are being destroyed by floods, fossil fuels and fracking; from the Rust Belt to the Bible Belt; low-wage workers, veterans, caregivers, students, people of all abilities who cannot afford a place to live, despite working two or three jobs; these people and so many more are showing us not only the depths of the crises we face, but also their solutions.

As Mashyla Buckmaster, a formerly homeless, single mom from rural Washington has said, "I wasn't homeless because I was stupid. I was homeless because our society cares more about the billionaires who live in Seattle than a young, pregnant homeless woman in the middle of winter."

Indeed, alongside the 140 million are a small group of billionaires whose wealth has grown dramatically in recent months. Before the pandemic, just three individuals owned as much wealth as half the country. Between March 2020 and July 2021, [billionaire wealth](#) grew by almost 60 percent, from \$2.9 trillion to \$4.7 trillion. In fact, one-third of billionaire wealth gains over the past 30 years have come during this period of time.

While hastened during the pandemic and its economic fallout, these two extremes are not due to the pandemic alone. Rather, they are the predictable outcome of intentional policy choices that aimed to redistribute economic leverage and bargaining power upward and away from shared economic progress. Over the past four decades, as our economy has become increasingly more productive, an accumulation of dozens, if not hundreds, of policy choices made in the form of legislation, regulatory changes and administrative decisions have consistently put a thumb on the scale of the conflict over who would see benefits from that economic growth. As corporations and employers have been prioritized over communities and workers, anti-poverty programs have been consistently underfunded, while spending on war, prisons, and immigration enforcement has steadily increased and the threats to our planet and environment have multiplied. Out of every federal discretionary dollar, 53 cents goes towards military spending and only 15 cents on anti-poverty programs. These choices were made more likely and possible as our democracy has been weakened by voter suppression, keeping those who are most impacted by these skewed priorities out of our political system.

Although the 140 million do not run this country, they make it run. When they are in crisis, our entire economy suffers. Rising inequality is associated with slower overall economic growth and more persistent poverty. In fact, there are costs to maintaining a vastly unequal economy. The aggregate costs of child poverty, considering everything from child homelessness to crime and health costs to lost economic productivity, is estimated at [\\$1 trillion](#) per year. Similarly, barriers to full labor market participation and compensation by women and people of color were estimated at [\\$2.6 trillion](#) of our gross domestic product in 2019. Inaction on climate change may cost close to [\\$3.3 trillion](#) annually. We have spent \$6.4 trillion on endless wars over the past twenty years, even while the federal minimum wage has stagnated at \$7.25 an hour.

At the same time, policies that prioritize the poor have been shown to have economy wide benefits. A [2021 report](#) from the Brookings Institute looking at the macroeconomic effects of President Biden's \$1.9 trillion relief package shows that resources given to poor and low-income households had a greater impact on the economy than resources going to businesses. Every dollar that was given to "financially vulnerable" households was multiplied into \$1.20, whereas every dollar given to businesses was multiplied into \$0.30. Likewise, every dollar spent on [SNAP](#) (food stamps) during an economic downturn generates between \$1.50 and \$1.80 of economic activity and every dollar that goes into raising the [minimum wage](#) adds \$1.20 in economic activity. The Economic Policy Institute has also estimated that the \$600 per week of [unemployment insurance](#) provided by the CARES Act was supporting approximately 5 million jobs.

We can no longer try to fit the 140 million into an economic system that has systemically excluded them and there is no economic or moral reason to impose an era of forced scarcity, when we live in an era of abundance.

Earlier this year, the Campaign released a set of 14 priorities for the 117th Congress and the new Administration. They include:

- Updating the poverty measure to get a true accounting of who is poor and expanding our social welfare programs to fully meet these needs;
- Raising the minimum wage to \$15 / hour immediately, while moving towards living wages, and protecting the right to form and join unions;
- Expanding Medicaid and providing universal single payer health care for all;
- Enacting a federal jobs program to build up investments, infrastructure, public institutions, climate resilience, and socially beneficial jobs in poor and low-income communities;
- Guaranteeing housing and ending all evictions and foreclosures, as well as guaranteeing access to water, welfare and equitable, diverse public education;
- Relieving debts that cannot be paid, including housing debt, medical debt and student debt;
- Expanding and protecting voting rights;
- Ensuring all of the rights of indigenous peoples, including the right to their sacred lands and the free and full expression of their religion;
- Enacting comprehensive and just immigration reform;
- Demilitarizing our foreign policy, our borders and policing and redirecting these resources towards programs of social uplift; and
- Implementing fair taxation on the wealthy, Wall Street and corporations.

While these priorities begin with the needs of the poor, they will benefit our entire economy. Moral policy, which centers those who are most harmed by our current system, is also good economics. When you lift from the bottom, everybody rises.

Appendices to Testimony of Shailly Gupta Barnes

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I. Appendix A: [Souls of Poor Folk Moral Audit](#)

The Souls of Poor Folk is an assessment of the economic and policy trends of the past 50 years in the United States. In 1967 and 1968, Rev. Dr. Martin Luther King, Jr., alongside a multiracial coalition of grassroots leaders, religious leaders, and other public figures, began organizing the 1968 Poor People's Campaign with poor and marginalized communities across racial and geographic divides. 50 years later, *The Souls of Poor Folk* challenges us to take a look at how these conditions have changed since that time. The stark findings draw from a wide variety of sources, including primary and secondary data as well as interviews with and testimonies by people who have been living through and responding to these changes on the ground. It is organized around the injustices of systemic racism, poverty, the war economy/ militarism and ecological devastation and emphasizes the complex relationships between and across these injustices. These are not marginal issues. While more than 40,600,000 Americans subsist below the poverty line, this report shows that there are close to 140 million people dealing with some combination of these crises every day. The devastation cuts across race, gender, age, and geography.

II. Appendix B: [Poor People's Moral Budget: Everybody Has the Right to Live!](#)

In the seven sections of the Moral Budget, we look at policies and investments for seven critical areas of the Poor People's Moral Agenda: 1) democracy and equal protection under the law; 2) domestic tranquility; 3) peace and the common defense; 4) life and health; 5) the planet; 6) our future; and 7) an equitable economy. In each case, we've found that our nation has abundant resources to meet the demands of the poor, and to address the widespread and systemic injustices we face. In contrast, the current realities of voter suppression, low and inconsistent wages, insecure access to health care and other basic needs, wealth inequality, war, and climate change are far costlier than we have been led to believe.

This Budget shows that it is possible to invest our resources in the ways demanded by this Campaign and our moral and Constitutional values: to establish justice, domestic tranquility, security, and the general welfare for all. It shows, too, just how wasteful systemic injustice is.

III. Appendix C: [Poor People's Campaign 14 Priorities to Heal and Transform the Nation](#)

This list of policy priorities is directed at the 117th Congress and new Administration. It is focused on the demands and needs of the 140 million poor and low-income people in the country.