



# SOCAL POLICY FORUM

**What is it? »** We've asked experts in Southern California for their idea on how to solve some of the biggest problems facing our region. For more responses, check out [socialpolicy.org](http://socialpolicy.org).

## Solutions

# What's key to bringing people out of poverty?

### Ensuring wages keep up with cost of living

By Madeline Brozen

Ensuring that wages keep up with costs of living is key. In Southern California and focus on reducing regional inequality. In California, our higher-wage industries are employing fewer and fewer people and these jobs are concentrated in the Bay Area and Orange County. The industries that employ most of the workers, especially in Southern California, are lower-wage, lower-growth industries. Wages for these jobs are more or less stagnant since 1990. Meanwhile, the costs of living in Southern California have rapidly increased.

After focusing on wage growth, we know that one of the most effective means for lifting people out of poverty is providing greater access to more job opportunities. In Los Angeles, this typically means giving poor people access to cars. Even as we grow and build our transit system, having a car will still provide huge advantages to low-income people when searching for, securing, and retaining employment. This does not mean that we should cease expanding our transit system — this is an imperative for our region. We need to increase access to job opportunities among every transportation mode.

*Madeline Brozen is deputy director of the UCLA Lewis Center for Regional Policy Studies.*

### Everything begins with strong educational opportunities

By Angelica Salas

The most effective means of keeping people out of poverty begins with providing people with quality, government-funded education, preschool to college, that prepares them for the workforce and opens up opportunities to economic opportunity.

Prosperity comes from good paying jobs, support for entrepreneurs and a robust safety net system.

It also means that all who work have access to these opportunities. There is also equal pay for all independent of gender or race. People will be lifted out of poverty when we pass just and humane immigration policies that end workplace exploitation of immigrant workers who without legal immigration status are vulnerable and subjected to abismal wages.

*Angelica Salas is the executive director of the Coalition for Humane Immigrant Rights of Los Angeles.*

### Wealth creation, not wealth redistribution

By Tom Campbell

Creating a regulatory, tax and governmental environment that welcomes job-creation in California is the best way to keep Californians out of poverty.

Yet, in large part responsive to understandably compassionate instincts, our government tends to go directly to wealth transfers, without realizing the importance of wealth creation.

Without wealth creation in society there cannot be wealth redistribution. California government has come to view businesses and business leaders as ATMs to fund social programs. If, instead, we had more businesses choosing to locate in, and not to move from, California, we would greatly reduce the call for such social programs.

Expanding the earned income tax credit is much wiser than increasing the minimum wage. The former uses general tax money (that we all pay) to help someone with a low-paying job earn more. The latter punishes the very entity that is offering a job to someone who needs it.

*Tom Campbell is a professor of economics and a professor of law at Chapman University.*

### The answer is clear

By Will Swaim

Is it old news now that democratic capitalism has lifted hundreds of millions out of poverty?

*Will Swaim is president of the California Policy Center.*



DAVID BAUMAN — SCNG STAFF ARCHIVES

According to the California Poverty Measure, devised by the Public Policy Institute of California and the Stanford Center on Poverty and Inequality, 17.8 percent of Californians “lacked enough resources to meet basic needs” in 2017. Seen here is a line at the GAP Food Bank in Rancho Cucamonga.

### Expanding economic freedom is essential

By Adam Summers

People have struggled with how best to deal with poverty since the earliest societies, but the answer is apparent if we merely look to history. From the Renaissance to the Industrial Revolution to modern times, poverty has been most radically and rapidly alleviated whenever people are free to work in an occupation of their choosing, keep the fruits of their labors, acquire and maintain private property and rely on a stable legal system to protect their personal and economic freedoms.

In recent decades, this age of relatively free enterprise

and global trade has resulted in an unprecedented reduction in poverty. This may come as a surprise to many who have heard the narrative, popular in the media and certain circles of academia, which claims that not only are the rich getting richer, but the poor are getting poorer. Indeed, when a survey by Hans Rosling for Gapminder asked people whether the portion of the world's population living in extreme poverty had a) almost doubled, b) stayed about the same, or c) almost halved over the last 20 years, only 5 percent of Americans correctly answered that it had been virtually cut in half. According to World Bank estimates, the portion of those living in extreme poverty, defined as living on less than \$1.90 a day, has steadily declined from

36 percent in 1990 to 10 percent by 2015 (and an estimated 8.6 percent in 2018) — the lowest level in recorded history. In all, 1.1 billion people rose out of extreme poverty in just a quarter-century — a tremendous achievement! Moreover, 80 percent of those who remain in extreme poverty are concentrated in Sub-Saharan Africa and South Asia, primarily in countries typified by war, corruption and a lack of economic liberty.

These results are bolstered by various freedom indexes, such as the Fraser Institute's annual Economic Freedom of the World (or its Human Freedom Index, which includes measures of personal freedom in addition to economic freedom). Such studies consistently show an incredibly strong correla-

tion between nations that offer greater economic and personal freedom and desirable traits like higher per-capita income and economic growth, lower levels of poverty, greater life expectancy, lower infant mortality rates, greater equality between the genders and generally higher levels of happiness.

So while many focus on the next government program that they are sure will be the silver bullet to alleviate poverty, the best solution is to simply create the conditions that allow people to thrive by eliminating government laws and regulations that exacerbate poverty by restricting economic and personal liberties.

*Adam Summers is a research fellow at the Independent Institute.*

### Job opportunities are critical

By Susan Shelley

Job opportunities will lift and keep people out of poverty. Education and training can help people develop and maintain skills to get the jobs they want and to achieve income growth and advancement.

A steadily improving economy and a relatively competitive

labor market will provide many different opportunities, enabling people to have the freedom and confidence to change jobs. The tighter the labor market, the better the opportunities. In a rapidly growing economy, employers will sometimes offer training and pay for education, creating even more opportunities. So government policies should encourage economic growth and not stifle it with high taxes or excessive regulatory burdens.

Not everyone can be lifted out of poverty by employment oppor-

tunities, however. Some people are in poverty because of non-economic factors — health, substance abuse or family issues, for example. Economic growth provides the public and private revenue to make it possible to have a generous safety net to help people who are in difficult circumstances.

The worst way to provide both job opportunities and safety-net programs is to treat businesses like criminals, harassing and hounding them until they close down or leave California.

That causes a downward spiral — more people falling into the safety net, but less revenue to pay for it. Raising taxes on businesses exacerbates the problem by causing higher prices, raising the cost of living. California has the highest poverty rate in the country when the cost of living is taken into account. The wrong government policies actually push people into poverty.

*Susan Shelley is a member of the Southern California News Group's editorial board.*





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## Poverty

# What needs to be done to address the problem in SoCal?

### Nonprofits can help address the effects of poverty

By Greg Bradbard

There are many outstanding nonprofits addressing the effects of poverty across Southern California, like my own organization, the Hope Through Housing Foundation. It is important for nonprofits to address the multiple challenges facing families in poverty. Working with families in affordable housing, we recognize the need to (1) prepare at-risk youth for future self-sufficiency through afterschool programs, role modeling and teen clubs and (2) to empower parents to gain employment and build money management skills that lead to greater financial independence. One-on-one coaching has been particularly effective in addressing residents' individual assets and challenges and helping them build a plan and the tools to improve their lives. As a result, we see residents going back to school, gaining employment, and becoming first-time homeowners, and youth becoming the first in their family to attend and finish college — a major step in breaking the cycle of generational poverty.

*Greg Bradbard is president of the Hope Through Housing Foundation, and senior vice president for National Community Renaissance.*

### Keep jobs here, not chase them away

By Janice Rutherford

Jobs lead people out of poverty, and California is chasing jobs and entrepreneurs out of our state every day with over-regulation and excessive taxation. In my district, we are losing companies because of the high electricity costs in our state and the unpredictability of environmental regulations. These companies are taking good, solid jobs with them to neighboring states. State official should focus on reducing the cost of doing business in California rather than adding additional burdens on industries that create jobs and grow opportunity. It's not always about finding a job. Sometimes it's about creating one. We have many entrepreneurs here in the Inland Empire who want to start businesses and create a job for themselves and for others. Unfortunately, the venture capital needed to get start-up businesses off the ground is in short supply in the Inland Empire. Local governments can do more to highlight the opportunities our region has for investors and develop efforts like the Highlander Venture Fund at the University of California Riverside to secure and leverage state and federal funds to grow new businesses and our economy. Our region is one of the largest global economic logistics hubs in our nation. Let's build on that by becoming the world's leader in logistics technology. As automation changes the face of this industry, we can't stand by and let others develop the robots, equipment and other solutions that will be needed for logistics companies to adapt to changing trends. Instead, we need to work on ensuring those ideas are developed and cultivated here in the Inland Empire.

*Janice Rutherford serves on the San Bernardino County Board of Supervisors.*

### Local governments must step up on housing and education

By Joel Kotkin

The city and counties have to recognize that they have to accommodate housing and companies rather than chase them away. This means, for example, converting surplus retail to housing, and allowing nonprofits to build workforce housing. Cities can also do, as Long Beach has, and tailor their educational program to work needed in the private sector, from data science and software to machinist, welder and other blue-collar jobs.

*Joel Kotkin is the R.C. Hobbs Presidential Fellow in Urban Futures at Chapman University in Orange.*



ANDY HOLZMAN — LA DAILY NEWS / SCNG

According to the California Poverty Measure's average of poverty rates in 2015-17, 23 percent of Los Angeles County residents, 20.4 percent of Orange County residents, 17.6 percent of Riverside County residents and 17.2 percent of San Bernardino County residents lived in poverty during that period.

### Three things the state must do

By Tracy Hernandez

There are three things state legislators must do now to fight the poverty crisis in California. First, they need to pass legislation that streamlines the construction of affordable and supportive housing while reducing development costs. Second, they should provide additional or reallocate funding for mental health and wrap-around services for local

governments to utilize. Third, they should bring back redevelopment with an emphasis on building housing for our very low, low and market-rate housing markets. Furthermore, the state government should reform the California Environment Quality Act (CEQA). This law has been hijacked, ultimately stopping the development of the much-needed infill and transit-oriented housing. BizFed took the lead in this effort by partnering with Assemblyman Miguel Santiago, D-Los Angeles, and Mayor Garcetti's office by sponsoring Assembly Bill 1197, which will

enable CEQA exemptions and streamlining for supportive housing projects funded under voter-approved measures until 2025. While this is only the beginning, more reforms are needed. This bill will save millions of dollars and expedite the delivery of these critical housing projects to help solve our housing affordability and homeless crisis. State governments should secure sufficient funding for safety net programs that are essential to lift Californians out of poverty and to ensure that these programs are delivered effectively and efficiently. State governments should

not try to manipulate the housing market by injecting flawed policies such as extreme rent control and stripping away of Proposition 13 protections. Many elected officials see these policies as a quick fix, while in reality, these policies do more harm than good by disincentivizing property owners to reinvest in their property and increasing the cost to do business in California, known as the "California Premium."

*Tracy Hernandez is the founding CEO of the Los Angeles County Business Federation (BizFed).*

### Spend less on prisons, invest in communities

By Jay Jordan

I can say from my perspective and from the perspective of my organization that we believe working to reduce wasteful spending on ineffective prisons and reallocating those dol-

lars back into communities is certainly a key to ensuring communities are healthy and thriving. For far too long, mass incarceration has had a socially and economically destabilizing impact, in large part by robbing resources from communities that needed them most and pouring them into jails and prisons that did little, if anything, to make us safe.

By working with Californians from all walks of life to replace prison and justice system waste with common sense solutions that create safe neighborhoods and save public dollars, we are helping to reform systems that have kept people mired in poverty for generations. Now is the time for us to continue to press forward. California has been a national

leader in reducing incarceration and redirecting the justice system so it more effectively focuses on prevention. It is imperative that the non-profit community in Southern California and across the state come together to keep California moving forward. *Jay Jordan is executive director of Californians for Safety and Justice.*

### Government should know when to get out of the way

By Lucy Dunn

Oddly, state government strategies seem to incentivize poverty by:

- Growing government and

“free stuff” for residents while promoting by a thousand cuts the overregulation of small business (comprising 95% of the state's economy),

- Failing to fix systemic problems that result in lack of housing, including CEQA.
- Creating burdensome public education regulations and lack of choice.

For example, instead of fixing

the anomalies and better defining employee versus independent contractor status of workers, for example, state government doubles down on inflexible rules coupled with mind-boggling “exemptions” to the rules — instead of allowing for new jobs in a gig economy to flourish. The state should get out of the way, ensuring against force and fraud, but letting new opportuni-

ties and innovation flourish. Finally, homeownership is one of the best ways toward wealth creation. When homeownership rates are at Great Depression levels for Latinos and blacks, the state does not enable middle-class growth.

*Lucy Dunn is president and CEO of the Orange County Business Council.*

### Philanthropic organizations must continue their good work

By Manuel Pastor

Philanthropy has actually been playing a positive role in this arena. For example, the Weingart Foundation commissioned an equity analysis of Los Angeles County and Orange County Grantmakers and supported an equity analysis in the O.C. as well. The James Irvine Foundation has focused a large share of its recent philanthropic support on addressing the challenges facing the state's low-wage workers.

The California Endowment has invested in a range of low-income communities of color in Southern California, often funding the sort of grassroots organizing that can insure that community voices get heard in the policy-making process. The California Community Foundation — which is really L.A.'s community foundation — has supported a wide range of efforts, including critical support for immigrant integration. Both the United Way and the Conrad Hilton Foundation have led on making sure that homelessness is everyone's issue. And there are many, many other foundations seeking to partner with the service providers and social justice organizers that can effectively move the needle on poverty. But the problem is too big for just philanthropic dollars,

and going forward, the role of the state, local government and business will be critical. Another key issue for all those actors will be recognizing and addressing the racial dimensions of poverty. It may be uncomfortable for some to recognize how racial advantage and disadvantage have structured the unequal outcomes we see today. But the fact that median income for households with children under the age of 5 is about \$111,000 for white families in Los Angeles County and about \$43,000-45,000 for black and Latino families is a recipe for reproducing generational disadvantage. Addressing race and racism will require challenging conversations as well as a clear-eyed analysis of how implicit bias still affects hiring and how the combination of neighborhood distress, over-

policing and inadequate workforce systems can limit horizons. The good news is that we are Californians — and, indeed, we are Southern Californians. We have a long history of challenging inequity, expanding opportunity and securing hope in the future. As we head to the Olympics in 2028, let's make sure that the region that greets the world will be able to boast about not just its first-class venues, hotels and transit but also about the historic progress it will have made on eradicating poverty, homelessness and discrimination.

*Manuel Pastor is a distinguished professor of Sociology and American Studies & Ethnicity at the University of Southern California.*