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# TESTIMONY OF SISTER SIMONE CAMPBELL, SSS

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Before the House Budget Committee

Hearing on “The War on Poverty: A Progress Report”

July 31, 2013

THANK YOU for the invitation to testify today. I am Sister Simone Campbell, Executive Director of NETWORK , a National Catholic Social Justice Lobby and the leader of Nuns on the Bus.

I come to this topic of contributing to a Progress Report on the War on Poverty as a Catholic Sister rooted in the Christian Tradition. Our Pope Francis recently stated that “The measure of the greatness of a society is found in the way it treats those most in need, those who have nothing apart from their poverty!” But this is not just Pope Francis. Pope Benedict and every Pope before him for the last 125 years has also challenged governments to exercise their responsibility in ensuring that the least in a society are provided for.

In his letter *Charity in Truth*, Pope Benedict said that “Charity goes beyond justice, because to love is to give, to offer what is ‘mine’ to the other; but it never lacks justice, which prompts us to give the other what is “his’, what is due to that person by reason of his being.... I cannot give what is mine to the other without first giving what pertains to him in justice.” He goes on to say that “life” ethics are not separate from social ethics and states: “This is not a question of purely individual morality.” He criticizes the way that society “asserts values such as the dignity of the person, justice and peace, but then, on the other hand, radically acts to the contrary by allowing or tolerating a variety of ways in which human life is devalued and violated, especially where it is weak or marginalized.” (PAR 15) In the same letter Pope Benedict goes on to say that every spending decision is a moral decision. He also states that “Development is impossible without upright men and women, without financiers and politicians whose consciences are finely attuned to the requirement of the common good.” So this testimony is an attempt to help attune your consciences to the requirement of the common good.

But this is not just a Catholic concern. For each of the last two years the interfaith community here in Washington DC has worked together to craft a “Faithful Budget” that does the hard work of bringing common good, economic responsibility and the values of different faiths to the budgetary process. What we clearly state is that the Federal Budget and your policy priorities are moral decisions that have significant consequences for our society and our world. As moral decisions they need to be taken seriously and weighed on the scale of the common good. I am attaching the Faithful Budget to this testimony so that you can read the moral stance of the Christian, Jewish and Muslim community in the United States. The basic principle is that we as a nation need reasonable revenue for responsible programs. All programs that our government funds need to be accountable and effective. This is true for the safety net program as well as all of the business subsidies like to the oil companies, corporate agriculture, defense industry, etc. We in the faith community see that too often only safety net programs are inspected for accountability.

It is tempting to think of “poverty” in extremes and stereotypes. We have a tendency to lump all kinds of people together. But people living in poverty are varied and need to be considered separately. 13 percent are seniors, who depend on Social Security and Supplemental Security income for their livelihood. About one in 10 people in poverty are the disabled who are unable to work and their children. Some 61 percent of people in poverty are in working families. Then there are the “near poor” living in urban environments where the cost of living is high and wages are low. (These figures use Supplemental Poverty Measure and are for 2011.) So we cannot think simplistically about these families.

More than one in four jobs pays wages below the poverty level. Thus, it isn't surprising that about seven in 10 children living in poverty live in working families. More than 8 in 10 children living in families with incomes below twice the poverty line are living in working families. While there is less economic mobility today than in the past, it is still the case that people who are poor today may not have been poor 2 or 3 years ago and may not be poor two or three years from now.

### *The Safety Net Helps Millions of Americans*

Comparing poverty rates today to those 40 and 50 years ago is more difficult than it would seem. Too often, the official poverty rate today is compared to the rate in the late 1960s and 1970s, leading to the erroneous conclusion that the War on Poverty failed. This comparison relies on a flawed poverty measure and overlooks the strong antipoverty impacts of programs such as SNAP and the EITC.

The official poverty measure only looks at cash income, excluding both noncash benefits such as SNAP and housing assistance, as well as the impact of the tax system — including both taxes paid and the benefits received from refundable tax credits, particularly the EITC and Child Tax Credit (CTC). The new government measure, known as the Supplemental Poverty Measure (SPM), is a more modern poverty measure and takes into account non-cash and tax-based benefits (as well as taxes paid). It also considers the impact of out-of-pocket medical expenses, work expenses, and differences in the cost of living among different localities on a family's ability to make ends meet. The SPM allows us to analyze the impact of programs such as SNAP and the EITC on poverty — but it isn't available back to the 1960s and 1970s, so doesn't allow a clean comparison of poverty today to those four and five decades ago.

An apples-to-apples comparison that included benefits such as SNAP and the EITC would tell a more favorable story about the long-term trend in poverty than the comparison using the official poverty measure.

A recent analysis by the Center on Budget and Policy Priorities looks at the impact of public programs on poverty, using the SPM. Its analysis makes clear that public programs play an important role in reducing poverty. In 2011, government benefits lifted a total of 40 million people out of poverty. While Social Security has the largest impact of any single program, means-tested programs such as SNAP, SSI and the EITC lifted almost 20 million Americans, including 8 ½ million children, out of poverty.

Reducing poverty is important — but we have a growing body of research documenting what I see every day across the country: assistance programs also help stabilize families and provide pathways to opportunity. Programs that help families put food on the table and a roof over their heads, that mean the difference between someone getting health care or going without, that help students go to college and young children go to preschool don't just help families make ends meet and avoid destitution. They help children go to school ready to learn and stay in one school rather than moving from school to school because their housing is so unstable. They help children get the health care they need. They help parents focus on parenting, not finding the next place to live because eviction is around the corner. They help young people and nontraditional students alike get more education and skills so they can make it in this increasingly competitive global economy.

This research literature is growing, but here are a couple of examples:

- Several different studies have found that the EITC and CTC increase employment rates of parents, reduce child poverty, and have a positive impact on children’s school performance, which is a key factor in future economic success.<sup>1</sup>
- Researchers were able to compare outcomes for poor babies in the 1960s and 1970s who were fortunate enough to live in counties served by the Food Stamp Program to poor babies who lived in counties that did not yet have the program. Babies in those counties served by Food Stamps were healthier as adults and were more likely to finish high school.<sup>2</sup>
- Researchers – as well as any teacher, principal, or school superintendent – know that children do better in school when they do not change schools frequently. Researchers have documented that low-income children who receive housing assistance have fewer moves and fewer school changes.<sup>3</sup>

### *SNAP: Fulfilling a sacred mission*

The Supplemental Nutrition Assistance Program (SNAP) is a lifeline to millions of Americans. In fact, SNAP does more than any other program to reduce the number of Americans who live in deep poverty, that is, below *half* the poverty line. Research by the University of Michigan’s H. Luke Shaefer and Harvard University’s Kathryn Edin has documented a sharp rise in the number of Americans living on less than \$2 per person, per day – a World Bank standard used to document poverty in third world countries.<sup>4</sup>

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<sup>1</sup> See for example: Nada Eissa and Hilary Hoynes, “Behavioral Responses to Taxes: Lessons from the EITC and Labor Supply,” NBER Working Paper No. 11729, November 2005, <http://www.nber.org/papers/w11729>; Raj Chetty, John N. Friedman, and Jonah Rockoff, “New Evidence on the Long-Term Impacts of Tax Credits,” Statistics of Income Paper Series, November 2011, <http://www.irs.gov/pub/irs-soi/11rpchettyfriedmanrockoff.pdf>; Gordon Dahl and Lance Lochner, “The Impact Of Family Income On Child Achievement: Evidence From The Earned Income Tax Credit,” *American Economic Review* (2012), 1927-1956, <http://www.aeaweb.org/articles.php?doi=10.1257/aer.102.5.1927>; Greg J. Duncan and Katherine Magnuson, “The Long Reach of Early Childhood Poverty,” *Pathways* (Winter 2011), [http://www.stanford.edu/group/scspi/media/pdf/pathways/winter\\_2011/PathwaysWinter11\\_Duncan.pdf](http://www.stanford.edu/group/scspi/media/pdf/pathways/winter_2011/PathwaysWinter11_Duncan.pdf); and Greg J. Duncan, Kathleen M. Ziol-Guest, and Ariel Kalil, “Early-Childhood Poverty and Adult Attainment, Behavior, and Health,” *Child Development* (January/February 2010), pp. 306-325.)

<sup>2</sup> Hilary W. Hoynes, Diane Whitmore Schanzenbach, and Douglas Almond (2012), “Long Run Impacts of Childhood Access to the Safety Net,” National Bureau of Economic Research Working Paper 18535, [www.nber.org/papers/w18535](http://www.nber.org/papers/w18535)

<sup>3</sup> David H. Rubin et al., “Cognitive and Academic Functioning of Homeless Children Compared with Housed Children,” *Pediatrics* 97:3: 289 – 94, 1996. Similar results have been found in more recent studies; Maya Brennan, “The Impacts of Affordable Housing on Education: A Research Summary,” Center for Housing Policy, May 2011.

<sup>4</sup> H. Luke Shaefer and Kathryn Edin, “Rising Extreme Poverty in the United States and the Response of Federal Means-Tested Transfer Programs,” National Poverty Center Working Paper 13-06, May 2013, [http://www.npc.umich.edu/publications/working\\_papers/?publication\\_id=255&](http://www.npc.umich.edu/publications/working_papers/?publication_id=255&).

They find that in 2011, there were more than 1.6 million households with children whose cash incomes were below this paltry standard, but that SNAP reduced the number of households trying to scrape by on this little by half.

Moreover, SNAP has worked just as it was designed to over the course of the Great Recession and its aftermath when millions are still out of work. As more people needed help, the program provided it to them — giving the working poor the help they need to bridge the gap between their wages and the costs of raising the families, and giving the jobless and most vulnerable the ability to sustain themselves. This growth in SNAP is not a scandal or evidence that the program has run amok, but the consequence of a weak economy and a national commitment to take care of those at the margins of our society. That is a commitment I believe the public shares and that the nation should be proud of. The Congressional Budget Office projects that as the economy continues to recover and more people are able to find jobs, the number of people receiving SNAP and the cost of the program will fall as well.

SNAP is the most effective program we have in reducing deep poverty among children – in lifting people from utter destitution to above *one-half* of the federal poverty line. SNAP worked just as it was designed to over the course of the Great Recession and its aftermath when millions are still out of work or underemployed. As more people needed help, the program provided it to them — giving the working poor the help they need to bridge the gap between their wages and the costs of raising the families, and giving the jobless and most vulnerable the ability to sustain themselves. This growth in SNAP is not a scandal or evidence that the program has run amok, but the consequence of a weak economy and a national commitment to take care of our neighbors most in need. That is a commitment I believe the public shares and that the nation should be proud of.

There has been much said in recent weeks about the need for people to work. Often overlooked is the fact that most households that receive SNAP and include a non-disabled adult do work while they receive SNAP – and a very large share, more than 8 in 10, work in the year before or the year after they receiving SNAP.<sup>5</sup> That said, there are many people who have great difficulty finding work, particularly during the recession and its aftermath. In my experience, most people who are out of work desperately want a job. And, while we need to do all we can to help people find and keep jobs, we must also show basic compassion and ensure that our neediest neighbors have enough to eat.

#### *Infant Mortality: One Indicator of the Strides We Have Made*

Too often, the real success stories of public investments are ignored. But, despite the fact that poverty in the United States remains too high and higher than in other wealthy countries, we have made progress. Infant mortality is one such area. In 1935, infant mortality stood at 55.7 per live births overall, with the infant mortality rate for African American babies exceeding 80.<sup>6</sup> Infant mortality rates have fallen significantly since 1935, due to a combination of improved living standards, advances in medical care, and increased access to that care.

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<sup>5</sup> Dottie Rosenbaum, “The Relationship Between SNAP and Work Among Low-Income Households,” January 2013, Center on Budget and Policy Priorities, <http://www.cbpp.org/cms/index.cfm?fa=view&id=3894>.

<sup>6</sup> The cite is here: [http://ask.hrsa.gov/detail\\_materials.cfm?ProdID=4497](http://ask.hrsa.gov/detail_materials.cfm?ProdID=4497)

Access to Medicaid is one part of this story. Researchers have shown that expanding the reach of Medicaid to more pregnant women during the 1980s helped reduce infant mortality rates.<sup>7</sup>

To be sure, there is more work to be done. The U.S. has a higher infant mortality rate than most other wealthy nations. We also have a higher poverty rate, when all benefits are considered, than most other wealthy countries. But, as we take a hard look on where we need to do better, we should not ignore the progress made or the role that supports such as Medicaid, SNAP, or WIC play in the lives and health of families.

### *Health Care*

Beyond improved prenatal and infant care, Medicaid is a lifeline for millions of Americans. Research has shown that children covered by Medicaid are more likely to receive preventive care, like well-child check-ups, than uninsured children. Adults also are more likely to get preventive care and are less likely to face financial ruin if struck by illness or injury. Medicaid has been linked by researchers to lower adult mortality rates.<sup>8</sup>

Despite these achievements, there are frequent calls for cutting Medicaid deeply and repealing the Affordable Care Act that will both expand Medicaid coverage to more poor and low-income people and ensure that low and moderate income Americans have access to affordable private coverage.

The United States has stood alone among wealthy countries in leaving millions of people without access to affordable health coverage. And that lack of coverage has consequences for real people. Margaret Kistler lost her job in Cincinnati during the 2008 recession. With no job she had no health insurance. She could not afford COBRA coverage. She knew she was at risk for colon cancer, but could not afford the screenings. When finally seen in the emergency room she was terminally ill. Margaret died last year at age 56. This is why the expansion of Medicaid in the ACA is so critical. Had it been fully implemented in 2010, Margaret could have received screening, treatment and been a contributing member of society today. For me the expansion of healthcare is a pro-life issue. But it is also good economics.

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<sup>7</sup> Citation is here: [http://www.princeton.edu/~jcurrie/publications/saving\\_babies.pdf](http://www.princeton.edu/~jcurrie/publications/saving_babies.pdf)

<sup>8</sup> See: Amy Finkelstein, Sarah Taubman et al., "The Oregon Health Insurance Experiment: Evidence from the First Year," National Bureau of Economic Research Working Paper No. 17190, July 2011, <http://www.nber.org/papers/w17190>. See also <http://www.offthechartsblog.org/does-medicaid-matter-new-study-shows-how-much/>; Katherine Baicker, Sarah Taubman et al., "The Oregon Experiment — Effects of Medicaid on Clinical Outcomes," *New England Journal of Medicine*; 368:1713-1722, May 2, 2013; Benjamin Sommers, Katherine Baicker, and Arnold Epstein, "Mortality and Access to Care among Adults after State Medicaid Expansions," *New England Journal of Medicine*; 367:1025-1034, September 13, 2012.

## *Conclusion*

As we approach the 50<sup>th</sup> anniversary of President Johnson's War on Poverty, it is key that we look honestly at poverty in the United States and the efforts we undertake to ameliorate poverty. The data and the research – and the everyday experiences of millions of Americans – tell the same story. Programs like SNAP, the Earned Income Tax Credit, the Child Tax Credit, Medicaid, CHIP, housing assistance and child care assistance do a tremendous amount of good. They reduce poverty and help families make ends meet. They provide needed health care that saves lives. They support parents who work. They reduce hunger and improve health. They stabilize families and improve children's school performance. In short, they make our nation better. These programs support low wage working families and give them an opportunity to survive.

But, at the same time, poverty remains too prevalent. Too many children's futures are shortchanged because of the circumstances of their parents. Too many adults are out of work or underemployed. Too many people lack access to health care. We won't address these problems by ignoring the successes of today's safety net, but neither is today's safety net adequate – we need a new commitment to reduce poverty and promote opportunity.

This commitment for me is rooted in my Catholic Faith and Jesus' demand that if we are to follow in His way, we must respond to those in need not just out of charity, but also in justice. Our faith tells us that individuals and their governments have a responsibility to act on behalf of the common good. This is what it means to live our faith.

In a pluralistic society I know that not all share this same faith mandate. But what I know is that what we do share is in the Constitution. It is the framework for our democracy. In that context we as a society have tried to combine public and private efforts to address the poverty that challenges too many families. We have made some progress. But our programs are not perfect. But the framers of our Constitution called on We the People continually to strive to form a more perfect union. That is what we must do if we are to lighten the yoke of poverty and provide a true path to prosperity. Successful programs must be enhanced because people need their support. Finally, as the interfaith community acknowledges in the Faithful Budget, We the People must responsibly raise revenue to pay for these important programs. That is the faithful and patriotic way forward.