

Spotlight on Poverty & Opportunity

September 16, 2011

12:30 p.m. ET

Operator: You may begin your presentation.

JODIE LEVIN-EPSTEIN, CENTER FOR LAW AND SOCIAL POLICY: Thank you and welcome, everyone.

This is Jodie Levin-Epstein of the Center for Law and Social Policy class. We help manage the initiative, *Spotlight on Poverty and Opportunity*, the source for news, ideas and action—the host of this audio conference call.

If you don't already get Spotlight's weekly e-gram, which conveniently links you to the latest research news and commentary from thought leaders, it's easy to sign up.

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Over 830 people registered for this audio conference. The subject of today's audio conference is Poverty Impact Projections (PIPs). The idea behind the PIP is that it gives a clearer picture of how a policy or a set of policies might impact poverty. Environmental or health impact projections already help inform those fields.

One way to use the PIP is to attach it to pending legislation. A legislature could decide that if certain kinds of bills move forward, a PIP should be undertaken so that policy makers would know that if the bill passed, poverty could be reduced by 12 percent or 80 percent or 22 percent.

In the U.S. Congress, Representative Barbara Lee has introduced national legislation that would provide such insights for federal bills. No state yet passed a law on the books that require pending legislation to include a PIP. But there has been a bunch of legislative activity.

For example, California passed a measure a few years back that then Governor Schwarzenegger vetoed. And in Louisiana, much more recently, a bill was introduced and there the sponsors are now working to accomplish the task administratively.

We will hear today about Colorado's effort. Pending legislation though isn't the only time a PIP can be helpful. A grip of any kind they want to prioritize recommendations and a PIP can help sort through the choices or the sequencing.

A number of states with poverty commissions gave contracted to have a PIP undertaken. Often the motivation though is to better appreciate the degree to which policies actually would help meet the state's targets to reduce poverty, a target like cutting poverty in half in a decade.

We will hear today about Minnesota's effort. This kind of forecasting is relatively new in the U.S., but in the global context, not so much. Class issue brief on PIP covers the even other issues and you can find the link right in the list of resources for this audio conference.

The purpose of today's audio conference is to explore why there is a growing interest in PIPs and it's a chance to learn bits about how poverty impact projections can be skipped on. We will hear today about that from the Urban Institute.

In the spotlight today with me are Linda Giannarelli of the Urban Institute, John Kefalas, representative from the State of Colorado and the State Legislature, and Brian Rusche of the Minnesota Joint Religious Legislative Coalition.

Hi to each of you.

JOHN KEFALAS, REPRESENTATIVE FROM THE STATE OF COLORADO: Hello.

BRIAN RUSCHE, MINNESOTA JOINT RELIGIOUS LEGISLATIVE COALITION: Hello.

LINDA GIANNARELLI, URBAN INSTIUTE: Hello.

LEVIN-EPSTEIN: Before I start asking each of you some question, we want to make sure that the audience knows that they should be e-mailing questions to me as they occur. So it's a simple address, just send your questions to me at audioconference@clasp.org and I want to thank folks who are already sending in those questions. Keep them coming.

Also, I want to make sure everybody knows that you will, as a registrant, get an e-mail from us which links you to the tape posted – the posted tape of this audio conference call that you can then circulate to everybody in your office or your networks. But what it really means is you also need to take notes. You'll have both a tape and a transcript.

So question is first up for you, Linda.

GIANNARELLI: Good afternoon.

LEVIN-EPSTEIN: Hey. You have undertaken PIPs in some state. Let's zero in on the story of Connecticut. First, who asked for the analysis?

GIANNARELLI: Our assessment for Connecticut was done under contract with Connecticut's Child Poverty and Prevention Council. That's an organization or a group that they started in, I believe, it was 2005 and their goal was to cut child poverty in half over 10 years, so a very ambitious goal.

LEVIN-EPSTEIN: So exactly what were you asked to assess?

GIANNARELLI: Sure. By the summer of 2008, the council has developed a list of policy ideas, a pretty wide ranging list. They realized that some of them might be conducive to quantitative estimates, to try to put some numbers on how much those ideas might reduce child poverty.

So they contracted with the Urban Institute to assess a subset of their policy ideas. The ones they asked us to look at included guaranteed childcare subsidies, expanded education and training, higher participation rates in government safety net programs like food stamps and housing subsidies and some enhancements to the (TANAS) program.

LEVIN-EPSTEIN: So let's sort of zip the ends here. What is conclusion of the analysis.

GIANNARELLI: When we combined all the policies that we were asked to estimate, the result we got was that the child poverty rate would fall from about 10.9 percent to 4.9 percent. So that was a drop over half and the single – one of the single big elements in that was expanded housing subsidies.

If we took out the expanded housing subsidies then child poverty dropped by about a third. And, by the way, all those estimates are using an expanded definition of poverty that I think we'll talk about later.

LEVIN-EPSTEIN: Definitely. We need to drill down into that. So can you fill us in – this is a really challenging one because, you know, you're a researcher and you have that whole vocabulary. But can you tell for our lay audience the basic steps of how you go about doing the analysis, so everybody could have a flavor for what's the scope of the work and how it's done.

GIANNARELLI: Sure. In concept, it's truly – it's truly pretty straightforward. So what we're doing is we're starting from a big survey data file. We know that the government does surveys of the country with people in – including families from across the country.

So we start with a big survey data file that has thousands of families from the state that we are looking at. One by one we look at those households with a computer program. The computer program looks at those households, it adds up the families, resources as they are now without the policy, and we compare those resources to the poverty threshold or sometimes called the poverty line. If their resources right now are below that number, that poverty threshold, then they're poor. We call that the baseline. We do that for all the families.

Then we impose the policy. Let's say the policy is that more eligible families are going to take the food stamps that they're eligible for. So that family might go from having no food stamps in the baseline to having a few hundred dollars worth of food stamps every month under the policy. So their resources would go up by a few hundred dollars.

That might be enough to bring them from below that poverty line to above it. Obviously, some policies are more complicated. For instance, a policy that liberalizes or expands tax credits which we've done under some other projects might bring some additional people into the labor force. So

it might have some other impacts beyond just a simple dollar change in resources in a particular month.

But that's basically it. We impose the policy change in our survey data and we see how many families go from being poor to being non poor.

LEVIN-EPSTEIN: That's a really helpful primer, Linda. And you were mentioning – agreed with me to drill down into this very complicated issue again about a simple question.

The simple question is the measure of poverty that gets used because it makes all the difference in determining whether or not a proposal increases or decreases poverty, the measure is really essential. There have been a lot of conversations about alternative measures being used because the official poverty measure is agreed to be outmoded.

So can you explain to us again in an overview kind of way why an alternative measure is what you all use?

GIANNARELLI: Sure. I think I alluded to this earlier that estimating is (inaudible) poverty has two pieces. First, you have to add up the resources then you compare those resources to the poverty threshold or the poverty line.

The official poverty definition has a very simple definition of resources. It's just – it's cash income. So a change in food stamps – food stamps may be similar to cash but they're not cash. They're not counted as cash by the official measure.

A tax credit can have a big impact on a family's resources but that's not counted as cash income in the official measure. So those kinds of policy changes and other kinds of policy changes aren't picked up at all by the official measure.

So for the kinds of work where we're trying to assess the impact of multiple kinds of policy changes, we really have to use an expanded measure of poverty that has an expanded measure of what a family's economic resources are.

The other piece is the threshold, the threshold that's used in the official poverty measure is outdated and it doesn't take into account variations in costs across the country. So all of our poverty work over the past – quite a few years has used an expanded measure of poverty similar to what the Census Bureau is now working on and calling the “supplemental poverty measure.”

LEVIN-EPSTEIN: So the official measure has its limitations. The Federal Government is developing the supplemental poverty measure and will be releasing a preliminary version of it and you've used something like it in your expanded measure. At the same time, while there's advanced improvement, these alternatives also have their limitations.

Can you drill down a little bit for us so we understand those limitations as well?

GIANNARELLI: Sure. No single measure of poverty is a perfect or comprehensive measure. For instance, even though the supplemental poverty measure or we'll call it the SPM for short, even though the SPM uses an expanded definition of resources, there are some policy changes that even an SPM wouldn't pick up those impacts.

It's – for instance, a change in child care policies that created an improvement in the quality of a family's child care even if the cost of that child care was unchanged. That would certainly be a really positive thing for those kids and for that family. But that's not going to be picked up in an SPM measure. So that's just one kind of limitation.

LEVIN-EPSTEIN: But know that after (inaudible) through some questions because the number of questions coming in is wonderful from the audience and I really want to get to those.

GIANNARELLI: Yes.

LEVIN-EPSTEIN: But let me ask you. You've been in other places and you've done this kind of work elsewhere. Could you just give us an illustration of where you've been rather quickly and maybe tell us some of the findings?

GIANNARELLI: Sure. For Center for American Progress or CAP, this was back around 2007, we estimated the impacts of some policy changes at the national level and their package of policies reduced poverty by about one quarter – that was overall, not just for kids.

For Minnesota's Poverty Commission, we did a project very similar to Connecticut. We're currently working with community advocates, Public Policy Institute in Wisconsin, and also with the Heartland Alliance in Illinois to test different packages of policy changes in those two states.

So those are some top examples.

LEVIN-EPSTEIN: And here's a chance to be more – like a commercial – from the state ones that have or been doing analysis, how can they find out more about how to go about doing that?

GIANNARELLI: We'd be very happy to talk to anyone who wants to think through these options. They could contact me or Sheila Zedlewski or Laura Wheaton.

LEVIN-EPSTEIN: Super. And can you also then be (inaudible) talking about gambles in Colorado (side) and what some colleague organizations that are also working in this area, trying to help groups develop PIP?

GIANNARELLI: Sure. There's fabulous work going on. The first place I should mention is Institute for Research on Poverty, which has really done some groundbreaking work and they've developed a measure for Wisconsin. They have a whole website. If you just Google Institute for Research on Poverty, you can get down to a website that talks a great deal about all these issues, about the expanded poverty measure and it's a really good resource and has links to a lot of the different work that's going on.

New York State and New York City – actually a lot of this – a lot of groundbreaking work was done by the New York City CEO doing a poverty measure specifically for New York City along the same sort of SPM line. And again if you go to their website you'll find really useful information.

LEVIN-EPSTEIN: Linda, I've gotten two questions from two audience participants that's identical, and they're asking if a PIP has been used on the local level – undertaken at the local level – and in answering that question, can you also weave in the particular data challenge at the state level?

So they're asking about local and by "local" I think they mean city or county.

GIANNARELLI: Yes.

LEVIN-EPSTEIN: I want you also though to talk about the challenge at the state level.

GIANNARELLI: Sure. Well, I – New York City – I guess one would qualify that as local although it is a pretty huge locality. But that was a – that work has been done specifically for the city, not the state as a whole.

When you talk about the data challenges, in order to be confident about the results that you're getting from this kind of analysis, you have to have enough families from that place in the survey. And for that reason, when people are looking at a particular state or New York City, the survey that people have been using is the American Community Survey, which is a relatively new survey compared to some of the other government surveys.

The American Community Survey or the ACS, has this really huge example sizes are, you know, surveys – huge numbers of families, about 10 times more than the survey that's used for the official national poverty measure.

So when you have that really big number of families to work with, you can be more confident about the results that you're getting. Even with the ACS, there may not be enough families from a particular locality, particularly if it's a smaller place. So that would really be a specific question that would have to be – have to be thought about, you know, given the exact place that someone wanted to do that for, what their options would be.

LEVIN-EPSTEIN: A lot of our listeners have specific policies that they have in mind and they'd like you to answer the poverty impact in their state right away on the phone, I'm sure.

But I'm going to ask one of those questions as a (inaudible) of the kind of things that different kinds of policies people may be thinking about. If you could just sort of help us quickly get a feel for the kinds of ways to approach those questions that might be undertaken in the PIP. And so here is the illustration.

The – if the government mandated principal reductions in mortgages for under-water homeowners, what would the impact be on poverty projection for the next one to 10 years? Clearly, you can't answer that question right now. But how would you, as the PIP researcher, approach that?

GIANNARELLI: Sure. That's a good question and thank you for knowing that I can't answer that on the phone. Thinking about that question, what would be the anti-poverty impact of reducing principal on mortgages, you'd first have to think about how many families are in that situation who are currently in poverty.

Obviously, that's the maximum number of families who could be helped. And then of those families, how many would actually be helped by the policies. That's something that would be available to everyone, available only to some people in certain circumstances. So that would further reduce the maximum number of families who could be helped.

And then you would have to think about, well, what's the max – what's the change in their – in their mortgage that would result and you could think about that as a kind of reduction – a kind of increase to their family resources.

You'd also have to think about some broader issues that wouldn't, you know, automatically be picked up as a resource change. At a broader level, a policy that might let a family sell their house could have other benefits. For instance, maybe they could move to a place with more job opportunities if they were able to sell their house.

So this kind of policy would – there's no automatic model already set up that would automatically answer that question comprehensively. You'd really have to think through the different pieces and make some assumptions at each step.

LEVIN-EPSTEIN: Time for one last question here, Linda.

There are folks sitting out there who are in underfunded organizations.

GIANNARELLI: Yes.

LEVIN-EPSTEIN: What a state or community group to do if they have little or no money to contract for this sophisticated analysis? What are some steps they can take?

GIANNARELLI: Sure. There – if the organization does have access to survey data and someone on staff who has some, you know, experience using survey data, that there are certain things that they can do that they can look at the characteristics of families in their state or locality and – without a great deal of sophistication, look at the kinds of families who are currently benefiting from the policy that they might want to change and make some rough estimates of how many families could be helped by their policy change.

There's also a lot of information available on the Census Bureau's website including some information on poverty at the state and local level. So I guess I would say that there are some things that an organization can certainly do their own and they can certainly look at what's been

done by IRP, by the Urban Institute to maybe get some ideas about whether they could do a sort of simpler version of something.

LEVIN-EPSTEIN: Terrific. Thank you so much.

Representative Kefalas? Before you got engaged...

KEFALAS: Yes. Good morning to you.

LEVIN-EPSTEIN: Hi. Before you got working on poverty impacts, you sponsored and secured legislations to create a poverty task force in Colorado. Why did you think Colorado needed a task force?

KEFALAS: Yes. Thank you, Jodie.

Good morning, everyone.

Well, I was elected to the Colorado State House in 2006 and one of the first things that I did was create or establish a – what we called the Common Good Caucus, which was an attempt to bring together legislators in a bi-partisan way to talk about these issues and raise awareness.

I quickly determined that having a more formalized and concerted effort would be valuable and so in 2009, I ran a bill – House Bill 091064 which set up the Economic Opportunity Poverty Reduction Task Force. Basically, this is a five-year, 10-member, bi-partisan legislative task force and our basic charge is to look at public policies and practices as well as private sector of best practices that promote economic opportunity and reduce poverty.

So that was the idea of that. It was important to have something formalized in state law to help us reframe the public discourse around poverty, move it away from being a partisan issue to more of a non-partisan issue and looking at it through the lens of economic development and collaboration and so on.

LEVIN-EPSTEIN: So what's your favorite accomplishment so far at the task force?

KEFALAS: My favorite accomplishment. Well, in 2009, the first year we were set up, we were in an official interim committee and we basically introduced eight pieces of legislation that came out of the community and also came out of the community 'cause that was one thing that was important. It's to make this process very inclusive and include our folks in the community.

But we passed eight bills and then many of those bills were bi-partisan and they – they were meaningful and ultimately they are contributing to improving people's lives. So that would be the biggest thing.

LEVIN-EPSTEIN: That's so great. I'm sure there are a lot of jealous legislators around the country who wish they could point to those kinds of success, especially the bi-partisan part.

So, John, let's get right down now to your bill around poverty impact projection which would have been attached to legislation. Why did you introduce that kind of a bill? What was it that grabbed you about the idea of poverty impact projection?

KEFALAS: Sure. Thanks, Jodie.

Well, first of all, the bill that you are referring to was a bill that I ran in this last legislative session in 2011. And that bill, for those who are interested, is House Bill 111078. And basically what – the reason I ran this bill is because I felt we needed to have better tools for evaluating public policy, especially public policy proposals that have to do with children and families.

And so having something like – the idea of the bill was to establish these poverty impact statements that could be requested by certain members of the legislature if indeed the – there is a potential impact on child, individual or family poverty. And then to include information either qualitative or quantitative to provide information to legislators and the public about the impact of this proposed legislation.

LEVIN-EPSTEIN: And so would you, in your bill, have applied it to all pending legislation? Or is it going to be something that has to attach to everything that got introduced in the legislature?

KEFALAS: No, not at all because, for one thing, that would be very costly. I mean – and actually I had some amendments to the legislation that would have actually set this up sort of as pilot. But the idea was that not everyone in the legislature could request a “poverty impact statement” but that the chair of the committee of reference – for example, one committee that I'm on is the Health and Environment Committee – a chair or a ranking member could request a legislative council staff this – such a statement and again it had to do with the potential impact on child, individual or family poverty.

And some of the criteria or areas of interest that we put into the legislation, issues relating to household income, assets and financial security, work and income support such as child care, et cetera, food assistance. So if the bill has to deal with those kinds of issues, then somebody could request this poverty impact statement.

LEVIN-EPSTEIN: And who would have done the analysis? Did you identify in the bill who was tasked with doing the work of the analysis?

KEFALAS: Yes. Well, in this particular legislation, our non-partisan legislative council staff would have done the analysis. In Colorado – I don't know how it is in other states – but every piece of legislation that is introduced must have what we call a physical note, to determine if there is any physical impact to the public – to, you know, to tax payers.

And what I was trying to do was where appropriate – where relevant – include a narrative regarding the policy impact projections or poverty impact statements, so legislative council would be the entity to do this analysis.

LEVIN-EPSTEIN: But, John, the bill did not become law, so what's your next step in this arena?

KEFALAS: Well, my next step is to bring back the legislation – there are a couple of things but, fundamentally, I plan to bring back this legislation in the upcoming session in 2012, new and improved. And I would welcome anyone's input, ideas for how we can do that. I have some ideas myself. So to bring back the bill would be one next step.

But also working with folks like Linda and others at the Institute for Research on Poverty to bring the capacity to do the supplemental poverty measures in Colorado and that's something that I have been working on with our legislative council staff, our economists, and our physical analysts. And I think we're getting closer. And I think that's going to be critical. If we have those tools, then it will be easier to do these kinds of poverty impact statements.

LEVIN-EPSTEIN: This is a reminder to the audience. You've been great. You're sending in your questions. For those of you who have forgotten the address, it's simple. It's audioconference@class.org. Shoot away those ideas and questions and we'll get a chance to ask them.

John, Colorado legislative has targets to reduce poverty. Could you just briefly tell us what the target is and whether or not you think having it has mattered in any way?

KEFALAS: Yes, of course. Indeed, the legislation that has set up the task force, there was also a specific target – poverty reduction target and that is to cut child and family poverty in half by 2019. So that's the target.

As far as does it matter, and the sure answer is of course, yes. It does matter because it provides a focus, it provides a goal that, you know, that we can all strive towards. And I think it creates a lot of incentive and motivation to stay with this thing because I think folks listening understand the complexities of what we are trying to do here.

But I think it's also important for people to understand that if we do the right policies and execute them properly, we actually can make a difference. And that's one of the things that I've learned at this conference that Linda referred to earlier. There are policies that we are doing, whether it's expanding the earned income tax credit or other kinds of things that actually are helping, you know, to keep kids out of poverty and let's rest this issue.

LEVIN-EPSTEIN: We have a question here from the audience about what type of members were on your task force and how was community input solicited and if you could speak to that particularly with respect to interest in poverty impact and projections, if it's possible to do so?

KEFALAS: Sure. Thank you for the question.

The members of the task force – it's a 10-member task force and it's made up of legislators. And the way it's set up is five are Republicans, five are Democrats and they are appointed by leadership.

I chaired the task force the first two years and then we switched the chair and right now there is a Democrat in the Senate who is the chair and a Republican in the House who is the vice chair. So that is the basic body.

But what's really important for people to understand is we engage the community by setting up a variety of committees or work groups around different topics. And that allowed for opportunities, you know, for folks to do the old man's work, you know, in the community to come up with ideas and then that would inform the legislators and ultimately, that would inform public policy.

So it was very intentional for the get-go to try to do this in a very inclusive way, looking at all the sectors and another thing that's really important and I'll stop there is it's really important to try to engage the business community because they are critical stakeholders or players in the solutions to this, you know, to this complex issue.

LEVIN-EPSTEIN: John, last question.

KEFALAS: Yes.

LEVIN-EPSTEIN: And here is what's being asked, your advice. Your advice given that you're a state legislator, regarding PIP for both other policy makers and for advocates.

KEFALAS: Well...

LEVIN-EPSTEIN: What's your message?

KEFALAS: Sure. Well, I think the most important thing is to make it clear to fellow legislators that one of the values of doing poverty impact projections or statements is that it allows us, especially in these tough financial times, to better evaluate, you know, what it is we're doing and we're using tax payer dollars.

So if we can reframe this – I mean, if we can use those tools to help us see how this is indeed an economic development issue, to help us see how ultimately – well, I think we can save tax payer dollars, I think that's important advice for legislators.

And for the community folks, you know, to continue to push us to engage them in a collaborative process for really addressing these issues, that we just have a moral imperative to do that as well as physical imperative because we have to do things differently.

LEVIN-EPSTEIN: Thank you very much.

Brian, I'm going to get to you. But first I want to throw back a question at Linda.

Linda, we have an interesting framing question about the research.

GIANNARELLI: Yes.

LEVIN-EPSTEIN: From a university, School of Medicine.

GIANNARELLI: OK.

LEVIN-EPSTEIN: And the question is how does this approach you described to the PIP evaluation reflect the model used by the wider opportunity for economic self sufficiency? What's the difference between doing a PIP and using the family economic self-sufficiency standard that a lot of the people around the country have heard about that was developed by (inaudible)?

GIANNARELLI: That's a really great question. I think there are two differences. One difference is that the poverty threshold, even the SPM poverty threshold, are going to be different from the family self-sufficiency standards.

And one isn't better than the other. They're trying to measure different things. Even the SPM poverty thresholds are trying to establish a very low income (inaudible) where you have the purchasing power. About one-third of the way up the economic ladder, whereas, the family self-sufficiency amount is – may be a higher amount. At one point are you fully self-sufficient? Do you no longer need any government assistance? So that's one difference.

And the other difference is that when people are looking at the self-sufficiency amounts, they're typically thinking about one family with a certain change help, you know, one family with a certain number of kids, et cetera, be able to be self-sufficient. Whereas, with these poverty impact statements, we're trying to do – or the kind of research we've done is try to do and say, if you look at the whole population in the state, how is that going to change the poverty rate?

So I'd say those are the two differences.

LEVIN-EPSTEIN: Thanks very much. Brian Rusche, you're on.

RUSCHE: Hi, Jodie.

LEVIN-EPSTEIN: Hi. And you're with – just to remind the audience – the Minnesota Joint Religious Legislative Coalition.

RUSCHE: Right.

LEVIN-EPSTEIN: So the first question for you, in a state which has both of poverty impact projection that was undertaken by the Urban Institute and the bill on PIP was introduced...

RUSCHE: Yes.

LEVIN-EPSTEIN: Could you just tell us though about what the Joint Religious Legislative Coalition is and why you all are involved in this stuff?

RUSCHE: Sure. Yes. We're an inter-faith social justice coalition made up of religious leaders and clergy and lay people and we're sponsored by the largest faith group in Minnesota, the Catholic

Conference, which would be the Catholic bishops, the Minnesota Council of Churches, which are the mainline Protestants, the Jewish Community Relations Council and the Islamic Center of Minnesota.

So Catholics, Protestants, Jews and Muslims have formed this public policy coalition to work on matters where we have agreement. And each the faith groups reserve the right to speak differently about unique issues and places where there's not agreement.

But we all agree that poverty, as John said earlier, it's a moral imperative to make sure that every person in Minnesota has their basic needs met and that it's the societal responsibility both through public and through private initiatives to make sure that we end poverty in Minnesota.

So we put forth this rather audacious goal that we wanted to end poverty in Minnesota by 2020. The clock is ticking. As you mentioned, we had a poverty commission and one of the things that we worked on was this poverty impact statement.

So the religious really played a big role but all kinds of non-profit agencies, also some business leaders, some public officials, some education leaders, a lot of people came together to support this movement. So, you know, it's an inter-faith social justice organization.

LEVIN-EPSTEIN: Right. Well, (inaudible). You and I had a conversation where I got an "a-ha" and it wasn't very long ago. And you told me that the PIP that Urban did for Minnesota was useful in community organizing...

RUSCHE: Yes.

LEVIN-EPSTEIN: Around having the opportunities.

RUSCHE: Yes.

LEVIN-EPSTEIN: So can you share with everybody what you shared with me? Because it really was an "a-ha", how is it that the PIP feeds in to community organizing?

RUSCHE: Well, I think poverty is one of those topics where – at least when I'm working with groups and people are wanting to do something we have to get over a – I think a psychological barrier or just a barrier about possibilities, because I think most people who don't think a lot about this feel that poverty is intractable, that public initiative largely haven't worked.

There are all kinds of messages out there that just put people into what I call a paralysis. It's too big, we don't know how to approach it, and I just don't feel very much hope about this issue, that's kind of the starting point with a lot of groups.

And so to be able to say to these groups, "Look, we've done some very careful, quantifiable analysis and the Urban Institute did this kind of modeling for Minnesota in the context of our Poverty Commission's deliberation," so we have a Poverty Commission Report now that shows what would be the impact in very linear fashion, what would be the impact if we were to increase

the minimum wage, increase the earned income tax credits, fully fund child care, put more effort into the take-up rate for snap benefits, put more education and training opportunities in place.

We can say to people, “Look, if you get on these policy levers, we can reduce poverty by – and in this case, the model showed that if you do those five things to scale, we would reduce poverty in Minnesota by 27 percent. Now there is something about saying that out loud to a group of people that gives them so much hope and kind of cuts through all the garbage and give them, you know, kind of a clear path. You know, “OK, we’re on a third of the problem just by doing these policy levers.”

They also think – also, the other thing was that the modeling showed how some of the policies work together. There’s synergy. So like in terms of prioritizing, well, what do we do next, it’s important to look at things like the child care funding and the earned income tax credits and the minimum wage. I mean, those things work together powerfully and – I mean, John alluded to this earlier – some impacts would cause more people to go into the labor market.

OK, well, this kind of model tells you that. You get more than the sum of the parts. So in terms of giving hope, in terms of giving a road map, it got people a lot more excited and I think that otherwise would be just ‘cause the information was an antidote, if you will, to the paralysis. I hope that’s what I said earlier to you.

LEVIN-EPSTEIN: It is. Exactly. I’m feeling the “a-ha” all over again.

RUSCHE: OK.

LEVIN-EPSTEIN: So, Brian, you were all very fortunate in Minnesota that the Urban Institute came out in business analysis for you.

RUSCHE: Yes.

LEVIN-EPSTEIN: And then as well, there was a bill that was introduced to require that a PIP be done for certain pieces of legislation.

RUSCHE: Right.

LEVIN-EPSTEIN: Was this idea a function of your State Poverty Task Force work and recommendation itself?

RUSCHE: It was. It came up fairly early on in the Poverty Commission’s deliberations. I think some citizens actually brought it forward and had either borrowed from maybe John’s (ph) work or other states on that too.

KEFALAS: We borrowed from your work.

RUSCHE: Oh, OK. Well, you’re welcome.

KEFALAS: I guess we didn't ask. Sorry about that.

RUSCHE: No, we want this – we want this to spread. The only thing that I would point out that was a little different about ours was that – like I said, there were two things.

We allowed any chair or ranking member of any committee to ask for one, because we really didn't want to limit it just to the typical traditional human services committees or the jobs committees. We really wanted people in transportation and education and the health department and other, you know, committees of jurisdiction to also think.

And you know, one of the wild examples somebody gave was – well, maybe the transportation people should be thinking about what would the effective bus fare increase be or bicycle lanes – making it easier for people to get to work without a car. They don't spend money on gas or a car, so those kinds of out-of-the-box thoughts. We wanted to make sure we're at least possible subjects for a poverty impact statement.

The other thing that I think was different is that we in our (stance) or in our bill said that we wanted the poverty measure to be the National Academy of Science, the new measure of poverty. And so we may have to go back and do some work and not worry about whether that's been refined a bit more.

And then the other thing was that we used our state demographer as a place to house this analysis. And the state demographer was actually kind of anxious to do this work and I think the way to think about it is that the state demographer will sort of be the quarterback in terms of getting information from various agency personnel to do the work.

So it was a bill, it was – you know I think we'll talk about it in a minute.

LEVIN-EPSTEIN: Yes.

RUSCHE: We were able to pass it through but...

LEVIN-EPSTEIN: So speak of that, Brian, why not? Why didn't it get through?

RUSCHE: Yes. We just had a terrible budget deficit in Minnesota. The last two budget cycles, our expected income was way below our expected expenditures. And so there was just this almost blanket policy across the committees that they just wouldn't think about anything that cost new dollars.

And this does represent some – some work and some tasks that state employees and legislative staff would have to do and we didn't have a way to pay for it. So, you know, we didn't want to get – we didn't want to be defeated before we even started. We then began some discussions with our University of Minnesota here about some possible ways of doing some resource sharing, maybe some joint fund raising from the charitable sector, from our foundations about trying to find some way to make this happen.

Now we haven't resolved that yet but we're trying to think creatively about maybe bringing in some academic horsepower along with the existing legislative staff in the state demographers office to make this happen. But quite frankly, the budget situation swamped us and I think we also have to take responsibility as a coalition with our colleagues that we just aren't big and powerful enough and that kind of gets back to the organizing piece.

So we're going to continue to, you know, meet with groups across the state and organize around this idea that we should do everything that we can aimed at ending poverty by 2020. And one of the most helpful things we could do is have this analysis inside state government.

LEVIN-EPSTEIN: We're going to need to begin to wrap up but I want to, Brian, ask you a question we've gotten to hear as to whether or not the PIP analysis and the scope for PIPs in Minnesota that you thought about in the bill or will be thinking about might go beyond education and training policies and focus on some economic development sector, job creation impact issues that the...

RUSCHE: Oh, yes. Sure.

LEVIN-EPSTEIN: OK. Speak of that please.

RUSCHE: Yes, very much so. I mean, we hope and our vision is that this would be a very wide ranging opportunity for everyone in state government to begin thinking, you know, just to have that discipline of thinking about what would this policy change do to the poverty rate. And I think every example we've had on the audio conference so far has been how do we get on this lever to decrease poverty.

Quite frankly, there are some things that we're thinking about doing in Minnesota that will increase poverty. We're seeing some of our tax on some of our public benefit eligibility standards for example. Well, it would be so helpful if we had agreed upon numbers in terms of how many more families would be in poverty if we make this change.

So – and it's not just the public benefit programs. It would be like the questioner said, what about jobs and training programs? What about wage subsidies or tax credits? I mean, I think there are all kinds of things in the tax committee that ought to be subject to this kind of analysis, how we treat property tax refund programs for example. Anyway, wide ranging is our vision.

LEVIN-EPSTEIN: So in closing, I'm going to ask each of you to answer good idea, bad idea to a proposal, just submitted by one of our listeners.

The proposal is has anyone thought about using the White House's "We, the People" website to petition the President to suggest using PIPs with policy at the federal level? Good idea or bad idea?

Linda?

GIANNARELLI: I guess a good idea.

LEVIN-EPSTEIN: Great. Just good idea or bad idea.

John?

KEFALAS: Good idea.

LEVIN-EPSTEIN: And Brian.

RUSCHE: Yes. It sounds like a good idea.

LEVIN-EPSTEIN: Well, awesome. And I want to thank everyone in the audience for joining us today. We challenged our speakers and ourselves to do a very short audio conference, 45 minutes, lots of materials to get in, in a very short period of time.

If you go to the resource at the forefront, poverty impact projections, it provides you links related to the subjects that we've talked about here from the Urban Institute, Minnesota and Colorado.

I want to thank very much for being in the spotlight today, Linda Giannarelli of the Urban Institute, Representative John Kefalas from the State Legislature in Colorado and Brian Rusche with Minnesota's Joint Religious Legislative Coalition. Thank you so much to everybody.

Thank you, Linda, John and Brian.

KEFALAS: Thank you.

RUSCHE: Good luck (inaudible) your work.

GIANNARELLI: Thank you.

LEVIN-EPSTEIN: Everyone, have a great day and we will send you an e-mail with all the links you need. Thank you so much everybody. Have a great day.

RUSCHE: Good weekend.

GIANNARELLI: Bye-bye.

LEVIN-EPSTEIN: Thanks. Bye-bye.

KEFALAS: Bye-bye.