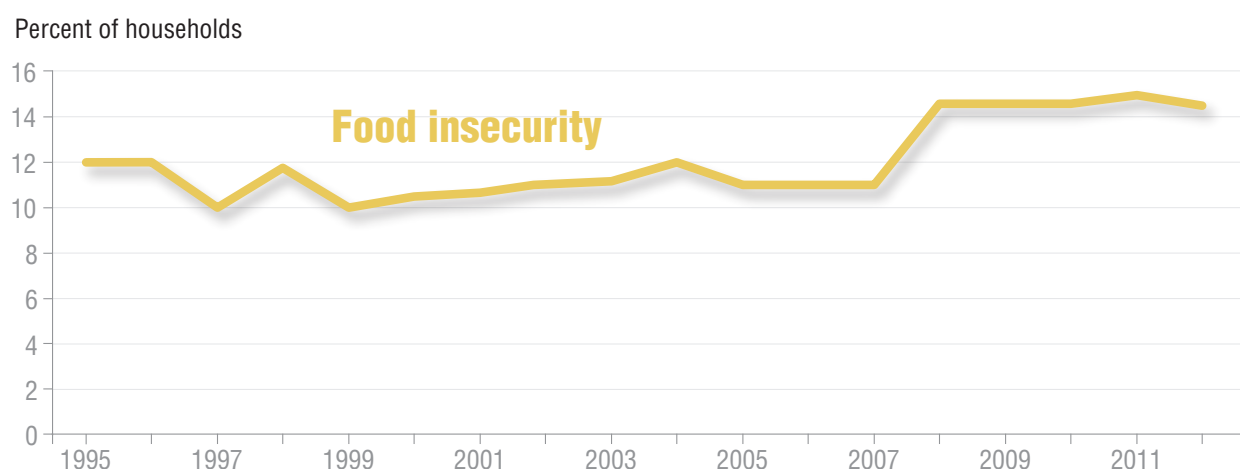




# Setting a Goal and Developing a Plan

In 2012, the last year that data are available, nearly 50 million people in the United States lived in households that struggled to put enough food on the table.<sup>1</sup> The number of people stalked by hunger in the United States has soared since the Great Recession, the country's worst economic downturn in three generations. Even before the recession, there were all too many people stalked by hunger in cities, suburbs, and rural areas. Every year since the turn of the millennium, at least 20 million Americans (one in 10 households) have been worried about running out of food.

Figure i.1 **Trends in Food Insecurity in U.S. Households, 1995-2012**



Source: Calculated by USDA, Economic Research Service based on Current Population Survey Food Security Supplement data.



Some people are more vulnerable to hunger than others. One in three families with an adult who is unable to work because of a disability worries about running out of food each month.<sup>2</sup> Stanley Glenn, for example, is a 53-year-old single father raising his 14-year-old daughter in Philadelphia. Stanley suffered a stroke and has not been able to work for 7 years. He and his daughter get by on Social Security disability benefits and SNAP/food stamps.



Stanley Glenn, a single father raising a daughter in Philadelphia, has been using SNAP/food stamps since he became disabled in 2006 and could no longer work.

Before the stroke, he worked multiple jobs to make ends meet. It took a toll on his health; after the stroke, he also learned that he is diabetic and has a heart condition. “I just pushed myself too hard,” Stanley says. “It’s not like I don’t want to work, I would love to go back to work, but every time I try to go back my body says no.”

In the United States, one of the most significant risk factors for hunger is being a child; children experience the highest hunger rates of any age group.<sup>3</sup> In our most recent Hunger Reports, Bread for the World Institute has drawn attention to the lifelong effects of hunger on young children, particularly during the 1,000-day window between pregnancy and age 2. New research provides incontrovertible evidence that this is the period in human development when hunger has the most damaging impact. The risks continue to be serious long after age 2, but making sure good nutrition is available to mother and child—and that neither goes hungry during this period—is imperative.

**“I would love to go back to work, but every time I try to go back my body says no.”**

— Stanley Glenn

African Americans and Hispanics experience higher rates of hunger than whites, but there are many more whites who are hungry.<sup>4</sup> See Figure i.2. Women experience higher rates of hunger than men, especially among seniors, and people with disabilities experience hunger at two to three times the rate of people without disabilities.<sup>5</sup>

The suffering that hunger causes individuals is a tragedy. But there are consequences for the nation as well. In 2011, a team of economists from Brandeis University calculated the direct and indirect costs of hunger, taking into account its effects on health, education, and economic productivity. They estimated the total cost to the country that year to be \$167.5 billion.<sup>6</sup> This means that we are all paying for hunger.

Americans are not indifferent to people suffering from hunger—people of all income levels give to charities that provide for the most disadvantaged in society. Yet the num-



About **50 percent** of all U.S. children will, at some point before they turn 18, live in a household that receives food stamps/SNAP.<sup>1</sup>

**51 percent** of U.S. families headed by a person age 65 to 74 had no money in retirement savings accounts in 2010.<sup>2</sup>

bers of people who go hungry every year remain shockingly high. The fact is that we tolerate levels of hunger in the United States that would be unthinkable in other developed countries. The causes of hunger in this country are not unique, so solutions that have worked elsewhere could also work here.

In recent decades, we've somehow come to accept that the nation's prosperity does not need to be shared. The top earners make more than the top earners in any other developed country, while the lowest-paid workers are worse off than their counterparts in all but a few of these countries.<sup>7</sup> Being a “developed” country surely means more than having an advanced economy. Moral and social development must be priorities as well.

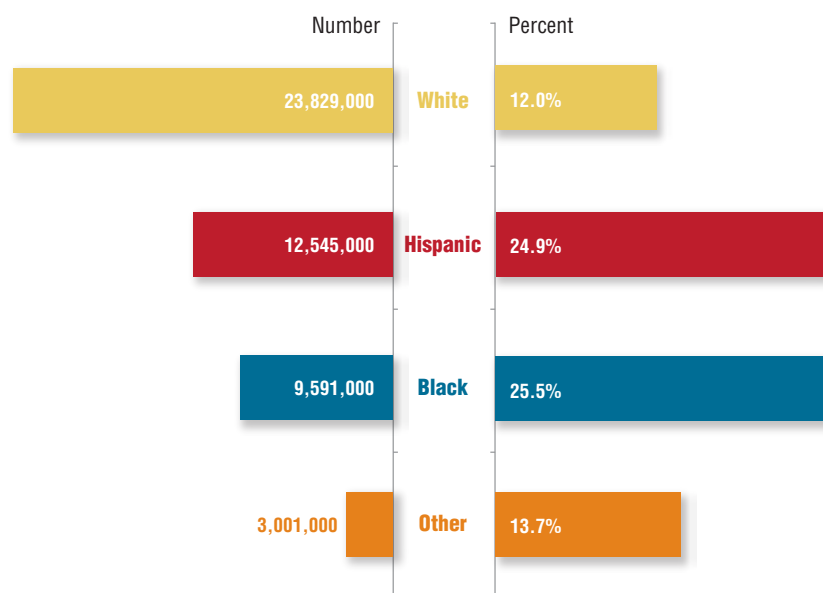
## Setting a Goal

There is still hunger in the United States because national, state, and local leaders have not made eliminating it the priority it should be. But with effective leadership and the right strategies, we can eliminate hunger in the United States—and we can do it by 2030.

In the United States, a problem becomes a national priority only when a critical mass of citizens is willing to commit to solving it and to holding policymakers accountable for making progress. The public needs to demand stronger leadership on hunger, beginning with the president setting a goal to end it—a goal with a deadline.

Only the president can ask for everyone's support in achieving the goal and rally the whole country to get behind it. Then it will be up to leaders in their own communities to support the president and help ensure that ending hunger gets the public attention it needs.

Figure i.2 Number and Percent of Food Insecure Individuals in the United States, by Race and Ethnicity



Source: Alisha Coleman-Jensen, Mark Nord, and Anita Singh (September 2013), *Household Food Security in the United States in 2012, Statistical Supplement*, U.S. Department of Agriculture

**28 percent** of African American children live in high-poverty neighborhoods, compared with **4 percent** of white children.<sup>3</sup>

During the 2000s, the number of poor people living in the suburbs grew by **64 percent**—more than twice the growth rate in cities (**29 percent**).<sup>4</sup>

We don't have to look far to see that goals drive progress. The Millennium Development Goals (MDGs) have been remarkably successful in driving progress against global hunger and poverty. When the goals were launched in 2000, every country pledged to cut extreme poverty and hunger in the developing world in half by 2015. As the end date approaches, it turns out we are on track to achieve them. The MDGs have clearly resonated with world leaders and ordinary citizens in far-flung places.

While developing countries have been making progress, however, in the United States we've

been headed in the other direction. Development is a word that means many things to many people. In the United States, development tends to be used in the sense of economic development. It's about increasing the nation's Gross Domestic Product (GDP). Before the MDGs, the conventional development yardstick in developing countries was also growth in GDP. But the MDG yardstick focused on human dignity and people's well-being. A goal to end hunger in the United States may well broaden our own views of development.

The United States has set national goals in the past, and just the idea that "we have a goal" has been successful in focusing the



UN Photo/Eskinder Debebe

At the UN General Assembly in September 2013, John Ashe of Antigua and Barbuda speaks about the success of the Millennium Development Goals (MDGs) as part of a high-level panel forum convened by Secretary-General Ban Ki-moon.

attention of those whose help is needed to make it happen. Most of us know about the goal to land a man on the moon, but there are other examples that are more relevant to ending hunger. At the turn of the twentieth century, the United States set a goal to provide a free high school education to every child. Parents at the time demanded it. As any parent knows, lack of education is closely associated with poverty. By the middle of the twentieth century, the United States had the most educated workforce and military on the planet.<sup>8</sup> The generation of Americans who fought in World War II and set the United States on the longest period of broad-based prosperity in the nation's history had years more education than their peers elsewhere in the world.

Another example of national goal-setting came in the 1960s, when President Lyndon Johnson set a goal to end poverty. And in fact, the so-called War on Poverty that he launched was a catalyst for dramatic reductions in poverty. Progress continued during the Nixon administration, which expanded the Food Stamp Program and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), leading to impressive reductions in hunger. When the economy stalled in the mid-1970s, however, the country's commitment to fighting poverty flagged.

Hunger and poverty are a package deal. They reinforce each other. See Figure i.3. Federal

nutrition programs such as WIC and food stamps (now the Supplemental Nutrition Assistance Program, or SNAP)—important as they are—are not enough without a corresponding effort to end poverty. The only way to defeat hunger permanently is to fight poverty at the same time, and that is what this report aims to show us how to do.

2014 is the 50<sup>th</sup> anniversary of the beginning of the War on Poverty. This was a “war” fought largely with new and improved social programs and with laws that dismantled structures of racial injustice that had persisted since the Civil War. The civil rights movement in the early 1960s was a driving force that spurred government to take action against poverty. At the time, half of all African Americans lived in poverty.<sup>9</sup> But civil rights leaders were demanding more than racial justice. At the 1963 March on Washington for Jobs and Freedom, where Dr. Martin Luther King Jr. made his historic “I Have a Dream” speech, one of the demands of the marchers was to raise the minimum wage to \$2.00, which is equivalent to \$13.39 today.<sup>10</sup> This demand fell on deaf ears in Congress and the White House. Economic justice must accompany racial justice. The War on Poverty’s most serious weakness was a failure to take effective action against economic inequalities in the labor market.

## A Plan to End Hunger

Chapters 1-4 of this report lay out a four-part plan to end hunger. We can summarize these as 1) a jobs agenda, 2) a stronger safety net, 3) human capital development, or “investing in people,” and 4) public-private partnerships and community initiatives.

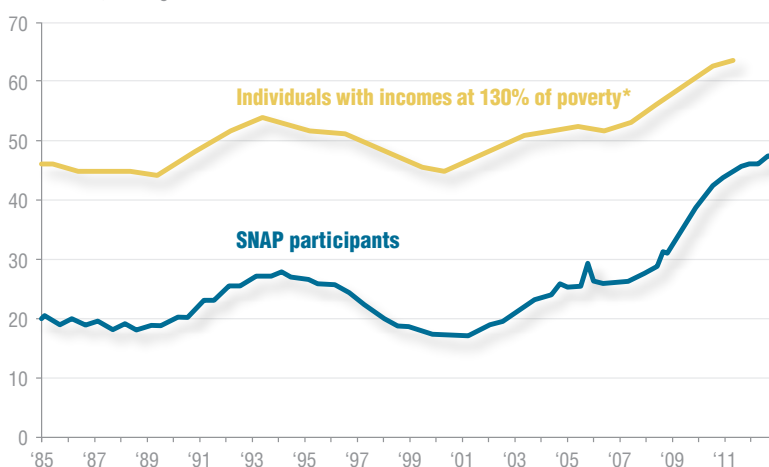
We will not achieve a lasting end to hunger without a commitment to all four parts of the plan. Because problems like hunger are multifaceted, their solutions must be as well. Policies tend to address social problems in isolation from each other. Instead we should be thinking holistically, which makes it possible to see the relationships between various causes of the problem.

It’s like links in a chain: Nutrition programs make it possible for children to do well in school. Children who do well in school can get more education and not have to settle for low-wage work. If the economy falters and these children, now adults, lose those good jobs, SNAP and local partners that support SNAP outreach make it easier to get help for themselves and their children while they are out of work.

Links in a chain also go the other direction. A child who is hungry does poorly in school...

**Figure i.3 SNAP Caseloads Closely Track Changes in Poverty**

In millions, through December 2012



Source: Dorothy Rosenbaum (March 11, 2013), “SNAP Is Effective and Efficient,” Center on Budget and Policy Priorities. CBPP analysis of U.S. Department of Agriculture and U.S. Census Bureau data.



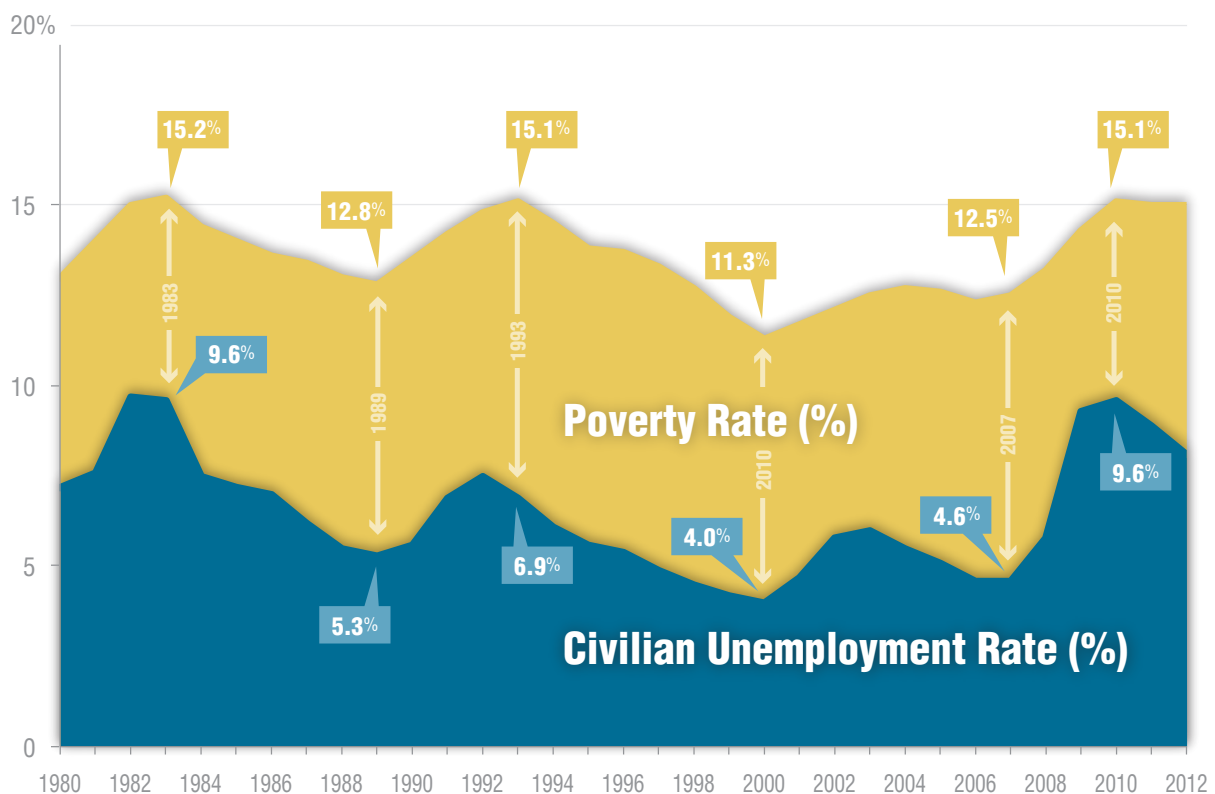
### *A Jobs Agenda*

Nothing is more important to achieving immediate progress against hunger than a robust recovery from the Great Recession. As we all know by now, the recession that started in December 2007 and lasted until June 2009 was the worst in three generations, and the damage it caused lingers on.

More than four years since the official end of the recession, the economy staggers along. It's not working up to its potential: there is an output gap of nearly a trillion dollars, meaning that what the economy is capable of producing at full capacity, or full employment, is much more than it actually is producing.<sup>11</sup> Unemployment has fallen since the recession's highs of 10 percent, but the rate is still high, and it is also an unreliable reflection of how many people are still struggling to get back on their feet. National unemployment figures do not count people who have abandoned the labor market in frustration or those scraping by on part-time work who need and want to work full-time.

**“Getting back to full employment takes us one big step toward ending hunger in America.”**

Figure i.4 **U.S. Poverty and Civilian Unemployment Rates, 1980-2012**



Sources: U.S. Census Bureau and U.S. Department of Labor: Bureau of Labor Statistics 2013

When both these groups are included, the percentage of workers left out of the recovery was 14.3 percent<sup>12</sup> in July 2013—nearly twice the official unemployment rate of 7.4 percent.<sup>13</sup>

The most effective way to reduce poverty and hunger is to reduce unemployment. Over the decades, the percentage of Americans below the poverty line has closely tracked the unemployment rate. See Figure i.4. A much stronger economic recovery would be good news for everybody, but especially for all who are struggling to feed themselves and their families.

The federal government needs to take a much more aggressive approach to creating jobs. The 2009 American Recovery and Reinvestment Act (Recovery Act) gave a boost to the economy, and it may have prevented a full-blown depression, but the White House and Congress clearly underestimated the severity of the recession, so the Recovery Act did not do enough to stimulate the economy. We need a stronger commitment from both branches of government to achieving full employment.

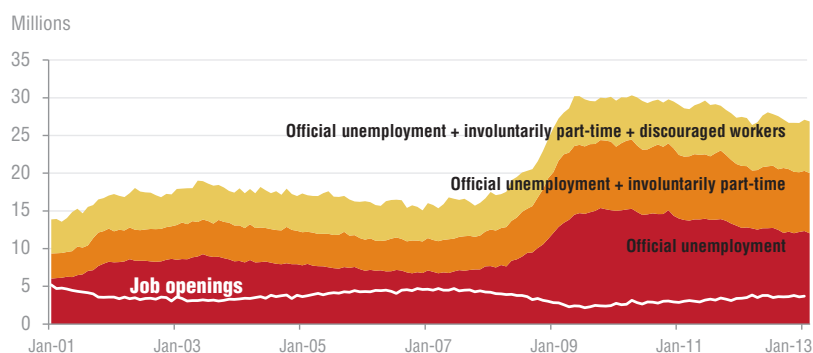
Since the Great Recession, the Federal Reserve has put more emphasis on reducing unemployment, managing monetary policy to keep interest rates low and try to stimulate private sector investments that will create jobs. But

with Congress and the president almost completely tied up in debates over the budget deficit, Federal Reserve policies have been only modestly successful in supporting job creation. Even though unemployment is still unacceptably high, the Fed is signaling that it will shift toward a less expansive monetary policy that will put less emphasis on jobs.

The Recovery Act provided funding to help fix weaknesses in the country's physical infrastructure. Renovating the nation's fragile and neglected infrastructure is still one of the best investments we can make to put people to work and help boost economic productivity for the long term. Investments in human infrastructure or human capital, as economists often call workers' knowledge and skills, also drive productivity growth. We know from decades of research that early education is one of the best investments countries can make to improve human capital. Early education has also proven to be one of the best ways to give children a chance to escape intergenerational poverty. More than a third of young families (those where the breadwinner is under 30 years old and there is at least one child) are living in poverty.<sup>14</sup> Plus, parents in these families need the childcare component of early education just to be able to work.

The relationship between hunger and unemployment seems obvious. Getting back to full employment takes us one big step toward ending hunger in America. It's necessary but it's not enough, because millions of families experience hunger in spite of holding down jobs. All jobs should pay a wage that makes it possible for full-time, year-round workers to support

Figure i.5 **Alternative Measures of Unemployment**



Sources: Mike Evangelist and Anastasia Christman (April 2013), "Scarring Effects: Demographics of the Long-Term Unemployed and the Dangers of Ignoring the Jobs Deficit," National Employment Law Project.



their family above the poverty line. No one can do that on today's minimum wage of \$7.25 an hour. There's a widespread myth that most minimum wage workers are teenagers living with their parents. In fact, 80 percent of minimum wage earners are at least 20 years old.<sup>15</sup> Some job categories are even exempt from minimum wage requirements, and workers are paid as little as \$2.13 an hour.

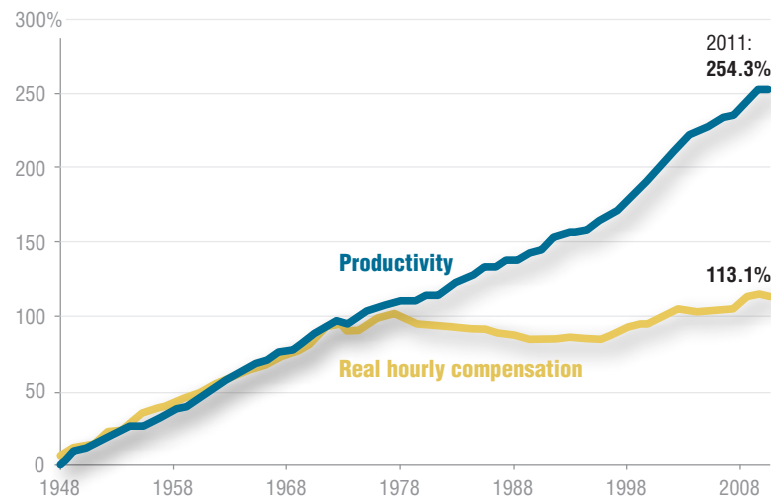
The minimum wage sets the floor and determines the pay rate of other low-wage jobs. In 2011, 28 percent of workers earned \$11.06 or less an hour, with the average hourly

wage for this group just \$8.66.<sup>16</sup> To put these numbers in perspective, consider the cost of housing. Nowhere in the United States could someone working full time at these wages afford a two-bedroom apartment.<sup>17</sup> According to the National Low Income Housing Coalition, an average full-time worker would need to earn \$18.25 an hour just to afford a two-bedroom apartment at the fair market rate of 30 percent of their income.

The minimum wage should be raised annually at a rate at least commensurate with inflation and ideally reflecting the productivity growth of the overall economy. Currently there is no schedule for raising the minimum wage; it is subject to the whims of the president and Congress. The real value of the minimum wage peaked in 1968 at almost \$10.60 in 2012 dollars.<sup>18</sup> In other words,

**Figure i.6 Most Americans Are Not Benefiting From Increased Productivity**

Cumulative change in total economic productivity and real hourly compensation of production/nonsupervisory workers, 1948-2011



Sources: Lawrence Mishel, Josh Bivens, Elise Gould and Heidi Shierholz (2012), *The State of Working America*, 12th edition, Economic Policy Institute. EPI analysis of Bureau of Labor Statistics and Bureau of Economic Analysis data.

if the minimum wage had kept pace with inflation since then, it would be \$10.60 instead of \$7.25. Had it kept pace with productivity growth, the minimum wage today would be \$18.67.<sup>19</sup> That sounds incredibly high, but the reason it sounds so extravagant is simply that wages have not kept pace with productivity for all these years. The U.S. median wage—the wage that half of all workers earn less than—is \$16.30 an hour. If wages across the income distribution had been rising along with productivity growth, the median wage in the United States today would be \$28.42.<sup>20</sup>

Since productivity growth has in fact remained strong, somebody must be benefiting from it. As it turns out, the higher one's income, the more gains from productivity growth one captures. Between 1979 and 2007, the top 5 percent of income earners captured 81 percent of all the growth, with most of it (60 percent of the total growth) going to the top

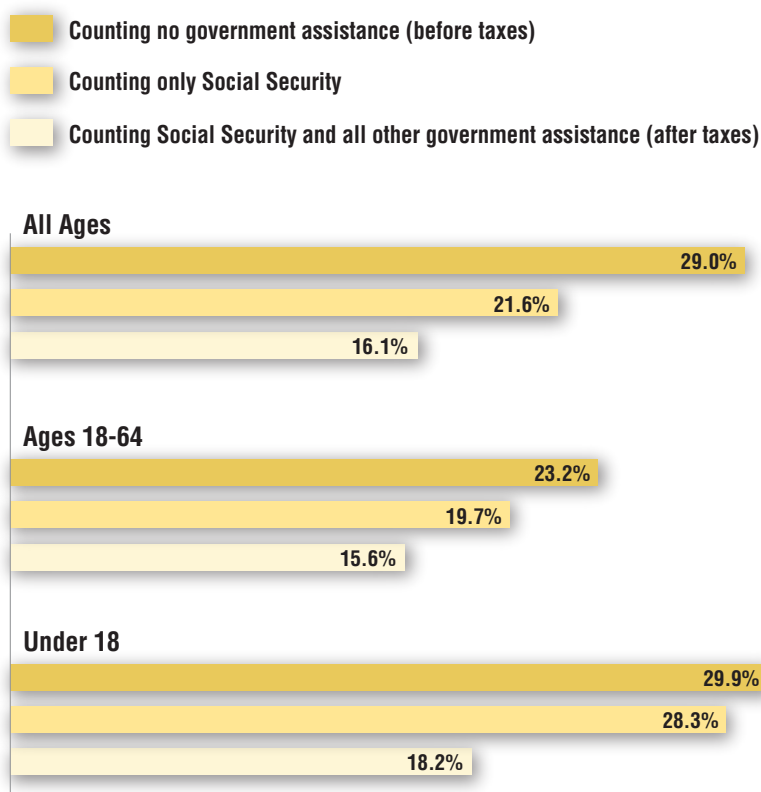
1 percent. It wasn't always this way, as we see in Figure i.6. From the end of World War II until about the middle of the 1970s, hourly compensation (wages and benefits) rose at the same rate as productivity growth. Income inequality—a subject we've been hearing so much about in recent years, and we will say more about later in the report—is basically a story about the divergence of wages from productivity growth.

### *A Stronger Safety Net*

Safety net programs help protect people from the hardships associated with poverty, such as hunger, homelessness, and debilitating medical problems. Programs are means-tested, so participants are required to have little or no income, and are sometimes required to drain nearly all of their savings, before they can qualify. These are often people who cannot work or are limited in how much they can work because of old age, poor health, or a disability. Children and adults in families where the breadwinner is unemployed or doesn't earn enough to meet basic living expenses qualify for safety net programs. Full-time students in postsecondary education programs may rely on safety net programs to see them and their children through extended periods when they can't earn sufficient income.

In 2011, the combined federal safety net programs lifted a total of 40 million people above the poverty line, including almost 9 million children.<sup>26</sup> Social Security did most of the work, pulling 21.4 million people out of poverty—seniors, people with disabilities, and/or families caring for a member with a disability.<sup>27</sup> Social Security is not purely a safety net program, because retirees and disabled people who receive it paid into the program through payroll taxes during their working years. But it has the effect of a safety net—and the single largest one by far. Social Security expenditures for fiscal year 2012 were \$773 billion.<sup>28</sup>

Figure i.7 **Poverty Rate Would Have Been Nearly Twice as High in 2011 Without Safety Net**



Source: Arloc Sherman, Danilo Trisi, and Sharon Parrott (July 30, 2013), "Various Supports for Low-Income Families Reduce Poverty and Have Long-Term Positive Effects on Families and Children," Center on Budget and Policy Priorities. CBPP analysis of U.S. Census Bureau data.

## THE CHURN AND THE RESPONSE

The official poverty rate is based on household income for a full calendar year, so it doesn't reflect the extent to which people cycle in and out of poverty during the year. For example, a household of four is officially counted as poor if it had an income of \$24,000 or less during the calendar year. It is not counted as poor if it had five months of no income but enough income in the other seven months to bring the annual income over \$24,000—even if the five-month period came unexpectedly at the end of the year. Over a two-year period from 2008-2009, 13.8 percent of people were considered to be officially living in poverty; however, nearly a third of the population was below the poverty line for at least a month of these two years, and one-fifth were in poverty for at least six months.<sup>21</sup> See Figure i.8. The upside of the information shown here is that protracted periods of poverty, that is, lasting two years or more, appear to be less common than the official poverty rate would indicate.

**“It’s important to have a safety net that responds quickly, so that families that suffer a sharp drop in income and sink into poverty, even for a brief spell, are able to quickly get the help they need.”**

Realizing that about a third of Americans experience poverty from time to time can change political attitudes. Many policymakers, and much of the public, imagine that poverty is a chronic problem among a particular group of people. And, in fact, there are people trapped in poverty for a very long time. But there is also a much larger group of Americans who struggle on the edge of poverty or slip into poverty when they lose a job or when someone in the family becomes seriously ill. The average SNAP participant leaves the program after 10 months.<sup>22</sup>

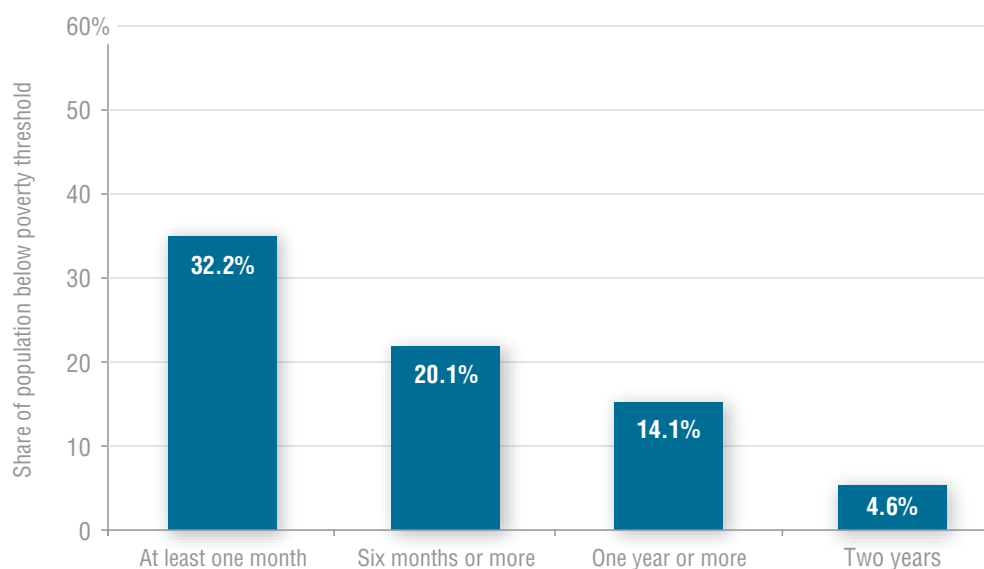
Thus, it’s important to have a safety net that responds quickly, so that families that suffer a sharp drop in income and sink into poverty, even for a brief spell, are able to quickly get the help they need. They may not need the help for long, but it is critical for them to get it before hunger is a reality—particularly for young children. The U.S. Department of Agriculture (USDA) states that anyone who qualifies for SNAP will receive benefits within 30 days.<sup>23</sup> But not all government programs respond so quickly. It takes years to qualify for publicly-subsidized housing. Also, when families fall into desperate economic straits, it usually takes some time for them to accept the idea of seeking assistance and then to figure out whether there are programs that meet their particular needs. This shows the importance of public information services, such as the 211 call program operating in some cities, which effectively refer people in need to government and community programs that might be able to help them.

The ability of state and local governments to respond quickly has been compromised by the

loss of so many public sector jobs after the recession. By March 2013, 744,000 public sector jobs had been lost since the end of the recession in June 2009, according to a report in the *Wall Street Journal*.<sup>24</sup> March 2013 is when sequestration went into effect—the automatic budget cuts that are the result of the failure of Congress to negotiate a budget agreement by September 2011. It is important to note that sequestration was not designed as a strategy to reduce the deficit—it was intended as a threat that would force legislators to agree on a deficit reduction strategy. It was an ineffective threat, as it turned out.

In July 2013, the Congressional Budget Office estimated that if the sequester continued throughout 2014, it would result in combined public and private sector job losses of between 300,000 and 1.6 million.<sup>25</sup> A self-inflicted wound such as this is obviously not speeding recovery from the recession, nor is it improving the government's capacity to fight hunger. Read about how Bread for the World is working to counter the effects of sequestration on the nation's most vulnerable people on page 44.

**Figure i.8 Length of Time in Poverty Over a Two-Year Period, 2008-2009**



Source: Lawrence Mishel, Josh Bivens, Elise Gould and Heidi Shierholz (2012), *The State of Working America*, 12th edition, Economic Policy Institute. EPI analysis of U.S. Census Bureau data.



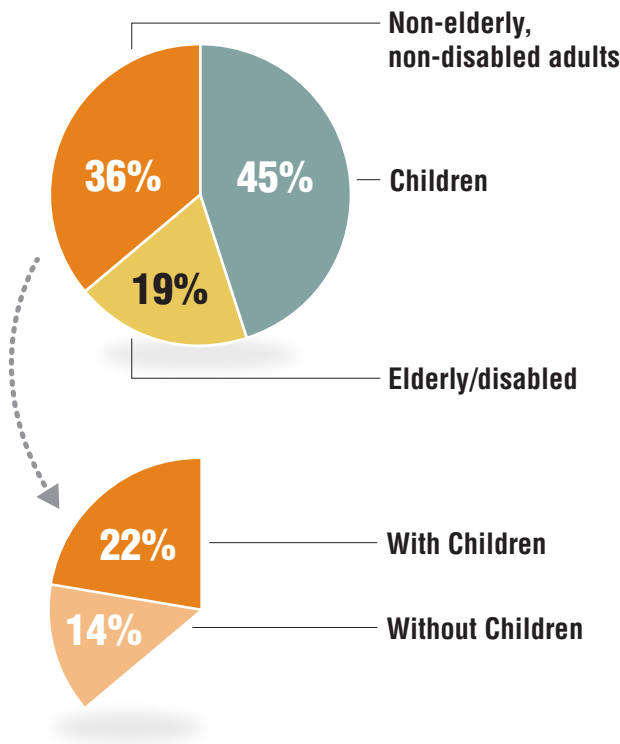
According to the Social Security Administration, Social Security is not careening toward bankruptcy as some of the program's critics allege.<sup>29</sup> With minor adjustments to its financing structure, the program will be able to meet its full obligations for the foreseeable future. In 2012, Social Security paid an average benefit of \$1,262 a month to 36.7 million retirees.<sup>30</sup> Some seniors receive less than \$800 per month, however, as a result of having paid less into the

Social Security system before retirement—either because they worked for a shorter period of time, or they earned less in their peak earning years. Seniors usually need to supplement Social Security income with personal savings, pensions, or income from other assets, but millions don't have these sources at all or get very little from them. People who are low-income at the time they retire generally remain low-income throughout retirement.

It is hard to overstate how important Social Security has been to reducing poverty in America. The program originated in the 1930s, but it was not until the 1960s and reforms during the War on Poverty that the program came to resemble what it is now. Before the 1960s, one in three seniors in the United States was living in poverty, the highest percentage of any major demographic group. By the 1970s, senior poverty had plummeted; in fact, seniors were the group with the lowest poverty rate.

Today, poverty is rising among

**Figure i.9 Close to Two-Thirds of SNAP Recipients are Children, Elderly, or Disabled**



Source: Center on Budget and Policy Priorities (2013). CBPP analysis of U.S. Department of Agriculture SNAP Household Characteristics data.

seniors faster than for any other group. Two reasons for this are that the baby boom generation is retiring at the rate of 10,000 people per day,<sup>31</sup> and that people are living longer and having to pay higher medical costs.

Since 2000, medical conditions have been the leading cause of personal bankruptcies.<sup>32</sup> Medicare and Medicaid, established during the 1960s, have saved countless lives and reduced the hardships of poverty for more people than we can accurately estimate. Together, these two programs plus the Children's Health Insurance Program (CHIP), come close to matching the cost of Social Security. The three combined cost \$732 billion in 2012.<sup>33</sup> Medicaid is exclusively for very low-income people, while Medicare is a social insurance program, a supplement to Social Security for seniors and disabled people.

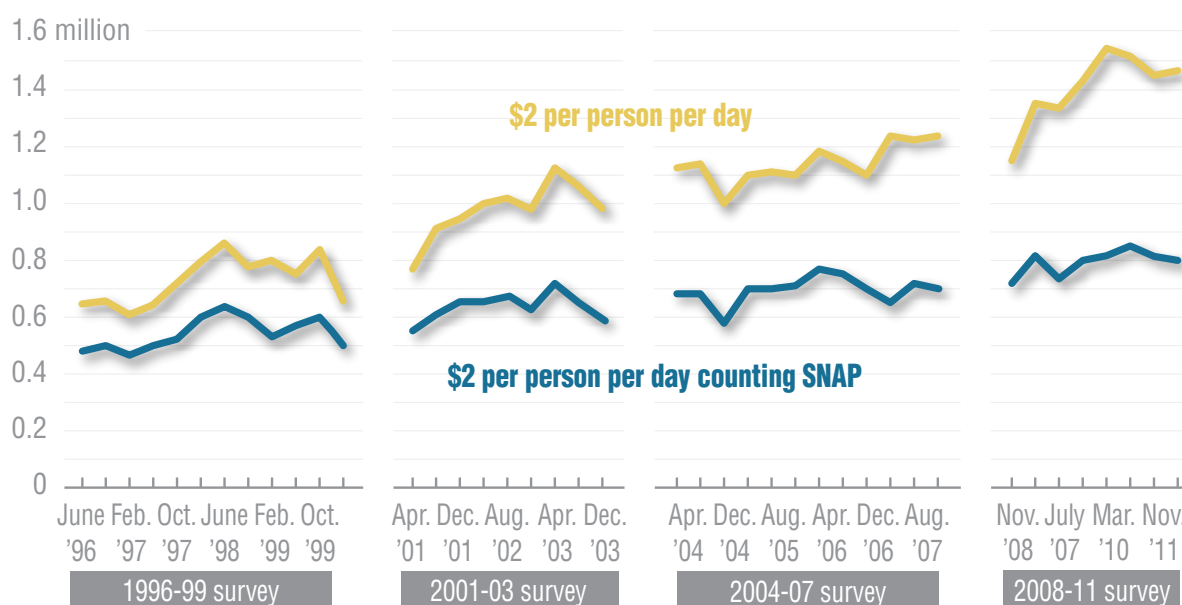
The Affordable Care Act (ACA), implementation of which has just begun, has the potential to make affordable health care available to millions of additional people who previously were excluded because their jobs did not provide insurance, their low incomes made it impossible to afford the premiums, or insurance providers simply would not insure them because they had pre-existing conditions. No doubt there will be hiccoughs in its implementation, but the ACA is a monumental improvement to the American social safety net, no less of an achievement than Social Security. The uninsured people who will now get coverage are largely people living just above the poverty line. Because medical problems and/or the bills that come with them now drive many people into hunger and poverty, the ACA should have the effect of reducing both of these.

The United States has many other safety-net programs that reduce the hardships associated with poverty. The biggest means-tested programs are the Earned Income Tax Credit (EITC), Medicaid, and SNAP. SNAP is the main program designed to protect people from hunger. The majority of households that participate in SNAP are working families with children. Each year, about half of all SNAP recipients are children. The poorest families count on SNAP more than any other program to see them through hard times. In 2011, for example, 1.46 million U.S. households lived on income of *less than \$2 per person, per day, including* 2.8 million children in these households.<sup>34</sup> See Figure i.10. The average family receiving SNAP benefits lives in “deep poverty,”

**“The majority of households that participate in SNAP are working families with children.”**

Figure i.10 **SNAP Cuts Exteme Poverty Significantly (2011)**

**Number of non-elderly households with children with incomes below \$2 per person per day according to U.S. Census Bureau’s Survey of Income and Program Participation**



Source: National Poverty Center (2012).

meaning that its income is less than half the poverty level. For a family of four, this was \$11,500 a year or less in 2011, the year for which we have the most consistent data. In 2011, there were 7.2 million American children living in deep poverty.<sup>35</sup> Research shows that children whose families received SNAP benefits are less likely to experience developmental delays than children in families with similar incomes that did not receive SNAP.<sup>36</sup>

The Earned Income Tax Credit (EITC), which gives a financial boost to low-income workers, lifts more people out of poverty each year than SNAP. The EITC comes as a tax refund in a lump sum payment and is best suited to paying down debt or making a larger purchase than households living paycheck-to-paycheck can afford. SNAP, on the other hand, provides the resources to keep food in the refrigerator day after day. It's not difficult to imagine improvements to SNAP, starting with benefits that last for the entire month and are enough to enable families to purchase healthy foods rather than cheaper, unhealthy alternatives. Most families who receive SNAP benefits cannot make them last the entire month. In fact, 80 percent of benefits are redeemed within the first two weeks of the month.<sup>37</sup> Less expensive, unhealthy foods are the inevitable tradeoff people make to minimize the time at the end of every month when food is running out.

**“Children whose families received SNAP benefits are less likely to experience developmental delays than children in families with similar incomes that did not receive SNAP.”**

### *Human Capital Development: “Investing in People”*

As we have pointed out, nutrition programs—the safety net’s center of gravity—are crucial to protecting families from hunger and the poor health often associated with it. They help

## BOX i.2

# WE NEED A SAFETY NET THAT IS STRONG, RESILIENT, AND MORE COMPASSIONATE THAN THE ONE WE HAVE

The safety net should exclude no one. People returning to communities after finishing prison sentences are among the most marginalized people in society—and they have one of the highest rates of hunger. In some states, certain categories of ex-offenders face a lifetime ban on eligibility for SNAP and other safety net programs. This harms not only them, but their children and other family members, the communities they return to, and American society at large—because hunger can drive people to desperation, and these policies can lead to recidivism and re-incarceration that would not otherwise have occurred. Returning citizens have paid their debt to society, and they should not be further penalized by discriminatory laws that deny them nutrition assistance. They face significant barriers to getting and keeping jobs. They and others in situations where the odds are against their successful employment could benefit from subsidized jobs programs that enable them to gain work experience, build skills, and improve their long-term employability.

people cope with difficult circumstances. But families will remain on shaky ground without a clear path to real opportunity.

President Obama has spoken of “building ladders of opportunity” for people to reach the middle class—a concept that sends a message of hope, particularly to young people. As the president said in January 2013, when he took the oath of office for his second term, “We are true to our creed when a little girl born into the bleakest poverty knows that she has the same chance to succeed as anybody else.”<sup>38</sup>

It is still possible for someone born into poverty in the United States to escape that fate as an adult. But the rungs on the ladder of economic mobility are getting farther apart, especially those at the bottom. Inequalities—not only of living standards, but of opportunity—start early for children in food-insecure households. Babies whose mothers suffer from hunger or poor nutrition during pregnancy are more likely to enter the world with a low birth weight. Children who are damaged physically and intellectually by hunger face higher risks of developing chronic health problems, doing poorly in school, dropping out, getting involved in crime, losing jobs and being unemployed, and finally passing the whole cycle on to the next generation.<sup>39</sup>

Ensuring that all children have access to a high-quality education is one of the most important investments a nation can make. Education can still get people pretty far up the ladder. But U.S. schools do more to perpetuate social and economic inequalities than reduce them. High-quality schools in the United States are overwhelmingly located in wealthy and middle-class neighborhoods. Children who attend such schools perform well on achievement

## BOX i.3

# THE CIRCLE OF PROTECTION

Since early 2011, Bread for the World has worked with many people of faith to create a Circle of Protection around federal programs that reduce hunger and poverty. Many members of the House of Representatives have pushed for deep cuts to these programs, but the actual cuts have come to only about 1 percent of what had been proposed. While food insecurity rates surged in 2008, hunger did not continue to increase after that—even though unemployment did. The Circle of Protection campaign helped maintain the safety net programs and moderated the Great Recession’s impact on hunger.



Laura Elizabeth Pohl for Bread for the World

**Bread for the World members from Pennsylvania discuss the Circle of Protection in the office of Sen. Robert Casey during Lobby Day 2011.**

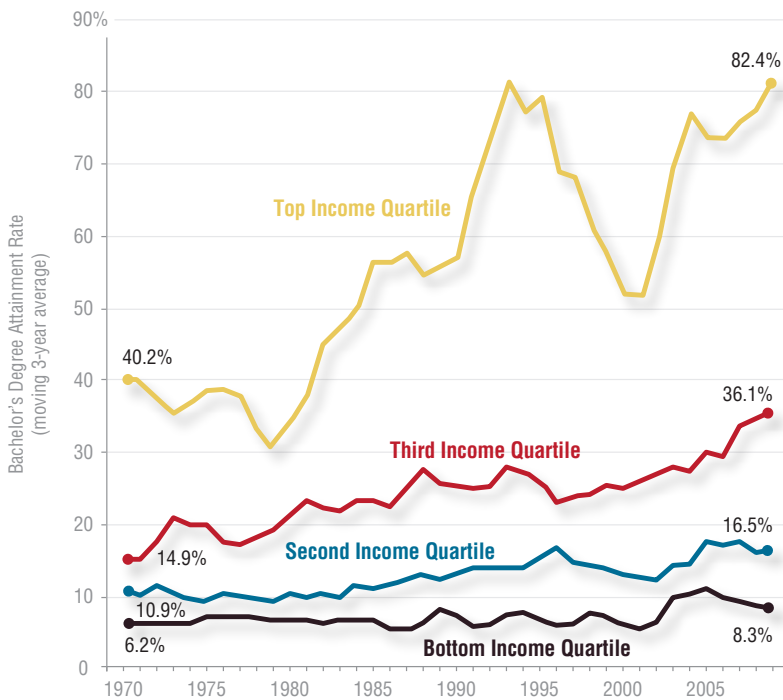


tests compared to their peers in other countries.<sup>40</sup> In low-income school districts, where the majority of students qualify for free or reduced-price lunch and breakfast, lower test scores reflect the different socioeconomic realities of these children's lives.<sup>41</sup>

College can make a world of difference in equalizing inequalities that begin at birth. More than half of children born into the poorest 20 percent of the population (the bottom quintile) who complete a four-year college degree make it to the middle quintile or higher.<sup>42</sup>

But children from low-income families have to foot more of the bill for their postsecondary education than their counterparts a generation ago. While the cost of post-secondary education has soared, their parents' incomes have not kept pace with inflation. On average, low-income students spend the equivalent of 72 percent of their family's entire income on college costs.<sup>43</sup> Government grants to low-income students have not kept pace with inflation, nor has the number of grants awarded kept pace with the population of students applying.<sup>44</sup> These are some of the reasons that the college completion rates of low-income students have been stagnant for the last 40 years, in contrast to students from high-income families, whose completion rates have more than doubled over that same time period.<sup>45</sup> See Figure i.11. One in five American households is carrying student loan debt, with stu-

**Figure i.11 Estimated Baccalaureate Degree Attainment by Age 24 by Family Income Quartile, 1970-2009**



Source: Postsecondary Education Opportunity (2010), "Family Income and Educational Attainment 1970 to 2009."

dents from low-income families much more likely to owe significant amounts of money for their educational costs. But this is also a problem that crosses class and income boundaries; the total dollar amount of student loan debt has quadrupled in just a decade.

The middle class has been hit hard by the Great Recession, especially by the collapse in housing values. It used to be that reaching the middle class meant arriving somewhere safe and secure. That was symbolized by home ownership, the American Dream. The housing bubble that burst in 2006 and sent the economy spiraling into the depths of the Great Recession made nightmares out of many American Dreams. For most people in the middle class, their largest source of personal wealth is their home equity. From 2007 to 2010, the median wealth of white households fell by 36 percent, the median wealth of African American households by 50 percent, and the median wealth of Latino households by 86 percent.<sup>46</sup>

The accumulation of wealth provided a cushion to complement a couple's Social Security benefits in retirement, or it could be used to finance other investments that pay off in the long term, such as college educations for children, home improvements, or starting a small business. Most small businesses in America are capitalized with the owner's personal wealth. Only small businesses of a relatively "big" size find that mainstream financial institutions are willing to extend them low-interest credit.

### *Public-Private Partnerships and Community Initiatives*

The federal government cannot end hunger by itself. It needs partners in state and local government and in civil society—such as the thousands of nonprofit organizations and volunteers who fight hunger every day in their communities. It needs business leaders who understand the scarring effects of hunger on human capital development and how food insecurity harms the economy. And, of course, people living in poverty will do most of what needs to be done to end hunger for themselves and their families. A goal to end hunger will not be met unless it is adopted and "owned" by all of these partners.

Setting a national goal to end hunger could mobilize our whole society. When a president sets a goal to end hunger, we expect states and localities to embrace it and deploy resources of their own. Some community groups and businesses, along with many poor people, will join in. The conversation rises in pitch and encourages others to participate, and the goal becomes a priority for the nation as a whole. As more people support it, new leaders emerge with new ideas of how to achieve the goal, and the engines of innovation begin to hum.

Partnership means recognizing the value that different partners bring to the common aspiration. Nothing at the state or local level can match the sheer volume of resources the federal government contributes. In 2012, Bread for the World produced a fact sheet showing that for every 24 bags of food assistance in the United States, government nutrition programs account for 23.<sup>47</sup> But what the fact sheet did not show is how many of those bags get to where they are needed because of the tireless efforts of partners in local communities. These include volunteers doing SNAP outreach, elected officials streamlining how nutrition programs are implemented so that more people can participate, food service directors figuring out creative ways to get healthier foods into school meal programs, church leaders hosting summer food sites, food banks distributing government commodities, government workers defeating their stereotyped image as impersonal bureaucrats, and more. These are all examples of how partners at the local level enhance what the federal government does to fight hunger.

Johnnie Jones of the U.S. Department of Agriculture fills bags with oatmeal purchased in bulk to be distributed by the Arlington Food Assistance Center in Arlington, Virginia.



USDA/Bob Nichols

The USDA administers 15 separate nutrition programs. Fighting hunger does not lend itself to a one-size-fits-all approach. That's also true at the local level. Portland, Oregon, may not go about it in exactly the same way as Portland, Maine. It takes local ears to listen to what those most affected by hunger are experiencing, and it takes local leaders to move members of the community to advocate for better policies. Communities have different assets, leaders have different styles, and the mix of local partners and the talents they bring to the enterprise

are different everywhere. As nutrition programs are implemented at the local level, the federal government has limited capacity to solve problems such as low participation rates or stigma associated with some programs. The federal government also has limited capacity to monitor progress towards achieving the goal at the local level. It relies on partners in the communities to handle these and other issues—and to share information so that the legislative and executive branches back in Washington, DC, can improve policies.

Capacity building takes place at the local level, but the federal government has ways to support it. For example, the Hunger Free Communities Network is a mechanism that helps groups working to end hunger in their local areas come

together to press for systemic changes that will reduce hunger on a larger scale. The Hunger Free Communities Network got a boost from a federal grant program. In 2005, Bread for the World's annual Offering of Letters campaign had members lobbying Congress to pass the Hunger Free Communities (HFC) Act that established the network. Eventually, Congress passed the HFC Act and provided one year of funding. Just that one round of grants strengthened anti-hunger coalitions in communities across the nation.

## In Search of the Common Good

In 2013, McDonald's launched a website to show its workers, most of whom earn minimum wage, how to budget their salaries. According to McDonald's calculations, workers earning minimum wage would have to put in 74 hours a week just to afford basic living costs. Some wondered if the site was a joke. But it was no joke.<sup>48</sup> A typical McDonald's worker, reported Bloomberg News, would have to work a million hours each year to earn what the company's CEO was paid.<sup>49</sup>

The average Wal-Mart employee would have to work 785 years to earn one year's salary of the company's CEO.<sup>50</sup> Wal-Mart is the country's largest private sector employer and one of its most profitable. Four members of the Walton family earned a combined \$20 billion in investments last year.<sup>51</sup> The company claims that it pays full-time workers an average of



USDA/Lance Cheung

Sergio Baiz (right) and Ed Rivas (left) of the San Antonio Food Bank lift a tub of potatoes that will be cooked and mashed for meals served in a Kids Café program.



\$12.78 an hour, but IBISWorld, an independent industry research firm, reports that workers are paid \$8.81 hourly on average.<sup>52</sup> A study by the Committee on Education and the Workforce in the House of Representatives found that in Wisconsin, a typical Wal-Mart store costs taxpayers \$5,815 per employee because workers qualify for, and participate in, public safety net programs.<sup>53</sup>

In the early twentieth century, Henry Ford realized that to build a larger market for the cars he was producing, workers such as the ones he employed in his factories needed to earn enough money to afford one. Ford doubled his workers' wages, and as factory workers everywhere dreamed of coming to work at his plant, it led other employers to raise wages to keep their workers from bolting to Ford at the first opportunity.<sup>54</sup>

The U.S. economy has changed a great deal since Ford's day. So has the thinking at its largest companies. When Henry Ford passed away in 1947, CEOs at top U.S. companies were earning on average about 20 times more than a rank-and-file worker.<sup>55</sup> By 2012, CEOs were earning 204 times the average wage.<sup>56</sup> The divergence between what companies pay their executives and what they pay average workers has been the source of a wide-ranging national conversation about income inequality. Between 1978 and 2012, CEO compensation rose by 875 percent, while worker compensation rose by an average of 5.4 percent.<sup>57</sup>

Exit polling during the 2012 election showed that most Americans believe that the economy is not working for them; 76 percent strongly believed that the rich are getting richer and the poor are getting poorer.<sup>58</sup> A 2011 study by the Pew Economic Mobility Project found that four out of five Americans believe that the government does an ineffective job of helping poor and middle-class people.<sup>59</sup> Americans are clearly frustrated.

By some measures, such as productivity growth or GDP, the U.S. economy has performed exceptionally well over the last few decades. Yet real wages have been stagnant.<sup>60</sup> Income inequality has widened to levels not seen since the financial crash that caused the Great Depression. The New Deal is a useful reference point for us today. During the New Deal, the government attacked income inequality and succeeded, putting the country on a path of broadly shared prosperity that lasted for decades.

In the United States, our concept of a social contract is rooted in the New Deal, the policies and institutions created by President Franklin D. Roosevelt's administration in the 1930s. A social contract is basically a right to economic security. At the beginning of the chapter, we explained that hunger and poverty are indivisible. Here at the end, let's turn that around.



Franklin D. Roosevelt Presidential Library

**President Franklin D. Roosevelt signs into law the Social Security Act in 1935. Behind him is Frances Perkins, Secretary of Labor and first female cabinet member, who pushed the president to enact massive public works projects and create jobs for millions of unemployed workers.**

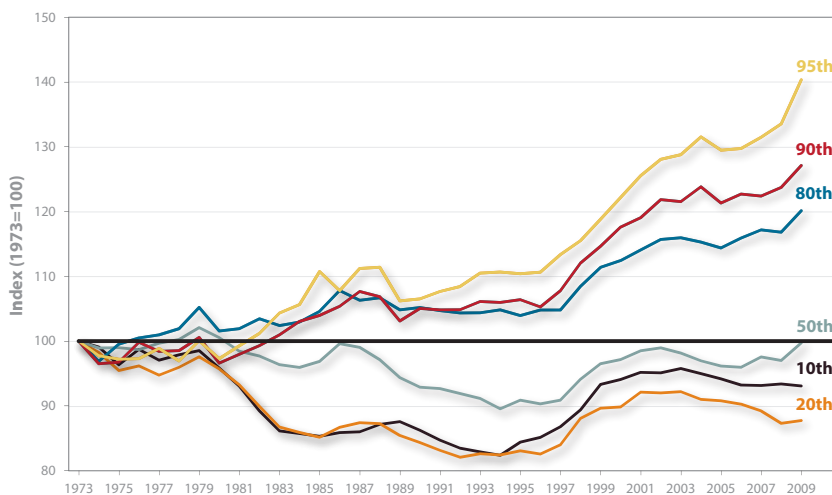


Food security—freedom from hunger—is indivisible from economic security. What Americans are looking for today is a fair deal, a social contract that will cover everyone from childhood through adulthood and into retirement. The New Deal helped to restore public faith in government by making it clear that government was on the side of ordinary citizens, and that’s what the public is looking for from government today.

Concern for the common good, the common “weal,” is an endemic feature of the American character. It was so important at the founding of our country that four of the newly unified states

kept the title “commonwealth” rather than calling themselves “states.” But a common weal seems to exist mainly in history books. Prosperity for a few, not for all, is the track we’re on now. Conditions for all members of society can be improved through proven investments. The Hunger Report highlights a number of these, such as the minimum wage, early education, improvements in human resources and physical infrastructure, nutrition programs such as SNAP, and other federal programs such as Social Security, the EITC, and assistance with college tuition. Just as corporations seek to maximize their return on investment, so should our country’s economic agenda build on

**Figure i.12 Change in Real Hourly Wages for Men by Wage Percentile, 1973-2009**



Source: Lawrence Mishel, Josh Bivens, Elise Gould and Heidi Shierholz (2012), *The State of Working America*, 12th edition, Economic Policy Institute. EPI analysis of U.S. Census Bureau data.

policies and programs that have been shown to have multiplier effects, producing the highest returns for the common good.

## The Way Forward

There is no good reason for hunger in the United States—and yet hunger persists, ruining lives and crippling the nation. It is a political problem: the lack of political will to take hunger seriously, to make it a national priority, and to develop a comprehensive plan to end it once and for all. Every day people travel to the Capitol in Washington, DC, and to state capitols, and tell elected officials what they want them to do to make America a stronger nation. In a democracy, if enough people demand something, politicians will act, or else they are replaced. It is important that constituents become more vocal about making hunger and poverty here at home a priority, calling for a commitment and leadership from policymakers. Setting a goal to end hunger—a goal with a deadline—will help our elected leaders do the right thing. It is a means of holding them and ourselves accountable. We must do this together. That is the only way it will get done.

## INCOME INEQUALITY AS IT RELATES TO FAMILY STABILITY

Fifty years ago socioeconomic status had little effect on people's decisions to marry.<sup>61</sup> In 1960, 76 percent of college graduates were married, slightly higher than the 72 percent with a high school degree or less.<sup>62</sup> By 2010, the gap had widened to 64 percent of college graduates versus 48 percent of people with a high school degree or less.<sup>63</sup>

According to polling by the Pew Research Center, lack of economic security is a key reason people say they don't get married.<sup>64</sup> While the marriage gap was widening, so was income inequality. In 1979, the earnings gap between a college graduate and a high school graduate was 40 percent; by 2011, it had risen to 76 percent.

Studies show that children have a better chance of escaping poverty as adults if they grow up in households where their parents have a stable relationship.<sup>65</sup>

Studies also show that stable parental relationships are linked to favorable household economic conditions.<sup>66</sup>

Since 1979, men's wages have declined in real value all the way up through the 60<sup>th</sup> income percentile. The decline is steeper at lower income levels.<sup>67</sup> See Figure i.12. In the bottom 20 percent of income earners, seven in 10 women earn as much or more than their male partners.<sup>68</sup>

**"Since 1979, men's wages have declined in real value all the way up through the 60th income percentile."**

The declining value of men's wages has had profound effects on family life. By people's own admission, economic security is important, particularly as it relates to how men see themselves as providers. "Breadwinning remains core to men's identity, and when men struggle to find work or have low earnings potential, they are much less likely to marry," says UCLA sociologist Suzanne Bianchi.<sup>69</sup>

A startling 88 percent of African Americans, and 77 percent of Latinos, say that for a man to be ready for marriage, he must be able to support a family financially, compared to 62 percent of white respondents.<sup>70</sup> It's probably no coincidence that declining wage rates have affected a greater share of African American and Latino men than white men, and that the median wages of African American and Latino men are lower than for their white counterparts.

While men's wages at the lower end of the income distribution were declining in value, women's were on the rise—although most progress among women in this group occurred before the year 2000. The gender wage gap has been closing since women started to enter the workforce at an increasing rate. At least part of the reason was to cope with the declining value of the male's wages. But women are still earning only 77 cents for every dollar earned by men.<sup>71</sup>

There is little evidence that government programs to strengthen parental relationships in unstable families achieve the desired results.<sup>72</sup> But government can take steps that would raise wages, and that would encourage stable marriages and families.

# THE IMPORTANCE OF PUBLIC-PRIVATE PARTNERSHIPS IN COMBATTING DOMESTIC HUNGER

*Rep. Frank R. Wolf, Virginia - 10th District*

I have met with local food banks and pantries in my congressional district on a regular basis for the past several years and they all tell me that demand for the service they provide is at record highs. This is true across the country.

In the world's wealthiest nation, roughly 49 million Americans, or one in six, struggle to put enough food on the table at some point during the year. Twenty-five million depend on food banks and other charities. This is especially striking given that in America there's no scarcity of food.

The federal government presently provides roughly 96 percent of the money spent on food assistance whereas private charity provides a mere 4 percent. This is both unacceptable and *unsustainable* given our current fiscal woes as a nation.

We must take common sense steps to address this phenomenon. A couple of years ago, after meeting with my district food banks, I learned local schools were throwing out excess food because they had received misguided advice that they could be sued if their donated food made someone sick. So in 2011, I sponsored legislation, which passed into law, clarifying once and for all that schools are covered under the federal Good Samaritan Act and explicitly permitted to donate excess food without fear of liability. This relatively simple fix had no cost to taxpayers and made a positive impact on fighting hunger in communities.

The private sector must be empowered and encouraged to join in the battle against domestic hunger.

Yes, it is important for government to provide a safety net for those who fall on hard times. But in the face of exploding national debts and deficits and further cuts to domestic discretionary spending, including food stamps, all but inevitable, it is time for any American who is committed to combatting domestic hunger to consider complimentary public-private partnership initiatives to buttress federal government assistance.

What if every company, Rotary, Kiwanis Club, PTA, law firm and school were to twice a year—and not just at Thanksgiving and Christmas—hold a food drive to restock and replenish the empty shelves of our nation's food pantries and raise awareness about the hungry in our midst?

What if farmers were to set aside an acre of their land for the local Scout group to cultivate and then donate their bounty to the area food bank?



Office of Rep. Frank R. Wolf  
Congressman Frank Wolf (in the red tie) helping Feds Feed Families, a national canned food drive conducted by federal employees.

What if government were to incentivize farmers to set aside land for the purpose of gleaning? What if this agricultural contribution to the public good qualified as a charitable gift?

What if every governor had someone on staff dedicated to tackling hunger in their state? What if this person was tasked with reaching out to every restaurant owner, public school, farmer and food bank in the state with the aim of connecting those with more than enough to those with not nearly enough?

The needs are seemingly insurmountable but so too are the possibilities. Surely we can all agree that domestic hunger is unacceptable and that in this land of plenty, even during a time of relative austerity, none should be left wanting.

*Republican Congressman Frank R. Wolf represents the 10th District of Virginia. He has served in Congress since 1981.*

# THE IMPORTANCE OF A WHITE HOUSE SUMMIT TO END HUNGER

## INTRODUCTION

*Rep. Jim McGovern, Massachusetts - 2nd District*

Close to 49 million struggle to put food on their tables. Many of these are hardworking people whose jobs just do not pay enough to feed their families. We need to use every opportunity we have to talk about it, to shine a light on the plight of the hungry, to take hunger out of the shadows and rededicate ourselves to the need to end hunger.

Just because 49 million people in this country struggle to put food on their tables doesn't mean that we have mass starvation in America. Thankfully, we have developed a safety net that helps to protect the vast majority of the hungry.

There are a myriad of initiatives being used to combat hunger in America. These are public, private and non-profit initiatives that are all very successful in their own ways. The problem is that these efforts—from federal to state to local governments; from non-profits like churches and food banks to for-profit businesses—are working independently of each other; they are not connected. And they can't end hunger on their own.

We need to work smarter and more efficiently if we're going to end hunger.

We need to bring everyone together and connect the dots.

We need a plan.

That's why I've called for a White House summit to end hunger.

Over the years, there have been citywide, countywide and statewide hunger summits. Food banks, hospitals, colleges and universities have all held these events. But there hasn't been one nationwide hunger summit, convened by the White House, since President Nixon did so in 1969—over 44 years ago!

We need a summit today more than ever. Our deficit and debt are forcing us to do more with less, and that means we need to be more efficient and streamlined with our resources. Our federal agencies should be talking to each other and addressing hunger in a more comprehensive way.

Why shouldn't the Departments of Labor, Health and Human Services, Housing and Urban Development, and, yes, the Department of Defense sit down and talk about the impact of hunger and malnutrition on their efforts and how best to address these problems?

As these agencies coordinate, we will need to involve our food banks, religious institutions, schools and hospitals. And we need to bring in the business community, including the food and beverage industry, financial institutions and manufacturers.



Congressman Jim McGovern receives advice on cutting vegetables from DC Central Kitchen staff with U.S. Secretary of Agriculture Tom Vilsack in the corner putting on gloves.

We need to bring our doctors, nurses, teachers, pastors, business leaders, politicians and, yes, the hungry too, in *one* room to develop *one* plan to end hunger. And then we need to agree to implement and execute that plan—a plan that is truly comprehensive and is designed to end hunger and not just cut the federal response to hunger.

Hunger is a political condition. We have the means and knowledge to end hunger; we just don't have the political will. And while hunger is a political condition, it shouldn't be a partisan issue. A White House summit is the forum that we need to galvanize political will to finally end hunger in America.

Ending hunger takes bold leadership. It takes presidential leadership. The president is the only one who can call everyone together, who can get everyone in the same room and on the same page in order to come up with one meaningful and achievable plan. We need the president to rise to the occasion and fully commit to end hunger in America.

*Democratic Congressman Jim McGovern represents the 2nd District of Massachusetts. He has served in Congress since 1997.*