

WOW: Weekly Policy Update 4-27-07

Please read on for more information about state efforts on fending off home foreclosures, a new vision for reducing poverty in half in 10 years, and an article on the Oregon Governor's food stamp budget shopping.

ON THE HILL ...House leaders are reported to be working on options the Democrats can unite behind to extend middle-class tax cuts before beginning formal negotiations with the Senate over the fiscal 2008 budget resolution. Conferees on the 2008 budget resolution may be announced next week. At issue is the Senate's adoption of an amendment by Finance Committee Chairman Max Baucus (D, MT) that proposes using a projected \$132 billion surplus in 2012 to extend tax cuts passed in 2001 and 2003 targeted at the middle class. This includes the 10 percent tax bracket and the tax breaks for married couples. The amendment also assumes that \$15 billion over five years would go toward a \$50 billion plan for expanding the State Children's Health Insurance Program. Because of the lopsided Senate vote, their negotiators are saying that the Baucus plan should be in the final budget blueprint.

National Equal Pay Day Hearing

The House Education and Labor Committee marked National Equal Pay Day with a hearing on Tuesday, April 24th, to examine the issue of gender pay inequality and to learn more about how wage discrimination impacts not only women, but also families, communities and the nation as a whole. (Each year, Equal Pay Day signifies the number of days into a new year that women have to work before earning what men earned by December 31st). Rep. Rosa DeLauro testified in favor of the Paycheck Fairness Act. Other witnesses included Rep. Eleanor Holmes Norton who served as the first woman chair of the Equal Employment Opportunity Commission, and Catherine Hill, American Association of University Women; Heather Boushey, Center for Economic and Policy Research; Dedra Farmer, a plaintiff in the Walmart sex discrimination class action lawsuit; and Diana Furchtgoff-Roth with the Center for Employment Policy, Hudson Institute. You may view the testimony at: <http://edworkforce.house.gov/hearings/fc042407.shtml>.

House Hearing on Proposals to Eliminate Poverty

The House Ways and Means Subcommittee on Income Security and Family Support held a hearing on Thursday on proposals to eliminate poverty in America. At the hearing, lawmakers heard testimony about a recent spike in the number of Americans living in poverty (37 million) after years of decline. Lawmakers were told of the various hardships suffered by poor Americans, including reduced access to economic and educational opportunities, substandard housing, inadequate diet, greater levels of crime victimization and diminished health. Recommendations made during the hearing for reducing poverty focused broadly on increasing the returns from work, expanding access to quality education, reaching out to disconnected populations and strengthening existing safety net programs. To view the hearing statements, please visit: <http://waysandmeans.house.gov/hearings.asp?formmode=detail&hearing=552>.

Status of Increase in Minimum Wage

The Iraq Supplemental Appropriations bill passed the House last night and the Senate this afternoon. Both bills included the Fair Minimum Wage Act, along with a \$4.9 billion tax package, including primarily the Work Opportunity Tax Credit and expensing provisions. Many are wondering the next steps if the Supplemental is vetoed by the President, as anticipated. While it is difficult to predict, it is currently understood that the minimum wage will remain on any subsequent Iraq supplemental. Although Senator Kennedy would prefer to have the minimum wage bill pass on its own, he is supportive of whatever approach will allow the minimum wage bill to pass as quickly as possible.

House Approves Taxpayer Protection, Contains EITC Provisions

On April 17, the House passed the Taxpayer Protection Act (H.R. 1677), a bill that would enact

several provisions designed to protect American taxpayers from various types of fraud and to increase Internal Revenue Service (IRS) outreach. Sponsored by Rep. Charles Rangel (D-NY), H.R. 1677 would: require the IRS to notify taxpayers about potential identity theft; prevent "phishing" -- the use of intentionally misleading electronic mail or web sites to obtain financial information -- by imposing civil penalties on those who engage in the practice; prevent tax fraud by allowing the IRS to share tax return-related information about prisoners; extend provisions that allow individuals to file lawsuits against the IRS for wrongfully-imposed levies; place limits on predatory refund anticipation loans; and increase Earned Income Tax Credit (EITC) outreach to individuals who may qualify for the credit.

Senate Subcommittee Addresses Effects of Domestic Violence on the Workplace

On April 17, the Senate Health, Education, Labor and Pensions Subcommittee on Employment and Workplace Safety held a hearing on domestic violence in the workplace. The hearing examined employers' efforts to support domestic violence victims, and pending legislation, the Security and Financial Empowerment (SAFE) Act (S. 1136). The bill would allow victims to take time off from work, without penalty, to appear in court, seek legal assistance, and get help with safety planning; make victims who need to leave their jobs eligible for unemployment insurance; prohibit employers from discriminating against domestic violence victims; and address elements of the welfare system that penalize victims who are fleeing from abusive situations. To read full testimony of the witnesses, please visit:

http://help.senate.gov/Hearings/2007_04_17/2007_04_17.html

IN THE STATES ...

New Mexico Legislature adopts bill to teach financial literacy in high schools

The New Mexico legislature unanimously passed [HB 1205](#), sponsored by Rep. Antonio Moe Maestas, which would require all high schools to offer financial literacy elective courses. The classes would educate students on financial matters in order to prepare them to manage household finances and avoid future debt problems. Gov. Bill Richardson is expected to sign the bill.

Ohio tries to fend off foreclosures on home loans

Ohio, which leads the nation in highest foreclosure rates on home loans, is in the forefront of states' efforts to help homeowners whose once-affordable mortgage payments are now busting family bank accounts. Ohio joins other states, the federal government, advocacy and consumer groups, lenders and brokers in trying to find ways to help struggling homeowners, particularly those who took out riskier "subprime" adjustable-rate loans that required little or no down payment but now have much steeper interest rates kicking in, causing sticker shock for many borrowers. The Ohio program is designed to help strapped borrowers refinance their mortgages. The Ohio agency has a network of 185 lending partners in the state that will work to offer 30- or 20-year loans with "fixed" rates that won't change. All borrowers are required to participate in one-on-one financial counseling as part of the Opportunity Loan Refinance Program. The agency will rely on the issuance of taxable bonds to finance the program and expects to help about 1,000 families. If demand is higher, the agency said it will issue more bonds and hopes that up to \$500 million each year could be provided. To learn about other states that are attempting policy and programmatic measures, please visit:

<http://www.stateline.org/live/details/story?contentId=201186>

FROM THE INTEREST GROUPS ...

Survey of Income and Program Participation Eliminated Again, Your Sign-On Needed

After a year of your calls and letters, in January, Congress secured funding for the Survey of Income and Program Participation (SIPP) for 2007. Unfortunately, the President's budget for 2008 eliminates funding for the SIPP yet again, and allocates a meager \$15.9 million to further develop the Dynamics of Economic Well Being (DEWS), a new survey the Bureau is developing

to replace the SIPP. It will be a great mistake to eliminate the SIPP, our government's only reliable source of longitudinal data on household well-being. In response, the Center for Economic Policy Research has drafted a letter to the House and Senate appropriations subcommittee that works on Census Bureau funding. If you are a social science researcher, we ask you to sign the letter at http://www.democracyinaction.org/dia/organizationsORG/cepr/petition.jsp?petition_KEY=574&t=cprdata.dwt, and please share this message with your colleagues. The deadline for sign-on is May 11, 2007.

“From Poverty to Prosperity: A National Strategy to Cut Poverty in Half”

The Center for American Progress last year convened a diverse group of national experts and leaders to examine the causes and consequences of poverty in America and make recommendations for national action. In this report, our Task Force on Poverty calls for a national goal of cutting poverty in half in the next 10 years and proposes a strategy to reach the goal. The United States should set a national goal of cutting poverty in half over the next 10 years. The Task Force recommends 12 key steps to cut poverty in half: (1) Raise and index the minimum wage to half the average hourly wage; (2) Expand the Earned Income Tax Credit and Child Tax Credit; (3) Promote unionization by enacting the Employee Free Choice Act; (4) Guarantee child care assistance to low-income families and promote early education for all; (5) Create 2 million new “opportunity” housing vouchers, and promote equitable development in and around central cities; (6) Connect disadvantaged and disconnected youth with school and work; (7) Simplify and expand Pell Grants and make higher education accessible to residents of each state; (8) Help former prisoners find stable employment and reintegrate into their communities; (9) Ensure equity for low-wage workers in the Unemployment Insurance system; (10) Modernize means-tested benefits programs to develop a coordinated system that helps workers and families; (11) Reduce the high costs of being poor and increase access to financial services; and (12) Expand and simplify the Saver’s Credit to encourage saving for education, homeownership, and retirement. The recommendations would cut poverty in half. The Urban Institute, which modeled the implementation of one set of our recommendations, estimates that four of our steps would reduce poverty by 26 percent, bringing us more than halfway toward our goal. Read the Urban Institute’s analysis at: http://www.urban.org/UploadedPDF/411450_Estimating_Effects.pdf To access the full Poverty report, research process, and video of the release, please visit: http://www.americanprogress.org/issues/2007/04/poverty_report.html Additionally, for a new public opinion snapshot on poverty: http://www.americanprogress.org/issues/2007/04/opinion_poverty.html

New Report Calls for a Better Approach to Reducing Inequality: Social Inclusion

In a report issued today, Inclusion, a progressive think tank, suggests a different approach—one that doesn’t define the problem simply as poverty—is needed. The authors describe why the U.S. poverty measure is not a meaningful measure of economic deprivation, a conclusion reached by the National Academy of Sciences more than a dozen years ago. But, as the report details, the problem with relying on a poverty framework to reduce inequality in the United States goes beyond measurement. Most Americans believe people are poor due to individual shortcomings—bad decisions, character flaws and moral weakness. In place of poverty, the authors argue for a broader alternative approach, drawn from the United Kingdom. This approach—known as social inclusion—overcomes many of the flaws related to defining the problem as poverty. The social-inclusion approach has contributed to reductions in relative poverty rates and improvements in education, health, and housing quality in the United Kingdom. A primary advantage of social inclusion over poverty is that it is not limited to a single measure: “In the United States, a social-inclusion goal provides more room than a poverty-reduction goal for consideration of comprehensive policies, including universal health care, paid leave, democratic workplaces, and portable retirement accounts that result in an economy that works for all.” The report is posted on Inclusion’s website at www.inclusionist.org/files/socialinclusionusa.pdf.

Pay Gap Exists as Early as One Year out of College, Says New Research Report

New research released today by the American Association of University Women Educational Foundation shows that just one year out of college, women working full time already earn less than their male colleagues, even when they work in the same field. Ten years after graduation, the pay gap widens. In the report, Behind the Pay Gap, the AAUW Educational Foundation found that just one year after college graduation, women earn only 80 percent of what their male counterparts earn. Ten years after graduation, women fall further behind, earning only 69 percent of what men earn. Even after controlling for hours, occupation, parenthood, and other factors known to affect earnings, the research indicates that one-quarter of the pay gap remains unexplained and is likely due to sex discrimination. Over time, the unexplained portion of the pay gap grows. The research also shows that ten years after graduation, college-educated men working full time have more authority in the workplace than do their female counterparts. Men are more likely to be involved in hiring and firing, supervising others, and setting pay. Men and women remain segregated by college major, with women making up 79 percent of education majors and men making up 82 percent of engineering majors. This segregation is found in the workplace as well, where women make up 74 percent of the education field and men make up 84 percent of the engineering and architecture fields. To view the full report, please visit: <http://www.aauw.org/research/behindPayGap.pdf>

Event: Anti-Poverty Strategies Sought at National Symposium

The Community Action Partnership is convening the National Symposium on Poverty and Economic Security to help Community Action Agencies and other participants identify strategies they can begin using immediately. The Symposium—being held May 29-31 at the Bethesda North Marriott Hotel & Conference Center in Bethesda, Maryland—is part of a multi-year anti-poverty initiative that will bring together a cross section of practitioners, policymakers, foundations, and researchers for a discussion on the causes and conditions of poverty, and solutions and new strategies for ending it. It will also incorporate findings from state and local town hall meetings hosted by Community Action Agencies and state Community Action associations that fight poverty on the local level. Wider Opportunities for Women's Executive Director, Joan Kuriensky, is serving on this Symposium's steering committee. For more information about the National Symposium on Poverty and Economic Security, please visit: <http://www.communityactionpartnership.com/symposium.asp>

IN THE NEWS MEDIA ... The first article is chronicling Oregon Gov. Ted Kulongoski (D) shopping using food stamps to "raise awareness about the difficulty of feeding a family on a food stamp budget." Next, a tribute to Mollie Orshansky, the author of the Federal Poverty Level, upon her death this week at the age of 91.

Oregon Governor Starts Week on Food Stamps

Source: The Associated Press

Date: April 25, 2007

Author: Julia Silverman

If Gov. Ted Kulongoski seems a little sluggish this week, he's got an excuse: he couldn't afford coffee.

In fact, the Democratic governor couldn't afford much of anything during a trip to a Salem-area grocery store on Tuesday, where he had exactly \$21 to buy a week's worth of food the same amount that the state's average food stamp recipient spends weekly on groceries.

Kulongoski is taking the weeklong challenge to raise awareness about the difficulty of feeding a family on a food stamp budget.

Accompanied by reporters and food stamp recipient Christina Sigman-Davenport, Kulongoski headed straight for a display of organic bananas, only to have Sigman-Davenport steer him toward the cheaper non-organic variety.

The governor pined wistfully for canned Progresso soups, but at \$1.53 apiece, they would have blown the budget. He settled instead for three packages of Cup O'Noodles for 33 cents apiece. Kulongoski also gave up his usual Adams natural, no-stir peanut butter for a generic store brand, but drew the line at saving money by buying peanut butter and jelly in the same jar.

"I don't much like the looks of that," said Kulongoski, 66, staring at the concoction.

Other shoppers in the store were bemused by Kulongoski's quest.

"Obviously, he doesn't shop often," Barb Sours of Salem said, as Kulongoski bounced around the aisles in search of granola. "He's all over the place."

Kulongoski did pause to chat with shoppers John and Bonnie White of Salem, telling them all about his \$21 limit.

"Don't spend it all in one place," John White warned.

Along the way, Sigman-Davenport, a mother of three who works for the state Department of Human Services and went on food stamps in the fall after her husband lost his job, dispensed tips for shopping on a budget. Scan the highest and lowest shelves, she told the governor. Look for off-brand products, clip coupons religiously, get used to filling, low-cost staples like macaroni and cheese and beans, and, when possible, buy in bulk.

At the check-out counter, Kulongoski's purchases totaled \$21.97, forcing him to give back one of the Cup O'Noodles and two bananas, for a final cost of \$20.97 for 19 items.

After the hourlong shopping trip, Kulongoski said he was mindful that his week on food stamps will be finite and that thousands of others aren't so lucky.

"I don't care what they call it, if this is what it takes to get the word out," Kulongoski said, in response to questions about whether the food stamp challenge was no more than a publicity stunt. "This is an issue every citizen in this state should be aware of."

Mollie Orshansky, Statistician, Dies at 91

Source: The New York Times
Date: April 17, 2007
Author: Sewell Chan

Mollie Orshansky, a statistician and economist who in the 1960s developed the federal poverty line, a measurement that shaped decades of social policy and welfare programs, died Dec. 18 at her home in Manhattan, a family member said yesterday. She was 91.

The cause was cardiopulmonary arrest, said a niece, Eda F. Shapiro. She said the family had not immediately announced the death because of concerns over a long-running legal dispute in Washington over Miss Orshansky's estate. Miss Orshansky was buried a day after her death in Mount Lebanon Cemetery in Glendale, Queens, Ms. Shapiro said.

Miss Orshansky, whose parents had known poverty in Ukraine, worked for the [Social Security Administration](#) from 1958 until she retired in 1982. She was "one of a respected but mostly invisible cadre of women research professionals based at S.S.A. and other government agencies during the postwar years," the historian Alice O'Connor wrote in "Poverty Knowledge," a 2001 history of poverty research.

"These women," Ms. O'Connor wrote, "found job opportunities in federal government and other 'applied' endeavors when university jobs were largely closed off to them, although within government they were often clustered in research bureaus focusing on such traditional 'women's' concerns as social welfare, female labor force participation, families and children, and home economics. That experience as a career government statistician, a far cry from systems analysis, was what gave Orshansky the wholly unexpected designation as author of the government's official poverty line."

In 1963 and 1964, Miss Orshansky conducted the research that would become the basis of the poverty thresholds. She used the economy food plan — the cheapest of four "nutritionally adequate" food plans developed by the Department of Agriculture — and multiplied the dollar costs by roughly three to come up with a minimum cost-of-living estimate. (A household food consumption survey by the Agriculture Department had shown that, in 1955, families of three or more people spent about one-third of their after-tax cash income on food.)

Miss Orshansky devised more than 120 poverty thresholds, adjusting her calculations for family size and composition and rural-urban differences. She published her research in a seminal 1965 article in *The Social Security Bulletin*.

President [Lyndon B. Johnson](#) had declared a War on Poverty, but there was no official definition of the problem at the time. In May 1965, the Office of Economic Opportunity, the federal agency charged with carrying out the antipoverty effort, adopted the "Orshansky index" as the yardstick to measure poverty.

It was a use that Miss Orshansky herself had never intended. "Orshansky developed the index as a research tool, not an instrument of policy or a criterion for determining eligibility for anti-poverty

programs,” the historian Michael B. Katz wrote in “The Undeserving Poor,” a 1989 history of antipoverty efforts.

The federal poverty guideline — \$9,800 for a single person and \$20,000 for a family of four in 2006 — has long been criticized as understating the true extent of poverty. It also seems outdated. Food today makes up a much smaller proportion of household expenses than it did in the 1960s; the costs of housing, transportation, child care and health care have risen far more sharply.

In 1995, a panel of the [National Academy of Sciences](#) urged several changes in calculating poverty, but no major changes have occurred, in part because they would have the politically unpopular effect of increasing the poverty rate, probably by a couple of percentage points, which would require an expansion of benefits.

Miss Orshansky, a lifelong liberal Democrat, expressed sympathy with the criticisms of the poverty line. “The best that can be said of the measure,” she once wrote, “is that at a time when it seemed useful, it was there.”

Miss Orshansky was born Jan. 9, 1915, the third of six daughters of Samuel and Fannie Orshansky, Jewish immigrants who settled in the Bronx after leaving Ukraine. She graduated from Hunter College High School in Manhattan in 1931 and from [Hunter College](#) in 1935, with a degree in mathematics and statistics.

Miss Orshansky did graduate work in economics and statistics in Washington. In 1939, she became a research clerk with the federal Children’s Bureau, doing statistical analyses of child health, growth and nutrition. In 1942, as a statistician for the New York City Department of Health, she helped develop a survey on the incidence and treatment of pneumonia. Beginning in 1945, she spent 13 years at the Agriculture Department, collecting and analyzing records on household spending and food consumption.

In the 1960s, at the request of the Justice Department, she testified at hearings that led to the elimination of poll taxes, which had been used to keep black Americans from voting. She said that a poll tax of \$2, for example, would be enough to cost many poor families an entire day’s meals.

Miss Orshansky received honors from the Social Security Administration, the American Statistical Association and the American Political Science Association. For most of her career, she lived in an apartment on the waterfront in Washington. She traveled extensively and loved to cook.

In 2002, The Washington Post reported on a legal struggle over Miss Orshansky's care, which had begun after she was hospitalized in the fall of 2001. A niece, Jane M. Pollack, had taken Miss Orshansky to New York, but a judge in Washington, who had named a legal guardian for Miss Orshansky, tried to compel her to return to Washington, arguing that her family had not demonstrated that they could adequately care for her.

On Aug. 15, 2002, the District of Columbia Court of Appeals ruled that the judge had abused her authority and ignored Miss Orshansky's wishes to live with her family in New York. The appeals court also canceled the appointment of the guardian. Other legal issues remain unresolved, said her niece Ms. Shapiro of Manhattan.

In addition to several nieces, Miss Orshansky is survived by a sister, Sarah Pollack of Manhattan.