

**To:** The Next President

**From:** Katie Campbell,  
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**Re:** A Work Bonus for Men

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One of the most serious social problems our nation faces is the persistence of poverty and joblessness among men. Far too many adult males have slid into the “underclass” and stayed there—a phenomenon reflected in broken homes, overflowing prisons, and entire neighborhoods bereft of responsible male role models.

By addressing this problem, you will be able to improve upon the not-so-benign neglect of the past eight years. Running for president in 2000, George W. Bush promised nothing less than a revolutionary new approach to fighting poverty—a strategy he dubbed “compassionate conservatism.” As he explained, “It is compassionate to actively help our fellow citizens in need. It is conservative to insist on responsibility and results.”

In two terms, however, the president failed to make good on his pledge to “rally the armies of compassion.” Rather than a paradigmatic shift, his administration has delivered a grab bag of small-scale, underfunded efforts that do little more than tinker at the margins of existing social policy.



What a striking contrast with President Bill Clinton, who launched bold social innovations aimed at rewarding work and ending the old welfare entitlement. Abetted by a strong economy, the Clinton reforms produced big gains: U.S. welfare rolls were cut by more than half; teen pregnancy rates fell; and poverty declined every year between 1993 and 2000. For black children, the poverty rate fell to its lowest point ever.

On President Bush's watch, the number of Americans living in poverty increased between 2001 and 2004 before leveling off, and there also has been a worrisome uptick in teen pregnancy. Meanwhile, meager income gains and the rising cost of living—especially for housing, food, gas, and heating oil—have been a double whammy for low-income working families.

That means it is up to you, Mr. President, to pick up where Bill Clinton left off and revive our society's faltering efforts to enable poor citizens to work their way out of poverty. You could start by announcing an ambitious organizing principle for a new round of progressive social initiatives: Never again will any American family with a full-time worker live in poverty.

Poverty reduction and social mobility must be a top priority. You should seek to build upon the ideas and programs of the 1990s that offered opportunity for all but also demanded responsibility from all—and commit to overseeing the next steps in welfare reform.

The bargain of mutual responsibility—in which public assistance is temporary and conditioned on work—produced dramatic results. Where the reformers of the 1990s focused on moving welfare recipients (mostly single mothers with children) to work, we must now add a new emphasis on the plight of poor men.

Low-income men, especially minority men, have witnessed a two-decade trend of increased unemployment and decreased school enrollment.<sup>1</sup> Some studies show that only 42 percent of working-age, poor men worked at all in 2005. Just 16 percent of this group reported working full-time year-round, and only 6 percent of poor African-American men worked full-time.<sup>2</sup>

The absence of low-income men in the labor market is not only harmful to these individuals, but also to society at large. A lack of responsible, breadwinning fathers in low-income neighborhoods weaves a well-documented tangle of social pathologies. It undermines marriage and heightens the vulnerability of low-income women who must fend for themselves as single moms. It leaves more children unsupervised and deprives adolescents of positive male role models.

Given these realities, the next big step in anti-poverty policy is to draw men back into the labor market. As President Clinton often said, the best way to fight poverty is to make sure people can find jobs. At the same time, however, we cannot deny the fact that many low-wage positions fail to provide a minimally decent standard of living.

To remedy this defect of labor markets, the next administration should expand the proven policy tool that makes work pay: the Earned Income Tax Credit (EITC), a refundable tax credit that supplements the wages of workers in minimum-wage and low-paying jobs.

The EITC is, quite simply, a work bonus. Its power to reduce poverty and reward work without enlarging public bureaucracy has made it the policy of choice for today's anti-poverty warriors on both the left and right. Conservative hero Ronald Reagan called the tax credit "the best anti-poverty, the

best pro-family, the best job creation measure to come out of Congress.” Echoing that sentiment, President Clinton dramatically expanded the EITC in 1993 to make American social policy “put work first.”

Those who doubt the effectiveness of the EITC need only look to the past decade to see its proven successes. Since its expansion, the credit has lifted 4 million people out of poverty every year, decreased family poverty by one-tenth, and cut childhood poverty by one-quarter.<sup>3</sup> Furthermore, the EITC expansion increased labor-market participation rates among single mothers receiving welfare from 9 percent to 28 percent.<sup>4</sup>

Because our anti-poverty policies have been linked to parents with children, the effects of programs such as the EITC have had very little effect on low-income men, who generally do not have custody of children. Currently, the maximum federal EITC benefit is \$4,536 for families with two or more children, and \$2,747 for families with one child. Low-income workers who do not have children earn only \$412—a much smaller benefit.

In short, the EITC’s incentives are much less powerful for low-income fathers than for mothers. By making low-income men eligible for a more generous work credit, we can move America closer to the progressive goal of making work pay for everyone. In fact, evidence from work-support experiments suggests that an increase in the EITC for single, childless workers, including non-custodial fathers, would not only lift more families out of poverty, but would increase

the presence of low-income men in the labor market by at least 4 percent and as much as 20 percent.<sup>5</sup>

The Progressive Policy Institute (PPI) has proposed a plan that would expand the EITC for single, childless workers, including non-custodial fathers, while also simplifying the tax code.

Building on PPI’s Family Friendly Tax Reform agenda, your administration should consider folding the EITC, the Child Credit, and the Child and Dependent Care Credit into a unified Family Tax Credit (FTC). Qualifying families would receive \$1 in a refundable credit for every \$2 earned, with a maximum credit of \$3,500 for a family with one child, \$5,200 for families with two children, and \$7,000 for families with three or more children.

The expanded FTC would triple the benefits that non-custodial fathers and childless workers typically receive from the current EITC, giving them a maximum benefit of \$1,236 per year. In order to buttress parental responsibility, the credit would only be available for those fathers who faithfully pay their child support.<sup>6</sup>

If we are going to require all able-bodied individuals to work in order to receive government benefits, it is our moral obligation to ensure that those recipients have adequate incentives get a job and keep it. Your administration has the chance to draw upon the lessons of welfare reform, and once again make work pay—this time for men.

## RESOURCES

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