

GIVING UP ON THE POOR

Bill Donohue

The greatest enemy of the poor are those who champion their cause. It sounds counterintuitive. How can this be? Because most of those who lead the charge against poverty have no personal stake in their cause.

Unlike Mother Teresa, who made it clear that helping the poor must begin with those who carry their banner, most of the professional champions of the poor believe that writing a check—with other people's money—will solve the problem. It rarely does.

To be sure, the aged, the disabled, and the infirm benefit from a safety net. Similarly, as the late Daniel Patrick Moynihan observed, social security did more to alleviate poverty among the elderly than any other factor. But when the subject switches to able-bodied men and women, the check-writing approach fails. Indeed, it typically makes matters worse by fostering dependency.

There is a ton of empirical evidence to back up this observation. Yet in many influential quarters, all the data in the world mean nothing. Ideology wins every time. The latest gambit to catch fire is called Universal Basic Income, a scheme that many Democrats running for president are inclined to support. Each candidate is outdoing the other by promising to provide more goodies than Santa Claus ever did, funding their gambits by playing Robin Hood.

Offering a guaranteed annual income is not a new idea, but the latest incarnation is novel: credit the Silicon Valley with giving birth to it. Those who live there are overwhelmingly wealthy and overwhelmingly burdened with guilt. Every one of them became rich through hard work and ingenuity, but they are convinced that those at the bottom of the income scale do not

possess these attributes. Which is why they want to send them a check.

Forget about the racist assumptions—the successful ones are either white or Asian and the ones at the bottom are mostly black or Hispanic—the fact remains that these schemes are bound to fail.

Mark Zuckerberg, the founder of Facebook, is leading the cause for a universal income. He broached this idea while speaking to Harvard graduates in 2017. His net worth exceeds \$55 billion, meaning that his stash is bigger than the GDP of over 100 nations.

Zuckerberg and his rich left-wing friends in the Silicon Valley have endorsed a policy that would give a monthly stipend to those who live in Stockton, California, 80 miles away. The plan is to make Stockton the first city in the nation to participate in a test of the Universal Basic Income policy. It will begin by selecting 100 people, each of whom will receive \$500 a month for 18 months. It will begin next year; they hope to make it available to everyone citywide.

They haven't determined who the lucky first 100 people will be, but they'll figure it out. The goal is to see to it that none of the 300,000 residents live in poverty. Not sure how they will keep illegal aliens from moving to Stockton—there is no talk of a wall (not yet anyway)—but again, the rich boys will figure it out.

The good news for the recipients is that there are no conditions on how the money is to be spent. They can spend their money on food and shelter or on booze and heroin. Everything goes. No questions asked.

Chicago is the first big city to give serious consideration to Universal Basic Income. A bill was introduced last year that would give \$500 a month to 1,000 Chicago families. Following the Stockton model, they can spend their money on anything

they want. The politicians are still studying this issue. If it passes, let's hope Chicagoans don't buy any more guns.

No one has given the idea of Universal Basic Income a lift more than Barack Obama. When he spoke in Johannesburg, South Africa last year, at an event honoring Nelson Mandela, he endorsed the initiative. "It's not just money a job provides," he said, "it provides dignity and structure and a sense of place and a sense of purpose."

Yes, a job can do all that. But the Universal Basic Income policy does not require anyone to work. The effect of giving a handout to able-bodied persons who are not in the labor market is fundamentally different from giving social security to retirees who paid into the fund for decades.

Alaska has had something like this program for a long time. Rich with oil money, it has provided a universal income to virtually everyone for decades. The few economic studies done on this initiative indicate that it has not had any noticeable effect on overall employment (though part-time rates have spiked). What has not been studied is the effect on able-bodied persons at the bottom of the income scale who are not working.

Alaska, of course, is not typical. It has tens of billions of oil money to play with, and since the program is not aimed at the poor, the effect on the middle class is similar to the effect of social security on seniors, which is negligible. These people have their dignity precisely because they have earned the money they live off of, something which is not true of many in the lower class.

Obama may mean well, but what he is promoting is likely to retard the upward mobility chances of the poor. He has a proven track record of doing just that. To wit: African Americans are doing much better economically under President Trump's growth-oriented approach than they did under Obama's

redistributive policies.

"I'm surprised how much money I've got," Obama told the South African audience. So are many Americans—his net worth is over \$40 million. He added that he would have no problem paying "a little more in taxes" to pay for Universal Basic Income. Again, it's the multimillionaires (and multibillionaires) who sponsor such programs. They know full well that the effect of new taxes on them has almost a zero effect as compared to the burden levied on the middle class who must pay the lion's share of this pipedream.

As usual, little attention is being given to the unintended consequences of a Universal Basic Income policy. Why shouldn't the recipients receive \$1500 a month, instead of \$500? What will the proponents say when the recipients demand a raise? What will the sponsors say to those not selected to participate in their scheme?

What effect will the program have on those who should be working, but have now elected not to? How will it affect hard-working persons living just above the poverty line knowing that their taxes are going to some who prefer to hang out on the corner rather than seek a job? How will they feel when they learn that the cash allotment is being spent on drugs, not groceries? What will happen if the program goes bust? Are the proponents ready for the riots?

Universal Basic Income is the latest expression of what social scientist Charles Murray once called our "custodial democracy." He meant by that the tendency of government to essentially take custodial responsibility for the welfare of the poor. In the end, it does more to foster paternalism than anything else.

Pope Benedict XVI, in his magisterial encyclical, *Caritas in Veritate*, said that subsidiarity—the Catholic principle which teaches that those closest to the problem are best suited to

fix it—is the “most effective antidote against any form of all-encompassing welfare state.” He expressly called upon us to practice solidarity with the poor, but to do so in ways that do not promote paternalism.

The most effective way to help the poor is to strengthen their families. The family, not the state, is the greatest determinant of upward mobility. Unfortunately, decades of welfare policies, especially from the mid-1960s to the mid-1990s, helped to cripple inner-city minority families, the results of which are still with us.

It is not good enough to have good intentions—results matter. Low unemployment rates garnered through tax-incentive programs for corporations mean much more in the end than the most well-intentioned welfare programs that wind up disabling the needy. But the champions of the poor, most of whom made a fortune through the market economy, say that their route to success cannot work for the poor. They are as wrong as they are condescending.

From my own work with the disadvantaged in Spanish Harlem, I saw first-hand how core education principles—sticking to the basics, offering structure, demanding discipline, and assigning homework—paid off. My students did well because much was demanded of them. When we lower the bar of expectations for the poor, we lower their prospects for success.

What accounts for success? One way to find out is by studying Asians. Why are they a success?

Asians do well in school, and well in the workforce, for one very basic reason: they are extremely disciplined. Impulse control is not a problem for them—their two parent families have seen to that—and that alone is an incredibly important variable accounting for academic excellence. When intact families are a rarity, so is impulse control, and so is success.

Catholic schools cannot make up for all the damage done to children in poor one-parent families, but they do a better job than their counterparts. A new study published by the Thomas B. Fordham Institute, conducted by a professor and one of his doctoral students at the University of California-Santa Barbara, sheds light on why.

“First, students in Catholic schools are less likely to act out or be disruptive than those in other private or public schools. Second, students in Catholic schools exhibit more self-control than those in other private and public schools. Third, regardless of demographics, students in Catholic schools exhibit more self-discipline than students in other private schools.”

Regarding the role that religion plays, the researchers concluded, “Don’t underestimate the power of religion to positively influence a child’s behavior. But in the absence of that, schools can adopt courses or programs that might foster self-discipline.”

All of this takes work. Impulse control does not come naturally to children, yet without it, success—in any field—is elusive. No one needs to have it instilled in them more than kids who live in poverty and crime-ridden neighborhoods. Once the value of self-discipline is inculcated, progress can be made.

This is what the champions of the poor should be concentrating on, not giveaway programs. But they are too hostile to traditionalism to speak to the virtue of self-control. That would be moralistic. And they are too opposed to religion, especially Catholicism, to promote school choice initiatives. So they fall back on their check-writing schemes.

Mother Teresa said that helping the poor should be an act of love, and that love should cost: it should cost those who work with the poor to enhance the condition of the needy. Universal

Basic Income does none of this. It is nothing but another cheap trick played by some very rich Americans who harbor a patronizing attitude toward the poor. They are the poor's greatest enemy.