

Appendix B

Literature Review: Federal Reserve System Poverty-Related Research

The Federal Reserve System conducts a range of research related to community development, affordable housing, income inequality, and other consumer issues. The study of poverty and related issues is at the core of much of this work. Such research includes hundreds of working papers, articles, and other work published during the past few years. Listed below are examples of research conducted by staff from the Reserve Banks and the Board of Governors of the Federal Reserve System with an explicit focus on poverty. The selections, representing research completed since 1995, are organized by date, with the newest research listed first.

Poverty in New York City, 1969-99: the influence of demographic change, income growth, and income inequality

FEDERAL RESERVE BANK OF NEW YORK

Economic Policy Review, v.14, no.1. Jul, 2008 - p. 13-30.

Authors: Levitan, Mark K. / Wieler, Susan S.

Abstract: This article evaluates the impact of several purported causes of poverty in New York City. The study finds that the rise in income inequality plays a larger role in the 1979–1999 persistence of poverty than do demographic changes. The authors also explore the influence of changes in earnings inequality on income inequality and poverty. The rise in earnings inequality can be traced to the stagnation of wages at the low end of the earnings distribution.

<http://www.newyorkfed.org/research/epr/08v14n1/0807levi.pdf>

Inequality and growth: challenges to the old orthodoxy

FEDERAL RESERVE BANK OF DALLAS

Economic Letter. v. 3, no. 1. Jan, 2008

Authors: Quintin, Erwan / Saving, Jason L.

Abstract: Discussions of how best to alleviate poverty often center on the relative merits of policies that boost growth and those that promote redistribution. If greater inequality allows economies to expand faster, or if it's an inevitable consequence of pro-growth measures, the two principles seem incompatible. Under such a scenario, societies seeking rapid growth rates have to forgo redistribution from rich to poor. Conversely, choosing a high degree of redistribution implies the decision to accept lower growth rates.

<http://www.dallasfed.org/research/ecllett/2008/el0801.html>

Housing externalities: evidence from spatially concentrated urban revitalization programs

FEDERAL RESERVE BANK OF RICHMOND

Working Paper. 08-03. 2008

Authors: Rossi-Hansberg, Esteban / Sarte, Pierre-Daniel G. / Owens, Raymond E.

Abstract: Using data compiled from concentrated residential urban revitalization programs implemented in Richmond, VA, between 1999 and 2004, we study residential externalities. Specifically, we provide evidence that in neighborhoods targeted by the programs, sites that did not directly benefit from capital improvements nevertheless experienced considerable increases in land value relative to similar sites in a control neighborhood. Within the targeted neighborhoods, increases in land value are consistent with externalities that fall exponentially with distance.

<http://www.nber.org/papers/w14369.pdf>

Credit card redlining

FEDERAL RESERVE BANK OF BOSTON

Quantitative Analysis Unit Working Paper. QAU08-1. 2008

Author: Cohen-Cole, Ethan

Abstract: This paper evaluates the presence of racial disparities in the issuance of consumer credit. The results suggest that the observed differences in credit lines by racial composition of neighborhoods are largely driven by issuer decisions rather than by demand.

<http://www.bos.frb.org/bankinfo/qau/wp/2008/qau0801.pdf>

Big lessons from small rural communities: working to reduce poverty long term

FEDERAL RESERVE BANK OF SAN FRANCISCO

Community Investments. v. 19, no. 1. Spr, 2007 - p. 24-28, 30.

Author: Stauber, Karl N.

Abstract: The rural Upper Midwest and Pacific Northwest are quietly, and sometimes not so quietly, demonstrating atypical attitudes and actions when it comes to addressing persistent poverty. Hundreds of rural communities are harnessing economic and community development resources differently to achieve long-term change, including increased opportunities for prosperity for everyone, and particularly for those in the lowest economic quintile.

http://www.frbsf.org/publications/community/investments/0705/big_lessons.pdf

A closer look at Cleveland's latest poverty ranking

FEDERAL RESERVE BANK OF CLEVELAND

Economic Commentary. Feb 15, 2007

Authors: Schweitzer, Mark E. / Rudick, Brian

Abstract: News that Cleveland's poverty rate is the worst in the nation—and rising—has elevated the community's concern about conditions in the city. But a closer look at the way poverty rates are

calculated suggests that all the possible causes of Cleveland's ranking have not been fully understood.

<http://www.clevelandfed.org/research/commentary/2007/021507.cfm>

Human capital and the challenge of persistent poverty in Appalachia

FEDERAL RESERVE BANK OF CLEVELAND

Economic Commentary. Feb 1, 2007

Author: Ziliak, James P.

Abstract: Recent research suggests that investments in education may provide the key to reducing persistent poverty in regions such as Appalachia. A look at some trends in poverty and educational attainment in Appalachia over the past two decades confirms that the two are strongly related.

<http://www.clevelandfed.org/Research/Commentary/2007/020107.cfm>

What happened to the gains from strong productivity growth?*

FEDERAL RESERVE BANK OF KANSAS CITY

Economic Review. v. 92, no.1. Q I, 2007 - p. 5-23.

Authors: Willis, Jonathan L. / Wroblewski, Julie

Abstract: There has been a growing sentiment among the public that the average household is not sharing in the recent economic prosperity. The authors find that the shares of income allocated to labor and capital have been constant on average over the past 35 years. However, during the last decade of high productivity growth, low-income households have seen no increase in real income, and at most only the top 10 percent of the household income distribution experienced real income growth equal to or greater than average labor productivity growth.

<http://www.kansascityfed.org/Publicat/econrev/PDF/1q07will.pdf>

A comparison of poverty trends and policy impacts for working families using different poverty indexes*

FEDERAL RESERVE BANK OF PHILADELPHIA

Working Paper. 07-13. 2007

Author: DeFina, Robert H.

Abstract: This study provides empirical evidence on recent trends in poverty among working families incorporating the depth of poverty and income inequality among the poor. Estimates reveal that the indexes produce significantly different trends.

<http://www.phil.frb.org/files/wps/2007/wp07-13.pdf>

Foreclosures: relationship lending in the consumer market and its aftermath*

FEDERAL RESERVE BANK OF CLEVELAND

Working Paper. 0617. Dec 2006

* denotes academic research paper

Author: Ergungor, O. Emre

Abstract: Relationship lending theory suggests that lenders in close proximity to their borrowers might be the most efficient providers of screening and monitoring services, because the cost of collecting information declines with distance. The author presents evidence that ties bank branch presence to borrower performance in the low-income housing market, which provides support for this theory.

<http://www.clevelandfed.org/Research/Workpaper/2006/wp0617.pdf>

The connection between poverty and the economy

FEDERAL RESERVE BANK OF MINNEAPOLIS

fedgazette. v. 18, no. 6. Nov, 2006 - p. 9.

Author: Grunewald, Rob

Abstract: As the economy grows, so do opportunities for employment and income growth. Stronger labor markets and higher income levels tend to help those families living in poverty move above the poverty threshold.

<http://www.minneapolisfed.org/pubs/fedgaz/06-11/economy.cfm>

The myriad, changing faces of poverty. Is poverty getting better or worse? Yes

FEDERAL RESERVE BANK OF MINNEAPOLIS

fedgazette. v. 18, no. 6. Nov, 2006 - p. 1-5.

Author: Wirtz, Ronald A.

Abstract: Poverty doesn't happen for one reason, but for many reasons, some of them temporary, like a job loss, some of them long-lasting, like the decision to drop out of high school. In the end, the ability to make inroads against poverty means getting a critical number of these factors—personal, political, social, economic, demographic and geographic—flowing in the right direction.

<http://www.minneapolisfed.org/pubs/fedgaz/06-11/cover.cfm>

Community development spending, 1981–2004*

FEDERAL RESERVE BANK OF CHICAGO

Chicago Fed Letter. 232. Nov, 2006

Authors: Cashin, David B. / Gerenrot, Julie / Paulson, Anna L.

Abstract: Millions of low-income individuals in the U.S. are aided through community development programs, which are funded by federal, state, and local governments. The authors consider whether federal transfers and expenditures from moneys generated by states and localities respond to state-level trends in unemployment and poverty.

http://www.chicagofed.org/publications/fedletter/cflnovember2006_232.pdf

Incubating microfinance: the Texas border experience

FEDERAL RESERVE BANK OF DALLAS

Southwest Economy. 5. Sep, 2006 - p. 3-7.

Authors: Assanie, Laila / Virmani, Raghav

Abstract: Success in the developing world has inspired a growing emphasis on microfinance as an economic development strategy in many parts of the United States, including communities along the Texas–Mexico border. The microfinance approach relies not on social safety nets and welfare payments but on market-oriented programs that provide assistance to small businesses.

<http://dallasfed.org/research/swe/2006/swe0605b.html>

Connecticut through Katrina-colored glasses

FEDERAL RESERVE BANK OF BOSTON

Communities and Banking. Sum, 2006 - p. 18-20.

Author: Hall, Douglas

Abstract: Compared with the poverty rate in hurricane-ravaged Mississippi (21.6 percent, the highest in the nation), Connecticut's rate of 7.6 percent might not seem a cause for alarm. But Connecticut families struggling to make ends meet often encounter the same challenges facing the poor along the Gulf Coast.

<http://www.bos.frb.org/commdev/c&b/2006/summer/ctkatrina.pdf>

Understanding the persistence of poverty

FEDERAL RESERVE BANK OF CLEVELAND

Annual Report. 2006 - p. 7-21.

Authors: Schweitzer, Mark E. / Rupert, Peter

Abstract: Millions of U.S. citizens continue to live in poverty within one of the wealthiest and most productive nations in the world. The Federal Reserve Bank of Cleveland's 2006 Annual Report essay reviews some of the reasons for the persistence of poverty in America and suggests that better education and job training may be the best defense against poverty.

<http://www.clevelandfed.org/annual06/index.cfm>

The wealth (and poverty) of Indian nations

FEDERAL RESERVE BANK OF MINNEAPOLIS

fedgazette. v. 18, no. 2. Mar, 2006 - p. 1.

Author: Clement, Douglas

Abstract: In recent years, thousands of Indian-owned businesses have sprung up across the nation and throughout the Ninth District. In this article the author focuses on efforts by the district's Indian population to rebuild its economies and cultures through the development of small business and

* denotes academic research paper

higher education—the latest chapter in a long struggle to regain self-sufficiency and cultural identity.

<http://www.minneapolisfed.org/pubs/fedgaz/06-03/cover.cfm>

Tribal trends

FEDERAL RESERVE BANK OF MINNEAPOLIS

fedgazette. v. 18, no. 2. Mar, 2006 - p. 2-3, 5.

Author: Clement, Douglas

Abstract: While economic conditions have improved for American Indians living on reservations, poverty remains prevalent, and tribes face deep challenges in their efforts to develop.

<http://www.minneapolisfed.org/pubs/fedgaz/06-03/trends.cfm>

Tackling neighborhood poverty: developing strategic approaches to community development

FEDERAL RESERVE BANK OF SAN FRANCISCO

Community Investments. v. 17, no. 4. Win, 2006 - p. 3-11.

Author: Reid, Carolina

Abstract: In this article, we share an emerging consensus on the key principles that should guide community development activities as well as provide tangible examples of how these ideas are being implemented in practice. But first, we take a brief look at the changing dynamics of neighborhood poverty as a way to benchmark our progress and assess what there is still left to do.

<http://www.frbsf.org/publications/community/investments/0602/winter06.pdf>

Helping the poor accumulate assets

FEDERAL RESERVE BANK OF BOSTON

Communities and Banking. Win, 2006 - p. 20-23.

Author: Levere, Andrea

Abstract: Having assets (a bank account, a car, an insured home, a good credit rating) does more than help families weather a crisis. It can move them out of poverty permanently, with benefits to individuals, government, corporations, and society as a whole.

<http://bosfed.org/commdev/c&b/2006/winter/assets.pdf>

Family portrait: life is hard in one of Baltimore's toughest neighborhoods, but for Janice Walker, it's home

FEDERAL RESERVE BANK OF RICHMOND

Region Focus. v. 10, no. 1. Win, 2006 - p. 16-23.

Author: Gerena, Charles

Abstract: The following article on urban poverty does not explicitly discuss the public-policy issues at stake or proposals for reform. Instead, it tells the story of one family in Baltimore's Sandtown—

Winchester neighborhood. This approach, we hope, will provide a broader understanding of the problems facing the urban poor.

http://www.richmondfed.org/publications/economic_research/region_focus/winter_2006/pdf/cover_story.pdf

Poverty and disasters

FEDERAL RESERVE BANK OF DALLAS

Banking & Community Perspectives. 1. 2006 - p. 7-11.

Author: Sobel, Elizabeth

Abstract: Hurricanes Katrina and Rita exposed the debilitating realities of poverty in America, communities' lack of crisis preparedness, and how these factors can exacerbate each other.

<http://www.dallasfed.org/ca/bcp/2006/bcp0601b.html>

Concentrated poverty in the eleventh district

FEDERAL RESERVE BANK OF DALLAS

Banking & Community Perspectives. 2. 2006 - p. 3-8.

Authors: Sobel, Elizabeth / Lopez, Roy

Abstract: This issue analyzes the dynamics of concentrated poverty in rural and urban settings. It also offers insights from Paul A. Jargowsky, whose research centers on the geographic concentration of poverty and residential segregation by race and class.

<http://www.dallasfed.org/ca/bcp/2006/bcp0602.pdf>

The ins and outs of poverty in advanced economies: poverty dynamics in Canada, Germany, Great Britain, and the United States*

FEDERAL RESERVE BANK OF SAN FRANCISCO

Working Papers Series. 2004-18. Nov. 2004

Author: Valletta, Robert G.

Abstract: This manuscript compares poverty dynamics in four advanced industrial countries (Canada, unified Germany, Great Britain, and the United States) for overlapping six-year periods in the 1990s. Most poverty transitions, and the prevalence of chronic poverty, are associated with employment instability and family dissolution in all four countries. The results also suggest that differences in social policy are crucial for the observed differences in poverty incidence and persistence between Europe and North America.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=904920

* denotes academic research paper

How should suburbs help their central cities?*

FEDERAL RESERVE BANK OF NEW YORK

Staff Reports. 186. May, 2004

Authors: Haughwout, Andrew F. / Inman, Robert P.

Abstract: In this paper the authors study the question of whether suburbs should help finance the core public services of their central cities. The paper reviews three arguments that have been offered in favor of suburbs' fiscal assistance to their central cities. First, the central city provides public services that benefit suburban residents. Second, the central city may provide redistributive services to low-income central city residents that benefit suburbanites with redistributive preferences for such transfers. Third, the central city's private economy may be an efficient production center because of agglomeration economies—that is, increasing returns—in the production of goods and services consumed by suburban residents.

http://www.newyorkfed.org/research/staff_reports/sr186.html

Anti-poverty design: the cash-out option

FEDERAL RESERVE BANK OF MINNEAPOLIS

The Region. v 17, no. 2. Jun, 2003 - p. 18-21, 54-57.

Author: Wirtz, Ronald A.

Abstract: The poverty debate largely ignores the success of the Earned Income Tax Credit and, by extension, the insights it might hold for future policy design.

<http://www.minneapolisfed.org/pubs/region/03-06/wirtz.cfm>

The impacts of new neighborhoods on poor families: evaluating the policy implications of the moving to opportunity demonstration

FEDERAL RESERVE BANK OF NEW YORK

Economic Policy Review. v.9 no.2. Jun, 2003 - p. 113-140.

Author: Goering, John

Abstract: This paper was presented at the conference "Policies to Promote Affordable Housing," co-sponsored by the Federal Reserve Bank of New York and New York University's Furman Center for Real Estate and Urban Policy, February 7, 2002.

<http://www.newyorkfed.org/research/epr/2003n2.html>

Left behind: SSI in the era of welfare reform*

FEDERAL RESERVE BANK OF SAN FRANCISCO

Working Papers Series. 2003-12. May, 2003

Authors: Burkhauser, Richard V. / Daly, Mary C.

Abstract: In this article the authors review the role that Supplemental Security income, or SSI, has played to this point and consider the directions SSI might take in a work-dominated welfare

environment where people with disabilities increasingly wish to be included in the labor market.

<http://www.frbsf.org/publications/economics/papers/2003/wp03-12bk.pdf>

Improving low-income policies in tight fiscal times

FEDERAL RESERVE BANK OF BOSTON

Communities and Banking. Sum, 2002 - p. 14-17.

Authors: Lav, Iris / Springer, John

Abstract: Iris Lav and John Springer of the Center on Budget and Policy Priorities provide information to help groups concerned with low-income families understand how they might best participate in state policy debates.

<http://www.bos.frb.org/commdev/c&b/2002/summer/CBPP.pdf>

Does lower unemployment reduce poverty?*

FEDERAL RESERVE BANK OF PHILADELPHIA

Business Review. Q3, 2002 - p. 34-41.

Author: DeFina, Robert H.

Abstract: This paper considers the link between unemployment and poverty. The strength of the link depends critically on how we measure poverty. The author presents empirical evidence that improved measures of poverty are less strongly related to changes in unemployment than the head-count rate, the government's official measure.

<http://www.phil.frb.org/files/br/brq302rd.pdf>

The promise of asset-development policies

FEDERAL RESERVE BANK OF BOSTON

Communities and Banking. Win, 2002 - p. 3-6.

Author: Beeferman, Larry W.

Abstract: What are asset-development policies? What programs are under way to explore such policies? Larry Beeferman of the Asset Development Institute describes the movement and his views on why asset-development policies are vital to economic equality.

<http://www.bos.frb.org/commdev/c&b/2002/winter/winter02.pdf>

The impact of unemployment on alternative poverty measures*

FEDERAL RESERVE BANK OF PHILADELPHIA

Working Paper. 02-8. 2002

Author: DeFina, Robert H.

Abstract: The analysis uses data from the March Current Population Survey to estimate state-level

* denotes academic research paper

cross-section/time-series models of the effects of unemployment on alternative poverty indexes. The findings provide important lessons for researchers exploring the links between economic conditions and poverty and for policymakers developing strategies to reduce poverty.

<http://www.phil.frb.org/files/wps/2002/wp02-8.pdf>

The center restored: Chicago's residential price gradient reemerges*

FEDERAL RESERVE BANK OF CHICAGO

Economic Perspectives. v. 26, no. 2. Q II, 2002 - p. 2-11.

Author: McMillen, Daniel P.

Abstract: After a long period during which house prices were not affected by distance from Chicago's central business district, values now decline by more than 8 percent per mile. Annual appreciation rates in house prices are higher in neighborhoods close to the city center that have large minority populations, high concentrations of poverty, and many vacant homes.

<http://www.chicagofed.org/publications/economicperspectives/2002/2qepart1.pdf>

Observations on public policy: the case of homelessness

FEDERAL RESERVE BANK OF MINNEAPOLIS

The Region. v 15, no. 3. Sep, 2001 - p. 66-67.

Author: Miller, Preston J.

Abstract: This article finds that being homeless in the United States does not mean being without shelter, that a relatively modest number of people are homeless at any point in time, and that, while many of the homeless are in serious need of help, homelessness is not their root problem.

<http://minneapolisfed.org/pubs/region/01-09/opinion.cfm>

Welfare reform and New York City's low-income population*

FEDERAL RESERVE BANK OF NEW YORK

Economic Policy Review. v.7 no.2. Sep, 2001

Authors: Chernick, Howard / Reimers, Cordelia

Abstract: The goal of this paper is to evaluate the effects of welfare reform on the economic well-being of low-income families in New York City. To investigate the extent to which the safety net is still in place in New York City, we use the New York City sample of the Current Population Survey (CPS) to compare program receipt before and after the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). We use the income and earnings data from the CPS to compare economic status.

<http://www.newyorkfed.org/research/epr/01v07n2/0109cher.pdf>

Building communities: making a difference

FEDERAL RESERVE BANK OF BOSTON

Annual Report. 2001 - p. 5-17.

Authors: Kanders, Kristin / Minehan, Cathy E.

Abstract: One of the most vexing economic problems facing the United States has been the persistence of pockets of poverty in the midst of prosperity. The reasons for this are many and complex. Lacking jobs, capital, and examples of success, many of these communities have remained mired in poverty.

<http://www.bos.frb.org/about/ar/ar2001/01essay.pdf>

The earned income tax credit at work

FEDERAL RESERVE BANK OF ST. LOUIS

National Economic Trends. Apr, 2001

Author: Hernandez-Murillo, Ruben

Abstract: The Earned Income Tax Credit (EITC) has played an important role in raising employment among low-income individuals and alleviating poverty through wage subsidies to low-income individuals and families.

<http://research.stlouisfed.org/publications/net/20010401/cover.pdf>

Inequality and poverty in the United States: the effects of changing family behavior and rising wage dispersion*

FEDERAL RESERVE BANK OF SAN FRANCISCO

Working Papers Series. 2000-06. Jun, 2000

Authors: Daly, Mary C. / Valletta, Robert G.

Abstract: Among key possible explanations for increasing income inequality are rising dispersion in individual earnings, changes in female labor supply decisions, and changes in family composition and living arrangements. Our results indicate that rising dispersion of male earnings and the decline of traditional forms of family structure respectively explain up to about three-fourths and about one-half of rising inequality in family income during this period. The impact of changing family structure was most pronounced in the lower half of the distribution.

<http://www.frbsf.org/econsrch/workingp/2000/wp00-06.pdf>

Profile: Northampton County, Va.: A rural community weighs prosperity against preservation

FEDERAL RESERVE BANK OF RICHMOND

Region Focus. v. 4, no. 3. Sum, 2000 - p. 2-4.

Author: Gerena, Charles

Abstract: One-quarter of Northampton County, Va. residents lived in poverty in 1995. To redraw this

* denotes academic research paper

picture, community groups and government officials created programs aimed at balancing economic growth with environmental protection. In doing so, they've set the tone for slow, sustainable development.

http://www.richmondfed.org/publications/economic_research/region_focus/summer_2000/profile1.cfm

Poverty, children's health, and health care utilization*

FEDERAL RESERVE BANK OF NEW YORK

Economic Policy Review. v.5, no.3. Sep, 1999 - p. 9-21.

Author: Wolfe, Barbara L.

Abstract: This paper discusses health as a direct measure of economic well-being, and draws attention to those suffering the worst outcomes and to the link between poverty and health. According to the author, in 1994 only 10 percent of children under age five in families making \$35,000 or more were in less than very good or excellent health. By comparison, one-third of young children in families with income below \$10,000 were in less than very good health. Moreover, in recent years the number of poor children whose health is fair or poor has increased relative to the number of non-poor children in these same health categories.

<http://www.newyorkfed.org/research/epr/99v05n3/9909wolf.pdf>

Will increasing the minimum wage help the poor?*

FEDERAL RESERVE BANK OF CLEVELAND

Economic Commentary. Feb 1, 1999

Authors: Neumark, David / Schweitzer, Mark E. / Wascher, William L.

Abstract: Minimum wages help some families to escape poverty, but employment losses associated with raising the minimum wage also appear to cause some families to fall into poverty. The authors' estimates suggest that on balance, the second of these effects outweighs the first; therefore, the net result of raising the minimum wage is an increase in the proportion of poor families.

<http://www.clevelandfed.org/Research/commentary/1999/0201.pdf>

Monetary policy and the well-being of the poor*

FEDERAL RESERVE BANK OF KANSAS CITY

Economic Review. 84 (1) Q I, 1999 - p. 21-49.

Authors: Romer, Christina D. / Romer, David

Abstract: The authors examined the influence of monetary policy on poverty and inequality both over the business cycle in the United States and over the longer run in a large sample of countries. They argued that although expansionary policy induces a decline in the poverty rate, the decline is eventually reversed. Second, monetary policy that aims to restrain inflation and minimize output fluctuations is likely to be associated with improved conditions for the poor over time.

<http://www.kc.frb.org/publicat/econrev/PDF/1q99romr.pdf>

How effective is lifeline banking in assisting the ‘unbanked’?*

FEDERAL RESERVE BANK OF NEW YORK

Current Issues in Economics and Finance. v.4, no.6. Jun, 1998
 Authors: Doyle, Joseph J. / Lopez, Jose A. / Saldenberg, Marc R.

Abstract: Many consumers who lack checking accounts are paying relatively high costs to access the nation’s payments system. Legislation aimed at opening the system to these unbanked individuals has centered on requiring commercial banks to offer low-cost “lifeline” accounts. But will cost savings alone motivate these consumers to access the payments system through banks?

http://www.newyorkfed.org/research/current_issues/ci4-6.html

Regional differences in family poverty*

FEDERAL RESERVE BANK OF BOSTON

New England Economic Review. Jan, 1997 - p. 3-17.
 Author: Triest, Robert K.

Abstract: The main goal of this article is to shed some light on why poverty rates vary as much as they do in different areas. The analysis shows that much of the regional variation in poverty rates can be accounted for by differences across regions in the distribution of potential family earnings. Other factors, such as unemployment and whether the family recently immigrated to the United States, also are important in determining the poverty status of individual families, but play a somewhat smaller role than earnings capacity in explaining regional differences in poverty rates.

<http://www.bos.frb.org/economic/neer/neer1997/neer197a.htm>

“Tough Love”: implications for redistributive policy*

FEDERAL RESERVE BANK OF DALLAS

Economic Review. Q III, 1997 - p. 25-29.
 Author: Saving, Jason L.

Abstract: The author explores the economic and political implications of “tough love” for redistributive policy. The American welfare system unquestionably helps support the least fortunate among us, but, in making poverty less onerous, it may discourage employment among some individuals. A “new altruistic” approach that incorporates tough love would reduce the number of poor people but could only do so by worsening the living standards of those who remain in poverty.

<http://www.dallasfed.org/research/er/1997/er9703c.pdf>

Inflation, unemployment, and poverty revisited*

FEDERAL RESERVE BANK OF CLEVELAND

Economic Review. Q III, 1995 - p. 2-13.
 Author: Powers, Elizabeth T.

* denotes academic research paper

Abstract: An examination of the impact of inflation and unemployment on poverty, using a poverty rate based on goods and services consumed, rather than on income. The findings suggest that inflation may harm the poor more than was previously thought.

<http://clevelandfed.org/Research/Review/1995/95-q3-powers.pdf>

Growth and poverty revisited*

FEDERAL RESERVE BANK OF CLEVELAND

Economic Commentary. Apr 15, 1995

Author: Powers, Elizabeth T.

Abstract: An explanation of an alternative analysis of poverty based on consumption rather than on annual income, which disputes the documented breakdown in progress against poverty in the 1980s and concludes that the poor appear to benefit from a growing economy now as much as in previous decades.

<http://www.clevelandfed.org/Research/commentary/1995/0415.pdf>