

Poverty Reduction in America: A Holistic Approach to Financial Security

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Abstract

Throughout history, financial insecurity has plagued those members of our society living below the poverty line, especially members of underrepresented communities, including minority groups and undocumented immigrants. These individuals are routinely denied stable housing, legal protections, and various social freedoms. This paper will investigate these issues and identify the financial initiatives, educational opportunities, policy reforms, and community-focused services that are necessary to amend these problems.

Keywords: financial security, economic impediments, social impediments, legal impediments, Fair Housing Act, housing crisis, personal finance, Supplemental Security Income

Introduction

In America, there are 37.9 million people (11.6% of our population) living below the poverty line. While many view the financially unstable as a drain on our society through their perceived reliance on “social programs” and “welfare benefits,” the reality is that by failing to address the systemic and underlying issues that prevent nearly 40 million people from escaping poverty, America’s economy suffers billions of dollars a year in productivity loss, health expenditures, and criminal reform programs. In particular, financial insecurity disproportionately affects minority groups as they have been denied stable housing, legal protections, and various social freedoms.

Skyrocketing housing costs have only exacerbated conditions for those living in poverty. Low-income households are forced to spend most of their paychecks on rent, preventing them from taking control of their finances and reducing their economic mobility. Affordable housing is often located in undesirable neighborhoods, where crime is high, education is subpar, basic amenities like grocery stores and parks are far away, and job training opportunities are scarce.

Such struggles are even worse for minorities. This can be seen in the ongoing housing discrimination due to the failure of the Fair Housing Act and its amendments. The act passed in 1968 sought to eliminate discrimination in housing markets based on color, race, national origin, and religion. However, the acts were largely ineffective; neighborhoods are still segregated to this day. This is largely due to the timing of the act and the lack of government enforcement.

However, no group has suffered from ineffective poverty reduction strategies more than America's Indigenous People. From the start of American history, they have been an oppressed yet politically forgotten group. To this day, they continue to have limited access to education, employment opportunities, wealth accumulation, and social resources. Despite being historically

and legally entitled to land in America, they often rank among the poorest of Americans and have the least number of paths to success.

Alongside America's underrepresented citizens are undocumented workers who perpetually fall victim to the country's unsuccessful efforts to assist with financial security efforts. Despite making up three percent of the total population, they are often forced to live a life in hiding while being subjected to little to no social or legal support, exploitation from employers, and lack of stable housing.

There are many existing government programs intended to help alleviate problems for low-income Americans. However, they are insufficient and flawed in many ways. One such program is the Supplemental Security Income (SSI) program, which uses outdated criteria to identify Americans in need and provide inadequate monetary assistance.

Many solutions are possible to help low-income Americans, including expanding programs for education and government aid. Low-income communities must be provided with the educational tools that they are often deprived of. In furtherance of this goal, society must work to address and eradicate the systemic bias and racial issues that cause financial security to become impossible to overcome. Finally, the government must put more aid in place to help low-income Americans over the poverty line. All this effort will serve to increase productivity and lower the costs of crime and poor health that plague America today.

Economic Impediments

When exploring the issue of poverty in America, it seems logical to start with an exploration of the economic concepts and factors that play an integral role in preventing poverty reduction from taking hold. In this section, we will explore the economic factors that affect the

financially insecure from obtaining affordable housing, perhaps the most important element in rising out of poverty in America.

Need for Affordable Housing

A shortage of affordable housing costs the American economy about 2 trillion dollars a year in wages and productivity. The growth in America's gross domestic product (GDP) between 1964 and 2009 would have been 13.5% higher if families had better access to affordable housing (National Low Income Housing Coalition et al., 2019). Families with constrained opportunities to increase earnings cause slower GDP growth; therefore, the nation as a whole is best served if the country addresses the economic impediments preventing Americans from increasing their productivity and wage opportunities.

People living farther from their places of work result in lower wages and less productivity, resulting in less output and wealth for the entire country (Lowrey et al., 2022). The average worker would have earned \$8775 more in wages in 2009 if the housing supply were adequate (National Low Income Housing Coalition et al., 2019).

The Housing Shortage

The U.S. lacks an adequate housing supply for its citizens. Though estimates vary, as a nation, America has a deficit of anywhere between 1.5 million and 6 million housing units to house its population sufficiently (Zinkula et al., 2023). The shortage in affordable housing can be traced back to the 2008 housing crash and compounded by the COVID-19 pandemic. It is further exacerbated by zoning and other restrictions on new construction that limit the number of affordable housing units that can be built. All these varying factors contribute to the lack of satisfactory housing for low-income people, leaving them in inadequate housing or even on the street.

2008 Market Crash. The 2008 housing crash was caused by a housing market that was too loosely regulated. Housing prices grew uncontrollably without actual equity accruing. This trend began in 1999 when the government-sponsored mortgage lender, the Federal National Mortgage Association, better known as Fannie Mae, wanted to make home loans more accessible. They made mortgages available for those with lower credit scores and savings than lenders typically required. Fannie Mae would repurchase loans from the original lenders and make money after the borrower paid back their mortgage, effectively moving the risk burden from private lenders to Fannie Mae.

While this may seem, on its surface, a benefit for individuals who were struggling financially, it was not. This was the start of the subprime mortgage market, where loans with little to no down payments were given to borrowers with inadequate credit scores and savings. Individuals were given access to houses they could not afford, leading to economic hardships that they would feel for decades. The initial intention was to make the American dream of home ownership more accessible. However, it created a flawed and inadequate housing market that has left people to suffer today.

The Bubble Bursts. By 2002, Fannie Mae and Freddie Mac (a similar government-sponsored lending institution) had extended \$3 trillion of mortgage credit. By this time, there was an increasing rate of mortgage default rates, leading to a decrease in revenue for these companies. This created a delicate housing bubble; a downturn in the market would trap homeowners and force millions of defaults. (Kosakowski et al., 2021). With housing prices rising uncontrollably and many banks relying on risky investments that counted on over-leveraged homeowners (those individuals with a minimal loan-to-value ratio in their homes) to pay back their mortgages, the bubble was bound to burst eventually.

Beginning in 2006, America's housing market began a downward spiral. In fact, from July 2006 to January 2009, the national median house price dropped by 29%. (Kosakowski et al., 2021). This pressured homeowners to make mortgage payments on houses they had little equity in. By December 2007, the country was in a recession. This created a snowball effect; as investments failed, so did companies, resulting in worker layoffs and increasing unemployment. Many people were left with lost incomes and had an even harder time paying the mortgage for houses they could no longer sell due to the lost equity (brought on by the fact that they had little equity in their homes to begin with).

Construction Industry Collapse. As a result of the real estate market crash, a significant number of construction companies collapsed. Because there were so many foreclosed houses on the market, there was a pause in the development of new homes. The U.S. built fewer homes in the decade that ended in 2018 than any other decade since the 1960s (Hayward et al., 2022). Because of this, many laid-off construction employees found other work, leaving the housing workforce decimated to this day. In fact, 81% of construction employers report having trouble filling positions (Zabel et al., 2022). This has created a bit of a paradox for the construction industry.

While there is certainly a need for new home construction to alleviate the housing shortage, builders are slowed down by the labor shortage. Construction sector job openings have risen from a low of 24,000 in 2009 to 449,000 in April 2022, but a limited pool of skilled workers keeps new construction at a standstill (Zabel et al., 2022). Meanwhile, the housing shortage prevails, pushing prices higher and higher; prices rose by 13.5% from 2020 to 2021 and another 20.6% from 2021 to 2022 (Zabel et al., 2022).

Zoning

Massive national crises are overarching factors in the housing shortage. Nevertheless, other factors are in play, including regulatory barriers that hinder new construction and institutional investors buying up a large portion of the housing for inventory (Ulrich et al., 2023).

One oppressive policy that is being widely advocated in the U.S. is single-family zoning. This land usage policy restricts specific plots of land to single-family home construction, reducing the amount of land available for more compact housing like apartments or townhouses. It inflates the cost of new housing projects and incentivizes the development of high-income housing while discouraging the development of low-income, multi-unit housing (Arnold et al., 2022). Neglecting the construction of more affordable and compact housing while building larger, more expensive housing makes it much more difficult to alleviate the housing shortage because only a few wealthy people can access the new housing supply.

Single-Family Zoning. Zoning started with the 1926 Standard Zoning Enabling Act. It established the development of land use plans through local planning commissions (Harvard Law Review et al., 2022). This enabled homeowners to influence their local decision-makers to keep obsolete single-family zoning laws.

When attempting to implement poverty reduction strategies by addressing housing requirements, these zoning laws become problematic because of their requirement for public hearings administered by elected officials or political appointees serving the will of the mayor. Many zoning board members are politicians. Rarely are any technocratic subject matter experts who are politically neutral present at these meetings. Therefore, there is often little objective input to help guide zoning boards when it comes to the implementation solutions that help satisfy the requirement of affordable housing options.

Instead, local planning boards are often controlled by homeowners opposed to the construction of affordable housing (Harvard Law Review et al., 2022). This is mainly due to the fact that more socioeconomically advantaged people are more likely to participate in government affairs, thus increasing the chance of having their voices heard in critical policy discussions (Einstein et al., n.d.). Those who have lived in the same area for a long time and own homes are likely more socioeconomically advantaged. Most of all, homeowners are incentivized to attend these meetings to oppose new housing construction because an increased house supply decreases their homes' prices.

This opposition to zoning policies that favor the construction of affordable housing is often referred to as the NIMBY movement. An acronym for “not in my backyard” for groups of individuals, mainly composed of existing homeowners who object to the idea that those solutions for affordable housing should happen in their neighborhoods. This attitude is a main obstacle to creating zoning reforms (Arnold et al., 2022). These individuals are not necessarily opposed to social entitlement programs like affordable housing. Individually, they may support a wide array of poverty reduction programs, but collectively, they do not support such advancements in their neighborhoods.

The Effects of the Pandemic

While the need for more new housing units was allowing builders to push through the worker shortage and begin to show signs of returning to normal, the COVID-19 pandemic then hit. This caused house prices to once again rise due to the increasing prices of housing materials (Construction et al., 2022). There has been a dramatic rise in the cost of building materials since COVID began due to global supply chain disruptions, import tariffs, and rising interest rates. Because the U.S. depends so heavily on foreign suppliers for construction materials like stone

and steel, the prices skyrocketed when the pandemic caused closures and delays in foreign factories.

An Ongoing Supply Issue

The housing crisis, resulting construction shortage, and overly restrictive zoning laws created a severe shortage in affordable housing, so much so that 6.8 million more affordable housing units are needed to house extremely low-income families (National Low Income Housing Coalition et al., 2019). Despite the demand, there is no real opportunity for enterprising construction investors to meet this demand for several reasons.

More Housing Means Fewer Profits. Because there is more incentive to build high-income homes, builders ignore the need to build affordable homes and instead focus on building single-family homes. Additionally, all production costs, including the cost of land, are increasing, meaning that creating higher-income houses allows homebuilders to mark up their prices without having to buy more land; selling homes to a higher-income bracket is simply a more attractive investment.

Gentrification. An additional impediment to creating affordable housing is gentrification, when wealthier individuals move into poorer urban areas and improve neighborhoods while driving up prices for existing inhabitants (Market-Rate et al., 2022). Due to this changing dynamic, housing prices surpass income levels in the vast majority of these areas. This leaves residents of these areas with two unattractive alternatives: moving out of their original communities and relocating to new neighborhoods that may be farther away from their work, making it harder for them to commute or pay more in rent to stay where they are, creating detrimental effects.

The housing costs surpassing income levels cause many problems for these low-income families. When people are forced to spend over 50% of their income on housing, it often leads to them living in substandard housing and unsustainable and unhealthy lives (Burns et al., 2015). The fact that 70% of all extremely low-income families pay more than half of their rent income when affordable housing should only take up 30% or less of a household's income is very troubling (National Low Income Housing Coalition et al., n.d.).

Areas where low-income families can find affordable housing are often located in undesirable locations, away from basic amenities like grocery stores, public transit, parks, and high-quality schools. They are often forced to rely on fast food for their meals, leading to many medical complications. In addition, they rarely have the opportunity or the money to educate themselves or their children properly. Job training and schools that are accessible in such neighborhoods are often substandard, and families have no method to seek other opportunities. These conditions often lead to families being displaced through eviction.

Evictions: A Growing Problem

Evictions, once rare, are now becoming much more common in our society due to constant inflation, recessions, and the increasingly unstable U.S. housing market. "Across the country, low-income renters are in an even worse situation than before the pandemic due to massive increases in rent during the pandemic, inflation, and other pandemic-era related financial difficulties." (Casey et al., 2023). Even without COVID-19's devastating toll on the housing market, "[l]ow wages, inflation, and obstacles to accessing government-subsidized housing mean there aren't enough housing units for rent that low-income Americans can afford." (Thornton & Procell et al., 2023). However, the long-lasting effect of evictions can sometimes be much worse.

"When evicted tenants find subsequent housing, they often must accept conditions far worse than those of their previous dwelling. Because many landlords reject applicants with recent evictions, evicted tenants are pushed to the very bottom of the rental market and often are forced to move into run-down properties in dangerous neighborhoods" (Desmond et al., 2012).

When an eviction goes onto a tenant's record, it creates a negative cycle that is difficult for an individual to get out of - financially and emotionally. Job loss can foil attempts at asset building—especially if families drain their savings to survive unemployment spells—and damage workers' mental and physical health and well-being (Desmond & Gershenson et al., 2016). Tenants who have been evicted struggle to find any housing options and often compromise their standard of living for long periods, causing them to fall lower and lower into poverty. Unfortunately, it acts like an echo chamber or loop effect, worsening with every eviction and every temporary home.

Perpetuating Problems of Evictions

In most areas currently plagued by evictions, a simple emergency fund could have saved someone from suffering from housing instability. Even a small amount of savings (less than \$750) can safeguard a family against eviction in some cases—but one in four families has no savings at all." (Ptomey et al., 2022). However, families struggling to pay their rent are hard-pressed to come up with any savings.

Evictions can be traumatizing for children, "with stress having wide-reaching consequences, including on their educational achievement. Financially healthy residents are better able to weather difficult times, are less likely to need city supports and services, and can contribute more to the local economy by supporting property, sales, and income taxes." (Peiffer, 2018). Unfortunately, when these kids grow up, they are not able to be financially healthy

residents and harm both their cities and themselves. Therefore, we must develop a comprehensive solution to help families avoid the pitfalls of eviction.

Homelessness

With decreasing housing supply and increased evictions, homelessness has escalated into a pressing and deeply concerning issue, particularly within the United States. The startling figures reveal the magnitude of the problem, with an estimated 580,000 individuals experiencing homelessness on any given night (State of Homelessness: 2023 Edition et al., 2023). This roughly amounts to about 18 out of every 10,000 people. This staggering number underscores the urgent need for comprehensive and practical solutions to address the root causes of homelessness and provide adequate support to those affected.

As both housing costs and eviction rates continue to rise in many urban areas, individuals and families cannot secure stable accommodations within their means. This dire situation often forces them into precarious living arrangements, including overcrowded residences and shared housing. The ramifications of these situations are far-reaching, affecting not only individuals' immediate well-being but also their long-term prospects for stability and success. Overcrowding has emerged as a visible consequence of the lack of affordable housing.

Out of sheer necessity, many individuals are compelled to share housing with multiple families or reside in confined spaces that were never intended to support such living conditions. This compromises their physical and mental well-being and raises serious concerns about health and safety. Overcrowded living areas can increase stress, tension, and conflict among residents, aggravating an already challenging situation. In addition to the immediate health and safety risks, overcrowding perpetuates a disadvantage cycle.

Children growing up in cramped and overcrowded environments may face difficulties focusing on education, resulting in long-term personal and academic development setbacks. Moreover, the lack of privacy and personal space can erode individuals' sense of dignity, diminishing their self-esteem and overall quality of life.

Systemic Bias

The problem of poverty in America goes deeper than simply a lack of physical structures. As marginalized communities bear the brunt of the crisis, existing disparities and inequalities are perpetuated. Historical systemic discrimination and exclusion patterns have limited housing opportunities for these groups, worsening their vulnerability to the housing crisis.

As affordable housing becomes scarcer, marginalized communities are often the first to experience displacement and face limited options for finding suitable and affordable housing. The consequences of the housing crisis extend beyond immediate hardships. Housing instability can have long-lasting effects on individuals and communities. It can disrupt one's education, hinder job opportunities, and perpetuate the housing crisis's disproportionate impact on marginalized communities, which is deeply rooted in a history of systemic inequalities and discriminatory practices (Reckford et al., 2020).

Racial and ethnic minorities have historically faced barriers to housing access stemming from redlining, discriminatory lending practices, and exclusionary zoning laws (Gassam et al., 2022). These practices have limited their housing options and concentrated these communities in neighborhoods with fewer resources, reduced access to quality education, and limited economic prospects. As the housing crisis intensifies, marginalized communities are hit hardest due to these pre-existing vulnerabilities.

One of the most concerning consequences is the heightened risk of displacement. When affordable housing becomes scarce, marginalized communities are often the first to be pushed out by gentrification and rising property values (Richardson et al., 2019). This displacement not only disrupts families' lives but also fragments the cultural fabric of these neighborhoods, erasing their historical significance and collective memory.

The repercussions of the housing crisis extend beyond immediate material hardships. The instability caused by frequent moves or the threat of eviction can significantly disrupt children's education, hindering their academic progress and limiting their future opportunities. The stress of uncertain housing situations can also affect adults' mental and physical health, impacting their ability to maintain steady employment and provide a stable family environment. Moreover, more stable housing is needed to strengthen the bonds within communities.

Social cohesion - crucial for fostering a sense of belonging, mutual support, and safety - is eroded as individuals and families are uprooted from their communities (Fonseca et al., 2018). This undermines the social networks that often provide assistance, guidance, and a sense of identity.

Solving the Economic Impediments

In order to address the economic impediments that are preventing poverty reduction strategies from taking hold in America, there must be a multi-pronged approach. Change agents must look to create a series of interconnected economic, educational, and policy initiatives to address these problems. Only by using a multi-tiered approach can the U.S. create enough momentum to eliminate these economic obstacles to financial security.

Increase the Housing Supply

In the long term, the most natural solution to the shortage of high-quality, affordable housing is to build more houses and eradicate the overall housing shortage. This way, demand will start to match supply, bringing down the prices of the entire housing market. While this solution will take many years to bring to fruition, America can help speed the process by offering builders economic incentives through a variety of channels.

The creation of incentives is imperative to address the growing affordable housing crisis. By creating economic incentives for developers that invest in solutions to help solve the housing crisis, builders will be financially motivated to build affordable housing. A few direct incentives are offered to homebuilders, including state benefits. These may include providing below-rate loans or soft debt (debt repaid through surplus income) to affordable housing developers. These lending benefits make it easier for home builders to make the upfront payments for construction. (CBIZ et al., 2023)

Additionally, federal tax credits serve as indirect subsidies for affordable housing development. This includes the Low-Income Housing Tax Credit (LIHTC), a tax credit for affordable housing projects. Affordable housing developers use these tax credits to raise equity from investors. They are forced to comply with the guidelines for at least 30 years, or the tax credits would be recaptured. (Local Initiatives, 2014)

Specifically, the occupants of houses in this program should include people earning no more than 60 percent of the Area Median Income (AMI). This aims to stimulate investment in affordable housing in underserved communities. So far, it has been very effective. According to the Tax Foundation, “the LIHTC has subsidized over 3 million housing units since it was established in 1986, the largest source of affordable housing financing” (Stamm, 2020).

State-led Action. Massachusetts's 1969 Chapter 40B Program incentivizes affordable development by granting developers a right to appeal certain local decisions that restrict the construction of affordable housing when less than ten percent of the available housing stock is devoted to affordable housing (Harvard Law Review et al.,2022).

Although this program was instrumental in increasing the construction of affordable housing in its 50-year history, its impact is limited. Only 65 of the state's 351 municipalities comply with the ten percent requirement, and even those who meet the quota struggle with meeting the demand for affordable housing (Harvard Law Review et al., 2022).

Another flaw is that the program burdens developers to prosecute the municipality and does not grant individuals a right to challenge anti-affordable housing zoning actions. With the additional barriers to challenging the local government to develop affordable housing, developers may forgo the development altogether.

If the U.S. is going to make significant strides in addressing the issue of poverty through the creation of more affordable housing, it must not only see the adoption of more legislation like the Chapter 40B Program, but it must certainly have total compliance with its mandates. Having laws that appear to be helpful on paper but do little in practice to curb the issues caused by affordable housing is a totally useless exercise.

Federal Intervention. In May 2022, the Biden-Harris Administration announced the Housing Supply Action Plan. It addressed restrictive zoning, provided additional financing for the construction of affordable housing, proposed partnering with the private sector to address supply chain disruptions for building materials, and promoted manufactured housing and construction research and development. It also directed the purchase of houses to owner-occupants and non-profits instead of large investors but needed to describe how this

would be achieved clearly. Though this action plan was comprehensive, it will likely take years to show significant results (Zabel et al., 2022). The Biden Administration is still obtaining funding from Congress, and there has yet to be much progress on implementing the plan (President et al., 2022). While such federal action appears to be a step in the right direction, it needs the required funding and enforcement to be effective.

Reduce Tariffs. One way to speed up construction is to decrease input costs by reducing tariffs on construction materials. This will reduce the overall costs for homebuilders, encouraging them to build more. The Section 301 tariffs, imposed by former President Donald Trump and retained by the Biden administration, affect over \$300 billion worth of imports from China (Smith et al., 2022). This has caused average tariff rates for home building material imports from China to increase ninefold in 2021, compared to 2017 before the tariff policy was implemented. There has been more than a fourfold increase in the cost to import these materials globally, indicating that the China tariffs have heavily influenced the importation market. The National Association of Home Builders found that in 2018, the tariffs imposed fees on 463 products that were “ubiquitous in home construction and remodeling” (Smith et al., 2022). The tariff on these products was 10% in 2018 but was raised to 25 percent in 2019. Removing Section 301 tariffs is a surefire way to reduce costs for homebuilders and incentivize them to build more.

Constitutional Rights

Perhaps the most powerful solution to the lack of affordable housing is to recognize it as a constitutional right, barring overt and oppressive restrictions from local and state efforts that practically limit access to such accommodations. This would be the most adaptable and

accommodating solution that is especially effective against state and local regulations. It would protect access to affordable housing that would otherwise be impaired by state or local laws.

Additionally, it would guard unjustified burdens upon developers and owners of affordable housing. It would prevent municipalities from using their regulatory powers to reduce access to housing, as is commonly seen in zoning.

Increase Government Assistance

To help those suffering from substandard housing, it is essential to aid households struggling financially. Aid will help struggling families pay their rent and move to more desirable neighborhoods with satisfactory housing. In addition, it will increase economic activity in poor neighborhoods as families spend more money on amenities like healthy food, education, and recreation rather than using the majority of their money on rent, effectively increasing the value of their neighborhoods.

For every dollar invested in the Supplemental Nutrition Assistance Program (SNAP) programs, an average of 2-4 dollars is returned (Khullar et al., 2018). SNAP provides food stamps to eligible families, increasing economic activity. It was found that 1 dollar in SNAP expenditures generated 1.73 dollars in economic activity. The food stamps also help families to eat healthier; participation in SNAP was associated with a 1400-dollar annual reduction in healthcare costs. It would be beneficial to expand and continue supporting this program to maintain and expand the economic activity generated in poor neighborhoods.

Prioritize Housing Mobility Initiatives

It is also imperative to increase the prioritization of housing mobility, which is the ability for people to have options for where they would like to live. This will create cushioning for labor market shocks and reduce regional inequalities. It will alleviate local imbalances between labor

demand and supply, promoting an optimal match between workers and jobs (Woloszko et al., 2020). Removing policy biases towards homeownership will promote housing mobility, bringing efficiency and equity to struggling neighborhoods.

Eliminate Non-Violent Mandatory Minimum Sentences

One way to aid struggling families is by reducing minimum sentencing for nonviolent drug offenses. Half of the inmates in federal prisons are incarcerated for drug-related crimes, and such mass incarceration disproportionately affects low-income communities (Khullar et al., 2018). These sentences come with severe economic consequences and pose substantial barriers to employment.

Invest in Education Initiatives

Another area to support low-income neighborhoods is childhood education. Improved early childhood programs have significant effects on an individual's life. It results in higher future earnings for the children, reduced need for remedial education, and lower involvement in criminal justice (Khullar et al., 2018). By bringing such benefits into poor neighborhoods, it increases the overall standard of living. It brings more economic power to the community as the children grow up to earn higher wages.

Financial Literacy Education. One key to increasing homeownership seems to be financial literacy education. (Sirmans & Macpherson et al., 2003). To take steps toward building this financial knowledge and helping people gain financial literacy, the first step would involve a long-term goal.

Most schools offer a limited financial education. However, to prepare the next generation for financial success, we must incorporate familiar skills (like problem-solving and organizational skills) into personal finance lessons. We can revive interest in financial education,

like the importance of assets, emergency funds, housing laws, power of investment, and recovering from bankruptcies and evictions.

By doing so, we can equip individuals with the right tools for years. In fact, “[t]he upheaval caused by the pandemic has inspired 52% of Gen Z to zero in on their financial smarts—the highest percentage of any generation.” (Perna et al., 2022). When we reach the point that everyone has a good grasp on the true meaning of financial independence, we have taken truly meaningful steps to eliminate financial insecurity.

What Does Financial Education Entail? There is a particular financial concept that best serves as a target or a guide for individuals looking to better their financial situation, whether they are struggling to reduce poverty or not. The 50/30/20 budgetary target calls for individuals to allocate 50% of their income for bills (including rent), 30% for personal expenses (i.e., “spending money”), and 20% for savings. For most people, this strategy can be used as a guide to build a budget that meets their current financial means and their personal values (Noll et al., 2023). Allocating money for savings allows more financial stability and helps be better prepared against future emergencies or evictions.

For people to put aside some money for savings and consistently keep up with rent, it is vital to have a budgeting method. A specific budgeting method, called the envelope method, uses physical or digital envelopes to separate money and allocate finances for specific categories. By employing this method, one splits up their money according to how much they want to spend in each category (*How to Use the Envelope Budget System* et al., 2022). This way, people can limit their expenses and keep one envelope for savings. Many people living in low-income situations need guidance and direction to start budgeting and spending right. This is a simple, effective method to provide them with that.

While the idea of educating future generations about financial literacy and basic budgeting strategies is still being established, society has not lost sight of the older generations who are currently struggling to implement poverty reduction strategies. For this group, education is still the answer. We must focus on educating older generations about programs and services they are unaware of and not currently taking advantage of. We need to educate the 75% of the people who need these programs but do not receive assistance on how to gain access.

In Sweden, where evicted people have access to a national advice bureau for financial counseling, "the quantitative data shows that among those households that were in contact with the bureau not a single one was evicted" (Holmdahl et al., 2006). Suppose people get help with their finances and use rules like the 50/30/20 rule, allocate funds for an emergency, or keep an envelope system for budgeting. They can position themselves better and rise above poverty.

Luckily, programs to assist adults suffering from poverty do exist in the United States. Organizations like the Financial Counseling Association of America, American Consumer Credit Counseling, GreenPath Financial Wellness, and Money Management International all exist to help individuals living in or near poverty take control of their financial literacy in hopes of improving their personal situation (Bahler et al., 2022). The more we emphasize financial education and its importance to older people, the more we can ensure they accurately pass that information on to future landlords and tenants.

Summary of Economic Solutions

Accelerating the construction of homes, recognizing affordable housing as a right, providing financial aid to low-income families, and educating all generations about poverty reduction strategies are all ways to alleviate the economic impediments that are preventing so many Americans from achieving financial security. These solutions all require both societal and

governmental intervention. While it is costly in both time and money, it is essential and reasonable to have faith in the American people's resiliency, determination, and capability to solve problems and improve the country so that no one is pressured to pay too much for housing.

Social Impediments

Economic impediments are not the sole culprit preventing poverty-reduction strategies from taking hold in the United States. There are underlying social complexities that are also at play in this equation. Factors such as race, gender, sexuality, familial status, culture, and socioeconomic class have historically acted as constraints, limiting many minority groups from being able to build generational wealth or live above the poverty line. Though many amends have been made to help these communities, there is still a long way to go before permanent and substantial change has been made. In this forthcoming section, we will explore the deeper aspects of the causes and effects of poverty and how it grew to be such a pervasive problem in the United States.

Housing Discrimination in the United States

Minority groups being discriminated against through housing based on race, ethnicity, sex, disability, religion, national origin, etc., is a prevalent issue in the United States despite continuous efforts to eliminate it for the past 50 years.

There was a mass creation of suburbs around the United States in the 1920s, but many of these communities were not inclusive and welcoming. They instituted rules called covenants, which explicitly forbade selling homes to African Americans and were completely legal (Thompson et al., 2021). An average covenant would contain the following, "...hereafter no part of said property or any portion thereof shall be...occupied by any person, not of the Caucasian race, it being intended hereby to restrict the use of said property...against occupancy as owners

or tenants of any portion of said property for resident or other purposes by people of the Negro or Mongolian race," (The Fair Housing Center of Greater Boston et al., n.d.). Despite the country's mission to provide life, liberty, and the pursuit of happiness to its citizens, it was clear that these discriminatory practices created unconstitutional impediments to minorities seeking housing.

Fair Housing Act

The Fair Housing Act of 1968 was one of the first policies to attempt to solve this nationwide discrimination problem, protecting people from discrimination when renting or buying a home, seeking housing assistance, getting a mortgage, or engaging in other housing-related activities. It also tried to foster community integration by prohibiting discrimination based on color, race, national origin, and religion.

Specifically, the Fair Housing Act prohibits landlords or renters from refusing to sell or rent out a property, refusing to negotiate, harass, set specific terms and conditions, evicting, discouraging from buying or renting a property, giving limited service or assistance, refusing to provide a mortgage or loan, withhold information, or refuse to give different loan offers to someone based on their race, religion, national origin or sex. (U.S. Department of Housing and Urban Development et al., 2004). Any breakage of this act by the renters or landlords is meant to be acted upon in court.

This act protects most consumers of housing units (besides ones in owner-occupied buildings with four or fewer units, single-family houses sold or rented by the owner without an agent, and housing operated by religious organizations and private clubs that limit occupancy to members). In an attempt to expand the scope of the law and further provide economic opportunities for underrepresented individuals, The Fair Housing Amendments Act passed in 1988 prohibits discrimination against people with disabilities and children.

Despite the passage of the Fair Housing Act and subsequent amendments, housing discrimination remains a pervasive issue in American society, hindering equal access to housing opportunities for marginalized groups. A comprehensive approach is necessary to combat this problem effectively, involving enhanced enforcement of existing laws, proactive measures to promote integration and eliminate systematic disparities in housing, and educational initiatives to raise awareness.

A Historical Perspective. Racial discrimination in housing has always existed with no government backlash. An example of the practical implication of this bias became apparent as African-American and Hispanic soldiers returning from the Vietnam War faced housing denials in certain areas, intensifying the outrage and the need for the act's passage. From 1966-1967, Congress regularly went back and forth considering the fair housing bill, but it did not gather enough support for it to pass. After two years of Congressional denial and resistance to passing the Fair Housing Act, the tragic assassination of Dr. Martin Luther King Jr. became a catalyst for President Lyndon B. Johnson to press for its approval. The Chicago open housing marches had solidified Dr. King's prominent position as a supporter of fair housing, leading President Johnson to view the act as a fitting tribute to his tireless efforts. Furthermore, the President saw it as a means to quell the riots that erupted after Dr. King's assassination (U.S. Department of Housing and Urban Development et al., n.d.).

After years of tirelessly advocating for equality, marginalized groups believed that their collective struggle was ultimately yielding results with the enactment of the Fair Housing Act. However, despite its potential, the act faced significant obstacles in its implementation and enforcement for the first five decades, rendering it largely ineffective and limited in addressing the preexisting housing disparities.

Why Was it Ineffective? Homeownership is the foundational means to getting generational wealth in the United States. It's how it is obtained and maintained and how it grows significantly. For decades, the government has promoted home ownership as an essential goal for low-income families to accumulate wealth (Boehm et al., 2004). Homeownership is used as a forced savings method through home value appreciation. Families get their homes and stay in them while the value increases; while doing this, they can focus on careers and other means of financial gain.

This discrimination in housing led to Black and other minority families only generating a tiny fraction of the generational wealth that white families or more privileged groups do. Even white families with a lower income and less education tended to have more wealth than families of minorities (NPR et al., 2018, 3:12). While the Fair Housing Act's mission was to create homeownership opportunities for minorities by getting rid of discrimination, it was too late to do anything for the millions of discriminated-against Americans who were already significantly behind financially and in a hole that was almost impossible to get out of. This disadvantage led to most of these families being unable to move out of their homes and advance into better neighborhoods.

Unable to advance, families had to stay in areas with poorer housing conditions and education, fewer resources, higher rates of homelessness, and more health hazards. For example, these conditions contributed to the Baltimore City Health Department saying that almost all deaths in Southwest Baltimore and Baltimore City are considered avertable. These deaths could have been avoided if all Baltimore communities had the same opportunity for fair health (Baltimore City Health Department et al., 2011).

The lack of government enforcement of the acts also significantly contributes to its failure. After lenders rejected Rachelle Faroul, a 33-year-old Black woman living in Philadelphia, twice, she was quoted to have said, "I had a fair amount of savings and still had so much trouble just left and right" (Faroul, 2018). Ms. Farouk was not alone in her experience. African Americans living in Philadelphia were 2.7 times as likely as whites to be denied a mortgage (Glantz et al., 2018). "The analysis – independently reviewed and confirmed by The Associated Press – showed black applicants were turned away at significantly higher rates than whites in 48 cities, Latinos in 25, Asians in nine and Native Americans in three. In Washington, D.C., the nation's capital, Reveal found all four groups were significantly more likely to be denied a home loan than whites." (Glantz et al., 2018). This biased treatment of would-be minority homeowners was not limited to Philadelphia, unfortunately.

Out of 28,843 housing discrimination complaints filed in 2017 throughout the United States, only 2,249 were settled, 402 charges of discrimination against defendants, and five cases were settled by the Department of Justice. (National Low Income Housing Coalition et al., 2018). Due to discrimination becoming a lot more subtle, it is challenging to pinpoint and get legal action against it, which lets a lot of housing discrimination go by with no punishments.

The Plight of the Native American Population

This discrimination affects all minority populations disproportionately; however, one segment of the population stands out as poverty affects 27% of Native Americans/Indigenous people - 2.3 times the national prevalence (Riddle et al., 2022). Moreover, 67% of the Native Americans/Indigenous people in the U.S. are financially unstable - which is defined as a constant struggle to make ends meet and no additional money remaining after paying monthly expenses (Riddle et al., 2022). Much of this is attributed to systemic racism, and we must work to cure

bias that is inherent in our social constructs and financial systems if we hope to help all Americans, especially Indigenous people, implement effective poverty reduction strategies

Systemic racism is a form of discrimination deeply ingrained in our society. It involves unequal treatment based on race or ethnicity, leading to disparities in access to resources, opportunities, and rights (Banaji et al., 2021). This pervasive issue of systemic racism creates and reinforces barriers, inequalities, and discriminatory practices that disproportionately impact marginalized communities, especially Native American/Indigenous people communities.

The discriminatory practices against Native Americans/Indigenous people are some of the most harsh, as they are often dismissed and not viewed as valued members of society. This limits their access to education, employment opportunities, wealth accumulation, and social resources. While it is tempting to seek a universal solution for all communities, the reality is that each group requires specific and direct assistance, including social benefits and financial aid.

Lack of Opportunity

The Native American population in the United States is one of the fastest-growing demographics; however, 42% of the population is below the age of 24. This means if given the proper assistance, Native Americans would have a tremendous opportunity to put themselves in a better financial situation so the next generation does not have to struggle (Houska et al., 2017). However, the lack of educational opportunities, unfair working conditions, inadequate access to employment, and housing shortages that this community faces have left them in a dire situation, resulting in them not being provided or having access to proper poverty reduction strategies and tools.

A History of Injustice

Systemic racism throughout history has had far-reaching and devastating consequences for marginalized communities. A factor of the systemic racism faced by the Indigenous people was the enslavement of approximately 5.5 million individuals from the late 1400s to the late 1800s by white men (Kiley et al., 2017). Resulting in the creation of a deeply ingrained racial hierarchy in society due to their enslavement.

Additionally, Native Americans experienced immense injustice through events like the Trail of Tears, which forcibly displaced them from their ancestral lands and deprived them of their traditional ways of sustenance, leading to unemployment as they were stigmatized as "violent savages" as they fought to protect their land and their culture.

In the past, employers and business owners, predominantly white, believed that Native Americans were unsuitable to work based on the unfair stereotypes and assumptions that were propagated throughout recent history. They were denied employment in white businesses, homes, and service industries.

Lack of Educational Opportunities. Further complicating the issue Native Americans face in achieving financial security is the historical imposition of residential schools and Eurocentric curriculum for Native American children, which was aimed to erase their cultural identity, leaving them lost without an understanding of their language and heritage. Within the confines of those schools, they were abused physically and emotionally, and education focused on religion and not on academic advancement. As a result of this poor education and hostile learning environment, their prospects of finding sustainable employment beyond their reserves or pursuing higher education became minimal. From there, the cycle of poverty began.

The Impact of Intergenerational Trauma

Intergenerational trauma impacts not only one generation but also the generations after the ones who experienced the traumatic events (Marschall et al., 2022). The intergenerational trauma inflicted upon these communities has resulted in a significant percentage of residential school survivors struggling with addiction, a diminished sense of self, and the burden of institutional biases, such as racial profiling.

Disparities in Higher Education. The association of schools with trauma, where Native American children suffered sexual, mental, and physical abuse, further compounded the stripping away of their culture and language, imposing English and Christianity upon them. These historical issues are coupled with modern deficiencies, including curriculum issues, lack of skilled teachers, lack of funding, technology, and physical structure issues. All of these combined lead to some of the worst learning environments in America. A concerning 33% of Native American children do not graduate from high school, perpetuating the cycle of limited educational attainment and hindering their prospects for economic advancement (Center for Native American Youth at the Aspen Institute et al., n.d.).

This lack of secondary education has resulted in a lack of higher education opportunities for Native Americans, with only 15% of Native Americans holding a bachelor's degree compared to 22% of Black Americans and 42% of White Americans (Institute et al., 2021; Schaeffer et al., 2022). Without access to quality education, individuals face challenges securing well-paying jobs, contributing to lower wages and a higher unemployment rate than White Americans.

Workplace Discrimination

Throughout history, Native Americans have faced workplace discrimination, starting with colonial-era exclusion from economic activities, including land ownership and access to modern

jobs in industries run by white men. As a result, Native Americans were limited primarily to agriculture.

In the 20th century, despite legal protections, discrimination persisted due to the lack of public acceptance. In contemporary times, efforts to address discrimination have been made, but challenges remain, including limited job opportunities and underrepresentation in higher-level positions. Many Native Americans say that they are paid less than their white counterparts, as in the majority native cities, there are fewer job opportunities, both resulting in low household incomes, especially when providing for a family (Brewer et al., 2017).

This damaging legacy is evident in workplace discrimination, with around one-third of Native Americans experiencing bias that has resulted in leaving their jobs or being denied promotions (Brewer et al., 2017). The above discrimination has led to Indigenous people living in poverty. One significant factor is the lack of educational resources and support, leading to limited job opportunities. Without access to quality education, individuals face challenges securing well-paying jobs, contributing to lower wages and a higher unemployment rate than White Americans.

Land Ownership

Historically, Native Americans faced significant land ownership issues in the United States. Despite having resources valued at up to 1.5 trillion dollars, much remains undeveloped due to government interference (Regan et al., 2018). Unlike other Americans, the governmental controls over land ownership prevent them from leveraging their assets for loans.

Upon European contact, Native tribes inhabited vast territories, but as colonization advanced, their lands were increasingly taken through force, treaties, and broken promises. The Indian Removal Act of 1830 was a policy that forcibly displaced tribes from their ancestral lands

in the southeastern United States and moved them west of Mississippi, leading to the tragic Trail of Tears, the forced relocation of Native American tribes by the U.S. government. Specifically the Cherokee nation. All of the above was a part of Andrew Jackson's Indian Removal Policy (Drexler et al., 2019).

The Dawes Act of 1887 attempted to assimilate Native Americans by allotting individual plots of reservation land to split up tribal lands (Wojcik et al., 2023). The objective was to strip them of identity by removing them from their cultural lands and assimilating them into white culture by turning them into farmers (Wojcik et al., 2023). The Dawes Act disrupted Native American communal land ownership, leading to significant land loss and cultural disintegration. At the same time, the Trail of Tears resulted in the forced relocation of thousands, causing immense suffering and the deaths of many. Both policies severely undermined Native American sovereignty and traditional ways of life and contributed to generational trauma.

Treaties were established to define land rights and boundaries. Still, the U.S. government systematically broke or disregarded many, often to accommodate settler interests or exploit valuable resources. The treaties written were those created to get Native Americans to sign away their land. (Siegal et al., 2021). Due to the language barrier, many of the chiefs only realized/understood the terms of the treaties once it was too late. As a result, vast amounts of Native land were taken without consent or compensation.

Ensuing Housing Shortage

This historical injustice has significantly impacted Native Americans' ability to own and retain land, limiting their access to homeownership. To this day, land disputes and challenges to homeownership rights remain contentious issues faced by Native American communities.

While the government is obligated as per treaties to provide housing or at least give financial aid

so homes can be built by community leaders and sold to the public at a sustainable price, Native Americans still trail the non-Hispanic white population, 50.8% compared to 72.3%, when it comes to homeownership rates (as of 2017) (Asante-Muhammad et al., 2022). This decline in Native American homeownership in recent years has further compounded these communities' financial challenges.

Native Americans' challenges in homeownership include a lack of affordable housing on tribal lands, which has been chronically underfunded by the government for decades, with rates substantially lower than those of non-Hispanic White populations. As per the treaties signed, the government must provide housing or at least give financial aid so homes can be built by community leaders and sold to the public at a sustainable price. Although higher than rates among Black and Latino populations (44% and 50.6%), the Native American homeownership rate of 50.8% in 2017 remains significantly lower than the non-Hispanic White rate of 72.3% (Asante-Muhammad et al., 2022). The decline in Native American homeownership in recent years further compounds these communities' financial challenges.

Despite the federal government providing funding for housing programs on tribal lands, the funding has historically been insufficient as it has not been able to help Native Americans with housing stability, resulting in growing housing disparities amongst Native communities. The government should give them autonomy over land and ensure sufficient aid is provided as promised in past treaty signings.

Housing disparities in Native communities are evident due to historical injustices such as discrimination, disinvestment, cultural barriers, limited land ownership, economic challenges, and inadequate infrastructure. Insufficient funding and housing shortages further exacerbate the disparities, leading to overcrowding, substandard living conditions, and extended waitlists for

affordable housing programs. Therefore, when individuals are unable to secure good jobs, they usually have to settle for purchasing cheaper houses in their communities, where property taxes are low. However, low property tax revenue results in limited school funding, leading to inadequate resources and low education levels. This perpetuates the cycle of limited educational opportunities, affecting future job prospects and wage potential.

These factors contribute to the financial instability experienced by Native American communities. Addressing these issues requires comprehensive strategies focused on improving educational resources, creating equitable employment opportunities, promoting homeownership, and addressing systemic disparities perpetuating financial inequality.

Poverty's Effect on Undocumented Immigrants

Native Americans are an oppressed minority in the United States, and they have been since the country's beginning, but there are other groups that have since emerged that also face similar treatment and disadvantages in their respective legal, financial, and social rights. One such group is undocumented immigrants. Who has, over the past two to three decades, grown substantially, resulting in the incitement of immensely harsh and negative responses fueled by xenophobia. However, there are ways to help.

In 2019, it was predicted that there were around 10.3 million undocumented immigrants in the U.S., comprising three percent of the total population (American Immigration Council "Immigrants" et al., n.d.). More recent accurate numbers are hard to find since these people do not want to make themselves known to the government, and certain organizations exaggerate their numbers as part of fear-mongering campaigns.

Those who enter the country often flee oppressive regimes, gang violence, or poverty and seek new opportunities. But, when they come to the United States, they are granted little if any

help, which is because these immigrants do not have the relatives, the jobs, or the legal aid to help them achieve asylum or other types of status, leading to a loss of opportunities, like Social Security or other assistance (Passel et al., 2009). The elusive and restrictive nature of legal immigration means that many cannot become authorized citizens or gain financial or even social mobility unless a new path to citizenship is created. (American Immigration Council “Why” et al., 2021).

Moreover, this fear of being forcibly sent back to possibly dangerous environments and the absence of social support systems or legal protections available to them keeps them from reporting the exploitative behavior they face from employers and finding stable housing; rising xenophobia not only aggravates these problems but continues to fuel the movement to isolate and hurt these immigrants even more so.

Redlining and its Effects on Affordable Housing

The housing search is neverending for undocumented immigrants, as the average household income for a family of four is \$36,000. This means they cannot afford safe or updated housing in many cities. Coupled with the fact that members of this population are often met with xenophobic and racist responses, the number of opportunities for them to find affordable housing is lower because fewer people want to help them (Passel et al., 2009).

The landlords willing to work with undocumented residents often offer subpar housing in what are deemed as less desirable neighborhoods, primarily formed by the discriminatory practices and policies of banks, real estate agents, and landlords. This process is known as redlining, when particular social, educational, financial, and healthcare services are not granted to neighborhoods because of the minorities within them.

For instance, loans and mortgages are often denied in areas deemed “less than desirable.” This practice makes building or improving housing in these areas more challenging and lowers the value of the homes already in these neighborhoods, decreasing the average wealth of the people living there (“What is Redlining” et al., 2023). Even refugee and IDP (Internal Displacement) camps are dilapidated, overcrowded, and do not contain adequate shelter or social services (“Migration and the Right to Housing,” et al., 2023).

So, when looking for housing, those with authorized status can choose between a few options that do not give them a foundation to build upon. They are stopped from gaining wealth because of the effects of redlined districts or simply do not have access to social systems. Restricting these people to underprivileged communities with few chances of financial progression starts a cycle of poverty that is incredibly hard to break.

Issues in the Workplace

In addition to finding adequate housing, undocumented immigrants struggle to gain wealth because their workplaces also restrict the economic growth of these laborers. Even though 43% of undocumented laborers have some form of higher education, they are usually placed in low-skilled jobs because of discrimination or lack of availability in their areas (“The Positive Economic Impact of Immigration,” et al., 2020). These manual labor professions, like those in agriculture or construction, are already low in wages. Still, to compound issues, employers often exploit these workers by offering substandard wages, not giving lawful benefits, or creating dangerous working conditions. If employees choose to speak up, they risk being reported to ICE or detention centers.

For example, in 2019, a worker applied for compensation after a workplace injury but was jailed by ICE right after meeting about the case at his employer’s building. In that same

year, a dairy company called ICE multiple times to try and get a disgruntled employee deported before a trial to litigate whether or not he was paid insufficient wages (Gerstein et al., 2023). Labor violations go unchecked because of this hole in the justice system that overlooks undocumented residents.

Many Americans write these problems off because they believe undocumented workers are negligible compared to the rest of the country's workforce. However, in 2020, unauthorized laborers comprised 3.2% of the total population but 4.4%, around seven million, of the workforce. Furthermore, immigrants start new companies at two times the rate of American-born citizens, which increases jobs and the GDP and boosts the economy. In fact, "Immigrants added \$2 trillion to the U.S. GDP in 2016 and \$458.7 billion to state, local, and federal taxes in 2018" ("The Positive Economic Impact of Immigration." et al., 2020).

Tremendous Value; Little Respect. Additionally, it is predicted that because of labor market segmentation, which is the confinement of a particular group to one specific sector, if mass deportation occurred, the economy would lose eight trillion dollars over the next decade and a half, requiring twenty years to get back to its previous state and costing citizens \$400-600 billion in taxes ("The Positive Economic Impact of Immigration," et al., 2020). The agricultural sector is a prime example of this, as it fuels America's top exports and heavily relies on manual labor, filled by undocumented immigrants, as citizens do not want to do those low-paying and taxing jobs. These individuals are vital to the country's financial health but are paid illegally low salaries, which contributes to their housing instability; silenced at every opportunity; and ultimately ignored for the work they do, keeping them in a state of poverty.

A Debilitating Social Bias

Another obstacle to undocumented immigrants' social and financial mobility is how they are viewed in the United States. The stereotypes that exist to vilify undocumented immigrants - specifically non-white Hispanic individuals - have been especially prominent in recent fear-mongering campaigns. Some of these stereotypes include being lazy, job-stealers, gang members, rapists, and criminals, all creating a highly negative and homogeneous image of this diverse group.

This problem has become so prevalent because certain politicians want to gain the support of Nativist and Nationalist citizens without losing other votes, so they target an entire demographic with limited political power in elections. The rise of such figures like former President Donald Trump (as well as other MAGA Republicans), who repeatedly use harmful rhetoric against these immigrants by proclaiming they are "...an invasion. They have violently overrun the Mexican border...a lot of men that maybe we don't want in our country...this isn't an innocent group of people", their public image keeps deteriorating ("Remarks by President Trump," 2018). He has even said that they "aren't people. These are animals" (Korte, Gomez).

The leader of any country has an immense amount of influence on the people they govern, and Trump, who is only one example of this behavior in politics, has repeatedly led or provoked dehumanizing campaigns against a group of overwhelmingly innocent people. This kind of mass misinformation has had a substantial adverse effect on undocumented residents by creating a culture of bias.

In 2018, non-Hispanic whites were asked if they thought someone was undocumented or not based on their nationality, age, gender, job, and criminal history. The results showed that race, specifically those of those in Mexico, Latin America, Africa, and the Middle East, class, and criminal background were the factors that most contributed to their choices (Gale et al.,

2018). This bias, whether unconscious or not, links legality with morality, which is incredibly destructive and can lead to intense profiling.

This profiling is not limited to political rhetoric. There have been innumerable instances wherein ICE agents have been found to mark people with Latin last names when investigating locations and generally scrutinize the birth certificates of American citizens because of their race. This negative public perception of undocumented immigrants means these individuals are often denied employment opportunities even if they are qualified, medical assistance despite being in need, or educational opportunities even if they are deserving (Gale et al., 2018).

Anti-Immigrant Legislation

These discriminatory methods are not only a reaction to the undocumented immigrants in the country but are also a root cause of the exclusionary acts, like Ron DeSantis' SB 1718 Bill that started July 1, 2023. This law limits social services meant for the undocumented, funds his ill-advised and perhaps unconstitutional migrant relocation program, and invalidates unauthorized immigrants' licenses and Medicaid cards ("Why Florida's New Immigration Law is Troubling," 2023). The last decade's uptick in immigration has started a vicious cycle of prejudice and resulting poverty aimed at hurting people simply looking for new opportunities.

Solving the Social Impediments

To fully tackle this problem requires attacks on multiple fronts. We must enforce existing laws while increasing educational opportunities aimed at improving social constructs and eliminating systemic bias. By using a combination of individual accountability and action, along with government-sponsored intervention, we can address the social biases preventing poverty reduction strategies in America.

Enforce Existing Law

Equal enforcement of the Fair Housing Act and the Fair Housing Amendment Act is the first and most obvious step in addressing the social impediment to poverty reduction caused by housing discrimination. This lack of enforcement makes the act useless because nothing is done to enforce it. No changes are being put in place. No solutions are being developed.

The lack of enforcement is causing a rising increase in housing discrimination cases. The 31,216 complaints are an 8.7% increase from the 28,712 fair housing complaints filed in 2020 (National Fair Housing Alliance et al., 2022). Right now, many federal laws, for example, require renters to have accommodations and make modifications in their homes that allow people with disabilities to live there comfortably. Yet, many areas still need to enforce it. Discrimination against disabled people is currently the most common form of housing discrimination (National Low Income Housing Coalition et al., 2018). Many property owners know of this lack of enforcement and use it to exploit the people looking to buy their properties. While this enforcement could only be acted upon by government figures, pushing these figures to enforce these laws is essential. Public demonstrations, protests, or even contacting government officials could be effective ways to push this enforcement.

Identify Existing Discrimination

Next, we should develop new strategies and mechanisms to eliminate the covert discrimination that evades traditional enforcement. Specifically, it should be a mandatory part of strategic planning to study historical patterns of housing discrimination in cities and plan around them. This planning could be done by gathering citywide or townwide housing and housing discrimination statistics. This could help governments pinpoint precisely where solutions or extra help must be implemented. Cities with a significant minority group and evidence of prominent

housing discrimination could reach out to fair housing organizations to help identify current housing discrimination through surveys and tests.

Watchdog Groups. The National Fair Housing Alliance (NFHA) is a private organization with a long history of helping with housing discrimination. One of their many successes is a \$62.5 million settlement against Westchester County in New York, where the county was forced to spend \$52 million on 750 affordable housing units (National Fair Housing Alliance et al., 2023). The NFHA's mission statement posted on its website states, "The National Fair Housing Alliance leads the fair housing movement. NFHA works to eliminate housing discrimination and ensure equitable housing opportunities for all people and communities through its education and outreach, member services, public policy, advocacy, housing, and community development, tech equity, enforcement, and consulting and compliance programs (National Fair Housing Alliance et al., 2023). Organizations like these could also provide litigation support for people who believe they have faced housing discrimination and provide general advocacy and support.

Improve Voucher Programs

Housing choice voucher programs are federally funded and provide housing subsidies to residents state-wide. These programs aim to provide decent, safe, and sanitary housing. (New Jersey Department of Community Affairs et al., n.d.). However, these programs often vary in quality state by state. If these programs allow access to resource-rich areas around the country, it could break housing infrastructure barriers, most crucially, redlining, while providing people with more opportunity overall. This program needs to evolve into a nationwide federally-funded housing voucher program that allows low-income citizens to get stable and safe housing in more developed areas nationwide.

Eliminate “Solutions” With Adverse Effects

Thoroughly examining city policies for any possible disparate impact on other communities could lower the chance of adverse effects. Often, policies put in place in a city or town meant to make specific accommodations more accessible make it less accessible for a particular group of people. For example, city policies that make housing more accessible to families with children often limit the availability for consumers without children or trying to buy or rent a property independently. Overall, this creates more problems when trying to solve existing ones (*Reducing Housing Discrimination*, et al., n.d.).

Expanding Educational Opportunities

It is a common misconception that since the Fair Housing Act was passed, there has been no more housing discrimination, and that is just not true. Educating the populous on this issue could be done in many forms. Making issues like this a part of the discussion in school, where students in high school and college could be asked to ponder solutions, could make the younger generation aware of and involved in creating solutions to these problems. Having schools send out emails to parents about these issues and how to help could further reach older audiences.

Another option is organizing and advertising city/town-based rallies to educate the community about these topics. They would be especially effective in areas with evidence of housing discrimination. From going door-to-door giving people pamphlets to creating social media groups centered on bringing attention to these issues, there are many ways to educate people. Especially now, in the age of technology where you can reach people worldwide in a matter of seconds, it is hard to run out of ways to send a message to make people aware of something.

Creating “Unique” Solutions

A one-size-fits-all approach to addressing the challenges faced by impoverished minority groups will not effectively address the unique problems of Native Americans. They have experienced distinct historical systems and policies that have shaped their current situation. Many of these policies, rooted deep in history, differ significantly from recent ones affecting other marginalized groups, who often receive more vocal advocacy. Still, to address the persistent challenges of lack of opportunities and dated laws faced by native communities, a more comprehensive approach is needed. Blanket solutions such as food assistance, housing assistance, and family tax credits can provide temporary relief, but a direct answer is necessary to confront the long-term problem. Instead, we need to implement a series of solutions that focus on empowering the Native American population, increasing educational opportunities for the children of Indigenous People so that they can improve the outcomes for future generations, and providing meaningful services and assistance that help compensate them for their past trauma.

Empowerment. Housing disparities in Native communities are evident due to historical injustices such as discrimination, disinvestment, cultural barriers, limited land ownership, economic challenges, and inadequate infrastructure. Insufficient funding and housing shortages further exacerbate the disparities, leading to overcrowding, substandard living conditions, and extended waitlists for affordable housing programs. Therefore, when individuals are unable to secure good jobs, they often have to settle for purchasing cheaper houses in their communities, where property taxes are low. However, low property tax revenue results in limited school funding, leading to inadequate resources and low education levels. This perpetuates the cycle of limited educational opportunities, affecting future job prospects and wage potential. These factors contribute to the financial instability experienced by Native American communities.

Empowerment involves giving Native communities back their ownership rights over lands and granting them the ability to control their economic development, dismissing unjust treaties. This restoration of sovereignty would allow them to make decisions that align with their cultural values and promote economic self-sufficiency. (somehow include reparations) Furthermore, promoting the establishment of native-based financial institutions that are better funded can provide access to financial services and resources tailored to the unique needs of Native communities, empowering them to navigate economic challenges and build financial stability. By recognizing historical injustices and providing resources for healing, we can empower individuals and families to rebuild and thrive.

Prioritizing Education. It is necessary to provide Native American communities with better schooling resources, including increased funding for infrastructure, curricular enhancements, and teacher training. Ensuring access to quality education can empower Native students with the knowledge, skills, and opportunities needed for future success. Throughout history, they have yet to be provided with the tools that lead to the education they need in the future. They can attain more sustainable jobs and pull themselves out of poverty.

Additionally, educational systems should include teaching about the discrimination and prejudice faced by Native Americans throughout history. This will create awareness among the general public. The more people are aware, the more accepting and understanding they become, which can translate into more opportunities and resources supplied to these communities.

The problem is that 87% of references in textbooks, children's textbooks, to Native Americans are pre-1900s. Only half of the U.S. states mention more than a single tribe, and just four states mention the boarding school era (the era responsible for thousands of children having their language and culture beaten out of them).

The first step to change is altering the textbooks being used by schools, making sure valid information that has no biases is being used to tell the real stories of Native Americans.

Advancing this knowledge will help create awareness, fostering student empathy and understanding and equipping them to be change agents in the fight against systemic biases and injustice. This will change the stereotypes created in workplaces and educational institutions.

Creating Opportunities. Providing opportunities is vital to overcoming financial instability in Native American communities. Trauma compensation programs can be implemented to address the intergenerational trauma experienced by these communities, offering counseling services and support networks. Additionally, assistance with purchasing houses through targeted programs can help address housing disparities. Financial support, such as down payment assistance and favorable mortgage terms, will enable Native Americans to establish stable housing and build wealth over time. We can contribute to long-term financial stability and community development by creating equal opportunities for homeownership and economic advancement.

Providing opportunities, especially those targeting the unique challenges faced by Native American communities, directly strengthen their financial stability. Addressing intergenerational trauma through compensation programs and counseling equips individuals with the mental and emotional tools to overcome barriers, facilitating personal and community progress. Concurrently, housing support programs tackle prevalent disparities, ensuring more Native Americans can become homeowners. This ownership offers immediate, stable housing and allows for wealth accumulation over time.

These strategies lay the groundwork for sustainable financial stability and overall community growth by fostering emotional healing and substantial economic support.

Borrowing from our Neighbors. Currently, in Canada, the Truth and Reconciliation Commission created 94 calls to action from 2008 to 2015 from the recommendations of Indigenous Peoples and their research. They looked at all aspects of the effects of the residential school system, which conclusively led to parts of the current problems in Indigenous communities/homes.

With these calls to action created, the government's job is to execute solutions and develop some of their own. Sadly, only 13 calls to action have been completed since 2016. However, creating a commission where public opinions are taken into account, and their direct needs are being attended to is an idea that needs to be used in the U.S. when solving the current problems in indigenous communities. This commission will allow the government to hear the educational, workforce, and housing problems clearly and concisely, allowing them to create solutions.

Eliminate Negative Stereotypes of Undocumented Workers

The short-term solution to help eradicate the issue preventing effective poverty reduction strategies from taking hold in America is to help educate the public so that their negative opinion of undocumented immigrants changes for the better. When taking this approach, it is vital to understand the individual and collective efforts that can be made. Each person should familiarize themselves with strategies to identify and oppose the onslaught of fake news, like strengthening their media literacy, fact-checking, and promoting diverse and inclusive narratives.

Self-Guided Education. An overwhelming majority of Americans, around 78%, prefer to be recommended articles by their algorithm rather than searching for them themselves, which lessens the chance that they will see news that challenges their opinions or offers a new perspective (“Overview and Key Findings,” et al., 2023). This keeps people in their respective

echo chambers, diving down a rabbit hole with others into increasingly biased and incorrect information. However, if one were to follow or keep up with diverse creators and writers, their algorithm would already show an improved amount of different views.

Even further than that, everyone should be encouraged to take steps in forming their beliefs by exploring, cross-checking, and using unbiased or trustworthy sources. There has to be some individual accountability for any change to occur.

Organized Intervention. While each individual is ultimately responsible for educating themselves and changing their views as they pertain to undocumented workers, there is still an emphasis on the group aspect of this solution, as many are calling for government funds for media literacy programs, especially for young people who are encountering the internet and its many faces for the first time (“How to Combat Fake News”). Moreover, individuals can support and take advantage of the resources of already-existing organizations that fight prejudice and false news, like the Anti-Defamation League, the Mexican-American Legal Defense Fund, and the League of Latin American Citizens (LULAC). Critical thinking and accurate reporting or education foster empathy and counteract stereotypes, which is necessary to foster a kinder and more understanding relationship and image of undocumented immigrants.

Governmental Intervention

Although it may take a while, there must be a framework for when enough people will be willing to help undocumented immigrants, especially if bipartisan support rises. Two examples of programs that were put in place to assist undocumented immigrants include the Deferred Action for Childhood Arrivals (DACA) and Sanctuary City policies.

DACA Dreamers. DACA was introduced in the United States in 2012, and it aimed to protect young immigrants, whom they referred to as “Dreamers,” from immediate deportation

and grant them education, resources, and another path toward citizenship. The program gives children of undocumented residents a chance to receive social benefits and educational opportunities and enter labor markets that offer them stable, better-paying, and safer jobs. Approximately 83% of “Dreamers” have stated that these opportunities helped them with financial independence (Flores & Svajlenka, 2021).

DACA helps the families of these “Dreamers” stay connected and together. Approximately 254,000 “Dreamers” are connected to nearly 1.5 million people who can stay in this country through their relationship with DACA recipients (Flores et al., 2021). While the benefits bestowed upon these families are significant, it is a reciprocal relationship. Dreamers and DACA participants benefit the economy around them. Their presence has created almost 90,000 jobs.

Additionally, by working and paying taxes, they contribute to systems they are not eligible for, like Social Security and Medicare. Furthermore, DACA recipients have started businesses that employ an estimated nearly 86,000 people (Flores et al., n.d.). DACA offers a new path to authorized status with social programs that help these young people and the entire country.

While this program is still technically alive in the U.S. today, as the Supreme Court upheld it, attempts have been made since 2017 to try and kill it. These trials have been successful enough to close the program to many first-time applicants and have even almost shut down DACA in Texas (“Republican-Led States Ask Judge to Shut Down DACA” et al., n.d.).

The program is invaluable to many families, but that does not mean it is without its faults. Reforms must be made to benefit this country's undocumented immigrants and children even more, as they are still disadvantaged in numerous ways.

Improving the Program. Some suggestions include offering protection for more family members, as it is typically capped; comprehensive financial help, like being eligible for retirement or healthcare funds; and faster paths to full citizenship, as the Biden administration plans (House). Not only will these changes grant these people rights that they have been excluded from, but they can also start to build generational wealth on a larger scale, as they would have more support, allowing them to slowly and surely wean off of support. Growing enough to live independently should be the primary goal of these social and governmental support programs, and if these reforms are made, there is a better chance of that happening.

Sanctuary Cities. A second, more local, government-sponsored solution comes in the form of Sanctuary City policies. These have been in effect in the U.S. and other countries in the past and are meant to create a trusting and safe environment between immigrants and local law enforcement by limiting the city's involvement with federal authorities, such as ICE.

Beyond barring police or ICE officers from arresting based on federal immigrant law without proper warrants or even at all, as they believe federal immigration enforcement in these local cases is often unconstitutional, these programs can include English classes, issuing identification and driver's licenses, giving everyone access to bail, and educational programs for lawyers on immigration cases and plea deals (American Immigration Council "Sanctuary Policies: An Overview," et al., 2020).

By fostering this kind of relationship between undocumented immigrants and municipal governments, criminal activity, including employer exploitation, is reported more often, as the fear of being found out or deported is much lower. It also allows local governments and leaders to properly allocate funds as they have the correct number of families and workers in each district. This has led to lower crime rates, especially domestic violence against Hispanic women,

higher household incomes by almost \$ 5,000 yearly, and lower unemployment rates (American Immigration Council “Sanctuary Policies: An Overview,” et al., 2020).

Expanding the Footprint. However, these positive outcomes cannot grow or spread unless efforts are made to help Sanctuary City policies be instituted in most big cities, especially those in areas with the highest number of undocumented immigrants, like New York, Los Angeles, Houston, and Dallas-Fort Worth (Passel & Cohn et al., 2019). A lack of trust between law enforcement and undocumented immigrants is the main reason for the labor exploitation, creating a cycle of unemployment, poverty, and worse accommodations as these neighborhoods slowly lose funding and are seen as less desirable. But this process could slowly be reversed if Sanctuary Cities expanded in location and what they offer.

These changes include widespread education in English or about court proceedings, as this is only sometimes presented but is a necessary subject while living in the U.S.; more communication between the different cities’ programs that can help the immigrants move, connect with family, or find jobs in new or better places; and a more considerable emphasis on financial aid because, like DACA, most of these families still do not have concrete ways of getting healthcare or higher education. With these reforms, the network of Sanctuary Cities could gain strength, becoming safe havens for families or individuals to get on their feet in communities they now care for and their well-being.

These policies, meant to help undocumented immigrants improve their living conditions without necessarily gaining citizenship, are essential until authorized status is easier to attain. Just because they do not hold green cards or correct paperwork doesn’t mean these families should be subjected to crime and poverty-ridden neighborhoods with no way out. By increasing the number of opportunities they have, the entire economy around them grows and flourishes,

creating a noticeable national impact, as mentioned multiple times within the paper. Efforts to address the inequalities undocumented immigrants face start with a more positive public view and can culminate in comprehensive immigration policies that provide pathways to legal citizenship, enforce labor standards, and promote access to affordable housing for all individuals, regardless of their immigration status.

Summarizing the Social Impediment Solutions

A lot can be done to help solve the issue of housing discrimination; solutions need to be implemented and enforced. Discriminatory practices in housing have perpetuated wealth disparities, limited mobility, and hindered opportunities for marginalized communities. To effectively combat this ongoing problem, a multi-faceted approach is essential.

Enhancing the enforcement of existing laws, collaborating with fair housing organizations, and expanding housing choice voucher programs can break down barriers and foster integration. Raising awareness and promoting education about housing discrimination is critical for building a more aware and equal society. Only through a concerted effort from communities, governments, and individuals can the United States genuinely confront and overcome this lingering challenge of housing discrimination.

Legal Impediments

Introduction

Legislation has traditionally played a key role in addressing the issues surrounding financial insecurity. Specifically, social security benefits were created “to keep American families from becoming destitute - in health or the essentials of life” (Altmeyer et al., 1945). Today, this mission statement has changed to “provide for the material needs of individuals and families” (SSA et al., 2023). However, the basic premise behind Supplemental Security Income

remains unchanged: this program assists families in poverty through monetary grants based upon an array of factors including but not limited to assets, marriage status, residential situation, employment status, and citizenship status (SSA et al., 2023). Despite this goal, the SSI program provides little relief for most Americans in need.

The SSI program was initially created at the beginning of the Civil War, creating opportunities for generous pensions for soldiers and families beginning in 1862. These provided benefits for soldiers with disabilities "incurred as a direct consequence of . . . military duty" (SSA et al., 2013). Families of deceased soldiers could also receive pensions equal to the financial sum they would have received had their soldier been disabled. This connection to disability was broken in 1890, allowing any veteran to participate in the program. By 1910, Civil War veterans and their survivors were receiving disability, survivor, and old-age benefits in a program known as the first "social security" program.

By this time, pensions in the workplace had also begun to popularize. By 1900, five American companies were offering industrial worker pensions, and by 1932, this had expanded to 15% of the workforce. This, however, remained a small percentage of the population, with only around 5% receiving old-age benefits. States soon began to opt into state-provided pension programs for seniors. However, participation remained low due to restrictive qualification criteria, which kept many seniors in need from receiving help.

Soon, America saw several changes that forced the pace of its social security reform to quicken. The Industrial Revolution, for example, marked a shift from an agriculturally-based society to an industrial one, replacing the link between labor and wealth with capitalist wages, industrial income being the only driving force for the sustenance of a family and financial security.

The urbanization of America also brought the popularization of a nuclear family structure. Before this popularization, it was common for Americans to live with extended family, who would pick up jobs when one primary worker in the household could not perform. With the elimination of the extended family lifestyle, workers could not ensure the steady performance of a job year-round, decreasing the level of financial and job security. These factors contributed to the overall need for social security as levels of economic insecurity rose in a developing industrial America.

The Stock Market Crash of 1929 and the Great Depression, which left two million men roaming America for work and most older adults dependent, led to the implementation of change. Several states, including Louisiana and Ohio, began to ensure minimal pensions for individuals in old age, often defined as being 60 or above. These pensions, usually around \$50 per month for individuals in old age, helped to regain some type of financial security for those in need during the Depression (SSA et. al., 2013).

The election of President Franklin D. Roosevelt in 1932 provided hope for many individuals in need. Roosevelt had previously verbalized his support for social welfare programs, stating, “ ‘We must protect the crushable elements at the base of our present industrial structure...it is abnormal for any industry to throw back upon the community the human wreckage due to its wear and tear, and the hazards of sickness, accident, invalidism, involuntary unemployment, and old age should be provided for through insurance’ ” (Roosevelt et al., 1912).

As the Great Depression developed, Roosevelt announced his intention to provide a program for Social Security on June 8th, 1934. A committee was organized to perform studies on economic security in America and presented its findings to the President. He then introduced the report to both Houses of Congress for simultaneous consideration.

After a conference lasting through July, the bill was passed and signed into law by President Roosevelt on August 13, 1934. This bill included unemployment insurance, old-age assistance, aid to dependent children, and grants to the states to provide various forms of medical care, and, after delays caused by extremely small sums of money being distributed as “assistance” (as small as 5 cents in some cases), the Social Security program increased its payments in 1939 and began giving monthly payments in 1940.

While not performing to the hopes of those advocating for a federal social security program, this initial program nevertheless assisted Americans in poverty. However, the extent to which this assistance was provided remains questionable (SSA et al., 2023).

The Issues with SSI

SSI program qualifications are incredibly narrow and prevent the majority of individuals from gaining access to the resources they need.

Currently, SSI qualification requirements include i) those who are aged (ages 65+), ii) disabled or blind, iii) worked long and recently enough to accumulate 40 work credits (with 20 earned in the past ten years), iv) worked and paid Social Security for ten years or more, v) have limited resources (total assets of less than \$2,000 per person), and vi) have a limited income. SSI programs severely limit those eligible for their benefits through their strict qualifications and use strict regulations on benefit recipients, preventing Americans from achieving all they want to abide by these regulations (SSA et al., 2023).

While initially aimed at keeping American families out of impoverished conditions, the Social Security Act's passing currently utilizes unreasonable limitations that severely limit the program's reach, thus limiting the socioeconomic flexibility of the American lower class. This issue requires multifaceted efforts targeting public education, lobbying efforts, and cooperation

between the public and the government to cause long-term improvements in the social security program.

Unobtainable Benefits.

Approximately $\frac{2}{3}$ of applicants are denied SSI benefits (Buffie et al., 2022). One of the top reasons for social security application denial is exceeding asset or income limits (Morgan et al., 2023). These individuals, while living in difficult financial situations (which led them to turn to the government in need of monetary support in the first place), may still exceed the very meager annual gross wage thresholds (\$22,956 for individuals and \$33,924 for a couple) that are put in place by the Social Security Administration, thus making them ineligible to receive need-based government aid (SSA et al., 2023).

The SSA utilizes the federal poverty line as a strict measure of whether individuals qualify for SSI benefits. However, this measure has been largely found to be unreliable. Accounting for updates based upon inflation changes alone, an estimated 3.2 million more individuals would qualify for being in poverty. While the current poverty line estimates 38.1 million individuals, studies find that almost 51 million *households* (most with 2-4 individuals each) struggle to pay for necessities such as food, housing, and healthcare (Haider et al., 2020).

Additionally, current SSI resource limits have not been updated in over 30 years, despite the plethora of factors that have led to common goods constantly increasing prices in today's society. Had resource limits been fixed to account for even one of these factors – inflation – resource limits are estimated to be twice as high (Romig et al. 2022).

Resource limits, as they are, do not provide any security for individuals living in poverty. Currently, the average monthly cost for a single American adult is \$3,189 (Upwardly et al., 2022). The current threshold for monthly income for SSI applicants is \$1,913. This monthly

income limit does not account for deductions and taxes, which, if factored in, for an individual earning \$1,913, would result in a monthly take-home pay of approximately \$1,691 (ADP et al., 2022). This meager limit, barely above 50% of the monthly cost of living in America, is extremely unreasonable to force upon individuals in need, thereby restricting the vast majority of applicants from receiving SSI benefits.

Current measures are, therefore, unreliable for measuring poverty, and it is unreasonable to base qualifications for such a complex topic as poverty on a single numeric value. “Those modest amounts are a cliff: Even one dollar more than those limits means failure to qualify...Once benefits are being paid, one dollar over the resource limit on the first day of any month causes recipients to lose eligibility until their resources again meet those extremely strict limits” (Altman et al., 2020). Poverty is a complex issue that requires *levels* of care to escape.

Moreover, an individual’s unique needs rely on individual factors such as gender, relationship status, location, citizenship status, and more, none of which are considered in a generalized federal poverty line. A one-dollar difference separating financially “secure” from “insecure” is not inclusive and ineffective in elevating individuals out of poverty. Instead, it restricts them from remaining within these unreasonable limits.

Limited Social Mobility.

The SSI program also limits the socioeconomic flexibility of individuals who depend upon its benefits. Due to the strict eligibility requirements imposed upon its dependents, the SSI program effectively discourages progress for these individuals, whether this includes limiting one’s economic growth to remain within SSI limits or inhibiting the betterment of one’s health to still qualify for the program. According to Altman, “SSI essentially penalizes savings. The resource limit prohibits savings above the exempt amount. Exceeding the limit results in the loss

of SSI cash benefits and the loss of Medicaid eligibility, housing assistance, and other benefits. Consequently, prudent recipients must avoid getting close to the line” (Altman et al., 2020).

It is no surprise that SSI programs are often ineffective in elevating dependents out of poverty. “With SSI, 4 in 10 SSI recipients were below the poverty line under the official poverty measure, and 3 in 10 were below the poverty line under the Supplemental Poverty Measure, which includes other benefits such as the Supplemental Nutrition Assistance Program (SNAP) and housing assistance” (Romig et al., 2022), demonstrating the negative impacts of such restrictions.

Another example of a limiting regulation that further hinders socioeconomic progress includes the work requirements for SSI eligibility. SSI regulations force individuals to work for at least ten years in subpar conditions before providing benefits, an extremely long period when individuals are forced to limit their assets and income to receive these benefits. Staying in similar job conditions for more than 3 to 5 years can harm future professional progress. “If you stay too long, you decrease your... flexibility and your ability to learn and adapt to new environments and tasks. Adaptability and learning agility are critically important professional skills as we experience rapid technological changes, in the marketplace, and the economy. People who can demonstrate that they are a quick study and come up to speed with changes and new environments quickly will have the upper hand moving forward” (Matta et al., 2017).

It is imperative for individuals in need to gain progress and momentum in their careers to move out of poverty. After all, a subpar job with poor income leads to poor living conditions, poor education for children, and a resultant chronic cycle of poverty. Current SSI limitations prevent individuals from attempting to progress in their careers, effectively locking them into poverty throughout their lives and potentially passing these consequences on through

generational poverty. It is, therefore, imperative to bring about change and end these chronic cycles of inherited poverty through multifaceted efforts dedicated to creating change in all aspects of the flawed SSI program.

Reclaiming SSI Qualifications

Current asset limits are unreasonably limiting and require public awareness about these limits to rally support regarding this issue. To remedy this issue, educating the public about the unfairness and ineffectiveness of current SSI qualifications is necessary. Taxpayers deserve to know that the Social Security Tax being deducted from their salary is going towards an ineffective cause. Bringing public awareness to a large audience is crucial to changing such a powerful yet flawed policy.

Public organizations such as the Center for Law and Social Policy (CLASP), a national nonprofit that advances policy solutions for low-income individuals, can also be rallied to create legislative changes in these policies for individuals with limited financial power. These organizations can help to bring change by demonstrating widespread public support and advocacy for these issues. In today's society, money brings power: what can individuals needing SSI benefits do alone? It is necessary to obtain a public voice to change these issues for those in need.

Programs for those outside these "vulnerable" communities would include education regarding issues such as poverty levels, which acknowledges that poverty is not simply a "line" to be crossed but rather a complex issue with multiple stages. A \$2,000 limit does not dictate a boundary between someone "in poverty" and someone "not in poverty"; instead, poverty requires multiple phases to escape from, all of which vary based upon an individual's unique

factors. Recognizing this complexity of poverty leads to the solution of public outreach programs for those directly suffering from the exclusion of the SSI program.

Programs such as volunteer-led job training, professional help, legal counseling, residential assistance, childcare and family programs, and more can be incredibly useful for individuals attempting to escape poverty, whether currently receiving SSI benefits or not. These opportunities help bridge the gap between poverty and financial security.

Community-led efforts can help to implement these programs, with individual towns or groups of urban populations allowing these programs to come to fruition. Public support of these programs can eventually influence legislative action toward permanently implementing such resources for those in need. These solutions can help to shift the general understanding of poverty, helping to propel a more manageable society for those suffering from financial insecurity.

Summarizing the Legal Impediments

The Social Security Act utilizes harsh, restrictive limitations. It provides minimal assistance to genuinely allow for manageable living conditions in today's world through its poorly accommodative restrictions, which limit the social mobility of the individuals who rely on these programs.

To combat these issues, the program requires reform through public education and rallying for governmental bodies in charge of the act. Also, it requires supplemental resources outside of the program for individuals looking to move out of poverty altogether.

Adopting these changes immediately is imperative due to the fragile condition of poverty in America today, with rapid inflation and rapidly increasing health issues making it increasingly difficult for individuals in need to recover and receive adequate assistance. Poverty today is

comparable to quicksand: the longer one is enveloped in it, the harder it is to escape. Staying in is suffocating, but escaping is extremely complex and challenging.

Individuals in poverty need assistance to escape, not restrictions that further suffocate them. Staying in poverty promotes an almost inescapable cycle in which parents, unable to achieve proper education and an adequate job, resulting in poor living conditions in a poor environment, pass on poverty to their children, who receive a poor education and an inadequate job. Solving poverty today promotes the security of future generations.

Proper SSI benefits, regulations, and recovery resources have been long-deserved by the American people. It is time to put real value into the popular SSI government program and give those in need the help they are entitled to.

Policy Recommendation Summation

There are numerous impediments to financial security and equity, each with its own separate set of solutions to help remedy these issues. However, each of these policy statements truly focuses on the same idea. Throughout history, financial insecurity has disproportionately affected those below the poverty line as well as minority groups through the denial of stable housing, legal protections, and various social freedoms. Therefore, reforms, including education, government-funded aid, and other social or community-focused services, are necessary to amend these problems.

Though each issue is extremely varied in its origin and specific population affected, these solutions generally include the development of public education programs to promote financial literacy and eliminate systemic biases and prejudices. By emphasizing solutions that deliver financial education programs, eliminating discrimination bias, and addressing flawed policy, the

next generation of change agents will have the foundation to implement a holistic view of economic inequity in America!

Conclusion

The housing crisis, lack of financial literacy, and homelessness are all economic issues preventing individuals from achieving financial security. Further complicating these issues is the widespread racism and bias found within American society. Even the legislation and government programs passed to “address” the issues are filled with shortcomings and inefficiencies. If America is going to implement serious poverty reduction strategies, it must not only address these problems individually; it must make a concerted effort to create a shift in culture that values the importance of stable housing, unbiased enforcement of existing laws, and the social programs that are aimed at truly helping those that are affected by the impediments that are denying them such rights.

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