

Geoffrey Wodtke: Hello and welcome to The Inequality Podcast. I'm Geoff Wodtke. I'm talking today with Dave Brady. Dave is the professor and chair in the Department of Public Policy and Management at the University of Southern California. It's no overstatement to say that his research has fundamentally shaped how social scientists think about poverty, especially how we define it, measure it, explain why it varies across countries and over time and how we should go about reducing it. He wrote one of my favorite books on this topic that I teach in my class on the sociology of poverty called *Rich Democracies, Poor People*. He also edited the Oxford Handbook for the Social Science of Poverty, which is another amazing resource. He's among the most influential researchers studying poverty today. So, Dave, welcome to the podcast. I'm really happy to have you.

David Brady: Thank you for having me.

Wodtke: A lot of public discourse in the US surrounding why poverty exists, why it's high, why it's low, why some families are poor, others are not. A lot of that discourse focuses on individualistic explanations that locate the causes of poverty and personal deficits or defects, like lack of education, poor work ethic, broken families, irresponsible choices, bad values, etc. etc. For much of your career, you've argued in different ways that these kinds of individualist explanations for poverty are pretty limited. Why is that? Can you walk us through why you have your doubts about what are widely held perceptions, I think, at least among the general public?

Brady: I think the best argument against individualistic, I sometimes call them behavioral explanations, would be just their empirical performance is so mediocre. So, sure, they can explain some patterns, but there's just so many questions where it just does not explain the variation very well. So, why does the US have more poverty in Europe? Well, it's not at all because the US has more people in problematic behavioral circumstances. That's just not true, right? We don't have as much unemployment as Europe has. We don't have as much low education as several European countries have. We don't even really have that much higher single motherhood than most of Europe these days. And yet, we keep pointing to these individual characteristics. Well, it should be if those characteristics really drive these big factors, you would see it map on to the variation of poverty. But, you know, behavior doesn't really explain the trends over time very well. It doesn't explain why some groups are poor and others are not poor. It doesn't explain racial inequalities very well, especially over time. So, we have a paper that's under review that shows that not only does behavior do a poor job of explaining black, white inequalities in poverty, it's becoming increasingly a worse explanation over time. So, it used to work better than it works now.

And so, all of those reasons are simply scientific. Just the simple reality, these individualistic behavioral factors play some role, but they just can't explain the big

questions on poverty that we should care about. They're just not very good explanations of big macrovariation. Beyond that, I've increasingly become kind of worked up about the fact that we seem to be obsessed with causal identification and finding something exogenous as a cause for almost every social phenomenon these days. But we still employ this explanation about poverty, which is hopelessly endogenous. Right? So, if we say you're poor in your 20s because you didn't get enough education, well, that's obviously endogenous to growing up in a poor neighborhood, right? You're more likely to be in a single mother household. Well, that's endogenous to your social class attainment. So, all of these individualist characteristics we point to are hopelessly endogenous. And somehow, we seem to forget about that concern with exogeneity and causal identification when it comes to individualistic explanations of poverty. So, that's another reason to be skeptical. Maybe a third reason to be skeptical is just that we should reflect on American culture a little bit and realize that we are the most individualistic people in the world. The public opinion data shows this. The cross-national social psychology literature shows this. And so, isn't it a little bit suspicious that we just believe in individualistic explanations here in a country that believes in individualistic explanations more than everybody else? Couldn't we be a little bit reflective about our susceptibility to believe individualistic explanations given we swim in a culture that's so profoundly individualistic?

Wodtke: Another set of explanations for poverty that I feel like are ever circulating in American discourse or sometimes called like poverty as perversity arguments. And, you know, these are that government policies like TANF, temporary assistance for needy families, before that, AFDC, food stamps, Medicaid, you know, that they create these ostensibly perverse incentives that actually like keep people poor, right? They disincentivize work, incentivize single motherhood, foster dependency. I think these arguments go like all the way back to Malthus writing about this feed and win system in the early 1800s, maybe even earlier. What do you think about these arguments? Any evidence that welfare state generosity might have these perverse consequences actually sort of make the problem they're trying to ameliorate even worse?

Brady: The better question we what is the right question we should ask to judge these arguments? So, can some enterprising economist hunt down a policy discontinuity and show a bit of disincentive, maybe it labor, maybe on the number of hours they work per week because the cash benefit increased by this increment. And we see a slight reduction in work effort as a result of that. Sure, I'm sure that could be found. So, there probably are disincentives. There's responses by people to generous programs that might be less efficient or less productive because of that. But I wonder why is that the question? Whether you can ever find these little labor supply distance and effects. The better question would be like how much can all of that explain the big variations we really care about, right? And

there I'm much more skeptical. So, sure, maybe there's some tiny, tiny little incremental disincentive to work. Maybe you're working 38 hours instead of 40 a week because the benefit is a tiny bit better. Maybe, but so that does speak to an enduring economic concern about labor supply incentives. All right, fine. It might even be causally identified. But is that sort of tiny little disincentive going to drive big variations? I'm skeptical that it can. And especially when you think about just how vast the inequalities are in America, it's just not realistic to expect these to be driving big variations.

Another thing I think about a lot is that Americans are workaholics, right? We work far more than other countries do. We're obsessed with work. And the overwhelming majority of our poor people are in working households. And so I kind of feel like, well, how far does this, how much do people have to work before we say, well, lack of work isn't the problem because we work like crazy. And we work more than we did in the past. And yet poverty persists. Look at examples of the success story for these sorts of perverse arguments. So the 1990s, you see welfare reform and they take away cash entitlement. There's more of a pressure for especially single mothers to work. And there's plenty of evidence that more single mothers did work. Of course, it's always been unclear how much of that was due to welfare reform versus changes to the earn income tax credit or simply the 1990s economic movement. So that's always been unclear. But even during that period where it's the success story for getting people to work, well, we still have extremely high rates of child poverty among single mother households in 2010 in 2015, 2020. Single mothers are dramatically more likely to be poor here in the US compared to other countries where they might not even be more likely to be poor than married couple households. So it just can't explain these big and during variations.

Also think about just some of the long-term trends. We could talk about disincentives and perversity to finish schooling. But that argument kind of goes away when everybody now finishes high school. Mostly everybody, right? So there's this dramatic decline in high school dropouts. So people stop talking about that. Single motherhood has basically been stable since about 1980, but somehow, you know, welfare benefits have risen and fallen over time and you don't see any big change to that. I don't think the evidence has ever been strong that, you know, a tiny bit of cash welfare is somehow encouraging people to have a bunch of babies. That always seemed kind of preposterous. So the best argument they always had was these arguments about work incentives. And the reality is most poor people are working. So it seems implausible to me that we would solve poverty by getting people to work 38 hours rather than 36 hours a week. That that's going to be the line at which poverty becomes much less pervasive than it is today. So I just think there's a very limited impact and scale to these perversity effects, even if they're there.

As you know, and I should talk about it now. But I mean, I think we could also just study people's susceptibility and belief in these perversity arguments. And that's a prominent thing in American culture. We really believe in welfare perversity. I don't know if there's been a change in American belief in perversity arguments. But that's interesting too, right? So if we reform welfare, what we knew as welfare in the 1990s, take away cash entitlement for single mothers, and American beliefs about perversity don't change at all, even though the objective rules of the big programs have changed, it tells you it's not anchored in reality. It's not the actual policy design that drives people to believe in perversity arguments. It's cultural stereotypes. It's individualistic ideology and so forth. I also would say that the narrative of perversity, it's just so powerful. It's remarkable. I mean, I gave in my talk today, I told the story about how Joe Manchin was voting against the expanded child tax credit because he had this story about a crack head. And even, you know, I'm sure it's quite strongly established that he does not actually have on the ground real data of drug abuse in West Virginia that is linked to the child tax credit. That's preposterous that he actually has real evidence of this. So why does he find this so susceptible? Why does he believe in it? Why is that argument when he expounds it that people buy it? That says a lot more about our culture than the actual presence of these sort of perversities.

Wodtke: If not individualist or perversity explanations for poverty, what is causing it? You've argued that poverty is largely driven by politics. And you've written a lot about what you call institutionalized power relations theory. So could you walk us through a little bit of this argument and maybe how it contrasts with some of the more like individualistic or poverty is perversity arguments?

Brady: I remember when I wrote the 2009 book and I felt like this, you know, young scholar, I felt like I had a specific name for my particular explanation. But it really always was a power resources theory explanation. I had a slight variation to it, a slightly different flavor than people like Walter Korpi or, you know, John Stevens and Evelyn Huber. But I was always very much in a power resources tradition. And the argument is that like, look, why do we have varying levels of poverty across places, across groups of people, across time? Well, it really was a story of how generous social policies are. So the only places that ever accomplish low poverty are places that have quite generous social policies. In fact, I think it's still true that no country in the history of the world has accomplished sustainably low poverty without an above average government. It's just that this is how it works. If you want low poverty, you make political choices as a society to invest in public goods, in programs that take care of people, in programs that manage risks, that invest in people and so forth. And the societies that choose to do that end up with low poverty. And we ran this experiment during COVID, right? We massively expanded the child tax credit and we saw dramatic declines in child poverty for basically nine months. And it worked and there was

no evidence of perverse reaction. There was no evidence of people reducing their employment in a meaningful way, no evidence of drug use or what have you. And said there was just the simple reality that child poverty suddenly was dramatically lower. And then we made a political choice in 2021, 2022 to not keep doing that. So we know how to get child poverty lower and that's by mobilizing politically to expand social policies to take care of people and to invest in people for that matter.

We can dig deeper and say, well, why is it that some countries have more generous social policies than others? I mean, I still tend to believe that the best argument would be a power resources type argument where it's about the collective political mobilization of leftist political actors that are based in labor and in political parties. And you need to build a cross class coalition of the middle class and the working class that mobilizes collectively and is interested in big generous social policies. And that historically has been the best explanation we've got to explain these variations. So during the one moment when the US actually accomplished low child poverty, what was happening was you had democratic control both houses of Congress and the Biden administration. And that's what it took to get general social policies. During the period when LBJ massively expands social policies as part of the great society programs, you have democratic control both houses of Congress and the presidency. And you're able to accomplish things that you cannot accomplish with divided government or with weak leftist political resources. So I still believe in these collective political actors. I still think that the best game we've got in town to be able to accomplish social equality. The tougher question is, if I can critique this concern, is that can we really trust or can we really expect working class voters and working class folks to mobilize on these economic issues like they historically have or are those folks going to be mobilized politically on other issues like anti immigration issues, for instance? And I think that's the greatest challenge to these sorts of arguments is that while we can agree that people are interested in their economic well-being, they vote on their pocketbooks. They have collective interests in economic, you know, economic standing of the country and be able to get a job, be able to take care of their families, be able to afford the things they want in life. What I think has really become challenging the past 20 to 30 years is the way in which the left has lost those sorts of voters because of other political issues that activate them such as anti-immigrant sentiments.

Wodtke: Do you think the recent expansion and then contraction of the child's tax credit fits this argument? Or is it a bit of an outlier?

Brady: That's a great question. I think tax-based social policies in some ways really works because you can get a lot of money to a lot of people really fast through the tax system. It's not optimal because the tax system is arcane and full of paperwork and bureaucracy. And

so it's technically just difficult to navigate for a lot of people. But the United Kingdom accomplished lower child poverty through the tax system. We accomplished lower child poverty through the tax system. But I think what's tough about that strategy is that people don't know what's happening because I can't make sense of my taxes much less could a working class person who doesn't study social policy for a living, right? And so I think what was tough there is that people didn't really recognize it. They didn't really fully understand what was happening, how the child tax credit worked, how they were materially benefiting. They just knew money was available and it was hard for people to see if this was COVID related or if this was a really a progressive policy to attack child poverty. And I just think it was so arcane and in a pretty hectic political time that I don't think Biden got any political credit for it even though people could benefit. So I think maybe if it existed for longer period of time people would have become familiar with it and they would have believed in the policy and they would have voted to maintain it. But because it had such a short window where people experienced it, I think it didn't really gain a political momentum.

So I'll give another example in this spirit. You know, Obamacare has become quite popular over time and it granted health insurance to tens of millions of people, which is—

Wodtke: Especially if you don't call it Obamacare.

Brady: Exactly. But and it's interesting now even the term Obamacare has become more politically popular. But you know, basically what it is it's taking taxes from rich people to fund health care for poor people and massively expanding that. So it's transferring resources to low income folks. It was an incredibly redistributed policy and initially it was extremely polarizing and politically controversial. But over time people have come to like the policy and they're very comfortable, you know, getting these subsidies for their premiums to be cheaper if you buy health insurance on the private marketplaces or getting access to Medicaid. Now it took a long time for people to really understand how this policy was helping them and to be comfortable and expect this policy to be in place. I don't think we saw that window with the child tax credit and so it never got a chance to build a political constituency. And so I think you need several years of people living with and experiencing a policy and how it makes their lives better and it makes us all a more equal society before the path dependency and the feedback effects kick in and you get a political constituency for that policy.

Wodtke: So I mean, one of the points in your argument always seems to generate a good discussion in class is, you know, your argument that this redistributive politics, like these coalitions, these egalitarian coalitions of political actors, their actions don't result in an expansion of welfare state generosity if it's just like grassroots activism protesting in the

streets. It really is they have to get involved in formal politics and use the power of government.

Brady: Right.

Wodtke: Some of my students are like, they see a lot more value, I guess, in just sort of making noise, getting the word out, getting into the streets.

Brady: Oh, I love it.

Wodtke: Why are you skeptical that that alone is not enough?

Brady: Oh, and I mean, I feel like I'd love to say when I wrote the book, what is this now, 17 years ago, I'd love to say I predicted this would be a lot of fun to trigger students with and provoke debate and discussion. And I obviously did not predict that, but I have the same experiences. Like it's kind of fun to mix it up with the students on if you have a choice between sort of rabble rousing and in the streets protest that's informal and anti-institutional and what Piven and Cloward called dissensus politics.

And you know, Piven and Cloward were really influential on me. I read their books. I must have read five or six of their books and they really had an imprint on me. But I always was a little more skeptical, a lot more skeptical than them about the effectiveness of these sort of being in the streets and protest politics. And I was much more sympathetic to institutionalized politics that works in the formal political arena. And this is a classic enduring debate. And so it was kind of fun to kind of arm wrestle over this. And that chapter in the book, I think, is fun for students because we can get into a debate about which is better to have a protest that activates people that gets attention to the issue that triggers a lot of controversy, puts it in the headlines, that threatens the status quo. Or is it better to work within the system and use the institutions as they are and get elected to office and to be in the boardrooms where these discussions get hammered out? And so I've always come down to the side of being more pro institutional. But I have enjoyed my students having back and forth fights about this.

You know, there's a great literature and social movements that engages this as well. And I've always been a fan of Kenneth T. Andrews. He goes by Andy Andrews' work on this. And he always described it as like the, you know, access insider theory of how movements might affect politics versus what he called the action reaction theory of how movements might affect politics. And I've always thought that was a pretty good schema. So the best part of that chapter is just to get students debating, you know, how are you really going to make a difference? Where I like to challenge the students is look at the countries that actually did accomplish lower rates of poverty more consistently. They didn't have particularly militant politics. I mean, the Scandinavians were not this particularly militant

people. By contrast, look at places like France or Italy where you had these very activated communist and socialist parties that were very rabble-rousing. And they were actually less successful in accomplishing general social policies than the more stayed, institutional formal version that you saw in Scandinavia. So one of my all time favorite books about West European politics is a book called *A Hundred Years of Socialism* by Donald Sassoon. And you read basically a hundred years about the West European left. And he convinced me in that book that like the success stories were more institutional. They built coalitions with the centrist political parties. They pulled the middle class and the political coalition. And they worked within the system. And they were the ones that were able to establish policy. I've not seen great success stories where rabble-rousing political mobilization led to substantial sustained reductions in poverty. I just haven't seen it. So that's where I always challenge the students with.

Wodtke: So we also read Piven and Cloward in my class. And since you brought them up, maybe I'll ask another question, which is I feel like big parts of their argument are consistent with yours, but they interpret sort of welfare state expansion in response to like an egalitarian push on the part of the working population with a bit more of like a negative valence or at least a functionalist valence. And that this is—welfare states expand during periods of popular unrest due to unemployment or food shortages or what have you, you know, basically in order to like control them or like mollify them or sustain the system and prevent sort of more radical change. And then when the economic crisis passes and the population gets less upset, then welfare states sort of become less generous in order to like stimulate labor supply. So like how do you feel about that argument?

Brady: I think like the argument is so much fun. Like what a great debate, you know. And you think about it and there's these echoes of a debate on the left about this, you know, at least to the beginning of the 20th century. So you have Rosa Luxemburg versus the more democratic institutional social democratic party members within Germany fighting this same fight. And so I think it's like one of the great enduring debates on the left. And you see like slight versions of this, you know, sort of, I mean, exaggerated version would be like the, you know, Barack Obama versus Bernie Sanders wings of the democratic party. But that doesn't really work because Sanders is still within the formal political arena. So I think it's a great debate. And it's really fun to get students to engage with this debate. And I really enjoy debating with students about this issue. But yeah, Piven and Cloward, everyone needs to read those books. *Poor People's Movements* is brilliant. *Regulating the Poor* is brilliant. And I'm often troubled by how modern debates about poverty and social policy will bring up almost the same arguments as Piven and Cloward but they haven't read Piven and Cloward and it drives me nuts. So yeah, they view the welfare state in some ways as just placating the poor, cooling them out. They view that the minute that the leftist organizations become

formal and bureaucratic, they lose all their capacity to make social change. I'm much less convinced by their argument, but I love them for their provocativeness, for the creativity of their arguments. And it's such a great and actually engaging debate. I really have a hard time finding the success stories they can point to. Where have we seen sustainably low rates of poverty and higher levels of social equality? Where have we seen that emerge from dissensus politics? I don't have the success stories.

Wodtke: Well, this is my interpretation. This is a debate on the left. And they tend to be, I think, associated with like pretty far to the left. I don't know if they would call it success or not, but they would say like, look, like more or less the system of private property in a labor market has been sustained. It hasn't been overthrown in many cases by like a working class movement. And that part of that is because the welfare state expands and contracts at moments to reduce the sort of shocks that our system tends to produce and keep it moving. So for them, maybe that's not a success story, but

Brady: But I happen to like capitalism. I think it does a pretty good job at lots of stuff. So I am not waiting for.

Wodtke: Yea, I mean this is a debate from a while ago.

Brady: Yeah, they're writing in the early 70s at a time when maybe that was being more entertained. So I like economic growth. I like economic dynamism. I like productivity. I think this is really a good thing for a society. You know, I can live with us having the basic logic of a market capitalist society. I think that's not the worst thing in the world, even though it needs to be guided and steered and it needs to be redistributed in terms of resources and opportunity. And we need to invest in the well-being and the human capital and the capacity of those folks that are less advantaged than myself. I still think that we still want the economic dynamism of capitalism. But that's me. I think one thing that I would say to them too is there's an element of like they almost trivialize the success stories of social policies that we have. And my sense is like we cannot trivialize, you know, children growing up with economic security versus not. Even if, sure, capitalism didn't go away and they're never going to be as rich as a billionaire, but at least they have that level of economic security, that level of safety, that level of health and well-being that comes with a more secure set of economic resources. I imagine those children have dramatically better well-being than in the extreme poverty we have here off in the United States. So I'll take those wins when they come and say, hey, yep, capitalism is not gone. I'm okay with that. But secondly, these kids' lives are dramatically better. And we see this just in the six-month experiment of the expanded child tax credit. You know, Zach Parolin and colleagues have shown you see food hardship goes way down. You know, housing, material hardship, housing insecurity go way down. And so people's lives are getting measurably better. And

I'm of the view that, you know, there's going to be lower level of stress, there's going to be better development, there's going to be better well-being. People live better lives when they don't have to worry about how they're going to make their meals at the end of the month. And I think this is not trivial. I'll take those wins. I don't care if we don't make enough radical reform that some might have, or I care, but I take the win where there's a win. I've always been a bit of an incrementalist on social policy. I was, I'm a big supporter of Obamacare, even though it's very, very far from Medicare for all. I want, I would say Obamacare delivers health insurance to tens of millions of people. Sure, we might prefer a single payer system like a Medicare for all. But in the meantime, I'm delighted to see the success that we saw. So I'm definitely incrementalist on social policy. And I'll take the wins as they come along. I tend to believe that if you get incrementally better social policies and you incrementally take care of more and more people and have more and more equality, this is going to feed back into a more social democratic politics that's sustainable. I don't need us to completely eliminate poverty to have a win. I will take a reduction in poverty as a win.

Wodtke: Makes sense to me. So if poverty is principally shaped by our political choices and the push and pull of different political coalitions in one direction or another, what does this imply for the US today and maybe the near future of its anti-poverty policy?

Brady: I think it's really hard. It's been hard always. Let's think about this couple of ways. One is that we had this story when I was coming up as a student, as a young scholar. We had this story that like, well, we got generous welfare states and we got social equality where the left had mobilized workers, had built a leftist coalition and they were able to establish these generous levels of equality and lower poverty. And that seemed to be like we'd gotten to the finish line. And now a few decades later, we sometimes wonder if there was like just that was a brief moment in time. And it was really only during that period of time where we saw low poverty, whereas the norm is a lot of economic inequality and maybe we're returning to a more natural state of high inequality in America. It's a hard thing to say, okay? The American politics have always been hard and where we see success on poverty and inequality, I don't want to believe it's temporary, but I certainly don't believe we're just on a linear path where we're going to get progressively more and more generous and have less and less inequalities. That's not happening. The really hard stuff has been that the main collective political actors that drove expansions of welfare state all over Western Europe and even parts of the United States, those collective political actors have been struggling for several decades. I mean, unionization continues to decline. It's at very low levels. And I don't know how you get to low working poverty in the US without high unionization. It's never happened. The left parties have moved to the center and they've lost a lot of their working class constituencies that traditionally voted for them on economic grounds. So if you want to have a central critique of like especially my own books

would be like if these institutions are so good, how come they're in decline everywhere? And I don't have the world's best answer for that. I think it's just the politics have shifted. We have a hard time mobilizing people on economic issues compared to other issues. I think immigration has really driven working class politics in the past 10, 15 years in the United States, but also all over Western Europe. And I think those changes have made it really, really hard to build a working class and middle class coalition that's aiming to build general social policies.

I still have faith that people will vote on their economic interests, but jeez it's tough. I'm not optimistic. I don't know where we'll be in five years, 10 years. Trump has certainly thrown a tornado into the situation. I don't know what to make of him. It's tough. I mean, I guess we could say we need to look to the state and local levels to see progress. And you do see that happen across the US. There's real progress on poverty and inequality in terms of effective and generous social policy in many states. So maybe that's where progress can be made. I'll give one concrete example. Okay, from the 2000s up until really just right now, you saw a number of states expand Medicaid for immigrants. Okay, and this was really provocative, right? Even undocumented immigrant children in California could get access to Medicaid. This is a huge win for social equality, for reducing poverty, just for well-being. Okay, we have millions of children that are able to get health insurance through Medicaid in California, whose parents might not be documented. They might not be documented themselves. That's a huge win.

That happening at a time when there's retrenchments to other social policies. I can't quite explain how we can make progress in those ways, but we somehow make retrenchments in the others. I also think we don't talk enough about the fact that Obamacare was such a success story. I mean, this genuinely delivers health insurance to tens of millions of people that didn't have it before 2014. And to me, that's a gigantic victory. And we need to count those wins a little bit more. So I see glimmers of hope in certain social policy domains and certain states in certain political moments. I don't know how to make sense of that alongside the chaos that is the Trump administration and the anti-immigrant politics that seem to be dominating our attention these days.

Wodtke: What about outside the US? Are there any cases, you know, you think are especially instructive here that the US could borrow from?

Brady: I think we have successes in certain social policy domains. So even though Scandinavia always for a long time has had pretty generous work family reconciliation policies, it was an important thing that in the 2005 era, Germany massively expands its work family reconciliation policies, especially in a country that historically has been very non-supportive of working mothers. This was not a culture or a country that was

traditionally very supportive of working mothers. Well, they massively expand their work family policies to mimic in some ways a Scandinavian model. That was a big success. So you see success there. In the United Kingdom, especially during the Gordon Brown administration, you see a massive expansion of social policies to reduce child poverty. That was a success. Maybe, when I was growing up, I thought that we would see linear progress towards more social equality. That's certainly not the best way to describe recent history. But you do see success stories. I would point to Obamacare. I'd point to the British war on child poverty and some other examples. And I would just say, well, understanding those episodes can clue us into how you can build the politics for lower poverty. And not only, I don't mean to describe this just as some activist that's arguing for leftist politics, I would argue this is a scientific explanation of why poverty varies over time and across places is that we need a political theory to explain the empirical reality that poverty does vary over time and across places.

Wodtke: A key part of the political process are the politicians and the policymakers. And you've kind of recently turned your attention to studying them. In particular, what they know about poverty and inequality, what they believe about its causes by sitting down and talking with state legislators in California and Texas. So can you tell us a little bit about what you found? Like what do they know?

Brady: I'm thinking back to when we decided to do this project. Our thinking was it was really interesting to get in the heads and in conversation with people with power, very high level policymakers, to try to understand how do they think about the poor, how do they think about inequality, how do they think about social policy and really try to understand sort of what are their thought processes, what are their cultures, what are their behaviors, why they act as they do. Now we had a very interesting but select population of legislators we were able to talk to and they're mainly California state legislators. We also interviewed 10 Texas state legislators as well, but California makes up the bulk of our sample. And California is a very, you know, democratic party dominated state, even though we were able to talk to a disproportionate share of Republicans in our sample. And so it was really fascinating to try to understand how they thought about it, whether they cared about it, whether it was front of mind, what their theories were of what caused poverty, what their theories were of how we should attack poverty. And my main reaction is maybe obvious, it's just I was stunned by how heterogeneous they were. You know, you'd have some state legislators that had read real books about poverty and had really enjoyed thinking about it and cared about it. We had some state legislators that could answer the most specific questions about the facts of poverty. And then we had others that knew almost nothing about this subject. And it was really profound to me just how much heterogeneity you can observe and how much they think about it, what they believe, what they know. And one of

the examples I gave in today's lecture was that, if you ask policymakers, what does it take to be in the top 5% of the household income distribution? That's a question California state legislators should know because they control the top marginal tax rate. And California has the highest income taxes in the United States. So they should understand who is this income tax falling upon. But many of these legislators had just no idea what the American income distribution looks like.

So I really thought it was really powerful to understand that a lot of them don't know that much. And they have wildly heterogeneous views. It was clear that there was some misinformation, but also some disinformation. It was clear they're susceptible to the same sort of cognitive errors as the average person is and how we think about these problems. One of my favorite questions was, you know, what share of poor people are homeless? And in California, we have the largest unsheltered homeless population in America. In Los Angeles, it's a crisis every single day, our terrible problems with unsheltered homelessness and the enormous misery that's happening. But even as bad as it is, homeless population is maybe like 2% of all the poor people in California. Okay, most poor people are working poor people. And our legislators just had no sense of how large this population was because it's very visible. They would exaggerate it. They would think most poor people are homeless. And they just didn't really understand how the income distribution live works. Who working people are? And so that was really profound to understand just how misinformed they were and how little knowledge many of them had. And again, some had really sophisticated understanding of these issues. So the heterogeneity was really profound in what legislators know and what they think about poverty and social policy.

Wodtke: And were differences in their knowledge about poverty and inequality linked to like their voting records on anti-poverty policy?

Brady: Yes. So we can show that. We can show that how much you know—and what we did, just to give people an understanding of how we collected this data. We literally gave these legislators like a little quiz about facts about poverty. So one of my other questions was the question of like, do most poor people live in households where someone is working or do they live in households where no one is working? And the correct answer is most poor people live in households where someone is working. Most of the poor are working poor by a large margin. And so we would ask them this quiz of questions that we would embed within a survey and we'd sprinkle these questions throughout. So they wouldn't really know that we were going to be asking these factual questions. And so then at the end of that, we could tally a sort of overall knowledge score to see how they, what they knew, what percent of questions they get correctly. And I mentioned today, you know, we had one legislator that got nine of the 11 questions correct and the questions were really tough. But we had one

legislator that got zero out of 11 questions correct. And they didn't know almost anything about this subject. And then downstream, we can show you that their levels of knowledge predict how they vote very well. Okay. It's profound how effective they are.

So for a standard deviation change in higher knowledge, it's going to change your voting score by any of the number of voting scores one can look at. It's going to change it by about a half a standard deviation. So, you know, if you have a standard deviation more knowledge, you're going to have 20% more likely higher scores on voting with conservatives, for instance, on an issue. And so I think that's pretty concrete evidence that what they know does matter. It does matter because it predicts something that we can agree matters.

Wodtke: Do you think improving their knowledge of poverty and inequality would change their voting?

Brady: The tougher question would be how could you improve their knowledge, right?

Wodtke: They could take your class.

Brady: Yeah, they're not they're not volunteering for that. You know, I thought also there was many that were well meaning. I was really often, I'll admit this. I was really struck by the well meaning conservatives that earnestly, genuinely cared about poor people. I'm not saying I expected conservatives to be heartless. I just was struck by how many really genuinely cared about poor people. They thought it was sad. They thought it was, they were sorry for these people. They felt compassion. There was no shortage of compassion even amongst people that were very critical of poor people and critical of social policies. People have the capacity of compassion, but I just don't think compassion gets us that far. I actually think compassion is a little bit overrated as a way to get people to think about politics of social policy and poverty, which may surprise some. I don't know how we elevate the quality of knowledge or information that drives policy-making decisions. Good Lord. That's a hard question.

Wodtke: Well, I mean, maybe going back to your your grand theory of power resources. I mean, if I'm part of an egalitarian coalition of political actors, right, one of my strategies might be like if I'm going the institutional politics route is opposed to rabble rousing might be, for instance, to try and provide better information about the state of poverty and inequality to the general population, but also specifically to policy makers.

Brady: Yea it's so tough. This is a great question. I love it. So on one hand, I'll give a skeptical and optimistic take. Okay. So the skeptical take would be from the policy process literature. They'd say, look, information is always widely available and politicians have bounded rationality. They don't have the time or the patience to sift through the latest information to make correct policy decisions every time. This is not how policy-making

happens. They just move forward with shortcuts and heuristics in an environment where there's no time to think about anything and there's moving along. They vote with their parties. They vote accordingly. And so that's probably the reality of like the steady state of politics and legislative decision making. On the other hand, I think you're absolutely right that if you're embedded in an interest group community that cares a lot about poverty and is activated about poverty, you're talking to labor unions often. You're getting campaign contributions from labor movements and you are in conversations with lobbyists from poverty advocacy organizations and you're kind of hanging out in the ecosystem of those collective political actors, you're going to be exposed to information and you're going to be sort of reminded of information on a regular basis that's going to make you a bit more attentive to the facts of poverty and social policy. So I do think that works.

Now let me tell you one experiment I didn't talk about today that I thought was a good idea but it failed. And we ran an experiment on legislators where at the very end of the survey, we read one of two things to them, a very long text. One was a very heartbreaking story about poor people. It was an excerpt from a magazine article about working poverty that was genuinely very well written, very evocative, very emotional by an author you would easily recognize. And we read it verbatim from this article to say, look, look how much these people are suffering and tell you a heartbreaking story about a woman that was living in her car with her teenage children. And it was genuinely compassion inducing. And then on the other hand, for the other half of the sample, we read them like a policy makers argument that I wrote that said, here are the facts, here's the evidence. We can show you that poverty can be reduced these ways. And then what we wanted to know was which is going to move people? And so we had follow up questions that mimicked questions early in the survey and we want to see if anyone changed their opinion. And we also wanted, we asked them questions about like, do you feel more sympathetic but you still feel this? And what we've the experiment didn't really work because you know, nobody moved. They're politicians, they know how to stay in their lane and maintain a position. So nobody really changed regardless of this, which treatment they got in that experiment. And this was a little surprising because there is a literature that says if you tell people stories that they can humanize the poverty, they're going to feel more sympathetic and they're going to change their beliefs. And many have been skeptical that an argument can move people. And maybe they'll just feel ashamed or they'll think, you know, we're some eggheaded professor that's trying to tell them what to think. But what we found is people don't move at all. And so that was really I think sobering about your ability to get people to change their mind.

I think the debate about sort of how do we get people to think differently about poverty is fascinating. I am on the side of being a bit skeptical that compassion and emotion and emotional evocation can really change people. I'm a little old fashioned. I think people vote

on their interests. They believe stories. They believe arguments because it's conducive to their economic interests. So I've always been again on the formal institutionalized side. I've thought, you know, you need to build coalitions and build social policies and build egalitarian institutions that are going to get people to believe in and see their own well-being and interests served by those. That's where you're going to get a politics that will support general social policies.

Wodtke: How did you get a bunch of politicians, sitting state legislators to do a vignette experiment?

Brady: I don't know. They had no idea what they were, what they agreed to. One thing we did that worked in California is we got a former democratic and a former Republican state assembly member to sign the letter that invited them. And both of these guys, Brian Assondian and Lloyd Levine were very just regarded as good guys. And that's kind of how the legislature worked. I learned that hanging out with these legislators. They have sort of a chummy friendly. They play poker together. They hang out. And so they're like, yeah, Brian's my buddy. Sure, I'll go. And Brian was known as a pretty centrist Republican. And so he was just kind of regarded as a reasonable guy. He was affable. He was a good guy to talk to. And I think that opened the door to us and got us in the door with a lot of people. I am confident many of these legislators were pissed at their staff for letting us get in the room with them. The staff's job was to keep people like me away from people like them. They worked very hard to keep us away.

But we tried all kinds of things. We just talked our way into it in some places. We hired students that were, their families were constituents of members all over the state. And we played that card. Our students would say, I'm a constituent of yours. And then they'd feel, okay, fine, I'll do the interview. Fine. And I think a lot of these legislators really were kind of like, what did I get talked into here? Most were good spirits. And we, you know, we stressed it's confidential. It's anonymous. We don't reveal their identities. It's nonpartisan, so forth. But they, they were funny about it. We had a couple that were like, Oh, God, this survey. We had a few that didn't finish the survey. And so there's some questions that we were unable to ask them because they, they were like, I got to go and they got out of there. And they somehow were never able to reschedule. So I think they didn't want to come back. But, you know, we had to kind of trick them a little bit. But we didn't hurt anyone, right? We just wasted a half an hour of their time. But many were good sports, you know, like they cared about the issues. We would ask them these factual questions and they would be curious about what the right answer was. They were, and a lot of times people, if, you know, people like to tell you what they think. And if you get it a little bit of trust, they're willing to tell you what they think. They're also policy makers. They're used to campaigning. They're used to

talking to the press. They know how to express their point of view in a way that sounds reasonable politically. So I think they're practiced. It was just a matter of getting their time. And we had to beg them to get their time. We worked really, really hard to even get the 49 interviews we did.

Wodtke: Yeah. Well, I mean, that's got to be by social science standards, one of the hardest to reach populations. So 49, you know, you call it a small end study. It's pretty impressive nonetheless.

Brady: Tell the, tell the journal reviewers that, Geoff.

Wodtke: I will. So I mean, after decades of studying poverty, you know, how to measure it, how it differs across countries, you know, its causes, what do you see for our students in the audience as kind of the next frontier in poverty research?

Brady: So think about how the field has evolved over time. You know, one of the things you can always do, and people have done over the recent decades is new risk groups, right? So this definitely happened in the European social policy literature was the interest in these new risk groups. So whether it be young workers that were having trouble getting in the labor market or immigrants or other new risk groups, that was one way to pay attention to how poverty is evolving to understand the new groups that were being exposed to poverty. I mean, one of the groups I thought that was really neglected in the poverty literature has been immigrants. You know, we sort of had this narrative in our head that immigrants would come to the US and sure they might be economically insecure at first, but there's so much of the American dream was that upward mobility that who cares if they're poor for a little while because it's only transient. The reality is now I would estimate about a fifth of the poor in the United States are immigrants. So this is a sizable population. We have a very large immigrant population. And so I think understanding that is really important. So understanding the new risk groups, asking questions about, okay, let's say my earlier theory, which is in my 2009 book, you know, that's really about how some countries accomplish low poverty over say the 1960s, 70s, 80s, 90s, basically 2000s. And in the past 20 years, the tables have been turned a little bit on which countries have low poverty, which countries are high poverty. So the new politics of poverty say since post 2000, that's still not clear to me exactly how that plays out.

I'll give a one concrete example. We've always held up Sweden as the great success story, right? Sweden has the low poverty. I mean, in the last 10, 15 years, Sweden is a moderate poverty country. It's no longer a low poverty country. If the dynamics of which places have low poverty and which groups have low poverty, if all of that is changed, we need to update our theories to make sense of these new inequality dynamics going on. I think that's really

important. That's definitely a frontier of poverty. One other frontier that I think is woefully understudied is something Geoff has worked on. And I think this demands so much more attention is environmental exposure. And so I feel like it's kind of stunning to me how we all know living in a poor deprived neighborhood probably exposes you to various toxins. But the number of studies that have actually done work on this, I think is my impression is there's not enough research on this. And it's entirely plausible to me that some of the intergenerational reproduction of poverty is due to the scars and damage caused by toxic environments to young people. And I think that this is just weirdly understudied. And given the environmental and climate risks that we're facing into the future, I think trying to understand how people are exposed to toxins and risks and environmental challenges is a real frontier that we need to get a handle on. And I don't think we're doing that well enough right now. And similarly, let me say we under appreciate poverty, social policy success stories by ignoring the environmental toxicity of certain environments.

So for instance, what about a country or a place that delivers really clean water? That is a great success story of government programs. It's about public goods, it's about investments in infrastructure, and it enhances people's well-being. But we never talk about water as one of the great deliveries of resources to low-income folks. And yet in some places, we do a pretty good job of it, even though there are obviously these challenges. So I think that's a real frontier that we don't really understand as well as we should. So if I could say three things, new risk groups are always emerging. Two would be to better understand the new politics of poverty. And third is to understand all the environmental risks and toxins that low-income folks are being disproportionately exposed to. What this means for the life course, what this means for people's attainment and well-being. I think these are really important frontiers.

Wodtke: Last question. What do you think is the one thing that Americans most misunderstand about poverty in this country?

Brady: I mean, I have this survey. Not only do we interview the legislators, but we also interviewed the American public to the extent one can trust these UGov samples. Okay, so humor me that we trust our survey data for a moment. I mean, it's interesting to think through what are the questions that they get most wrong? And that is a tough question. I'm looking at my own data to try to think of what do Americans really misunderstand? I think Americans, they are very susceptible to perversity arguments. They believe in perversity arguments. They believe they know a guy who is getting food stamps and not working any defrauding the system. Everyone has these narratives of perversity and abuse and fraud. And our susceptibility to that argument, it's so detached from reality. I mean, I don't think most people know people that actually have SNAP benefits and so forth. So I think the

susceptibility to welfare perversity arguments that well, generous welfare programs are making people lazy or counterproductive or discouraging work or being a source of fraud. That argument is so deeply problematic because even though it does happen, it's such a small share of what social policies do. And I think that welfare perversity argument sort of feeds into a fatalism about social policy in the United States. We just don't think we'll ever solve these problems. We sort of think that this is natural and inevitable. And I think that enables us to sort of wash our hands and not be held accountable for failing to invest in solving these problems. So the fatalism and the susceptibility to perversity just sort of leads to a train of thought for the average American that makes them skeptical about social policies. And I want to stress that it's bad. It's not a good thing. One of the ways the left makes this worse actually is all we ever do is talk about the problems. And we don't talk enough about the policies that are actually working, right? And in the process, I think we feed that fatalism because we have an incentive to say, look how bad the poverty is, look how bad the inequality is. In the process, we downplay the social policy success stories. And in the process, I think we've sort of undercut the possibility for people to believe that social policies really do work. I think that's one of the real traps we've gotten into here in the United States.

Wodtke: Thanks so much for taking the time to talk with us about this.

The Inequality Podcast is a production of the Stone Center for Research on Wealth Inequality and Mobility at the University of Chicago. I want to end the podcast by giving thanks to the people who really make it happen. First, I want to thank our producer and engineer, Shane McKeon. Second, I'd like to thank our assistant director Nina Gray for production oversight and doing so much to bring the podcast to life. And lastly, our executive director, Grace Kolavo, for her support, not just for the podcast, but for every activity at the Stone Center. You can get in touch with us at stonecenter@uchicago.edu. Thanks for listening.

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