

## An alternative view of poverty: Fix the context, not the person

Poverty remains problematic in the United States five decades after we launched the “War on Poverty.” Despite our country’s growing wealth, more than 45 million Americans, including more than one in five children, live below the poverty line. Something isn’t working, and we believe that it’s the way we’re thinking about the problem.

In *Poverty Interrupted*, ideas42 argues that poverty is a context that drives outcomes more than any individual’s traits or actions. The context of poverty is characterized primarily by scarcity—a lack of key resources that occupies mental “bandwidth” and produces predictable, if temporary, effects including depleted self-control, a decrease in fluid intelligence, and diminished decision quality. In addition, the context of poverty affects human beliefs and perceptions in ways that can disempower and degrade people. Poverty levies a dismaying “moral tax” in the form of regular race- or class-based slights, reduced internal and external expectations, and artificially-constrained aspirations.

These responses to chronic scarcity are *universal*. People living in poverty are as capable, intelligent, and responsible as higher-income or wealthier people, but key features of life in poverty complicate the already difficult task of exiting poverty.

## Charting a path forward: Three design principles

This new view of poverty demands that we build a better context by designing systems that support people as they *are* rather than as we think they *should be*. We must craft anti-poverty policies and programs that make it easier for people to do more of what they want to do and less of what they don’t—and we must ensure that service providers are capable partners in that task. ideas42 has outlined three principles for doing so:

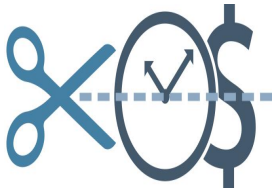
**Design Principle 1: Cut the Costs.** Living in poverty is costly in many ways, including burdens on time, attention, and cognition. Many well-meaning programs increase costs unintentionally by adding hassles and complexity. Supporting families in a behaviorally-informed way means identifying those costs and finding ways to reduce or eliminate them.

**Design Principle 2: Create Slack.** Poverty is unforgiving, leaving no room for error or risk. Even minor unanticipated “shocks” create havoc and leave families without the ability to invest time or money in things like education or savings. Building adequate cushions of time, money, attention, and other critical resources is a prerequisite for permanently escaping poverty.

**Design Principle 3: Reframe and Empower.** Being poor carries a powerful social stigma that is often amplified by forces like racism. Many systems and programs reinforce the effects of racism, sexism, and classism and systematically disempower people rather than affirm their autonomy and dignity. Behaviorally-informed programs and services are crafted to mitigate or prevent those effects, both for service providers and beneficiaries.

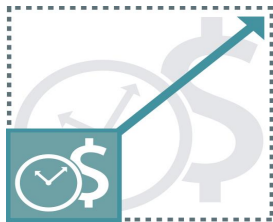
## Behavioral design in action

To imagine how these design principles might play out in a more concrete sense, we offer several examples of how they might be implemented in real-world human services settings.



### **Cut the Costs:**

- Create a universal public benefits application
- Automate benefit renewal processes with existing data
- Provide offices with child-care and work-friendly hours



### **Create Slack:**

- Create an unconditional cash transfer program
- Provide no-fee loans or emergency grants
- Offer laundry or transportation services



### **Reframe and Empower:**

- Give program beneficiaries a say in hiring and evaluation
- Implement racial bias mitigation strategies among staff
- Create blind decision-making and risk-assessment processes

## Where do we go from here?

It's time for behavioral design to become a commonplace tool in human services. In partnership with service providers of all kinds, ideas42 seeks to launch a portfolio of pilot interventions inspired by the design principles outlined above. Rapidly-prototyped pilots will reveal the most promising interventions to be evaluated further with randomized controlled trials. The highest-impact interventions can then be combined and scaled to reach the millions of families contending with chronic scarcity.

Many of the changes we call for—simplifying forms, rethinking the language used to describe staff and clients, sending text message reminders—can be implemented via small, low-cost tweaks to existing programs. We must simultaneously pursue larger, more radical innovations. It will be expensive to create a single public benefits application, implement an unconditional cash transfer program, or to restructure programmatic hiring or decision-making infrastructure. Yet these upfront costs are likely to be dwarfed by the long-term benefits to families, and to society as a whole. ideas42 is committed to using the best available knowledge about human behavior and cognition to help break the cycle of poverty, and we look forward to developing partnerships to do that important work.