

The Benefits of Poverty

Herbert J. Gans

The United States has a safety net, albeit a miserly one, for the poor. Most of those who work contribute to it with the taxes they pay. But could there also be benefits to poverty for society and even the wealthy? Indeed, there are, and talking about them helps us understand our society better.

THIS ARTICLE PROCEEDS FROM THE FAMILIAR NOTION that all human endeavors have benefits and costs, material and nonmaterial—and that most such endeavors have benefits for some people and groups and costs for others. Even some of the most costly social evils benefit someone. Poverty is a good example of such an evil—and the article argues that it mostly benefits the more fortunate members of society.

To be sure, the poor also benefit from those of us who are better off; we pay for antipoverty and unemployment programs as well as food stamps, not to mention Medicaid, which had a budget of nearly \$300 billion in 2010. We also help fund emergency clinics, shelters, and other rescue facilities—and experiment with endless other programs to help young people escape from poverty.

Nonetheless, the poor are not merely a burden on the rest of society; they also provide a variety of benefits for it. The better-off are largely unaware that they obtain such benefits, for many are not very visible. Consequently, shining some light on them may help us more clearly un-

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Challenge, vol. 55, no. 1, January/February 2012, pp. 114–125.
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ISSN 0577-5132 / 2012 \$9.50 + 0.00.
DOI: 10.2753/0577-5132550106

derstand how and why poverty is useful and why it persists. For example, fortunate Americans probably do not realize that the poverty of other Americans helps to make them better off, and that if incomes, wealth, and other resources were redistributed more equally so as to reduce poverty, they would end up with a smaller share of these resources.

Very few people deliberately encourage policies to preserve or increase poverty. Even conservatives who oppose antipoverty policy on ideological grounds are not in favor of poverty, even though they oppose policies that help the poor escape it.

Even so, the benefits of poverty are all around us. They are identifiable by looking for and at the consequences of poverty and then tracing those people, firms, and institutions that gain from these consequences.

To choose a prominent example, poverty reinforces the pervasive conservatism of American politics. Since the poor vote less often than the more fortunate, they lack the power to demand fuller employment, progressive tax reform, a more comprehensive welfare state, and the liberal legislators who would support such measures. Consequently, when the poor are unable to make such demands, government economic and other policies remain more conservative.

The benefits that poverty produces for the rest of society are not sufficient to sustain its existence in that society. Larger and more impersonal economic and political forces are responsible for its persistence, even though institutional and other group and individual agents assist these forces. So, in fact, do some of the ablest poor. Those who are sent to elite schools and then are recruited to join the better-off may contribute to the country's continuing conservatism.

The remainder of the article describes the principal economic, political, social, and cultural benefits of poverty. Since poverty research has looked only at the costs of poverty, empirical evidence about its benefits is scarce, and what follows might sometimes seem counterintuitive. Occasionally, the article might sound cynical, although this not the author's intent. The discussion is meant to be empirical, although most of its assertions are hypotheses rather than findings.

The Economic Benefits

Beyond their involuntary contribution to the incomes of the more affluent, the poor provide them with other economic benefits. The abundant availability of poor people ensures that society's dirty work is done cheaply. The poor not only do most of such work—cleaning our toilets, for example—but carry out a significant portion of the most dangerous jobs, in mines, in meatpacking plants, and wherever dangerous chemicals are being used. They do the illegal and disreputable work as well, selling drugs on the street and their bodies in automobiles.

In addition, the poor play a significant role in fighting America's wars. In the past, when wars were largely labor intensive and fought by infantries, the unskilled poor provided much of the manpower. If they died in battle, the number of poor people was reduced, thereby sparing the better-off taxpayers from having to fund antipoverty programs for them. Today, the military wants better-educated recruits, but when enlistments sag, the army still returns to its previous source of bodies. That currently half the veterans of the Iraq and Afghanistan wars are jobless and many are fast sinking into poverty suggests that reducing the size of the country's military may increase the number of poor veterans.

Actually, some jobs that are dirty, dangerous, or disreputable are not considered such because they are performed by people who are better off. Surgeons are rarely viewed as doing dirty or dangerous work, the drug sellers who supply the rich can remain invisible, and the paid escorts who "date" them sometimes become celebrities. The poor themselves do not always have time or money to do their own dirty work, which allows the better off to criticize them for being dirty.

Our dependence on the poor to do the dirty work cannot be overestimated. In the days before Clinton ended "welfare as we know it," Southern states stopped paying benefits during the summer so that poor mothers would be forced to pick cotton. The firms that supply us with fresh fruits and vegetables would make us pay more for them if they paid illegal immigrants a living wage.

The low pay of the working poor functions as an indirect subsidy—and benefit—to the affluent. Domestic, nannies, and home-care workers subsidize the professional classes by enabling them to combine parenting, careers, civic activities, and the like.

In states where the poor pay a higher proportion of their income in sales and other taxes than the more affluent, they even subsidize whatever government activities benefit them.

More important, the poor indirectly benefit the better-off through the creation of professional jobs that serve, service, control, and seek to uplift and reform them.

The low-income sick and injured provide regular clients for emergency clinics and jobs for the medical staffs, as well as for the medical, mental health, and social workers who treat poor drug addicts, the victims of domestic violence, and those suffering from the high stress levels and mental illnesses found among the poor.

Equivalent benefits accrue to demographers, economists, sociologists, other researchers, investigative reporters, and documentary film makers who study and in other ways keep track of the poor.

In addition, a long list of businesses might not exist if poverty were reduced. Some of the small groceries that now serve poverty-stricken areas could not survive if supermarkets did not avoid such areas. Farmers are beneficiaries of the food stamp and other food-support programs for the poor, and these programs might lose their current political support if they did not also benefit farmers.

Other businesses that benefit from the existence of poverty include sellers of used goods, makers and sellers of cheap alcohol and other low-cost addictive products, as well as pawnshops, predatory lenders and other loan sharks, the “numbers racket,” and diverse gambling establishments. Faith healers, fortune tellers, and even places of worship that exploit their worshipers financially could also be added to this list.

Many others make a living by serving the poor. They include immigrant doctors who help to staff emergency clinics while still learning English, as well as some otherwise unemployable people that no one else will hire but who provide care and other services to the poor.

In the past, the poor also provided what Marxists called a reserve army of labor, which could step in when strike breakers or “replacement workers” were needed. At the same time, this army maintained indirect pressure on wages to help keep them low. Computerization and outsourcing of jobs, the weakening of unions, and the easy availability of illegal immigrant workers have, however, reduced and perhaps even eliminated the need for a reserve army, at least for the moment.

Instead, some of its previous recruits are now part of the country’s large prison population. Indeed, the prison industry, mental hospitals, and similar institutions exist in part to house the surplus poor population the economy no longer needs and the rest of society no longer wants to support. A number of these men—and they have long been mostly men—may be the modern equivalents of the men who once upon a time were killed off in huge numbers by the wars fought with infantries and sailor-filled warships.

Political Benefits

As already noted, the political powerlessness of the poor results in an overall polity more conservative than it would otherwise be. It benefits the nonpoor further because much of the power that the poor lack goes to or is taken by higher-income interest groups and citizens, further enabling them to obtain a greater share of government budgets, tax reductions, and the like.

Yet even the voting poor must cede much of their influence to the better-off. Since poor and moderate-income voters generally support the Democratic Party, the Republican Party can ignore them. Actually, so can the Democrats, since such voters have nowhere else to go. They can threaten to stay home, but so many do so already that the threat is not always effective.

Further, the poor have so few influential lobbies and other organizations to speak for them that they are unable to fight current efforts in many states that restrict their voting rights.

Yet it is also possible that if the poor had more political influence,

the nonpoor would call off some of their intra- and interclass conflicts and come together to vote against the poor.

Currently, the ranks of the powerless poor are joined by a number of the newly jobless, foreclosed homeowners, and otherwise downwardly mobile victims of the Great Recession who are sometimes too dispirited even to vote. Ironically enough, some of the angriest victims seem to have joined the Tea Party, thereby providing further support to the corporate interests and politicians who are adding to the number and plight of the poor.

The indirect gains that the poor supply the better-off extend to local government as well. For example, poor neighborhoods often receive less adequate garbage removal and other sanitation programs than better-off ones do, the savings presumably being diverted to the latter. Higher-income school districts regularly attract the best teachers originally hired for schools serving the poor.

In addition, the poor benefit their economic betters by letting themselves be ushered out of the way when these betters want to replace them. Cities have historically torn down poor neighborhoods to provide highways for commuting suburbanites. In the 1950s and 1960s, the federal government supplied funds that enabled cities to clear such neighborhoods for more-affluent urban residents.

In the 1990s, many cities tore down the public housing projects built during and after the New Deal period and replaced them with mixed-income projects that enable better-off residents to live closer to downtown. Public housing could be torn down because it is government property, but eminent domain gives governments the power to take privately owned land and to transfer lands used by the poor to politically and economically stronger users.

Gentrification is a wholly private process by which the more fortunate can replace the less fortunate, although once this process is under way, local governments help not the poor displaced but the newcomers, most often by improving municipal services in the area. Of course, the new residents raise land values and thus community tax receipts, but these rarely go back to the neighborhoods that now house the displaced poor.

In some cities, the destruction of public housing, other land takings in low-income neighborhoods, and gentrification are currently driving the poor to the outer edges of the metropolitan area, where many are too far away to compete in the urban labor market but are also less visible to their betters if they become homeless or must resort to begging.

When governments encounter budget problems, programs that serve the poor are almost always cut first, even when governments are in liberal hands. Programs that serve the better-off, who are more likely to protest budget cuts, suffer less.

In Republican eras, programs for the poor are even cut back in favor of tax reductions to the wealthy, on the dubious grounds that they will invest their tax savings to create jobs. Even when jobs are actually created, not many go to the poor who were the victims of the initial budget cuts.

The better-off derive further benefits from poverty because poor people who do not live up to the behavioral standards of the higher classes can be labeled undeserving and declared ineligible for public aid. The more standards they can be found to violate, the larger the savings to the higher-class citizens who would otherwise have to help them. Some of these citizens may be violating the same standards, but they are not deemed to be or punished for being undeserving.

Once publicly marked as undeserving or dangerous, the poor may unwittingly provide political benefits to conservative politicians and organizations, at least if they drive people who are fearful of the poor toward conservative political forces.

Status and Other Social Benefits

Just as the poor help to maintain the American political order, so do they for the social order, especially its hierarchical structure or pecking order. Every pecking order needs a base of people who can be pecked by everyone better off in some way, and the poor provide that base by definition.

In this instance, working-class and moderate-income people benefit

for once from poverty, for the various forces that keep down the poor reduce their chances of sinking to the bottom of the pecking order, at least in good economic times. Undoubtedly, many victims of the Great Recession and the jobless recovery worry about this aspect of downward economic mobility, and some oppose antipoverty programs for this reason. Others have apparently joined up with the Tea Party.

The unfortunates at the bottom of the pecking order create yet another benefit for the more fortunate population, for they are often chosen to serve as scapegoats. The poor, and especially the undeserving ones, can be assigned blame when no other targets are available. At the moment, poor illegal immigrants seem to be used most frequently as scapegoats, at least for the country's economic troubles.

To be sure, even in an economically and socially more egalitarian society, someone will be at the bottom, at least if people want or need a pecking order that allows them to make distinctions between people or social positions. Since the better-off population plays a major role in determining the specific distinctions, it also creates the markers that signify inferiority and superiority. Still, poverty seems to have been used as a marker of inferiority more often than other criteria, and even in communist societies, the poor have remained at the bottom of the pecking order.

At the same time, the low-income population can enable others to achieve upward mobility. Because the higher social and business classes believe that selling to the poor would lower their social status, petty entrepreneurs from lower-status groups can take their place. Immigrants have frequently moved up in the pecking order by being storekeepers to the poor.

Defenders of American exceptionalism can point to a sizable number of business success stories, including contemporary multinational corporations that began as mom-and-pop stores in low-income neighborhoods. The American movie industry was started by a handful of poor entrepreneurs, most of them Jewish immigrants, who opened movie theaters in slum storefronts but became rich when mainstream seekers of entertainment wanted to see their movies as well.

The poor offer social-status benefits even to the rich who take part

in charitable activities. Not so long ago, some ladies from high society ministered personally to the poor, who thus helped these women maintain their social usefulness. Today both old and new monied individuals have moved on and up to “civic” and related activities that do not require direct contact with the poor. Still, the large foundations and liberally inclined small ones continue to donate to institutions that help the deserving poor.

Nonetheless, even the undeserving poor do their bit for the more fortunate members of society, for in the process of determining what behaviors are markers of undeservingness, the fortunate ones are also establishing the markers of deservingness—and these define themselves as being deserving.

Behavior patterns that poor people use to cope with and survive poverty serve the same purpose. For example, people who have only enough money to live on a week-by-week basis and must always be ready to deal with new crises cannot easily plan ahead. Likewise, they enjoy themselves when opportunities to do so appear, since they may not come again soon. Yet the inability to plan ahead or to delay enjoyment and other gratification are employed as indicators of undeservingness, enabling the more fortunate to celebrate their foresight, planning skills, and ability to put off having fun for more productive endeavors.

The markers of undeservingness can also be altered when it benefits more affluent Americans. Many years ago, poor women who moved from partner to partner in the never ending search for stable male breadwinners were accused of “serial monogamy.” However, when the sexual liberation and other movements made this practice respectable among better-off people not impelled by economic motives, poor women were then condemned for being single parents. In the process, they helped to reinforce the norms that defined the normal family as consisting of two parents. Now that single parenthood has spread beyond the poor, an undeserving family structure is likely to be redefined once more.

Still, the most important benefit that the undeserving poor provide to the more affluent parts of society is to cast doubt on the desir-

ability of antipoverty efforts. As long as enough of the poor can be described as morally unworthy, they thereby reduce the moral imperative to reduce poverty. If enough people condemned to long-term joblessness by the Great Recession are charged with laziness and an unwillingness to work, they can then be considered undeserving of continuing unemployment insurance. Some Republican politicians have so argued; beginning in 2010 and in 2011, a number of states have decimated state unemployment benefits. Once more the poor benefit the pocketbooks of their economic betters.

Cultural Benefits

Poverty is even beneficial to culture, for over the centuries, poor people have supplied an inordinate amount of entertainment, athletics, and arts, and the resulting diversion and aesthetic satisfaction to the better-off. Today's television comedies still show traces of the vaudeville and burlesque shows that entertained poor Americans in the nineteenth and early twentieth century, and the beginnings of the American movie industry on New York's Lower East Side were, in effect, a continuation of that pattern.

Museums and affluent collectors exhibit the art and artifacts of preindustrial and peasant "folk," the pictures of poor people created by Depression-era artists and photographers funded by the Works Progress Administration, and more recently, the photographs, videos, and other visual and graphic portrayals of black ghettos and immigrant neighborhoods and among the homeless.

However, the music of the poor may have provided the most benefits. Over the decades, American audiences have listened to the blues, spirituals, and jazz that came out of southern poverty. In our time they have heard the soul music, rap, and varieties of hip-hop that began in the low-income ghettos of New York and elsewhere. We forget that the Beatles began their career in the slums of Liverpool.

Poor characters serve as heroic figures for America's entertainment—for example, the cowboy, the hobo, the hipster, and the prostitute

with a heart of gold—but they also supply their share of villains. Most of the bad guys in crime dramas have until recently come from the underworld and drug-selling street gangs.

To some, the poor offer vicarious participation in the impulsive sexual, partying, and other uninhibited behavior they are alleged to practice and that they are sometimes thought to enjoy more than better-off Americans. Whether a higher proportion of poor people actually behave in this way or obtain special pleasure from doing so is highly questionable, but as long as nonpoor people believe it, they can imagine they are joining in. Further psychological benefits are available to those who subsequently condemn the poor for being immoral, thereby elevating their own moral stature.

At various times, other material and nonmaterial artifacts used by the poor become attractive to the better-off. Some of today's snacks and fast foods can be traced back to the easily stored meals that peasants, farm laborers, and slaves took with them to the fields; and at the moment, imagined and real male prison garb is fashionable among young people.

Some Policy Implications

I have spelled out only the most general benefits of poverty, but for policy purposes, more specific information is necessary—for example, how much and how the different socioeconomic strata actually gain from poverty. In addition, which of these benefits accrue to individuals and households, which go to private enterprise and public agencies, and which contribute to the public welfare of the larger society has to be determined. Identifying the benefits that are highly valued by others and those making major contributions to the public welfare will enable makers of antipoverty policy to design programs around these benefits. They can also come up with alternatives for protecting these benefits that would not burden the poor.

Learning that, and how they benefit from poverty, will not persuade the economically and influential sectors of society to support a more generous antipoverty policy. Guilt rarely moves anyone to political

action. But antipoverty programs that further increase the benefits to the better-off, such as society-wide economic growth that begins among the poor, have not yet been invented.

Low-income populations are well aware of the local people and organizations that profit directly from their poverty, since they see them or their representatives in the neighborhood. They may also sense that others benefit from their poverty. Such knowledge persuades some poor people that they must become politically more active on their own behalf, but it seems mostly to add to the resignation, cynicism, and anger of others. However, judging by the history of the last half century, even more intense and widespread anger is not likely to result in effective political action by or for the poor.

In the short run, they must depend on the powers that be for a more generous antipoverty policy. Obama was able to sneak some benefit increases into his 2009 stimulus package—a better strategy these days than talking about poverty and proposing antipoverty programs. However, more explicit antipoverty action may be politically possible and even necessary if “middle-class” (read middle- and working-class) poverty rates rise significantly and a large number of “new poor” appear.

Actually, if these rate rises turn out to be long lasting, antipoverty programs for the new poor could become a standard budget item. Even private enterprise may endorse them, because it needs the consumer demand that will be generated by the monies paid out by these programs.

The newly poor recipients of such antipoverty programs will also vote more often than the old poor, and politicians will therefore look more favorably on providing money for these programs.

Undoubtedly someone will then propose to fold the traditional antipoverty programs for the old poor into those established for the new ones. One can only hope that if and when this proposal surfaces, the country’s decision makers, including those inside the Beltway, will have learned how much the old poor have been benefiting the rest of us.

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