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## EDITORS' NOTE

The Stanford Center on Poverty and Inequality, one of the country's three federally-funded poverty centers, is a nonpartisan organization dedicated to monitoring trends in poverty and inequality, examining what is driving those trends, and developing science-based policy on poverty and inequality. We present here our first annual report laying out some of the important trends and developments in poverty and inequality.

The purpose of establishing this annual series is to ensure that the key facts on poverty and inequality enjoy the same visibility as other indicators of the country's health. As it stands, there are all manner of analyses that focus on particular aspects of poverty and inequality, including excellent studies that take on separately such issues as employment, income inequality, wealth inequality, health inequality, or educational access. This issue instead provides a unified analysis that brings together evidence across seven key domains, thereby allowing a global assessment of where problems exist, where achievements are evident, and how a coordinated effort to reduce poverty and equalize opportunity might be undertaken.

The results in this report suggest the importance of distinguishing rigorously between the upstream causes of poverty and its downstream effects. The upstream causes are simple: We have a jobs disaster and a labor-market disaster of epic proportions. The downstream effects are, by contrast, broad and complicated given that so many individual-level outcomes (e.g., health, schooling, crime) are affected.

It is worth pursuing this point with a metaphor. Let's suppose that there's an upstream lumber mill that pollutes the river running through it with chemicals that cause all manner of health problems in the downstream cities (e.g., asthma, cancer, cognitive dysfunction). These cities then respond by hiring (a) epidemiologists to tease out the relationship between exposure and health, (b) clinicians to help the affected families minimize exposure and identify symptoms, (c) special-education teachers to provide compensatory training to those with cognitive dysfunction, (d) physicians to diagnose and treat those who have been exposed, (e) social workers to dispense benefits, and (f) police officers and prison guards to deal with the fraying social fabric.

This downstream approach is clearly complicated and costly. The obvious alternative is the upstream solution: If we'd rather not hire workers to repair all the harm and remediate all the effects, we can always resort to the cheaper option of reducing the pollution itself.

A contrived metaphor? Not at all. The vast antipoverty apparatus that we've built is not unlike the downstream approach to remediating pollution. We have social scientists teasing out the many effects of poverty; clinicians, social workers, and child-care workers providing compensatory care to poor children; special-education teachers addressing learning disabilities caused by poverty; social workers dispensing payments and benefits to the poor; and police and prison guards regulating and warehousing the poor. If we instead addressed poverty and inequality at the source by providing education and jobs, we could do away with much of this downstream apparatus in one fell swoop.

This is of course but one of many possible reactions to the evidence presented here. In producing this report, we wish only to ensure that the key facts are in play, with the hope that they'll prompt a renewed national conversation about how best to configure our labor market, safety net, and educational institutions.

— David Grusky, Marybeth Mattingly, Michelle Poulin, and Charles Varner