

Economic Context of Low & Moderate Income Programs & Program Evaluations

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The Truth is Out There

This poster presents ways in which the real economy faced by low and moderate income households differs systematically from the official version. We focus on real measurement rather than on measures used by the US government, which, even in a time of economic collapse similar to the Great Depression, the bankruptcy of General Motors, and the slashing of automotive workers' pay in half (\$28/hour to \$14/hour), continues to put a false face on actual economic conditions.

Federal Economic Statistics are an X-File.

Just as in the old Soviet Union as it approached collapse, there are a multiplicity of differences between reality and official government representations of reality. Here we focus on selected areas in which official statistics are false: the current consumer price index misrepresents the real value of money by a factor of about 2; official unemployment understates joblessness by over ½; labor hours have increased by a factor of about 2; official poverty is off by a factor of about 4, and the coming collapse of the corporate pension system due to years of government acquiescence to wildly impossible projections of earnings will impact the middle classes. The current “stimulus package” fails to actually address the actual size of the realities of unemployment and pay, and “green jobs” cannot provide an actual solution to problems of employment and pay in the absence of major reforms. All of these instances are examples of government failure.

Misled and Trapped

Utilities and state Public Utility Commissions are caught in the middle by multiple failures initiated and sustained by both Republican and Democrat administrations, including the Obama administration. Utilities struggle with the realities of payment as poverty steadily advances and working people are increasingly degraded and oppressed by a severely damaged national job structure ravaged by globalization and de-industrialization. Utilities try to serve customers who are increasingly unable to pay market rates for electricity, natural gas, and water. State commissions struggle to find ways to keep utilities economically whole and functional while, at the same time, trying to keep low and moderate income customers connected to essential services. All the while, the federal government undermines public understanding and institutional response by continuing to radically mask the size of the core economic needs of the working population, the transfer of income from working people to the very rich, and, in combination, fails to confront the realities of the true dimensions of climate change.

Dangers to Program Evaluation Validity and Usefulness

All of these areas of government failure and masking (and many more) converge in low and moderate income programs and program evaluations. Unless we use real statistics in our program designs and evaluations, we will fail in our responsibilities to design and delivery programs properly gauged to meet actual needs, and our evaluations and policy recommendations will be dangerously mis-calibrated.