Ending Poverty: A Plan for America and the World

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> This plan is an initial draft prepared with AI models. It is open for review by subject-matter experts and will be revised as they join the work and as world and national events change.

Introduction: two different problems

Ending poverty is achievable, but only if we recognize that “poverty” names two different problems. In the United States, poverty is mainly a question of how resources are distributed and what necessities cost. In the poorest parts of the world, even perfect redistribution would not be enough: economies must become far more productive, and states must gain the capacity to deliver basic services.

A serious plan therefore needs two engines. For America, the goal is a guaranteed floor that nobody falls through, paired with a ladder that makes climbing worthwhile. For the world, the goal is to end extreme poverty first and then raise the floor toward a more meaningful standard of $7 to $10 a day.

This essay lays out that plan, estimates its costs, and names the questions on which serious people disagree. It then tests the plan against the events of 2026: a record-low U.S. poverty rate, a major housing law, safety-net cuts now phasing in, an oil shock from the Iran war, and the steepest decline in foreign aid ever recorded.

Where things stand

The United States enters late 2026 with record-low official poverty, while the world has roughly 824 million people in extreme poverty and progress has stalled.

The United States

The Census Bureau reported in September 2026 that the official poverty rate fell half a point in 2025 to 10.2%, a record low, covering 34.5 million people. Child poverty also reached a historic low of 13.4%. Median household income rose 2.6% to a record $87,460. (Census)

The Supplemental Poverty Measure (SPM), which counts benefits and necessary expenses, gives a less rosy picture. It held at 13.1%, statistically unchanged from 2024. Social

Security remains the country’s largest antipoverty program, keeping 28.8 million people out of SPM poverty. (Census press release)

The world

The World Bank’s September 2026 update estimates that about 824 million people, roughly one in ten, lived below $3.00 a day in 2024. It projects only a marginal decline, to 9.8%, by 2026. (World Bank)

The UN reports that the global rate is only about three points below its 2015 level. On the current path, around 9% of people would still be extremely poor in 2030, four in five of them in sub-Saharan Africa or in fragile and conflict-affected countries. (UN SDG Report) Extreme poverty is rising in the Middle East, North Africa, Afghanistan and Pakistan region and remains high in sub-Saharan Africa.

A plan for the United States

America can end poverty for roughly 1% of GDP by combining an income floor, work that pays, cheaper necessities, simpler benefits, asset building and targeted help for the hardest cases.

1. Build a real income floor

The first pillar is a monthly child allowance paid to every family, including families too poor to owe income tax. The expanded Child Tax Credit of 2021 roughly halved child poverty in the months it ran, making it the best-tested lever available.

The floor should also include a larger Earned Income Tax Credit for workers without children, a group currently almost excluded from it. Supplemental Security Income, which supports low-income elderly and disabled people, needs higher benefits and the removal of asset limits that have barely changed in decades and penalize saving.

2. Make work pay and keep jobs plentiful

Full employment should be a priority, because tight labor markets raise wages at the bottom faster than almost any program. Minimum wages should rise and be indexed, with regional adjustment so they do not cost jobs in low-cost areas.

Apprenticeships and sector-based training deserve expansion; programs such as Year Up and Project QUEST have shown durable earnings gains. Wage insurance can cushion workers displaced by trade or automation.

3. Lower the cost of necessities

This is the most underrated lever. Housing is the biggest driver of American poverty, so the plan pairs zoning reform and faster permitting with housing vouchers as an entitlement for extremely low-income renters. Today only about one in four eligible households receives help.

Health coverage should be universal, through whatever mechanism, so that one illness cannot cause bankruptcy. Childcare should be subsidized on a sliding scale, since its cost keeps many parents, especially mothers, out of work.

4. Fix the plumbing

Benefit cliffs should be removed, so that earning one more dollar never costs a family two dollars in lost aid. Government should auto-enroll people using data it already holds, with one application covering all programs, because millions of eligible people currently receive nothing.

5. Build assets as well as income

“Baby bonds” would seed public savings accounts for children in low-wealth families. Automatic emergency savings would help ensure that a $400 car repair does not set off a debt spiral.

6. Target the hardest cases

Homelessness calls for Housing First combined with addiction and mental health treatment. Concentrated poverty calls for mobility assistance such as Creating Moves to Opportunity, which helps families use vouchers in higher-opportunity neighborhoods. People leaving prison need record sealing and job placement.

What it would cost

Closing the entire U.S. poverty gap in cash terms probably costs in the low hundreds of billions of dollars a year, around 1% of GDP. That is affordable. The real constraints are political and administrative, not fiscal.

A plan for the world

Globally, ending extreme poverty requires growth as the main engine, direct transfers as the fast floor, investment in health and learning, a direct confrontation with fragility, and better policy from rich countries.

1. Growth is the main engine

Nearly every country that escaped mass poverty, from China and South Korea to Vietnam and Bangladesh, did so through rising productivity. The biggest levers are farm productivity, because most of the extreme poor are smallholder farmers who need better seeds, fertilizer, irrigation and roads to market. Reliable electricity matters too, since about 600 million Africans still lack it. Infrastructure and open trade can link poor regions into global supply chains.

2. Direct transfers as the fast floor

Unconditional cash works. GiveDirectly's programs in Kenya and elsewhere show that cash raises consumption and assets and stimulates local economies without much inflation. "Graduation" programs, pioneered by BRAC, combine an asset such as livestock with training, coaching and cash, and they have durably lifted the ultra-poor out of poverty in many countries. Digital IDs and mobile payments make both approaches cheap to run at national scale.

3. Health and human capital

These are among the best-value investments in development: malaria nets and seasonal malaria medicine, vaccines, maternal and newborn care, and nutrition in the first 1,000 days of life. Schooling must focus on learning, not just enrollment, through approaches such as "teaching at the right level," because many children attend school but learn little.

4. Confront fragility directly

Extreme poverty is increasingly concentrated where states are weak or at war, so the hardest part of the problem is peace and governance. That means conflict prevention and mediation, transitions from humanitarian relief to development that actually rebuild institutions, and anti-corruption and transparency in natural-resource revenues. The Democratic Republic of the Congo shows the stakes: it holds vast mineral wealth, yet decades of conflict and governance failure have kept it among the world's poorest countries. (Statistics of the World)

5. What rich countries should do

- **Aim aid at the poorest and at proven interventions.**
- **Relieve and restructure debt** for countries spending more on interest than on health or schools.
- **Open markets** to poor countries' farm goods and manufactures.
- **Expand labor migration pathways.** Economists broadly regard letting people move to higher-productivity economies as the most powerful antipoverty tool

available, though it is politically hard.
- **Crack down on illicit financial flows** and tax havens.
- **Fund climate adaptation**, because droughts and floods push people back into poverty.

What it would cost

The extreme-poverty gap, the total shortfall below $3 a day, is on the order of a few hundred billion dollars a year, well under 1% of world GDP. The money exists. The hard part is getting it to the right people, in places with functioning institutions, without undermining local economies.

Timeline and the real debates

The plan unfolds over 20 years, and several of its parts are genuinely contested.

Phase	United States	World
Years 1–3	Child allowance; auto-enrollment	Scale cash transfers and graduation programs; fully fund malaria and vaccines; relieve debt
Years 3–10	Build housing supply; remove benefit cliffs	Electrification, farm productivity, learning outcomes
Years 10–20	Maintain floor as wages rise	Growth becomes self-sustaining; aid shifts to fragile states and adaptation

Where serious people disagree

Cash without strings versus work requirements. Evidence shows cash rarely reduces work much. Many people nonetheless believe that tying support to work matters for dignity and for keeping programs politically durable.

Universal basic income versus targeted programs. Universal payments are simpler to run. Targeted programs reduce more poverty per dollar spent.

Minimum wage levels. Economists still disagree about how many jobs are lost at higher thresholds.

Foreign aid’s effectiveness. Skeptics such as William Easterly argue that top-down aid often fails and that only homegrown institutions produce lasting progress. Proponents point to health campaigns that clearly succeeded.

Migration. The economic case for greater migration is large, but there is real disagreement about its social and wage effects in receiving countries.

The plan in context: the United States, September 2026

In America, full employment and housing supply are advancing, while the income floor is moving backward and the cost of necessities is rising.

A good starting point, probably fragile

The 2025 poverty decline was concentrated among families with children and working-age families rather than retirees, which is roughly what a tight labor market produces. That supports the plan's full-employment pillar. (CNBC) But the data look backward. Several experts cautioned that they predate federal policy changes hitting households this year and expect worse figures next September. (Stateline)

The income floor is moving the opposite way

The 2025 reconciliation law (H.R. 1, the "One Big Beautiful Bill Act") is the main event for the U.S. safety net.

SNAP. CBO estimates the law cuts federal SNAP funding by $186 billion through 2034. Work requirements now extend to adults 55 to 64 and to parents whose youngest child is 14 or older. Veterans, homeless people and former foster youth lost their exemptions, and about 600,000 households may see smaller benefits because of changes in how utility costs are counted. (Propel)

Medicaid. Starting January 1, 2027, adults in the expansion group must document 80 hours a month of work, school or volunteering, and they will have to re-verify eligibility every six months instead of once a year. (KFF) CBO estimates the Medicaid work requirement alone cuts federal spending by $325.6 billion over ten years. (Congressional Research Service) A commonly cited estimate is about 10 million more uninsured by 2034 when Medicaid and ACA marketplace changes are combined. (Medicaid timeline)

Where the law overlaps with the plan. It raised the Child Tax Credit to $2,200, though the lowest-income families still cannot receive the full amount. It also created "Trump Accounts," a $1,000 government deposit for babies born from 2025 through 2028. That is a modest, universal version of the baby-bonds idea; it is not targeted at low-wealth families, but it builds infrastructure that could be expanded later.

Reading the debate fairly. Supporters argue that work requirements reinforce employment norms, that the programs had grown too large, and that states should share more of the costs. Evidence from earlier Medicaid work requirements, such as Arkansas in

2018, shows that most coverage losses came from paperwork failures among people who were already working or should have been exempt, not from people refusing to work.

That makes the plan's "fix the plumbing" pillar more urgent. The law tells states to verify compliance using data they already hold "where possible." Whether states build automated checks or rely on paper forms will largely decide how many eligible people lose coverage in 2027. This is the most concrete near-term antipoverty decision in the country, and it is being made at the state level over the next three months.

Housing got its biggest win in decades

The 21st Century ROAD to Housing Act passed the Senate 85 to 5 and the House 358 to 32. It became law on July 11, 2026, without the president's signature. President Trump had withheld it to pressure the Senate on the SAVE America voter-ID bill, and it took effect automatically after ten days. (NPR) The law encourages more housing supply and restricts large institutional investors from buying single-family homes.

Its limits are real. It provides no new money and works mostly through small incentives and regulatory streamlining. (Baker Botts) It encourages states and localities to change zoning but does not require them to. (CNN) It assigns HUD at least 35 new tasks after the department's staff was cut 24% in fiscal 2026. (Urban Institute) The other half of the plan's housing pillar, vouchers for everyone eligible, remains undone.

The war is working against affordability

Gasoline averages nearly $4.50 a gallon, a record for late September, and diesel recently hit a record $6.52. The 10-year Treasury yield has climbed from 3.96% to nearly 5% since the war began, pushing up mortgage rates. (NBC News) On September 16 the Federal Reserve raised rates for the first time since 2023, to a range of 3.75% to 4%, citing elevated inflation. (Federal Reserve) Fed projections put PCE inflation at 3.7% for 2026, with unemployment low at about 4.1%. (Fox Business)

Energy and food inflation hit low-income households hardest, because fuel and groceries take a larger share of their budgets, and a fixed SNAP benefit buys less. The full-employment pillar remains intact, but the cost-of-necessities pillar is being undercut by forces outside domestic policy.

The political window

The November midterms are five weeks away. Housing turned out to be one of the few genuinely bipartisan antipoverty issues. H.R. 1's biggest Medicaid changes take effect just after the election, so the next Congress will decide whether to adjust them. The income floor and the fixes to benefit cliffs and enrollment are where the next real fights will happen.

The plan in context: the world, September 2026

Globally, two shocks, the Iran war and the collapse of foreign aid, are hitting the plan's most important pillars at the same time.

Shock 1: the Iran war

The conflict began on February 28, 2026, with U.S.–Israeli strikes on Iran. The International Energy Agency has called the resulting disruption the largest supply shock in the history of the oil market. Brent crude eased to about $71 in July after a March peak above $118. (Wikipedia: Economic impact) Renewed attacks on shipping and energy infrastructure then pushed it back up to around $109 in early September. (Wikipedia: Fuel crisis) The Philippines became the first country to declare a national energy emergency. (Wikipedia: Philippine crisis)

For the global poor, fuel is only part of the damage. The Persian Gulf is a major fertilizer exporter, and fertilizer prices feed into food prices and into the next season's farm yields. The plan names farm productivity as the single most important growth lever, and that lever just became more expensive. One analysis estimates that sustained high energy costs could push another 15 to 30 million people in sub-Saharan Africa into extreme poverty by 2027. (Statistics of the World)

Shock 2: the collapse of aid

Aid from OECD donor countries fell 23.1% in 2025, the largest annual drop ever recorded. The United States drove about three-quarters of the decline, with its aid falling 56.9%, and Germany, the United Kingdom, France and Japan also cut. (OECD)

The OECD projects a further 6.9% decline in 2026, a third straight year of cuts that would bring aid to its lowest level since 2014. Bilateral aid to sub-Saharan Africa and the least developed countries is projected to fall another 11 to 12%. Aid to fragile states is projected to fall 34% over two years. By sector, health (down 29 to 46% from 2024) and humanitarian aid (down about 40%) take the deepest cuts. (OECD projections)

This is almost exactly the wrong pattern relative to the evidence. The plan's highest-value investments are malaria control, vaccines, maternal health and nutrition, delivered where poverty is concentrated. Those are the categories being cut hardest, in the regions that most need them.

Supporters of the cuts argue that aid has often failed to produce growth, that it can prop up bad governments, and that rich countries should prioritize domestic needs or aid with "mutual benefits." (ECDPM) Some of these critiques, especially of top-down projects, have real evidence behind them. They are much weaker when applied to health and cash programs, which have among the best track records in development economics.

Rich-country policy is broadly reversing

- **Aid** is down sharply, as described above.
- **Trade:** U.S. tariffs have raised barriers rather than lowering them, including for some poor exporters.
- **Migration:** legal pathways into the United States have narrowed considerably, and European politics have moved in a similar direction. The most powerful antipoverty lever is currently the least available.
- **Debt:** higher global interest rates, reinforced by the Fed's hike, make debt service harder for poor countries at the moment aid is shrinking.

What still works

Doing more with less. With budgets shrinking, cost-effectiveness matters more. Cash transfers, graduation programs, bed nets and seasonal malaria medicine deliver unusually large results per dollar. Donors that remain, including the Nordic countries, and Gulf states that have increased aid can concentrate there.

Domestic resources. India, Indonesia and Brazil have built large national cash-transfer systems on digital ID and mobile payments. Poorer governments can copy that model with far less outside money.

Energy transition as resilience. This year showed how exposed oil importers are. Off-grid solar and domestic renewables in Africa and South Asia now serve both as poverty policy and as protection against the next oil shock.

Conclusion

The plan still holds, but for 2026–27 the priorities shift toward protecting what works rather than expanding it.

Plan pillar	Direction in September 2026
U.S. full employment	Holding (unemployment about 4.1%), but the Fed is tightening
U.S. income floor	Moving backward (SNAP and Medicaid cuts phasing in)
U.S. housing supply	Real progress (ROAD Act), with no funding attached
U.S. cost of necessities	Worsening (energy-driven inflation)
Global growth	Hit by the oil and fertilizer shock

Plan pillar	Direction in September 2026
Global health and cash	Cut hardest by aid declines
Rich-country policy (aid, trade, migration)	Largely reversing

In the United States, ending poverty is mostly a policy choice that would cost roughly 1% of GDP. Globally, it requires growth, direct transfers, health spending and, hardest of all, peace and governance in fragile states. That last piece is why ending poverty is realistically a 20- to 30-year project rather than a single program.

Two moves carry the most leverage right now. In the United States, states should implement the 2027 Medicaid and SNAP rules with automated verification, so eligible people do not lose coverage over paperwork. Globally, the most cost-effective health and cash programs should be protected while budgets shrink. Neither requires settling the larger ideological debates, which is why both are worth doing first.

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