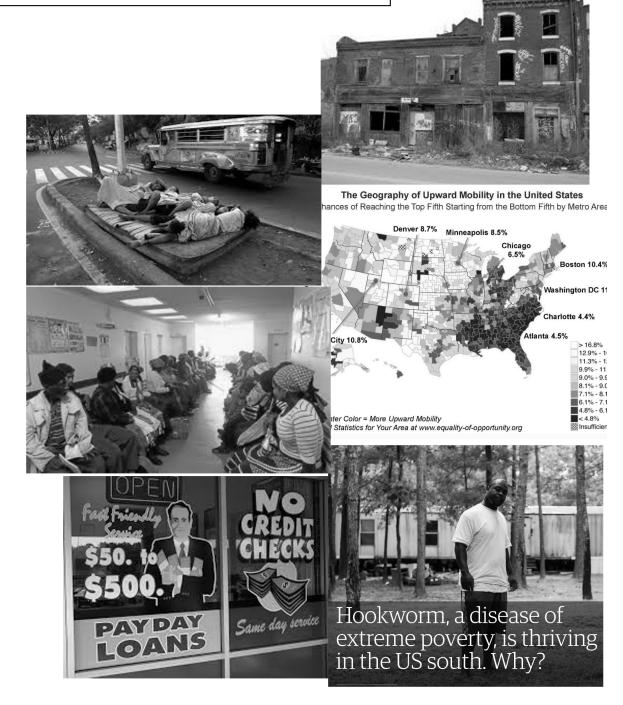
### The Ironies of Poverty Contexts

Or: What should welfare policy learn from behavioural economics?

- Poverty contexts are especially difficult
  - less slack, no access, more temptations, no information, costly mistakes
- People (policy makers) don't get it
  - under-appreciate the power of context
- Instead of appreciation the poor are disrespected
  - Both "fast" and "slow".
- Instead of ("standard") help the poor are sabotaged
  - intentionally and unintentionally...
- All this doesn't feel urgent, or to matter so much
  - The poor are perceived as "thick skinned"
- Better behavioral insight would lead to more empathic & intelligent policy

The context of poverty is overwhelmingly difficult!!

(No) Money Housing **Transportation** Banking Crime (No) Money Noise Discrimination Distrust **Disrespect** (No) Money Policing / The Law **Schools** Food Fear Health (No) Money Concentrated poverty etc...



Consider a birdcage. If you look very closely at just one wire in the cage, you cannot see the other wires. If your conception of what is before you is determined by this myopic focus, you could look at that one wire, up and down the length of it, and be unable to see why a bird would not just fly around the wire any time it wanted to go somewhere.



Frye, The Politics of Reality (1983)

### (Very!) Limited Bandwidth



(Hyman et al., 2010)

(Cheek, Wu, & Shafir, 2019)



(Strayer et al., Human Factors, 2006)



(Bronzaft & McCarthy, 1975; Bronzaft, 1981)

# COGNITIVE CONTROL Besty (cheap) Hard (Expensive) Rich Poor Shafir, & Zhao, Science, 2013

### Social Identity / identity threat



(Steele, 1997; Hall et al. 2014; Shih et al., 1999; *Ambady et al., 2001;* Emerson & Murphy, 2014)

Processing load	% choose cake
Low (remember only 2 digits)	41%
High (remember 7 digits)	63%

(Shiv and Fedorikhin, 1999)

### We under-appreciate the power of context

General Patton (responsible for handling the liberated European camps), thought the prisoners had "no sense of human relationships," and live in filth like "lazy locusts." Marveled "that beings alleged to be made in the form of God can look the way they do or act the way they act."





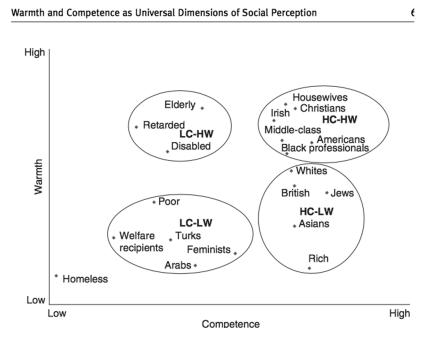
"They know us as thieving and untrustworthy, muddy, ragged, and starving, and, mistaking the effect for the cause, they judge us as worthy of our abasement." (Primo Levi, *If This Is a Man*)

### Instead of appreciation – the poor are disrespected

The poor (along with the homeless and welfare recipients) are stereotyped as low on competence (and several other traits...)

(Fiske et al.)

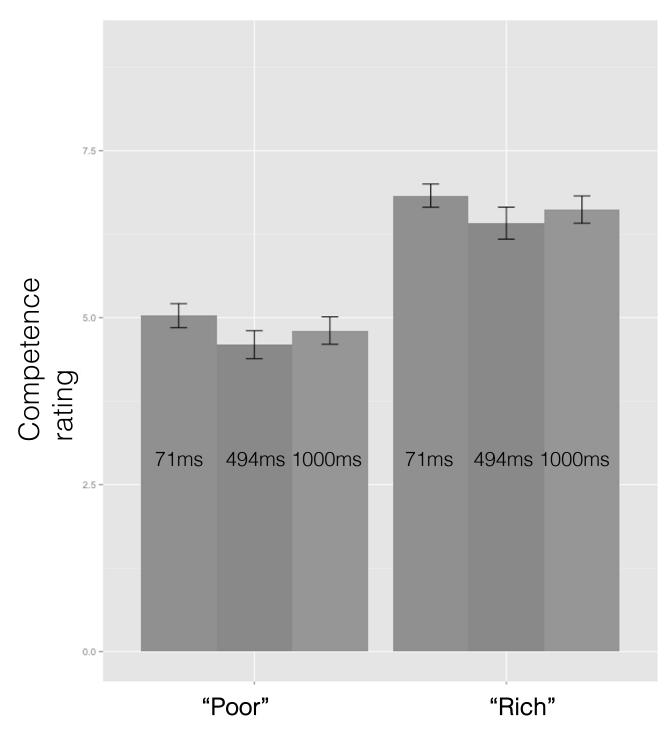
- both "fast" and "slow"...





How competent is this person?





### Instead of ("standard") help, the poor are sabotaged

Predatory & punitive banking

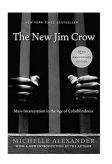
Lack of access to health care

Monetary fines (& incarceration when can't pay)

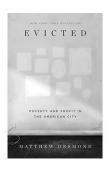
**Evictions** 

Etc.

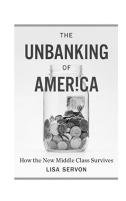
Plus: An interesting mix of prejudice along with theoretically misguided "intentional" hassles













### SES-Based Disparities

Low SES individuals receive less mental health treatment

Low SES defendants receive harsher sentences

Low SES individuals are treated more rudely in customer service contexts

Broad interpersonal and institutional neglect etc.

### The Thick Skin Bias in Judgments About People in Poverty

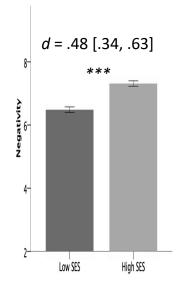
People perceive low-SES individuals as less distressed by negative events across a variety of life domains; Poverty seen as "toughening"

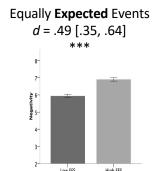
U.S. nationally representative sample (N = 771) (Understanding America Study)

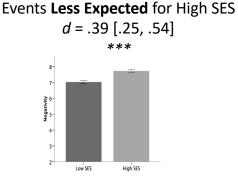


- Low SES individual: "financially unstable"
- High SES individual: "financially stable"









Treated rudely by friend's partner Almost hit by speeding car Kept awake at night by noise Ignored at city council meeting Tap water needs to be filtered Apartment is flooded

. . .

(Cheek & Shafir, 2020)

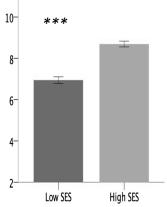
### Replications

### Race (on Mturk)

6-

4-

# White Target n = 214 d = 1.13 [.82, 1.43]

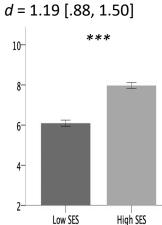


**Latinx Target** 

n = 210

Black Target n = 209 d = 1.15 [.83, 1.47]\*\*\*

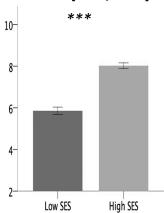




Asian Target n = 222 d = 1.35 [1.02, 1.68]

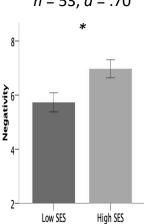
High SES

Low SES

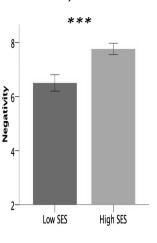


### **Professional Samples**

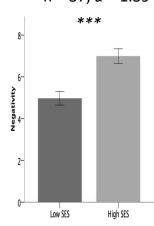
Teachers n = 53, d = .70



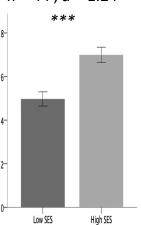
Social Workers n = 58, d = .89



Psy.D. Students n = 37, d = 1.39



Chefs n = 44, d = 1.24



### Could do things differently...

Homeless patients in emergency departments...

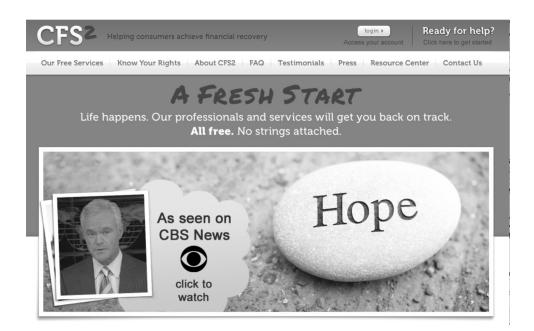


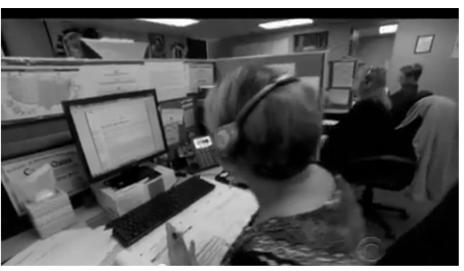


Frequent visits & high dissatisfaction

Common concern: If experience quality is high, will return for wrong reasons Actually: They have disturbing problems; will stop coming if satisfied...

# of subsequent visits: ~1/3 lower for Compassionate rather than Conventional care (~2.5 visits / patient / year; p. < .02)





### One Of The World's Most Hated Groups Found Her, Took Her Money, And Left Her In Tears (Of Happiness)



### **Harvard Business School**

**9-299-023** Rev. May 14, 1999

## Commercial Financial Services, Inc.: Securitization of Charged-off Credit Card Receivables

Our goal is to become the leading consumer loan resolution company for the entire globe.

—Bill Bartmann, Commercial Financial Services, Inc. Founder, Chairman, and CEO



"The true measure of any society can be found in how it treats its most vulnerable members."

Mahatma Gandhi

"I am, somehow, less interested in the weight and convolutions of Einstein's brain than in the near certainty that people of equal talent have lived and died in cotton fields and sweatshops."

Stephen Jay Gould, The Panda's Thumb

Thank you!