

Topic Proposal

Boyang Li

Governmental impacts on U.S. poverty: A regression analysis of time series on US poverty records since 1950s

Proponents of free market theory always believe that market mechanism itself is able to ensure efficient allocation of resources, and they naturally distrust any type of governmental regulation. However, historical experiences appear to tell us that various government interventions on economy were always preferred options by most countries' government to help them through the crisis. Therefore, it is necessary for us to ask that, under certain external environmental conditions, what kinds of government interventions on economy are relatively more positive to economy and what are not.

In this project, we will take America as an observation and try to summarize those actions taken by US government regarding economy during the time of economic downturn in the past five decades, then, if possible, try to evaluate the effects of these governmental regulations. Since this project can be consider as a generalization of historical development, in order to analyze more coherently, we will divide the time of past 100 years into several separate periods based on the time when economic crisis happened. In addition, to make the evaluating result more convincing, setting up a reasonable evaluation criterion for assessing is also necessary. Then, we can record what happened on economic situations before and after these measures were implemented based on our criterions and make our conclusions.

If we are able to understand the past experience correctly, we will also be able to provide more credible possible solutions to current poverty issues because many evidence suggested that poverty rates are always changed with the fluctuations of outside economic environment. Also, many governmental economic interventions, such as tax policies, welfare policies, will have significant impacts on poverty groups. Understand economic background well is good for us to re-consider our anti-poverty policies wisely.