

## **Finance Group #1 Capstone Project**

### **Executive Summary**

We researched factors that contribute to poverty across the United States to predict levels of poverty by state. We explored the national U.S. poverty level between 1995 and 2020 to see how inflation, federal government spending, and political parties in the House, Senate, and Executive office can affect poverty. We then narrowed our focus to state-level for the same time period, investigating whether the following factors affected state poverty rates:

- Population size
- Racial breakdown
- Attainment of high school diploma rate
- Attainment of Bachelor's degree rate
- Drug overdose rate
- Violent crime rate
- Property crime rate
- Unemployment rate
- Party control of state government
- State lottery revenue
- State alcohol revenue
- State tobacco revenue
- State debt
- State property tax
- State spending on education
- State spending on social services

Based on our findings, we hope to provide recommendations to government officials that can inform improved future policies to reduce poverty rates across the U.S.

Here is a list of our data exploration questions:

### **Federal Level**

1. How has the nationwide U.S. poverty level changed between 1995-2020?
2. Is there a relationship between the U.S. poverty level and: party control of government (House, Senate, President separate variables), inflation, or federal spending on social services?

### **State Level**

3. What factors influence poverty rates on a state-level?
4. Are we able to predict poverty levels based on the factors from Question 3?
5. Is state tobacco or alcohol revenue related to state poverty levels?
6. Are state poverty levels and state education spending related?
7. Are state poverty levels and state social services spending related?