



**Institute for
Research on
Poverty**

Volume 4
Number 1
Fall 1979

Focus

Work and welfare: new directions for reform	1
Child support: the evaded obligation	5
Class structure and income determination	9
Community treatment of the mentally ill: The Mendota experiment	12
Forthcoming Institute books	15

ISSN: 0195-5705

Work and welfare: new directions for reform

In the history of social welfare programs, rhetoric about the virtue and the necessity of work has been a commonplace. Four hundred years ago, the earliest poor laws recommended whipping for “sturdy beggars”—a direct and brutal approach to the interwoven problems of work, poverty, and welfare that is hardly likely to commend itself today. It didn’t work, anyway. But have contemporary efforts to disentangle the real interrelationships among these three issues brought the United States any nearer a successful social policy? After the ten years of intense, if unfocused effort that is generally described as the “war on poverty,” the cry for reform of welfare programs is as loud and as persistent as it has ever been.

Recent research at the Institute has sought to probe the realities behind the loud expressions of public discontent, and to see how the current income transfer system in the United States actually works. But it has gone beyond, to suggest new and far-reaching solutions to very persistent problems, and these solutions are directly related to the crucial issue of work. In this article, we shall, briefly, report some conclusions about the current system, and then

examine two proposed solutions, one of them a more general, national proposal, the other a specific, phased program for reform within the boundaries of one state.

Why reform the system?

From the beginning of the war on poverty, the federal government moved along several paths. On the one hand, it wished to ensure an adequate income for all families, to provide for those who could not provide for themselves, and to curtail what was described as a “vicious circle” of poverty, concentrated within particular ethnic groups and regions. On the other hand, it sought to provide education, training, and in some measure, jobs, for those who could currently work or were potential workers—above all, children and young people.

Thus, Head Start, Job Corps, and other employment and training programs for the young were implemented; Medicaid, Medicare, and Supplemental Security Income

were set up to meet the needs of the elderly and those needing public support. Already existing programs were vastly expanded: Social Security, Disability and Unemployment Insurance, Food Stamps. By 1977, government spending for income support purposes exceeded \$200 billion, and about 45 percent of all households (80 percent of all poor households) were receiving support, in cash or in kind, from one or some combination of over 40 social welfare programs. Two-thirds of this expenditure—\$134 billion in 1977—is in the form of social insurance—old age, survivors' and disability pensions, unemployment insurance, and Medicare. Benefits under these programs have grown since 1972 substantially faster than has median family income. The remainder consists of income-tested payments—"welfare."

If one uses the government's official statistics, the incidence of poverty has declined from about 22 percent of the population in 1959 to about 12 percent today. If one adds the value of in-kind transfers to the cash incomes that the government uses to measure poverty, the incidence declines at most to about 6 percent. Moreover, the great bulk of income-tested welfare payments (over 80 percent) and nearly half of all social insurance payments are received by those who have market incomes that are less than the officially established poverty lines.

FOCUS is a Newsletter put out three times a year by the

Institute for Research on Poverty
3412 Social Science Building
University of Wisconsin
Madison, Wisconsin 53706

Written by Jan Blakeslee.

Edited by Jan Blakeslee and Katharine Mochon.

The purpose of FOCUS is to acquaint a wide audience with the work of the Institute for Research on Poverty, by means of short essays on selected pieces of research.

The material in any one issue is, of course, just a small sample of what is being done at the Institute. It is our hope that these summaries will whet the appetite of the reader to learn more about the research itself, and more about other research on poverty—an area of vital social concern—by Institute staff.

The views expressed are those of individual members of the Institute; they do not represent the position of the Institute for Research on Poverty, the University of Wisconsin, the Department of Health, Education, and Welfare, or other funding agencies.

Copyright © 1979 by the Regents of the University of Wisconsin System on behalf of the Institute for Research on Poverty. All rights reserved.

At first glance these figures would seem to be cause for congratulation: if poverty has not surrendered, is it not in retreat? Moreover, the social insurance payments that bulk so large are not very controversial; they are considered to have been "earned" by recipients, and in the case of old age pensions, "paid for" by a lifetime of work and payroll contributions. The remaining welfare payments, about \$50 billion, are relatively small when compared with government expenditures on defense and education. Institute researchers Robert Plotnick and Tim Smeeding argue that unless eligibility is widened or participation increases adjusted, the poverty count will "bottom out" at around 7 percent.

This record represents, it would seem, a considerable social achievement. Why then the persistent demands for change? What are the criticisms most frequently voiced?

The kinds of complaints that are most often voiced are somewhat contradictory. They can be very simply stated.

1. The system costs too much.
2. It doesn't do enough.
3. It rewards people who don't want to work and discourages those who do.

How much substance is there to these charges? Institute researchers have provided some answers.

The system costs too much

Many of the past increases in the costs of the system were, of course, deliberate—the result of legislative decisions to improve the status of particular groups and to fund certain programs more generously. Social Security benefits, for instance, expanded 189 percent between 1965 and 1977. The era of such large across-the-board increases is probably over, but it is clear that costs must continue to rise, for both social insurance and welfare programs.

First, wages have continued to rise, and both the amount of contributions to Social Security and the ceiling on those contributions have also risen. Since the rules that determine Social Security benefits emphasize contributions in the years nearest retirement, payments to newly retired persons and their survivors will continue to grow in real terms.

Second, groups with higher than average incidences of poverty—households headed by the young, the old, and by single women—are growing as a percentage of all households. Thus the transfer system will continue to grow merely to maintain its present level of support for all eligible citizens.

Finally, even those who are, in general, optimistic about the abilities of income transfers to control poverty acknowledge that the effectiveness of the present mix of transfer programs may have reached its zenith. If the remaining problems of poverty, they argue, are to be solved through improving performance of the income transfer system in these areas, it can be done only at very high cost to taxpayers who are themselves now faced with stable or declining real incomes, and are clearly uneasy about the mounting tax burdens of government in general.

The system doesn't do enough

The relatively optimistic statistics demonstrating current low levels of poverty do not go unchallenged by some liberal social critics and policy makers. They argue that one must consider, not absolute income levels, but relative income inequality. Then, despite the growth in the system, the share of total income received by the bottom 20 percent of households has not changed significantly in 30 years. Some demographic groups have clearly fared much better than others. The status of the elderly has been very much improved; constituting roughly 20 percent of all households, they reap 50 percent of all transfers. But two-parent nonaged households with low incomes receive little help from the system; over one-third of families headed by women remain in poverty, and progress for them has been very slow.

When we look at the other front of the war on poverty as the Census measures it, the attempt to educate and train the young, to bring into the labor force those who would experience, absent government help, persistent unemployment, the record is, at best, doubtful. It is harder, of course, to measure success here. The effect of Head Start in improving school performance remains controversial, and recent studies of the Job Corps have found that participants have made only small earnings gains, on the average, although they appear to be less likely to engage in criminal activity.

It is clearly very difficult to deal effectively with persistent unemployment or with poverty through "human capital" or training programs directed at the supply side of the labor market. Certain structural characteristics of that market—labor union power and exclusionary practices, minimum wage legislation that induces employers to substitute capital investment for labor restricted entry to certain occupations, impediments to spatial and occupational mobility, and racial discrimination—are increasingly seen as major contributors to continued high unemployment among the young and minorities.

Among populations that were the target of particular government programs, the rate of unemployment remains appallingly high—it stands at nearly 30 percent for black teenagers, with attendant risks that lifelong patterns of poverty and work avoidance are being established. Train-

ing or public jobs programs that lead to no permanent employment may, furthermore, meet with unanticipated and quite undesirable responses. For example, Institute researcher Irving Piliavin has found some evidence that young people who have been in short-term training or jobs programs are more likely to turn to crime when the program ends, as a way of maintaining the improved lifestyle that the regular income offered them.

The system discourages people from working

Here we return to the issue with which this discussion began—the difficulty of establishing a workable, socially acceptable balance between the individual's perceived obligation to work, and the government's perceived obligation to ensure social justice.

The last decade has seen a variety of studies evaluating the precise economic impacts of transfer programs on the labor market. Transfer benefits can, and generally do, induce some recipients to work less than they might otherwise. They cause others to leave the labor market entirely, though for different reasons: the elderly, because they are assured of a decent living without continuing to work; those marginally employed, like many female family heads, because their earned income provides no higher a standard of living and security than they can achieve through cash and in-kind transfers, coupled with access to such services as Medicaid.

How serious is this problem? Robert Lampman of the Institute for Research on Poverty has estimated that the reduction in labor supply may be about 7 percent of total hours worked or less, allowing for the fact that this reduction is concentrated among groups with relatively low productivity. Different groups and programs show differ-

A Subject Guide to Institute publications

The Institute has compiled a *Subject Guide* to Institute publications—Discussion papers, Reprints, Special Reports, books, and *Focus* articles. The guide is designed to provide a quick reference to areas of particular concern to students, researchers, and anyone interested in poverty-related issues. For example, subject categories include: economic status and inequality, social welfare policy, children and youth, and blacks and minorities.

If you are already on the *Focus* mailing list you will receive a free copy automatically. For others interested in receiving a copy, the guide is available on request from the Institute for Research on Poverty, 3412 Social Science Building, University of Wisconsin, Madison, WI 53706.

ent effects. The impact is probably highest among the aged, whose rate of participation in the labor force dropped from 46 percent to 20 percent between 1950 and 1978.¹

The statistics on labor supplied by the elderly throw some light on one of the most loudly expressed criticisms of the welfare system—that it supports the undeserving at the expense of the workers. For even those most harsh in their condemnation of “welfare bums” regard the diminished necessity for work among the elderly as relatively benign, and it is the elderly who receive the largest share of transfers. Why, then, does the system draw such moral opprobrium?

It is customary to refer to the “work ethic” in explaining public hostility to welfare and welfare recipients. A belief in the positive virtue of work—in making it through one’s own efforts—is assumed to be integral to the American ethos. Those who fail, in the land of opportunity, fail because of laziness or moral flaws. There is clearly good evidence for this belief: people feel that those who *can* work, ought to work. Forty years ago it was believed that mothers with children still at home should not work; today, when the majority of such mothers do, a work requirement for AFDC mothers has been instituted. But the evidence of widespread alienation from work under modern factory and corporate conditions—of a corrosive bitterness among those too young to remember the Depression, and be grateful for any job—suggests that there may well be as much envy as there is moral outrage.

Institute Special Report

SR 24 *Targeted Employment Subsidies: Issues of Structure and Design* by John Bishop and Robert Haveman

This report prepared for the National Commission for Manpower Policy explores the wide variety of targeted employment subsidy programs and their various objectives. The programs can vary in terms of employees covered, the characteristics of the employment subsidized, the mode of subsidy payment, the types of employers eligible for the subsidy, and levels of employment or employment changes on which the subsidies will be paid. Variations in each of these components will influence how any program will affect the performance of the economy—and affect the objectives for which the program was designed. The core of the report discusses these interactions. In the final sections the authors describe and evaluate the Target Jobs Credit program and make recommendations for the future evolution of this program and the New Jobs Tax Credit programs.

Even the welfare system’s natural political constituency—those whom it is intended to help—are unhappy with it. Welfare recipients may or may not feel humiliated, in themselves, by their need, but they must continually fight to maintain their self-respect against the hostility of others, and their fight is rendered more difficult by delivery systems that may seem deliberately punitive.

Welfare makes you feel like nothing . . . But you must understand, mothers, too, work . . . I’m home, and I’m working . . . I’m a working mother . . . Why can’t a woman just get a check in the mail: Here: this check is for you. Forget welfare. You’re a mother who works. (Studs Terkel, *Working*, p. 303.)

It is no surprise that a system that generates such universal dissatisfaction is considered ripe for change. When this will happen is moot. The failure of the last three administrations to pass a comprehensive welfare reform package strongly suggests that *when* is dependent upon *how*, and maybe upon *how much*, and that the answers are not simple. Merely continuing to expand the current system seems likely to be neither effective nor politically feasible.

How should it change? This is a question to which some new and promising answers are emerging.

What are the alternatives?

A comprehensive description—even a fairly complete listing—of the many different welfare reform proposals over the last ten years is well outside the scope of a brief article. Clearly, any proposal that does not effectively address the central issue of work must be considered inadequate.

Institute researchers Sheldon Danziger, Irwin Garfinkel, and Robert Haveman have recently laid out one proposal, encompassing reforms in the entire tax and transfer system, that embodies some of the newest and most promising approaches to the provision of jobs for low-skilled workers.

To consolidate and simplify the existing system, and to increase the rewards of working for those who are able to get jobs, they propose:

- (1) Replacing the current income tax and Food Stamp program with a credit income tax (CIT) with a modest income guarantee of about \$600 per person.²
- (2) Supplementing the basic CIT credit for the aged, blind and disabled to bring their incomes up to the level

(continued on page 18)

Child support: the evaded obligation

By E. Uhr

One of the few topics on which social scientists, government policy makers, and the general public are in agreement is that the system of child support currently in operation in the United States is in need of drastic reform. This system for providing support for children in one-parent families does not do what it was intended to do: namely furnish a reasonable standard of living for children in a household headed by a single parent. And it does do a number of things that were not the intent of those who framed it, such as encourage the dissolution of families, aid and abet those who wish to evade economic responsibility for their children, discourage single custodial parents (in more than nine cases out of ten, women) from seeking employment, and enforce the collection of child support more stringently for those least able to pay.

Currently child support is provided through two separate mechanisms: the responsibility rests with the judiciary for establishing amounts of child support—and seeing that it is paid—in cases of divorce and legal separation; and the federal government, through its program of Aid to Families with Dependent Children (AFDC, a part of “welfare”), supplies subsistence to one-parent families whose incomes are below a minimum level. AFDC is financed by both the federal government and the states, who administer it. Therefore regulations, payments, and the treatment of individuals differ from state to state and even from community to community, with resulting inequities.

As data trickles in from empirical studies of children in households that have but one parent, it becomes apparent how shockingly inadequate the current system is. According to one estimate, approximately 40 percent of all divorced, separated, and single women have never received financial assistance from the fathers of their children. In 1965 32 percent of all poor families were headed by women. In 1972 the percentage had risen to 47.7. Child support payments were in the neighborhood of \$2000 a year per family in 1973. This amount went to support several children and supplied about half of the family’s most basic needs. In 1974 families headed by women with children had an average income of \$7000. All the figures tell the same story—that one-parent families, and the children in them, tend to be poor. A large number of them receive welfare.

Furthermore, the problem isn’t going away; just the opposite. The number of children living with a single parent is increasing for several reasons: more mothers are heading their own households who in former times would have

lived as a part of someone else’s household; an increasing proportion of the population are separated, divorced, or widowed; and illegitimacy continues to increase.

The role of AFDC

When the government program of child support started in 1935, as part of the original Social Security package, it was thought to be an interim program to support families (usually headed by widows) who would in the future be taken care of by one of the various forms of social insurance, such as Old Age and Survivors’ Insurance. Instead it has continually expanded in both cost and coverage in attempting to balance the conflicting goals of supplying adequate living standards to the needy while encouraging all who can to become self-sufficient. In the forties it was broadened to include illegitimate children, and more and more of the coverage went to the children of fathers who were not dead, but had—for one reason or another—cast off responsibility for supporting their children. (In 1960, 36 percent of children in families headed by women had no living father. In 1977 this percentage had dropped to 26.) It may be that the law itself added to the trend, that some fathers left home because—being without jobs—the only step they could take to ensure that their families were provided for was to turn those families into single-parent households, thereby making them eligible for welfare.

As deficiencies in the law became obvious, patchwork corrections were carried out. In 1961 the federal government created an AFDC-UF program, enabling families with unemployed fathers to receive AFDC in participating states. This program never received widespread acceptance (it is now operative in only 27 states), through fears that it would encourage idleness.

With the intent to eliminate idleness, Congress enacted the WIN (work incentive) program in 1967. WIN represented a changing philosophy toward women: that mothers—even those with very young children—should be encouraged to contribute to the support of their families. WIN was designed to provide training and jobs for mothers on AFDC and to arrange for them to have access to subsidized daycare centers. It further stipulated that welfare recipients would be allowed to keep a percentage of the money they earned (the “thirty plus a third rule,”

whereby employed women on welfare could retain the first \$30 they earned plus 1/3 of their additional earnings without losing any AFDC benefits). The purpose of this cut in the "benefit reduction rate" was to provide financial incentives for custodial mothers to work. However, WIN did not prove very successful in freeing mothers from dependence on welfare because there were seldom good-paying jobs at the end of the program and the women frequently had to drop out of the training in order to care for their children. In many instances, women, even when they worked, could not afford to go off AFDC. For, despite the reduced benefit reduction rate and despite deductions for work-related expenses, average AFDC benefits were still reduced by 40¢ for each dollar earned, and the value of earning another dollar was further reduced by cutbacks in food stamps, increased rent if they lived in public housing, and in some cases the loss of Medicaid—an all-important benefit for mothers of young children. So sometimes the effective tax rate on the earned income of women on AFDC was over 80 percent and it could mount to over 100 percent.

In any case the number of people receiving AFDC was not much affected by WIN. AFDC has grown steadily, from 943,000 in December of 1945 to 6,086,000 in December of 1968 to 10,325,333 in December of 1978. And as costs mounted, public displeasure also mounted, for it seemed unfair that the taxpayers should be expected to support other people's children. Even as early as 1950, the pursuit of the feckless fathers was on.

The Part D Amendment to Title IV of the Social Security Act of 1950 was the government's first attempt to collect child support from the absent parents whose families were

Selected papers

Larry Bumpass and Ronald Rindfuss, "Children's Experience of Marital Disruption." Institute for Research on Poverty Discussion Paper no. 512-78.

Maurice MacDonald, "Collecting Child Support for AFDC Mothers: An Empirical Analysis." Institute for Research on Poverty Discussion Paper no. 564-79.

Harold Watts, George Jakubson, and Felicity Skidmore, "Single-parent Households under Alternative Transfer and Tax Systems: Detailed Simulations and Policy Conclusions." Institute for Research on Poverty Discussion Paper no. 549-79.

Wendy Wolf and Maurice MacDonald, "The Earnings of Males and Marital Disruption." Institute for Research on Poverty Discussion Paper no. 504-78.

maintained by AFDC. This act required states—as a condition for receiving federal funds for welfare—to notify the law enforcement officials in all cases when a woman applied for ADC (it was Aid to Dependent Children then) and to "require" the woman to take legal action against the father of her children. (However, refusal to cooperate would not affect a woman's eligibility for welfare.) To make enforcement simpler, all states passed laws permitting absent parents to be sued for support without the suing parent having to go to the absent parent's state. This legislation was called URESA—the Uniform Reciprocal Enforcement of Support Act.

The pursuit of fathers gained momentum in 1967 with federal legislation authorizing state welfare agencies to set up units to establish paternity in cases of illegitimate children and attempt to secure support for the children from these fathers (no insignificant number; among women receiving AFDC in 1973, 31.5 percent had never been married, and this percentage rose to 33.78 in 1977).

The most recent federal legislation on child support, P.L. 93-647, was passed by Congress in 1975. This law, while broadening the scope of AFDC, set up an elaborate structure to require absent fathers to pay child support. A centralized Office of Child Support Enforcement (OCSE) was created at the Department of Health, Education, and Welfare (HEW) to synchronize all efforts toward collection. States were to be provided with technical assistance in setting up effective systems for collecting child support and establishing paternity. Courts were given authority to garnish the salaries of federal employees in arrears (this sizable group had previously been exempt). The IRS was made available to be used as a last resort to extricate payments from recalcitrant fathers of children receiving AFDC. Financial incentives were provided for state and local governments to participate in the hunt: The enforcement agencies now receive a portion of the amount they collect. States are reimbursed for many of the administrative costs of locating and collecting from the absent fathers, and the recovered money is used to reimburse both the states and the federal government for their AFDC outlay to support families made destitute by the defection of a parent. Finally a Parent Locator Service was established in HEW. This service has access to federal data files (such as those kept by the Social Security Administration, the IRS, and the Department of Defense) to provide state authorities with the whereabouts and means of delinquent fathers.

OCSE has its work cut out for it. In 1975, when it was set up, 89 percent of AFDC recipients either had no child support award or didn't receive any payments from the award they had.

The services of this agency are available—for a fee in some states—to women who are not on AFDC, who previ-

ously had no help outside of the courts to collect the child support due. In fiscal year 1978 these services helped 478,000 families who were receiving welfare and 500,000 who were not.

The role of the courts

The judicial system has done no better than the state in enforcing the principle that both parents have responsibility for the economic well-being of their children. In order for a court to award child support, there has to be a legal proceeding: a divorce or a legal separation. Many women, because their husbands have deserted, or their children are illegitimate, or they do not have the funds to embark on this expensive course of action, do not go to court. (Until the advent of the Office of Child Support Enforcement, the government would pay the legal fees for women on AFDC, in hopes of recouping some of its welfare outlay from the father, but the woman not on AFDC was on her own.) Those who do go to court often obtain child support awards that are very low. In fact, one statistic says it all: In a given year, only about 3 percent of all families headed by women who are eligible for court-ordered support payments receive enough in child support or alimony alone to put them above the poverty level for a family of their size and composition.

A number of explanations have been offered of why child support amounts set by the court are so meager. It has been suggested that courts and district attorneys are not sympathetic to the concept of a father having to support his children after the marriage has ended. Some judges may feel that the taxpayers are better able to support many children than are their fathers. Others may feel that low amounts are more likely to be paid. In any event, there are no realistic standards that judges can use in making their awards. It is known that they take a number of factors into account: not just the present income and liabilities of the husband and wife, and their joint property, but their health, their standards of living, their earning ability, the number of children they have, the duration of the marriage, the sacrifices made by the individual partners in the marriage, the pleasure or lack of it gotten from the marriage. The final award is the result of a juggling act in which the needs of the children seem to play a very small part.

But the niggardliness of the awards is almost irrelevant, since they are paid erratically, in part, or not at all. In one study in Wisconsin it was found that whereas in the first year after the court orders, 58 percent of the fathers paid something (though one-third of them paid less than the full amount), by the tenth year 79 percent of those required to make payments were making none at all. In another study it was found that of the 44 percent of divorced and separated mothers who have support awards, only 45 percent of these receive payments regularly and 16 percent never receive anything.

In order to collect her child support, the custodial parent must take the initiative, usually by bringing a civil contempt charge against the nonpaying parent. She must prove that he "willfully failed or refused to make the payments ordered by the decree." If she succeeds he may pay, or he may refuse and go to jail. But if he claims that he can't pay because he hasn't the money (having spent it on something else), he is in the clear. The mother can get a judgment for a sum of money, which puts her in the position of being a creditor, with the various avenues open to her that are open to all creditors, such as garnishment of wages and seizure of property. But all of these legal procedures take time and money, and cannot be begun until the father is delinquent in his payments. If the father wants to avoid payment, he can move frequently, so that each time a payment is late he has to be located again before it can be collected. It is like a war that must be fought over and over every time the absent parent is in arrears, a war that can last throughout the minority of the children, causing the caretaking parent to expend her (usually limited) financial and emotional resources, and doing little to strengthen the bonds of affection between the absent parent and his children. No wonder then that many women simply give up the struggle, doing what they can to support their children at a reduced standard of living.

But even the option of giving up isn't open to the poor on AFDC. One of the injustices of the child support situation is that a woman on welfare now must cooperate with authorities in the continuous struggle to get child support from a defaulting father or lose some of her benefits. Because the government has the means to be persistent, fathers with small incomes are more likely to be pursued to pay the child support they owe than are fathers for whom the burden would not be so onerous. It is an additional irony (though perhaps unavoidable) that support payments are highly regressive: the poor pay a much greater percentage of their incomes than do the prosperous. And they must submit to paternity tests, prying, and questions of the sort that make "being on welfare" such a humiliating and destructive experience.

The ability to pay

Despite the fact that most people agree that parents have an obligation to support their children, it has been assumed that most absent fathers do not have the wherewithal to pay child support, that "you can't get blood from a stone." But a study by Judith Cassetty of one small sample revealed that the overwhelming majority of absent spouses (86 percent) were better off than their former wives and children, and even for many of the officially poor mothers in the sample, enough money was available to raise them above the poverty level without causing the

fathers either to fall below the poverty line or to reduce their income below that of their families. It appears that only a tiny minority of absent fathers are unable to contribute anything toward the support of their children, and most contributions can be much, much larger than has been believed possible. According to Cassetty, "there appears to be an enormous untapped source of funds that could be used to improve the economic status of children in female-headed households."¹

Obviously ability to pay depends to a large extent upon enforcement procedures. If the IRS were to collect taxes only from those people who had money left over after meeting other obligations, few taxes would be paid.

Improving the system

In a study of the process of support collection currently in use for AFDC mothers, Maurice MacDonald found that where collection services were used, they were effective in locating absent fathers, establishing paternity, and arranging voluntary child support agreements. However, he found that these services were used in fewer than half of the AFDC cases in 1975. He also discovered that voluntary child support agreements were much more likely to be met than were court-ordered payments (half of the voluntary agreements were met, one-fourth of the others). He therefore recommends expanding the AFDC program that provides assistance in the collection of child support to encourage greater use of voluntary agreements. In addition, MacDonald considers the effects of redesigning the benefit structure of the AFDC program to provide economic incentives for custodial parents to help find absent fathers and collect from them. In most states every dollar of child support income results in a corresponding one dollar reduction in the AFDC payment. However in those few states where the benefit reduction rate on child support is substantially less than this 100 percent rate, mothers seem to work more effectively with the AFDC program to get greater support income. Nevertheless MacDonald adds that "new compulsory collection strategies seem necessary for obtaining support from fathers unwilling to pay voluntarily."²

Changing the system: two alternative plans

The Watts, Jakobson, Skidmore proposal

Other plans for child support are more far-reaching, such as that of Harold Watts, George Jakobson, and Felicity Skidmore, who presented their program for child support as a part of a paper given at the Conference on Universal vs. Income-Tested Programs at the Institute for Research on Poverty in March 1979.³

Their child support plan is part of a larger welfare reform proposal which would do away with welfare and the income tax as we know them, substituting a credit income

tax—a universal system for transferring money from the wealthy to the poor. To this basic plan they would add the following child support stipulations:

Official standards. Normative standards of child support would be set up (perhaps by a commission) to guide public policymakers and family courts in deciding what would be equitable in sharing resources between parents and providing support for the children. Such standards would promote fairer settlements than are now made by the courts and see to it that one-parent households had as high a standard of living as two-parent households.

Implicit in their proposal is the assumption that disposable income be equalized, relative to needs, across split households. This division of income was first suggested by Isabel V. Sawhill, who has done much of the seminal research on the workings of the child support system. However, the actual amounts of child support would be determined, as now, on a case-by-case basis by the courts.

Social insurance. A child support insurance program would be set up to assure that any child not living with both parents would receive at least a minimum support payment, paid to the custodial parent. This amount would be received irrespective of whether support payments were made by the absent parent. It would be reduced by about 70¢ for every dollar of child support paid by the absent parent up to some break-even point, at which the insurance benefit would become zero, and the custodial parent would receive only the child support paid by the absent spouse.

Enforcement. Because this plan is based on an income tax structure that would require every adult to file a yearly return, it would be fairly straight-forward to add to the return an affidavit of compliance with support standards. Compliance would entail living with and sharing a household with the child, or paying support based on a court-approved agreement, or making payments equal to the minimum support standard, or some combination of these.

Inability to pay would not be an acceptable justification for noncompliance, any more than it is now for nonpayment of taxes. Those who could not—for any reason—meet their child-support obligation would be required to pay a surtax on their taxable income. Thus it would be in the interest of the noncustodial parent to pay the surtax only if that amount was less than the cost of the child support. This surtax would see to it that even the poorest of absent parents would not be able to evade altogether the cost of procreation.

The Garfinkel proposal

Another plan, in some respects even more radical, has been outlined by Irwin Garfinkel, Director of the Institute for Research on Poverty.⁴ His plan is also part of a

(continued on page 21)

Class structure and income determination

There has been a curious gap between theoretical debate and quantitative research on social inequality throughout the history of sociology. The theoretical debates on inequality have above all revolved around the concept of *class*, and in particular around the adequacy of the Marxist theory of class. From Weber, to Parsons, to Dahrendorf and Giddens, the point of departure of theorizing the nature of inequality has been an assessment of Marx's contribution. Quantitative research on inequality, on the other hand, has been almost totally oblivious to the Marxist analysis of class as a structure of domination and conflict. And Marxists, for their part, have tended to be suspicious of quantitative, multivariate approaches to the study of social reality and thus have also done little to link the theoretical debate to quantitative research.

In *Class Structure and Income Determination*, Erik Olin Wright, a sociologist in the Marxist tradition, has made a systematic attempt to bridge this gap—to demonstrate to non-Marxist social scientists that Marxist categories matter, and that class is consequential for understanding American society. The study of income determination is particularly suited to this task, since it has been so thoroughly investigated by non-Marxists, in both economics and sociology, without any reference to the Marxist theory of class. The overriding conclusion of the book is that class position as defined within Marxist theory has a pervasive and systematic impact on income determination, an impact that is at least as important as race, education, occupational status, or sex. Thus to ignore class relations in conducting research on social stratification, Wright argues, is to ignore one of the fundamental dimensions of social inequality in modern society.

What is class?

The theoretical precondition for this empirical investigation is a careful analysis of the concept of class in general and of the specific Marxist theory of class in particular. Accordingly, Wright begins the book by examining the pivotal differences between Marxist and non-Marxist definitions of class, and then turns to a systematic elaboration of the Marxist concept of class applied to developed capitalist society.

In the popular view, class is perhaps most readily defined in terms of income. Poor people constitute a lower class, middle-income people a middle class, and rich people an upper class. Although most sociologists include other criteria in their analysis of class (social status, life style,

etc.), they usually share with the popular conception the view that the class structure constitutes a hierarchy of positions, with given classes being seen as “above” or “below” other classes. This, Wright describes as a “gradational” view of class.

In contrast with Marxist theory of class is one variety of what can be termed a “relational” view of class. Classes thus defined are not labeled along a continuum from lower to upper; instead they are defined by the nature of the social relations within which they exist—for example, lords and serfs within feudalism; capitalists and workers within capitalism. Defining classes in this way—as structural locations within a set of relations of domination—does not provide merely a useful descriptive portrait of a society; it also reflects real groupings of interests that can form the basis for collective social action. Relational concepts of class, therefore, provide a basis for linking the analysis of inequality to a theory of the dynamic forces that shape and reshape society through interaction and struggle.

The Marxist theory of class is not the only relational view of class. Wright spends some time differentiating the Marxist account from several others: the Weberian notion which defines classes primarily in terms of market relations; Dahrendorf's account which defines classes in terms of authority relations; and various views which attempt to define classes in terms of the technical relations within production (i.e., occupational definitions of class). In contrast to these, the distinguishing feature of the Marxist concept of class is the emphasis on exploitation.

Exploitation, as Wright explains it, designates a particular aspect of the relations of domination between classes, namely, the capacity of a dominant class to appropriate the labor of a subordinate class (or, more technically, to appropriate the surplus labor of another class). Such exploitation is of crucial importance: It makes it possible for

CLASS STRUCTURE AND INCOME DETERMINATION

by

Erik Olin Wright

Academic Press, \$21.00

members of the dominant class to consume even if they do not produce, and it provides them with the material resources to buttress their social and political power beyond purely economic concerns. The deciphering of class as a relationship of exploitation, Wright argues, can thus provide a foundation for the analysis of broad questions of political domination, social control, and social change.

Classes in advanced capitalism

It is clearly not enough to argue that classes must be defined in terms of the relations of exploitation. In order to use the concept of class in empirical research it is necessary to translate this abstraction into a more concrete account of the structure of class relations in specific societies. This is the second task of the book. This task is particularly urgent for Marxist social scientists, since one of the main criticisms levied against Marxist theory has been its lack of realism as an account of contemporary capitalism. The classical Marxist view of class is depicted as portraying a society radically polarized between bourgeoisie and proletariat. The empirical emergence of a large "middle class" is then taken as a definitive "proof" that Marx was wrong.

Wright argues that whether or not Marx was incorrect in certain predictions about polarization, the logic of his analysis can be extended to incorporate the changes in class relations of advanced capitalism, in particular the emergence of a "middle class." Wright introduces a specific strategy for accomplishing this, based on a concept that he terms "contradictory locations within class relations." Such a location is defined as a position within the class structure which embodies characteristics of at least two basic classes. The simplest example is managers: managers occupy a contradictory location between the working class and the capitalist class. In a sense, they are simultaneously workers and capitalists. Like capitalists, they control the labor of workers, participate in decisions about the use of the means of production and may even participate in decisions about investments (in Marxist terms, decisions concerning what to do with the surplus labor appropriated from workers). Like workers, on the other hand, they are dominated by capital, they must sell their labor power in order to work, and generally they have surplus labor appropriated from them. Foremen, in these terms, would occupy a contradictory location very close to the working class (i.e., the working-class aspects

of their location would have much greater weight than the capitalist aspects), whereas top managers would be much closer to the capitalist class.

Wright identifies two other contradictory class locations, small employers and semi-autonomous employees. Small employers occupy a contradictory location between the capitalist class and what is usually called the "petty bourgeoisie" (i.e., self-employed producers who employ no wage-laborers). Like capitalists they exploit the labor of others, but like the petty bourgeoisie they work alongside their employees and generally do not accumulate capital. Semi-autonomous employees, on the other hand, occupy a contradictory location between the working class and the petty bourgeoisie. Like the petty bourgeoisie they have considerable control over their immediate laboring activity, but like workers they are wage-laborers controlled by capital (or the state) within production. Various kinds of technicians and professionals are the best examples.

Wright argues that the concept of contradictory locations within class relations represents a Marxist approach to mapping the social reality which in popular language is called the "middle class." In so doing it retains the essentially polarized logic of the class *relations* which define class position while making it possible to analyze concrete societies within which the class *structure* itself is not perfectly polarized.

This concept of contradictory locations constitutes an important contribution to sociological theory. Equally important, however, is the fact that Wright uses it as the framework for an empirical analysis that sets out to demonstrate the crucial role of class, as Marxists understand it, in structuring income inequality in the United States.

Social class and income determination in the United States

What is it that determines how much income an individual will receive? Within economics, human capital theorists would give one answer; within sociology, status attainment theorists would give another. What these answers have in common, Wright points out, is a view of the individual as the nodal point in any theory of income determination. Various exogenous factors, such as family background, determine the basic characteristics of individuals. These characteristics then determine the location of individuals within market relations (market capacity, human capital, education, etc.), and that location determines their occupation and hence, their income.

In Marxist theory, on the other hand, income is fundamentally determined by location within the *structure* of

Order forms for FOCUS and other
Institute publications are at the back.

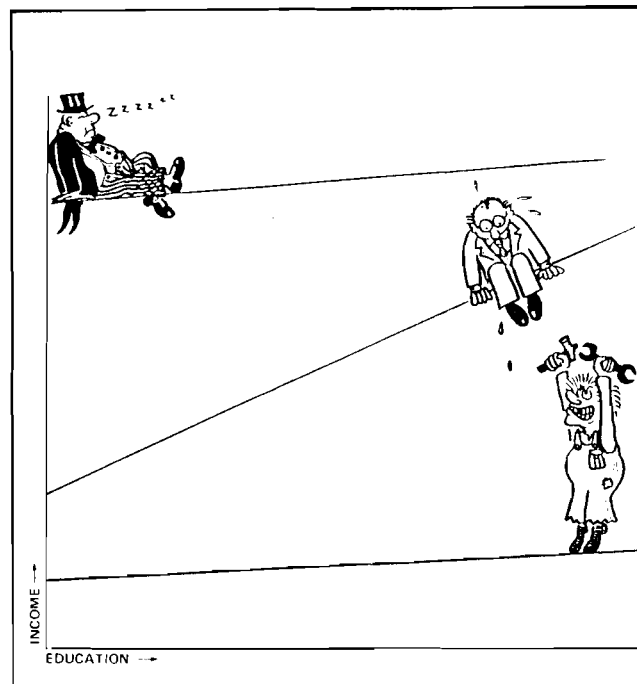
class relations rather than by a cluster of individual traits. The word “determined” in this argument means two things. First, it means that location within class relations defines *how* individuals obtain a stream of income (capitalists get income from exploiting workers; workers get income by selling their labor power to capitalists). Second, it means that one’s location within the class structure determines the ways in which a variety of individual characteristics influence *how much* income one gets. In particular, Wright argues, location within the class structure determines the impact of the variables studied by human capital and status attainment theorists. His critique of these perspectives, then, is not that they fail to study important factors which influence income, but rather that since they ignore class location they obscure the real process by which their favorite variables have their effects.

On the basis of these assumptions, Wright constructs a formal model of income determination at the level of classes. He then formulates a series of ten hypotheses about class that, over the succeeding six chapters of his book, he investigates empirically, using data from three major surveys: the longitudinal Panel Study of Income Dynamics and two cross-sectional studies, the Michigan Survey of Working Conditions (1969), and the Quality of Employment Survey (1973).

This article will not attempt to summarize his conclusions, which are complex, and based upon rigorously honest analysis that reveals, “warts and all,” the deficiencies as well as the strong positive findings of these explorations. The range and significance of Wright’s analysis are perhaps best displayed through the hypotheses that he explores. In brief, he first attacks the issue of occupation, arguing that the individual’s position within class relations will have a significant impact on income, independently of occupational status, even when education and a host of other variables are taken into account. Class, defined in Marxist terms, is not simply a proxy for “occupation” and thus must be studied in its own right.

Second, Wright argues that the extent to which an individual can “cash in” various personal attributes, especially education, for income will vary systematically from class to class. In particular he presents a sustained theoretical argument for why managers—people in the contradictory class location between the working class and the capitalist class—should have much higher returns to education than workers, even after a wide range of other variables are held constant (a finding caricatured in the cartoon). Much of the empirical investigation of the book centers on exploring these kinds of interactions for various classes and attempting to decipher the mechanisms which produce them.

Finally, he turns to two issues that over the last twenty years have generated much heat, and some light: the ef-



fects of race and sex on income. He argues that the returns to education for white and black males will be much closer within class categories than across them, that is, class is at least as important as color in determining income. The same holds true for women who work; like blacks, they are heavily concentrated in the working class.

Demonstrating the validity of these hypotheses, Wright points out, will not “prove” that the overall Marxist theory of capitalist society is correct. But it does demonstrate that class has a systematic and pervasive impact on income inequality.

Currently, Erik Wright is engaged in a major, cross-sectional social survey of four advanced capitalist societies: the United States, Italy, Sweden, and Great Britain. He hopes to develop a body of data specifically Marxist categories and those grounded in non-Marxist sociology, especially occupation and status, in the analysis of income and various social attitudes and behaviors. Clarifying the ways in which class structures shape the income determination process will, he believes, contribute to our understanding of the kinds of social change needed to alter the underlying processes that generate inequality. Do these changes fundamentally require transformation of the class structure itself, or merely distributive changes within a given class structure? ■

¹Erik Olin Wright is Assistant Professor of Sociology at the University of Wisconsin - Madison.

Community treatment of the mentally ill: The Mendota experiment

People who have a chronic mental illness are very likely to be poor. It is not yet clear whether illness, or poverty, is at the root, but the consequences for social policy are the same: such people are likely to be government charges for the bulk of their lives (see Table 1), and current efforts to legislate national health policies need to take into account both their needs and the costs and benefits of different modes of treatment. What alternatives exist, and what do we know about them?

Until the early 1950s, patients suffering from chronically disabling psychiatric illnesses, such as schizophrenia or other psychoses and personality disorders, were treated primarily through hospitalization in a mental institution. But all too often, treatment that was intended to be short-lived and therapeutic became instead a lifetime of institutional care.

In recent years there have been continuous efforts to reduce the length of time that patients remain in mental hospitals. In-patient treatment has been shortened; where possible, day-hospital treatment has been substituted. Transitional centers—group-living homes, halfway houses, sheltered workshops—have been established, along the lines of those set up for retarded or disabled people or for juvenile offenders. For many such, we now recognize that long-term institutional care has debilitating effects.

Hand in hand with the changing social attitudes toward “warehousing” the mentally ill has come the development of a sophisticated battery of drugs geared to specific mental disorders. These have opened up possibilities for treatment that are only beginning to be explored.

The most obvious consequence of changing treatment for the mentally ill is the sharp reduction both in the number of persons entering mental hospitals and in the length of their stay. The number of resident patients plummeted from a peak of 558,922 in 1955 to 215,573 in 1974; the decline continues. For newly admitted psychotics, the length of stay in VA hospitals dropped from 473 days to 178 days between 1970 and 1974. But these statistics tell only half the story. Figure 1 shows it all: as the number of patients has dropped, so the number of admissions and readmissions has risen, to create what has been called a “revolving door syndrome” of repeated admissions and discharges. Many experienced mental health professionals have wondered whether current hospitalization therapies might not actually do more patients harm than good.

What alternatives to hospitalization exist?

The most radical form currently being explored is community treatment that attempts to eliminate hospital care altogether—to treat the patient at home. Three experimental studies have been undertaken: in one, patients received weekly visits from public health nurses to provide medication and counseling; the other two used versions of family crisis therapy aimed at teaching the patient and the family ways to handle emergencies without resorting to the hospital. In all three, over 75 percent of the patients were kept continuously out of the hospital as long as home treatment lasted.¹

But problems with home treatment are immediately apparent. Many mentally disturbed people have no home to go to—the family is either absent, or alienated by the patient’s irrational behavior. If there is a home, family members may feed the patient’s mental disorder by engaging in pathological and often highly conflict-laden interactions. Even if patients are not living with relatives, their presence in the community may disrupt family activities or cause anxiety.

The potential social costs of treating mental patients in the community are largely unknown, but much feared. Their behavior can be aggressive or disruptive—at best it

Table 1
Number of Subjects on Income Maintenance Programs

	Baseline*		12 months		28 months	
	E	C	E	C	E	C
	(n=63)	(n=64)	(n=57)	(n=59)	(n=53)	(n=54)
Supplemental Security Income (SSI)	10	9	14	19	19	20
Other welfare programs**	14	17	1	10	3	14
Total	24	26	15	29	22	34
Percentage of total group	38	41	26	49	42	63

* Four months prior to experiment.

** Veterans' Administration programs accounted for an additional 2-4% of cases.

is often strange, provoking reactions in others that range from embarrassment to real fear. Patients' own fears or symptoms may drive them to frequent use of hospital clinics or emergency rooms. Will the presence of a good number of such people in the community increase the burden on law enforcement or medical services? Will patients themselves be at greater risk of suicide, self-injury, or simple neglect of their own health if they are in the community instead of in a "protected" hospital situation?

Finally, financial costs are an issue of particular significance not only because of the massive inflation of medical costs in general and hospital costs in particular, but because of the burdens on families ill able to sustain them. Is community treatment of the mentally ill cheaper than hospital care? What trade-offs, for society and for the patient, are involved?

A four-year experiment in the treatment of patients suffering from chronic mental illness in Madison, Wisconsin, has given some tentative answers to such questions.

The Mendota experiment: training in community living

Beginning in October 1972, 130 individuals seeking admission to Mendota Mental Health Institute were randomly assigned, in equal numbers, either to an acute treatment ward at Mendota (the control group) or to an experimental community treatment program. Patients assigned to the control group received in-hospital treatment generally lasting less than one month, plus traditional aftercare. Those in the experimental group did not enter the hospital at all, except in very rare cases when massive drug therapy was needed or the life of the patient or of someone else appeared to be at risk. Instead, over a period of fourteen months, they received intensive treatment in the community along the lines described below. After that time they had no contact with staff members of the experimental group. Patients entered and left each of the groups at the rate of two to three per month.

The Mendota experiment extended in important ways the quest for an effective alternative to hospitalization for those suffering from chronically disabling mental illness. First, it dealt with an unselected sample of 18 to 62 year old patients; previous studies had been selective, for instance rejecting patients judged a priori "too ill" to be treated in a community or day hospital setting. Only those with organic brain syndromes or alcoholism were excluded here.

Second, the Mendota study included the first benefit-cost analysis of a controlled experiment that compared, in terms of an unusually wide variety of tangible and intangible benefits and costs, a traditional, hospital-based treatment and a nontraditional community-based one. And finally, the treatment placed major emphasis on improving psychosocial functioning by assertively working with patients who were living independently rather than with family or in sheltered settings.

The directors of the experiment² contended that current models of community treatment did not effectively address certain crucial aspects of an individual's daily life, and that many patients in such programs had only a very tenuous hold on life in the community; they were more or less always on the brink of rehospitalization. Training in Community Living was designed actively to help patients meet their own material requirements for food, shelter, clothing, medical care, and recreation, so that they could do the sorts of things that most of us take for granted—cook proper meals and do the laundry; shop and budget money; take the bus and participate in community activities; be responsible for their own medication. Patients were given sustained help in finding a job or sheltered workshop placement. Staff members were available seven

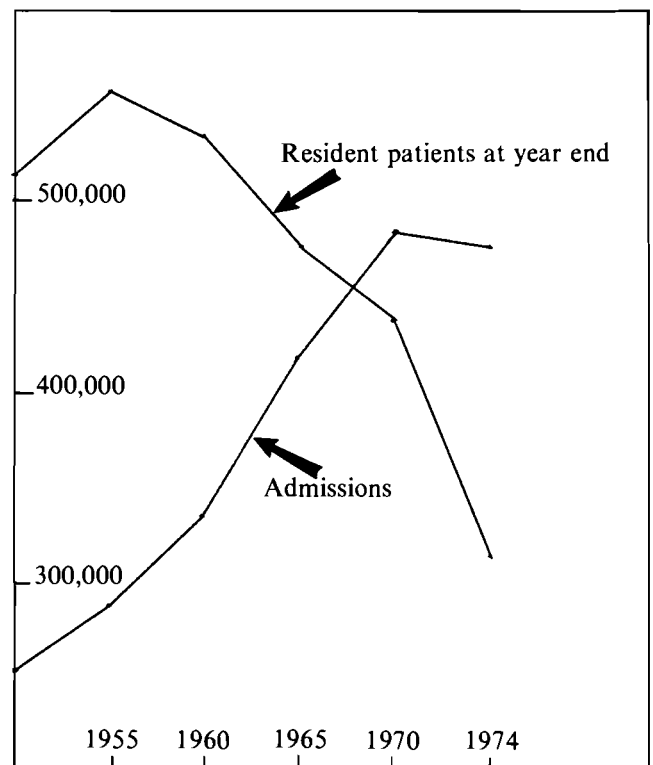


Figure 1. The "Revolving Door" Syndrome.

Source: Morton Kramer, "Psychiatric Services and the Changing Institutional Scene, 1950-1985," National Institutes of Mental Health, Series B, no. 12, *Analytical and Special Study Reports*, 1977, p. 78.

days a week, 24 hours a day, to give support to patients, their families, and others with whom the patients had to deal—supervisors, friends, the police. Most of the “treatment” took place in patients’ homes, neighborhoods, and places of work.

Chronically disabled patients are frequently passive, very anxious in their dealings with others, and prone to develop severe psychiatric symptoms. They often fail to keep appointments, and tend to drop out of treatment when symptoms become acute. Staff in the Mendota program were trained to be very assertive in such circumstances: for instance, if a patient failed to turn up at work, a staff member would immediately go to his or her home to help with any problem that was interfering with daily functioning. Medical needs were very carefully monitored; medication was routinely used for schizophrenic and manic depressive patients. Over the last few months of the experiment systematic efforts were made to wean patients gradually from the experimental program and to integrate them into existing community programs.

Enlisting support of others in the community was considered especially crucial.

Our major effort was to influence them to respond to patients in a manner that would promote responsible behavior . . . For example, if a patient’s behavior was disruptive to other tenants in his apartment building, we would encourage the landlord to talk to the patient directly about his behavior and tell him he would be evicted if it continued. This is contrary to the community’s usual response, which is to see to it that the patient’s disruptive behavior leads to rehospitalization.

The experimental program confronted patients with the real consequences of their actions: the landlord’s anger, losing a job, time in jail. By contrast, under traditional treatment mentally ill people who do not behave in a socially acceptable manner on the job, in their rooming houses, in the community, are not punished, but instead are “rewarded” by being placed in a protected and subsidized hospital environment, which they often prefer.

The evaluation of the experiment sought to answer three questions.

1. How does an intensive, fourteen-month community treatment affect the functioning of patients, compared to hospital treatment plus traditional aftercare? (It should be pointed out that Mendota is no “warehousing” facility. It has a high patient-staff ratio, many in-hospital and out-patient services, and access to a wide range of aftercare services for discharged patients. The progressive hospitalization treatment of the control group aimed to prepare

them for return to the community within a relatively short time. This program thus constituted a stringent control on the experiment.)

2. What are the respective benefits and costs of the two programs? The designers of this analysis intended it to be useful, not only for this particular study, but as a model for assessing public policy in areas where benefits and costs cannot and should not be reduced to strictly monetary terms.

3. What happens to patients’ ability to function when, after fourteen months of special treatment, they are transferred to traditional community programs?

Findings from the Mendota experiment

Who were the patients treated in the context of this experiment?

Almost three-quarters of the patients in both groups were single, separated, or divorced, and 55 percent were male. Their average age was fairly young, about 31 years, but most already had a history of mental illness: the average patient had been hospitalized five times before he came into Mendota on this occasion, and had spent, in all, over a year in mental hospitals. Indeed, 20 percent of the patients came to Mendota directly from another institution, and another 14 percent came from sheltered living situations. Only 17 percent had never previously been in a psychiatric hospital. About 50 percent of the patients were schizophrenic.

Intense efforts were made to exclude bias and to obtain as complete records as possible in collecting data. Researchers who administered questionnaires to patients were not part of the clinical staff, and, if necessary, they traveled out of state to interview patients who had moved. Family members of a subsample of patients were interviewed at the onset of the experiment, and four months later; information that patients gave about their contacts with public and private agencies was verified with the agencies themselves. The economic research team met with staff members at these agencies to ascertain the costs of the services that they had provided to patients.

The response of the patients

Patients in the experimental group knew they were being treated in an unusual manner, and many were unhappy at being kept out of the hospital. Nonetheless, on many important measures of psychological and social well-being, they scored better than did patients in the control group.

Hospitalization. Throughout the first year, experimental patients spent very little time in psychiatric institutions, and significantly more time living independently in the community than did controls. During the year, 34 of the 58 control group patients who had been hospitalized at the outset (not all of them were) had to be readmitted at least once; only 6 percent of the experimental patients had to be admitted.

Work. The chronically mentally ill often have difficulty finding and retaining jobs. Thus for people with severe emotional problems, work may have very positive connotations, and leisure negative ones—they are not in the company of other people, not doing work that receives so-

cial approval. Over the year during which they were studied, people in the experimental group worked, on average, for 225 days in competitive or sheltered employment, while those in the control group spent only 89 days at work (bear in mind that most people in this group spent less than three weeks in the hospital at first admission).

Living and leisure. Patients in the experimental group had more contact with trusted friends, and attended more social gatherings than did those in the control group. Other measures of their general style of living—meals, living situation, and so forth—showed no significant differences between the two groups. Patients in the experi-

Forthcoming Institute Books Spring 1980

Microeconomic Simulation Models for Public Policy Analysis

Edited by Robert H. Haveman and Kevin Hollenbeck

During the last decade, an increasing number of federal and state agencies have employed policy simulation experiments on microdata files in analyzing current and proposed legislation. To date, there has been no systematic review of these modeling efforts and their actual and potential uses in policy making. To deal with this problem a conference was held in March 1978 jointly sponsored by the Institute for Research on Poverty, Mathematica Policy Research, and the National Science Foundation.

The 13 papers and discussants' comments emanating from that conference were designed to discuss the operation of a particular model and apply it to a particular federal policy or proposed policy. Four general subject areas were covered: microdata models for first-round distributional analysis, models incorporating behavioral responses to policies being simulated, macroeconomic models, models with regional or sectoral impact.

The collected papers lay the groundwork for analyzing the not inconsequential problems involved with this form of analysis. By intensive consideration of these difficulties the volume offers the starting point for an objective appraisal of the usefulness of these kinds of simulations.

Peter K. Eisinger

The Politics of Displacement: Racial and Ethnic Transition in Three American Cities

Since 1967 more than 170 towns and cities in the United States have elected black men and women as mayors. Every initial black victory in a major city (with the exception of Washington, D.C.) has been over a white opponent. How whites have dealt with this transformation of their political world is the principal concern of Eisinger's study. In particular, the book is an investigation of the adjustments of whites to black rule in Detroit and Atlanta. The author puts these events in historical perspective by including a case study of Yankee adjustment to Irish rule in turn-of-the-century Boston.

In a narrow sense this is a study that focuses on losers—members of groups displaced from political power by other groups they once traditionally dominated—and on their psychological and strategic adaptations. At a more general level the inquiry offers a perspective on the role of race and ethnicity in American cities. Eisinger's conclusions are surprisingly optimistic as he depicts the adaptive qualities of American politics.

These books will be available from the publisher, Academic Press, 111 Fifth Avenue, New York, New York 10003.

mental group, however, reported themselves as markedly more satisfied with their lives, and showed a greater level of self-esteem, than did the control group. They also showed enhanced ability to plan their lives and to make decisions about the future—two areas where mentally ill people are often deficient.

Dealing with symptoms. An equal number of patients in both groups were prescribed medication; those in the experimental group seem to have been somewhat more compliant in taking it. Perhaps as a consequence, perhaps also because of the support and intensive attention they received from staff of the experimental program, their behavior was markedly less symptomatic.

Social and family costs of the program

All too often, benefit-cost analyses of public programs seem to consider only those aspects that can be reduced to dollars spent, omitting effects that cannot easily be quantified or that involve strong value judgments. Or they have so restricted a perspective that they mistake a shift in the form of a particular cost for a change in its level. It is clearly cheaper, for instance, not to put someone in a hospital than to put him there, if one considers only hospital costs, but what if leaving him in the community means continuous confrontations with the police? Then increased law enforcement costs may well offset the savings on medical expenses.

The economic researchers involved in the Mendota experiment made very careful estimates of costs and benefits, measuring social and family costs, reporting upon quantifiable and nonquantifiable elements. In money terms, they estimated, the experimental program cost an additional \$800 per patient for the year over which it was measured; in return, however, patients in the program earned some \$1200 more than patients in the control group—this in addition to the greater happiness and improved functioning that have already been described.

What about costs to the families of patients, and to the community at large? Many of these are inherently difficult to measure, and conclusions must be guarded, given the small size of the sample of families involved. But it seems that the burden placed on the families of the mentally ill was certainly no greater—if perhaps no less—when the patient was in the experimental program. Families of patients in the experimental group indeed reported fewer days of work lost because of crises involving patients than did families of those in the control group.

The picture for law enforcement costs undercuts many expressed apprehensions about community treatment. Whether the measure is number of arrests for misde-

meanors or serious crimes, or merely contacts with courts or probation officers, experimental patients did no worse than did patients in the control group.

Economic costs: different treatment for different disorders

When researchers considered separately different subgroups of the mentally ill—schizophrenics, other psychotics, and people with personality disorders—they found striking contrasts in both the costs and the benefits within and across programs. For instance, direct treatment costs for control patients with personality disorders averaged \$2000; they were more than twice as large for schizophrenics. Law enforcement costs for other (non-schizophrenic) psychotics in the experimental program were around \$75; for those in the control program they were over \$300. In contrast, these costs were much greater for experimental patients with personality disorders than they were for controls. Such findings offer a useful guide to the appropriate treatment for different kinds of mental disorders. Community-type programs seem to be quite cost-effective in treating schizophrenics and other psychotics.

Are the patients happier? Do they function better? Although evidence from the Mendota experiment is not definitive, it suggests that the answer to both questions is yes. Since the nature of mental illness can normally be diagnosed when the patient first comes for treatment, it would clearly be possible to select the most effective meth-

Selected papers

Stanley Masters, Irwin Garfinkel, and John Bishop, "Benefit-Cost Analysis in Program Evaluation." Institute for Research on Poverty Reprint (forthcoming).

Leonard Stein and Mary Ann Test, "An Alternative to Mental Hospital Treatment: I. Conceptual Model, Treatment Program, and Clinical Evaluation, III. Social Costs." *Archives of General Psychiatry* (in press). Forthcoming Institute for Research on Poverty Reprint.

Burton Weisbrod, "A Guide to Benefit-Cost Analysis as Seen Through a Controlled Experiment in Treating the Mentally Ill." Institute for Research on Poverty Discussion Paper no. 555-79.

ods of therapy very early in treatment. The prospects are intriguing. All patients in this experiment had histories of previous hospitalization. Research currently underway with young mentally ill adults who are experiencing a first major psychotic episode is exploring the benefits of massive early intervention.

What did the experiment demonstrate?

Virtually without use of the hospital, it proved possible to treat successfully a random sample of chronically mentally ill people seeking admission to an institution. Patients in this experimental program lived in the community for a sustained period without suffering the disruption in their lives and the reinforcement of symptomatic behavior that frequently accompanies hospitalization. At the same time, a similar group of patients who underwent the more traditional hospitalization were often readmitted in the course of the succeeding year, and by several objective measures functioned worse than did people in the experimental group.

When community treatment ceased, however, most of the differences between the two groups began to disappear. Experimental patients' symptoms very rapidly returned; more slowly, the incidence of hospitalization began to rise. Job performance began to slip, and the greater satisfaction with life that these patients had expressed while they were in the program disappeared after they left it. Other studies have similarly found that when intensive treatment ceases, patients regress.

Policies for the mentally ill

Some general conclusions about the treatment of the mentally ill are suggested by the findings of the Mendota experiment.

In the first place, it suggests that traditional community services for these patients are insufficient and inappropriate. The hospital is forced to become the primary locus of treatment for patients instead of being reserved for the more specialized role it can best perform. Perhaps hospitals for the mentally ill should be considered no differently than are hospitals for the population at large—a place to go in emergencies, or when the status quo is in some serious way disrupted.

Second, the long-term results suggest that for a large number of chronically disabled psychiatric patients, treatment must be continuous, rather than limited in time. Such treatment should be organized so as to provide

a flexible delivery of care that gives the patient only what he needs, when and where he needs it. Common sense would seem to indicate, moreover, that over the longer term, costs of a community program might well diminish as patients became more selective in their use of services, and the program became well established. Heavy start-up costs are almost invariably a feature of such programs.

Such a model of treatment faces formidable barriers to widespread adoption—not least, financing. Although it is economically beneficial, in terms of total costs and benefits, the kinds of services it provides are largely not reimbursable by insurance. It is relatively easy to determine what one must pay for a day in the hospital, not so easy to determine the bill for a varied pattern of services that includes medical care, social support, recreational and activity programs. Since the availability of financing has a profound influence on the nature of services offered, community treatment programs will continue to take second place to hospitalization unless current patterns of medical insurance change.

Implementing such a program on any large scale would require a pool of highly trained personnel and a strong, coordinated, administrative structure of a kind that does not currently exist within the traditional organizational patterns of the medical sector. Patients' needs would have to be carefully and continually monitored; staff would have to be available to intervene assertively when needed, and to work closely with community and family as well as with the patient.

Such financing and organizational difficulties would seem to be largely technical ones. They are thus inherently subject to resolution, given the will to do so. The Mendota experiment makes it clear that society, and the mentally ill, have much to gain from making the effort. Until we are able to prevent or cure chronic psychiatric disorders, treatment strategies should focus upon maintaining patients in the community from the very beginning, rather than on hospitalizing them to “prepare” them for a return to active community living that all too often never takes place. ■

¹D.G. Langley and D.M. Kaplan, *The Treatment of Families in Crisis* (New York: Grune and Stratton, 1968); B. Passamanick and others, *Schizophrenics in the Community* (New York: Appleton-Century-Crofts, 1967); J.D. Rittenhouse, “Endurance of Effect: Family Unit Treatment Compared to Identified Patient Treatment,” *Proc. Am. Psychol. Assoc.* 1970, 2, 535-536.

²Leonard Stein, M.D., at that time Director of Research at MMHI and now Professor of Psychiatry, University of Wisconsin-Madison, and Mary Ann Test, Ph.D., then Associate Director of Research at MMHI and now Associate Professor of Social Work and member of the Institute for Research on Poverty, University of Wisconsin-Madison. The benefit-cost analysis was conducted under the direction of Burton Weisbrod, Professor of Economics and member of the Institute for Research on Poverty, University of Wisconsin-Madison.

Welfare reform

continued from page 4

provided by the current Food Stamp and Supplemental Security Income programs.

(3) Establishing a social child support program, along lines described elsewhere in this issue. Thus they would strike at the roots of the present expansion in the AFDC program.

In their policies directed at providing employment, they depart from past approaches that have focused on training, or on macroeconomic policies designed to stimulate the economy, creating more jobs only indirectly. Instead, they focus directly on the demand for labor, proposing a series of employment and wage subsidies whose target is specifically those who under current conditions are least likely to find jobs.

This emphasis on direct creation of jobs is not a new one, but the methods proposed unquestionably are. When people think of creating jobs, it is direct public employment that perhaps springs most immediately to mind. But such programs have always been controversial. They have high and very visible costs, and their results have been problematic. The major current public programs are those instituted under the Comprehensive Employment and Training Act (CETA), for which about \$6 billion was earmarked in fiscal 1979. Because of their variety and the decentralized administrative structure of CETA, we have almost no information about their efforts. In 1977, the Carter administration proposed, as part of its Program for Better Jobs and Income, to create 1.4 million extra public jobs. Congressional response was unenthusiastic. The administration has once again introduced major welfare legislation, the Social Welfare Reform Amendments of 1979.³ In it the figure for public jobs is slashed to 400,000, but the fate of even this modified program is still unclear.

It seems likely, therefore, that policies designed mainly to increase the supply of private jobs available hold more promise than the traditional public provision of jobs. Such policies were, indeed, part of PBJI, and are retained in the new administration proposals. Their potential achievements, the various forms they can take, and the administrative systems needed to implement them have been fully discussed in papers by several Institute researchers and in a 1977 Conference on Direct Job Creation, jointly sponsored by the Brookings Institution and the Institute for Research on Poverty.⁴

What we know about the actual operation of these programs so far is encouraging. For instance, the New Jobs Tax Credit established by Congress in 1976 subsidized employment over and above a fixed base (102 percent of the previous year's employment level). Because of the structure of that subsidy (50 percent of the first \$4200 of

earnings), employers were given a substantial incentive to hire low-skilled workers rather than looking to capital expenditure for expansion. Estimates of its effects over the two years of its operation vary, but it has clearly been responsible for substantial increases in employment in the construction and retailing industries during 1977 and 1978. Once unemployment had declined below 6 percent and inflation became the central policy concern, it was allowed to expire and the much smaller targeted tax credit was substituted. An earnings subsidy already has passed Congress, in the form of the Earned Income Tax Credit.

Employment subsidies such as these, if targeted on disadvantaged groups of workers, can clearly offset the labor market distortions caused by minimum wage legislation and racial discrimination. Furthermore, it seems that they can effectively reduce unemployment without the severe inflationary side effects associated with more general stimuli to the economy such as tax cuts.

Increasing the demand for labor by direct government action has, as its natural corollary, the need to bring together those who need jobs and the jobs that subsidy policies make available. An experimental employment opportunity pilot program is currently under way for the Department of Labor (Institute researchers are involved in evaluation studies). Unlike earlier employment programs directed at the supply of labor, this one lays only minor and secondary stress on classroom training. Its emphasis, instead, is on practical training in the context of the job market. Those heads of families who are eligible first participate in a directed, subsidized job search (details vary in different programs). Only if this search fails is provision made for on-the-job training with private employers, public service employment, or some form of formal training that may last up to a year. At the end of this period the individual once again enters the job search program.

The new emphasis on generating jobs and matching people to them has very pragmatic roots. To succeed, any proposal for welfare reform must be politically acceptable to a broad spectrum of the American establishment. President Nixon's 1969 Family Assistance Plan clearly was not. Nor was President Carter's PBJI. Employment subsidy programs appear attractive, for at least three reasons.

First, they can reduce poverty and inequality without reducing work effort. Second, because the deficiencies of human capital programs and of current transfer policies are only too well known, demand-side policies that stimulate public and private employment are tempting. Their pitfalls, after all, are not so apparent; they have been neither seriously attempted nor comprehensively analyzed. Finally, they are believed to be consonant with current and traditional American values, and indications are

that they stand a reasonable chance of congressional acceptance.

Can it be done?

How might such a program be implemented?

We have, in the *Report* of the Wisconsin Welfare Reform Study Commission of 1978, a comprehensive blueprint for an incremental approach to welfare reform in one state, that at the same time makes it clear that limited, short-run proposals for administrative reform are wholly

unable to accomplish all that must be done in the interests of social equity and continued economic prosperity.⁵

The *Report's* approach was, by design, non-parochial; it was intended, in the words of the committee chairman, Robert Haveman, a member of the Institute for Research on Poverty, to "place Wisconsin at the forefront of efficient and equitable social policy in this country." The three primary goals of this two-stage program were succinctly summarized:

- to assure Wisconsin's low-income population an adequate level of income support with maximum work incentives and minimum stigma

Selected references on welfare reform

John Bishop, "The Potential of Wage Subsidies: A Report to the Employment and Training Administration of the Department of Labor." Draft, March 1979. Madison, Wisconsin: Institute for Research on Poverty.

Sheldon Danziger, Irwin Garfinkel, and Robert Haveman, "Poverty, Welfare and Earnings: A New Approach." Institute for Research on Poverty Reprint no. 358.

Sheldon Danziger, Robert Haveman, and Robert Plotnick, "Income Transfer Programs in the United States: An Analysis of Their Structure and Impacts." A report prepared for the Joint Economic Committee of the United States, Special Study of Economic Change, 1979. (Forthcoming Institute Reprint).

Sheldon Danziger, Robert Plotnick, and Timothy Smeeding, "Poverty: Past Trends, Present Status, and Future Prospects." Institute for Research on Poverty Reprint no. 345.

Irwin Garfinkel and John Palmer, "Issues, Evidence, and Implications." Overview essay in *Creating Jobs: Public Employment Programs and Wage Subsidies*, ed. J. Palmer. Washington: The Brookings Institution, 1978. (Forthcoming Institute Reprint).

Robert Haveman, "Direct Job Creation: Potentials and Realities." Institute for Research on Poverty Discussion Paper no. 570-79.

Robert Haveman and Gregory Christainsen, "Public Employment and Wage Subsidies in Western Europe and the U.S.: What We're Doing and What We Know." Institute for Research on Poverty Discussion Paper no. 522-79.

Robert J. Lampman, "Labor Supply and Social Welfare Benefits in the United States." Institute for Research on Poverty Special Report no. 22.

Stanley Masters and Rebecca Maynard, "Supported Work: A Demonstration of Subsidized Employment." Institute for Research on Poverty Discussion Paper no. 551-79.

Irving Piliavin and Rosemary Gartner, "Assumptions to Achievements of Manpower Programs for Offenders: Implications for Supported Work." Institute for Research on Poverty Discussion Paper no. 541-79.

Policy Analysis Series Books

Robert H. Haveman, ed. *A Decade of Federal Anti-poverty Programs: Achievements, Failures, and Lessons*. New York: Academic Press, 1977.

Maurice MacDonald, *Food, Stamps, and Income Maintenance*. New York: Academic Press, 1977.

Robert D. Plotnick and Felicity Skidmore, *Progress Against Poverty: A Review of the 1964-1974 Decade*. New York: Academic Press, 1975.

- to substitute earned income from private sector work for welfare income for Wisconsin's disadvantaged population
- to improve the equity among various groups of disadvantaged people, and between the poor population and those who are non-poor.

The *Report's* short-range agenda was designed to offer immediate remedies for inadequacies in the existing income and work opportunity system. It recommended (1) immediate implementation of policies stimulating private employment, such as the enactment of a supplementary state EITC for low-income workers and a state supplementation of the Targeted Jobs Tax Credit; (2) establishment of statewide eligibility and payment standards, and if need be coordinating offices, in such areas as General Relief, child care, and AFDC.⁶

But both the Committee and the official to whom it submitted its report—Secretary of Health and Social Services Donald Percy—clearly believed that any reform agenda that stopped short at merely incremental changes in the existing legislation could not begin to meet the social and economic problems posed by and for the disadvantaged population. Systematic change—“basic and fundamental reform”—was needed.

To this end the Committee set out, in its long-range agenda, a total restructuring of existing state tax and transfer programs.

The reform program was developed under three main heads: Income Support, Employment Stimulation, and Provision of Social Services. All three involved major administrative rationalizations. These will not be discussed here; we shall concentrate instead on the general tenor of the proposals.

Income support. If the Committee's plan were adopted, the existing state income tax, and all separate welfare programs such as AFDC or Food Stamps would be replaced by a new, integrated tax-transfer system: a credit income tax supplemented by a cash payment equivalent to the current value of food stamps, a refundable earned income tax credit, and a new child support system.

Employment stimulation. The *Report* directly rejected traditional aggregate demand policies, such as general tax incentives, because of their ineffectiveness at the state level and transfer policies because of their serious work disincentives. It recommended instead a combination of labor demand and labor supply policies directed above all at increasing private sector employment. The committee believes that a flexible mixture of targeted and marginal employment subsidies similar to those included in their short-run recommendations be made a permanent part of

the economic landscape. These, they considered, were important policy instruments to reduce the potential risks to employers of hiring disadvantaged workers, to increase financial rewards and work incentives for such workers, and to induce additional on-the-job training and work experience.

Provision of social services. The reforms proposed under this rubric were directed not only to eliminating the stigmatizing elements that have been so prominent in the present welfare system, but to ensuring that all those poor people, working or not, who were in need of medical or child care assistance would receive it. Currently such services are often conditional on status as a welfare recipient, and drastic cutoff lines and benefit reduction rates are applied to those who are beginning to earn their way off welfare. The new system would thus eliminate those features of the present system that discourage work or active job search.

Recognizing the limits inherent in dealing, at a state level, with areas on which national policies clearly impinge, the Committee nevertheless recommended that the state develop a health care coinsurance plan if the federal government did not soon adopt national health insurance. And, as a corollary to the employment-related strategies they had earlier proposed, they stressed the necessity for effective state intervention to create efficient and equitable subsidized child care service.

Proposals along the lines of the two that we have briefly discussed represent only one approach among many currently competing for the attention of legislators and policymakers throughout the United States. But it is an approach that embodies some of the most recent conclusions emerging from the steadily expanding volume of research on the current tax-transfer system, and at its core is a direct attack on the vexed relationship between work and welfare that has so long eluded resolution. ■

¹See *Focus*, Vol. 3, no. 2 (Winter 1978-79): “Why Older Americans Don't Work.”

²Under a CIT as generally conceived, the obligation to file is universal, and there are no income exclusions or deductions to reduce taxable income; these are replaced by a system of refundable credits. The familiar set of tax brackets is eliminated in favor of a uniform nominal tax rate with one or two surtaxes at the highest income levels. Low-income persons receive payments from the Department of Revenue throughout the year, instead of having to “collect welfare.”

³Details are summarized in the *Socioeconomic Newsletter*, 4, 10, Oct. 1979.

⁴See *Focus*, Vol. 1, no. 3, and Vol. 3, no. 3.

⁵Wisconsin Welfare Reform Study Advisory Committee, *Report and Recommendations*. Madison, Wisconsin: Department of Health and Social Services, 1979.

⁶There were other more minor specific suggestions, not addressed here.

Child support

continued from page 8

broader welfare reform proposal which begins with a modest credit income tax. To this he adds a social child support program in which all single adults caring for one or more children would be eligible for a public payment that would depend only on the number of children for which care was being provided. The payments would be financed by a tax on the absent parent, equal to a proportion of that parent's income for each child not living with him. The parent with the children would receive the standard minimum or the amount paid by the absent parent—whichever was larger. Child support would thus be taken out of the courts altogether. All the complicating factors now inaccurately quantified in determining the amount of child support—the earnings of the wife, whether or not she remarried, the increasing expenses and responsibilities of the father (for example if he fathers another family)—would be disregarded. Only the income of the father and the number of absent children would determine the amount of his liability.

Garfinkel does not suggest equalizing income across the two households. He sees such a policy as both unenforceable and unfair. He proposes that the amount of support an absent parent should pay be determined by first ascertaining the proportion of their income that married couples spend on their children. Garfinkel assumes that it is a good deal less than 50 percent: perhaps 10 percent for the first child and 4 percent for each additional child. He further suggests that the tax rates on absent parents be somewhat higher than the amount spent by parents who live with their children, since parents who live with their children can provide a higher standard of living at lower cost than can parents who live in separate establishments. This extra cost of separation would serve as an incentive to families to stay together.

Garfinkel proposes a number of possible means of enforcement. Among them is the possibility of adding this tax to the income tax and having the benefits administered by the Social Security Administration. Even if a credit income tax were not employed, it would be extremely simple to collect the absent parent's support payments using the current withholding system and collecting from the poor and the self-employed in those years when they paid taxes. Those who failed to pay their child support would face the same penalties as those who fail to pay other taxes. However, there are clearly drawbacks in using the personal income tax, itself in need of reform, as the vehicle to enforce the collection of child support.

Child support and human behavior

Both the Watts, Jakubson, Skidmore plan and the Garfinkel plan contain the essentials of an equitable child sup-

port system: an adequate guaranteed income for all children in households that contain a single parent; elimination of the dual system by which the courts determine child support payments for some and the states and federal government determine payments for others; and an impartial enforcement of the obligation of child support. The question then arises, What impact will such a system have on our society?

Public policy invariably has its effects on the behavior of individuals, but it is not easy to predict what these effects will be. It has been suggested that rigorous enforcement of child support payments will reduce the divorce rate by making it impossible for men to escape economic responsibility for their children by leaving home: it should be cheaper to stay married. Enforcement may discourage absent parents from remarrying. And it may restrain those who do remarry from producing a new family, for doing so will no longer excuse them from the obligation of maintaining their former family. It will clearly limit the freedom of men. Guaranteed child support payments may have the opposite effect on women. It will certainly encourage those women to seek divorce whose only reason for staying married is the awareness that they—and their children—will be a good deal worse off economically should they leave. How great this “independence effect” will be is one of the many unknowns yet to be calculated.

Future directions

A team of researchers at the Institute, led by Garfinkel, is now developing a proposal to study the existing child support system, evaluate alternative proposals to reform the system, and ultimately design and draft legislation for a new program. They are seeking funding from foundations and federal and state agencies to carry out this work.

Reform of the child support system is a matter of great urgency. Until recently it was assumed that the institution of marriage served to protect children. But marriage is no longer a permanent and inviolable commitment. Some other means must be devised to ensure that children are not the victims of changing times and changing ways.

¹Judith Cassetty. *Child Support and Public Policy* (Lexington, Mass.: Lexington Books, 1978), p. 82.

²Maurice MacDonald, “Policies for collecting child support for AFDC mothers: An empirical analysis” (in press), p. 31.

³Harold W. Watts, George Jakubson, and Felicity Skidmore, “Single-parent Households under Alternative Transfer and Tax Systems: Detailed Simulations and Policy Conclusions.” Institute for Research on Poverty D.P. 549-79.

⁴Irwin Garfinkel, “A Proposal for a Universal Child Support Program: First Thoughts on Program Design.” Mimeographed.

Recent Institute publications

1. Institute Monograph Series

An Analysis of the Determinants of Occupational Upgrading by Duane E. Leigh. 1978. \$16.00.

Black-White Income Differentials: Empirical Studies and Policy Implications by Stanley H. Masters, 1975. \$13.50.

Class Structure and Income Determination by Erik O. Wright. 1979. \$21.00.

Earnings Capacity, Poverty, and Inequality by Irwin Garfinkel and Robert H. Haveman with the assistance of David Betson. 1977. \$12.00.

The Economic Impacts of Tax-Transfer Policy: Regional & Distributional Effects by Fredrick L. Golladay and Robert H. Haveman with the assistance of Kevin Hollenbeck. 1976. \$14.00.

Estimating the Labor Supply Effects of Income-Maintenance Alternatives by Stanley Masters and Irwin Garfinkel. 1978. \$17.50.

Improving Measures of Economic Well-Being edited by Marilyn Moon and Eugene Smolensky. 1977. \$16.00.

Income, Employment and Urban Residential Location by Larry Orr, 1975. \$9.75.

Integrating Income Maintenance Programs by Irene Lurie, 1975. \$19.50.

The Measurement of Economic Welfare: Its Application to the Aged Poor by Marilyn Moon. 1977. \$13.50.

THE NEW JERSEY INCOME-MAINTENANCE EXPERIMENT

Volume 1: Operations, Surveys, and Administration edited by David Kershaw and Jerilyn Fair. 1976. \$15.00.

Volume 2: Labor-Supply Responses edited by Harold W. Watts and Albert Rees. 1977. \$28.50.

Volume 3: Expenditures, Health, and Social Behavior; and the Quality of the Evidence edited by Harold W. Watts and Albert Rees. 1977. \$29.50.

Patterns of Interracial Politics: Conflict and Cooperation in the City by Peter K. Eisinger. 1976. \$11.75.

Political Language: Words That Succeed and Policies That Fail by Murray Edelman. 1977. \$12.50 (paper \$4.50).

Public Expenditures, Taxes, and the Distribution of Income: The U.S., 1950, 1961, 1970 by Morgan Reynolds and Eugene Smolensky. 1977. \$14.00.

Social Movements and the Legal System: A Theory of Law Reform and Social Change by Joel F. Handler. 1978. \$17.00.

2. Institute Poverty Policy Analysis Series

A Decade of Federal Antipoverty Programs: Achievements, Failures, and Lessons edited by Robert H. Haveman. 1977. \$17.00 (paper \$5.00).

Financing Black Economic Development by Timothy Bates and William Bradford. 1979. \$16.00 (paper \$7.50).

Food, Stamps, and Income Maintenance by Maurice MacDonald. 1977. \$13.00 (paper \$5.95).

Lawyers and the Pursuit of Legal Rights by Joel F. Handler, Ellen Jane Hollingsworth and Howard S. Erlanger. 1978. \$14.50 (paper \$5.95).

Progress Against Poverty: A Review of the 1964-1974 Decade by Robert D. Plotnick and Felicity Skidmore, \$12.75. (paper \$4.50).

Protecting the Social Service Client: Legal and Structural Controls on Official Discretion by Joel F. Handler. 1975. \$13.00 (paper \$6.00).

Order Form for Institute BOOKS

Send to: Academic Press, Order Department
115 5th Avenue
New York, N.Y. 10003

Customers ordering from Academic Press, New York—send payment with order and save postage and \$.50 handling fee.

Name: _____

Address: Number and Street _____

City _____ State _____ Zip _____

BOOK TITLE(S) 1. _____

2. _____

3. _____

Payment Enclosed _____ Bankamericard no. _____

American Express no. _____

Diners Club no. _____

Signature: _____

(all orders subject to credit approval)

Prices subject to change without notice. For book orders add applicable sales tax.

Order Form For Institute DISCUSSION PAPERS AND REPRINTS (free of charge)

Send to: Institute for Research on Poverty
3412 Social Science Building
University of Wisconsin
Madison, Wisconsin 53706

Name: _____

Address: Number and Street _____

City _____ State _____ Zip _____

DISCUSSION PAPER nos. _____

REPRINT AND SPECIAL REPORT nos. _____

Note: DO NOT ORDER DISCUSSION PAPERS OR REPRINTS IF YOU RECEIVE EITHER CATEGORY ON A REGULAR BASIS

Order Form for FOCUS NEWSLETTER (free of charge)

Send to: Institute for Research on Poverty
3412 Social Science Building
University of Wisconsin
Madison, Wisconsin 53706

Name: _____

Address: Number and Street _____

City _____ State _____ Zip _____

Focus

Institute for Research on Poverty
3412 Social Science Building
University of Wisconsin-Madison
Madison, Wisconsin 53706

